

Medlemmerne af Folketingets Europaudvalg

og deres stedfortrædere

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Til underretning for Folketingets Europaudvalg vedlægges Økonomiministeriets redegørelse for rådsmødet (økonomi- og finansministre) den 5. juni 2001.

Referat af møde i Rådet (økonomi og finansministre) den 5. juni 2001

1a. Forberedelse af Det Europæiske Råd i Göteborg (15.-16. juni 2001)

- De overordnede økonomisk-politiske retningslinjer

Der blev på mødet opnået enighed om de overordnede økonomisk-politiske retningslinjer for 2001, som vil blive sendt videre til Det Europæiske Råd i Göteborg, med henblik på endelig vedtagelse på ECOFIN den 15. juni 2001.

Anbefalingen vedrørende en miljømæssig bæredygtig udvikling blev ændret, således at medlemslandene skal blive enige om en passende fælles ramme for energibeskatning og om dannelsen af et indre marked for energi.

Fra dansk side blev der udtrykt tilfredshed med de generelle anbefalinger vedrørende finanspolitikken og styrkelsen af afsnittet om en miljømæssig bæredygtig udvikling.

1b. Forberedelse af Det Europæiske Råd i Göteborg (15.-16. juni 2001)

1. Strategi for bæredygtig udvikling

Formandskabet præsenterede de overordnede ambitioner for en bæredygtig udvikling, herunder at bæredygtig udvikling foreslås integreret i Lissabon-strategien. Kommissionen præsenterede endvidere sin meddelelse.

1c. Forberedelse af Det Europæiske Råd i Göteborg (15.-16. juni 2001)

- Skattepakken

Der blev drøftet struktur for forhandlingerne med de relevante tredjelande og deres tilknyttede områder og territorier om beskatning af opsparing. Nogle medlemslande understregede, at de kun vil være parat til informationsudveksling, hvis de relevante tredjelande indvilliger i det.

En række medlemslande pegede på vigtigheden af at få fremskridt, og at Kommissionen til efteråret kommer med et revideret direktiv forslag. Der blev opnået enighed om, at der skal vedtages et forhandlingsmandat i forhold til tredjelandene i oktober 2001.

Rådet tog fremskridtsrapporten vedr. adfærdskodeksen til efterretning.

Det blev besluttet at nedsætte en arbejdsgruppe på højt niveau, der skal koordinere det videre arbejde med skattepakken.

2a. Indirekte skatter

- Moms på e-handel

Rapporten om arbejdet med moms på e-handel blev taget til efterretning. Rådet vil vende tilbage til spørgsmålet på et senere tidspunkt, da der stadig er en række udeståender.

2b. Indirekte skatter

- Energibeskatning

Der kunne ikke opnås enighed om de foreslåede Rådskonklusioner. Spørgsmålet om energibeskatning blev derfor sendt tilbage til arbejdsgruppen.

1. Handlingsplan for finansielle tjenesteydelser

Formandskabet præsenterede rådskonklusioner vedr. fremskridtsrapporten om handlingsplan for finansielle tjenesteydelser. Rådet vedtog de vedlagte rådskonklusioner.

1. Finansforordning vedr. EU-budgettet

Rådet godkendte uden debat vedlagte konklusioner vedrørende revision af finansforordningen

2. Bekæmpelse af svig

Danmark ønskede behandlingen af dagsordenpunktet udsat til et senere rådsmøde, da det først meget sent - og alene i fransk sprogversion - havde været muligt at fremsende de to svigrapporter til det danske Folketing.

Dette var der dog ikke tilslutning til, og Kommissionen præsenterede de to rapporter. Formanden udsatte dog vedtagelsen af rådskonklusionerne til ECOFIN-mødet den 15. juni.

3. Makrofinansiel bistand til Forbundsrepublikken Jugoslavien

Kommissionen præsenterede sit forslag til rådsafgørelse om makrofinansiel bistand til Forbundsrepublikken Jugoslavien, hvorefter Rådet gav sin principielle støtte til makrofinansiel assistance

på op til 300 mio. euro fordelt på mindst to trancher til Forbundsrepublikken Jugoslavien, men der blev ikke opnået enighed om de nærmere vilkår for den makrofinansielle assistance, herunder fordelingen på trancher og fordelingerne på lån og gavebistand inden for trancherne. Dette vil blive afklaret efterfølgende.

4. Beretning fra Kommissionen til Rådet og Europa-Parlamentet om rentegodtgørelser

Forslaget, som blev forelagt Folketingets Europaudvalg den 2. maj 2001, blev vedtaget uden debat.

