

Official position of the other Institutions and Organs - European Council

Berlin European Council, 24 and 25 March 1999 An extract of the Presidency Conclusions

(...)

PART I - AGENDA 2000

3. Agenda 2000 is about equipping the Union with more effective policies and the financial means to implement them in a spirit of solidarity, while ensuring similar budgetary rigour at the level of the Union as applied at national level. The European Council considers that the policy reforms set out in these conclusions, and the financial framework to fund them over the medium-term, will ensure that the Union is in a position to face the challenges of the forthcoming period and to make a success of its future enlargement.

II. THE NEW FINANCIAL PERSPECTIVE

A. General

4. The Union's expenditure must respect both the imperative of budgetary discipline and efficient expenditure, and the need to ensure that the Union has sufficient resources at its disposal to ensure the orderly development of its policies for the benefit of its citizens and to cope effectively with the process of enlargement.

5. The new financial perspective should be established for a duration of seven years covering the period 2000-2006. It should be drawn up on the basis of the working assumption of the accession of new Member States starting from 2002.

6. The financial perspective should be drawn up using constant 1999 prices, with automatic annual technical adjustments for inflation as at present.

7. The European Council considers that the appropriate allocation of expenditure for EU-15 is as set out in Table A attached.

B. Presentation of the financial perspective in the context of enlargement

Financial perspective for EU-15 (Table A)

Pre-accession expenditure

8. Expenditure for the three pre-accession instruments (PHARE, the agricultural instrument and the structural instrument) should be entered in separate sub-headings in a new heading 7 in the financial perspective. The annual ceiling for the three sub-headings should remain at a constant level throughout the period and should not exceed:

Heading 7 (Pre-accession instruments)				(Mio. euros 1999 prices)			
	2000	2001	2002	2003	2004	2005	2006
Pre-accession instruments	3.120	3.120	3.120	3.120	3.120	3.120	3.120
PHARE	1.560	1.560	1.560	1.560	1.560	1.560	1.560
Agricultural	520	520	520	520	520	520	520
Structural	1.040	1.040	1.040	1.040	1.040	1.040	1.040

9. The European Council notes that political agreement exists on the legislative texts of the three regulations contained in doc. 6886/99. It invites the Council to adopt them as soon as possible after it has received the European Parliament's opinions.

Accession-related expenditure

10. In the financial perspective for EU-15 (Table A), an amount "available for accession" should be set aside under the own resources ceiling from 2002 until 2006 as the maximum amounts in payment appropriations to cover expenditure resulting from new accessions over the period. Payment appropriations available for accession should not exceed:

Available for accession (appropriations for payments)		(Mio. euros 1999 prices)			
	2002	2003	2004	2005	2006
Payment appropriations	4.140	6.710	8.890	11.440	14.210
Agriculture	1.600	2.030	2.450	2.930	3.400
Other expenditure	2.540	4.680	6.640	8.510	10.810

Financial framework for EU-21 (Table B)

11. An indicative financial framework for EU-21 as set out in Table B attached should accompany the financial perspective. It should include additional own resources resulting from the accession of 6 new Member States, and set out in an additional heading 8 (enlargement) the total cost of enlargement for each of the years 2002-2006, expressed as maximum amounts in commitment appropriations for agriculture, structural operations, internal policies and administration, as follows:

Heading 8 (Enlargement) (appropriations for commitments)		(Mio. Euros 1999 prices)			
	2002	2003	2004	2005	2006
Heading 8 (Enlargement)	6.450	9.030	11.610	14.200	16.780
Agriculture	1.600	2.030	2.450	2.930	3.400
Structural operations	3.750	5.830	7.920	10.000	12.080
Internal policies	730	760	790	820	850
Administration	370	410	450	450	450

Ring-fencing of accession-related and pre-accession expenditure

12. The European Council confirms the requirement set out in the conclusions of the Cardiff European Council that a clear distinction must be made in the presentation and implementation in the financial framework relating to the Union as currently constituted, and that reserved for the future acceding countries, including after enlargement. The new Interinstitutional Agreement should adequately reflect this requirement as follows.

13. Expenditure reserved for EU-15 (headings 1 to 6) cannot at any time be used for pre-accession assistance (heading 7) and, conversely, expenditure reserved for pre-accession assistance cannot be used by EU-15.

14. Amounts available for accession can only be used in order to cover expenditure arising as a direct consequence of enlargement, and cannot cover unforeseen expenditure arising for EU-15 or pre-accession expenditure (headings 1 to 7). Conversely, expenditure earmarked for EU-15 or pre-accession expenditure (headings 1 to 7) cannot be used to supplement the cost of new accessions.

15. After enlargement, in the event of any development of actual expenditure as a direct consequence of the accession of new Member States proving likely to exceed the ceiling on payment appropriations set aside in Table A for new accessions, the financial commitments for EU-15 agreed in the financial perspective will have to be respected.

16. Upon enlargement the financial perspective for EU-15 should be adjusted, taking account of the actual number of acceding countries and the maximum amounts set out in heading 8 in indicative Table B. In undertaking this adjustment, the Council shall act by qualified majority.

C. Principles governing renewal of the Interinstitutional Agreement

17. Given that the current financial framework and the Interinstitutional Agreement have proved their worth in ensuring the smooth completion of the annual budgetary procedure, the European Council hopes that a new agreement can be established between the European Parliament, the Council and the Commission on terms ensuring strict budgetary discipline, while preserving the overall balance of powers between the institutions and clearly ring-fencing pre-accession and accession-related expenditure for the entire duration of the financial perspective.

18. It calls upon the Council, on the basis of a common position, and subject to acceptable terms being attainable, to reach agreement with the European Parliament and the Commission on a new Interinstitutional Agreement. This Agreement should reflect the substance of these conclusions, including the possibility of introducing a provision aimed at ensuring some flexibility in the financial perspective during the annual budgetary procedure up to a limit of 200 million euros per annum.

PART IV - OTHER DECLARATIONS

ENLARGEMENT

In light of the outcome on Agenda 2000 on 24/25 March, the European Council wishes to send a message of reassurance to the countries negotiating for accession. Enlargement remains a historic priority for the European Union. The accession negotiations will continue each in accordance with its own rhythm and as rapidly as possible. It calls on the Council and the Commission to ensure that the pace of the negotiations is maintained accordingly.