

UDENRIGSMINISTERIET

**EUROPAUDVALGET
(2. samling)**

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Til underretning for Folketingets Europaudvalg vedlægges Finansministeriets
redegørelse for rådsmøde (økonomi- og finansministre) den 5. marts 2002.

P. B. Olsen

high surpluses. The projections also assume a continued high tax ratio to GDP between 2005 and 2050. The Council notes that such a high tax ratio to GDP may be difficult to achieve in a framework of increased mobility of certain tax bases as a result of the globalisation.

Increase in the labour force participation rates in Denmark is an important assumption of the projections in the programme. A large part of this increase is likely to come from reforms already undertaken, where the full effect has not yet set in. Further structural reforms are, however, needed on the functioning of the labour market, including reductions in taxes on labour which might help increase the labour supply. The Council therefore encourages the authorities to proceed with these measures, while of course maintaining adherence to the Stability and Growth Pact requirements."

3 OJ C77, 9.3.2001



FINANSMINISTERIET

Referat af mødet i Rådet (økonomi- og finansministre) den 5. marts 2002

13. marts 2002

12. kontor

NJL

Dagsordenspunkt: Forberedelse af Det Europæiske Råd i Barcelona

Formanden redegjorde kort for indholdet af Rådets 'key-issues' -papir, der bl.a. berører prioritetsområderne økonomisk-politisk koordination, reformer af netværksindustriene og arbejdsmarkedets funktionsmåde. Kommissionen var enig i prioriteterne i 'key-issues'-papiret.

ECOFIN drøftede papiret, herunder især liberalisering af energimarkedene og gennemførelsen af en kvantificeret tidsplan.

Mht. midtvejsevalueringen af den finansielle handlingsplan udtrykte både Rådet og Kommissionen tilfredshed med de seneste fremskridt og den skitserede tidsplan.

Der var ingen drøftelse af de øvrige rapporter til Det Europæiske Råd i Barcelona.

Dagsordenspunkt: Implementering af stabilitets- og vækstpagten – opdateret konvergensprogram for Danmark.

ECOFIN vedtog vedlagte udtalelse om det danske konvergensprogram.

Dagsordenspunkt: Globaliseringsrapport

Efter en kort præsentation af Kommissionens rapport, var der en drøftelse af globaliseringens udfordringer og finansiering af udvikling, herunder målsætning for udviklingsbistandens størrelse. Rådet drøftede en erklæring om Kommissionens rapport vedr. globaliseringens udfordringer samt en udtalelse om konferencen for finansiering af udvikling i Monterrey.

Dagsordenspunkt: EU's budget

Forud for vedtagelsen af vedlagte rådsanbefalinger til discharge for 2000, havde Rådet en udveksling af synspunkter på området.

Mht. prioriteringer for EU's budget for 2003 præsenterede Kommissionen – som et nyt tiltag - hovedlinierne i sin netop vedtagne politiske prioritering for det kommende år. Denne indeholder 3 overordnede prioriteter: Udvidelse, stabilitet og sikkerhed samt en miljømæssig bæredygtig økonomi. Flere medlemslande påpegede behovet for stram budgetdisciplin for 2003, herunder at de finansielle perspektiver skal overholdes.

"UPDATED CONVERGENCE PROGRAMME OF DENMARK, 2001-2005

The Council of the European Union,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1466/97 of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and co-ordination of economic policies², and in particular Article 9 (3) thereof,

Having regard to the recommendation of the Commission,

After consulting the Economic and Financial Committee,

HAS DELIVERED THIS OPINION:

On 5 March 2002 the Council examined Denmark's updated Convergence Programme, which covers the period 2001-2005. The macroeconomic scenario assumed in the updated Convergence Programme projects real GDP growth to increase from 1% in 2001 to 1½% in 2002 and 2½% in 2003 and then level off to around 2% in both 2004 and 2005. Inflation is expected to remain below 2% and unemployment to remain low. The Council notes that this economic scenario seems plausible and is in line with the Commission's 2001 Autumn forecast.

The Council notes with satisfaction that Denmark has continued to fulfil the convergence criteria on inflation, long term interest rate and on the exchange rate.

Regarding public finances, the Council notes, that while the outcome for the government surplus for 2001 was below expectations, mainly due to shortfall in revenue linked to the downturn in the stock market, a comfortable surplus was still achieved. The Council welcomes the maintenance of the objective of keeping surpluses between 1½-2½% of GDP over the programme period, during which the general government debt is expected to be reduced to 35% of GDP by 2005. As a result, Denmark continues to fulfil, comfortably, the requirement of the Stability and Growth Pact of a budgetary position of "close to balance or in surplus" over the entire period covered by the Programme. Denmark is also expected to be able to withstand a normal cyclical downturn without breaching the 3% of GDP deficit reference value.