Rådet vedtog de vedlagte konklusioner.

5. Udkast til rådskonklusioner til Revisionsrettens særberetning 6/2000 vedr. rentesubsidier ydet til SMV-lån fra den Europæiske Investeringsbank

Forslaget, som blev forelagt Folketingets Europaudvalg den 2. maj 2001, blev vedtaget uden debat.

Rådet vedtog de vedlagte konklusioner.

FINANCIAL SERVICES ACTION PLAN - COMMISSION PROGRESS REPORT - COUNCIL CONCLUSIONS

The Stockholm European Council asked for full implementation of the Financial Services Action Plan by 2005, with every effort made by all parties concerned to achieve an integrated securities market by the end of 2003. This work is complemented by the objective of a well functioning risk capital market by 2003 through implementation of the Risk Capital Action Plan.

The Council takes note of the Commission's progress report of the implementation of the Financial Services Action Plan. The report illustrates that significant steps have been made to accelerate progress.

The Council welcomes the adoption of the key directives on the reorganisation and winding-up of credit institutions and insurance undertakings. Common positions have been adopted on two UCITS proposals. In addition, two insurance solvency directives are now being finalised under the fast-track provisions in the Treaty.

A new procedural approach was agreed at Stockholm to facilitate work on securities market legislative proposals. This should lead to more effective legislation that can be adopted speedily and updated to meet market developments and new supervisory practices. Consultation and transparency, legal certainty and investor protection will be essential in ensuring the new approach works and the objectives for securities markets are met. The Council stresses the need to involve consumer groups and market practitioners in an appropriate manner.

The Council will build on the consultation envisaged in the Stockholm Resolution on securities markets. It will also seek to identify and resolve key issues at an early stage.

The Council reaffirms its commitment to seeking a timely resolution on the draft directive on prevention of the use of the financial system for the purpose of money laundering and on the draft directive on the activities of institutions for occupational retirement provision.

The Council has recently commenced or will soon commence work on a number of new proposals — financial conglomerates, collateral, prospectus, market abuse. These proposals are important and may require changes to the supervisory practices in all Member States as well as new working methods, including the greater use of comitology in a number of cases. The Council calls on the Commission to facilitate dialogue with and between the Institutions to ensure that practical solution on points of concern.

The Council invites the Commission to present, before the end of the year, a further and timely progress report on the Financial Services and Risk Capital Action Plans in the light of established priorities and of the timetable of individual items in the Action Plans. In particular, the Commission should highlight potential difficulties on individual dossiers. The Council invites the Commission to contribute to the solution of encountered problems.

FINANCIAL REGULATION APPLICABLE TO THE EU BUDGET - CONCLUSIONS

"1. The Council welcomes the Commission proposal on the recasting of the Financial Regulation. However, it would stress that its general analysis of the main aspects of the proposal will need to be supplemented by a detailed examination.

The Council considers that the Commission proposal is a useful basis for a recasting of the Financial Regulation which should result, inter alia, in:

- a clearer and more transparent text concentrating on the general principles applicable to the establishment, implementation and control of the implementation of the budget;
- a clarification of the roles and responsibilities of the various financial actors;
- the establishment of an activity-structured budget;
- the creation of a framework for outsourcing to enable the Commission to retain its full responsibility over the implementation of the budget;
- the rationalisation of the commitment procedure;
- the simplification of the procurement rules in accordance with the Directives concerned.

2. The Council feels that the Financial Regulation should focus on general and horizontal provisions, limiting derogations as far as possible.

3. The relationship between the Financial Regulation and the rules for different sectors must be clearly defined and set out in the text of the Financial Regulation. The Council also emphasises the importance of a consistent and harmonious approach when deciding which provisions to include in the Financial Regulation and which to include in its implementing rules.

4. The Council would like a draft text of the implementing rules relating to the Financial Regulation as recast to be submitted at the same time as the amended proposal so that it has at its disposal all the texts needed for the implementation of the new Financial Regulation.

Position of the Financial Regulation in the Community legislative framework

5. The Council commends the efforts made to simplify the text of the Financial Regulation. It questions the desirability of quoting the Treaty provisions on the external auditor, but nevertheless stresses the importance of compliance with the text of the Treaty, particularly as regards cooperation between the national audit bodies and the European Court of Auditors.

6. The Council welcomes the principle of including the text of the Interinstitutional Agreement of 6 May 1999 in the provisions concerning the legal bases. It notes, however, that that proposal requires more detailed examination, particularly at legal level. The Council is not in favour of including the Joint Declaration of 4 March 1975 in the Financial Regulation.

