

Commented [COMMENT1]:
NOAM

16 April 1997 A4-0135/97

REPORT

on the proposal for a decision of the European Parliament and the Council of the European Union on the adjustment of the financial perspective to take account of the conditions of implementation (submitted by the Commission pursuant to paragraph 10 of the Interinstitutional Agreement of 29 October 1993)
(SEC(97)0364 - C4-0111/97)

Committee on Budgets

Rapporteur: Mr Stanislaw Tillich

DOC_EN\RR\324\324986 PE 222.008/fin.

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By letter of 4 March 1997 the Commission forwarded to Parliament the proposal for a decision of the European Parliament and the Council of the European Union on the adjustment of the financial perspective to take account of the conditions of implementation (submitted pursuant to paragraph 10 of the Interinstitutional Agreement of 29 October 1993).

At the sitting of 14 March 1997 the President of the European Parliament announced that this proposal had been referred to the Committee on Budgets as the committee responsible.

At its meeting of 21 January 1997 the Committee on Budgets had appointed Mr Stanislaw Tillich rapporteur.

The proposal was considered at the triologue of 8 April 1997, provided for in the Interinstitutional Agreement of 29 October 1993, between the representatives of the European Parliament, the Council and the Commission.

By facsimile of 14 April 1997 the Commission forwarded an amended proposal for adjustment of the financial perspective.

By facsimile of 16 April 1997 the amended proposal for adjustment of the financial perspective was confirmed by the Commission.

At its meeting of 15 April 1997 the Committee on Budgets considered the draft amended Commission proposal and the draft report.

At that meeting it adopted the motion for a resolution unanimously.

The following were present for the vote: Samland, chairman; Tillich, first vice-chairman and rapporteur; Bardong, Böge, Brinkhorst, Cardona (for Di Prima), Colom I Naval, Elles, Garriga Polledo, McCartin, Morgan (for Tappin), Pronk (for Bourlanges), Seppänen, Tomlinson, Virrankoski and Wynn.

The report was tabled on 16 April 1997.

The deadline for tabling amendments is 12 noon on Wednesday, 23 April 1997.

A
MOTION FOR A RESOLUTION

Resolution on the proposal for a decision of the European Parliament and the Council of the European Union on the adjustment of the financial perspective to take account of the conditions of implementation (submitted by the Commission pursuant to paragraph 10 of the Interinstitutional Agreement of 29 October 1993) (SEC(97)0364 - C4-0111/97)

The European Parliament,

- having regard to the Commission proposal to the budgetary authority on the decision on the adjustment of the financial perspective to take account of the conditions of implementation (submitted pursuant to paragraph 10 of the Interinstitutional Agreement of 29 October 1993) (SEC(97)0364 - C4-0111/97),
 - having regard to the results of the trialogue of 8 April 1997,
 - having regard to the Interinstitutional Agreement of 29 October 1993 on budgetary discipline and improvement of the budgetary procedure(),
 - having regard to the report of the Committee on Budgets (A4-0135/97),
1. Approves the joint decision attached;
 2. Instructs its President to forward this decision to the Council and the Commission.

(^b) OJ C 331, 7.12.1993, p. 1.

**Decision on the adjustment of the financial perspective to take account of
the conditions of implementation in accordance with paragraph 10 of the
Interinstitutional Agreement of 29 October 1993**

The European Parliament and the Council of the European Union,

Having regard to paragraph 10 of the Interinstitutional Agreement on budgetary discipline and improvement of the budgetary procedure(⁽¹⁾),

Having regard to the proposal from the Commission,

Whereas the financial perspective must be adjusted to take account of the conditions of implementation of the budget in 1996,

Whereas account must be taken of the foreseeable implementation capacity of the Structural Funds for 1998,

HAVE DECIDED AS FOLLOWS

Sole article

1. The ceiling for appropriations for commitments in the Structural Funds subheading of heading 2 of the financial perspective shall be lowered, in current prices, by ECU 500 million in 1998 and raised by ECU 1045 m in 1999.
2. The ceiling for appropriations for commitments in the Cohesion Fund subheading of heading 2 of the financial perspective shall be raised, in current prices, by ECU 17 million in 1999.
3. The overall ceiling for appropriations for payments shall be lowered, in current prices, by ECU 300m in 1998 and raised by the same amount in 1999.

Done at Brussels,

For the European Parliament, For the Council of the European Union,

(¹) OJ C 331, 7.12.1993.

B
EXPLANATORY STATEMENT

After the first debate in the Committee on Budgets on 19-20 March, the rapporteur noted two major facts:

- (a) the mandate, given to the Council Presidency by COREPER by a qualified majority, to propose the postponement of commitment appropriations of ECU 1 billion for 1998 to 1999.
- (b) the Commission's modification of its initial proposal, confirmed on 16 April, in order to improve the programming of expenditure, as indicated in the table below:

| | 1998 | 1999 | tot.98-99 |
|--------------------------------|---------------|---------------|------------------|
| Structural actions | 32 961 | 35 556 | 68 517 |
| <i>Adjustment paragraph 10</i> | <i>500</i> | <i>1 062</i> | <i>1 562</i> |
| Total Heading 2 | 33 461 | 36 618 | 70 079 |

Article 7(2) of the Financial Regulation states "*..... commitment appropriations ... which have not been used at the end of the financial year, shall, as a rule, lapse*". Paragraph 10 of the Interinstitutional Agreement of 29 October 1993 (requiring qualified majority in the Council) allows a carryover from the previous year. It provides for this adjustment procedure, which requires that the two arms of the budgetary authority come to an agreement. No agreement under paragraph 10 of the IIA implies that no postponement of unused 1996 commitments can be made to 1999.

