


# Fiche de procédure

Basic information		
CNS - Consultation procedure Regulation	1999/0151(CNS)	Procedure completed
Budgetary discipline Repealing Decision 94/729/EC Repealed by	<u>1993/1003(CNS)</u> <u>2006/0151(CNS)</u>	
Subject 8.70.40 Basic budgetary texts		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>BUDG</b> Budgets		22/09/1999
		PPE-DE <a href="#">AVEROFF Ioannis</a>	
	Former committee responsible		
	<b>BUDG</b> Budgets		22/09/1999
		PPE-DE <a href="#">AVEROFF Ioannis</a>	
	Former committee for opinion		
	<b>CONT</b> Budgetary Control		
	<b>ECON</b> Economic and Monetary Affairs	The committee decided not to give an opinion.	
	<b>ITRE</b> Industry, External Trade, Research, Energy	The committee decided not to give an opinion.	
Council of the European Union	<b>AGRI</b> Agriculture and Rural Development		01/09/1999
		PSE <a href="#">RODRÍGUEZ RAMOS María Soraya</a>	
	Council configuration	Meeting	Date
	Culture	<a href="#">2287</a>	26/09/2000
	Fisheries	<a href="#">2273</a>	16/06/2000

Key events			
14/07/1999	Legislative proposal published	COM(1999)0364	Summary
17/09/1999	Committee referral announced in Parliament		
08/11/1999	Vote in committee		Summary
08/11/1999	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A5-0055/1999</a>	
	Debate in Parliament		

16/11/1999			
17/11/1999	Decision by Parliament	<a href="#">T5-0103/1999</a>	Summary
14/06/2000	Amended legislative proposal for reconsultation published	<a href="#">09091/2000</a>	Summary
21/06/2000	Formal reconsultation of Parliament		
04/09/2000	Vote in committee		Summary
04/09/2000	Committee report tabled for plenary, reconsultation	<a href="#">A5-0223/2000</a>	
21/09/2000	Decision by Parliament	<a href="#">T5-0394/2000</a>	Summary
26/09/2000	Act adopted by Council after consultation of Parliament		
26/09/2000	End of procedure in Parliament		
29/09/2000	Final act published in Official Journal		

### Technical information

Procedure reference	1999/0151(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
	Repealing Decision 94/729/EC <a href="#">1993/1003(CNS)</a> Repealed by <a href="#">2006/0151(CNS)</a>
Legal basis	EC Treaty (after Amsterdam) EC 279
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/5/12099; BUDG/5/12864

### Documentation gateway

Legislative proposal		COM(1999)0364 OJ C 021 25.01.2000, p. 0037 E	14/07/1999	EC	Summary
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A5-0055/1999</a> <a href="#">OJ C 189 07.07.2000, p. 0005</a>	08/11/1999	EP	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T5-0103/1999</a> <a href="#">OJ C 189 07.07.2000, p. 0055-0080</a>	17/11/1999	EP	Summary
Amended legislative proposal for reconsultation		<a href="#">09091/2000</a>	14/06/2000	CSL	Summary
Committee final report tabled for plenary, reconsultation		<a href="#">A5-0223/2000</a> <a href="#">OJ C 146 17.05.2001, p. 0004</a>	04/09/2000	EP	
Text adopted by Parliament after reconsultation		<a href="#">T5-0394/2000</a> <a href="#">OJ C 146 17.05.2001, p. 0017-0075</a>	21/09/2000	EP	Summary
Follow-up document		<a href="#">COM(2002)0648</a>	22/11/2002	EC	Summary

### Additional information

--	--

## Final act

[Regulation 2000/2040](#)

