



COMMISSION OF THE EUROPEAN COMMUNITIES

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Proposal for a

COUNCIL DECISION

**outlining the general approach for the reallocation of resources under Regulation (EC)
No 1267/1999 establishing an Instrument for Structural Policies for Pre-accession**

(presented by the Commission)

EXPLANATORY MEMORANDUM

The Copenhagen European Council of 12 and 13 December 2002 endorsed the results of the negotiations which will result in the accession to the Community in 2004 of eight countries currently benefiting from the provisions of Council Regulation (EC) 1267/1999. Consequently, during the period from 2004 to 2006, only Bulgaria and Romania will continue to benefit from commitments under that Regulation.

Furthermore, by endorsing the roadmaps for Bulgaria and Romania proposed by the Commission [COM(2002)624 final], the Copenhagen European Council agreed to a significant increase in pre-accession assistance. As regards the increase of financial resources, the European Parliament and the Council decided on 19 May 2003 to adjust the financial perspectives for enlargement (OJ L 147, 14 June 2003, page 25).

In relation to the division of the financial allocation between Romania and Bulgaria there is still a need to adopt a legally binding act. In the case of ISPA this act shall be adopted in accordance with Article 15, second subparagraph of Council Regulation (EC) No 1267/1999, which provides that: *“The Council acting by qualified majority on a proposal from the Commission, shall take a decision outlining the general approach for reallocation”*.

Therefore, the Council is requested to adopt the attached draft proposal for a Council Decision outlining the general approach for the reallocation of the available financial resources for the ISPA instrument between Romania and Bulgaria, as provided for by Article 15 of Council Regulation (EC) 1267/1999.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation No 1267/1999 of 21 June 1999 establishing an Instrument for Structural Policies for Pre-accession¹, and in particular the second paragraph of Article 15 thereof,

Having regard to the proposal from the Commission²,

Whereas:

- (1) The Copenhagen European Council of 12 and 13 December 2002 endorsed the results of the negotiations which will result in the accession to the Community in 2004 of eight countries currently benefiting from the provisions of Council Regulation (EC) 1267/1999. Consequently, during the period from 2004 to 2006, only Bulgaria and Romania will continue to benefit from commitments under that Regulation.
- (2) By endorsing the “roadmaps” for Bulgaria and Romania proposed by the Commission, the Copenhagen European Council agreed, by way of a general approach for reallocation, that the ratio for reallocation should be fixed at 30/70, respectively, under the Phare programme set up under Council Regulation (EEC) No 3906/89 of 18 December 1989 on economic aid to the Republic of Hungary and the Polish People's Republic³, the special accession programme for agriculture and rural development (SAPARD) set up under Council Regulation (EC) No 1268/1999 of 21 June 1999⁴ and the Instrument for Structural Policies for Pre-accession (ISPA), set up under Regulation No 1267/1999.
- (3) In accordance with the first paragraph of Article 15 of Regulation (EC) No 1267/1999, the ratio takes account of the need and capacity of Bulgaria and Romania for absorbing assistance, as well as of the criteria laid down in Article 4 of that Regulation.

¹ OJ L 161, 26.6.1999, p.73. Regulation as last amended by Council Regulation (EC) No 2500/2001 (OJ L 342, 27/12/2001, p.1)

² OJ C , , p.

³ OJ L 375, 23.12.1989, p.11. Regulation as last amended by Council Regulation (EC) No 807/2003 (OJ L 122 , 16.5.2003, p.36)

⁴ OJ L 161, 26.6.1999, p.87

- (4) Since the 70/30 ratio applies to the three-year period 2004 to 2006 as a whole, it is appropriate to permit an indicative allocation of the total resources on an annual basis consistent with that ratio.
- (5) Consequently, the general approach for reallocation between the remaining beneficiary countries, namely Bulgaria and Romania, should be that the 70/30 ratio is to apply to the three-year period from 2004 to 2006 as a whole, and an indicative allocation of the total resources is to be determined on an annual basis in accordance with a *fourchette* reflecting that overall ratio.

HAS DECIDED AS FOLLOWS:

Sole Article

By way of a general approach for the three-year period 2004 to 2006, the resources under Regulation (EC) No 1267/1999 shall be reallocated between Romania and Bulgaria in accordance with a ratio of 70/30, respectively, applicable to that period as a whole.

During the three-year period referred to in the first paragraph, the annual allocation of resources under Regulation (EC) No 1267/1999 shall be determined on the basis of an indicative ratio of 65% to 75% of total resources in the case of Romania and 25% to 35% of total resources in the case of Bulgaria.

Done at Brussels,

For the Council
The President