Reform of the budgetary procedure: possible options in view of the revision of the Treaties

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The committee adopted the own-initiative report by its chairman, Terry WYNN (PES, UK), on reform of the budgetary procedure. It said that the procedure needed to be overhauled to make it simpler and clearer and that the new constitutional Treaty should clearly enshrine the principles governing the budgetary provisions (including the principle of the Financial Perspective). The committee also wanted the same procedure to apply to all expenditure in order to confirm the equal footing of the two arms of the budgetary authority. However, it highlighted the specific nature of budgetary codecision, which required procedures to overcome disagreement and guarantee a final decision within strict deadlines. The committee added that Parliament would oppose any attempt to reduce its powers as part of the budgetary authority or to introduce more rigidity into the current system improved by budgetary discipline. In line with the recommendations of the Convention (Working Group IX on Simplification), the report proposed abandoning the distinction between compulsory and non-compulsory expenditure. The resulting decision-making system would be based on budgetary codecision. In the event of any disagreement between Parliament and Council, Parliament would have the final say on the total expenditure within the limit of revenue determined by the Council. However, the Council would have the final say on the breakdown of revenue between the different categories of resources. MEPs also envisaged the adoption of a transparent system of own resources and emphasised that any new system - regardless of the structure - should apply to all the Member States following the same principle. As far as the Financial Perspective was concerned, they advocated the introduction of genuine flexibility to deal with unforeseen situations - including the possibility of transfer between different headings. Moreover, the period covered by the Financial Perspective should correspond to the term of office of the Parliament and the Commission, to ensure continuity. Lastly, the committee reiterated Parliament's longstanding request that the European Development Fund (EDF) be integrated into the general budget of the Union, in the interests of simplification and transparency.