Council Regulation (EC) No 2257/2004 of 20 December 2004 amending Regulations (EEC) No 3906/89, (EC) No 1267/1999, (EC) No 1268/1999 and (EC) No 2666/2000, to take into account of Croatia's candidate status

COUNCIL REGULATION (EC) No 2257/2004

of 20 December 2004

amending Regulations (EEC) No 3906/89, (EC) No 1267/1999, (EC) No 1268/1999 and (EC) No 2666/2000, to take into account of Croatia's candidate status

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 181a(2) thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament,

Whereas:

(1) The European Council decided at its meeting in Brussels on 17 and 18 June 2004 that Croatia shall be a candidate country for membership, and requested the Commission to prepare a pre-accession strategy for Croatia, including the necessary financial instruments.

(2) In order to provide pre-accession assistance to Croatia it is appropriate to include it as a beneficiary under Council Regulations (EEC) No 3906/89 of 18 December 1989 on economic aid to certain countries of Central and Eastern Europe (PHARE)[(1)], Council Regulation (EC) No 1267/1999 of 21 June 1999, establishing an instrument for structural policies for pre-accession[(2)] (ISPA) and Council Regulation (EC) No 1268/1999 of 21 June 1999 on Community support for pre-accession measures for agriculture and rural development in the applicant countries of central and eastern Europe in the pre-accession period[(3)] (SAPARD).

(3) The Stabilisation and Association Agreement between the European Communities and their Member States and the Republic of Croatia, signed on 29 October 2001, in its Title III, requests Croatia to actively promote regional cooperation in the Western Balkans.

(4) The regional dimension of Community assistance to the Western Balkans is receiving a special attention through Council Regulation (EC) No 2666/2000 of 5 December 2000 on assistance for Albania, Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia and the Former Yugoslav Republic of Macedonia[(4)] (CARDS), with the view to promote regional cooperation, and Croatia should remain eligible for projects and programmes with a regional dimension.

(5) Decision 2004/648/EC[(5)] determines the principles, priorities and conditions contained in the European Partnership with Croatia.

(6) The Memorandum of Understanding on the development of the South East Europe Core Regional Transport Network should facilitate the process of selecting priority measures for developing a pan-European transport network during the pre-accession period.

(7) The entry into force of Regulation (EC, Euratom) 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities[(6)] necessitates certain adaptations of the Regulations to bring terminology and current practises in line with the abovementioned Regulation.

(8) Although the new Member States are not mentioned in this Regulation, Article 33 of the 2003 Act of Accession provides for the application of Regulations (EC) No 3906/1989 and (EC) No 1267/1999 for these Member States during a transitional period.

(9) The Commission has adopted Regulation (EC) No 1419/2004[(7)] and Regulation (EC) No 447/2004[(8)] which constitute the legal basis for the financing of measures under SAPARD under commitments which had not yet been brought to an end by the date of accession. Any decisions by the Commission which might still become necessary until the finalisation of such commitments and which cannot be based upon the two abovementioned Regulations may still be based on Regulation (EC) No 1268/1999 as it was in force prior to the amendment of that Regulation by the present Regulation.

(10) Regulations (EEC) No 3906/89, (EC) No 1267/1999, (EC) No 1268/1999 and (EC) No 2666/2000 should be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Council Regulation (EEC) No 3906/89 is hereby amended as follows:

1. Article 3 shall be amended as follows:

(a) paragraph 3 shall be replaced by the following:

> 3. For applicant countries with accession partnerships with the European Union, funding under the PHARE programme shall focus on the main priorities for the adoption of the acquis communautaire, i.e. building up the administrative and institutional capacities of the applicant States and investment, except for the type of investments financed in accordance with Council Regulations (EC) No 1267/1999 of 21 June 1999 establishing an instrument for structural policies for pre-accession[(9)] and (EC) No 1268/1999 of 21 June 1999 on Community support for pre-accession measures for agriculture and rural development in the applicant countries of central and eastern Europe in pre-accession period[(10)], provided the conditions for funding measures under those two Regulations are met. PHARE funding may also be used to finance the measures in the fields of environment, transport and agriculture and rural development which form an incidental but indispensable part of integrated industrial reconstruction or regional development programmes.;

(b) the following paragraphs shall be added:

> 4. Assistance may be used to cover the participation of recipient countries under this Regulation in regional, cross-border, and, where

appropriate, transnational and interregional cooperation among themselves and between them and EU Member States.

5 Where appropriate, aid may also be used to cover a recipient country's participation in regional programmes under other legal instruments.;

2. in Article 8, the following subparagraph shall be added:

The Commission may, within the limits established in Article 54 of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities[(11)], decide to entrust tasks of public authority, and in particular budget implementation tasks to the bodies listed in Article 54(2) of that Regulation. The bodies defined in Article 54(2)(c) of Regulation (EC, Euratom) No 1605/2002 may be entrusted with tasks of public authority if they are of recognised international standing, comply with internationally recognised systems of management and control, and are supervised by a public authority.;

3. the list in the Annex shall be replaced by the following list:

Bulgaria
Croatia
Romania.

Article 2

Regulation (EC) No 1267/1999 is hereby amended as follows:

1. in Article 1, paragraph 1 shall be replaced by the following:

1. The Instrument for Structural Policies for Pre-Accession, hereinafter referred to as "ISPA" is hereby established.

ISPA shall provide assistance to contribute to the preparation for accession to the European Union of Bulgaria, Croatia and Romania, hereinafter referred to as the "beneficiary countries", in the area of economic and social cohesion, concerning environment and transport policies in accordance with the provisions of this Regulation.;

2. the following subparagraph shall be added at the end of Article 3:

Notwithstanding the above, Community assistance to Croatia shall be granted during the period from 2005 to 2006.;

3. the following subparagraph shall be added at the end of Article 4:

By way of derogation from the first and second sentence of this Article, the allocation for Croatia for 2005 and 2006 under this instrument shall be determined by the Commission on the basis of an assessment of the administrative absorption capacity and accession-driven investment needs of this beneficiary country.;

4. in Article 9, paragraph 1, lit. (a), the words 'as from 1 January 2000 and in any event not later than 1 January 2002,' shall be deleted.

Article 3

Regulation (EC) No 1268/1999 is hereby amended as follows: