Budgetary discipline: flexibility instrument, conversion of the Spanish and Portuguese fleets

2002/0157(ACI) - 10/07/2002 - Non-legislative basic document

PURPOSE : to mobilise the flexibility instrument envisaged by the inter-institutional agreement of May 6, 1999 in order to finance, in 2003, measures in the field of fishing. CONTENT : the fisheries agreement between the European Union and the Kingdom of Morocco has not been renewed, and as a result the fishing fleets covered by the agreement have been forced to stop their operations. Following the Commission's proposal, the Council adopted at the end of 2001 a programme for actions aiming to supplement the actions carried out in the context of the interventions of the Structural Funds in the Member States affected by the non-renewal of the fisheries agreement with Morocco. This action therefore falls under heading 2 "structural measures", sub-heading "Structural Funds" of the financial perspectives. This action amounts to 197 million Euro, of which 170 million have already been entered in the 2002 budget (budget line B2-200) and were financed by the mobilisation of the flexibility instrument. A joint statement by Parliament, Council and the Commission of 21 November 20013 stipulates that the 27 remaining million will be entered in the 2003 budget. On 28 May 2002, the Commission proposed an ambitious reform programme for the European fisheries policy to safeguard the future of this sector. This reform of the fisheries policy will have important financial consequences since the cost of the scrapping of the vessels was estimated at 712 million Euro. Given the financial resources that Member States had already programmed under the FIFG for the scrapping of vessels and if the amounts initially planned for export or mixed companies are reprogrammed, the Commission evaluates the additional amount necessary to carry out the scrapping of vessels at 272 million Euro over the period 2003-2006. The proposal involves therefore a broad operation of reprogramming of means available within the framework of the Structural Funds, which Member States will be invited to carry out within the framework of the midterm review in 2004. Thus, Member States should be able to re-deploy 240 of the 272 million Euro intended for the demolition of the vessels. In the light of the timetable for the mid-term review of the Structural Funds, which will not take place until 2004, an additional amount of 32 million Euro is necessary in 2003 to start the reform of the fisheries policy. These 32 million Euro will be used to provide additional incentives to the owners of vessels to initiate without delay the decommissioning of overcapacity of the fleets. In accordance with the inter-institutional agreement of 6 May 1999 on budgetary discipline and the improvement of the budgetary procedure, the commitments relating to the structural measures do not leave any margin available under the ceiling of heading 2 of the financial perspectives. The 27 million Euro for the Spanish and Portuguese fleets affected by the nonrenewal of the agreement with Morocco and the 32 million Euro for the supplementary measure for demolition will have therefore to be financed beyond the ceiling of the heading 2 of the financial perspectives. In addition, the PDB 2003 mentioned the difficulties encountered in 2003 in the field of administrative expenditure to finance the necessary preparations to the enlargement so that all the European institutions are able to ensure as from 1 January 2004 the functioning of an enlarged European Union of 25 MemberStates and the application of the 'acquis communautaire'. This expenditures had not been envisaged in Berlin at the time of the discussions on the financial perspectives 2000-2006. The inter-institutional Agreement envisages in its point 24 the mobilisation of the flexibility instrument to "allow financing, for a given financial year and up to the amount indicated (the annual ceiling amounting to 200 million Euro), of clearly identified expenditure which could not be financed within the limits of the ceilings available for one or more other headings". Although the inter-institutional Agreement also stipulates that "the flexibility instrument should not, as a rule, be used to cover the same needs two years running", it is recommended nevertheless to make an exception for the residual 27 million Euro for the Spanish and Portuguese fishing fleets, since its financing in 2003 was agreed via joint statement in November 2001 and should be continued under heading 2 as initiated in 2002.