

# EUROPEAN PARLIAMENT

1999



2004

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*Session document*

FINAL  
**A5-0390/2003**

6 November 2003

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## **REPORT**

on the proposal for a Council regulation on amending Council Regulation (EC) No 1080/2000 of 22 May 2000 on support for the United Nations Interim Mission in Kosovo (UNMIK) and the Office of the High Representative in Bosnia and Herzegovina (OHR)  
(COM(2003) 389 – C5-0325/2003 – 2003/0143(CNS))

Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

Rapporteur: Hannes Swoboda

### ***Symbols for procedures***

- \* Consultation procedure  
*majority of the votes cast*
- \*\*I Cooperation procedure (first reading)  
*majority of the votes cast*
- \*\*II Cooperation procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\* Assent procedure  
*majority of Parliament's component Members except in cases  
covered by Articles 105, 107, 161 and 300 of the EC Treaty and  
Article 7 of the EU Treaty*
- \*\*\*I Codecision procedure (first reading)  
*majority of the votes cast*
- \*\*\*II Codecision procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\*III Codecision procedure (third reading)  
*majority of the votes cast, to approve the joint text*

(The type of procedure depends on the legal basis proposed by the Commission)

### ***Amendments to a legislative text***

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

## CONTENTS

	<b>Page</b>
PROCEDURAL PAGE .....	4
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION .....	5
EXPLANATORY STATEMENT .....	8
OPINION OF THE COMMITTEE ON BUDGETS .....	10

## PROCEDURAL PAGE

By letter of 16 July 2003 the Council consulted Parliament, pursuant to Article 181a (2) of the EC Treaty, on the amended proposal for a Council regulation on amending Council Regulation (EC) No 1080/2000 of 22 May 2000 on support for the United Nations Interim Mission in Kosovo (UNMIK) and the Office of the High Representative in Bosnia and Herzegovina (OHR) (COM(2003) 389 – 2003/0143(CNS)).

At the sitting of 1 September 2003 the President of Parliament announced that he had referred the proposal to the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy as the committee responsible and the Committee on Budgets for its opinion (C5-0325/2003).

The Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy had appointed Hannes Swoboda rapporteur at its meeting of 8 July 2003.

The committee considered the Commission proposal and draft report at its meetings of 7 October and 3-4 November 2003.

At last meeting it adopted the draft legislative resolution by unanimously.

The following were present for the vote: Baroness Nicholson of Winterbourne (vice-chairwoman), Geoffrey Van Orden (vice-chairman), Christos Zacharakis (vice-chairman), Hannes Swoboda (rapporteur), Per-Arne Arvidsson, Alexandros Baltas, Bastiaan Belder, Cess Bremmer (for Arie M. Oostlander), Véronique De Keyser, Hélène Flautre (for Per Gahrton), Glyn Ford, Michael Gahler, Gerardo Galeote Quecedo, Jas Gawronski, Vitaliano Gemelli (for Franco Marini), Alfred Gomolka, Richard Howitt, Ulpu Iivari (for Rosa M. Díez González), Joost Lagendijk, Armin Laschet, Jo Leinen (for Klaus Hänsch), Pedro Marset Campos, Miguel Angel Martínez Martínez (for Magdalene Hoff), Pasqualina Napoletano, Bill Newton Dunn (for Ole Andreasen pursuant to Rule 153(2)), Raimon Obiols i Germà, Jacques F. Poos, Lennart Sacrédeus (for John Walls Cushnahan), José Ignacio Salafranca Sánchez-Neyra, Amalia Sartori, Elisabeth Schroedter, Ioannis Souladakis, Ursula Stenzel, Ilkka Suominen, Charles Tannock, Gary Titley (for Catherine Lalumière), Joan Vallvé, Karl von Wogau, Jan Marinus Wiersma, and Matti Wuori.

The opinion of the Committee on Budget is attached.

The report was tabled on 6 November 2003.

## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a Council regulation on amending Council Regulation (EC) No 1080/2000 of 22 May 2000 on support for the United Nations Interim Mission in Kosovo (UNMIK) and the Office of the High Representative in Bosnia and Herzegovina (OHR) (COM(2003) 389 – C5-0325/2003 – 2003/0143(CNS))**

### **(Consultation procedure)**

*The European Parliament,*

- having regard to the Commission proposal to the Council (COM(2003) 389)<sup>1</sup>,
  - having regard to Article 181a (2) of the EC Treaty, pursuant to which the Council consulted Parliament (C5-0325/2003),
  - having regard to Rule 67 of its Rules of Procedure,
  - having regard to the report of the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy and the opinion of the Committee on Budgets (A5-0390/2003),
1. Approves the Commission proposal as amended;
  2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;
  3. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
  4. Calls for initiation of the conciliation procedure under the Joint Declaration of 4 March 1975 if the Council intends to depart from the text approved by Parliament;
  5. Asks the Council to consult Parliament again if it intends to amend the Commission proposal substantially;
  6. Instructs its President to forward its position to the Council and Commission.

