


Procedure file

Basic information		
INI - Own-initiative procedure	2002/2271(INI)	Procedure completed
Reform of the budgetary procedure: possible options in view of the revision of the Treaties		
Subject 8.70.40 Basic budgetary texts		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets		12/11/2002
		PSE WYNN Terence	
	Committee for opinion	Rapporteur for opinion	Appointed
	AFCO Constitutional Affairs	The committee decided not to give an opinion.	

Key events			
16/01/2003	Committee referral announced in Parliament		
18/02/2003	Vote in committee		Summary
18/02/2003	Committee report tabled for plenary	A5-0046/2003	
11/03/2003	Debate in Parliament		
11/03/2003	Decision by Parliament	T5-0081/2003	Summary
11/03/2003	End of procedure in Parliament		
10/03/2004	Final act published in Official Journal		

Technical information	
Procedure reference	2002/2271(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/5/19026

Documentation gateway					
Committee report tabled for plenary, single reading		A5-0046/2003	18/02/2003	EP	
Text adopted by Parliament, single reading		T5-0081/2003 OJ C 061 10.03.2004, p. 0027-0143 E	11/03/2003	EP	Summary

Reform of the budgetary procedure: possible options in view of the revision of the Treaties

The committee adopted the own-initiative report by its chairman, Terry WYNN (PES, UK), on reform of the budgetary procedure. It said that the procedure needed to be overhauled to make it simpler and clearer and that the new constitutional Treaty should clearly enshrine the principles governing the budgetary provisions (including the principle of the Financial Perspective). The committee also wanted the same procedure to apply to all expenditure in order to confirm the equal footing of the two arms of the budgetary authority. However, it highlighted the specific nature of budgetary codecision, which required procedures to overcome disagreement and guarantee a final decision within strict deadlines. The committee added that Parliament would oppose any attempt to reduce its powers as part of the budgetary authority or to introduce more rigidity into the current system improved by budgetary discipline. In line with the recommendations of the Convention (Working Group IX on Simplification), the report proposed abandoning the distinction between compulsory and non-compulsory expenditure. The resulting decision-making system would be based on budgetary codecision. In the event of any disagreement between Parliament and Council, Parliament would have the final say on the total expenditure within the limit of revenue determined by the Council. However, the Council would have the final say on the breakdown of revenue between the different categories of resources. MEPs also envisaged the adoption of a transparent system of own resources and emphasised that any new system - regardless of the structure - should apply to all the Member States following the same principle. As far as the Financial Perspective was concerned, they advocated the introduction of genuine flexibility to deal with unforeseen situations - including the possibility of transfer between different headings. Moreover, the period covered by the Financial Perspective should correspond to the term of office of the Parliament and the Commission, to ensure continuity. Lastly, the committee reiterated Parliament's longstanding request that the European Development Fund (EDF) be integrated into the general budget of the Union, in the interests of simplification and transparency. ?

Reform of the budgetary procedure: possible options in view of the revision of the Treaties

The European parliament adopted a resolution drafted by Terry WYNN (PES, UK) on reform of the budgetary procedure. (Please refer to the document dated 18/02/03.) On the abolition of the distinction between compulsory and non-compulsory expenditure, Parliament recalled that the proportion of total outgoings accounted for by non-compulsory expenditure increased from 8% in the 1970s to 58% in 2008. It stressed that it could only agree to the abrogation of the traditional competencies conferred respectively on the Council in respect of compulsory expenditure and on Parliament in respect of non-compulsory expenditure if the codecision procedure is applied to the budgetary procedure. In accordance with the principle underlying budgetary codecision, the first reading by the Council of the preliminary draft budget drawn up by the Commission is superfluous and should therefore be discontinued. There should be a first reading by Parliament of the draft budget, followed by a single reading by the Council of the draft budget as amended by Parliament, followed by conciliation and a second reading by Parliament. An agreement should be reached - by conciliation - between the two arms of the budgetary authority on both revenue and expenditure, with that agreement being endorsed by Parliament in second reading. With regard to own resources, Parliament recognised the need to reform the current system but felt that this issue should form part of a more global reflection between the two arms of the budgetary authority on the various possible sources of finance for the EU budget. This should take place at the highest political levels, should not give rise to disparities in treatment between the Member States and should take into account national considerations and the different proposals made at Community level. The nature and maximum amount of resources levied should be determined by means of an institutional law. ?