

# **The role of the European Parliament under the financial provisions of the Lisbon Treaty**

**How can the EP use the new procedures?**

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# Outline

- 1. The EP and the budget: from Brussels to Lisbon**
- 2. A strategy for the future**
  - Multiannual Financial Framework
  - Annual procedure
  - Legislative procedure
  - Revenue side
- 3. Conclusions**

# 1. The EP and the budget: from Brussels to Lisbon

- Brussels Budget Treaty (1970):
  - significant budgetary powers to EP
  - current annual budgetary procedure
  - intensive conflict
- Financial Perspective and the IIA (1988):
  - budgetary peace
  - new rules and procedures outside Treaty
  - strengthened EP
- Draft Constitution and Lisbon Treaty (2008):
  - institutionalisation of current practices
  - little change in budgetary decision-making?



## 2. A strategy for the future

### The Multiannual Financial Framework

#### *Challenges:*

- no possibility to denounce multi-annual budget plan
- ceilings of the last MFF apply until new ceilings are adopted
- institutional compensation for accepting MMF budget figures



## 2. A strategy for the future

### The Multiannual Financial Framework

#### *Options:*

- many elements of the current IIA into 'Financial Regulation'
- consent to first MFF dependent on distributive and institutional changes (link to 'mid-term review' and increase in flexibility)



## 2. A strategy for the future

### The Annual Budgetary Procedure

#### *Challenges:*

- full co-responsibility for all parts of the budget
- central role for ConCom
- 2nd reading: take-it or leave-it choice
- 1st reading: extreme positions or narrow focus?



## 2. A strategy for the future

### The Annual Budgetary Procedure

*Options:*

Close internal coordination

- political groups and specialised committees represented in the EP delegation
- public CoBu meetings in parallel to the conciliation negotiations



## 2. A strategy for the future

### The Annual Budgetary Procedure

#### *Options:*

Intensive interinstitutional dialogue

- thorough preparation of ConCom meetings
- dialogue at early stage
- supporting role for the Presidents only in crisis





## 2. A strategy for the future

### The Annual Budgetary Procedure

*Options:*

Strong bargaining position

- credible threat of rejecting the budget
- smaller ConCom delegations
- alliances with certain Member States on spending priorities



## 2. A strategy for the future

### The Legislative Procedure

#### *Challenges:*

- budgetary pre-commitment through legislative decisions
- reduced accountability through early adoption of legislative acts
- effective budgetary priorities only when coupled with focused legislative initiatives

## 2. A strategy for the future

### The Legislative Procedure

#### *Options:*

- fewer early settlements in co-decision
- permanent seat for CoBu in the legislative ConCom
- co-ordinated legislative and budgetary priorities
- intensified monitoring of the multi-annual programmes

## 2. A strategy for the future

### The Revenue Side

#### *Challenge and Option:*

- only marginal change in provisions on own-resources
- consent procedure on implementing measures as stepping stone towards new debate on revenue side

# 3. Conclusions



- Financial Provisions of Lisbon Treaty provide opportunities and challenges
- Upcoming negotiations over the implementation rules are very important
- Lisbon Treaty reinforces tradition of 1988 reform: close cooperation and budgetary peace

