On the inter-institutional Agreement on budgetary discipline and improvement of the budgetary procedure

2005/2237(INI) - 01/12/2005 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based on the own-initiative report on budgetary discipline, recalling that it adopted a negotiating position which defines its political priorities for the future financial perspective and a proposal to restructure the EU budget on 8 June. It confirmed that it would make all efforts to reach agreement on the next financial perspective and Interinstitutional Agreement which would be acceptable in order to preserve the responsibilities and the ambitions of the European Union over a new multi-annual period. Agreement should be reached in time to ensure continuity and reform of programmes and to prepare the next period in time for the beginning of the budgetary procedure for 2007 (April 2007).

Parliament invited the Commission to submit a formal revised proposal of the Interinstitutional Agreement which would incorporate its proposals on reserves and flexibility and other qualitative points set out in the resolution of 8 June 2005. It stressed that there would be no financial perspective without an agreement on an Interinstitutional Agreement. In this context, Parliament had adopted non-negotiable points such as the creation of a revision clause, reserves for flexibility, improvement of the quality of implementation through the revision of the Financial Regulation, simplification of the administrative burden, certification by Member States and respect for Parliament's rights in the external programmes.

Parliament went on to note that the differences of opinion that prevented an agreement from being reached at the European Council meeting of 17 June 2005 had less to do with the level or breakdown of expenditure than with how expenditure was to be funded, which confirmed that any overall agreement on the financial perspective will need to include an agreement on the principle of a reform of the current own-resources system. The Council should express its serious will to negotiate by including not only a proposal for a financial framework but also points on how to improve the structure of the budget and the quality of budgetary execution and implementation and how to accommodate the Lisbon Strategy following the example of the Parliament's negotiation position.

The Council was reminded that there would be no financial perspective and no Interinstitutional Agreement without an agreement between the European Parliament and the Council. Since Parliament adopted its negotiating position on 8 June 2005 in due time, it will reject any attempt to hold it responsible for any delay in reaching agreement.

Finally, Parliament reminded the Council that in absence of a financial perspective 2007-2013 and a new Interinstitutional Agreement the financial needs of the EU, including needs for multi-annual programmes, can be ensured under Article 272 of the Treaty or in an amended point 26 of the Interinstitutional Agreement of 6 May 1999.