



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 7.4.2003  
COM(2003) 185 final

Proposal for a

**DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**On the revision of the financial perspective**

(presented by the Commission)

## **EXPLANATORY MEMORANDUM**

Following the joint decision adopted by the European Parliament and Council on the adjustment of the financial perspective for enlargement, in accordance with Point 25 of the Interinstitutional Agreement of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure<sup>1</sup>, the European Parliament and the Council have agreed to increase the ceiling of heading 3 of the financial perspective by additional amounts.

---

<sup>1</sup> OJ C 172/1, 18.6.1999.

Proposal for a

**DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**On the revision of the financial perspective**

**Presented by the Commission in accordance with the Interinstitutional Agreement of 6 May 1999 on Budgetary Discipline and Improvement of the Budgetary Procedure**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to the Interinstitutional Agreement (IIA) of 6 May 1999 between the European Parliament, the Council and the Commission Budgetary Discipline and Improvement of the Budgetary Procedure, and in particular points 19-21 thereof<sup>2</sup>,

Having regard to the proposal from the Commission<sup>3</sup>,

Acting in accordance with the procedure laid down in the fifth subparagraph of Article 272(9) of the Treaty<sup>4</sup>,

Whereas:

- (1) The European Parliament and Council have jointly adopted the adjustment of the financial perspective for Enlargement<sup>5</sup>, as foreseen in Point 25 of the Interinstitutional Agreement of 6 May 1999.
- (2) They have subsequently agreed on a Declaration on article 32 and annex XV of the Accession Treaty. The Declaration foresees to raise the ceiling of heading 3 (internal policies),

HAVE DECIDED AS FOLLOWS:

*Article 1*

The annual ceilings for appropriations for commitments in heading 3 (internal policies) of the financial perspective, as adjusted under Point 25 of the Interinstitutional Agreement of 6 May 1999, shall be raised by the following amounts, expressed in millions of euro in 1999 prices.

---

<sup>2</sup> OJ C 172/1, 18.6.1999.

<sup>3</sup> OJ C , , p. .

<sup>4</sup> OJ C , , p. .

<sup>5</sup> OJ C , , p. .

2004	2005	2006
50	190	240

*Article 2*

1. The resulting financial perspective for an enlarged European Union with 25 Members (excluding the budgetary implications resulting from a political settlement in Cyprus), in 1999 prices, is presented in Table 1a attached to this decision.

In the event that a political settlement is reached in Cyprus, the financial perspective for a European Union with 25 Members at 1999 prices, as presented in Table 1b, shall apply.

2. The corresponding financial perspective resulting from the technical adjustment for 2004, in line with movements in Gross National Income (GNI) and prices, are presented in Tables 2a and 2b attached to the present decision.

Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*

ANNEX

**TABLE 1a: FINANCIAL PERSPECTIVE (EU-25) ADJUSTED FOR ENLARGEMENT AT 1999 PRICES**

<b>COMMITMENT APPROPRIATIONS</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>1. AGRICULTURE</b>	<b>40.920</b>	<b>42.800</b>	<b>43.900</b>	<b>43.770</b>	<b>44.657</b>	<b>45.677</b>	<b>45.807</b>
1a Common Agricultural Policy	36.620	38.480	39.570	39.430	38.737	39.602	39.612
1b Rural development	4.300	4.320	4.330	4.340	5.920	6.075	6.195
<b>2. STRUCTURAL ACTIONS</b>	<b>32.045</b>	<b>31.455</b>	<b>30.865</b>	<b>30.285</b>	<b>35.665</b>	<b>36.502</b>	<b>37.940</b>
Structural funds	29.430	28.840	28.250	27.670	30.533	31.835	32.608
Cohesion fund	2.615	2.615	2.615	2.615	5.132	4.667	5.332
<b>3. INTERNAL POLICIES</b>	<b>5.930</b>	<b>6.040</b>	<b>6.150</b>	<b>6.260</b>	<b>7.877</b>	<b>8.098</b>	<b>8.212</b>
<b>4. EXTERNAL ACTIONS</b>	<b>4.550</b>	<b>4.560</b>	<b>4.570</b>	<b>4.580</b>	<b>4.590</b>	<b>4.600</b>	<b>4.610</b>
<b>5. ADMINISTRATION (1)</b>	<b>4.560</b>	<b>4.600</b>	<b>4.700</b>	<b>4.800</b>	<b>5.403</b>	<b>5.558</b>	<b>5.712</b>
<b>6. RESERVES</b>	<b>900</b>	<b>900</b>	<b>650</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>
Monetary reserve	500	500	250	0	0	0	0
Emergency aid reserve	200	200	200	200	200	200	200
Guarantee reserve	200	200	200	200	200	200	200
<b>7. PRE-ACCESSION STRATEGY</b>	<b>3.120</b>	<b>3.120</b>	<b>3.120</b>	<b>3.120</b>	<b>3.120</b>	<b>3.120</b>	<b>3.120</b>
Agriculture	520	520	520	520			
Pre-accession structural instrument	1.040	1.040	1.040	1.040			
PHARE (applicant countries)	1.560	1.560	1.560	1.560			
<b>8. COMPENSATION</b>					<b>1.273</b>	<b>1.173</b>	<b>940</b>
<b>TOTAL APPROPRIATIONS FOR COMMITMENTS</b>	<b>92.025</b>	<b>93.475</b>	<b>93.955</b>	<b>93.215</b>	<b>102.985</b>	<b>105.128</b>	<b>106.741</b>
<b>TOTAL APPROPRIATIONS FOR PAYMENTS</b>	<b>89.600</b>	<b>91.110</b>	<b>94.220</b>	<b>94.880</b>	<b>100.800</b>	<b>101.600</b>	<b>103.840</b>
<b>Ceiling, approps for payments as % of GNI (ESA 95)</b>	<b>1,07%</b>	<b>1,08%</b>	<b>1,11%</b>	<b>1,10%</b>	<b>1,08%</b>	<b>1,06%</b>	<b>1,06%</b>
<b>Margin for unforeseen expenditure</b>	<b>0,17%</b>	<b>0,16%</b>	<b>0,13%</b>	<b>0,14%</b>	<b>0,16%</b>	<b>0,18%</b>	<b>0,18%</b>
<b>Own resources ceiling</b>	<b>1,24%</b>	<b>1,24%</b>	<b>1,24%</b>	<b>1,24%</b>	<b>1,24%</b>	<b>1,24%</b>	<b>1,24%</b>

(1) The expenditure on pensions included under the ceiling for this heading is calculated net of staff contributions to the pension scheme, up to a maximum of 1 100 million euros at 1999 prices for the period 2000-2006.

**TABLE 1b: FINANCIAL PERSPECTIVE (EU-25) ADJUSTED FOR ENLARGEMENT AT 1999 PRICES**  
(including budgetary implications of a political settlement in Cyprus)

<b>COMMITMENT APPROPRIATIONS</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>1. AGRICULTURE</b>	<b>40.920</b>	<b>42.800</b>	<b>43.900</b>	<b>43.770</b>	<b>44.650</b>	<b>45.675</b>	<b>45.805</b>
1a Common Agricultural Policy	36.620	38.480	39.570	39.430	38.740	39.611	39.622
1b Rural development	4.300	4.320	4.330	4.340	5.910	6.064	6.183
<b>2. STRUCTURAL ACTIONS</b>	<b>32.045</b>	<b>31.455</b>	<b>30.865</b>	<b>30.285</b>	<b>35.718</b>	<b>36.579</b>	<b>38.052</b>
Structural funds	29.430	28.840	28.250	27.670	30.571	31.899	32.703
Cohesion fund	2.615	2.615	2.615	2.615	5.147	4.680	5.349
<b>3. INTERNAL POLICIES</b>	<b>5.930</b>	<b>6.040</b>	<b>6.150</b>	<b>6.260</b>	<b>7.891</b>	<b>8.112</b>	<b>8.226</b>
<b>4. EXTERNAL ACTIONS</b>	<b>4.550</b>	<b>4.560</b>	<b>4.570</b>	<b>4.580</b>	<b>4.590</b>	<b>4.600</b>	<b>4.610</b>
<b>5. ADMINISTRATION (1)</b>	<b>4.560</b>	<b>4.600</b>	<b>4.700</b>	<b>4.800</b>	<b>5.403</b>	<b>5.558</b>	<b>5.712</b>
<b>6. RESERVES</b>	<b>900</b>	<b>900</b>	<b>650</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>
Monetary reserve	500	500	250	0	0	0	0
Emergency aid reserve	200	200	200	200	200	200	200
Guarantee reserve	200	200	200	200	200	200	200
<b>7. PRE-ACCESSION STRATEGY</b>	<b>3.120</b>	<b>3.120</b>	<b>3.120</b>	<b>3.120</b>	<b>3.120</b>	<b>3.120</b>	<b>3.120</b>
Agriculture	520	520	520	520			
Pre-accession structural instrument	1.040	1.040	1.040	1.040			
PHARE (applicant countries)	1.560	1.560	1.560	1.560			
<b>8. COMPENSATION</b>					<b>1.273</b>	<b>1.173</b>	<b>940</b>
<b>TOTAL APPROPRIATIONS FOR COMMITMENTS</b>	<b>92.025</b>	<b>93.475</b>	<b>93.955</b>	<b>93.215</b>	<b>103.045</b>	<b>105.218</b>	<b>106.865</b>
<b>TOTAL APPROPRIATIONS FOR PAYMENTS</b>	<b>89.600</b>	<b>91.110</b>	<b>94.220</b>	<b>94.880</b>	<b>100.800</b>	<b>101.600</b>	<b>103.840</b>
<b>Ceiling, approps for payments as % of GNI (ESA 95)</b>	1,07%	1,08%	1,11%	1,10%	1,08%	1,06%	1,06%
<b>Margin for unforeseen expenditure</b>	0,17%	0,16%	0,13%	0,14%	0,16%	0,18%	0,18%
<b>Own resources ceiling</b>	<b>1,24%</b>	<b>1,24%</b>	<b>1,24%</b>	<b>1,24%</b>	<b>1,24%</b>	<b>1,24%</b>	<b>1,24%</b>