7. The Council feels that the text of the Financial Regulation should contain a stipulation that where a sectoral regulation contains financial provisions their compliance with the Financial Regulation must be secured in advance in the course of the legislative procedure.

Budgetary principles

8. The Council welcomes the Commission's proposal to incorporate the seven budgetary principles set out in the Treaty and to add that of transparency, but reiterates the desire expressed in its conclusions of 25 January 1999 to include also

the principle of budget accuracy, notably by adding to the text of the proposal a provision prohibiting the entry in the budget of appropriations in excess of the estimated requirements.

9. The Council is continuing its examination of the Commission proposal regarding the use of differentiated appropriations in all areas, particularly in the case of the EAGGF-Guarantee Section appropriations, and the Commission proposal to convert negative expenditure into earmarked revenue, particularly for the clearance of accounts in the agricultural sector.

10. The Council considers that the provisions of the current Financial Regulation relating to the conditions for presenting an amending and/or supplementary budget must be maintained in the new Financial Regulation. It reiterates the desire expressed in its conclusions of 25 January 1999 that a provision be added specifying that an amending budget will be submitted before 31 March of the current financial year and adopted each year with the sole object of entering in the budget for the current year the difference between the outturn actually recorded when the accounts for the completed year are submitted and the estimate of it that was previously made.

11. The Council also reiterates the desire expressed in the same conclusions for a stipulation that appropriations cannot be entered in the "reserve for provisional appropriations" except in two cases: either where there is no legal basis for the measure concerned at the time of adoption of the budget or where there is uncertainty regarding the adequacy of the appropriations in the relevant operational headings. It also stresses the importance of making it clear in the text of the Financial Regulation that recourse to the negative reserve requires the prior agreement of both branches of the budgetary authority.

12. The Council considers that a reference to the general principles applicable to agencies could appear in the Financial Regulation. However, it is not in favour of the proposal to include the agencies' establishment plans in the general budget as this runs counter to the concept of the agencies' budgetary autonomy.

13. The Council again confirms its belief that the use of loans to finance investment in buildings for the institutions does not comply with the provisions of the Treaty and the Decision on the system of own resources.

Activity-based budgeting (ABB)

14. The Council considers that the establishment of activity—structured budgeting is an essential step towards activity-based management. It stresses the importance of a gradual approach to implementation.

15. The Council stresses the fact that ABB is an important element in the establishment of a more transparent structure for the Community budget, particularly as regards the link between policies, appropriations and management. It must, however, be placed in the broader context of progress towards performance-based management, in which political objectives must occupy a central place. The Financial Regulation should explicitly stipulate that information on objectives, monitoring and evaluation must be available to the budgetary authority and should form an integral part of the budgetary procedure.

16. The Council stresses the importance of strict compliance with the financial perspective. It is aware of the need to ensure that the correlation between ABB activities and the headings of the financial perspective is monitored given that an increase or a decrease in the amount for an activity could lead to changes in several headings of the financial perspective. The Council also stresses the importance of continuing to receive regular information as to the nature of expenditure established on an annual and a multiannual basis, particularly in the case of administrative expenditure.

17. The Council is continuing its examination of the Commission proposal regarding the possibility of the Commission itself making transfers between chapters within the same title of up to 10% of the appropriations entered in operational lines and transfers of administrative appropriations of the same nature. The Council would stress that in any event prior notification of the budgetary authority in connection with such transfers is essential to ensure compliance with this provision and with the financial perspective.

Externalisation

18. The Council expresses general support for the Commission's proposal to create a harmonised framework of rules on externalisation and is continuing its examination of the proposal. It states that the various methods of externalisation (centralised management, shared management or decentralised management) must be clearly defined in the text of the Regulation.

19. The Council would like to see explicit reference made to the Commission's final responsibility for the implementation of the budget and a clear statement of the responsibilities and the nature of the delegation of powers to

the various external agencies in the text of the Financial Regulation. It also feels that the text must clearly stipulate that tasks relating to implementing the budget may not be delegated to private-law bodies.

Role of the financial actors

20. The Council welcomes the general approach of the Commission proposal as regards the role of financial actors. A more detailed definition of the role of the authorising officer, his duties and the nature of the delegation of powers should be included in the text of the Financial Regulation. The obligations of the authorising officer as regards setting up a system of control within his departments should be spelt out. The Council stresses that, without prejudice to the principle of collegiality of the Commission, final responsibility must lie with the relevant member of the Commission, whether or not the Commission's power of authorisation is delegated.

