

Budgetary Trade-Offs

Introductory Paper to the task force 10 September 2007

PIERRE BOULANGER

Pierre Boulanger, Research and Teaching Fellow (ATER), Groupe d'Economie Mondiale, Sciences Po.

The views expressed in this article are the sole responsibility of the author.

*Translated into English from the original
French by Françoise Pinteaux-Jones.*

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Introduction

The 2008 *health check* will present us with a diagnosis of the CAP valid until the end of the financial period 2007-2013. Short term adjustments should be implemented if needs be. It is however not before 2009 that, alongside a budgetary review, a consensus on the CAP post 2013 should emerge between the 27 Member States. The latest CAP reforms have substantially modified European agricultural support's modalities as well as its stated priorities. The burden of direct payments, constrained by limited resources, leaves the European budget in a kind of stagnation. It would however be wise to shun a narrowly quantitative approach by considering objectives, instrument and allocated European funds holistically. Accordingly, this article concentrates on the budget allocated to the CAP – as a whole but also by measure category; after a contextual and institutional survey, the feasibility of scenarios aimed at restructuring agricultural expenditures will be examined.

I - Context

The CAP, synonym with European Integration has, from its inception, known an evolutive process both for internal and external reasons. With momentous deadlines in sight, it is worth setting down the budgetary features of the European Agricultural and Rural Model.

1.1. CAP expenditures, a major item of the European budget

The relative alleviation of agricultural expenditures in the European budget notwithstanding, the CAP, given the degree of its integration, remains historically the first structural item of the European budget (cf. figure 1). The 2007 Budget, first financial framework for the 2007-2013 period and the very first for the EU27 is no exception to this European trait (cf. figure 2 and table 1). The preliminary draft budget for the year 2008 swings the first European funding item towards economic development policies. However, this “symbolic” inversion results essentially from modifications in the budgetary items in force since 2007.

1.2. The EAGF and the EAFRD, the PAC's financial instruments

Since 1 January 2007, the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) fund PAC related measures. Replacement to the European Agricultural Guidance and Guarantee Fund (EAGGF), the 1st and 2nd pillars are now funded respectively by the EAGF¹ and EAFRD², elements of the overall European budget, in the framework of a management shared between the Member States and the Commission³. This financial dichotomy is apt at contributing to a re-orientation of resources from the 1st to the 2nd pillar.

1.3. Enduring financial unbalance...

....between the CAP's two pillars

In spite of the integration of rural development with agricultural policies allowed by Agenda 2000, and the creation of two pillars, market and direct payment expenditures make up, in 2007, close on three quarters of the "Conservation and Management of Natural Resources" budget item (cf. figure 3).

...between beneficiary countries

Five Member States (France, Germany, Spain, Italy and the United Kingdom) net more than two thirds of the CAP's overall expenditure, 1/5th of which goes to France hence her offensive interest in upholding the current support mechanism (cf. figure 4). This uneven distribution also holds good within countries.

¹ Formerly EAGF guarantee.

² Formerly EAGGF orientation and EAGGF guarantee allocated to rural development measures.

³ It is worth noting that the EAGF also funds centralised European measures (health and phytosanitary programs, promotion of agricultural products, programmes on farm genetic resources, farm survey and accounting information systems).

...between beneficiary citizens

In spite of decoupling, strong disparities inherent to the way national governments chose to implement the 2003 reform endure regarding the distribution of direct payments to farmers. Thus, for the 2005 financial year (UE25), two third of direct aids recipients received € 5 000 (or less) per year. Less than 5% of direct payments' total amount goes to them while more than half of the whole envelope is shared out between only 5.6% of the farms (cf. figure 5). It must be emphasised that a centralised management of the Single Farm Payments (SFPs) rather freezes this distribution (deduction on transfers, geographic rationing).

...between contributing countries

The countries already in the EU15 are net contributors (the most significant by far being Germany), with the exception of Spain, Greece, Portugal and Ireland, themselves the main beneficiaries of the regional structural funds⁴. In due course, these four latter countries will see their budget balance dwindle as a result of the re-channelling of funds towards the new member states, all net beneficiaries in 2005 (cf. figure 6). The financial corollaries of the adoption of a common policy in the sphere of agriculture (Treaty of Rome), namely the EAGGF, later the EAGF and the EAFRD form part of the European budget. It follows that the CAP's expenses are allocated according to European objectives, regardless of the beneficiary Member States. Thus a principle of solidarity between States is cited by the main countries in receipt of payment in order to preserve the current financial distribution. However, the decision to correct the difference between UK participation to the European budget and the expenditures towards that

⁴ The purely quantitative calculation of net balance by Member is questionable. Indeed this financial approach does not take into account the non-pecuniary advantages afforded by European policies. The Commission's calculation method measures the difference between operating expenses by Member State and their *adjusted* contributions to the European budget.

country⁵, the cofunding of 2nd pillar measures, or again the single area payment scheme set for the new Member States run counter to any financial solidarity principle⁶.

