Budgetary discipline: mobilisation of the flexibility instrument for Kosovo

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PURPOSE: the mobilisation of the flexibility instrument provided for in the Inter-Institutional Agreement (IIA) of 6 May 1999 concerning the financing of European aid for the reconstruction of Kosovo.
CONTENT: In line with the IIA of 06.05.1999 (see OJEC, C. 172 of 18/06.1999, p. 1) two sorts of procedures can be used to cope with needs which would exceed the ceiling of a heading of the financial perspective: 1) the pure and simple revision of the financial perspectives with due regard for own resources in order to cope with unexpected situations; 2) the mobilisation of the so-called 'flexibility instrument' which has an annual amount of 200 million euro. This is intended to allow financing, for a given financial year and up to the amount indicated, of clearly identified expenditure which could not be financed within the limits of the ceilings available for one or more other headings. The precondition for the use of this instrument is the examination by the Commission of all the possibilities of re-allocation of the appropriations under the heading concerned with the needs for additional expenditure. It should not be used for the same needs two years running. The budget for 2000 allocates 360 million euros for aid to the reconstruction of Kosovo in the year 2000. This proposal seeks to mobilise, for the year 2000 only, the flexibility measure up to 60 million euro. It should be mentioned that the reallocations possible within heading 4 ('External actions') have already reached d 190 million euros and that the flexibility instrument will have to remain operational during the execution of the 2000 budget for other international crises, or for other needs concerning other categories of expenditure. These appropriations will be made available to the Agency for the Reconstruction of Kosovo.