[OJ L 244 29.09.2000, p. 0027](#) Summary

## Budgetary discipline

**PURPOSE:** to ensure the application of budgetary discipline to all the expenditures of the Union and to simplify the rules regarding budgetary discipline. **CONTENT:** the decisions taken by the Berlin European Council, the conclusion of a new inter-institutional agreement, as well as the experience of the implementation of the Council Decision of 31/10/1994 require some modifications to be made with respect to budgetary discipline. This proposed Regulation seeks to replace the 1994 decision on budgetary discipline (Decision 94/729/EC). It contains the following provisions: - calculation of and application of the agricultural guideline: the scope of the 'agricultural guideline' will be considerably broadened and will cover, in addition to traditional agricultural expenditures, strengthened rural development measures, veterinary and phytosanitary measures, the agricultural pre-accession measure and the part of the amount 'available for accession' relating to agriculture. The proposal provides for mechanisms to ensure the observance of ceilings; - the monetary reserve: the amount of the monetary reserve, originally introduced to cushion changes in euro/dollar parity, will be reduced from 500 million euros to 250 million in 2002, and wound up from 2003 onwards.; - the arrangements for the use of the reserves for loans and loan guarantee operations for third countries: the proposal describes their objectives and specifies that the own resources necessary to fund the reserves shall not be called in from the Member States until the reserves are used. It is also stipulated that no act adopted by the European Parliament and/or the Council which involves exceeding the appropriations available in the budget or the allocations available in the financial perspective may be implemented in financial terms until the budget has been amended and, if necessary, the financial perspective has been appropriately revised in accordance with the relevant procedure for each of the cases.?

## Budgetary discipline

The committee adopted a report by Mr Ioannis AVEROFF (EPP, GR) amending the Commission proposal. The first amendment proposed that the act to be adopted should be a Council decision and not a regulation as envisaged by the Commission. The committee also wanted changes to be made to the proposed text to bring it into line with the Interinstitutional Agreement (IIA) of 6 May on budgetary discipline. It stressed that the measures designed to make savings in agriculture should be taken in accordance with the budgetary powers of the respective institutions. To increase transparency the Commission should report annually to the budgetary authority on measures taken. The Commission should use its management powers in accordance with the treaty and the relevant regulations. The report also said that the institutions should apply the procedures laid down in the IIA to reach agreement on the budgetary impact of any measures proposed. If there is any risk of exceeding the ceilings laid down for subcategories 1a (market expenditure) or 1b (rural development), the IIA provides for the Commission to propose a revision of the Financial Perspective. Lastly, the report pointed out in an amendment that unutilised appropriations may be carried over to the following financial year and will not be handed back to the Member States and that the Commission may make a proposal on this when drawing up the preliminary draft budget.

## Budgetary discipline

In adopting the report drafted by Mr. Ioannis AVEROFF (EPP, GR), the European Parliament proposed that the act to be adopted should, like in the past, be a Council Decision, and not a Council Regulation as proposed by the Commission. The Parliament advocates adaptations to the proposed text so as to make it correspond with the Inter-Institutional Agreement (IIA) adopted on 6 May 1999. It stresses that the necessary measures concerning agricultural expenditures be taken in such a way as to respect the respective powers of the institutions in budgetary matters. To strengthen transparency, the Commission must, every year report to the budgetary authority concerning the measures taken. The Commission has to use its management powers in respect of the Treaty and related regulations. In cases where there is a risk that the ceilings laid down are exceeded for the sub-headings 1a (market expenditures) or 1b (rural development), the Commission may, as provided for in the IIA, propose a revision of the financial perspectives. The Parliament also wants the unused credits to be carried over to the following year and that they should not be repaid to the Member States. The Parliament called for the agricultural guideline to be reviewed on the basis of a report from the Commission to the Council and the Parliament before the first enlargement of the Union so that any necessary adjustments can be made.?

## Budgetary discipline

On 6 May 1999 the European Parliament, the Council and the Commission concluded an Interinstitutional Agreement on budgetary discipline and improvement of the budgetary procedure. This Institutional Agreement, all the provisions of which apply in full, stresses that budgetary discipline covers all expenditure and is binding on all the institutions involved in its implementation. It establishes a financial perspective intended to assure that, in the medium term, European Union expenditure, broken down by broad category, develops in an orderly manner and within the limits of own resources. For reasons of clarity, Council Decision 94/729/EC of 31 October 1994 on budgetary discipline should be repealed and replaced by this Regulation in order to take account of the conclusions of the Berlin European Council and of the Interinstitutional Agreement of 6 May 1999. This Regulation stipulates therefore that budgetary discipline shall apply to all expenditure. Such discipline shall be applied, as appropriate, by the Financial Regulation, this Regulation and the Interinstitutional Agreement of 6 May 1999. In relation to the EAGGF Guarantee Section expenditure, the agriculture guideline which constitutes for each year the ceiling on agricultural expenditure must