1.4. A financial discipline effective until 2013

In order to control the growth of farming expenses, as early as 1988, an “agricultural guideline” relating to “budgetary discipline” set a ceiling on guarantee section of EAGGF expenses at the total amount paid up in 1988 increased by a value inferior or equal to 74% of the growth rate of the European GNP (decision 88/337 24 June 1988 Council). Following a Franco-German trade-off, the 24-25 October 2002 Brussels European Council agreed a ceiling for farming expenses at their 2006 level for the 2007-2013 financial period (only an increase of 1% a year should consider the impacts of inflation). With the 2004 enlargement in mind, the 10-11 December 2002 Copenhagen European Council confirmed this ceiling placed on direct aids for the 2007-2013 period. This ceiling was upheld following Bulgaria and Romania’s accession. In case of overrun, an adjustment of the direct payments towards ex-EU15 countries will help meet this provision.

1.5. Cross-compliance or remunerating European public goods

In order to justify the continuation of these measures, 1st pillar direct payments are subject to the respect of sanitary⁷, environmental and phito-

⁵ Obtained at the 1984 Fontainebleau European Council, the yearly adjustment granted to UK has led to the obtention by other European countries of a rebate on the funding of the British “cheque”: Germany (as early as 1984, increased in 1999), Austria, the Netherlands, Sweden (1999). With € 1,4 billion (27.57% of the overall discount) and € 1.1 billions (21.37%) paid in 2005, France and Italy fund close on half of this cheque. Structurally justifiable in the early eighties – the relative prosperity of the UK was then distinctly inferior to what it is today whereas the EAGGF expenses, of little benefit to the Member State, took up nearly three quarters of the European budget – the British cheque, rather an anachronism today, contributes to budgetary distortions.

⁶ “The Community shall have as its task [...] by implementing common policies or activities [...] to promote throughout the Community [...] solidarity among Member States” (EC Treaty, article 2).

⁷ Cover public and animal health.

sanitary standards. They then take the shape of compensatory payments attached to compliance with European directives and regulations, to public goods’ supply. Agricultural aids beneficiaries further commit to respecting “good farming practices”, namely the upkeep of the land in satisfactory agronomic and environmental conditions. This conditionality is the counterpart to the continuation of 1st pillar aids (both coupled and decoupled). It is not, however harmonised at European level (since each country can privilege particular conditions). Likewise the extent of decoupling and the implementation formula (historical or regional static/dynamic) as well as the administration of SFPs’ transfers add to the fragility of the system (competition distortion, misunderstandings of differentials in SFPs unit value, etc.). Payments specific to the 1st pillar must ensure the supply of European public goods supplementing those arising from the 2nd pillar. A tight definition of the notion of “European public good” would nevertheless help define the tier of local competence and financial subsidiarity⁸

1.6. Ensuring fitting financial means to EU priorities

Supposing a steady budget, the funding committed to European policies must serve European objectives, not least among them the ambitious Lisbon Agenda⁹. The farming and agrifood sector’s contribution to it has been defined by the 15-16 June 2001 Göteborg European Council and confirmed by the 20 June 2003 Thessaloniki European Council: improvement of education and training, of research and development along with

⁸ As stated in the summing up for the “The EU budget: What for?” Seminar organised by Notre Europe: “Trying to determine the list of ‘European public goods’ is certainly an ambitious task. First of all it requires clarifying and updating the objectives pursued by the EU at the end of its first 50 years of existence, in a global context that has radically changed since the beginning of the 21st century. Even following a solid theoretical thinking exercise, it will still be necessary to carry out a detailed empirical analysis shedding light on the relative financial contributions of the different levels of governance (European, national, sub-national) in the different policy areas, if we are to open the debate about the best way to reach the commonly shared objectives” (Jouen and Rubio, 2007).

⁹ The report “An Agenda for a growing Europe. Making the EU Economic System Deliver” stresses: “The CAP does not seem consistent with the Lisbon goals, in the sense that its value-for-money contribution to EU growth and convergence is lower than what is targeted for most other policies. Continuing to fund the CAP at present levels would amount to discounting its reduced contribution to the Lisbon goals compared with potentially much greater contributions from the other growth-enhancing policies of the type described above” before recommending: “Meeting the growth agenda implies, if the overall size of the budget remains the same, a sharp reduction in EU agricultural expenditure” (Sapir, 2003).

the promotion of entrepreneurial approaches, of innovation (upgrading of agricultural products and of non-food outlets) and of sustainable development. The rural development targeted measures in the 2nd pillar are well suited to the purposes of this agenda. However the financial unbalance will endure between the two pillars (cf. figure 7). Granted the stability of the budget allocated to the CAP, it warrants funding redirection (or modulation).

