



COMMISSION OF THE EUROPEAN COMMUNITIES

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**COMMUNICATION FROM THE COMMISSION  
TO THE COUNCIL AND THE EUROPEAN PARLIAMENT**

*Urgent Community assistance to the regions neighbouring Kosovo*

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In response to the tragic situation caused by the influx of refugees from Kosovo to neighbouring regions, in particular Albania, FYROM and Montenegro, the European Community has provided immediate humanitarian assistance and has also committed itself to assisting these regions with financial support to cover additional expenses caused by the above mentioned situation.

This communication provides information on the provision of up to €100 million in the form of grants for support to governments to cover the refugee related costs. In addition thereto it should be noted that a separate proposal will be made to the budgetary authorities to transfer €150 million from the Emergency aid reserve (article B7-910) to Chapter B7-21 for direct humanitarian assistance. These two initiatives are mutually reinforcing and should be seen as a coherent reply to the current crisis. In order to facilitate the delivery of direct humanitarian assistance and to make it as effective as possible, it is indispensable to strengthen the capacities of the host countries to deal with the enormous inflow of refugees.

A few weeks ago the armed forces of the FRY launched a military offensive aimed at expelling the non-Serbian population from Kosovo. In the last few days we have been witnessing the systematic deportation of non-Serbian population from Kosovo to neighbouring regions.

According to latest data up to 06.04.1999, of the Kosovo refugees

- 280,000 have arrived in Albania,
- 136,000 have arrived in FYROM,
- 60,700 were displaced in Montenegro.
- As of 24 March, 260,000 were displaced within Kosovo (of which 35.000 on the border with FYROM)

In the coming days this massive exodus from Kosovo to the neighbouring regions is likely to continue. The situation is changing rapidly; other third countries may also begin to be affected and, therefore, qualify for this assistance in the future.

In a meeting that took place on 1st April between the EU Troika at ministerial level and the foreign ministers of neighbouring countries, with the participation of the OSCE – CIO and UNHCR, the latest developments of the Kosovo were assessed as well as the dramatic situation and its repercussions on regional stability.

At this occasion the EU Presidency reaffirmed the EU's commitment to play its full part in preventing a deepening humanitarian catastrophe and assisting neighbouring countries as well as Montenegro in bearing the burden.

The €150 million to be released from the Emergency reserve will bring the total humanitarian aid committed so far under the Community budget to €183,6 million for FYROM, Albania and Montenegro.

Beyond purely humanitarian needs, the region concerned is confronted with serious consequences in the management of the crisis caused by the fleeing of refugees. In most cases it concerns countries that were already facing difficult economic conditions before the crisis erupted and recent developments have further aggravated the already precarious situation. Without additional support to the governments concerned the direct assistance to the refugees would be seriously hampered. It is, therefore, crucial to provide this support to these governments. A failure by the governments concerned to meet these responsibilities could have serious political, economic and social consequences, which could lead to a general destabilisation of the whole region. Furthermore, it should be noted that this form of additional support will contribute to the possibility to locate the refugees in the region.

It is a question of responding to the needs generated by, for example, the following tasks: to provide for the security of refugees, to strengthen the administrative capacity of the central and local authorities (including customs facilities), to meet the social costs for citizens caring for refugees, to enable the appropriate registration of refugees and to provide for all sorts of logistical facilities like communications, electricity, water supply and sanitation, transport and energy. It should be clearly spelled out that this assistance is different from other forms of support which should be examined to address the overall economic consequences of the crisis on the countries in the region.

The Commission proposes to provide refugee costs related support in the first instance to Albania, FYROM and Montenegro of an amount up to €100 million in the form of grants from the Community budget. This amount includes the €15 million already earmarked by the Commission for this purpose at an earlier stage.

The assistance will be provided in the form of refugee costs related support to the governments. The funds will be disbursed in installments which will be made subject to specific conditions which are to be detailed in a Financing Memorandum. The Commission will ensure that the funds are used specifically for the needs set out above and cover exclusively the additional costs associated with the arrival of refugees. The first installment will follow the signature by the Government concerned and the Commission of the Financing Memorandum. The procedures of the regulations under which the assistance will be provided, will of course apply.

A technical mission of the Commission will take place in the coming days in order to identify the objectives and to specify the requirements in cooperation with the

governments concerned, the precise expenditures which will be covered by this assistance, to define the modalities of the implementation and establish an efficient control of the expenses. Technical assistance will be provided to the governments in order to assist them in the implementation of this support.

The distribution of this assistance, will be defined after the identification mission. In deciding on the allocation of the funds, the Commission will pay particular attention to the commitments of the governments towards the obligations imposed by the Geneva Conventions.

As already mentioned the crisis could have a negative impact on countries' long-term economic perspectives of countries in the region, including Bulgaria and Romania. In this regard, the Commission will also assess further macro-financial needs in the region and will accelerate the disbursement under existing programmes. Close co-ordination with other donors, including the IFI's, will be essential.

A stronger presence of the Commission in the countries concerned is needed as the implementation of the assistance to the neighbouring countries will imply very careful monitoring by the Commission. In this context the Commission has the intention to reinforce without delay its delegations in Albania and FYROM.

No doubt, outside assistance will also be needed within the limits of the provisions made in this respect within the budget.

### **Financing mechanism**

In order to finance the €100 million necessary for assistance in countries neighbouring to Kosovo struck by the refugee crisis, the Commission proposes to proceed in two phases of €50 million each:

The first phase would be covered as follows:

- €30 million should be made available by reprogramming within the total of €200 million on budget article B7-541 "Measures for the reconstruction of the Republics formerly part of Yugoslavia."
- €20 million should be transferred from budget article B7-600 "Community contribution towards schemes concerning developing countries carried out by non-gouvernemental organisations." It should be recalled that most of the additional direct humanitarian aid (paid for out of the Emergency reserve) is already being channelled through NGO's. Furthermore, the Commission, on the basis of its experience of 1998, does not expect to be able to allocate all the appropriations under this budget article.

For the second phase the Commission will, in due course, propose the appropriate financing source which could necessitate a supplementary budget (BRS).

The respective transfers will be made within or to budget article B7-541 (reconstruction Ex-Yugoslavia) and to budget article B7-500 (Phare). The management of article B7-541 takes place in accordance with the procedures set out in the regulation 1628/96 and the management of article B7-500 in accordance with the procedures set out in regulation 3906/89.

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