be respected each year. For each budget year, the Commission shall submit the agricultural guideline at the same time as the preliminary draft budget. Furthermore, the reference base from which this guideline is to be calculated shall be equal to EUR 36 394 million for 1995, that is to say the total corresponding to the calculation made on the previous base for 1988. In addition, all the legislative measures proposed by the Commission or adopted by the Council or by the Commission under the common agricultural policy shall comply with the amounts laid down in the financial perspective under the subheading for expenditure on the common agricultural policy (subheading 1a") and under subheading for rural development and accompanying measures (subheading 1b). In order to ensure that the ceilings for subheadings 1a and 1b of the financial perspective are not exceeded, the Commission shall implement a monthly early-warning and monitoring system for each chapter involving expenditure of the type referred to in Titles 1 to 4 of subsection B1 of the budget. Moreover, the statements of expenditure submitted to the Commission by the Member States every month shall be sent by the Commission to the European Parliament and to the Council for information. With regard to the preliminary-draft budget or a letter of amendment to the preliminary draft budget concerning agricultural expenditure, it shall use, in order to draw up the budget estimates for Titles 1 to 3 of subsection B1, the average euro-dollar market rate over the most recent three-month period ending at least twenty days before adoption by the budget document. Moreover, the sum of EUR 500 million shall be entered in a reserve in the general budget of the European Union, known as "the monetary reserve", as a provision to cover the developments caused by movements in the euro/dollar market rate. Savings or additional costs resulting from movements in the euro/dollar rate shall be treated in symmetrical fashion. Where the dollar strengthens the euro compared with the rate used in the budget, savings in the Guarantee Section of up to EUR 500 million in 2000 and 2001 and EUR 250 million in 2002 shall be transferred to the monetary reserve.?

## Budgetary discipline

---

The committee adopted the report by Ioannis AVEROFF (EPP-ED, GR) on the results of conciliation on the joint guideline of the Council with a view to the adoption of a Council regulation on budgetary discipline. At the budgetary conciliation meeting on 20 July 2000, the EP delegation and the Council had reached agreement on two amendments to be made to the text of the regulation on budgetary discipline. The first of these added a new recital (6a) aimed at ensuring that, in accordance with the provisions of the May 1999 Interinstitutional Agreement, Parliament would be involved in the decisions on the measures to control agricultural spending. The second amendment concerned Article 6, with the aim of ensuring that, when submitting the preliminary draft budget, the Commission should be required to supply both the EP and the Council with information by product on its forecasts and on actual expenditure for previous financial years. The report urged the plenary to endorse the two amendments and approve the outcome of the conciliation. ?

## Budgetary discipline

---

This was a procedure without debate. The Parliament approved the outcome of the conciliation on the joint guideline.?

## Budgetary discipline

---

PURPOSE : to ensure the application of budgetary discipline expenditures of the Union and to simplify the rules regarding budgetary discipline. COMMUNITY MEASURE : Council Regulation 2040/2000/EC on budgetary discipline. CONTENT : the Council adopted a Regulation on budgetary discipline to ensure that agricultural expenditure remained below the ceiling for sub-heading 1 (agricultural expenditure) of the financial perspective. The new Regulation will oblige the Commission to enable the Council to decide on measures to be taken, notably by amending agriculture legislation, where the regulations in force are likely to lead to the budget being exceeded. This agreement is in line with the conclusions of the Berlin Summit which agreed that EU expenditure must respect both the imperative of budgetary discipline and that of the efficient expenditure. ENTRY INTO FORCE : 29.09.2000. This Regulation should apply from 01.10.2000.?

## Budgetary discipline

---

In accordance with Article 10 of Regulation 2040/2000/EC, the Commission is presenting the budgetary authority with this report for the 2002 financial year on the impact on expenditure under Titles 1 to 3 of the EAGGF Guarantee Section of movements in the average euro/dollar exchange rate in the period 1 August 2001 to 31 July 2002 in relation to the rate used in the budget. The report contains information used to assess whether, on account of the impact of these changes, a transfer should be proposed to or from the monetary reserve and, if so, the relevant amount.?