The budgetary consolidation strategy including a declining primary expenditure to GDP ratio and tax burden over the programme period outlined in the previous update of the Programme is upheld. The strategy has been further strengthened by the government's commitment to freeze all taxes and excise duties in order to put a halt to the upward drift in the tax burden. The Council welcomes this measure, while noting that it should not prevent reductions of marginal taxes on labour.

The Council notes that expenditure control has had a rather mixed record in recent years as the target of restraining real public consumption growth to 1% has frequently been overstepped. The need for expenditure control, especially in local government and counties is even more important now that the decision to freeze taxes has been taken, if high general government surpluses are to be assured. The Council therefore calls on all levels of general government to make efforts to control expenditure such that the real increase in public consumption fulfils the target of an average annual growth of 1%. It also invites the Danish government to strengthen the institutional framework to avoid further slippage in the future, as already recommended in the Council Opinion last year³.

The focus on longer-term sustainability issues in the programme is welcomed. The Council notes with satisfaction that the objective to substantially lower the ratio of gross debt to GDP enhances the sustainability of the public finances, thereby rendering the Danish economy in a good position to handle the projected expenditure rises due to the ageing of the population and still continue to be in compliance with the Stability and Growth Pact. It notes that these results are conditional on the continued realisation of the

Dagsordenspunkt: Præsentation af Kommissionens grøn bog vedr. fælles europæisk offentlig anklage Side 2 af 2

Kommissionen præsenterede sin grøn bog, og opfordrede ECOFIN til at bidrage til arbejdet med at få etableret en fælles europæisk offentlig anklager. ECOFIN noterede sig rapporten.

Dagsordenspunkt: Overgangen til eurosedler og euromønter

Kommissionen afgav en kort orientering om den nu tilendebragte overgang til eurosedler og euromønter.

Dagsordenspunkt: Euro-Middelhavsbank – Rapport fra EFC og Kommissionen

Kommissionen præsenterede sin rapport. Rådet drøftede denne rapport og et udkast til ECOFIN-rapport fra EFC.

Formanden konkluderede, at der er behov for at udarbejde konkrete forslag, der kan sendes videre til Det Europæiske Råd i Barcelona. Formanden ønskede, at forslagene drøftes på et ECOFIN-møde i Barcelona torsdag den 14. marts forud for Det Europæiske Råd.

Dagsordenspunkt: Administrativt samarbejde vedr. skattespørgsmål – fremlæggelse af ide-papir fra formandskabet

Formanden fremlagde sit ide-papir og gjorde rede for, at man senere vil fremlægge et arbejdsrapport i fiskalgruppen, der bl.a. vil indeholde forslag om et permanent forum, hvor medlemmerne løbende kan drøfte samarbejdsbehov og praktiske problemer.

Dagsordenspunkt: Adfærdskodeks – erhvervsbeskatning

Formanden for adfærdskodeksgruppen redegjorde for gruppens resultater siden oktober 2000 og fremlagde arbejdsprogrammet for foråret, hvor arbejdet vil fokusere på, hvilke tiltag medlemslandene har iværksat for at afvikle de identificerede skadelige skatteordninger.

within the reference amounts for multiannual programmes and the ceiling under heading 4. In determining budget allocations, account must also be taken of the Community's development policy, of information on other contributors and on the capacity of the partner countries to absorb funds, and of the annual priorities which the Council has set itself;

- it advocates that the support for Afghanistan and neighbouring countries under the 2002 budget be continued in an appropriate way in 2003, in accordance with the financial framework laid down by the financial perspective;
- following the cuts to CFSP budgetary allocations in the last two years, it stresses the importance of funding measures under the CFSP and would like to see the budgetary allocation for 2003 geared towards potential needs;
- the Council highlights the importance of measures relating to the conclusions of the most recent European Councils, especially those drawn at the Lisbon European Council;
- before any proposal for a new programme or a new budget heading is submitted to the budgetary authority, there must, in accordance with the Interinstitutional Agreement, be a report on the pilot projects and preparatory measures, containing *inter alia* an evaluation of the results;
- given the information currently available in the report of the Secretaries-General which was forwarded to the budgetary authority at the last budget Council, in November 2001, the Council believes that particular heed must be paid to the worrying situation of heading 5 of the financial perspective in 2003 and to its evolution in the coming years; – in particular, it expects the search for potential savings to continue so that the ceiling under heading 5 is not overstepped and calls on all the institutions to work to this end and to submit forecasts for 2003 showing a growth rate compatible with the adjustment rate agreed for the financial perspective and the forecast increase in pensions. Moreover, it believes that better multiannual programming of their property expenditure by the institutions is one way of keeping administrative expenditure under the ceiling for heading 5;
- the Council is actively pursuing its work with a view to preparing the enlargement of the European Union to include the candidate countries and emphasises the need for precise evaluation of future budgetary implications.

