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

1998/2064(ACI) - 28/12/2004 - Follow-up document

PURPOSE : to present the technical adjustment of the financial perspective for 2006 in line with movements in GNI and price.

CONTENT : the Interinstitutional Agreement (IIA) of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure, as adjusted for enlargement and revised in 2003, contains the financial perspective table for EU-25. It states that each year the Commission will, ahead of the budgetary procedure for year n+1, make a technical adjustment to the financial perspective in line with movements in the EU's gross national income (GNI) and prices. The purpose of this communication is to present to the budgetary authority the result of this technical adjustment (EU-25) for 2006.

The adjustment is calculated by applying the following deflators to the commitment

appropriations in the financial perspective (at 1999 prices):

- a cumulative deflator of 14,87% for the period 2000-2006 to the ceiling for heading 1 and to the figure for the Structural Funds in heading 2, in accordance with point 15 of the Interinstitutional Agreement (fixed annual rate of 2%);

- the GNI deflator in euros for 2000-2006 (14,29%) to the ceilings of the other expenditure headings (actual deflator).

The overall ceiling on appropriations for commitments for 2006 comes to EUR 123.515 million, equivalent to 1,12% of GNI. The corresponding overall ceiling on the appropriations for payments comes to EUR 119.112 million, i.e. 1,08% of GNI. On the basis of current economic forecasts,

this leaves a margin beneath the own resources ceiling of EUR 18.059 million (0,16% of GNI for EU-25).

For 2001, 2002, 2003, 2004 and 2005, the size of the margin has been updated from the previous technical adjustment using the most recent GNI estimates so that comparisons can be made over a number of years. However, the ceilings in commitments and payments resulting from the adjustments do not change.

As regards the agricultural guideline, it has been calculated in accordance with Article 3 of the

Council Regulation on budgetary discipline. The figures for sugar and isoglucose levies, food aid refunds and ACP sugar refunds are based at this stage on the forecasts for the 2006 budget. In accordance with the regulation on budgetary discipline, the final level of these specific items in the

guideline will be fixed when the preliminary draft budget for 2006 is presented. In 2006, the agricultural guideline is provisionally estimated at EUR 58.634 million.

In the case of heading 5, a footnote to the financial perspective states that the figures for pensions included under the ceiling for this heading are to be calculated net of staff contributions to the pension scheme, up to a maximum of EUR 1.100 million (1999 prices) for the period 2000-2006. As stated in the Commission

communication on the technical adjustment for 2000, "this provision should be interpreted as imposing a dual limit on the amounts deducted from expenditure on pensions when applying the ceiling of the heading":

- This amount may not exceed the contributions actually entered as budget revenue in any one year;

- The accumulated total of deductions for the period 2000-2006 may not exceed EUR 1.100 million at 1999 prices, equivalent to an average of EUR 157 million (EUR 180 million at 2006 prices).

For the previous years of the financial perspective 2000-2006, the recurrent nature of administrative expenditure imposed that the lowest limit was adopted annually to avoid using a margin at the start of the period which would no longer be fully available afterwards. For 2006 –the last year of the period– the remaining available amount which can be deducted is also the lowest amount, i. e. a maximum of EUR 180 million at current prices for 2006.