21. A clearer definition is also required for the internal auditor as to his role in auditing on the basis of the relevant international standards. The Council notes that, with regard to the tasks of financial controller within the meaning of the Treaty, Article 82 of the proposal relating to the internal auditor is not completely satisfactory and it requests clarification.

22. With regard to the responsibility of the financial actors, the Council further considers that mere reference to the current Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities is not sufficient and that supplementary provisions should be drawn up.

Commitment

23. The Council shares the Commission's approach in this area. It nevertheless considers that the text should contain a clearer definition of the concept of "global commitment". It also considers that a clause on automatic cancellation of commitments specifying a time limit should be included in the text of the Financial Regulation for individual commitments

Procurement

24. The Council considers that the provisions of the new Financial Regulation regarding public contracts should be made as simple as possible by making reference to the European Directives in force and by specifying in the text of the Regulation only those provisions going beyond the Directives. The text should be drafted in such a way as to avoid further amendments to the Financial Regulation in the event of one of the basic Directives being amended.

25. The Council stresses the importance of establishing clear transparent criteria both for exclusion from procurement procedures and for the award of contracts. The provisions of the Financial Regulation should not run counter to the corresponding certification systems in the Member States.

26. The Council is able to endorse the Commission's approach on penalties. It nevertheless feels that the penalty imposed should be proportionate to the size of the contract and to the seriousness of the offence committed.

27. The Council is continuing its examination of the Commission proposal to dispense with the Advisory Committee on Procurement and Contracts (CCAM).

Grants

28. The Council feels that a better definition of the scope of this title is needed. Having regard to the protection of the Community's financial interests, the possible penalties and the criteria for exclusion from eligibility should also be set out clearly in the text of the Financial Regulation. The Council queries the effectiveness of, and control methods for, the provision prohibiting grants from having the purpose or effect of producing a profit for the beneficiary.

29. The Council considers that a clear definition of the bodies that may qualify for grants and of the conditions under which such bodies may become beneficiaries should be contained in the text of the Financial Regulation. In that connection, there should be no derogations from calls for proposals. Moreover, it feels that the only derogation from the provisions on co-financing, interpreted as an obligation on the grant recipient to contribute, should be for humanitarian aid.

Keeping and presentation of the accounts

30. The Council notes with interest the Commission's approach on the keeping and presentation of the accounts. It stresses that both accounting methods (accrual accounting and accounting on the basis of receipts and payments) must contribute to the establishment of an activity-based budget and activity-based management. It stresses the importance of

transparent, analytical accounting so that costs can be estimated sector by sector in relation to the targets set by activity-based management.

31. The Council considers that the provisions relating to discharge must comply with existing Treaty provisions.

External actions

32. The Council considers the Commission's approach to be a sound basis for external actions. Nevertheless, a clearer definition of the three management methods proposed (centralised, decentralised and joint) should be contained in the text of the Financial Regulation.

33. The Council stresses the importance of the fact that the new Financial Regulation allows full cooperation with international organisations, in particular the UN and international financial institutions. Moreover, the Financial Regulation must not prevent the Commission from taking part in joint or pool financing with other donors. It must enable the Commission to follow best practice for donors, adopting the appropriate criteria for the transfer of financial assistance to developing countries.

34. The Council feels it is necessary to lay down clear criteria for decentralisation to beneficiary third countries and for joint management in order to ensure the protection of the Community's financial interests.

35. The Council supports the introduction of a specific clause on automatic cancellation of commitments in relation to contracting out external actions. It is continuing to examine the possibility of introducing a time limit of "N + 2", among other alternatives, into the text of the Financial Regulation.

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36. The Council asks the Commission to submit its amended proposal as early as possible in the third quarter of 2001, accompanied by a draft of the implementing rules so that they can be examined with a view to the adoption of the new Financial Regulation as soon as possible."

Commission report concerning interest-rate subsidies - Conclusions

1. In its conclusions on the Court of Auditors Special Report nE° 3/99 on the management and control of interest-rate subsidies, the Council welcomed the commitment of the Commission to present "a comprehensive study on the general usefulness of interest-rate subsidies in terms of cost and economic efficiency, in the light of all relevant factors". The Commission sent this report 16 February 2001 to the Council, which has adopted the following conclusions.

2. The Council recalls that interest-rate subsidies have been extensively used in several significant community programs both inside and outside the EU (2). The Community budgetary resources allocated to these programs exceed 3 billion Euro since 1967. Some of these programs using interest-rate subsidies are in current use while others have been phased out. Further use of this instrument may be proposed in the future.