II - Divergent positions among Institutional Actors

“The Council shall, on a proposal from the Commission and after consulting the European Parliament, acting by a qualified majority, make regulations, issue directives, or take decisions, without prejudice to any recommendations it may also make” (EC Treaty, article 37).

2.1. The Commission

The Commission, as guarantor of European interests does not seek a drastic CAP reform but rather a furthering of the 1999 and 2003 decisions (decoupling, conditionality, modulation, simplification). It wishes to proceed in two steps: a *health check* in 2008, which would assess the implementation of the CAP applicable until 2013 (short term adjustment are likely), before a broader critical analysis of the CAP on the occasion of the 2009 budget review. The Commission opposes the complete elimination of 1st pillar direct measures and favours an effective targeting thereof in order

to acknowledge European citizens' expectations¹⁰ and remunerate public goods supplied by the farming sector¹¹. It should also propose a more vigorous modulation between the two pillars, along the lines proposed in 2002-2003 mid-term review (see below), whilst seeking to curb attempts at re-nationalising the instruments and funding of agricultural and rural measures – a re-nationalisation which has already started as a result of the freedom allowed Member States for the implementation of the 1999 and 2003 reforms (implementation and management of the direct payments decoupling, conditionalities, rural development measures). Guarantor of common European interests and in accordance with its powers, the Commission will aim to ensure that the agricultural policy remains effectively common.

2.2. The Council

Germany, main net contributor to the European budget wants to see a reduction in agricultural expenses. Sweden, Denmark, the Netherlands and the United Kingdom also back a budgetary redirection. The latter brings up the concession obtained in 1984 and wields its rebate as a powerful negotiation tool. Austria, Belgium, Spain, Ireland, Italy, Luxembourg, Portugal wish to uphold the current volume of agricultural expenditure, as do many new Member States on the strength of the “*acquis communautaire*”. France is fronting this coalition. Her Minister for Agriculture and Fisheries set forth at the Council of Ministers of 20-21 March 2006 a memorandum

on the implementation and the future of the reformed CAP. This text, co-signed by 12 Member States (Cyprus, Spain, France, Greece, Hungary, Ireland, Lithuania, Luxembourg, Poland, Portugal, Slovenia) also approved by Bulgaria and Romania articulates a defensive position for retaining the 2003 reform until 2013.

2.3. The Parliament

The European Parliament's role in this matter is exclusively consultative. However, on the strength of its budgetary prerogatives, it has imposed its involvement as party to the *heath check* and the 2008-2009 budgetary review. As it happens, it succeeded, in March 2007, in reversing a Council decision concerning optional modulation. This portentous success seems to open it new political avenues in the agricultural and rural sphere. The adoption of the 2007-2013 financial perspectives highlighted the Parliament's wish to modernise the European budget, that is to allow extra funding to policies serving European priorities. Considering the pressure exerted by the CAP's 1st pillar expenses and the furthering via the 2nd pillar of European objectives, the Parliament should prove favourable to greater modulation. Finally it should, along with the Commission, oppose attempts at re-nationalising the CAP; it considers “*it would be useful to assess the issue of co-financing of agriculture in the context of the 2008-09 review*” (Official Journal of the EU 2006/C 139/01).

¹⁰ A European poll carried out in 2006 brings out the divergence between the EU15 and the new Member States concerning the CAP's desired main objectives: “In essence, respondents from the EU15 show a higher level of concern for factors relating to the environment, sustainable methods of production, animal welfare and ensuring adequate information about the sourcing of agricultural produce. It should be noted that in many cases, this pattern is particularly pronounced in the Scandinavian countries and the Netherlands. Respondents in the new Member States are more focused on factors relating to the producers themselves, being more likely to prioritise the enhancement of rural areas and the protection of family-type farms, as well as stabilisation of the agricultural market.” (European Commission, 2007d).

¹¹ “I am confident that this CAP will still have a “1st pillar” of some kind, but we will need to think carefully about the exact form of that pillar. We will also need a strong second pillar – rural development policy – to continue to support competitiveness, care for the environment, economic diversification and a high quality of life in our rural areas” Mariann Fischer Boel, meeting with Parliamentary Agriculture Committee, Nicosia, Cyprus, 29 June 2007.

III - Conceivable scenarios

It is worth reviewing the processes that would permit to curb the pressure of agricultural expenses on the European budget and offer a re-direction of direct payments (1st pillar) towards rural development measures (2nd pillar).

