Revision of the financial perspective for 1995-1999

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The Committee on Budgets finalised its position with regard to the second reading and adopted the following resolutions: - COLOM I NAVAL on the review of the financial perspective; - WYNN on the general budget for 1995; - DANKERT on the 1995 budget for the other institutions. At first reading, the EP stressed the following points of principle: - on the one hand, that from the 1995 budget on, the financing of the integration of the new Member States should be guaranteed; - on the other hand, that a review of the financial perspective should satisfy the new needs of the Union, even beyond the obligations resulting from the acts of accession of the new Member States, and that the 1995 budgetary procedure should result in funding for the needs of an enlarged Community. It was in this spirit that at first reading the EP had adopted amendments "subject to the review of the financial perspective", thus adapting the draft budget to a "enlarged Union of 16 at that time" (before the Norwegian referendum) giving a total of ECU 81 273.3 million in commitment appropriations and ECU 75 781.8 million in payment appropriations. With regard to the increase in the ceiling for GNP resources (increase from 1.20% of GNP to 1.21%), it was important to note the amendment concerning "frozen payments", through which the EP wished to ensure the funding of the amendments representing its political priorities. For its part, the Council limited itself to carrying out "an exercise in two stages". It thus proceeded on 16 November to its second reading of a 1995 budget for the Union of 12. During this exercise, it rejected almost all of the amendments adopted by the EP at first reading. This draft budget totalled ECU 75 934.9 million in commitment appropriations and ECU 72 005.1 in payment appropriations. It was only at a second stage that the Council, at the insistence of the EP, considered, within the framework of an EP/Council /Commission trialogue, the review of the financial perspective with the aim of taking account in the 1995 budget of the needs of an enlarged Union. The trialogue on the review of the financial perspective of 29 November created the conditions to ensure that, at the end of the budgetary procedure, the President of the EP could adopt the budget for the Union of 15. The Council approved the results of this trialogue and, on 8 December, it adopted letter of amendment No 2/95 increasing the draft budget for the Union of 15 to ECU 80 212.9 million in commitment appropriations and ECU 75 944.1 million in payment appropriations. This draft budget thus represented an increase of ECU 4 278 million in commitment appropriations and ECU 3 939 million in payment appropriations compared to the draft budget at second reading for the Union of 12. In comparison to the 1994 budget, it represented an increase of ECU 8 423.8 in commitment appropriations and ECU 7 589.5 in payment appropriations. The Committee on Budgets submitted for the approval of the House the COLOM I NAVAL report approving the results of the trialogue on the review of the financial perspective. This report should be approved today. Given the increase in the ceilings proposed following the agreement on the revised financial perspective (see INFO MEMO 160), the Committee on Budgets decided to withdraw the section of its amendment concerning "payment freezes" as regards expenditure under category 2 - Structural measures, as well as expenditure on thermonuclear fusion. However, it maintained in a modified form the section of the amendment providing for frozen payments for international fisheries agreements and expenditure relating to the operation of committees (comitology). Once the revised financial perspective was approved, the EP could give its opinion on Thursday, 15 December through its vote at second reading on the amendments, including those that were adopted subject to the review of the financial perspective and those that had been adopted at first reading and had not been taken into account by the Council during its second reading of the budget for the Union of 12. If the amendments proposed were adopted by the House, the budget for the Union of 15 would increase to ECU 80 892.87 million in commitment appropriations and ECU 76 527.1 million in payment appropriations, representing an increase of 12.6% for commitment appropriations and 12% for payment appropriations compared to the 1994 budget.