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REPORT

on the financial implications of the accession of Bulgaria and Romania
(2005/2031(INI))

Committee on Budgets

Rapporteur: Reimer Böge and Bárbara Dührkop Dührkop

CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	3
Joint Declaration agreed between the Council Presidency and the EP negotiating delegation..	5
Financial package proposed by the Commission on 22 March 2004 for Bulgaria and Romania	6
PROCEDURE.....	7

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the financial implications of the accession of Bulgaria and Romania (2005/2031(INI))

The European Parliament,

- having regard to Article 272 of the EC Treaty,
 - having regard to the Interinstitutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure¹ and in particular points 27 and 30 thereof,
 - having regard to the outcome of the negotiating meetings with the Council Presidency and the Trialogue of 5 April 2005,
 - having regard to Rule 45 of its Rules of Procedure,
 - having regard to the report of the Committee on Budgets (A6-0090/2005),
- A. whereas the EC Treaty and in particular Article 272 thereof, and the Interinstitutional Agreement of 6 May 1999 and in particular points 27 and 30 thereof, contain provisions which confirm the powers and the procedures of the budgetary authority on classification of expenditure and corresponding authority,
- B. whereas the Council has refused, until now, to cooperate loyally with the European Parliament in identifying the financial appropriations needed for this accession and thereby intends to decide unilaterally on amounts related to non-compulsory expenditure, which become temporarily compulsory after the entry into force of the Accession Treaty,
- C. whereas such a refusal implies a significant violation of the budgetary powers and prerogatives of the European Parliament and is in breach of the inter-institutional agreement on budgetary discipline of 6 May 1999,
1. Deplores the fact that the Council did not agree to adopt the Joint Declaration annexed to this text, as agreed with the Council's Presidency and whereby the three institutions must agree on the budgetary implications of the accession of Bulgaria and Romania;
 2. Underlines that the intention of the Council to decide unilaterally to enter non-compulsory expenditure in the Accession Treaty, without previous consultation and agreement of the European Parliament, is a clear violation of the EC Treaty and a significant breach of the Interinstitutional Agreement on budgetary discipline;
 3. Notes furthermore with concern that on 22 March 2004 the Council considered the Commission proposal for a financial package for Romania and Bulgaria to be fair and equitable, completely excluding the other arm of the budgetary authority;

¹ OJ C 172, 18.6.1999, p. 1. Agreement as amended by Decision 2003/429/EC (OJ L 147, 14.6.2003, p. 25).

4. Rejects this serious violation of the Parliament's institutional and budgetary powers by including non-compulsory expenditure in the annex to the Accession Treaties, even if this only applies for a temporary period and represents a partial derogation of Article 272 of the EC Treaty;
5. Notes the Commission proposal in its Communication to the Council and the European Parliament "Building our common future: Policy challenges and Budgetary means of the Enlarged Union 2007-2013"¹, which is based on the assumption that Bulgaria and Romania will be Member States on 1 January 2007;
6. notes the amounts foreseen by the Council in its conclusions of 22 March 2004 on the "Financial package for the accession negotiations with Bulgaria and Romania" as set out in Annex 2;
7. Estimates that the overall amount foreseen for Bulgaria and Romania for the period 2007 - 2013 could be around EUR 44.3 billion broken down as follows: EUR 16.2 billion for the period 2007 - 2009, of which EUR 12.4 billion agreed in the accession treaty, and EUR 28.1 billion for the period 2010-2013; considers that these amounts will constitute a reference during the forthcoming negotiations on the future financial perspective or in case of non agreement on the financial perspective;
8. Insists that, in any circumstances, the financing of the accession of Bulgaria and Romania must not jeopardise the commitments for existing multiannual programmes; insists that the binding appropriations of about EUR 300 million, which are needed annually for internal policy and administrative expenditure in case no agreement on a new financial perspective is reached, have to be provided in addition;
9. Invites the Council to review its current position and support the Joint Declaration agreed with the Council Presidency, as in Annex 1 to this text;
10. Warns the Council that otherwise the European Parliament, as the arm of the budgetary authority, will take the appropriate measures in case it persists in its lack of loyal cooperation and breach of the inter-institutional agreement by not agreeing on the Joint Declaration annexed to this text;
11. Instructs its President to forward this resolution to the Council and Commission.

