


Procedure file

Basic information		
BUD - Budgetary procedure	1998/2007(BUD)	Procedure completed
1999 budget: ad hoc procedures		
Subject 8.70.60 Previous annual budgets		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets		19/01/1998
		PSE DÜHRKOP DÜHRKOP Bárbara	
	Committee for opinion	Rapporteur for opinion	Appointed
	AFET Foreign Affairs, Security and Defense Policy		
	AGRI Agriculture and Rural Development		30/09/1997
		PPE SONNEVELD Jan	
	PECH Fisheries		
Council of the European Union			

Key events			
10/03/1998	Committee referral announced in Parliament		
25/06/1998	Vote in committee		Summary
25/06/1998	Budgetary report tabled for plenary	A4-0256/1998	
01/07/1998	Debate in Parliament		
02/07/1998	Decision by Parliament	T4-0400/1998	Summary
20/07/1998	Final act published in Official Journal		
17/12/1998	End of procedure in Parliament		

Technical information	
Procedure reference	1998/2007(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budgetary preparation
Legal basis	Euratom Treaty A 177; EC before Amsterdam E 203; ECSC Treaty C 078

Stage reached in procedure	Procedure completed
Committee dossier	BUDG/4/09861

Documentation gateway

Budgetary report tabled for plenary, 1st reading	A4-0256/1998 OJ C 226 20.07.1998, p. 0004	25/06/1998	EP	
Budgetary text adopted by Parliament	T4-0400/1998 OJ C 226 20.07.1998, p. 0012-0046	02/07/1998	EP	Summary

1999 budget: ad hoc procedures

In preparation of the budgetary conciliation procedure planned the Committee adopted the report by Bárbara DÜHRKOP DÜHRKOP (PES, E) on ad hoc procedures for the 1999 budget during its meeting of 25th June. These procedures cover three areas: agriculture, fisheries agreements and the common foreign and security policy (CFSP). As regards the ad hoc procedure on agricultural expenditure, the committee said that for 1999 it would be a good idea to repeat what was done last year, i.e. to have an amending letter from the Commission at the end of October so that the amount of appropriations entered in the budget was as close as possible to real needs; this would reduce the risk of overestimates. It called for the creation of a special reserve for market uncertainties and accompanying measures. Pending the amending letter, the committee wishes to place Ecu 700m, which would be found by making a provisionally linear reduction in all B1 (EAGGF-Guarantee Section) lines. The Commission is asked to submit, before Parliament's 1st reading, an evaluation report on the expenditure made following the 1992 CAP reform on early retirement, reforestation and agri-environmental measures. On the subject of the legal bases, for certain appropriations in the preliminary draft budget for which the legal basis has yet to be decided by Council, the committee calls on the Council not to enter appropriations under these lines until it has taken a legislative decision. Pending such a decision, these appropriations should be entered under a special heading, without increasing the overall amount for B1 (EAGGF-Guarantee Section). As regards the funding of international fisheries agreements, the committee says that the same procedure of using an amending letter together with an update on the negotiations under way will enable a decision to be taken on the amounts to be entered in the reserve. The Commission will provide this information by the end of September. With regard to the ad hoc procedure for the funding of the CFSP, the committee advocates an increase in the appropriations for conflict prevention and those for EU special envoys. It also suggests reducing the amount for emergency measures (European Civil Peace Corps). The ad hoc procedures were conceived as a framework for dialogue and a means of bringing closer together the positions of Parliament and Council (the two arms of the budgetary authority), as early as the stage of the preliminary draft budget presented by the Commission. The main aim is to overcome in a pragmatic way the longstanding differences between the two institutions over the classification of budget expenditure as either "compulsory" or "non-compulsory" expenditure. This pragmatic cooperation, which does not call into question the prerogatives of each institution as regards the type of expenditure (the Council keeping its decisive role on compulsory expenditure and Parliament having the final say on non-compulsory expenditure), has been built up gradually. It has been encouraged by the case-law of the Court of Justice, which has on a number of occasions called on the Council and Parliament to reach agreement. The ad hoc conciliation procedures are based on Interinstitutional Agreements or joint declarations. The procedure on agriculture expenditure is provided for in the Agreement of 29.10.93 on budgetary discipline and the procedure on funding the CFSP in the Agreement of 16.7.97. The joint declaration of 12.12.96 is the basis for the procedure on international fisheries agreements.?

1999 budget: ad hoc procedures

In adopting the report by Mrs Bárbara DÜHRKOP DÜHRKOP (PSE, E) on the 'ad hoc' procedures for the 1999 budget (for agriculture, fisheries agreements and the CFSP), the European Parliament regretted that the Council had not demonstrated any readiness to examine seriously the matter of classification, in spite of the commitments given in 1995. It confirmed its attachment to the principle that the nature of the legal act alone determined the nature of the expenditure, and presented in an annex to the resolution a redistribution of budget lines under the 1999 nomenclature, a redistribution which Parliament said represented its position for the dialogue to be held between the Institutions as part of the 1999 budget procedure. Parliament called on the Council to conduct a dialogue with Parliament on the classification of the budget lines in 1998 in order to arrive at an agreement on the maximum rate of increase for the 1999 budget. Still on the subject of the legal basis, Parliament noted that for some of the appropriations entered in the preliminary draft budget the legal basis was still pending before the Council and called on the Council not to enter amounts on the budget lines until a legislative decision was taken. It approved the creation of a special reserve of ECU 700 m for market uncertainties and accompanying measures in the field of agriculture with a corresponding provisional reduction of all B1 lines (EAGGF - Guarantee lines). It considered that when the Commission presented its Letter of Amendment to the preliminary draft budget the final appropriations per budget line should be determined on the basis of the most recent estimates. It called on the Commission to draw up an evaluation report on the effectiveness of the actions undertaken with regard to agricultural production methods compatible with environmental requirements, expenditure on early retirement and forestry. It considered that the present requirements on sustainable agriculture were too imprecise and requested the Commission to present at the time of the presentation of the Letter of Amendment on the preliminary draft budget specific proposals in this field (e.g. codes of good agricultural practice and environmental standards or indicators). It called on national Ministries of Agriculture, farming organisations and farmers themselves to assume their responsibilities concerning food safety and the avoidance of the spread of animal diseases on a large scale, such as BSE and swine fever, in order to avoid passing on to the Union's budget the financial consequences of the costs of redressing the effects of the outbreak of such diseases. For this purpose, a European guarantee fund should be created to compensate for damage or disadvantage suffered as a result of animal diseases. As regards fisheries, Parliament noted that the amounts entered on the line 'International fisheries agreements' were overestimated, and proposed transferring ECU 0.5 m into the reserve. It welcomed the commitment to extend to international fisheries agreements the procedure entailing a Letter of Amendment to the 1999 preliminary draft budget and hoped that this would reflect the real situation of the negotiations on new international fisheries agreements. As regards the CFSP, Parliament proposed a modification of the

breakdown of the funding to reduce funding for emergency measures in order to increase support for democratic transition and electoral processes, European Union Special Envoys and prevention of conflicts and support for the Middle East peace process. Parliament recalled that the Council had still not communicated to Parliament an estimate of the actual cost of CFSP joint actions, and called on the Council and Commission to state their views on the Interinstitutional Agreement on this subject.?