




# Procedure file

Basic information		
BUD - Budgetary procedure	1998/2174(BUD)	Procedure completed
1999 budget: section III, Commission		
Subject 8.70.60 Previous annual budgets		

Key players			
European Parliament	Committee responsible		Rapporteur
	BUDG Budgets		Appointed 19/01/1998
			PPE <a href="#">VIOLA Vincenzo</a>
	Former committee responsible		
	BUDG Budgets		19/01/1998
			PSE <a href="#">DÜHRKOP DÜHRKOP Bárbara</a>
	BUDG Budgets		19/01/1998
			PSE <a href="#">DÜHRKOP DÜHRKOP Bárbara</a>
	Committee for opinion		Rapporteur for opinion
	AGRI Agriculture and Rural Development		Appointed
	Former committee for opinion		
	AFET Foreign Affairs, Security and Defense Policy		04/02/1998
			PPE <a href="#">LENZ Marlene</a>
	AFET Foreign Affairs, Security and Defense Policy		04/02/1998
			PPE <a href="#">LENZ Marlene</a>
	AGRI Agriculture and Rural Development		30/09/1997
			PPE <a href="#">SONNEVELD Jan</a>
	ECON Economic and Monetary Affairs, Industrial Policy		16/02/1998
			PPE <a href="#">RÜBIG Paul</a>
	ENER Research, Technological Development and Energy		22/01/1998
			PPE <a href="#">FERBER Markus</a>
	ENER Research, Technological Development and Energy		22/01/1998
			PPE <a href="#">FERBER Markus</a>
	RELA External Economic Relations		22/01/1998
			PPE <a href="#">SCHWAIGER Konrad K.</a>
	JURI Legal Affairs, Citizens' Rights		25/02/1998
			UPE <a href="#">JANSSEN VAN RAAY James L.</a>

	<b>REGI</b> Regional Policy	18/11/1997
	GUE/NGL <a href="#">NOVO Honório</a>	
	<b>TRAN</b> Transport and Tourism	20/01/1998
	UPE <a href="#">LATAILLADE Pierre</a>	
	<b>TRAN</b> Transport and Tourism	
	<b>ENVI</b> Environment, Public Health and Consumer Protection	21/01/1998
	ELDR <a href="#">EISMA Doeke</a>	
	<b>ENVI</b> Environment, Public Health and Consumer Protection	
	<b>DEVE</b> Development and Cooperation	20/01/1998
	PSE <a href="#">CUNNINGHAM Tony A.</a>	
	<b>LIBE</b> Civil Liberties and Internal Affairs	14/12/1998
	PPE <a href="#">DEPREZ Gérard</a>	
Council of the European Union	<b>CONT</b> Budgetary Control	22/07/1998
	PPE <a href="#">TILLICH Stanislaw</a>	
	<b>INST</b> Institutional Affairs	14/12/1998
	ELDR <a href="#">BRINKHORST Laurens Jan</a>	
	<b>PECH</b> Fisheries	21/01/1998
	PSE <a href="#">APOLINÁRIO José</a>	
	<b>FEMM</b> Women's Rights	03/02/1998
	PSE <a href="#">GRÖNER Lissy</a>	
	Council configuration	Meeting
	Budget	<a href="#">2150</a>
	Budget	<a href="#">2138</a>
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">2136</a>
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">2095</a>
		Date
		08/12/1998
		24/11/1998
		23/11/1998
		19/05/1998

Key events			
18/03/1998	Vote in committee		Summary
18/03/1998	Preparatory budgetary report tabled for plenary	<a href="#">A4-0103/1998</a>	
01/04/1998	Debate in Parliament		
02/04/1998	Decision by Parliament	T4-0202/1998	
19/05/1998	Debate in Council	<a href="#">2095</a>	
30/05/1998	Commission preliminary draft budget published	SEC(1998)0800	Summary
09/09/1998	Council draft budget published	<a href="#">10544/1998</a>	Summary
09/09/1998	Formal reconsultation of Parliament		

