

EUROPEAN PARLIAMENT

2004



2009

Session document

FINAL
A6-0056/2007

6.3.2007

REPORT

on the proposal for a Council regulation repealing Council Regulation (EC) No 2040/2000 on budgetary discipline
(COM(2006)0448 – C6-0277/2006 – 2006/0151(CNS))

Committee on Budgets

Rapporteur: Janusz Lewandowski

Symbols for procedures

- * Consultation procedure
majority of the votes cast
- **I Cooperation procedure (first reading)
majority of the votes cast
- **II Cooperation procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- *** Assent procedure
*majority of Parliament's component Members except in cases
covered by Articles 105, 107, 161 and 300 of the EC Treaty and
Article 7 of the EU Treaty*
- ***I Codecision procedure (first reading)
majority of the votes cast
- ***II Codecision procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- ***III Codecision procedure (third reading)
majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission.)

Amendments to a legislative text

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a Council regulation repealing Council Regulation (EC) No 2040/2000 on budgetary discipline
(COM(2006)0448 – C6-0277/2006 – 2006/0151(CNS))**

(Consultation procedure)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2006)0448)¹,
 - having regard to Articles 37, 279 and 308 of the EC Treaty, pursuant to which the Council consulted Parliament (C6-0277/2006),
 - having regard to Rule 51 of its Rules of Procedure,
 - having regard to the report of the Committee on Budgets (A6-0056/2007),
1. Approves the Commission proposal;
 2. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
 3. Asks the Council to consult Parliament again if it intends to amend the Commission proposal substantially;
 4. Instructs its President to forward its position to the Council and Commission.

¹ Not yet published in OJ.

EXPLANATORY STATEMENT

The Commission is proposing that Council Regulation No 2040/2000 of 26 September 2000¹, for which Mr Ioannis Averoff was rapporteur on the Committee on Budgets at the time², be repealed.

It contends that, for the following reasons, the regulation is no longer relevant:

- in agriculture because budget discipline provisions have been incorporated into Council Regulation (EC) No 1290/2005 on the financing of the common agricultural policy³, and
- in the foreign policy domain because a new mechanism has been established for the loan guarantee reserve for 2007-2013.

I. Provisions relating to agriculture

Your rapporteur agrees that, since Regulation (EC) No 2040/2000 was adopted, budgetary discipline has been enhanced by a new regulation, 1290/2005, as an annual ceiling has been set for EAGGF-finance spending, the maximum financial perspective amounts for the fund having been entered. That regulation has also ensured that the annual ceiling for EAGGF-financed spending is observed in all circumstances and at all stages in the budget procedure and during budget implementation.

II. Provisions relating to reserves in connection with external actions

It is equally true that, in the meantime, a legal basis has been established for the proposed mechanism for endowing the Guarantee Fund for external actions; Council Regulation (EC, Euratom) No 89/2007 of 30 January 2007⁴ amending Council Regulation (EC, Euratom) No 2728/94 establishing a Guarantee Fund for external actions⁵.

The political mandate for the European Investment Bank to award the corresponding loans was issued by the Council on 19 December 2006⁶.

Furthermore, the reserve for emergency aid to third states was incorporated into Article 45(1) of the Financial Regulation as long ago as 2002⁷. In the meantime, the amount of the emergency aid reserve is now determined in the IIA of 17 May 2006 (paragraph 25).

¹ OJ L 244, 29.9.2000.

² European Parliament resolution of 21 September 2000, OJ C 146, 17.5.2001, p. 75.

³ Schierhuber report, OJ L 248, 11.8.2005.

⁴ OJ L 22, 31.1.2007.

⁵ Seppänen report, European Parliament resolution of 14 March 2006, *Texts adopted*, P6_TA(2006)0072.

⁶ Seppänen report, European Parliament resolution of 30 November 2006.

⁷ Regulation (EC, Euratom) No 1605/2002, as last amended by Regulation (EC) No 1995/2006, OJ L 390, 30.12.2006, p. 1.

Moreover, for the first time, a line 01 04 01 13 was created in the 2007 budget (heading 4: 'The EU as a Global Player'), with an allocation of EUR 200 m for the reserve for loans and loan guarantees to and in non-member countries.

That establishes the necessary legal basis (within the meaning of Article 49(1) of the Financial Regulation and the IIA), and there is no risk of a regulatory gap as a result of the planned repeal of Regulation (EC) No 2040/2000.

III. Conclusion

Consequently, the main components of Council Regulation No 2040/2000 have become obsolete. Outdated legislation should be repealed from a 'better lawmaking' perspective, too, so as to minimise the number of provisions in force¹.

The European Court of Auditors reaches the same conclusion in its Opinion No 8/2006 of 6 December 2006².

Your rapporteur therefore proposes that the Commission proposal be approved unamended.

¹ E.g. Interinstitutional Agreement on better law-making of 31 December 2003 (point 35) or, most recently, the working document of 14 November 2006 on the strategy for the simplification of the regulatory environment (COM(2006)0690).

² OJ C 8, 2.1.2007, p. 3.

PROCEDURE

Title	Repeal of Council Regulation (EC) No 2040/2000 of 26 September 2000 on budgetary discipline
References	COM(2006)0448 - C6-0277/2006 - 2006/0151(CNS)
Date of consulting Parliament	31.8.2006
Committee responsible Date announced in plenary	BUDG 5.9.2006
Rapporteur(s) Date appointed	Janusz Lewandowski 25.10.2006
Discussed in committee	27.2.2007
Date adopted	27.2.2007
Result of final vote	+: 28 -: 0 0: 0
Members present for the final vote	Richard James Ashworth, Reimer Böge, Herbert Bösch, Gérard Deprez, Valdis Dombrovskis, James Elles, Hynek Fajmon, Göran Färm, Szabolcs Fazakas, Ingeborg Gräßle, Louis Grech, Catherine Guy-Quint, Jutta Haug, Ville Itälä, Anne E. Jensen, Silvana Koch-Mehrin, Sergej Kozlík, Wiesław Stefan Kuc, Janusz Lewandowski, Nils Lundgren, Vladimír Maňka, Mario Mauro, Jan Mulder, Gérard Onesta, Gianni Pittella, Petre Popeangă, Antonis Samaras, Esko Seppänen, Nina Škottová, László Surján, Ralf Walter