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<sup>1</sup> Not yet published in OJ.

## Amendment 1

## ARTICLE 1, PARAGRAPH 2

Article 1, paragraph 2 (Council Regulation (EC) No 1080/2000)

2. This financing shall be in the form of a grant to the budgets of the UNMIK, the OHR and the SP.”

2. This financing shall be in the form of a grant to the budgets of the UNMIK, the OHR and the SP.” ***The amount of the grant shall take into account the contributions from Member States and will be subject to the annual budgetary procedure.***

*Justification*

*The grant from the Community should be seen in the light of the overall contributions, including those from Member States, and should be subject to the annual budgetary procedure.*

## Amendment 2

## ARTICLE 1, PARAGRAPH 3

Article 1a (Council Regulation (EC) No 1080/2000)

The Commission shall appoint the Special Coordinator of the Stability Pact, after consultation with the OSCE Chairman in Office and other participants, and endorsement by the OSCE Chairman in Office.

The Commission shall appoint on ***an annual basis*** the Special Coordinator for the Stability Pact ***for South-East Europe***, after consultation with the ***relevant committee of the European Parliament and with the*** OSCE Chairman in office and other participants and endorsement by the OSCE Chairman in Office, ***as foreseen in the Cologne Agreement of June 1999, on the creation of the Stability Pact for South-East Europe.***

*Justification*

*Transferring the appointing competence of the Special Co-ordinator from the Council to the Commission, as well as the legal framework of its activity from second pillar (CFSP) to first pillar (External Relations Community Actions), will also have to be accompanied by a closer involvement of the European Parliament (a budgetary and political authority in this area). It is also necessary to establish a deadline for the Special Coordinator's term of office.*

Amendment 3  
ARTICLE 1, PARAGRAPH 3a (NEW)  
Article 1b (new) (Council Regulation (EC) No 1080/2000)

***" Article 1b"***

***The candidate nominated by the Commission shall be invited to make a statement before the relevant committee of the European Parliament.***

***The European Parliament shall make, on the basis of the outcome of this hearing, a recommendation to the Commission.***

*Justification*

*The procedure to follow for the consultation of the European Parliament's relevant committee must be similar to the one already established for similar cases of consultation of the European Parliament.*

## EXPLANATORY STATEMENT

1. The Commission's proposals views to transfer to the first pillar of the Union's activity the financing of the administrative costs related to the activity of the Special Co-ordinator for South-East Europe and the corresponding office.
2. This transfer is in line with the European Parliament usual approach regarding the evolution of actions created and initiated under CFSP (second pillar) which should be followed by the Community activities (first pillar)<sup>1</sup>.
3. Such a transfer has however to be done in the respect of the competence of each Institution and should facilitate reinforcing the political accompaniment and monitoring of the Stability Pact's activity by the European Union institutions, in order to ensure that it will be complementary with the Stabilisation and Association Process.
4. The Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy of the European Parliament has, therefore, to be given the opportunity to hold a hearing on the person nominated by the Commission, which should only appoint the Special Coordinator after the adoption of the Committee's Recommendation.
5. Furthermore, the transitional nature of the Stability Pact for South-East Europe has to be maintained and this transfer shall in any case open the door to transforming this initiative into a permanent task of the European Union and the creation of new permanent administrative structures. Maintaining the Council's six month financing system in favour of the Special Co-ordinator and his office seems however too short a time to allow the development of consistent strategies. The rapporteur therefore proposes establishing a one-year mandate system.
6. The 3 amendments proposed aim therefore to:
  - ensure that the grant by the EU budget is seen in the light of the overall contributions by EU Member States and subject to the annual budgetary procedure;
  - ensure the involvement of the European Parliament in the decisional process of appointing the Special Coordinator;
  - establish a deadline for the duration of the term of office of the Special Co-ordinator which will facilitate a periodical assessment on the political interest in maintaining this initiative.
7. The preparation of this legislative report has been done in close co-operation with the Committee on Budgets. As the European Parliament is giving its opinion under the simple consultation process, the only way to make sure that the Commission will change its initial proposal or that the Council will align with the amendments of the European Parliament is by holding at legislative and budgetary level the decisions of the European Parliament, until a clear positive signal is given by the Commission or the Council.

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<sup>1</sup> See the EP Report of 19 April 2000 on the transfer of the financing of UNMIK and OHR (A50111 2000) and the corresponding Resolution adopted.



8. The Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, after voting on the draft report, gave mandate to the rapporteur to negotiate with the Council with a view to reaching an acceptable agreement on the amendments before the vote in plenary. A meeting with the Council Presidency representative and the Commission representative was held on 5 November 2003.

