



Procedure file

Basic information		
BUD - Budgetary procedure	1996/2180(BUD)	Procedure completed
1997 budget: section III		
Subject 8.70.60 Previous annual budgets		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets		13/12/1995
		ELDR BRINKHORST Laurens Jan	
	Former committee responsible		
	BUDG Budgets		15/01/1996
		PPE FABRA VALLÉS Juan Manuel	
	BUDG Budgets		13/12/1995
		ELDR BRINKHORST Laurens Jan	
	Former committee for opinion		
	AFET Foreign Affairs, Security and Defense Policy		25/01/1996
		PPE MCMILLAN-SCOTT Edward	
	AGRI Agriculture and Rural Development		24/01/1996
		PSE WILSON Anthony Joseph (Joe)	
	ECON Economic and Monetary Affairs, Industrial Policy		31/01/1996
	UPE GIANILY Jean-Antoine		
ENER Research, Technological Development and Energy		26/02/1996	
	PSE MCNALLY Eryl Margaret		
RELA External Economic Relations		23/01/1996	
	PSE MONIZ Fernando		
JURI Legal Affairs, Citizens' Rights		24/01/1996	
	PSE ROTHLEY Willi		
REGI Regional Policy		27/02/1996	
	PSE MCCARTHY Arlene		
TRAN Transport and Tourism		24/01/1996	
	PSE CUNNINGHAM Tony A.		

	ENVI Environment, Public Health and Consumer Protection		24/01/1996
		PPE FLORENZ Karl-Heinz	
	DEVE Development and Cooperation		24/01/1996
		PPE GÜNTHER Maren	
	LIBE Civil Liberties and Internal Affairs		13/02/1996
		ELDR HAARDER Bertel	
	CONT Budgetary Control		27/02/1996
		PPE ELLES James	
	INST Institutional Affairs		23/01/1996
		ARE DELL'ALBA Gianfranco	
	PECH Fisheries		23/01/1996
		PPE LANGENHAGEN Brigitte	
	FEMM Women's Rights		23/01/1996
		PSE GRÖNER Lissy	
	PETI Petitions		29/05/1996
		PSE SMITH Alex	
Council of the European Union	Council configuration	Meeting	Date
	Budget	1964	19/11/1996

Key events			
18/03/1996	Vote in committee		
18/03/1996	Preparatory budgetary report tabled for plenary	A4-0078/1996	
27/03/1996	Debate in Parliament		
28/03/1996	Decision by Parliament	T4-0160/1996	
10/06/1996	Commission preliminary draft budget published	COM(1996)0300	Summary
25/07/1996	Council draft budget published	N4-0350/1996	
21/10/1996	Vote in committee		
21/10/1996	Budgetary report tabled for plenary	A4-0310/1996	
22/10/1996	Debate in Parliament		Summary
24/10/1996	Decision by Parliament	T4-0528/1996	
24/10/1996	Decision by Parliament	T4-0529/1996	Summary
19/11/1996	Amended budget adopted by Council		
19/11/1996	Council amended draft budget published	11689/1996	
09/12/1996	Committee referral announced in Parliament, 2nd reading		

09/12/1996	Vote in committee, 2nd reading		
09/12/1996	Budgetary report tabled for plenary, 2nd reading	A4-0404/1996	
10/12/1996	Debate in Parliament		Summary
12/12/1996	Decision by Parliament, 2nd reading	T4-0669/1996	Summary
18/12/1996	End of procedure in Parliament		
14/02/1997	Final act published in Official Journal		
02/10/1997	Decision by Parliament	T4-0473/1997	

Technical information

Procedure reference	1996/2180(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Legal basis	EC before Amsterdam E 203; ECSC Treaty C 078; Euratom Treaty A 177
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/4/07449; BUDG/4/08005

Documentation gateway

Preparatory budgetary report tabled for plenary	A4-0078/1996 OJ C 117 22.04.1996, p. 0003	18/03/1996	EP	
Parliament's opinion on budgetary estimates/guidelines	T4-0160/1996 OJ C 117 22.04.1996, p. 0033-0061	28/03/1996	EP	
Document attached to the procedure	SEC(1996)1226	31/05/1996	EC	
Commission preliminary draft budget	COM(1996)0300	10/06/1996	EC	Summary
Council draft budget	N4-0350/1996	25/07/1996	CSL	
Document attached to the procedure	09372/1996	12/09/1996	CSL	
Amending/supplementary letter on draft budget	10358/1996	15/10/1996	CSL	
Budgetary report tabled for plenary, 1st reading	A4-0310/1996 OJ C 347 18.11.1996, p. 0015	21/10/1996	EP	
Motion for a resolution	B4-1097/1996 OJ C 347 18.11.1996, p. 0019	22/10/1996	EP	
Text adopted by Parliament, topical subjects	T4-0528/1996 OJ C 347 18.11.1996, p. 0111-0123	24/10/1996	EP	
Budgetary text adopted by Parliament	T4-0529/1996 OJ C 347 18.11.1996, p. 0111-0125	24/10/1996	EP	Summary
Amending/supplementary letter on draft budget	SEC(1996)2084	11/11/1996	EC	Summary
Council amended draft budget	11689/1996	19/11/1996	CSL	Summary
Amending/supplementary letter on draft budget	11746/1996	21/11/1996	CSL	

