Basic information

2003/2037(INI) INI - Own-initiative procedure	Procedure completed
Future budget needs for external activities **Subject** 6.30.04 Loans to third-countries, Guarantee Fund	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	PODESTÀ Guido (PPE-DE)	19/02/2003

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs, Human Rights, Common Security, Defense (Associated committee)	DE KEYSER Véronique (PSE)	25/03/2003

Key events

Date	Event	Reference	Summary
15/05/2003	Committee referral announced in Parliament		
26/11/2003	Vote in committee		
26/11/2003	Committee report tabled for plenary	A5-0434/2003	
18/12/2003	Decision by Parliament	T5-0589/2003	Summary
18/12/2003	End of procedure in Parliament		

Technical information

Procedure reference	2003/2037(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55 Rules of Procedure EP 57_o
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/5/19409

Documentation gateway

European Parliament				
Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0434/2003	26/11/2003	
Text adopted by Parliament, single reading		T5-0589/2003 OJ C 091 15.04.2004, p. 0523-0620 E	18/12/2003	Summary

Future budget needs for external activities

2003/2037(INI) - 18/12/2003 - Text adopted by Parliament, single reading

The European Parliament adopted by 385 votes in favour, 66 against with 26 abstentions an own initiative report by Guido PODESTA (EPP-ED, I) on the future budgetary requirements for external actions. This report states that it is the Parliament's responsibility, as one arm of the budgetary authority, to set in train a debate on the enlarged Union's future external-spending requirements, on the one hand, and on laying down the financial framework, on the other. It notes the ongoing discussions and preparations in the Commission about future political priorities for a revised financial framework post-2006 and it considers that this debate is relevant and should be accompanied by a broad discussion with Parliament and the Council before the Commission puts forward its proposals. Parliament believes that the decision should be the prerogative of an incoming Commission once constituted and with its own priorities established, with the final decision being taken by the budgetary authority. It is stressed that, because of the European elections, the present Parliament should not take decisions which restrict the scope for decision-making by the Parliament which is elected in June 2004. Parliament urges the Commission and the Council to take account of that political event when setting the timetable for interinstitutional negotiations. This report points out in this connection that the ceilings for heading 4 of the current financial perspective, which were laid down at the Council's request on the basis of the budget adopted for 1999 and not on the basis of the heading 4 ceiling approved for that year under the previous financial perspective, have not made it possible to provide adequate funding for the Union's requirements in the external domain. It is considered that financial needs arising from international crises and/or events which were unforeseen when the budget was drafted and which necessitate the rapid mobilisation of funds must not be met at the expense of planned financial commitments, as this would jeopardise the credibility and effectiveness of the EU's external policy. It is pointed out that sustained use of the flexibility instrument or any other emergency mechanism is not satisfactory in terms of developing a coherent external policy. It is noted that there is an annual potential margin of EUR 16.5 billion. Parliament proposes therefore, that an appropriate proportion of this potential margin be allocated to external measures. Parliament calls on its committee responsible to make proposals to examine the possibility of introducing budgetary mechanisms designed to increase available margins and to rectify the shortcomings revealed by the systematic use of the flexibility instrument to solve financing problems within this heading, in particular by making use of unused appropriations for urgent external actions, such as the use of unused appropriations for a given year from various headings, where appropriate, in conjunction with a special fund endowed with unused appropriations relating to commitments from the previous year, the entry into force of these arrangements being subject to budgetary authority approval. The Parliament wonders whether it is necessary to maintain three separate headings for external actions and proposes that the structure of the future financial framework be reviewed, enablingresources to be effectively spent and the political profile to be raised. It is willing to consider different options including one which makes a distinction between several levels of external action, such as pre-accession (in extenso) aid, enhanced neighbourhood cooperation defined by the Union's new borders, Common Foreign and Security Policy (CFSP) and geographical, selective or structural assistance for the various other regions of the world. On the issue of political guidelines, Parliament points out that the role of the Union in the world will also be gauged by its ability to prevent conflicts and to respond and intervene rapidly in conflict zones. It is essential to adjust CFSP resources in the next financial framework, provided that this is clearly linked to a continued 'communautarisation' of the CFSP, including by increasing the role of the other institutions (Parliament and Commission) in priority setting and decision making and giving the budgetary authority prior information; regards the relevant proposals in the draft treaty as a step in the right direction. It restates its support for incorporation of the EDF into the budget, subject to consideration of the aforementioned Commission communication, provided that the contributions are ring-fenced to ensure that resources for the poorest countries are maintained, provided that incorporation into the budget is not achieved at the expense of the cooperation and development policies funded by the general budget, and provided that the financial perspective ceiling, and, if necessary, the own resources ceiling, are brought into line accordingly. Parliament equally takes the view that EU external action will need to expand and calls therefore for its resources and capabilities to be strengthened in the context of ESDP. The varied nature of threats - environmental, technological, military and terrorist - are stressed and it is pointed out that a comprehensive view must be taken of the Union's external action. In addition to the implementation of customary programmes, action should be taken to promote macroeconomic assistance designed to prevent conflicts of all types, peacekeeping measures, and civilian or military crisis management measures, in particular through rapid deployment of an intervention force; particularly stresses the need for a sufficient funding allocation for aspects relating to political cooperation, combating poverty and promoting democracy and human rights, in close partnership with UN agency, NGO and civil society actions on the ground. Parliament calls for the Commission's deconcentration efforts to be continued, while calling on the budgetary authority to provide adequate resources for efficient and rational realisation of the objectives laid down. Parliament takes the view that the creation of a European Union minister for foreign affairs goes hand in hand with an increased funding allocation for the CFSP, and with better implementation and enhanced 'communautarisation' thereof. It calls for the next financial perspective to aim to enhance coherence between Union actions and Member States' actions, including in budgetary terms, so as to prevent any duplication of effort.