Agenda 2000: financial perspectives 2000-2006, interinstitutional agreement on budgetary discipline

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OBJECTIVE: presentation of a report on the implementation of the Interinstitutional Agreement (IIA) of 29.11.1993 on budgetary discipline and improvement of the budgetary procedure and proposals for its renewal in connection with the new Financial Perspective of the Community for the period 2000-2006 and Agenda 2000 (COS0590). SUBSTANCE: The report analyses the way in which the IIA has functioned in practice since 1993 and suggests improvements with a view to its renewal for the new financial planning period (see COS0719). From the point of view of improving the budget procedure, the 1993 IIA has not made it possible to arrive at lasting solutions to the problems of classification of expenditure and legal bases. However, the Community institutions have reached agreement on the question of entering financial provisions in legislative instruments (Joint Declaration of 6 March 1995). The interinstitutional cooperation procedure has also improved during the last two budget procedures. As regards the improvements suggested by the Commission for the revision of the IIA, changes are proposed with regard to the management of the financial framework and of the budget procedure proper. The changes introduce extra - albeit limited - flexibility for transfers between headings of internal and external expenditure and for limited carryovers of unspent appropriations from one year to another, to implement a specific political priority. The existing rule whereby unspent commitments under heading 2 (structural measures) are automatically carried over would no longer be necessary. The IIA should also make it possible to revise the financial framework at times of enlargement if the planned allocations prove insufficient. The Commission proposes that the new IIA should consolidate and, if appropriate, fine-tune, all the agreements between the European Parliament, the Council (the two arms of the budgetary authority) and the Commission on budgetary matters. This would cover such subjects as the classification of expenditure, compliance with financial ceilings in legislation, the need to have a legal basis for budget headings, and the process of budgetary conciliation.