European Parliament resolution on the financial impact of the enlargement of the European Union (13 June 2002)

Caption: On 13 June 2002, the European Parliament adopts a resolution on the financial impact of the enlargement of the European Union.

Source: Official Journal of the European Union (OJEU). 30.10.2003, n° C 261 E. [s.l.].

URL:

http://www.cvce.eu/obj/european_parliament_resolution_on_the_financial_impact_of_the_enlargement_of_the_european_union_13_june_2002-en-abf3e46f-6fff-43f4-a112-4b92d9ebc13d.html

Publication date: 24/10/2012

European Parliament resolution on the financial impact of the enlargement of the European Union (13 June 2002)

The European Parliament,

- having regard to the Treaty on European Union, and in particular Article 49 thereof,

- having regard to the Interinstitutional Agreement of 6 May 1999[(1)] on budgetary discipline and improvement of the budgetary procedure,

- having regard to its resolution of 29 November 2001 on the preparation of the Laeken European Council of 14-15 December 2001[(2)],

- having regard to its resolution of 29 November 2001 on the protection of the Community's financial interests[(3)],

- having regard to its resolution of 5 September 2001 on the enlargement of the European Union[(4)],

- having regard to its resolution of 14 December 2000 on the outcome of the European Council on 7-11 December 2000 in Nice[(5)],

- having regard to its resolution of 4 October 2000 on the enlargement of the European Union[(6)],

- having regard to the Commission Communication on the Common Financial Framework 2004-2006 for the Accession Negotiations (SEC(2002) 102),

- having regard to Rule 163 of its Rules of Procedure,

- having regard to the report of the Committee on Budgets and the opinions of the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, the Committee on Agriculture and Rural Development, and the Committee on Committee on Regional Policy, Transport and Tourism (A5-0178/2002),

A. whereas accession negotiations are on their way with 12 countries in Central and Eastern Europe and the Mediterranean, of which 10 countries have prospects of concluding the negotiations in 2002 and acceding to the Union in 2004, whilst in the case of Bulgaria and Romania, accession before the end of the current financial perspective will depend on the progress which those two countries are able to make over the next few months,

B. whereas according to Article 49 of the EU Treaty the accession of new Member States requires the assent of the European Parliament, and whereas the financial framework for the accession of new Member States can only be determined in agreement between Parliament and Council as the two arms of the budgetary authority,

C. whereas the Member States and the candidate countries alike have already derived great benefit from the prospect of accession in the form of political stability, cultural exchange, greater sustainability and an increase in trade and economic growth, factors which are all inextricably interlinked; whereas the commitment to the objective of economic and social cohesion, which has to be reached over a longer period, is confirmed,

D. whereas all remaining chapters in the framework of the accession negotiations with 10 candidate countries might be concluded in 2002 so that the first phase of enlargement would be possible in 2004,

E. whereas the indicative financial framework for enlargement included in the Interinstitutional Agreement of 6 May 1999 is based on the assumption of the accession of 6 new Member States in 2002; and that currently the accession of 10 new Member States is prepared; whereas heading 8 gives indicative ceilings for the adjustments to be made to the financial perspective after enlargement,

F. whereas the current financial perspective was established for the period 2000-2006, which makes it necessary in 2005, at latest, for the budgetary authority, on a proposal from the Commission, to start considerations about the option to prolong the current financial perspective due to an ongoing enlargement process or about a new financial perspective,

G. whereas the Commission has presented a Communication on the common financial framework 2004-2006 for the accession negotiations on 30 January 2002, which serves as basis for the draft common positions for the chapters on agriculture, regional policy and structural instruments, and financial and budgetary provisions to be presented by the Commission during the Spanish presidency,

H. whereas the Commission proposes to include the CAP market policy, the rural development policy and the direct payments in the negotiation position of the European Union; whereas the rural development policy has the biggest share and should be adapted to the special needs of the new Member States; whereas the Commission proposes a phasing in model, which provides for direct payments to be introduced in the new Member States equivalent to a level of 25% in 2004, 30% in 2005 and 35% in 2006 of the present system reaching 100% in 2013,

I. whereas the Commission also proposes a phasing in of the structural operations in the new Member States so that they can reach amounts that represent 2.5% of their GDPs allowing an average of EUR 137 per capita in 2006 compared to EUR 231 per capita that the Member States receiving financial support through the Cohesion Fund will continue to receive by the same year and which represents 1.6% of their GDP,

