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2004



2009

Committee on Budgets

2008/0020(CNS)

9.4.2008

OPINION

of the Committee on Budgets

for the Committee on Agriculture and Rural Development

on the proposal for a Council regulation amending Regulation (EC) No 1782/2003 as regards the transfer of tobacco aid to the Community Tobacco Fund for the years 2008 and 2009 and Regulation (EC) No 1234/2007 with regard to financing of the Community Tobacco Fund
(COM(2008)0051 – C6-0062/2008 – 2008/0020(CNS))

Draftsman: Wiesław Stefan Kuc

PA_Legam

SHORT JUSTIFICATION

1. Background

The proposal is based on Article 37(2), subparagraph 3 of the Treaty (Agriculture - consultation procedure) and has been brought forward by DG AGRI of the Commission, although budget lines in Title 05 and title 17 (Public Health) are concerned: 05 03 02 22 - tobacco aid with EUR 293 million (AL 2008) and 17 03 02 - Community Tobacco Fund with EUR 14,25 million. (Budget 2008).

The Commission proposes to extend the financing of the Community Tobacco Fund for the next two harvest years (2008 and 2009, budget years 2009 and 2010), in order to bring it in line with Article 110j of Council Regulation (EC) No 1782/2003 of 29 September 2003¹, which grants aid to producers of raw tobacco until harvest year 2009. Since the reform of the Common Market Organisation for tobacco in 2004, the Fund has financed information policies to improve public awareness of the effects of tobacco consumption. In the current funding period, the Fund gave support to the "HELP – for a life without tobacco" campaign², covering communication actions taken by Directorate-General for Health and Consumer Protection (DG SANCO).

It is proposed to the Council that this be extended for the calendar years 2008 and 2009. The Fund takes 5 percent of the total budget for tobacco subsidies in 2008 and 2009 with a current maximum ceiling for tobacco aid at EUR 337,937 million. The amount of maximum annual 5 percent is being transferred to the Fund (EUR 16,897 million).

The Commission considers it useful to continue using the Fund to finance actions to inform about the harmful effects of smoking.

Article 104(2) of Regulation (EC) No 1234/2007 of 22 October 2007³ establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products ("Single CMO Regulation") provides for the funding of the Community Tobacco Fund by the transfer of a certain amount of tobacco aid for the calendar years 2006 and 2007 in accordance with Article 110m of Regulation (EC) No 1782/2003. The Community Tobacco Fund has always been funded by the transfer of part of the tobacco aids. Council Regulation (EC) No 864/2004 finally extended the tobacco aid to 2008 and 2009 without accordingly extending the funding of the Community Tobacco Fund by a reduction of the tobacco aid.

2. The projects financed by the Fund

The Fund's public health objectives

- Raising public awareness of the harmful effects of tobacco consumption, including passive smoking.

¹ OJ L 270, 21.10.2003, p. .1 Consolidated version: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32003R1782:DE:NOT>

² see www.help-eu.com

³ OJ L 229, 16.11.2007, p. 1.

- Improving the relevance and effectiveness of the messages put across about the harmful effects of tobacco consumption, and the methods of communication used (language and images).
- Preventing and stopping smoking.
- Disseminating the results to the national authorities and the relevant sectors.

3. Financial implications

The current maximum ceiling for tobacco aid being at EUR 337,937 million, meaning that the maximum annual amount which can be transferred to the Fund is EUR 16,897 million.

A possible prolongation of the Fund would not involve any additional Community expenditure. It extends the possibility foreseen in Article 110m of Regulation (EC) No 1782/2003 to the transfer in 2008 and 2009 (budget years 2009 and 2010) 5% of the amount of tobacco aid under "Direct Aids" to the "Community Tobacco Fund". The ceilings on tobacco aid remain unchanged and the maximum annual amount which can be transferred amounts to EUR 16,897 million (EUR 337,937 million x 5% = EUR 16,897 million). This amount from line 05 03 02 22 will be available instead under budget line 17 03 02 – Community Tobacco Fund. As this is a transfer between titles, this measure does not entail any additional budget appropriations.

4. Amendments

It is clear that this proposal is also subject to the mid-term review of the Multi-annual Financial Framework foreseen in Declaration 3 of the IIA of 17 May 2006 and the conclusions of the European Council ("full, wide-ranging review covering all aspects of EU spending, including the CAP").

The Committee on Budgets calls on the Committee on Agriculture and Rural Development, as the committee responsible, to incorporate the following amendment in its report:

Amendment 1

Draft legislative resolution Paragraph 1 a (new)

Draft legislative resolution

Amendment

1a. Considers that any amount foreseen must be compatible with the ceiling of Heading 2 of the multiannual financial framework (MFF) 2007-2013 as revised by Decision 2008/29/EC of 18 December 2007, and points out that the annual amount will be decided within the annual

***budgetary procedure and will be assessed
in a multi-annual context.***

Justification

This amendment aims to recall that the proposal, being part of the CAP, it is not only subject to the mid-term review of the Multi-annual Financial Framework foreseen in Declaration 3 of the IIA of 17 May 2006 and the conclusions of the European Council ("full, wide-ranging review covering all aspects of EU spending, including the CAP"), but also subject to scrutiny within the annual Budget Procedure.

PROCEDURE

Title	Community Tobacco Fund	
References	COM(2008)0051 – C6-0062/2008 – 2008/0020(CNS)	
Committee responsible	AGRI	
Opinion by Date announced in plenary	BUDG 21.2.2008	
Drafts(wo)man Date appointed	Wiesław Stefan Kuc 20.2.2008	
Discussed in committee	1.4.2008	8.4.2008
Date adopted	8.4.2008	
Result of final vote	+: 27 -: 0 0: 0	
Members present for the final vote	Laima Liucija Andrikienė, Richard James Ashworth, Reimer Böge, Paulo Casaca, Brigitte Douay, Szabolcs Fazakas, Salvador Garriga Polledo, Ingeborg Gräble, Louis Grech, Catherine Guy-Quint, Jutta Haug, Anne E. Jensen, Wiesław Stefan Kuc, Janusz Lewandowski, Vladimir Maňka, Cătălin-Ioan Nechifor, Margaritis Schinas, Esko Seppänen, Nina Škottová, Theodor Dumitru Stolojan, László Surján, Helga Trüpel, Kyösti Virrankoski, Ralf Walter	
Substitute(s) present for the final vote	Thijs Berman, Richard Corbett, Libor Rouček	