3. In recent years there has been deregulation and better functioning of capital markets in the EU. Access to lending has improved and interest-rates, both nominal and real ones, have come down. In addition, the Council notes that lower global real interest rates have also reduced the relative importance of subsidies in developing countries. Hence, the Council considers that, in general, the justification for interest-rate subsidies has diminished, but the use of the instrument may still be justified in specific policy areas and for specific purposes.

4. Interest-rate subsidies have both positive and negative effects. On the positive side, like other public financial instruments, they can in principle reduce the cost of financing, improve the beneficiaries income/cost ratio and thus increase their propensity to invest and the banks' willingness to lend and thus increase the demand for investments in specific areas of public interest. The effects on job creation are difficult to prove, though. Also, since the grant element is attached to a loan, regular banking credit procedures may benefit project management and financial discipline. Moreover, in case of indirect operations, access to a vast banking network makes it possible to quickly reach a large number of SME's. More specifically, this instrument reaches through a strong "leverage effect" a potentially wide range of beneficiaries at a given budgetary cost.

5. On the negative side, this instrument - like other subsidies - can lead to non-efficient allocation of resources and to competition distortions on both the demand and supply side. They might be in conflict with state aid rules, like other

public financial instruments. More specifically, when interest subsidies are administered by intermediaries, it seems to be very difficult to check, at a reasonable cost, that the final beneficiaries reap the full benefits of interest-rate subsidies.

6. Interest-rate subsidies can be appropriate when economic policy aims at fostering certain investments, like those in transport infrastructures, environment protection as well as in cases of natural catastrophes. The Council considers that the granting of interest-rate subsidies to SMEs under a scheme such as the Edinburgh facility is questionable. For market failures relating to innovative, high growth and start-up firms facing high risks, guarantees or risk capital arrangements should be more appropriate than interest-rate subsidies. In those areas outside the EU where financial markets are not yet highly developed, the use of interest-rate subsidies or other instruments should be carefully weighed up, bearing in mind the need to encourage the development of local financial services.

7. In the future, programs of interest-rate subsidy should be examined on a case by case basis evaluating the advantages and disadvantages of this instrument compared to others like loan guarantees, equity related schemes or grants. As outlined in the Commission report, the following conditions should be met if interest-rate subsidies are to remain fully effective:

- Strict compliance with state aid legislation.
- Wide competition between financial intermediaries in the case of global loans in order to reduce administrative costs and avoid market distortions.
- Effective targeting of objectives/ beneficiaries.
- There should be cost-effective public controls in order to ensure as much as possible that aid is actually reaching the intended beneficiary.
- The eligibility criteria and program rules should be simple, clear and broadly diffused.
- Program implementation must generate value added for national measures (subsidiarity).
- The adequate monitoring and assessment aspects must be ensured. Programs should be subject to an ex ante evaluation, a mid-term evaluation and an ex-post evaluation.

Court of Auditors - Special Report NE° 6/2000 concerning the granting by the Community of interest subsidies on loans by the EIB to small and medium-sized enterprises through its temporary lending facility - Conclusions

The Council has taken note of special report No 6/2000 by the Court of Auditors concerning the granting by the Community of interest subsidies on loans by the European Investment Bank to small and medium sized enterprises, through its temporary lending facility, and has adopted the following conclusions:

The Council has taken note of the opinion of the Commission on the difficulties of the implementation of the Council decision creating the temporary lending facility concerning its urgency, the limited average size of the subsidies and the nature of the beneficiaries

The Council nevertheless endorses the opinion of the Court that the errors in the implementation detected reflect weaknesses in the management and control system.

The Council welcomes the engagement of the Commission to remedy these weaknesses and particularly to monitor other schemes involving delegation to financial intermediaries by tightening in a cost efficient way checks on eligibility of the recipients.

The job creation effect of the programme reviewed is difficult to prove. Given the small subsidy element, it can furthermore be doubted that the investment and new jobs involved would not have taken place without the subsidies.

The Council has taken note of the improvements that the Commission is making in order to render the utilisation of interest rates subsidies more transparent within the Community accounting system.

The Council welcomes the fact that the incorrect declarations and other anomalies detected by the Court have been investigated by the Commission and the EIB and that recovery procedures have been initiated whenever appropriate.

Regarding consideration of future programs of this nature involving interest-rate subsidies, the Council refers to its conclusions on the Commission report concerning interest-rate subsidies.