J. whereas the Commission proposal for the negotiations foresees under internal policies two new elements apart from the participation of the new Member States in the existing Community programmes: Aid for decommissioning of the nuclear power plants in Bohunice/Slovakia and Ignalina/Lithuania as well as for the setting up of adequate administrative structures and strengthening the administrative capacity to implement the *acquis*;

K. whereas the Commission is not proposing any adjustment of the ceiling in heading 4 after enlargement,

L. whereas the Commission proposes to increase the ceiling for administrative expenditure in 2004 to 2006 slightly above the indicative figures in the financial framework, and the Secretaries General of the institutions estimate in a report prepared on request of Parliament and Council the figure of EUR 134 million in 2003 and EUR 476 million in 2004 as additional costs for the preparation of the accession of new Member States,

M. whereas the own resources to be provided by the new Member States could be estimated to an annual amount between EUR 5 and 6 billion in 2004 to 2006, which would bring some of the states in a net-contributor position in the first years after accession, if no provisions for budgetary compensations would be foreseen,

N. whereas the financial perspective provides for EUR 21 840 million to promote the development of the candidate countries in preparation for accession

1. Underlines that the accession negotiations need to take into account the interests of the current Member States and their regions and the needs of the candidate countries, and stresses that the result of the negotiations must meet the demands for a long-term solution for the good and the stability of the enlarged European Union;

2. Insists that the governments of the current Member States do not jeopardise the enlargement process by adhering to national positions (as they have done on many occasions in the past), but work together to find an agreement on the financial aspects of enlargement;

3. Recalls that the Interinstitutional Agreement of 6 May 1999 provides for a procedure to adjust the financial perspective where the Union is enlarged to include new Member States;

4. Reminds Council, Commission and the governments of the Member States, as well as the governments of the candidate countries that the agreement of Parliament on the financial planning on which the Common Positions are based is an indispensable condition for an understanding between the Member States on the Common Negotiation Positions concerning the three chapters most relevant to the EU budget; therefore, urges Council and Commission to guarantee the participation of Parliament in the accession negotiations insofar as aspects relevant for the future financial framework of the European Union are concerned;

5. States that the figures of the indicative financial framework for enlargement included in the Interinstitutional Agreement of 6 May 1999 for the years 2004 to 2006 should be taken as a framework for the adjustment of the financial perspective to be made when possibly 10 new Member States will join the Union in 2004; however, underlines that the sub-ceilings and the overall ceiling of heading 8 of that financial framework have only indicative character;

6. Stresses the necessity to start the process of reform of major policy areas before enlargement respecting the Agenda 2000, in order to provide clarity to the citizens on the longer term financial consequences of EU enlargement;

7. Supports the proposal of the Commission to give great importance to the instrument of the rural development policy for the integration of the new Member States in the EU agricultural policy modifying the instrument to adapt it better to the needs of the agricultural sector of these countries; in particular, supports to increase the EU co-financing rate to 80% for the first years of membership, while it later should be adjusted individually in relation to the financing capacities of the new Member States aiming to come to the same level as for the current Member States;

8. Expresses its support for the phasing in-model for the inclusion of the new Member States in the direct aid in the agricultural sector recalling that the direct aid payments are part of the current *acquis* and, therefore, cannot be excluded from the negotiations with the candidate countries; welcomes the aim that the new Member States should reach the level of 100% of direct aid by 2013; points out that this has to be clarified definitely at the time of the adoption of a new financial perspective; continues its support for the comprehensive development of the CAP and calls for a fair, just and sustainable agricultural policy, both for Member States and candidate countries;

9. Welcomes the approach to leave the new Member States in the first years the option to link the direct aid to area per hectare of utilised agricultural area, instead of production; considers that future WTO negotiations will influence the future of the CAP, and stresses that the effects of enlargement need to be taken into account by the Commission in the framework of its negotiations in the WTO;

10. Calls on the Commission, within the framework of the necessary reforms, to submit proposals to make direct income payments part of rural development policy after 2006, tying them to environmental, nature and countryside conservation requirements while maintaining international competitiveness and respecting WTO rules;

11. Welcomes the phasing-in of structural operations proposed by the Commission and stresses the need for current Member States to contribute to the structural development of the new parts of an enlarged Europe, but questions if the absorption capacity of the new Member States will be sufficient to reach the level of transfer from the EU budget through structural operations indicated by the Commission;