3.1. Elimination of direct aids via a bond scheme?

Can the 2003 reform be looked upon as a preliminary to the implementation of a bond scheme¹² (along the lines of the *Tangermann bond*)? Such a scheme would have a powerful *lock in* effect as it would lead, within a pre-defined timeframe, to the withdrawal of direct payments to the 1st pillar whilst supporting the sector's structural adjustments.

¹² On two occasions, the Commission proposed bond schemes (milk products in 1991, tobacco in 1996); these two attempts were abandoned (in 1991 by the Council). For more information on the way bond schemes work, cf. Swinbank and Tranter, 2004.

Once a full decoupling of direct measures has been effected, it would make sense to decouple the SFPs from the land as production factor. Indeed, tying SFPs to the land introduces distortion on farming land prices whilst curtailing their transferability. Each bond carries a yearly fixed payment over a given period (at the end of the period degressive mechanism can be implemented). Its value is fixed on the financial market. Thus the historical holders (the farmers) can keep them for the period of their validity (e.g. 2014-2020) and receive a yearly remuneration with no obligation to produce (including possibility to retire). The holders may equally prefer to trade the bonds on the financial markets in order to realise the capital necessary to carry out a productive investment on their farm, or to invest this sum into a retraining programme so as to leave the sector.

Perceived as a radical reform, the implementation of a bond scheme seems fraught with difficulty. First, the yearly payment attached to a bond can in no way be conditional as a SFP is. For it must be possible for the bonds to be freely exchanged on the financial markets and thus, as the case may, be moved out of the agricultural sector. Conditionality on 1st pillar direct payments should lean towards conditionality on offer applied to any agricultural product circulating on the European Market. However, this is in contradiction with the legitimisation of the 1st pillar for public goods supplying, such as the respect of sanitary, environmental or animal welfare standards (*see above*). Unlike for the SFPs scheme, no deduction and no geographic curb can be set in (for, again, the bonds are not SFPs but common financial assets). Finally the disparities in decoupling implementation between countries make the operation of such a system complex and unsure (partial or total decoupling, historical or regional / static or dynamic scheme, weak or strict administration of SFPs transfer).

3.2. Differentiation of the modulation scheme?

According to the 2003 reform a part of direct aids must be redirected towards rural development. The percentage of redirected or modulated aids is fixed at 5% from 2007 to 2012 for farms receiving annually more than € 5 000 in direct payment (this amount is exempted of any modulation for every farm). This measure should release year on year € 1.2 billion towards the funding of rural development measures, € 270 millions of which in France (French Ministry for Agriculture and Fisheries, 2003)¹³. Broadening this modulation would release more funding currently allocated to the 1st pillar¹⁴. In which proportion? Should it be progressive/degressive¹⁵? On a sectorial basis¹⁶? On a voluntary basis¹⁷? It must be noted that the Parliament is almost unanimous in rejecting any voluntary modulation of direct aids. Warning that *“it jeopardises the survival of many farms; it distorts competition and discriminates against farmers in individual Member States in a way which violates the Treaty”* (European Parliament 2007), it has succeeded in limiting it to the UK and Portugal (*see above*).

¹³ A Member State keeps 80% of the amount resulting from the modulation (90% for Germany)

¹⁴ *“You can probably expect us to propose a higher level of compulsory modulation, to give us the funding that we need for our ambitious rural development policy”*. Mariann Fischer Boel, meeting with Parliamentary Agriculture Committee, Nicosia, Cyprus, 29 June 2007..

¹⁵ It is worth referring to the adoption by the Commission on 22 January 2003 of a proposal for the progressive and differentiated reduction of direct payments.

¹⁶ Article 69 of the Luxembourg agreement (2003 CAP reform) allows for the deduction of close on 10% of the direct aids envelope on one sector and to redirect this funding, by way of supplementary payments to “specific types of farming which are important for the protection or enhancement of the environment or for improving the quality and marketing of agricultural products”. This article, while contributing to the complexity of the system has however no incidence on the European budget. Six Member States and one region have resorted to it (Finland, Greece, Italy, Portugal, Scotland, Spain and Sweden). Article 110i of the same agreement allows for a similar mechanism for the aid to olive groves. It has been used by three Member States: France, Greece and Italy.

