Basic information

2003/2025(ACI) ACI - Interinstitutional agreement procedure	Procedure completed
2004 enlargement: adjustment of financial perspective for 2004-2006 **Subject** 8.20.40 Enlargement's financial point of view	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets		

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	JENSEN Anne E. (ELDR)	12/02/2003
AFET Foreign Affairs, Human Rights, Common Security, Defense	KATIFORIS Giorgos (PSE)	21/01/2003
LIBE Citizens' Freedoms and Rights, Justice and Home Affairs	CEYHUN Ozan (PSE)	18/02/2003
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
ENVI Environment, Public Health, Consumer Policy	GOODWILL Robert (PPE-DE)	19/02/2003
AGRI Agriculture and Rural Development	BERLATO Sergio (UEN)	18/02/2003
CULT Culture, Youth, Education, Media and Sport	The committee decided not to give an opinion.	
FEMM Women's Rights and Equal Opportunities		

Council of the European Union

Council configuration	Meetings	Date
General Affairs	2501	2003-04-14

European Commission	Commission DG	Commissioner
	Budget	

Key events

Date	Event	Reference	Summary
16/01/2003	Committee referral announced in Parliament		
11/02/2003	Non-legislative basic document published	COM(2003)0070	Summary
08/04/2003	Committee report tabled for plenary	A5-0117/2003	
09/04/2003	Decision by Parliament	T5-0167/2003	Summary
14/04/2003	Act adopted by Council after consultation of Parliament		Summary
19/05/2003	End of procedure in Parliament		
14/06/2003	Final act published in Official Journal		

Technical information

Procedure reference	2003/2025(ACI)
Procedure type	ACI - Interinstitutional agreement procedure
Procedure subtype	Mobilisation of funds
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/5/19028

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0117/2003	08/04/2003	
Text adopted by Parliament, single reading		T5-0167/2003 OJ C 064 12.03.2004, p. 0279-0347 E	09/04/2003	Summary

European Commission

Document type	Reference	Date	Summary
Document attached to the procedure	COM(2002)0756	23/12/2002	Summary
Non-legislative basic document	COM(2003)0070	11/02/2003	Summary
	COM(2003)0185		

Supplementary non-legislative basic document		07/04/2003	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EU	Implementing legislative act	32003D0430 OJ L 147 14.06.2003, p. 0031-0037	19/05/2003	Summary

Final act	
Decision 2003/0429 OJ L 147 14.06.2003, p. 0025-0030	Summary

2004 enlargement: adjustment of financial perspective for 2004-2006

2003/2025(ACI) - 19/05/2003 - Implementing legislative act

COMMUNITY MEASURE : Decision 2003/430/EC of the European Parliament and of the Council on on the revision of the financial perspective. CONTENT : this Decision supplements Decision 2003/0429/EC of the European parliament and of the Council (please refer to the Council Decision) and aims to provide an increase in the ceilings of Heading 3 (internal policies) of the Community budget. The annual ceilings for appropriations for commitments in heading 3 (internal policies) of the financial perspective, as adjusted under point 25 of the Interinstitutional Agreement of 6 May 1999, shall be raised by the following amounts, expressed in millions of euro in 1999 prices: - an increase of EUR 50 million for the year 2004; - an increase of EUR 190 million for the year 2005; - an increase of EUR 240 million for the year 2006. In addition, the Decision includes the declaration concerning Article 32 and Annex XV of the Accession Treaty which joins the Council and the other Community institutions together with a view to respecting the Interinstitutional Agreement of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure.