The Council will bear responsibility for any lack of agreement with Parliament, which will consider it as a willingness to breach the IIA.

The rapporteur proposes to accept the amended proposal from the Commission to reduce the 1998 ceiling of heading 2 by ECU 500 million and to increase the 1999 ceiling of heading 2 globally by ECU 1062 million.

Following the debate on 15 April, the rapporteur on behalf of the Committee on Budgets wishes to make the following clear:

- (a) the procedure followed by the Commission is unusual and should not constitute a precedent. Parliament cannot accept as a principle the formal modification of such proposals, when an agreement between the two arms of the budgetary authority is sufficient for a decision to be taken;
- (b) the commitment by the Commission and Council to accept full budgetization of the appropriations, including payments;
- (c) the Objective 1 and 2 regions "will not be affected by the initial programming of expenditure" in 1998 and 1999.

The rapporteur recalls that, during the triilogue of 8 April, a proposal was made to present a letter of amendment to the PDB, concerning agriculture, in which the Commission could present the new forecast in September/October with the opening of an ad hoc procedure, as requested in paragraph 10 of the guidelines report of 13 March 1997 (A4-0080/97).

FINANCIAL PERSPECTIVE FOR 1998
AFTER TECHNICAL ADJUSTMENT AND ADJUSTMENT TO TAKE ACCOUNT OF
CONDITIONS OF IMPLEMENTATION

APPROPRIATIONS FOR COMMITMENTS
 ECU m

| | Current prices | | | | 1998 Prices |
|--|----------------|--------------|--------------|--------------|--------------|
| | 1995 | 1996 | 1997 | 1998 | 1999 |
| 1. COMMON AGRICULTURAL POLICY | 37944 | 40828 | 41805 | 43335 | 44136 |
| 2. STRUCTURAL OPERATIONS | 26329 | 29131 | 31477 | 33461 | 36618 |
| Structural Funds | 24069 | 26579 | 28620 | 30482 | 33673 |
| Cohesion Fund | 2152 | 2444 | 2749 | 2871 | 2945 |
| EEA financial mechanism | 108 | 108 | 108 | 108 | 0 |
| 3. INTERNAL POLICIES | 5060 | 5337 | 5603 | 6003 | 6231 |
| 4. EXTERNAL ACTION | 4895 | 5264 | 5622 | 6201 | 6703 |
| 5. ADMINISTRATIVE EXPENDITURE | 4022 | 4191 | 4352 | 4541 | 4609 |
| 6. RESERVES | 1146 | 1152 | 1158 | 1176 | 1176 |
| Monetary reserve | 500 | 500 | 500 | 500 | 500 |
| Guarantee reserve | 323 | 326 | 329 | 338 | 338 |
| Emergency aid reserve | 323 | 326 | 329 | 338 | 338 |
| 7. COMPENSATION | 1547 | 701 | 212 | 99 | 0 |
| 8. TOTAL APPROPRIATIONS FOR COMMITMENTS | 80943 | 86604 | 90229 | 94816 | 99473 |
| 9. TOTAL APPROPRIATIONS FOR PAYMENTS | 77229 | 82223 | 85807 | 90653 | 94104 |
| Appropriations for payments as % of GNP(*) | 1.20 | 1.20 | 1.22 | 1.23 | 1.25 |
| MARGIN (as % of GNP) | 0.01 | 0.02 | 0.02 | 0.03 | 0.02 |
| OWN RESOURCES CEILING as % GNP | 1.21 | 1.22 | 1.24 | 1.26 | 1.27 |

(*) The figure for 1995, is based on the GNP used for adjustment of the financial perspective as a result of enlargement.

The figures for 1996 and 1997 are based on the GNP used for the technical adjustment for those years.

| IMPACT OF ADJUSTMENT TO TAKE ACCOUNT OF CONDITIONS OF IMPLEMENTATION | 1995 | 1996 | 1997 | 1998 | 1999 |
|--|------|------------|-------------|------------|-------------|
| Structural Funds (Commitments) | | 869 | 1249 | 500 | 1738 |
| 1996 adjustment | | 869 | 869 | | |
| 1997 adjustment | | | 380 | 1000 | 693 |
| 1998 adjustment | | | | - 500 | 1045 |
| Cohesion Fund (Commitments) | | | 11 | | 17 |
| 1997 adjustment | | | 11 | | |
| 1998 adjustment | | | | | 17 |
| Appropriations for payments - Total | | 935 | 882 | 767 | 1105 |
| 1996 adjustment | | 935 | 696 | 434 | 173 |
| 1997 adjustment | | | 186 | 633 | 632 |
| 1998 adjustment | | | | - 300 | 300 |