¹⁷ While not setting its modalities, the European Council of December 2005 has decided on the possibility of a voluntary modulation of market support and PAC direct payments towards rural development measures for up to 20% of received payments under the heading of market support and direct payments

COMMISSION PROPOSALS: DIFFERENTIATED AND PROGRESSIVE RATE OF MODULATION

LEVEL OF PAYMENT/ FINANCIAL EXERCISE (EUROS)	FINANCIAL YEAR						
	2007	2008	2009	2010	2011	2012	2013
X< 5 000	0%	0%	0%	0%	0%	0%	0%
5 001 <X< 50 000	1%	3%	7.5%	9%	10.5%	12%	12.5%
X >50 000	1%	4%	12%	14%	16%	18%	19%
GENERAL REDUCTION PERCENTAGE	1%	4%	12%	14%	16%	18%	19%

SOURCE : OFFICIAL JOURNAL OF THE EU 2003/C 208/64

3.3. Setting a ceiling to aids by farm?

Should a maximum upper ceiling on direct payment per farm be introduced? This has been rehearsed in the past but not adopted¹⁸. Setting a ceiling on direct payment received by farms at € 300 000 or € 100 000 would release respectively € 1.6 billions or € 4.7 billion per year while affecting only 2 790 or 23 500 farms.¹⁹ Although, political as well as social reasons make it hard even to contemplate, the implementation of a floor payment per farm with a view to simplify, and make savings on administrative cost would, at € 1 250 per farm, affect 4.4 million farms (62.8% of direct payment beneficiaries – although those “have” other sources of income – indeed “should have”) and would release close on € 1.6 billions a year. (cf. table 2).

¹⁸ The major argument for the rejection of a ceiling per farm (as developed by the UK) rests on the need to implement an economically counterproductive measure, as it would target farms effecting economies of scale. In addition, a € 300 000 ceiling would affect mainly Germany which holds big units from former German Democratic Republic.

¹⁹ These figures are given as a rough guide given the base year they are drawn from (financial year 2005). They do not take into account the integration of Bulgaria and Romania whilst the Member States having joined in 2004 are in a transitory phase in their adoption of the CAP common system and the compulsory modulation of 1st pillar aid will only come into force as from 2013 (2016 for Bulgaria and Romania).

3.4. Overhaul of cofunding or regional subsidiarity?

In a July 1998 report and with a view to correct chronic budgetary unbalances, the Commission studied the impact of refunding limited to 75% of expenses under the heading of CAP direct aids²⁰. A re-nationalisation/re-regionalisation of funding is liable to create intra-European social and economic distortions if the Member States are given leave to make up, or not, the difference, thereby financing, or not, the remaining 25%. This comes to emphasise how crucial the adoption of common rules actually is.

The PAC 1st pillar’s new mechanisms (decoupling) should look into aids targeting. Cross-compliance standards are not sufficient to support the current distribution of direct payments. Thus, once 1st pillar aids fully decoupled, reduction of amounts paid in SFPs (proceeded from an outdated conception of farming support) may follow. Complementary aids, paid out on a contract basis could be added to common support, in recognition of the extra public goods/services supplied by the beneficiary. Such a scheme could underpin a partial re-nationalisation of existing funding sources and instruments, as set in train by the 2003 reform which offered MSs the flexibility to implement the decoupling and the management of the SFPs including regarding some criteria determining direct aids and rural development measures they favoured. This is about taking into account the heterogeneous nature of the socio-economic structure and agri-environmental features of Europe’s countryside. Under the angle of targeted payments, regions must play a key part when it comes to the definition and the implementation of the 2nd pillar within a common regulatory and financial framework.

²⁰ cf. European Commission, 1998.

4 - Towards a balanced budgetary agreement...

Farming expenditures have been fixed for up to the end of the financial period 2007-2013. Compulsory modulation and deductions set in place when decoupling was implemented along with the discretionary use of article 69 and 110i have nudged farmers towards slightly reduced 1st pillar aids.

The restoration of consistency between, on the one hand, intra- and international allocation of European financial support and, on the other, the objectives of a modern agricultural policy seems inescapable. Therefore, given the context (1), the clashing positions of the institutional actors (2) and the conceivable scenarios (3), the way forward is to fix modalities allowing for the redirection of 1st pillar payments. The sum thus released should allow for the strengthening of 2nd pillar measures but also for the implementation of new regulatory instruments of the agricultural market and in particular risk management.

A political agreement on the future of the CAP and its funding will enable farmers to operate within a solid and lasting regulatory framework and to sustain the adjustments required by the reengineering of European agricultural and rural structures.

Tables and Figures

Table 1: Financial Perspectives 2007-2013. Conservation and management of natural resources (heading 2).

Appropriations for commitments, million euros, 2004 prices

YEARS	MARKET SUPPORT AND DIRECT PAYMENTS	OTHERS (INCLUDING RURAL DEVELOPMENT MEASURES)	HEADING 2 TOTAL (€ MILLIONS)	HEADING 2 SHARE OUT OF TOTAL COMMITMENTS (%)
2007	43 120	11 865	54 985	45.55%
2008	42 697	11 625	54 322	44.72%
2009	42 279	11 387	53 666	43.79%
2010	41 864	11 171	53 035	43.13%
2011	41 453	10 947	52 400	42.26%
2012	41 047	10 728	51 775	41.25%
2013	40 645	10 516	51 161	40.26%
TOTAL (2007-2013)	293 105	78 239	371 344	-
EVOLUTION (2007-2013)	-5.74%	-11.37%	-6.95%	-11.63%

SOURCE : OFFICIAL JOURNAL OF THE EU 2006/C 139/01.