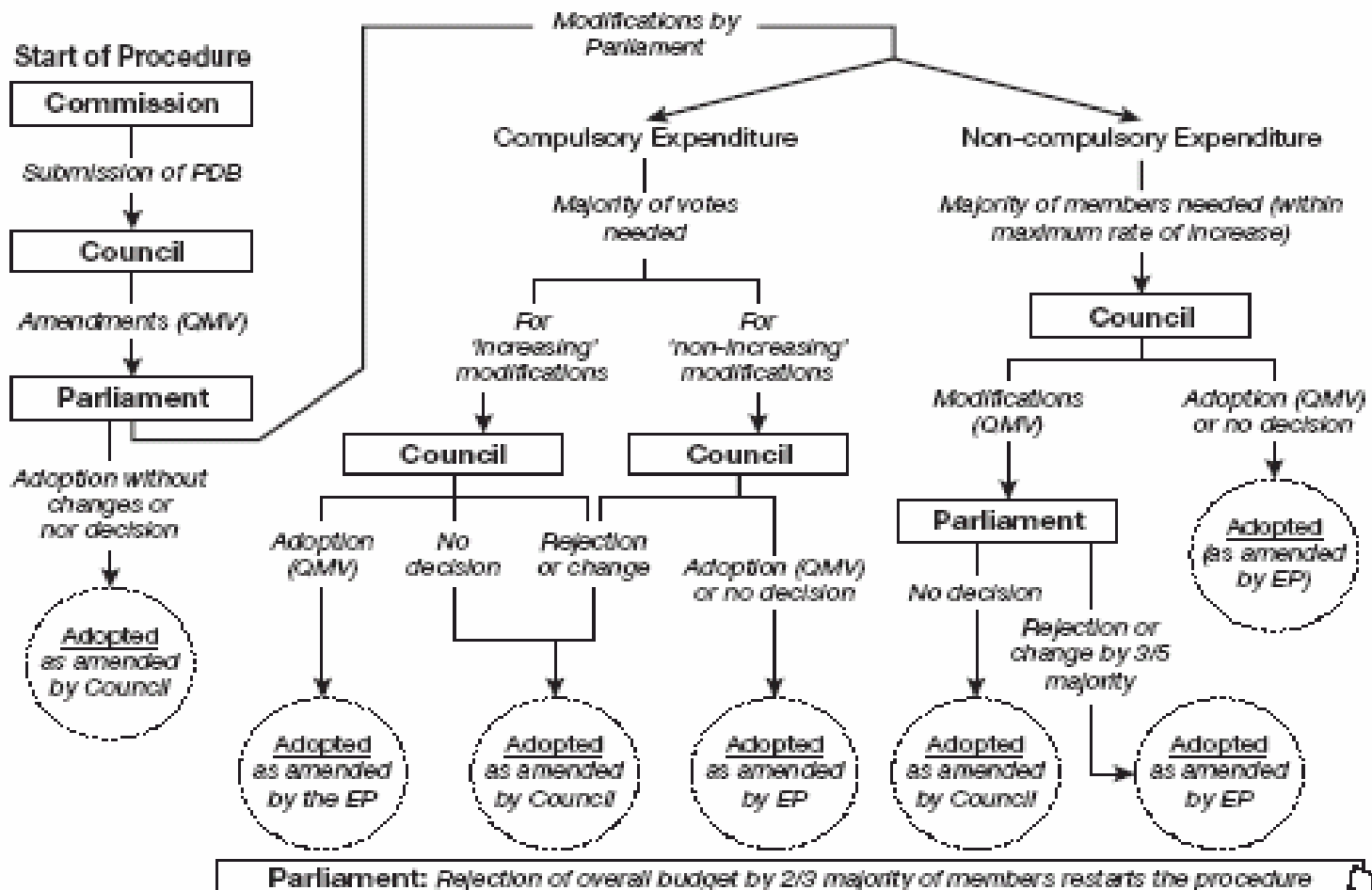
# 3. Conclusions



- Open question: stronger politicisation of the negotiations to increase visibility and accountability of spending decisions?
- Taking budgetary and legislative changes together: EP is strengthened
- Use the new powers of the Lisbon Treaty to make the EU fit for the Lisbon objectives!

