Support for the United Nations Interim Mission in Kosovo (UNMIK), the Office of the High Representative in Bosnia and Herzegovina (OHR) and the Stability Pact for south-eastern Europe (SP)

2003/0143(CNS) - 02/07/2003 - Legislative proposal

PURPOSE : to amend Council Regulation 1080/2000/EC in order to provide a legal basis for Community financial support for the Stability Pact for Southern-Europe. CONTENT : the EU plays a leading role in the Stability Pact for South-Eastern Europe (SP) which is a regional policy framework established by the international community in an attempt to support the countries in that region in their effort to foster peace, democracy, respect for human rights and economic prosperity and to achieve stability in the region as a whole. In fact, the Council has until now appointed an EU Special Representative (EUSR) to act as Special Coordinator of the SP and provided him with the necessary means to fulfil his mandate by adopting renewed Joint actions under the CFSP. In the framework of the review by the Council and the Commission of CFSP, it has been agreed to move EU financial support for the SP from CFSP to the first pillar and to remove the Special Coordinator of the SP from the list of EUSRs. In this context, the Commission is proposing a transfer of the financing of the operation from CFSP line 19 03 03 (former B8-012) "Conflict resolution, verification, support for the peace process and stabilisation" to line 19 07 04 (former B7-547) "Interim Civilian Administration". Yet line 19 07 04 will also have to cover those expenditures financed in 2003 by Council Administrative Budget line 1113 "Special advisers". Since the proposal to amend the Regulation was adopted by the Commission after the 2004 Preliminary Draft Budget, the accompanying EUR 2 million (not provided in Heading IV of the budget) will have to be secured in the 2004 budgetary procedure by means of an amendment by the budgetary authority. It is therefore necessary to provide a legal framework under the first pillar so as to cover, as from 1 January 2004, the Community's financial assistance to the SP. This objective is best achieved by amending Council Regulation 1080/2000/EC on support for the United Nations Interim Mission in Kosovo (UNMIK) and the Office of the High Representative in Bosnia and Herzegovina (OHR), to extend its scope to include the Stability Pact. This legal framework will ensure the transparency of Community financing of the SP, which will take the form of a grant, subject to the yearly conclusion of a financing agreement, based on a detailed budget submitted by the SP. The financing agreement will be concluded by the Commission, acting on behalf of the Community, with the SP. It will determine the amount of the grant, the eligible expenditure, the period covered, the implementing procedures and the procedures for verifying the management and ultimate destination of the Community grant. With regard to Article 2 of the Regulation 1080/2000/EC on the equitable division of costs with other members of the international community, co-financing in kind will be explicitly allowed. Concerning the budgetary implications of the proposed measure : the operation is to a large extent budget-neutral. The total allocation for action is EUR 6 million for commitment from the period 2004 to 2006 (that is EUR 2 million each year) to integrate into Heading IV "External Action" of the budget.