1999 budget: section III, Commission

1998/2174(BUD) - 22/10/1998 - Budgetary text adopted by Parliament

Adopting the report by Mrs Barbara Dührkop Dührkop (PES, E), Parliament gave its opinion at first reading on the 1999 draft budget which amounts to more than EUR 98 629 bn in commitment appropriations and EUR 89 565 bn in payment appropriations (an increase of 6% and 2.8% over 1998). This is a rigorous budget with a limited increase in EU expenditure in line with a limited increase in national budget expenditure. It is also a strategic budget which will act as a 'safety belt' if in the spring of 1999 the Council and Parliament do not reach an interinstitutional agreement on the financial perspectives 2000 to 2006. In order to protect itself against this possibility, Parliament proposes the creation of four strategic reserves: (1) structural actions: +2.3 bn in payment appropriations; (2) internal policies: +EUR 800 m in payment appropriations, to include funding of networks; (3) external actions: +EUR 500 m in payment appropriations (humanitarian aid, initiatives in connection with enlargement, MEDA, TACIS and PHARE programmes); (4) Administrative expenditure: EUR 200 m in commitment and payment appropriations. In the event of disagreement on the financial perspectives, the budget will be drawn up pursuant to Article 203 of the Treaty which provides with regard to non-compulsory expenditure a maximum rate of increase calculated on the basis of Community GNP, the average variation in the budgets of the Member States and the trend of the cost of living during the preceding financial year. In this event, it is Parliament's interests to set the ceiling of expenditure as high as possible as this amount will provide the basis for calculating subsequent budgets. With regard to the ECHO programme (humanitarian aid), Parliament has released appropriations which it was planning to place in the reserve (EUR 330 m). The two conditions imposed by Parliament (availability of the Anti-Fraud Unit report and commitment by the Commission to give any relevant information to the appropriate courts) have been met. With regard to budget priorities, these are employment, the Europe of Knowledge, protecting the environment and increasing the EU's external activities. These priorities take concrete form as follows: - agricultural expenditure: appropriations of EUR 40.45 bn are provided for, pending the Commission's amending letter; - structural actions: reduction of EUR 500 m in payment appropriations and creation of a reserve of EUR 1.5 bn in commitment appropriations for countries with a low implementation rate; within the overall amount (EUR 4.25 bn in commitment appropriations), increased support for the RECHAR (coal), RESIDER (steel) and REGIS II (most remote regions) programmes and for the Northern Ireland peace initiative (EUR 100 m); - internal policies: an increase of EUR 99 m for the Leonardo programme and a smaller increase for Socrates, launch of pilot and preparatory activities for the Connect programme (innovation and support for the 'Europe of Knowledge') and increased support for action to promote employment, the environment and public information; with regard to research (60% of appropriations under this heading), Parliament undertakes to reach a compromise with the Council to enable the programme to start at the beginning of 1999; - external actions: the amount is EUR 5 bn in commitment appropriations and 4 bn in payment appropriations; Parliament has placed in a reserve fund approximately 130 m from the TACIS programme and 30 m for reconstruction in former Yugoslavia. With regard to the administrative budget, Parliament does not propose any additional increase in staff. Due to limited appropriations, tasks will be reallocated.