19/10/1998	Vote in committee		
19/10/1998	Budgetary report tabled for plenary	<a href="#">A4-0360/1998</a>	
20/10/1998	Debate in Parliament		
22/10/1998	Decision by Parliament	T4-0614/1998	Summary
23/11/1998	Debate in Council	<a href="#">2136</a>	
24/11/1998	Amended budget adopted by Council		
24/11/1998	Council amended draft budget published	<a href="#">13403/1998</a>	Summary
08/12/1998	Debate in Council	<a href="#">2150</a>	
08/12/1998	Vote in committee, 2nd reading		
08/12/1998	Budgetary report tabled for plenary, 2nd reading	<a href="#">A4-0500/1998</a>	
14/12/1998	Committee referral announced in Parliament, 2nd reading		
15/12/1998	Debate in Parliament		
17/12/1998	Decision by Parliament, 2nd reading	T4-0749/1998	Summary
17/12/1998	End of procedure in Parliament		
12/02/1999	Final act published in Official Journal		

### Technical information

Procedure reference	1998/2174(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Legal basis	Euratom Treaty A 177; EC before Amsterdam E 203; ECSC Treaty C 078
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/4/10637; BUDG/4/09890

### Documentation gateway

Preparatory budgetary report tabled for plenary		<a href="#">A4-0103/1998</a> <a href="#">OJ C 138 04.05.1998, p. 0005</a>	18/03/1998	EP	
Parliament's opinion on budgetary estimates/guidelines		T4-0202/1998 <a href="#">OJ C 138 04.05.1998, p. 0138-0149</a>	02/04/1998	EP	
Commission preliminary draft budget		SEC(1998)0800	30/05/1998	EC	Summary
Council draft budget		<a href="#">10544/1998</a>	09/09/1998	CSL	Summary
Budgetary report tabled for plenary, 1st reading		<a href="#">A4-0360/1998</a> <a href="#">OJ C 341 09.11.1998, p. 0008</a>	19/10/1998	EP	
Budgetary text adopted by Parliament		T4-0614/1998 <a href="#">OJ C 341 09.11.1998, p. 0100-0112</a>	22/10/1998	EP	Summary
Amending/supplementary letter on draft budget		SEC(1998)1766	28/10/1998	EC	Summary

Council amended draft budget		<a href="#">13403/1998</a>	24/11/1998	CSL	Summary
Amending/supplementary letter on draft budget		<a href="#">13484/1998</a>	24/11/1998	CSL	
Budgetary report tabled for plenary, 2nd reading		<a href="#">A4-0500/1998</a> <a href="#">OJ C 098 09.04.1999, p. 0006</a>	08/12/1998	EP	
Final budget adopted by Parliament		T4-0749/1998 <a href="#">OJ C 098 09.04.1999, p. 0193-0212</a>	17/12/1998	EP	Summary

## Final act

[Budget 1999/105](#)  
[OJ L 039 12.02.1999, p. 0001](#)

## 1999 budget: section III, Commission

In preparation of the budgetary conciliation procedure, 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, reafforestation 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: section III, Commission

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. ?

## 1999 budget: section III, Commission

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OBJECTIVE: presentation by the Commission of Letter of Amendment No. 1 to the Preliminary Draft Budget (PDB) for 1999. SUBSTANCE: the purpose of the Letter of Amendment to the PDB for 1999 was to update the estimate of budget expenditure on agriculture in accordance with the institutional dialogue decision of 8.4.1997. More specifically, the Letter of Amendment concerned an increase in budgetary requirements for the EAGGF-Guarantee Section of EUR 513 m in 1999 (equivalent to 1.2% of the agricultural expenditure in the PDB). The rise in expenditure was justified mainly by a deterioration in certain agricultural markets (changes due to market situations estimated at + EUR 436 m). The letter also served to budgetise the legislative decisions on agriculture adopted since 29.04.1998, the date of presentation of the PDB for 1999 (changes due to agricultural legislation estimated at + EUR 77 m). Of the 23 budget chapters, 21 were amended; the appropriations called for were increased in 10 sectors of agriculture (+ EUR 1667 m) and reduced in 11 (- EUR 1154 m). The main changes in the budget may be summarised as follows: -increases in anticipated expenditure on arable farming, sugar, olive oil, textile plants, pigmeat and agrimonetary aid (due to falls in world prices or increases in the areas eligible); -falls in anticipated expenditure on fruit and vegetables, wine, dairy products, bovine meat, sheepmeat and clearance of accounts (due to declining production, less grubbing up, an improvement in the butter market, less deterioration in the reference prices for meat). Changes were also proposed to budget heading 4 (external action): a reduction of EUR 12 m in the figure originally proposed for aid to Bosnia (confined to a p.m. in the budget) and international fisheries agreements. In total, the Letter of Amendment provided for an increase in the budget of EUR 501 m in commitment appropriations.?