

1998 discharge: EC general budget

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PURPOSE: presentation of revenue and expenditure account and financial statement relating to operations of the 1998 budget - section III - Commission (VoL. I and II). **CONTENT:** The document gives an account of the use of the Commission's appropriations in 1998, heading by heading. The 1998 budget procedure falls within the framework of the financial perspectives annexed to the inter-institutional agreement on budgetary discipline of 29.10.1993, modified in December 1994 as a result of the enlargement of the Union to take in Austria, Finland and Sweden. These financial perspectives, in 1997, were the subject of a technical adjustment to GNP and price trends. It was also in 1997 that a proposal to adapt the financial perspectives to implementation conditions was adopted; its objective was to transfer appropriations not used in 1996 for structural actions to 1999 (545 millions euros). In this way, the ceiling for commitment appropriations for 1998 was set at 94.744 billion euros and the ceiling for payment appropriations was 90.581 billion euros. The margin available under the own resources ceiling (1.26% of GNP) was brought to 0.03% of GNP in 1998. This document also presents a summary of the 1998 budgetary procedure which was characterised by wide consultation between the various institutions. The 1998 budget could be described as a rigorous budget, although it does provide funding for the Union's main priorities, such as the 'EMPLOY' initiative called for and obtained by the European Parliament, the main large Community programmes and the PEACE initiative in Northern Ireland. As regards the overall implementation of the budget, 97.5% of the commitment appropriations authorised in 1998 were carried out or carried forward into 1999, i.e. at a higher rate than in 1997 (96.7%). These figures confirm that the provisional suspension of around 100 budget lines for a total of 920 million euros while the legal bases were being examined did not have a significant effect on the implementation of the budget. Although for the headings 1 (CAP) and 3 (internal policies), the utilisation rates are the same as in 1997, there were good trends evident for heading 2 (Structural Funds) with an implementation rate of around 99.3%. On the other hand, there was a slowing down in the implementation of external actions (95.9% as opposed to 97.7%) and administrative expenses (95.1% in 1998 in contrast to 98.3% in 1997). In conclusion, therefore, in 1998, the total appropriations for payments actually implemented or carried forward leaves a margin of 9.3 billion euros under the ceiling fixed for payment appropriations in the financial perspectives. This total of payment appropriations represents 1.11% of GNP (as against 1.13% in 1997), while the own resources ceiling would be at 1.26% of GNP.