Structural Funds: trend in outstanding commitments and requirements for 2004

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The European Parliament adopted a resolution based on the own-initiative report drafted by Giovanni PITTELLA (PES, Italy) on trends in the Structural Funds. Parliament noted that the low implementation rate for payment appropriations at year-end 2000 had deteriorated still further by 31 December 2001. It deplored the fact that unused appropriations amounted to EUR 6.2 billion at 31 December 2002, EUR 8.7 billion at 31 December 2001 and EUR 6.7 billion at 31 December 2000, i.e. EUR 21.6 billion in total. Speeding up implementation is a constant concern for the budgetary authority. Elimination of the programming weaknesses and efficient management by the Commission and the Member States should be addressed when revising the Structural Fund rules. Parliament noted that large-scale under implementation of payment appropriations stems in part from the complexities of lengthy programming procedures and is also accounted for by the unreliability of Member State payment claim forecasts. This under implementation of Structural Fund payments, which comes under non-compulsory expenditure, looks set to become a political issue, given the volume of appropriations involved (34% of the Community budget) and their economic and social significance. Parliament was concerned at the deterioration in the situation concerning outstanding commitments, which showed an increase of 41% during the last three financial years. It was also concerned that several Member States have significantly poorer payment records than the rest, and appealed to those Member States with the worst payment backlogs urgently to assess their administrative procedures so as to address this problem. Parliament noted the Commission's explanations that the delays in Structural Fund programme implementation in the period 2000-2006 have been due, in part, to the fact that the Member States have focused their efforts on completing old projects. It stated, however, that outstanding commitments relating to the completion of old projects still totaled EUR 15.2 billion at 31 May 2003 and that it is therefore becoming imperative to clear those outstanding commitments, in respect of which a very small proportion of payments were made in 2002 instead of the EUR 8 billion initially programmed. With regard to the 2000-2006 period, the Commission and Member States must enhance cooperation to reduce outstanding commitments, which now total EUR 76.4 billion and stem, seemingly, from belated action to lay down programmers and difficulties in getting them off the ground and from an excessively complicated overall procedure. Parliament indicated the need to concentrate more on project quality and on the real impact of the Structural Funds in the regions concerned and, in tandem with this, to look promptly for a solution to the question of 'abnormal' outstanding commitments. With regard to payment appropriations, Parliament noted that the volume of payment appropriations proposed in the 2004 PDB by the Commission, citing the completion of programmes from the previous period (1994-1999) by way of justification, i.e. EUR 30.7 billion, is 12.8% down on the previous year. That amount might prove insufficient to ensure a significant reduction in outstanding commitments in 2004, when commitment appropriations are to rise by 20.8% at the same time as a result of reincorporating a proportion of 2000 appropriations into the budget. The amount of payment appropriations should be increased wellabove the level proposed in the 2004 PDB, if outstanding commitments are to be significantly reduced. Parliament stated that it retains the option, therefore, of amending the relevant proposals during the current budgetary procedure. The reduction of old commitments should continue and possibly be accelerated in 2005. On the application of the n+2 clause, Parliament felt that the rule must be complied with. For the financial year 2002, the impact of the n+2 clause is apparently very limited, representing less than 0.5% of the budget allocation for the financial year 2000. Several aspects of the situation need to be clarified to gain a better understanding of the real reasons and assess the amounts involved.