

# **Pre-accession financial assistance: amending Regulations to take into account of Croatia's candidate status**

2004/0260(CNS) - 29/10/2004 - Legislative proposal

**PURPOSE :** to change the Phare, ISPA, SAPARD and CARDS Regulations to take into account Croatia's candidate status.

**PROPOSED ACT :** Council Regulation.

**CONTENT :** Croatia was given Candidate status at the European Council meeting in June 2004. The European Council asked the Commission to prepare a pre-accession strategy for Croatia, including the necessary financial instrument.

The Commission determined that Croatia should have access not only to Phare, but might moreover benefit from having access to ISPA and SAPARD during the current financial perspective. It could therefore prepare for the management structures, learn the rules and modalities, and establish project pipelines for the next financial perspectives, when it will have full access to the Structural and Agricultural Components foreseen under the future Instrument for Pre-Accession Assistance (IPA). It was therefore decided to give Croatia access to all three pre-accession instruments, and to allocate a certain amount of funds under the ongoing financial perspective. As funding will be limited to what is foreseen under the ongoing financial perspective, a derogation to the criteria determining the funding in Art. 4 of the ISPA Regulation is also necessary. The Commission proposed amendments to Regulations 3906/1989/EEC, 1267/1999/EC, 1268/1999/EC and Regulation 2666/2000/EC.

In order to ensure the continuity of activities supporting regional co-operation between the Western Balkans as initiated under the CARDS Regulation, and contributing to the Stabilisation and Association Process as the Community's Western Balkans policy, the amendment to the CARDS Regulation clarifies that Croatia will be expected to continue to participate in the CARDS Regional Programme, as far as this addresses issues not covered under the pre-accession instruments.

Some minor corrections were also made to the Regulations in question, to adapt the terminology to the one used now by the Financial Regulation. In this context it should be noted that the derogation set down in Art. 269 of the Implementing Rules to the Financial Regulation, which granted pre-accession aid an exemption from the requirement set down in Art. 164, continues to apply for Romania and Bulgaria but will not apply to Croatia.

## **FINANCIAL IMPLICATIONS :**

- Budget lines and headings :

05 01 04 03 - The SAPARD pre-accession Instrument – Expenditure on administrative management;

05 05 01 01 - The SAPARD pre-accession Instrument;

13 01 04 02 - Instrument for structural policies for pre-accession (ISPA) – Expenditure on administrative management;

13 05 01 01 - Instrument for structural policies for pre-accession;

22 01 04 01 - Pre-accession assistance for countries of central and eastern Europe – Expenditure on administrative management;

22 01 04 05 - Technical Assistance Information Exchange Office (TAIEX) actions in the framework of the pre-accession instruments – Expenditure on administrative management;

22 02 01 - Pre-accession assistance for countries of central and eastern Europe;

22 02 02 - Cross-border co-operation for central and eastern Europe

22 02 06 - Technical Assistance Information Exchange Office (TAIEX) actions in the framework of the pre-accession instruments;

22 02 10-Pre-accession multi-country horizontal programmes.

Overall figures:

- Total allocation for action : EUR 245 million.

- Period of application: (start and expiry years) 2005 – 2006.

Total commitment appropriations/payment appropriations:

Phare – EUR 154.6 million.

ISPA – EUR 59 million.

SAPARD – EUR 24.6 million.

Total – EUR 238.2 million.

Technical and administrative assistance: of which staff EUR 4.2 million.

Technical and administrative assistance: of which support expenditure:

Phare – EUR 1.8 million.

ISPA – EUR 0.6 million.

SAPARD – EUR 0.2 million.

Total – EUR 2.6 million.

Overall financial impact of human resources and other administrative expenditure : EUR 10

Total staff : 52.