Interinstitutional agreement: legal bases and implementation of the budget, following the C-106 /96 judgment

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Adopting the report by Mr Efthymios CHRISTODOULOU (PPE, GR), the European Parliament approved the interinstitutional agreement on legal bases and the implementation of the budget. The agreement states first of all that under the Treaty, the implementation of appropriations entered in the budget for any Community action requires the prior adoption of a "basic act". A basic act is an act of secondary legislation (regulation, directive, decision) which provides a legal basis for the Community action and for the implementation of the corresponding expenditure entered in the budget. Recommendations and opinions do not constitute basic acts, nor do resolutions or declarations. However, the following may be implemented without a basic act, as long as the actions which they are intended to finance fall within the competence of the Community: 1) - appropriations for pilot schemes of an experimental nature aimed at testing the feasibility of an action and its usefulness (the commitment appropriations may only be entered for two financial years and must not exceed EUR 32 million); - appropriations relating to preparatory actions intended to prepare proposals with a view to the adoption of future Community actions (the commitment appropriations may only be entered for three financial years and must not exceed EUR 30 million per financial year). When the preliminary draft budget (PDB) is presented, the Commission will submit a report on the actions referred to in the two points above, covering the objective of the action, an assessment of the results and the follow-up envisaged (NB: the Commission declares in a unilateral declaration annexed to the agreement that it reserves the right to propose that the ceiling of EUR 30 million may be exceeded in exceptional circumstances). 2) appropriations concerning actions of a specific, or even indefinite, nature carried out by the Commission by virtue of tasks resulting from its prerogatives at institutional level, other than its right of legislative initiative as referred to in point (1), and specific powers directly conferred upon it by the Treaty. A list is contained in the Annex to the agreement and may be supplemented when the PDB is presented. 3) appropriations intended for the operation of each institution. This interinstitutional agreement will be applicable from the date of its signing by the three institutions for the continuation of the budget procedure for 1999 (and for subsequent financial years).