Interest accrued on Community Funds

1998/2076(INI) - 29/06/1998

95% of appropriations entered in the EU budget are used to fund various policies. For reasons to do with funding mechanisms, the sums mobilised are not used immediately by their final recipients and can earn interest over the period between the moment of payment and the moment of final use. In addition, undue payments, which need to be repaid into the Union budget, can also earn interest. Following the resolution of the European Parliament on the discharge for 1995, the committee, in adopting the report by Mr Joan COLOM I NAVAL (PSE, E), identified the problems and proposed solutions. In order to rectify omissions in current legislation in this area, it considered that comprehensive provisions were needed governing the ownership of interest on sums transferred and the allocation of such interest. It recommended solutions adapted to the characteristics of the sector in which the expenditure is effected (agricultural, structural etc.) and called on the Commission to submit proposals for the amendment of the Financial Regulation with a view to providing for the reimbursement of interest earned on undue payments or their compulsory allocation to the objectives financed in the event of late payment to final beneficiaries.