7 October 2003

## **OPINION OF THE COMMITTEE ON BUDGETS**

for the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

on the proposal for a Council regulation amending Council Regulation (EC) No 1080/2000 of 22 May 2000 on support for the United Nations Interim Mission in Kosovo (UNMIK) and the Office of the High Representative in Bosnia and Herzegovina (OHR) (COM(2003) 389 – C5-0325/2003 – 2003/0143(CNS))

Draftsman: Göran Färm

### **PROCEDURE**

The Committee on Budgets appointed Göran Färm draftsman at its meeting of 11 September 2003.

It considered the draft opinion at its meeting of 7 October 2003.

At the meeting it adopted the following amendments unanimously.

The following were present for the vote: Terence Wynn (chairman), Reimer Böge (vice-chairman), Anne Elisabet Jensen (vice-chairwoman), Franz Turchi (vice-chairman), Göran Färm (draftsman), Joan Colom i Naval, Bárbara Dührkop Dührkop, Markus Ferber, Catherine Guy-Quint, Jan Mulder, Giovanni Pittella, Per Stenmarck, Kyösti Tapio Virrankoski, Ralf Walter and Brigitte Wenzel-Perillo.

## SHORT JUSTIFICATION

In the context of the review by the Council and the Commission of CFSP instruments and in view of the fact that they will be streamlined by May 2003, it has been suggested to move EU financial support for the Stability Pact (SP) from CFSP to the first pillar and to remove the Special Coordinator of the SP from the list of EU Special Representatives.

This would reflect the fact that, since the mandate of the SP was confirmed with a medium-term objective, it would appear inappropriate that the SP should continue to be subject to the rules applied to EUSRs, in particular the six-monthly mandate renewal rule.

In order to do so, a legal framework under the first pillar would be created so as to cover, as from 1.1.2004, the Community's financial assistance to the SP.

It is suggested to do this by amending Council Regulation (EC) No 1080/2000 of 22 May 2000 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 SP.**

In the 2004 budgetary procedure, 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" is proposed in the Council's Draft Budget. It should be pointed out that line 19 07 04 will also have to cover those expenditures financed in 2003 by Council Administrative Budget line 1113 "Special advisers".

Community financing will be in the form of a grant to the budget of the SP. The rapporteur believes that it should be stated that this contribution will be subject to the annual budget procedure and that it shall be agreed bearing in mind the contributions from Member States.

The financing would look as follows (indicative table from the Commission's Financial Statement)

**Commitments in € million**

Breakdown	N 2003 (p.m.)	N + 1 2004	N + 2 2005	N + 3 2006	N + 4	N + 5 and subs. Years	Total
<b><u>EU Contribution</u></b>	1,9	2	2	2	p.m.	p.m.	6
Of which :							
- 19 07 04 (former B7-547)	0	2	2	2			6
- 19 03 03 (former B8-012)	1, 58	0	0	0			
-Council Administrative budget line 1113	0,32	0	0	0			0
<b><u>Bilateral contributions by Member States</u></b>							p.m.
A, B, D, DK, EL, IRL, I, NL, S	p.m.	p.m.	p.m.	p.m.			
<b><u>Non-contributing Member States</u></b>							
E, F, FIN, L, PT, UK	none	none	none	none			none
<b><u>Other financing contributions</u></b>	p.m.	p.m.	p.m.	p.m.			p.m.
USA, Switzerland, Canada, Croatia, FYROM, Hungary, Turkey, Czech Republic							
<b>TOTAL</b>	1,9	2	2	2			6

**Conclusion**

- As a matter of principle, it would seem positive to bring this action under the first pillar.
- However, it must be noted, that equal influence is currently only the case when it comes to the budgetary aspects of these two million under the first pillar.
- About € 0,3 million annually would come under heading 4 which is now in the Council's budget.
- The Budgets Committee has in first reading of the 2004 budget procedure rejected the two million increase under line (19 07 04), following the logic that it was not acceptable that the Council cut across the board in all areas except for two million on this line. The line in question already got an extra € 5 million in the PDB so this should not impede the amending of this legal basis.

## AMENDMENTS

The Committee on Budgets calls on the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, as the committee responsible, to incorporate the following amendments in its report:

Text proposed by the Commission<sup>1</sup>

Amendments by Parliament

### Amendment 1

#### ARTICLE 1, PARAGRAPH 2

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#### *Justification*

*The grant from the Community should be seen in the light of the overall contributions, including those from Member States, and, it should be pointed out, is subject to the annual budget procedure.*

### Amendment 2

#### ARTICLE 1, PARAGRAPH 3

Article 1a (Council Regulation (EC) No 1080/2000)

The Commission shall appoint the Special Coordinator of the Stability *pact*, after consultation with the OSCE Chairman *on Office* and other participants, ***and endorsement by the OSCE Chairman on Office.***

The Commission shall appoint the Special Coordinator of the Stability ***Pact***, after consultation with ***the European Parliament and*** with the OSCE Chairman ***in*** Office and other participants.

#### *Justification*

*Following a transfer to the first pillar, this shall also be reflected in the appointing procedures of the Special Representative.*

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<sup>1</sup> Not yet published in OJ.