



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 1.10.2003  
COM(2003) 576 final

2003/0225 (COD)

Proposal for a

**DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**on the mobilisation of the flexibility instrument in favour of the rehabilitation and reconstruction of Iraq according to point 24 of the Interinstitutional Agreement of 6 May 1999**

(presented by the Commission)

## **EXPLANATORY MEMORANDUM**

The present proposal aims at mobilising the instrument of flexibility in view of the financing of the reconstruction in Iraq for 2004 proposed in the amending letter n°1/2004. The Commission proposes to mobilise the flexibility instrument up to EUR 73 951 000.

The European Council of 19 and 20 June 2003 held in Thessaloniki invited the Commission to submit proposals for an EU contribution to the multilateral effort to assist Iraq's transition. In response to this invitation the Commission has adopted a Communication which provides a common approach for the participation of the European Union in the Madrid Ministerial Conference<sup>1</sup>, as well as setting out the Community's contribution to rehabilitation and reconstruction until the end of 2004.

The Commission has made a realistic assessment of the availability of resources under Heading 4 (External actions). It is therefore proposed that the Community share of the European contribution amounts to EUR 200 million over the 2003-2004 period, with EUR 40 million mobilised in 2003 and EUR 160 million in 2004. This amount is additional to the EUR 100 million that ECHO is implementing in 2003.

Since no appropriations have been included in the preliminary draft budget for 2004 concerning the Iraqi reconstruction, the Commission proposes to enter EUR 160 million in commitment appropriations onto a new line (article 19 08 07 "*Aid for rehabilitation and reconstruction of Iraq*") through the amending letter No 1 to PDB 2004, by mobilising the margin of the PDB under Heading 4 amounting to EUR 86 million and the flexibility instrument up to EUR 74 million above the ceiling of Heading 4. As for payments, it is estimated that EUR 128 million will be necessary, corresponding to 80% of the credits to be committed in 2004.

---

<sup>1</sup> "The European Union and Iraq: Approach to the Madrid Ministerial Conference, 24 October 2003", Communication of the Commission on the role that the EU intends to play in the reconstruction of Irak.

Proposal for a

**DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**on the mobilisation of the flexibility instrument in favour of the rehabilitation and reconstruction of Iraq according to point 24 of the Interinstitutional Agreement of 6 May 1999**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Interinstitutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure<sup>2</sup>, and in particular point 24 thereof,

Having regard to the proposal from the Commission<sup>3</sup>,

Whereas:

- (1) Following the European Council of 19 and 20 June 2003 in Thessaloniki, the Commission proposes that the Community share of the European contribution amounts to EUR 200 million over the 2003-2004 period, with EUR 40 million mobilised in 2003 and EUR 160 million in 2004,
- (2) The amount foreseen for 2004 was not entered in the Preliminary draft Budget for 2004. Accordingly, the Commission proposes to budget the EUR 160 million under the new dedicated budget line created through the amending letter No 1 to PDB 2004 (article 19 08 07). This amount will be financed by mobilising the margin of the PDB existing under Heading 4 'External actions' of the financial perspective (EUR 86 million) and the flexibility instrument (EUR 74 million).

HAVE DECIDED AS FOLLOWS:

*Article 1*

For the general budget of the European Union for the financial year 2004 (hereinafter "the 2004 budget"), the flexibility instrument shall be used to provide the sum of EUR 73 951 000 in commitment appropriations.

This amount shall be used for the financing of the aid for rehabilitation and reconstruction of Iraq, covered by Heading 4 "External actions" of the financial perspective, under the new article 19 08 07 of the 2004 budget.

---

<sup>2</sup> OJ C 172 of 18.6.1999, p. 1.

<sup>3</sup> OJ C [...], [...], p. [...].

*Article 2*

This decision shall be published in the *Official Journal of the European Union* at the same time as the 2004 budget.

Done at Brussels, [...]

*For the European Parliament*  
*The President*  
[...]

*For the Council*  
*The President*  
[...]