2004 enlargement: adjustment of financial perspective for 2004-2006

2003/2025(ACI) - 11/02/2003 - Non-legislative basic document

PURPOSE : to present a proposal to adapt the financial framework for enlargement. CONTENT : Point 25 of the Interinstitutional Agreement (IIA) of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure (refer to procedure reference ACI/1998/2064) provides for the Commission to present, when the Union is enlarged, a proposal to adjust the financial perspective to take account of the expenditure requirements resulting from enlargement. The Copenhagen European Council of 12 and 13 December 2002 endorsed the results of the negotiations which determined expenditure requirements resulting from the accession of ten new Member States in 2004. The proposal sets in motion the process of incorporating the 10 new Member States into the EU budget within the limits of the financial perspective for the 6 candidate countries agreed in Berlin in 1999. In addition, the proposal provides for the current categories of expenditure to be adjusted in line with the enlarged Union. The EU budget for 25 Member States will no longer distinguish between old and new Member States. Under the proposal, the forthcoming 2004 budget will total 1.12% of GNP (gross national product), or EUR 115 billion, in commitments and 1.08%, or EUR 111 billion, in payments. The proposal involves no change in the ceilings set for payments in Berlin, while the ceilings for commitments are even slightly lower than in 1999. In concrete terms, the ceilings for agriculture and the Structural Funds, internal policies and administration are to be increased by the amounts agreed by the Council in Copenhagen. For agriculture and the Structural Funds there is provision for a gradual increase. As regards internal policies, the programmes are to be fully extended to the new Member States. This heading will also include new special facilities, such as the "Schengen" facility for better controls at external borders, and others for nuclear safety and for building up administrative and institutional structures. The current ceiling on pre-accession aid is to remain unchanged. The Commission is proposing a step-by-step increase in funding for Bulgaria and Romania of up to 40% a year between 2004 and 2006. The target is to make EUR 1228 million available for the two countries in 2004, reaching EUR 1432 million by 2006. From 2004 the support programme for Turkey will also be financed under this heading. Funds for Turkey are set to double at least by 2006. If a political solution to the Cyprus question is found, the Commission has worked out a separate scenario involving a further increase in the ceilings (from a total of EUR 67 million in 2004 to EUR 138 million in 2006). The proposal includes creating a new heading for compensatory payments to be made to the acceding countries in the form of a temporary flat-rate cash-flow facility (EUR 1410 million in 2004, shrinking to EUR 1041 million in 2006). This is intended to ensure that the new Member States are no worse off than before accession, in other words that they remain net beneficiaries. Before it can come into force, the amended financial perspective has to be approved by the Council and Parliament.

2004 enlargement: adjustment of financial perspective for 2004-2006

2003/2025(ACI) - 23/12/2002 - Document attached to the procedure

PURPOSE : to propose a technical adjustment of the financial perspective for 2004 in line with movements in GNI and prices and in accordance with the Interinstitutional Agreement of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure. CONTENT : the Interinstitutional Agreement (IIA) of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure contains the financial perspective table for EU-15 and the indicative financial framework for EU-21 based on the assumption of an enlarged Union with six new Member States from 2002. Paragraph 15 of the Interinstitutional Agreement 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 product (GNP) and prices. The purpose of this communication is to present to the budgetary authority the result of this technical adjustment (EU-15) for 2004. The Financial Framework EU-21 is presented only as a reminder of the scenario laid down at the Berlin European Council and presented in the IIA of 6 May 1999. Since then, the Brussels European Council of 24 and 25 October 2002 confirmed that the enlargement of the Union could concern up to ten new Members (Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia). At the beginning of 2003 the Commission will present an indicative financial framework for EU-25 at 2004 prices together with the adjustment of the financial perspective to cater for enlargement (Point 25 of the IIA of 6 May 1999), taking into account the conclusions of the Copenhagen European Council of 12 and 13 December 2002. The indicative table for the financial framework for EU-21 has been adjusted in the same way as the EU-15 table. In heading 8 (Enlargement), the commitment appropriations for agriculture and structural operations have been adjusted by means of the cumulative 10,41% deflator and those for internal policies and administration by means of the cumulative 10,72624% deflator. Concerning the agricultural guideline, this has been calculated in accordance with Article 3 of the new Council Regulation on budgetary discipline. In 2004 the agricultural guideline is provisionally EUR 53.622 million. For 2004 the contributions for administrative expenditure are provisionally estimated at EUR 187 million, i.e. EUR 166 million at 1999 prices with the cumulative deflator of 10,72624% applied for the adjustment to the ceiling for the heading; - 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 174 million at 2004 prices).

2004 enlargement: adjustment of financial perspective for 2004-2006

2003/2025(ACI) - 19/05/2003 - Final act

PURPOSE : to conclude an interinstitutional agreement adjusting the financial perspectives 2004-2006 for enlargement.

COMMUNITY MEASURE : Decision 2003/429/EC of the European Parliament and of the Council of 19 May 2003 on the adjustment of the financial perspective for enlargement.

CONTENT : this Decision aims to adjust the financial perspectives 2004-2006 in light of the enlargement of the European Union to 25 Member States as from 1 May 2004.

This adjustment is in accordance with the Parliament's opinion of 9 April 2003 (refer to the previous summary) and includes the following issues:

- adjustment of the annual ceilings for appropriations for commitments of headings 1 (Agriculture), 2 (Structural Actions), 3 (Internal policies) and 5 (Administrative expenditure) of the financial perspective contained in Annex I of the Interinstitutional Agreement of 6 May 1999 shall be raised by the corresponding expenditure requirements resulting from the accession of 10 new Member States;
- the adjustment of the ceiling of heading 7 shall include appropriations for pre-accession assistance concerning Turkey. The title of heading 7 is amended to read 'Pre-accession strategy'. A new heading 8 shall be created in order to enter budgetary compensations agreed upon at the Copenhagen European Council (December 2002).