(1) The expenditure on pensions included under the ceiling for this heading is calculated net of staff contributions to the pension scheme, up to a maximum of 1 100 million euros at 1999 prices for the period 2000-2006.

**TABLE 2a: FINANCIAL PERSPECTIVE (EU-25) ADJUSTED FOR ENLARGEMENT AT 2004 PRICES**

	Current prices					2004 prices	
<b>COMMITMENT APPROPRIATIONS</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>1. AGRICULTURE</b>	<b>41.738</b>	<b>44.530</b>	<b>46.587</b>	<b>47.378</b>	<b>49.305</b>	<b>50.431</b>	<b>50.575</b>
1a Common Agricultural Policy	37.352	40.035	41.992	42.680	42.769	43.724	43.735
1b Rural development	4.386	4.495	4.595	4.698	6.536	6.707	6.840
<b>2. STRUCTURAL ACTIONS</b>	<b>32.678</b>	<b>32.720</b>	<b>33.638</b>	<b>33.968</b>	<b>41.035</b>	<b>41.685</b>	<b>42.932</b>
Structural funds	30.019	30.005	30.849	31.129	35.353	36.517	37.028
Cohesion fund	2.659	2.715	2.789	2.839	5.682	5.168	5.904
<b>3. INTERNAL POLICIES</b>	<b>6.031</b>	<b>6.272</b>	<b>6.558</b>	<b>6.796</b>	<b>8.722</b>	<b>8.967</b>	<b>9.093</b>
<b>4. EXTERNAL ACTIONS</b>	<b>4.627</b>	<b>4.735</b>	<b>4.873</b>	<b>4.972</b>	<b>5.082</b>	<b>5.093</b>	<b>5.104</b>
<b>5. ADMINISTRATION (1)</b>	<b>4.638</b>	<b>4.776</b>	<b>5.012</b>	<b>5.211</b>	<b>5.983</b>	<b>6.154</b>	<b>6.325</b>
<b>6. RESERVES</b>	<b>906</b>	<b>916</b>	<b>676</b>	<b>434</b>	<b>442</b>	<b>442</b>	<b>442</b>
Monetary reserve	500	500	250	0	0	0	0
Emergency aid reserve	203	208	213	217	221	221	221
Guarantee reserve	203	208	213	217	221	221	221
<b>7. PRE-ACCESSION STRATEGY</b>	<b>3.174</b>	<b>3.240</b>	<b>3.328</b>	<b>3.386</b>	<b>3.455</b>	<b>3.455</b>	<b>3.455</b>
Agriculture	529	540	555	564			
Pre-accession structural instrument	1.058	1.080	1.109	1.129			
PHARE (applicant countries)	1.587	1.620	1.664	1.693			
<b>8. COMPENSATION</b>					<b>1.410</b>	<b>1.299</b>	<b>1.041</b>
<b>TOTAL APPROPRIATIONS FOR COMMITMENTS</b>	<b>93.792</b>	<b>97.189</b>	<b>100.672</b>	<b>102.145</b>	<b>115.434</b>	<b>117.526</b>	<b>118.967</b>
<b>TOTAL APPROPRIATIONS FOR PAYMENTS</b>	<b>91.322</b>	<b>94.730</b>	<b>100.078</b>	<b>102.767</b>	<b>111.380</b>	<b>112.260</b>	<b>114.740</b>
<b>Ceiling, approps for payments as % of GNI (ESA 95)</b>	<b>1,07%</b>	<b>1,08%</b>	<b>1,11%</b>	<b>1,09%</b>	<b>1,08%</b>	<b>1,06%</b>	<b>1,06%</b>
<b>Margin for unforeseen expenditure</b>	<b>0,17%</b>	<b>0,16%</b>	<b>0,13%</b>	<b>0,15%</b>	<b>0,16%</b>	<b>0,18%</b>	<b>0,18%</b>
<b>Own resources ceiling</b>	<b>1,24%</b>	<b>1,24%</b>	<b>1,24%</b>	<b>1,24%</b>	<b>1,24%</b>	<b>1,24%</b>	<b>1,24%</b>

(1) The expenditure on pensions included under the ceiling for this heading is calculated net of staff contributions to the pension scheme, up to a maximum of 1 100 million euros at 1999 prices for the period 2000-2006.

