Begroting - 05-04-2006 - 13:31

Green light for 2007-2013 Financial Perspective

At the end of a marathon seven-hour meeting on Tuesday night Parliament's negotiating team agreed a deal with Austrian Council Presidency on the Financial Perspective for 2007-2013. An extra €4 billion over and above the figure decided by the European Council in December will be allocated to programmes regarded as priorities by MEPs.

Apart from this increase in the figures, a package of "qualitative" agreements was approved, including one requiring the Member States to take greater responsibility for the management of Community money and another on involving Parliament in the review of the EU budget set for 2009.

Where will the extra money go?

The EP's negotiating team was keen to obtain funding for policies with an "EU added value". The biggest increase will be for policies related to the Lisbon strategy, such as research, innovation and trans-European networks (heading 1a).

***Outcome of the trilogue 04-04-06** (€ million in **2004** prices)*	**Proposals for increase (above Council)**	
Sub-Heading 1a - Competitiveness for growth and employment		**2.100**
Trans-European Networks (TENs)	500	
Life Long Learning (Erasmus - Leonardo)	800	
7th Research framework programme	300	
Competitiveness and innovation (CIP)	400	
Social Policy Agenda (Progress)	100	
Sub-Heading 1b - Cohesion for growth and employment		**300**
Structural Funds (Territorial co-operation)	300	
Heading 2 - Preservation and management of natural resources		**100**
Reserve for future actions (Life + and Natura 2000)	100	
Sub-Heading 3b-Citizenship (Youth, Culture, Health & Consumers)		**500**
Health & consumer protection	200	
European Culture and citizenship (Culture, Youth, Citizens for Europe)	300	
Heading 4 - the EU as a global partner		**1.000**
European Neighbourhood & Partnership Instrument (ENPI)	200	
CFSP	800	
TOTAL		**4.000**

Where does the extra money come from?

Two billion euros will come directly from an increase in the ceilings established by the traditional EU budget financing mechanisms. Two billion more will come from the emergency aid budget and the solidarity instrument, which is henceforth to be funded outside the Financial Perspective (previously it was under Heading 4).

In addition to this four billion, the EIB Guarantee Fund will get an extra €2.5 billion, to be be used for research and development (+€1 bn), trans-European networks (+500 million) and SMEs (CIP programme, +1bn).

What other agreements were reached?

- The Commission will make an assessment of the Financial Perspective and how the Interinstitutional Agreement linked to the FP is functioning at the end of 2009 and it undertakes to involve the newly elected Parliament in this assessment.

- The Member States must take greater responsibility to improve control mechanisms for projects for which Community funds are jointly managed.

- There must be democratic scrutiny of decisions on external policy.
- The implementation of EU-funded programmes and the Community budget must be improved by laying down principles to be included in the Financial Regulation.

What about the flexibility instrument?

The current mechanism is renewed for the period 2007-2013 and will thus be limited to 200 million per year. Any flexibility mechanism funds which are not used can be carried over but must be used within two years (the N+2 mechanism). Unlike the current flexibility instrument, it will be possible to use flexibility for the same category of expenditure for several years.

The Interinstitutional Agreement will be formally adopted by Parliament at the May plenary session in Strasbourg.