

Financial framework 2007-2013: European Economic Recovery Plan (amend. Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management)

2008/2332(ACI) - 06/05/2009 - Text adopted by Parliament, single reading

The European Parliament adopted by 626 votes to 33, with 14 abstentions, a resolution approving the **conclusions of the Trilogue of 2 April 2009** on the revision of the [Interinstitutional Agreement](#) of 17 May 2006 on budgetary discipline and sound financial management as regards the multiannual financial framework (2007-2013).

To recall, the agreement reached on 2 April 2009 provides a **two-phase approach** on the financing, in the framework of the European Economic Recovery Plan for modernisation of infrastructures and energy solidarity, of projects in the field of energy and broadband internet, as well as for strengthening operations related to the "new challenges" defined in the context of the assessment of the 2003 mid-term reform of the Common Agricultural Policy ("Health Check"). An amount of EUR 5bn will be made available as follows:

- **Step 1: EUR 2.6 billion:** heading 1a ceiling should be **increased of EUR 2 billion in 2009 by decreasing the ceiling of Heading 2 by the same amount**; 600 million would be added to rural development from 2009 budget;
- **Step 2: EUR 2.4 billion:** the remaining 2.4 billion would be secured through a **compensation** at the conciliation of the 2010 and 2011 budgetary procedures by using all means foreseen in its legal framework and without prejudice to the financial envelopes of the co-decided programmes and the annual budgetary procedure.

As far as projects are concerned, the financing foresees the following breakdown: EUR 3.98 billion will be made available for the financing of energy projects under heading 1 a of the financial framework: EUR 2 billion in 2009 and EUR 1.98 billion in 2010; EUR 1.02 billion will be made available within heading 2 for developing broadband internet in rural areas and strengthening operations related to the 'new challenges' defined in the context of the Health Check". In order to keep an appropriate relationship between commitments and payments, the annual ceilings for payment appropriations will be adjusted. The adjustment will be neutral.

Parliament considers that this agreement is the result of successful interinstitutional cooperation and that the existing priorities of the European Parliament have been protected.

However, it makes a number of recommendations which can be summarised as follows:

- It recalls that, as stated in the Joint Declaration adopted by the European Parliament, the Council and the Commission during Trilogue, the **compensation mechanism will be without prejudice to the financial envelopes of the co-decided programmes and the annual budgetary procedure** and will be financed by using all budgetary means available in the budgetary legal framework;
- It reiterates that deficits and leftovers are still unresolved from the outcome of the negotiations of the IIA of 17 May 2006 and that these deficits should be addressed in the 2008-2009 mid-term

review, as provided for in the IIA, as well as in the course of the annual budgetary procedures, if possible through more flexibility and in any case by all means foreseen by the IIA.

Parliament **cautions against the regular use of margins under heading 2 to finance other headings**, since this could jeopardise the interests of the agricultural sector, in light of unexpected decreases in market prices. It regrets that the agreement with the Council was reached only two months before the end of parliamentary term.

It should be noted that the Agreement sets out the new consolidated amounts for the Financial Framework 2007-2013, following the revision of the IIA.