Financing the Union 2000-2006: own resources, European Council, Berlin, March 1999

1999/0139(CNS) - 29/09/2000 - Final act

PURPOSE : to establish the system of the European Communities' own resources. COMMUNITY MEASURE : Council Decision 2000/597/EC, Euratom on the system of the European Communities' own resources. CONTENT : the Council adopted a Decision on the system of the EU's own resources, replacing Council Decision 94/728/EC, Euratom. The Decision reflects the conclusions of the Berlin Summit on 24 and 25 March 1999, which asked the Commission to prepare a new own resources decision, taking into account its conclusions on the financing of the EU for the period 2000-2006. The Council Decision contains the following provisions implementing the European Council conclusions relating to the structure of the EU financing system: - reduction of the maximum rate of call of the VAT resources from 1% to 0.75% in 2002 and 2003 and to 0.5% from 2004 onwards, with a view to continuing the process of making greater allowance for each Member State's ability to contribute to the EU budget and of correcting the regressive aspect of the current system for the least prosperous Member States; - increase in the percentage of the so-called "traditional own resources" - essentially customs and agricultural duties - retained by the Member States as collection costs from 10% to 25% of amounts collected with effect from 2001. This increase reflects the national administrations need to devote increased resources to combating organised fraud and improving the effectiveness of the collection of customs and agricultural duties; - technical adjustments to the correction of budgetary imbalances in favour of the UK; - change in financing of the UK correction. The system will be modified to allow Germany, Austria, the Netherlands and Sweden to set a reduction in their financing share to 25% of what they would have paid if all the other 14 Member States had fully financed the abatement; - general review of the operation of the own resources system, and in particular the effects of enlargement to be submitted before the 1 January 2006. Furthermore, with a view to improving the accuracy of the own-resource calculations, Article 2(7) of the Council Decision defines GNP as gross national income or GNI (new statisical concept) for own-resource purposes. The Decision also simplifies the calculation of the UK corrector.