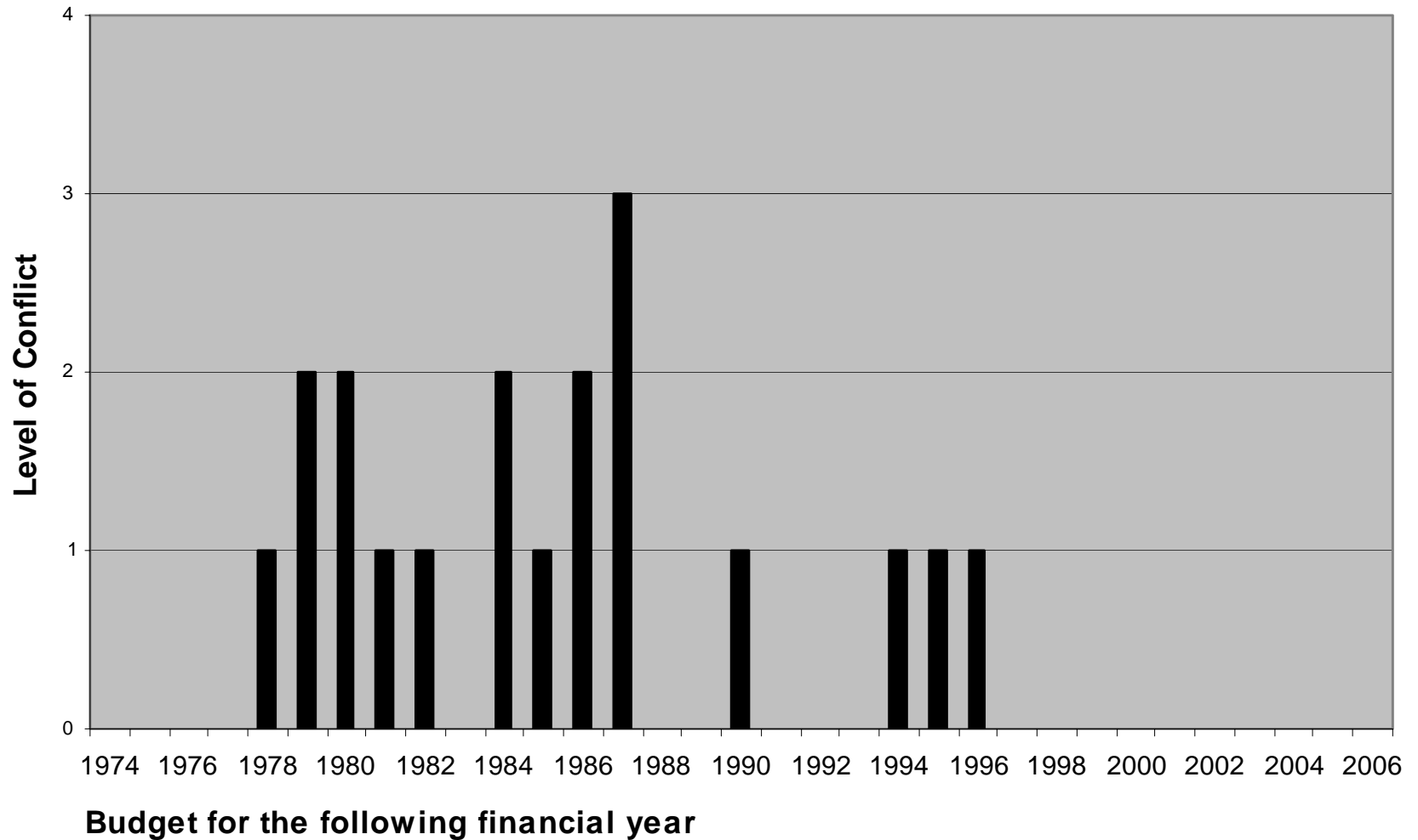
# Annex 1

## The annual budgetary procedure in the current Treaty



# Annex 2

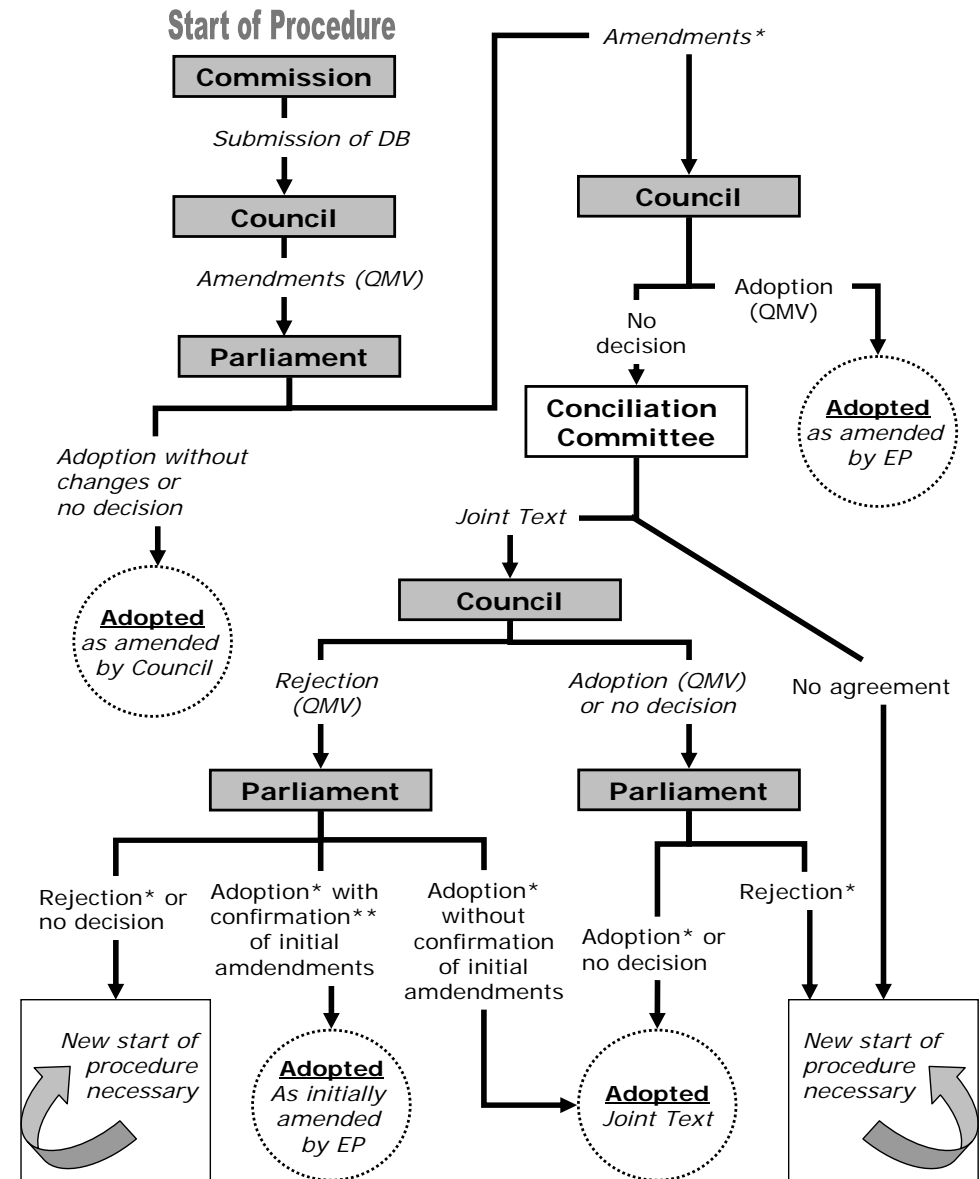
## Conflict in annual budgetary decision-making





# Annex 3

## The annual budgetary procedure in the Lisbon Treaty



\* With the majority of members

\*\* With 3/5th of votes and majority of members