Financial perspective: adjustement to take account of the conditions of implementation

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Parliament and the Council need to reach agreement on appropriations for Structural Fund operations in the 1998 budget. This was the background to consideration of the report by Stanislaw TILLICH (EPP, D) on adaptation of the financial perspective by the Committee. Pursuant to the Interinstitutional Agreement of October 1993, the Commission proposes adaptation of the financial perspective prior to submitting the preliminary draft for 1998. In addition to a technical adjustment linked to the change in Member States' GNP, this means taking into account how the budget is implemented in the preceding financial year. Accordingly, the Commission proposes transferring to the 1999 budget ECU 545 million not utilized in 1996 for Structural Funds and ECU 17 million not utilized for the Cohesion Fund. In addition; and taking into account under utilisation of appropriations in 1995 for structural operations, the budgetary authority (Parliament and the Council) decided in 1996 to transfer to the 1998 budget unused appropriations of ECU 1 billion under this heading.. The 1998 budget which the Commission is drafting is rigorous in nature (average increase in appropriations of 3% compared with 1997). Only Structural Fund appropriations have increased more significantly (by 8%). In view of this, the Council would prefer simply to transfer this billion from the 1998 budget to the 1999 budget. For its part; the Committee on Budgets would be prepared to accept a 'realistic compromise' with the Commission. The Tillich report recommends that plenary accept a solution consisting of splitting this billion into two equal tranches: one for the 1998 budget and one for the 1999 budget.