¹ COM(2004)0101.

**Joint Declaration agreed between the Council Presidency and the EP
negotiating delegation**

Financial implications of the accession of Bulgaria and Romania

1. Without prejudice of the draft treaty establishing a Constitution for Europe

a. The representatives of the Governments of the Member States meeting with the Council declare that the amounts in Title III "Financial Provisions" of the Act of Accession, annexed to the draft Accession Treaty submitted under the assent procedure of the European Parliament, are mentioned without prejudice to the European Parliament's rights and the powers and prerogatives of the budgetary authority conferred by Article 272 the EC Treaty and the relevant provisions of the Interinstitutional Agreement of 6 May 1999.

b. The Council, the Commission and the European Parliament confirm that the classification of the expenditure in Articles 30-34, Title III "Financial Provisions" of the Act of Accession, annexed to the draft Accession Treaty will constitute non-compulsory expenditure after 2009.

2. The Commission confirms that its proposal for a financial framework (2007-2013) is based on the assumption that Bulgaria and Romania will be Member States on 1 January 2007. The European Parliament and the Council take note of the indicative amounts, for Bulgaria and Romania, provided by the Commission in March 2004 and considered by the Council in its conclusions of 22 March 2004 on "the financial package for the accession negotiations for Bulgaria and Romania". The financing of the accession of Bulgaria and Romania will be ensured without jeopardising the commitments for existing multiannual programmes.

3. The European Parliament, the Council and the Commission recall the importance of the Interinstitutional Agreement of 6 May 1999 in the functioning of budgetary procedures and that this can only function if all the institutions comply fully.

Financial package proposed by the Commission on 22 March 2004 for Bulgaria and Romania

	2007	2008	2009	Total
COMMITMENT APPROPRIATIONS				
Agriculture	1141	1990	2342	5473
Structural operations	1938	2731	3605	8273
Internal Policies	444	434	426	1304
Administration	96	125	125	346
Total commitment appropriations	3619	5279	3498	15396
Payment appropriations	1648	3276	4131	9056

Source: Conclusions General Affairs Council of 22/03/2004

PROCEDURE

Title	Financial implications of the accession of Bulgaria and Romania	
Procedure number	2005/2031(INI)	
Basis in Rules of Procedure	Rule 45	
Committee responsible Date authorisation announced in plenary	BUDG 10.3.2005	
Committee(s) asked for opinion(s) Date announced in plenary		
Not delivering opinion(s) Date of decision		
Enhanced cooperation Date announced in plenary		
Motion(s) for resolution(s) included in report		
Rapporteur(s) Date appointed	Reimer Böge - Bárbara Dührkop Dührkop 10.3.2005	
Previous rapporteur(s)		
Discussed in committee	11.4.2005	
Date adopted	11.4.2005	
Result of final vote	for: 36 against: - abstentions: -	
Members present for the final vote	Laima Liucija Andrikienė, Reimer Böge, Herbert Bösch, Simon Busuttil, Paulo Casaca, Gérard Deprez, Valdis Dombrovskis, Brigitte Douay, Bárbara Dührkop Dührkop, James Elles, Szabolcs Fazakas, Markus Ferber, Salvador Garriga Polledo, Neena Gill, Dariusz Maciej Grabowski, Ingeborg Gräßle, Louis Grech, Nathalie Griesbeck, Catherine Guy-Quint, Ville Itälä, Anne Elisabet Jensen, Wiesław Stefan Kuc, Zbigniew Krzysztof Kuźmiuk, Alain Lamassoure, Janusz Lewandowski, Vladimír Maňka, Jan Mulder, Giovanni Pittella, Wojciech Roszkowski, Antonis Samaras, Anders Samuelsen, Esko Seppänen, László Surján, Helga Trüpel, Yannick Vaugrenard, Ralf Walter	
Substitutes present for the final vote	Mairead McGuinness, Hans-Peter Martin, Libor Rouček, Paul Rübig, Margarita Starkevičiūtė	
Substitutes under Rule 178(2) present for the final vote		
Date tabled – A6	11.4.2005	A6-0090/2005