10. The Council wishes these guidelines to be taken into account in the budget procedure, particularly in the preparation of the preliminary draft budget for 2003."

BUDGET GUIDELINES FOR 2003 - Council conclusions

1. The Council reiterates its view that the Community budget must suitably cover all real needs and the resources required to implement the various policies of the Union effectively. It emphasises that this includes applying the same degree of budgetary restraint as exercised by Member States of the Union.

2. The Council considers that the Interinstitutional Agreement of 6 May 1999 remains the cornerstone of the smooth functioning of the budgetary procedure and that the range of mechanisms it currently comprises are adequate to cope with unforeseen circumstances and developments in the budgetary field.

In this context, compliance with the financial perspective remains a key objective. Community expenditure must stay within the limits fixed by the financial perspective and sufficient margins must be maintained under the ceilings of the various headings, except under heading 2, notably to cater for unforeseen circumstances.

3. The Council emphasises that the commitment appropriations should reflect real and well-defined needs and be compatible with consistent financial programming and the financial perspective.

In this context, the Council reaffirms the value of financial programming, in particular for headings 3 and 4 of the financial perspective. It points to the importance of the budgetary authority having, in good time for its budgetary procedure discussions, sufficient financial information on legislative proposals, which should include clear and measurable objectives for a set timescale.

Moreover, in order to better identify the commitment appropriations, the Council asks that due regard be given to the findings from evaluation and budgetary analysis of Community measures and programmes, especially in the event of renewal. In this connection, multiannual programmes or, in other areas, decisions with long-term effects should include provision for a mid-term review.

The Council invites the Commission to continue the efforts already under way to facilitate the budgetary authority's utilisation of those reports by taking account of the results of the work in drawing up the preliminary draft budget, with particular reference to explain the options selected and forwarding - as early as possible and at the latest along with the preliminary draft budget - all the information it has in usable form so that the budgetary authority can establish the appropriate amount of commitment appropriations required.

4. The Council stresses once again the importance of keeping a tight grip on payment appropriations for 2003.

The Council regrets the shortcomings in budgetary implementation for 2000 which resulted in the figure for that year greatly overshooting that of previous years.

The level of payment appropriations entered in the budget must be sufficient, taking into account past uptake and the genuine possibilities for future uptake of appropriations, while

endeavouring to maintain a strict relationship between commitment appropriations and payment appropriations. The Council calls on the Commission to continue its efforts to equip itself with suitable instruments for improving its budget forecasts.

5. The Council points to the need to keep the level of outstanding commitments under control. It welcomes the agreement reached in November 2001 between the two arms of the budgetary authority and the Commission aimed at eliminating abnormal outstanding commitments in the medium term. In this context the Council stresses the fact that the reduction of abnormal outstanding commitments can be achieved not only by an increase of appropriations for payments but also by a significant recourse to decommitments. In this agreement, the Commission made a commitment to submit, with the preliminary draft budget for 2003, an action plan that foresees examining all the potentially abnormal files. The Council invites the Commission to undertake this task without delay. It intends to pay close attention to the monitoring of the action plan.

6. The Council requests the Commission to include an estimate of the surplus in its autumn letter of amendment, as it did for the budgets in recent years.

7. The Council lays great store by the reform of the financial management undertaken within the Commission, which it considers a key factor in improving budgetary procedure and implementation.

In this connection, it notes the Commission's intention to submit its preliminary draft budget for 2003, both in the traditional form and in the form of an activity-based budget (ABB) and it asks it to continue its efforts to ease the transition to an activity-based budget in the best possible conditions. Moreover, the Council is actively continuing its examination of the amended proposal to recast the Financial Regulation so that it can be implemented as soon as possible.

The Council also recalls that, in an effort to spread implementation of the budget more evenly throughout the year, in November 2001, the budgetary authority and the Commission agreed that the Commission would submit an implementing plan and would send notification of deviations observed on certain dates. The Council calls on the Commission to apply this implementing plan efficiently.

8. The Council considers that the excellent spirit of cooperation that prevailed in work on the preparation of the budgets for the previous two financial years was a key factor in the smooth working of budgetary procedures and is convinced of the importance of continuing the good collaboration between the two arms of the budgetary authority and the Commission.

9. As regards certain specific headings of the financial perspective, the Council identifies the following elements as crucial in preparing the 2003 budget:

- at the beginning of the second half of 2002, the Council expects from the Commission a mid-term review of the CAP reform implemented in the framework of Agenda 2000, which it must take into account in the autumn letter of amendment if necessary;

- given the discussions on 18 February 2002, the Council states its intention of staying