**TABLE 2b: FINANCIAL PERSPECTIVE (EU-25) ADJUSTED FOR ENLARGEMENT AT 2004 PRICES**  
(including budgetary implications of a political settlement in Cyprus)

	Current prices					2004 prices	
	2000	2001	2002	2003	2004	2005	2006
<b>COMMITMENT APPROPRIATIONS</b>							
<b>1. AGRICULTURE</b>	<b>41.738</b>	<b>44.530</b>	<b>46.587</b>	<b>47.378</b>	<b>49.297</b>	<b>50.429</b>	<b>50.573</b>
1a Common Agricultural Policy	37.352	40.035	41.992	42.680	42.772	43.734	43.746
1b Rural development	4.386	4.495	4.595	4.698	6.525	6.695	6.827
<b>2. STRUCTURAL ACTIONS</b>	<b>32.678</b>	<b>32.720</b>	<b>33.638</b>	<b>33.968</b>	<b>41.094</b>	<b>41.770</b>	<b>43.056</b>
Structural funds	30.019	30.005	30.849	31.129	35.395	36.588	37.133
Cohesion fund	2.659	2.715	2.789	2.839	5.699	5.182	5.923
<b>3. INTERNAL POLICIES</b>	<b>6.031</b>	<b>6.272</b>	<b>6.558</b>	<b>6.796</b>	<b>8.737</b>	<b>8.982</b>	<b>9.108</b>
<b>4. EXTERNAL ACTIONS</b>	<b>4.627</b>	<b>4.735</b>	<b>4.873</b>	<b>4.972</b>	<b>5.082</b>	<b>5.093</b>	<b>5.104</b>
<b>5. ADMINISTRATION (1)</b>	<b>4.638</b>	<b>4.776</b>	<b>5.012</b>	<b>5.211</b>	<b>5.983</b>	<b>6.154</b>	<b>6.325</b>
<b>6. RESERVES</b>	<b>906</b>	<b>916</b>	<b>676</b>	<b>434</b>	<b>442</b>	<b>442</b>	<b>442</b>
Monetary reserve	500	500	250	0	0	0	0
Emergency aid reserve	203	208	213	217	221	221	221
Guarantee reserve	203	208	213	217	221	221	221
<b>7. PRE-ACCESSION STRATEGY</b>	<b>3.174</b>	<b>3.240</b>	<b>3.328</b>	<b>3.386</b>	<b>3.455</b>	<b>3.455</b>	<b>3.455</b>
Agriculture	529	540	555	564			
Pre-accession structural instrument	1.058	1.080	1.109	1.129			
PHARE (applicant countries)	1.587	1.620	1.664	1.693			
<b>8. COMPENSATION</b>					<b>1.410</b>	<b>1.299</b>	<b>1.041</b>
<b>TOTAL APPROPRIATIONS FOR COMMITMENTS</b>	<b>93.792</b>	<b>97.189</b>	<b>100.672</b>	<b>102.145</b>	<b>115.500</b>	<b>117.624</b>	<b>119.104</b>
<b>TOTAL APPROPRIATIONS FOR PAYMENTS</b>	<b>91.322</b>	<b>94.730</b>	<b>100.078</b>	<b>102.767</b>	<b>111.380</b>	<b>112.260</b>	<b>114.740</b>
<b>Ceiling, approps for payments as % of GNI (ESA 95)</b>	<b>1,07%</b>	<b>1,08%</b>	<b>1,11%</b>	<b>1,09%</b>	<b>1,08%</b>	<b>1,06%</b>	<b>1,06%</b>
<b>Margin for unforeseen expenditure</b>	<b>0,17%</b>	<b>0,16%</b>	<b>0,13%</b>	<b>0,15%</b>	<b>0,16%</b>	<b>0,18%</b>	<b>0,18%</b>
<b>Own resources ceiling</b>	<b>1,24%</b>	<b>1,24%</b>	<b>1,24%</b>	<b>1,24%</b>	<b>1,24%</b>	<b>1,24%</b>	<b>1,24%</b>

(1) The expenditure on pensions included under the ceiling for this heading is calculated net of staff contributions to the pension scheme, up to a maximum of 1 100 million euros at 1999 prices for the period 2000-2006.