

Circle 2
Working document 01

NOTE

from :	Secretariat
to :	"Discussion circle" on the budgetary procedure
Subject :	Questionnaire on the financial perspective

The President submits the questionnaire below to the members of the "discussion circle" in order to structure the debate on the financial perspective:

The mandate of the "discussion circle" takes as its starting point the broad agreement which emerged at the plenary on 5 and 6 December concerning the incorporation of the financial perspective into the Constitution. Incorporation of the financial perspective should, moreover, help to simplify the annual budgetary procedure.

In this context, the "discussion circle" needs to suggest "how" to incorporate the financial perspective into the Constitution and, more specifically, what should be the scope and degree of detail of the provisions on it. The "discussion circle" will also need to look at the procedure for adopting the multiannual perspective.

1. The Interinstitutional Agreement on budgetary discipline and improvement of the budgetary procedure is accompanied by a table of the financial perspective. The package is commonly referred to as the "financial perspective". The Working Group on Simplification called it the "financial planning mechanism". The "circle" needs to propose a name that is simple and clear for the public.

2. The Interinstitutional Agreement on the financial perspective currently in force sets the overall multiannual ceiling on resources, which means that payment appropriations entered into the budget for each financial year cannot exceed a certain limit, but also that the entry of and schedule for commitment appropriations must take account of that. Should there be such a ceiling mechanism in the provisions relating to the financial perspective in the Constitution, leaving it for the perspective itself to set the amount?
3. The Interinstitutional Agreement also sets the annual expenditure ceilings per heading. Should there be such a ceiling mechanism in the provisions of the Constitution? If so, should the headings themselves be specified? Should some of these be treated differently?
4. If the answer to the previous question is yes, would it be necessary to envisage a flexibility mechanism that might consist either of leeway between headings or of a streamlined procedure for amending the perspective during the financial year?
5. The first financial perspective was for a period of five years, the second was for six years and the third, still in force, covers a period of seven years. Should the duration of the financial perspective be standardised in the Constitution? If so, what period should it cover? Would it be possible to make it coincide with the term of office of the Commission and/or the European Parliament as some have proposed?
6. The financial perspective is currently the subject of an Interinstitutional Agreement between the European Parliament, the Commission and the Council. In practice, it is the Heads of State or Government within the European Council who establish the perspective by common accord. It is then subject to the approval of the three institutions in accordance with their respective decision-making rules. The Council acts by a simple majority of its members and the European Parliament by a simple majority of votes cast.

The procedure for adopting the perspective is a vital element of the Constitution provisions relating to the perspective. In the stated aim of striking a balance with the annual budgetary procedure on which the Parliament has the final say, the Working Group on Simplification has proposed that the perspective be adopted by the Council following the assent of the Parliament. It did not specify the majorities required.

The "circle" needs to determine the procedure for adopting the financial perspective.

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