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

1998/2064(ACI) - 06/05/1999 - Text adopted by Parliament, single reading

By 281 votes to 110 with 63 abstentions, the European Parliament adopted the report by Joan Colom I Naval (PSE,ES) on the communication from the Commission to the Council and the European Parliament on the establishment of a new financial perspective for the period 2000-2006 and on the report by the Commission on the implementation of the Interinstitutional Agreement of 29/10/93 on budgetary discipline and improvement of the budgetary procedure - proposasl for renewal. The report approves the text of the interinstitutional agreement for the financial perspective for the period 2000-2006 and, at the same time, approves the new interinstitutional agreement between itself, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure, concluding interinstitutional work on Agenda 2000, the reform of the Common Agricultural Policy and Structural Funding and the establishment of the financial framework for the next 7 years. The report welcomes the fact that the new Interinstitutional Agreement should consolidate the progress made towards improving the budgetary procedure and, in particular, establish formal agreement on the following points: - the classification as non-compulsory expenditure (NCE) of the structural and accompanying measures and all the pre-accession expenditure; - the procedure for employing the flexibility instrument; - a new conciliation procedure for the whole of the budget which forestalls classification disputes and which clears the way, ultimately, for a revision of the budgetary procedure; - a clause stipulating that the financial perspective must automatically be revised when each enlargement takes place, as well as a general clause providing for a review of the agreement, including the financial perspective, at the request of either arm of the budgetary authority; - the removal, in the table setting out the financial perspective of all references to binding sub-ceilings. The report notes that a political agreement has been reached within the Council on the principles to govern the limited reform of the CAP, fresh legislation on the Structural Funds and the Cohesion Fund and the pre-accession financial instruments. The Parliament points out that the financial perspective should create scope for the development of European policies, whilst reflecting the Council's wish for a rigourous approach. With regard to Heading 1 (agriculture), the Parliament welcomes the fact that the Council has taken up its proposal to establish the ceiling for that heading at a level below the agricultural guideline and that the agreement definitively classifies structural measures and accompanying measures as non-compulsory expenditure. Regarding Heading 2 (structural funding), the Parliament welcomes the fact that the Council has endorsed the Parliament's standpoint by confirming that the appropriations earmarked for the cohesion policy constitute an expenditure target and by accepting the possibility of allocating additional appropriations over and above the sum agreed by the Berlin European Council to cover the innovative actions and the reduction in the funding of the URBAN programme. In terms of internal policies, the Parliament notes with satisfaction that on 26/04/99 the Council increased the annualceilings by a total of EURO 1480 million, making it possible to cover legislative decisions already adopted, but also to maintain the other internal policies at the current level. With regard to external policies, the report notes that the ceiling for that heading does not make it possible to fund the transfer in full of the humanitarian reserve (EURO 146 million at 1999 prices). The Parliament welcomes the fact that the Council of 26/04/99 endorsed a request to revise the ceilings for external actions as soon as the financial needs relating to the Union's commitments in the Balkans region have been determined. However, it regrets the fact that the European Council has again failed to incorporate the European Development Fund into the Community budget. In terms of administrative expenditure, the Parliament sees it as a positive step that the Council has agreed to increase the ceiling for this heading as laid down by the Berlin European Council by EURO 1100 million for the whole period, thereby ensuring that the institutions can operate normally. With regard to the emergency aid reserve, the Parliament would feel able to endorse the Council's approach only if the reduction in the reserve were to be matched by a transfer of the same

amount to Heading 4 (external actions), as proposed by the Commission. The report notes, further, that the justification for the reduction in the monetary reserve for agriculture is weakened by the reduction in the ceiling for Heading 1 (agriculture). In terms of pre-accession measures (new Heading 7), the Parliament welcomes the fact that the Council has agreed to establish a separate heading for pre-accession measures, but takes the view that the ceiling for this heading might prove inadequate when set against the needs of the applicant countries. Finally, regarding the flexibility instrument, the Parliament welcomes the fact that the Council has accepted some parts of the proposed procedure for its employment, as well as a gradual increase in the amount.