12. Supports, in principle, the Commission's idea to foresee a significant share of the structural operations under the Cohesion Fund rules; therefore, this Fund should be defined and managed separately from the Cohesion Fund which is in place for current Members States; underlines that funding from the Cohesion Fund for the new Member States should be replaced by an increase in funding from the Structural Funds in

so far as their implementation in the new Member States is improving;

13. Urges the Commission to maintain its efforts to help the candidate countries to improve administrative capacity and to support institution building, and reminds the negotiators that the administrative capacity of the new Member States will need continued improvement after the accession, which requires targeted financing in the framework of structural operations and internal policies; therefore stresses the need for a strategy to improve absorption capacities in candidate countries;

14. Stresses that an immediate start should be made on a complete overhaul of the Structural Fund implementation mechanisms in specific connection with enlargement, so as to enable procedures to be simplified and to be more suitably adapted to local circumstances, and to enable better use to be made of the available appropriations;

15. Draws the Commission's attention to the fact that the take-up rate for SAPARD at 31 December 2001, after two years in operation, amounted to only 6.48 per cent and that the take-up rate for the other pre-accession instruments is also unsatisfactory, leaving the total amount of unused appropriations as of 15 April 2002 at EUR 6.611 billion; calls therefore on the Commission to take measures swiftly to facilitate the prompt payment of pre-accession funds and the take-up of unused appropriations taking into account the protection of the Community's financial interests;

16. Reaffirms its position that the anti-fraud office, OLAF, shall set up branches in all the candidate countries by mid-2002;

17. Welcomes support for the decommissioning of the nuclear power plants in Bohunice/Slovakia and Ignalina/Lithuania; takes the view that payment of the support should be linked to actual decommissioning within the deadline to be agreed (2005 and 2009 respectively) and suggests to reserve additional appropriations if the decommissioning of the Ignalina power plant results in serious deficits in the energy supply and the economic situation in Lithuania;

18. Considers that the accession of the Central and Eastern European countries and of Cyprus and Malta will bring new political tasks to the Union in the field of external actions, and the special relationship with Turkey has to be taken into account; welcomes the intention of the Commission and the Secretary-General of the Council to analyse the fresh challenges and opportunities in foreign policy afforded by enlargement and to submit a report during the second half of 2002; expects to be included in the revision of foreign policy priorities and will consider the financial implications in detail in the light of all the options available under the Interinstitutional Agreement; therefore, insists that additional funding in external actions and new elements of interregional co-operation, if necessary, has to be taken into account resulting in an adjustment of the ceiling of heading 4;

19. Underlines that the increase in the number of new Member States compared to the financial framework creates a more than proportional increase of administrative expenditure because of the influence of certain elements, like the impact of every new Community language on translation and interpretation services, and the need in buildings, which makes it likely that there will be a need to increase the ceiling;

20. Urges the institutions to use all possibilities to prepare for effective operation of the enlarged Union by streamlining and tightening of working processes and structures of competence, and adapting the language regime in the institutions;

21. Points out once again that the political and economic benefits of accession are much more important than the Member States' budget balances with the EU, but considers it unacceptable for the new Member States to become net contributors to the Community budget, at least during the first few years of the integration period;

22. Reiterates that it will not be possible to make an adjusted calculation of the amount of money needed to finance enlargement until the accession negotiations have been concluded;

23. Notes the proposal of the Commission to provide the budgetary compensation through a lump sum on the expenditure side of the budget, which should be temporary and degressive, and is easier to manage than the reduction of the own resources from the new Member States; stresses that the payment of lump sums on the expenditure side reduces significantly the margin for the payments entered in the financial perspective as available for accession, while a reduction on the revenue side would not reduce this margin;

24. Points out that, amongst the general benefits associated with enlargement, there may be some undesirable effects in certain vulnerable regions or sectors and that the EU or Member States may be required to take special remedial action;

25. Instructs its President to forward this resolution to the Council, the Commission, the governments of the Member States and the governments of the candidate countries.

(1) OJ C 172, 18.6.1999, p. 1.
(2) Texts Adopted, Item 18.
(3) OJ C 72E, 21.3.2002, p. 160.
(4) Texts Adopted, Item 7.
(5) OJ C 232, 17.8.2001, p. 342.
(6) OJ C 178, 22.4.2001, p. 112.