2004 enlargement: adjustment of financial perspective for 2004-2006

2003/2025(ACI) - 23/12/2002 - Document attached to the procedure

PURPOSE : to propose a technical adjustment of the financial perspective for 2004 in line with movements in GNI and prices and in accordance with the Interinstitutional Agreement of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure. CONTENT : the Interinstitutional Agreement (IIA) of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure contains the financial perspective table for EU-15 and the indicative financial framework for EU-21 based on the assumption of an enlarged Union with six new Member States from 2002. Paragraph 15 of the Interinstitutional Agreement states that each year the Commission will, ahead of the budgetary procedure for year n+1, make a technical adjustment to the financial perspective in line with movements in the EU's gross national product (GNP) and prices. The purpose of this communication is to present to the budgetary authority the result of this technical adjustment (EU-15) for 2004. The Financial Framework EU-21 is presented only as a reminder of the scenario laid down at the Berlin European Council and presented in the IIA of 6 May 1999. Since then, the Brussels European Council of 24 and 25 October 2002 confirmed that the enlargement of the Union could concern up to ten new Members (Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia). At the beginning of 2003 the Commission will present an indicative financial framework for EU-25 at 2004 prices together with the adjustment of the financial perspective to cater for enlargement (Point 25 of the IIA of 6 May 1999), taking into account the conclusions of the Copenhagen European Council of 12 and 13 December 2002. The indicative table for the financial framework for EU-21 has been adjusted in the same way as the EU-15 table. In heading 8 (Enlargement), the commitment appropriations for agriculture and structural operations have been adjusted by means of the cumulative 10,41% deflator and those for internal policies and administration by means of the cumulative 10,72624% deflator. Concerning the agricultural guideline, this has been calculated in accordance with Article 3 of the new Council Regulation on budgetary discipline. In 2004 the agricultural guideline is provisionally EUR 53.622 million. For 2004 the contributions for administrative expenditure are provisionally estimated at EUR 187 million, i.e. EUR 166 million at 1999 prices with the cumulative deflator of 10,72624% applied for the adjustment to the ceiling for the heading; - the accumulated total of deductions for the period 2000-2006 may not exceed EUR 1.100 million at 1999 prices, equivalent to an average of EUR 157 million (EUR 174 million at 2004 prices).