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REPORT

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
(9091/2000 – C5-0339/2000 – 1999/0151(CNS))

Committee on Budgets

Rapporteur: Ioannis Averoff

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PROCEDURAL PAGE

At the sitting of 15 November 1999, Parliament delivered its opinion on the proposal for a Council regulation on budgetary discipline (COM(1999) 364 – C5-0141/1999 – 1999/0151(CNS)).

At the sitting of 3 July 2000, the President announced she had received a joint guideline from the Council with a view to the adoption of a Council regulation on budgetary discipline and she referred it to the Committee on Budgets as the committee responsible (C5-0339/2000).

A meeting of the Conciliation Committee was held on 20 July 2000 in which a delegation (in accordance with Rule 72) composed of the following Members took part (the three permanent members being prevented from attending): Jean-Louis Bourlanges, Joan Colom i Naval, Gianfranco Dell'Alba, Bárbara Dührkop Dührkop, James E.M. Elles, Markus Ferber, Salvador Garriga Polledo, Catherine Guy-Quint, Jutta D. Haug, Heide Rühle, Kyösti Tapio Virrankoski, Ralf Walter, Terence Wynn.

At its meeting of 22 September 1999, the Committee on Budgets had appointed Mr Ioannis Averoff rapporteur.

At its meetings of 18 July and 4 September 2000 the Committee on Budgets considered the results of the conciliation and the draft report.

At the last meeting it adopted the motion for a resolution by 20 votes to 1, with 1 abstention.

The following were present for the vote: Terence Wynn, chairman; Reimer Böge, vice-chairman; Ioannis Averoff, rapporteur; Carlos Costa Neves, Göran Färm, Salvador Garriga Polledo, Neena Gill, Friedrich-Wilhelm Graefe zu Baringdorf (for Kathalijne Maria Buitenweg), Catherine Guy-Quint, Jutta D. Haug, Wolfgang Ilgenfritz, Anne Elisabet Jensen, Juan Andrés Naranjo Escobar, Samuli Pohjamo (for Jan Mulder), Paul Rübig (for Clemente Mastella), Giovanni Saverio Pittella, Esko Olavi Seppänen (for Chantal Cauquil), Per Stenmarck, Francesco Turchi, Kyösti Tapio Virrankoski, Ralf Walter, Brigitte Wenzel-Perillo.

The report was tabled on 5 September 2000 .

MOTION FOR A RESOLUTION

European Parliament's resolution 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 (9091/2000 – C5-0339/2000 – 1999/0151(CNS))

The European Parliament,

- having regard to the joint guideline from the Council with a view to the adoption of a Council regulation on budgetary discipline (9091/2000 – C5-0339/2000),
 - having regard to its opinion¹ on the Commission proposal to the Council (COM(1999) 364)² ,
 - having regard to the Joint Declaration of the European Parliament, the Council and the Commission of 4 March 1975, and in particular paragraphs 2 and 7 thereof³,
 - having regard to the conciliation on the above proposal,
 - having regard to Rule 72(4) of its Rules of Procedure,
 - having regard to the report of the Committee on Budgets (A5-0223/2000),
1. Approves the outcome of the conciliation, the details of which are attached;
 2. Instructs its President to forward this resolution to the Council and Commission.

¹ OJ C 189, 7.7.2000, p.55

² OJ C21, 25.1.2000, p. 37.

³ OJ C89, 22.4.1975

RESULTS OF THE CONCILIATION COMMITTEE MEETING OF 20 JULY 2000
Modifications to the Council text
(9091/2000 – C5-0339/2000 – 1999/0151(CNS))

New Recital 6a (referring to Article 5)

The ceilings for the "Common agricultural policy" and "accompanying measures" subheading are set in the financial perspective forming an integral part of the Interinstitutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure. They can be revised only by a joint decision of both arms of the budgetary authority, acting on a proposal from the Commission, in accordance with the relevant provisions of the Interinstitutional Agreement.

Modify Article 6 as follows (to align it with Article 7)

1. The Commission shall examine the medium-term budget situation when the preliminary draft budget is established for each year. It shall submit to **the European Parliament and to the** Council, together with the preliminary draft budget for financial year N, its forecast by product for the financial years N-1, N and N+1. At the same time, it shall submit an analysis of the differences between initial forecasts and actual expenditure for the financial years N-2 and N-3 and the measures taken to improve the quality of forecasts.

EXPLANATORY STATEMENT

BACKGROUND

1. On 14 July 1999, the Commission adopted a proposal to modify the decision on budgetary discipline (last version dating from 31 October 1994). Parliament gave its opinion on this proposal on 17 November 1999 (report by Mr. Averoff from COBU) adopting 32 amendments.
2. The Council adopted a "**joint guideline**" on 14 June 2000 which it transmitted to Parliament in view of holding a **conciliation procedure** in accordance with the 1975 declaration. The delegation from the Committee on Budgets which took part in the conciliation meeting on 20 July is able to recommend to Parliament the conclusion of this conciliation on the basis of the compromises contained in this report.
3. An analysis of the council text and its advantages and disadvantages from a budgetary point of view was presented at the meeting of the Committee on Budgets on 17-18 July in document PE 289.581 of 4 July 2000.

NEW PROCEDURES FOR CONTROLLING AGRICULTURAL EXPENDITURE

4. The existing 1994 decision contains a number of different procedures for taking steps to control agricultural expenditure. The Parliament broadly accepted the new procedures proposed by the Commission, but put forward a series of amendments which **tried to ensure that Parliament would be involved in the decisions on the measures to control agricultural spending through the IIA procedures and the budget**. The only reference to the IIA procedures are contained in Recital (2) and Articles 1 and 5(3) of the Council text.
5. In the conciliation, Parliament insisted on some stronger linkages between the new procedures and the Council text and the procedures foreseen for the budget and the IIA/Financial Perspective. To this end, although we would have liked to create these linkages in the text of the Articles of the Regulation, because of the position of the Council it was agreed in the conciliation Committee to add a **new Recital 6a (referring to Article 5)**:

The ceilings for the "Common agricultural policy" and "accompanying measures" subheading are set in the financial perspective forming an integral part of the Interinstitutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure. They can be revised only by a joint decision of both arms of the budgetary authority, acting on a proposal from the Commission, in accordance with the relevant provisions of the Interinstitutional Agreement.

INFORMATION TO PARLIAMENT

6. Parliament also noted that Council, in one important provision concerning information to

be supplied along with the PDB, had neglected to provide for this information to be supplied to Parliament as well as to Council. This was rectified by a suitable amendment to the Council text (see text in Annex).

CONCLUSION

7. The Council text can be considered an improvement on the existing 1994 Decision and on the Commission proposal. Since the Council in conciliation was able to accept the above modifications, Parliament could agree to the text on the basis of this compromise. It should, however, be recalled that the procedure for this type of legislation referring to budgetary matters is far from satisfactory and the treaty should be amended to provide for codecision.