Table 2: Quantitative impact of the implementation of floor/ceiling amount in relation to the remittance of direct payment per farm.

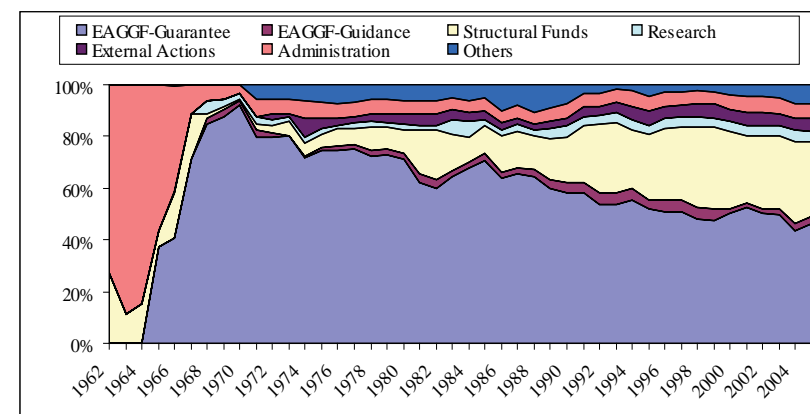
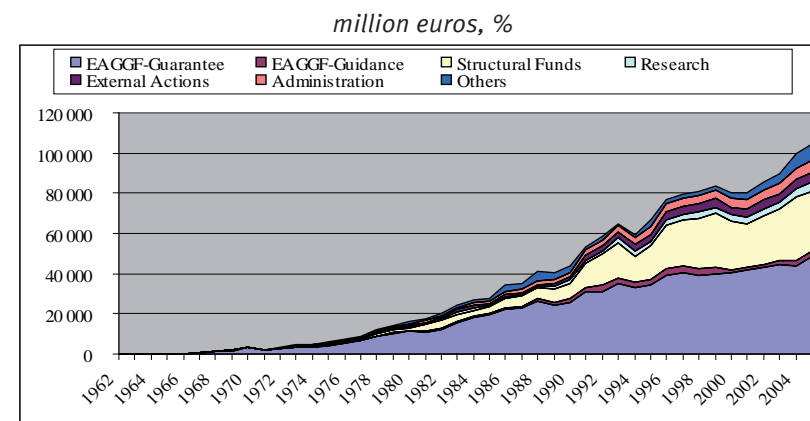
euros, %, period 16 October 2004 – 15 October 2005

CLASS OF PAYMENT (EUROS)	NUMBER OF BENEFICIARIES	% OF TOTAL	CUMULATED NUMBER OF BENEFICIARIES	% OF TOTAL
X<1 250	4 359 240	62.76%	-	-
X>500 000	1 060	0.02%	1 060	0.02%
300 000 X>500 000	1 730	0.02%	2 790	0.04%
200 000 X>300 000	3 070	0.04%	5 860	0.08%
100 000 X>200 000	17 640	0.25%	23 500	0.34%

CLASS OF PAYMENT (EUROS)	DIRECT AIDS PAID (EUROS)	% OF TOTAL	CUMULATED DIRECT AIDS PAID (EUROS)	% OF TOTAL
X<1 250	1 595 300 000	4.91%	-	-
X>500 000	932 280 000	2.87%	932 280 000	2.87%
300 000 X>500 000	657 373 000	2.02%	1 589 653 000	4.89%
200 000 X>300 000	733 157 000	2.26%	2 322 810 000	7.15%
100 000 X>200 000	2 338 809 000	7.20%	4 661 619 000	14.34%

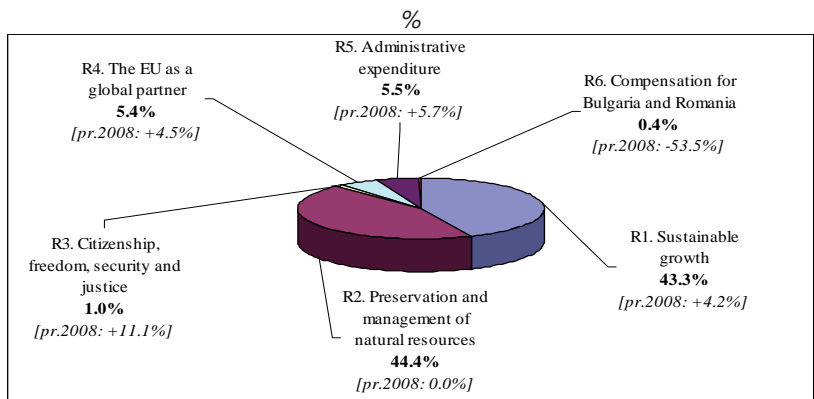
Source : European Commission, 2007c.

