Building our common future : policy challenges and budgetary means for the enlarged Union 2007-2013

2004/2006(INI) - 22/04/2004 - Text adopted by Parliament, single reading

In adopting the report by Terry WYNN (PES, UK) which tackles the issue of the next Financial Perspective covering the period 2007-2013, the European Parliament sends a clear signal to the Council stating that without an agreement with Parliament on the financial package, there will be no new financial perspective. Under the current treaty, the EU is not obliged to use this method of budget planning, since the treaty only provides for annual budgets.

Although the Parliament agreed with the recommendations made by the committee responsible (refer to previous document), it stated that it was determined, for democratic reasons, to take no decision during this Parliamentary term which might restrict the scope or decision-making powers of the Parliament elected in June 2004. However, with a view to maintaining institutional continuity, it invites the next Parliament, the next Commission and the enlarged Council to take account of the orientations contained in this report as a basis for future negotiations.

Among other points, Parliament states its readiness to evaluate proposals for a general correction mechanism based on the principle of Community solidarity. This would be part of a reform of the current system of own resources in order to give it more visibility for European citizens and to take national considerations into account.

Parliament also restated its wish, as already expressed in its report to the European Convention and widely taken on board by the draft Constitution (Article III-308), to have a financial framework established for a period of at least 5 years. It takes the view that, for reasons of democratic responsibility and accountability it is fitting that the timeframe be better adapted to the mandates of the Parliament and the Commission. It is considered that the Parliament is not bound by the decision taken by the European Council of October 2002 on agricultural spending until 2013 and sees no reason to accept a 7 year period for the new financial perspective as a result of this decision.

Moreover, Parliament notes that during the period 1996-2002, the EU budget (with 15 Member States) increased by 8.2% while the national budgets increased by an average of 22.9% showing the rigour and thrift of the arms of the budgetary authority. It notes with surprise, but will nevertheless evaluate, the possibility of financing the needs of 27 Member States, by maintaining the aquis communautaire, extending and enhancing cohesion including developing new relations with neighbouring countries and absorbing traditional cooperation with the ACP countries with an average ceiling of 1.14% of payment appropriations, thus leaving an unused margin of 0,10 % under the own resources ceiling.

The Commission is asked to provide the budgetary authority with a comparative table indicating the current nomenclature by programmes and with the magnitude of expenditure foreseen in order to facilitate the comparison with the current situation. Parliament welcomes the Commission's efforts to reduce the number of headings (8 to 5) and notes however that the number of subheadings has increased. It considers that a restricted number of headings should not create more rigidity. It is of the opinion that the current system has in general proved its efficiency and reserves its position until the Commission submits more in-depth information for its reasoning and this has been evaluated by Parliament.

Parliament recalls that, owing to insufficient resources foreseen within the relevant heading of expenditure on the one hand and rigidity between the different headings on the other, the flexibility instrument foreseen in Article 24 of the IIA had to be mobilised in 2000, 2001 and 2002 in order to cover unforeseen needs. It asks the Commission to clarify the different flexibility mechanisms foreseen between headings and within headings and to take due account of the different options proposed by Parliament during the negotiations on the current financial perspective.

- Competitiveness for growth and employment : Parliament highlights that the strengthening of the European effort in research and technological development constitutes a major objective of the enlarged European Union. Parliament aims to promote gender equality in all Community actions and programmes. Parliament also believes that the concept of 'European added value' must not be limited to advanced cooperation between Member States but should also contain a 'visionary' aspect;

- Cohesion for growth and employment : Parliament reiterates it's demand that cohesion policy be funded by 0.45% of EU GDP to ensure that its objectives are met in the enlarged Union. It insists that expenditure on Cohesion for growth and employment and in particular the Regional Development Fund should provide continuity of investment for those regions where the "statistical effect" is adverse and that there should be adequate funds for a continuation of regional policy for lagging regions in the current 15 Member States. Moreover, Parliament expects the Commission, in the light of the experience gained so far in the field of structural actions (RAL, unreliability of Member States' forecasts as regards spending needs) to present further proposals, accompanying the new financial framework, aimed at ensuring better control of the implementation of appropriations involving a greater responsibility of the Members States in the context of shared management, e.g. by increased use of cofinancing and sunset clauses;

- Preservation and management of natural resources: Parliament calls on the Commission to revise the Financial Perspective in such a way that rural regions are not placed at a disadvantage in relation to urban areas, thereby forestalling the further economic decline and depopulation of disadvantaged regions. It is of the opinion that the current strict distinction made between categories 1a and 1b, on the basis of the CAP reform decisions concerning modulation, must be replaced to a certain extent by a flexible mechanism for transferring funds to rural development projects, so that adequate allowance can be made for the reorientation of EU agricultural policy launched in 2003. Parliament stresses the urgent need press ahead with the greening of Community policies in practice, by carrying out careful and methodologically sound assessments of environmental impacts in all policy areas, particularly in CAP and structural funds;

- Citizenship, freedom, security and justice : Parliament welcomes the Commission's proposal to make European citizenship, including the completion of an area of freedom, security and justice, one of the top three priorities for the enlarged Union 2007-2013. It also welcomes and supports strongly the proposal to create a specific heading for "Citizenship, freedom, security and justice" in the new financial perspective as a logical consequence of the proposed priority for this policy area;

- The EU as a global partner : Parliament insists that poverty eradication and the Millennium Development Goals, which are the main goals of community development policy, should remain one of the principal objectives of the category for "External Actions" and that funds for this purpose should be safeguarded against transfer operations to meet other objectives. It calls for a restructuring and rationalisation of budgetary instruments in order to boost the responsiveness and flexibility of the Union's external policy, while maintaining the transparency of the mechanisms employed and without in any way jeopardising fulfilment of the commitments already entered into. Lastly, Parliament affirms that the neighbouring countries of the enlarged Europe are a priority area for action and attention and asks, to this end, that the provisions of the strategy document on relations with the Arab World be implemented.