

EUROPEAN PARLIAMENT

2004



2009

Committee on Economic and Monetary Affairs

2004/2006(INI)

3.2.2005

OPINION

of the Committee on Economic and Monetary Affairs

for the Temporary Committee on Policy Challenges and Budgetary Means of the enlarged Union 2007-2013

on the Financial Perspective 2007-2013
(COM(2004)0101 – C5-0089/2004 - 2004/2006(INI))

Draftsman: Enrico Letta

SUGGESTIONS

The Committee on Economic and Monetary Affairs calls on the Temporary Committee on Policy Challenges and Budgetary Means of the enlarged Union 2007-2013, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. We recognise the efforts the Commission has made to identify the European Union's priorities for the next few years and to propose the restructuring - albeit only partial - of its own budget in order to ensure that those objectives can be pursued.
2. We welcome the Commission's decision to bring forward its presentation of the Financial Perspective to take advantage of the fact that almost all Community programmes are due to be completed at the same time (2006).
3. We support the position taken by the Commission in setting, as its overriding priority, sustainable growth and, in particular, the implementation of the Lisbon strategy. However, it should not be forgotten that responsibility for implementing the Lisbon strategy rests in the main with the Member States, and it will therefore be important to apply the subsidiarity and proportionality principles correctly. It needs to be stressed that solidarity and cohesion – on which the success of Europe is based – should continue to serve as a fundamental budgetary principle.
4. We consider that the three areas in which the Commission proposes to concentrate its efforts are absolutely crucial, and that the resources earmarked for activities in those fields are non-negotiable, particularly with regard to measures to encourage competitiveness and innovation in the single market, particularly in the field of research and technology, education and training and trans-European and energy networks. We consider it important that financial aid should create a European added value.
5. We agree that, as competitiveness and cohesion are two separate objectives which are mutually reinforcing in that they are both conducive to solidarity among all regions and citizens, they require two distinct subheadings in the budget.
6. We strongly believe that the correct approach is to reach political agreement, first, on the role that the European Union should play through its policy action and, subsequently, on the resources which should be available to it. We consider, however, that it is appropriate for payment appropriations to be set at an average of 1.14% of gross national income (GNI), as proposed by the Commission, and for the own resources ceiling to be set at 1.24% of GNI. We believe however that these figures should be finalised only after an improvement in budgetary control whereby the Court of Auditors certifies that spending is in line with the decisions of the budgetary authority.
7. We consider that the Commission's proposal for a 'European Growth Adjustment Fund' could allow the Union to react more quickly to economic change through measures which stimulate growth; we consider that resources not spent in one financial year could be carried over and transferred to this Growth Adjustment Fund, which should finance investment that helps the EU to reach its Lisbon objectives strengthening social and regional cohesion; calls on the Commission to put forward a more detailed proposal on the financing and the use of a

'European Growth and Adjustment Fund'.

- 8 The outcome of the new Financial Perspective, whereby resources are to be allocated to the new Union Member States, must not serve to inflict particular damage on any one country, thereby averting inequalities.
9. Furthermore, when considering the Financial Perspective, it is necessary to determine whether European funding has contributed to real convergence, and good performances must consequently not be penalised.
10. We also support the Commission's position with regard to the revenue side of the EU budget, and share its concern over the drawbacks of the perceived low financial autonomy of the European Union. We stress, therefore, the importance of devising an alternative system of financing the European Union, even though discussion of that subject has been postponed until 2013 and excluded from the 2007-2013 multiannual financial framework. We suggest in addition that alternative financial instruments be developed with a view to encouraging public and private stakeholders to invest on a larger scale in sectors with a higher innovation impact on the Community economy.
11. We believe that careful consideration should be given to the Commission's proposal of a generalised correction mechanism in order to reform the UK correction mechanism, while taking as a fundamental guideline the principle of solidarity among Member States.
12. With regard to the revenue side, the shift of emphasis from GNP resource to a tax-based resource would be desirable as a means of reducing individual Member States' preoccupation with questions of net balance.
13. We consider, however, that Parliament must coordinate its activities in order to participate effectively in the various budget procedures. Lack of coordination, accompanied by a 'first come, first served' approach, would reduce the prospects of obtaining, under the Financial Perspective, the resources required to achieve the objectives identified by Parliament as priorities.
14. Finally, we consider that the Financial Perspective should cover a period of time of five years, rather than seven years in order to overlap with Parliament and Commission mandate starting from the multi-annual framework following the 2007-2013 one.

PROCEDURE

Title	the Financial Perspective 2007-2013
Procedure number	2004/2006(INI)
Committee responsible	FINP
Committee asked for its opinion Date announced in plenary	ECON
Enhanced cooperation	No
Drafts(wo)man Date appointed	Enrico Letta 13.9.2004
Discussed in committee	4.10.2004 22.10.2004 18.1.2005
Date suggestions adopted	2.2.2005
Result of final vote	for: 35 against: 9 abstentions: 2
Members present for the final vote	Zsolt László Becsey, Pervenche Berès, Pier Luigi Bersani, Udo Bullmann, Ieke van den Burg, Elisa Ferreira, José Manuel García-Margallo y Marfil, Robert Goebbels, Gunnar Hökmark, Karsten Friedrich Hoppenstedt, Ian Hudghton, Christopher Huhne, Sophia in 't Veld, Othmar Karas, Piia-Noora Kauppi, Wolf Klinz, Christoph Konrad, Guntars Krasts, Kurt Joachim Lauk, Enrico Letta, Astrid Lulling, Gay Mitchell, Cristobal Montoro Romero, Joseph Muscat, John Purvis, Alexander Radwan, Bernhard Rapkay, Karin Riis-Jørgensen, Dariusz Rosati, Eoin Ryan, Antolín Sánchez Presedo, Manuel António dos Santos, Peter Skinner, Margarita Starkevičiūtė, Ivo Strejček, Sahra Wagenknecht, Lars Wohlin
Substitutes present for the final vote	Harald Ettl, Alain Lipietz, Jules Maaten, Diamanto Manolakou, Antonis Samaras, Andreas Schwab, Theresa Villiers, Corien Wortmann-Kool
Substitutes under Rule 178(2) present for the final vote	