Committee report tabled for plenary, single reading	A4-0404/1996 OJ C 020 20.01.1997, p. 0012	09/12/1996	EP	
Final budget adopted by Parliament	T4-0669/1996 OJ C 020 20.01.1997, p. 0083-0101	12/12/1996	EP	Summary
Motion for a resolution	B4-0818/1997 OJ C 325 27.10.1997, p. 0004	01/10/1997	EP	
Text adopted by Parliament, topical subjects	T4-0473/1997 OJ C 325 27.10.1997, p. 0010-0018	02/10/1997	EP	

Final act

[Budget 1997/105](#)
[OJ L 044 14.02.1997, p. 0001](#)

1997 budget: section III

Stating that Parliament was willing to engage in a constructive dialogue with the Council, the rapporteur, Mr Brinkhorst (ELDR, NL), listed a number of problems that had to be resolved, including: the absence of a legal basis for 47 articles relating to the budget, the lack of any democratic control on certain items of expenditure and the revision of the financial perspectives. The rapporteur stressed that a significant reserve was required for the research and development programmes, trans-European networks and the peace process in Northern Ireland. As regards category I, he called for a reserve to be set up in view of the very high Commission estimates. As far as category II was concerned, he thought that the net cuts made by the Council were not really justified. For category III the rapporteur was unwilling to accept the Council's move to block some of the programmes on employment, such as 'Employment and job creation'. Moreover, he rejected the drastic reductions imposed on other sectors, namely energy, education, the environment, health and consumer protection, and also called for greater support for Community media campaigns to promote monetary union, the IGC, the single market and citizens' rights. Concerning category IV, the rapporteur noted that as far as Turkey was concerned there was a need to support those individual projects whose purpose was to strengthen civil society and human rights, until such time as there was a noticeable improvement in human rights and in the rule of law in that country. He also wanted to see greater priority given to funding measures for the reconstruction of the former Yugoslavia and stressed that it was important to continue the Phare, Tacis and MEDA programmes. Underlining the positive role that the financial perspectives had played hitherto, the President-in-Office of the Council ruled out any possibility of these being revised for the time being. As regards the legal basis for certain expenditures, he pointed out that the Irish Presidency would do everything possible to arrive at an agreement by 19 November, the date of the Budget Council meeting. He also believed that he could reach an interinstitutional agreement on the implementation of a mutual information campaign for the negotiation of international fisheries agreements. Commissioner Liikanen said that the 1997 budget had to be stringent if it was to help the Member States with their own efforts at budget restructuring. The Commissioner stated that existing regulations had to be applied in the context of the 'zero growth' budget that had been drawn up by the Council. Referring to the amendments of the Committee on Budgets relating to trans-European networks, research and development and the peace process in Northern Ireland, he recalled that his own institution had proposed a revision of the financial perspective for 1998 and 1999. Mr Liikanen regretted the negative attitude that the Ecofin Council had adopted towards this issue and said that he was now counting on cooperation between Parliament and the Council.

1997 budget: section III

In adopting the report by Mr Laurens Brinkhorst (ELDR, NL), Parliament confirmed the options taken by the Committee on Budgets. The budget totals ECU 89 2 bn in commitment appropriations and ECU 82 5 bn in payment appropriations, i.e. an increase of ECU 725 5 m in commitment appropriations (274 for category III, internal policies - 185 for category IV, external policies - 227 to a reserve intended to finance the Union's priorities) and 868 m in payment appropriations (266 for category III, 335 for category IV and 227 for the Union's priorities). This is an austerity budget since, for the first time, the appropriations approved are less than those proposed by the Commission in its preliminary draft. In its resolution Parliament reaffirmed its determination to respond to the citizens' aspirations towards job creation, the encouragement of civil society and assistance to Member States in their efforts at convergence with a view to the introduction of EMU. In this connection, the 1997 budget reflects four priorities: - stronger measures to encourage job creation and economic cohesion; - improved effectiveness in the management of external policy; - greater attention to environmental requirements; - respect for the principle of equal treatment for men and women. Parliament regretted that the Council had refused to revise the financial perspective and it had set up a reserve of ECU 300 million for insufficiently covered priority areas, namely: support for the peace process in Ireland, research programmes (additional funding) and the trans-European networks. With regard to the Structural Funds, the EP regretted the low rate of distribution of appropriations in certain Member States and rejected the Council's decision to cut, and in some cases to block, social spending. It also stipulated that there would be no increase in staff in any institution, except of course for those services which will be responsible for enlargement. To warn the Commission about irregular conduct (particularly in the tourism sector), the EP placed a part of the Commissioners' salaries in reserve. It also placed 50% of the DG X appropriations in reserve with a view to the reorganization of information policy.