The total appropriations for commitments for 2004 is EUR 102.985 billion against EUR 93.215 in 2003, to EUR 105.128 billion in 2005 and EUR 106.741 billion in 2006.

The total appropriations for payments for 2004 is EUR 100.8 billion against EUR 94.88 billion in 2003, EUR 101.6 billion in 2005 and EUR 103.84 billion in 2006.

It should also be noted that adjustments are also foreseen in the event of Cyprus reaching a political settlement.

2004 enlargement: adjustment of financial perspective for 2004-2006

2003/2025(ACI) - 07/04/2003 - Supplementary non-legislative basic document

PURPOSE : to revise the financial perspectives in the context of EU enlargement (May 2004). CONTENT : following the Declaration by the European Parliament and the Council on Article 32 and annex XV of the Accession Treaty, it was decided to raise the ceiling of heading 3 (internal policies) of the financial perspective for Enlargement. Accordingly, the Commission has presented this proposal. It provides that the annual ceilings for appropriations for commitments in heading 3, as adjusted under Point 25 of the Interinsitutional Agreement of 6 May 1999, will be raised by the following amounts, expressed in 1999 prices: - 2004: EUR 75 million; - 2005: EUR 175 million; - 2006: EUR 200 million.

2004 enlargement: adjustment of financial perspective for 2004-2006

2003/2025(ACI) - 14/04/2003

The Council approved two Decisions of the European Parliament and the Council on the adjustment and revision of the EU's financial perspectives in order to take account of the Union's enlargement with the accession of 10 new Member States. The Council also approved a statement declaring in particular that the budgetary figures mentioned in annex to the Accession Treaty are without prejudice to the rights of Parliament and the

Interinstitutional Agreement of 6 May 1999 on budgetary discipline and procedures. The statement notes agreement on a revision of the heading of the current financial perspective relating to internal policies, providing for an increase of EUR 480 million for the 2004-2006 period, of which: - EUR 50 million for 2004, - EUR 190 million for 2005 and - EUR 240 million for 2006. The text on the revision of the financial perspectives was approved by qualified majority, the Belgian delegation voting against.

2004 enlargement: adjustment of financial perspective for 2004-2006

2003/2025(ACI) - 09/04/2003 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution drafted by Reimer BOGE (EPP-ED, Germany) and Joan COLOM I NAVAL (PES, Spain) on the adjustment of the financial perspective. To recall, Article 32 and Annex XV of the Accession Treaty, introduced by the Member States, fixed a ceiling for additional enlargement-related appropriations for the ten candidate countries concerning heading 1, 2, 3, and 5 of the Financial Perspective over the period 2004-2006. The European Parliament stated that the provisions flouted the Interinstitutional Agreement and Parliament's role as part of the budgetary authority, as well as discriminating against the new Member States (please see INI032050). The main points in the new agreement with Council are as follows: - over the period 2004-2006, the annual ceilings for appropriations for commitments of Headings 1, 2, 3 and 5 of the Financial Perspective will be raised by the corresponding expenditure requirements resulting from the accession of the ten new Member States; - funding for Turkey is transferred from the budget category for external policy to the budget category for pre-accession strategy (heading 7). Parliament stressed that the new definition of heading 7 widens the scope of the heading, which could strengthen enhanced forms of cooperation with neighbouring countries; - a new Heading 8 is created in order to enter budgetary compensations agreed upon at the Copenhagen European Council. - as a consequence, Annex 1 of the Interinstitutional Agreement of 6 May 1999 is replaced by the adjusted financial perspective at 1999 prices for EU-25. If there is a political settlement with Cyprus, a slightly different set of figures will apply. Parliament's resolution welcomes the fact that Member States recognise that Article 32 and Annex XV do not prejudice the powers and prerogatives of the budgetary authority conferred upon it by Treaty. Parliament endorsed the adjustment of the financial perspective up to 2006 to EUR 540 million for internal policy. It welcomed the decision to adjust the perspective on the basis of the Commission's proposal in accordance with the IIA of 6 May 1999 without discriminating against the new Member States. Parliament warned the Council that in case of non-ratification of even one element of the agreement reached with the Presidency, Parliament would consider that no agreement whatsoever has taken place.