Figure 1: Evolution of Community expenses from 1962 to 2005



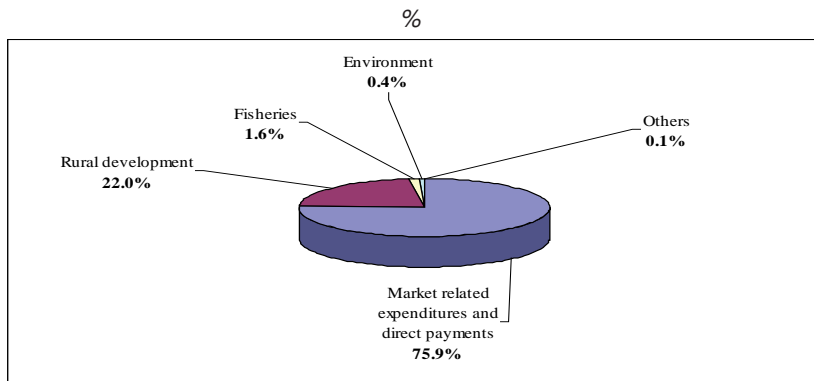
SOURCE : EUROPEAN COMMISSION, 2006a.

Figure 2: Budget 2007 – Appropriations for commitments



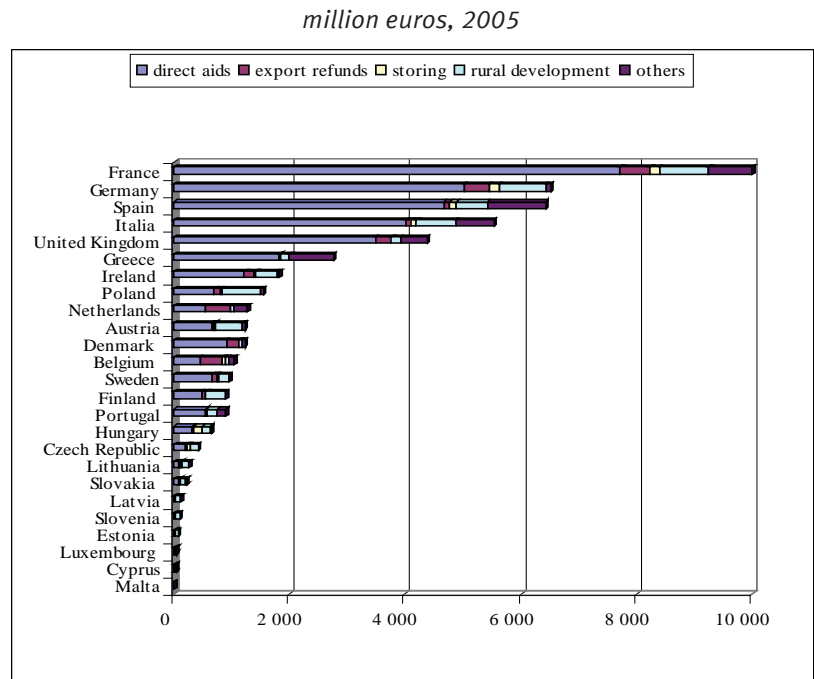
*PR.2008 : BUDGETARY EVOLUTION, AS PRELIMINARY DRAFT BUDGET 2008
SOURCE : EUROPEAN COMMISSION, 2007A, 2007B.

Figure 3: Budget 2007 – Conservation and management of natural resources (heading 2)



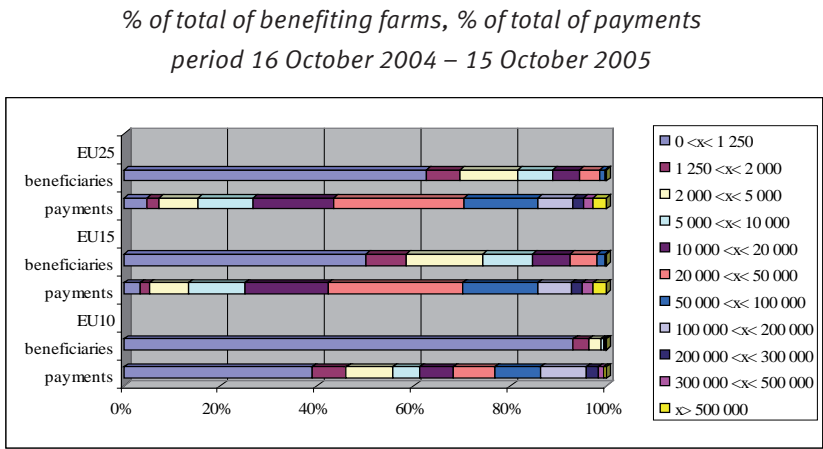
SOURCE : EUROPEAN COMMISSION, 2007A.