1997 budget: section III

The Commission submitted a second letter of amendment to the preliminary draft budget for the financial year 1997, with a view to taking

account in the 1997 budget of the budgetary consequences of the decisions adopted by the Agriculture Council of 30 October 1996 and seeking to ensure the restoration of the short-term situation in the beef and veal sector (beef action plan). The Council agreed, for the beef and veal sector, an increase in expenditure of ECU 504 million over the Commission proposals, proposals already included in the budget in the first letter of amendment. The provisions adopted in this context include, first, market measures which exceed the Commission proposals by ECU 4 million and, second, measures additional to the Commission proposals designed to provide direct support to the beef and veal sector and costing ECU 500 million. Consequently, the purpose of the second letter of amendment is to ensure the financing of this ECU 504 million: - the early payment, for 1996, of the 'sheepmeat' premium which should have been paid in 1997, makes ECU 230 million available; - the adaptation, effected in the first letter of amendment, of appropriations to the legislative decisions made between the preliminary draft budget and September 1996 made ECU 216 million available. Through the above two mechanisms ECU 446 million are thus allocated to measures to promote the beef and veal sector.?

1997 budget: section III

The rapporteur, Mr Brinkhorst (ELDR, NL), began by stating that the draft budget for 1997 was based on a policy of austerity; this was why a choice had to be made between the different priorities and it was from this perspective that Parliament had agreed to make sacrifices. This was the first time since 1979 that the approved budget had been lower than the preliminary draft budget presented by the Commission. However, the rapporteur said that even if Parliament were to propose real spending cuts, the savings generated by the Council would be nothing more than window-dressing. He then referred to further contradictions, such as the discrepancy between the stated priorities (the peace process in Northern Ireland, trans-European networks, research and development) and their actual fulfilment. Here, too, Parliament had seen to it that the priorities could be financed. Similarly, as regards the fisheries agreements, Mr Brinkhorst thought it deplorable that Parliament had had to move heaven and earth to achieve some real progress. Finally, he said that Parliament would vote for setting up a reserve of ECU 100 million for financing actions in Turkey, as part of the MEDA Programme, and would also vote for the allocation of additional resources for research and development. He concluded that a new dialogue would be necessary in order to redefine the agricultural priorities and to make real headway on information policy. While admitting his disappointment over the budget procedure, Commissioner Liikanen described the proposed budget as 'reasonable, sound and on the whole satisfactory?'. He pointed out that with an eye on 1997, which would be a decisive year for EMU, the Community budget had to rally in support of the efforts being made by Member States to meet the Maastricht criteria. The Commissioner also thought that greater flexibility was needed between the categories, provided that this did not result in a rise in expenditure, and he welcomed the fact that the 1997 budget, insofar as expenditure was to be based on priorities and on areas where the Community could bring added value, would be much more visible to Community citizens. He concluded by saying that it was with this very much in mind that the Commission would be launching pilot projects on refugees and asylum seekers.

1997 budget: section III

In adopting the report by Mr Laurens BRINKHORST (ELDR,NL) Parliament decided to maintain the 1997 budget at ECU 89 137 m in commitment appropriations and ECU 82 366 m in payment appropriations, below the level of the 1997 preliminary draft budget of the Commission and well below the overall financial perspective ceiling of ECU 90 229 m. Parliament adopted all the budget amendments proposed by its Committee on Budgets, with the exception of Amendment 279 which covered Line B7-140 concerning the MEDA programme. In this vote, Parliament refused to place in the reserve the MEDA programme appropriations intended for Turkey. (ECU 100 m.) In its resolution Parliament criticised the discrepancy between the declared priorities - trans-European networks, research and technological development, the peace process in Ireland - and their actual implementation and considered that it had provided for the necessary funding. Moreover, it wished to maintain support for EU activities as decided at first reading and therefore approved the appropriate amendments covering , in particular: - actions to promote employment and social cohesion; - initiatives to tackle youth unemployment and social exclusion; - actions to encourage education and training and to improve health; - observance of environmental standards and equal treatment of women and men; - measures to provide support for third countries, to encourage democracy and respect for human rights, to aid refugees, and to promote civil society. Moreover, the EP noted the very rigorous character of the 1997 budget and was of the opinion that it had displayed maturity in contributing to efforts for the convergence of Member States for the completion of economic and monetary union. Finally, it expressed the view that the functioning of the inter-institutional agreements was inadequate and called for a serious dialogue to be entered into with the Council.?