# Ad hoc procedure for agricultural expenditure

1997/2005(BUD) - 17/07/1997 - Budgetary text adopted by Parliament

The European Parliament adopted the report by Mr Stanislaw TILLICH (PPE, D) on the ad hoc procedure for the budget for 1998 with a view to interinstitutional collaboration in the budgetary sector. Pointing out that the Court of Justice had stipulated that the Council and Parliament must come to an agreement on the establishment of the maximum rate of increase for non-compulsory expenditure (and in particular on the total amount of expenditure to be classified as non-compulsory), Parliament regretted that the Council, in spite of the commitments it had given, had not demonstrated any readiness for a thorough examination of the classification of expenditure, and confirmed its attachment to the principle that the nature of the legal act alone could determine the nature of the expenditure. It invited the Council again to conduct a dialogue on the classification of the budget lines in 1997 in order to arrive at an agreement on the maximum rate of increase. It annexed to its resolution a list classifying expenditure according to whether, in Parliament's view, it was compulsory or non-compulsory, which represented its position with a view to the dialogue to be conducted between the institutions in connection with the procedure for 1998. It approved the creation of a special reserve for market uncertainties and authorized its conciliation delegation to explore the scope for the introduction of the necessary changes to the regulations so that this reserve could be entered in the budget. It called for provision to be made to allow this reserve to be used by transfer, but without the corresponding resources being paid into the Union budget until the moment they were used. In parallel, it considered it essential that the Commission should honour its commitments regarding farm prices and incomes and said that it could not be described as 'creative accounting' if, in exceptional cases, within the limits imposed by a disciplined budget, the payment of certain obligations were, if possible, deferred until the next financial year. Parliament approved a reduction in the appropriations proportional to the Commission's over-estimates of expenditure in the PDBs for the last three years in comparison with actual expenditure. It considered that the proposals made by the Commission in the PDB did not sufficiently comply with the principles stated in the Joint Declaration on improving the level of information provided by the budgetary authority on international fisheries agreements.