Figure 4: CAP expenses allocated by Member State and measure category



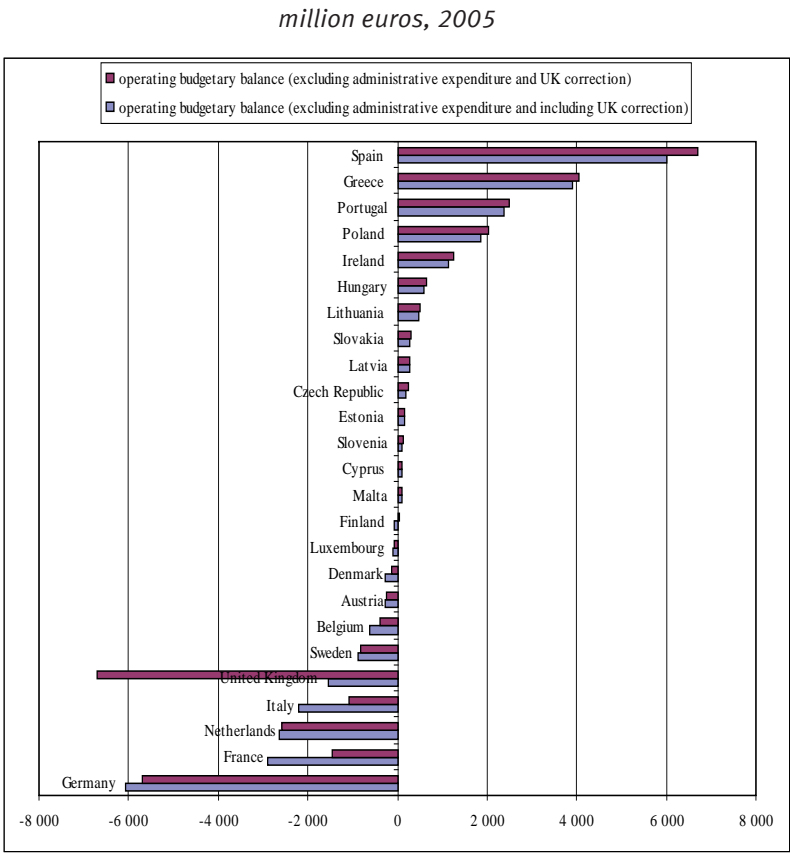
SOURCE : EUROPEAN COMMISSION, 2006B.

Figure 5: Allocation of direct support by class of payment



SOURCE : EUROPEAN COMMISSION, 2007c.

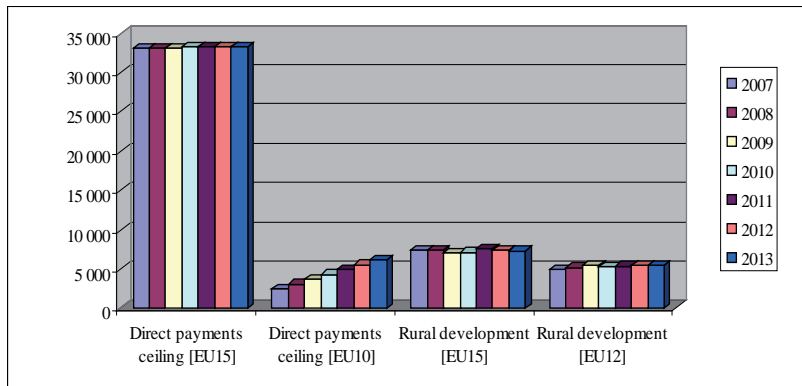
Figure 6: perating budgetary balance by Member State



SOURCE : EUROPEAN COMMISSION, 2006b.

Figure 7: Distribution of funds allocated to direct payments (DP),to rural development measures (RDM), per Member States grouping

2007-2013 period, million euros, 2004 prices (DP), current prices (RDM)



*UE15 : MEMBER STATES BEFORE 1 MAY 2004.
 UE10 : MEMBER STATES JOINING ON 1 MAY 2004.
 UE12 : MEMBER STATES JOINING ON 1 MAY 2004 AND 1 JANUARY 2007.
 SOURCE : REGULATION CE 1782/2003 REVIEWED, DECISION 2006/636/EC.

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Legal Mentions

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