Basic information

2004/2222(ACI) ACI - Interinstitutional agreement procedure	Procedure completed
Revision of the financial perspective 2000-2006 **Subject** 8.70.01 Financing of the budget, own resources	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	BÖGE Reimer (PPE-DE)	20/09/2004

Committee for opinion	Rapporteur for opinion	Appointed
REGI Regional Development	The committee decided not to give an opinion.	
AGRI Agriculture and Rural Development	The committee decided not to give an opinion.	

Council of the European Union

European Commission

Commission DG	Commissioner
Budget	

Key events

Date	Event	Reference	Summary
13/10/2004	Non-legislative basic document published	COM(2004)0666	Summary
14/12/2004	Committee referral announced in Parliament		
14/07/2005	Vote in committee		
28/07/2005	Committee report tabled for plenary	A6-0252/2005	
07/09/2005	Decision by Parliament	T6-0325/2005	Summary
07/09/2005	End of procedure in Parliament		
14/10/2005	Final act published in Official Journal		

Technical information	
Procedure reference	2004/2222(ACI)
Procedure type	ACI - Interinstitutional agreement procedure
Procedure subtype	Mobilisation of funds
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/6/24631

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A6-0252/2005	28/07/2005	
Text adopted by Parliament, single reading		T6-0325/2005 OJ C 193 17.08.2006, p. 0124-0187 E	07/09/2005	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2004)0666	13/10/2004	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2005/0708
OJ L 269 14.10.2005, p. 0024-0029 Summary

Revision of the financial perspective 2000-2006

2004/2222(ACI) - 07/09/2005 - Text adopted by Parliament, single reading

The European Parliament adopted the report by Reimer**BÖGE (EPP-ED, DE)** andstressed its willingness to allow the transfer of funds from subheading 1a to subheading 1b, in line with the adopted reform of the Common Agricultural Policy, through a formal revision of the subceilings according to the procedures set out in the Interinstitutional Agreement of 6 May 1999. Commitment appropriations from subheading 1a "Common Agricultural Policy" can be used to finance additional measures under subheading 1b "Rural development", with no change in the ceiling of heading 1" Agriculture".

At 2006 prices, the reduced amounts in Common Agricultural Policy and the increased amount in Rural Development comes to EUR 655 million.

Revision of the financial perspective 2000-2006

2004/2222(ACI) - 07/09/2005 - Final act

PURPOSE: to revise the financial perspective 2000-2006

LEGISLATIVE ACT: Decision 2005/708/EC of the European Parliament and of the Council on the revision of the financial perspectives 2000-2006.

CONTENT : The reform of the common agricultural policy (CAP), adopted by the Council in September 2003, provides for the reduction of direct payments (modulation) to finance rural development policy in order to arrive at a better balance between policy instruments which are designed to promote sustainable agriculture and those which seek to support rural development and to finance supplementary measures for rural development. As a result, a part of the commitments currently provided for direct payments under the sub-heading 1A ‘Common agricultural policy’ of the financial perspectives should be transferred to sub-heading 1b ‘rural development’. This transfer does not change the overall ceiling of heading 1 ‘Agriculture’, because modulation simply implies a zero sum game between these two sub-headings.

This decision aims to put into practice this technical modification.

Revision of the financial perspective 2000-2006

2004/2222(ACI) - 13/10/2004 - Non-legislative basic document

PURPOSE : to revise the financial perspective 2000-2006 in order to take account of the modifications made to Headings 1 and 2 of the Financial Perspective.

PROPOSED ACT : Decision of the European Parliament and of the Council (Interinstitutional Agreement).

CONTENT : the reform of the Common Agricultural Policy (CAP) adopted by the Council in September 2003 foresees a reduction in direct payments ('modulation') to finance rural development

policy. That will entail a system of progressive reductions in direct payments to be introduced on a compulsory Community-wide basis for the years 2005 to 2012, to achieve a better balance between policy tools designed to promote sustainable agriculture and those designed to promote rural development and to finance the additional rural development measures. All direct payments above EUR 5,000 will be reduced by a given percentage each year. The resulting savings will be used to finance additional measures under rural development policy and allocated to Member States according to objective criteria. The modulation rate will start in 2005 at 3% of amounts to be granted to farmers, rising to 4% in 2006 and reaching 5% for the period 2007-2012.

As a result, part of the commitment appropriations currently foreseen for direct payments under subheading 1a 'Common agricultural policy' of the financial perspective will be transferred to subheading 1b 'Rural development'. This transfer, however, will have no effect on the overall ceiling of heading 1 'Agriculture' since modulation simply implies a zero-sum game between its two subheadings. The first year (calendar year 2005 = budget year 2006) of this transfer of appropriations

coincides with the last year of the current financial perspective. Modulation will not apply in the new Member States during the period of phasing in of the direct payments.

Current estimates for the commitment appropriations to be transferred from subheading 1a to subheading 1b for the budget 2006 point to a figure of about EUR 655 million. The introduction of modulation therefore requires the financial perspective to be revised in accordance with the procedure set out in points 19 to 21 of the IIA.

Since the overall ceiling of heading 1 will not change, the Commission proposes to insert the following footnote in the financial perspective tables for the year 2006 for heading 1: "The respect of the ceilings of the financial perspective does not prevent, in 2006, the transfer of appropriations under subheading 1a to subheading 1b, on account of modulation, under the conditions and within the limits laid down in Article 10 of Council Regulation No 1782/03."

Equally, the Commission intends to introduce a modification to Heading 2 'Structural Actions' of the Financial Perspectives in order to take account of the new request for intervention for the PEACE Programme between 2004 and 2006. The consolidation of the peace process in Northern Ireland, to which the PEACE programme has made an essential and original contribution during the period 2000-2004, still requires some financial support from the European Union for the remaining period of the financial perspective 2000-2006. In this regard, the European Council of 17 and 18 June 2004 notably

invited the Commission to examine the possibility of aligning the PEACE II interventions with other structural actions which come to an end in 2006, including their financial implications. Due to the specific nature of subheading 'Structural funds' in the financial perspective and the absence of margin under this subheading, the supplementary expenditure for PEACE II for the years 2005 and 2006 entails raising the ceiling for commitment appropriations of the subheading 'Structural funds' by the relevant amounts. These amounts are foreseen in Council Regulation, to be adopted shortly (CNS/2004/0228), modifying the EC Regulation 1260/1999/EC laying down general provisions on the Structural funds.

The Commission also proposes the following adjustments necessary to the continuation of the PEACE programme and to the loss of eligibility of Ireland to the Cohesion Fund:

- to increase the ceiling for commitment appropriations of subheading 'Structural funds', decrease that of subheading 'Cohesion fund', and adjust the ceiling of heading 2 'Structural actions' accordingly for the years 2005 and 2006, at 1999 prices;

- to make the technical adjustment of these amounts for the year 2005, in line with the evolution of prices and GNI (gross national income).