Financial perspective, revision 2001-2006: mobilisation of the flexibility instrument for Serbia

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PURPOSE : to revise the financial perspective (2001-2006) for the financing of the programme of assistance for the Western Balkans and the reclassification of aid to Cyprus and Malta. CONTENT : this communication contains the Commission's proposal for the revision of the financial perspective, in conjuction with the programme of assistance for the reconstruction, development and stabilisation of the Western Balkans and a new programme for heading 4 set out in separate documents. Firstly, it is worth noting that the new factors have to be taken into account since the conclusion of the interinstitutional agreement (IIA) of 6 May 1999. For instance, the financial perspective agreed by the institutions after the Berlin European Council in March 1999 does not allow for the possible impact on the Community budget of the events occurring at the time in the Balkans. Furthermore, the budgetary authority decided on 16 December 1999 to draw EUR 200 million from the flexibility instrument to provide additional funding required in 2000 for aid for the reconstruction of Kosovo. At that time, the Commission confirmed that it would propose at a later date a programme of assistance for the period 2000-06 for the Western Balkans, including Kosovo, the amount of which would require it to present a proposal for the revision of the financial perspective, accompanied by a programming of expenditure for heading 4. As regards the development of the enlargement process, the financial perspective agreed in the IIA contains a heading 7 covering pre-accession aid for the 10 applicant countries from Central and Eastern Europe. In line with the conclusions of the December 1999 Helsinki European Council for the development of the enlargement process, the Council recently adopted, on a proposal by the Commission a new regulation concerning aid for Cyprus and Malta, which currently comes under cooperation with non-member Mediterranean countries covered by heading 4 of the financial perspective, to make it pre-accession aid instead. For the sake of consistency in the presentation of the financial framework, it would therefore be logical for the allocations earmarked for this instrument of pre-accession aid to the two applicant countries concerned to be included under the corresponding heading of the financial perspective. Parliament asked for this reclassification during the debate on the 2000 budget. In addition, the purpose of this reclassification, under heading 7 of the financial perspective, is to identify it as the status it will have when the new legal base is renewed.