Supplementary and amending budget 1/1998

1998/2009(BUD) - 30/09/1998 - Amending/supplementary letter on draft budget

OBJECTIVE: Presentation of a second letter of amendment to the draft supplementary and amending budget 1998 to reduce the net amount of the budget by Ecu 550 m in commitment appropriations and Ecu 150 m in payment appropriations. SUBSTANCE: In a second letter of amendment to the preliminary draft supplementary and amending budget 1/98, the Commission makes further modifications to the PDSAP to take account of circumstances which were unforeseen when it was drawn up in April 1998. It has become apparent that requirements under headings 2, 3 and 4 of the budget largely outstrip the possibilities of redeployment within these headings. Although these headings are in deficit, some under-utilisation of appropriations is expected in Heading 1 (the latest reports show that agricultural expenditure will not exceed the allocations currently entered for EAGGF guarantee. The foreseeable amount of this surplus is Ecu 400 m. However, as these are non-differentiated appropriations, use of the surplus within the framework of a transfer would require the simultaneous and artificial absorption of the commitment appropriations corresponding to the increases in payment appropriations. The Commission is therefore proposing that some of the expected surplus (Ecu 350 m) be drawn on by means of a supplementary and amending budget, with commitment appropriations in the budget falling by Ecu 400 m because of the reduction in agricultural expenditure. It is proposed that the Ecu 350 m be used as follows: to supplement the redeployment of payment appropriations proposed in the omnibus transfer, adding; - Ecu 80 m in payment to the Community support frameworks for ERDF objective 1 in addition to the ECU 320 million contained in the proposal for an omnibus transfer; - Ecu 30 m in payment appropriations for the fund for emergency veterinary measures (Item B2-5106) in order to continue meeting the requests for payment presented by the Member States as a result of the swine fever epidemic; - Ecu 30 m in payment appropriations for the Transeuropean networks to keep pace with progress on some major transport infrastructure projects; - Ecu 40 m in payment appropriations for the ESPRIT programme, to bring the increase in payment appropriations for the PHARE programme to Ecu 200 m, i.e. an additional Ecu 170 m when account is taken of the Ecu 30 m already requested in PDSAB No 1/98 of 15 May 1998. As Chapter B7-21 has been increased by means of the emergency aid reserve and transfer No 24/98 even before the supplementary and amending budget has been adopted, the Commission also takes the opportunity in this letter of amendment to withdraw the request made in the preliminary draft supplementary and amending budget for an increase of ECU 150 m in commitments and Ecu 100 m in Chapter B7-21. Letter of amendment No 2 to the preliminary draft supplementary and amending budget would also result in a net decrease in total appropriations in the 1998 budget (Section III - Commission) of Ecu 550 m in commitments and Ecu 150 m in payments.