



European Communities

EUROPEAN PARLIAMENT

SESSION DOCUMENTS

English Edition

22 October 1990

A3-0255/90/Part A

R E P O R T

by the Committee on Budgets

on the draft general budget of the European Communities for
the financial year 1991

Section III - Commission

(COM(90) 121 - Doc. C3-0260/90)

Rapporteur: Mr Alain LAMASSOURE

Part A: MOTION FOR A RESOLUTION

A Series: Reports - B Series: Motions for Resolutions, Oral Questions - C Series: Documents received from other Institutions (e.g. Consultations)

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PE 144.175/fin./Part A

* = Consultation procedure requiring a single reading

**II = Cooperation procedure (second reading) which requires the votes of a majority of the current Members of Parliament for rejection or amendment

**I = Cooperation procedure (first reading)

*** = Parliamentary assent which requires the votes of a majority of the current Members of Parliament

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On 25 January 1990 the Committee on Budgets appointed Mr Alain Lamassoure rapporteur.

The Council drew up the draft budget on 27 July 1990 and forwarded it to Parliament by letter of 14 September 1990.

The Committee on Budgets considered the draft budget, the draft amendments and the proposed modifications at its meetings of 10 September, 18-19 September, 27-28 September, 8-9 October, 15, 16 and 17 October and 22 October 1990.

At the last meeting the Committee adopted the motion for a resolution unopposed with one abstention.

The following were present: von der VRING, chairman; LAMASSOURE, first vice-chairman and rapporteur; CORNELISSEN second vice-chairman; WELSH third vice-chairman; ADAM (for COT), ARBELOA MURU, ARIAS CANETE, BÖGE, COCHET, COLOM I NAVAL, CRAWLEY (for HORY), ELLES, GOEDMAKERS, KELLET-BOWMAN, KLEPSCH (for FORTE), LANGES, LO GIUDICE, MIRANDA DA SILVA, NAPOLETANO, PAPOUTSIS, PASTY, RONN (for DESAMA), SAMLAND, THEATO, TOMLINSON, WYNN and ZAVVOS.

The explanatory statement, the decisions of the Committee on Budgets on the draft amendments and proposed modifications and the opinions of the competent committees are published separately.

The report was tabled on 22 October 1990.

The deadline for tabling amendments is 1 p.m. on Tuesday 23 October.

A

MOTION FOR A RESOLUTION

on the draft general budget
of the European Communities for the financial year 1991

The European Parliament,

- having regard to its resolution of 5 April 1990 on the guidelines for the 1991 budget¹,
- having regard to the preliminary draft budget submitted by the Commission (COM(90) 121)
- having regard to the draft budget established by the Council on 27 July 1990 (Doc. C3-0260/90),
- having regard to the report of the Committee on Budgets and the opinions of the appropriate committees (Doc. A3-0255/90),

- A. whereas the 1991 budgetary procedure took place in a climate of great uncertainty because of the events that occurred in 1990 in Germany, in Eastern Europe and in the Persian Gulf,
- B. whereas those events have already had an impact on the Community's 1990 budget, and whereas account should be taken thereof in the 1991 budget, as far as possible before its final adoption,
- C. whereas two revisions of the financial perspective are under way, and whereas a third such revision might prove to be necessary before the end of the year,

as regards

REVENUE

1. Reaffirms Parliament's authority in regard to revenue and expenditure, and the need for an in-depth debate on the revenue accruing to the Community budget;
2. Deplores the fact that it was not invited to attend meetings of the Committee on Own Resources; wishes to be fully informed of the outcome of that committee's deliberations and would greatly appreciate it if the dates for forthcoming meetings were fixed in such a way as to enable Parliament to bear them in mind when taking its decisions;

¹OJ No. C 113, 7.5.90, p.155

PARLIAMENT'S MARGIN OF MANOEUVRE

3. Regrets that the difference between the ceiling in the financial perspective and the draft budget for non-compulsory expenditure does not exceed 1.3% of the total budget (0.7% compared with the preliminary draft budget), thereby restricting its power to lay down policy guidelines;

GERMAN UNITY

4. Recalls its position of 5 April 1990 which set out the need to adopt a budget for 1991 that included all the appropriations required for the integration of the new German Länder into the Community, called for that budget to meet the requirements of all categories of expenditure and guaranteed that enlargement of the Community was not carried out at the expense of existing Community policies;
5. Welcomes the Commission's initiative designed to present a proposal for a revision which would enable a budget to be adopted at second reading that would apply to a Community of 340 million inhabitants;
6. Points out that the first reading of the 1991 budget does not involve the appropriations to be allocated to the new German Länder;

THE GULF CRISIS

7. Emphasizes that the appropriations required to cope with some of the consequences of the Gulf crisis may only be entered in the 1991 budget after the revision of the financial perspective and that such a revision can only be carried out with the agreement of the two arms of the budgetary authority;

THE REVISION OF THE FINANCIAL PERSPECTIVE

8. Decides, pending the revision of the financial perspective currently under way, to approve a number of appropriations with a rider 'subject to a revision of the financial perspective' entered under 'Remarks'. Such appropriations should be approved at second reading, provided that the revision procedure has been completed;
9. Notes that the frequency of revisions of the financial perspective demonstrates the serious inability of the Interinstitutional Agreement, notably to cope with unforeseen events. In particular, the Council's restrictive interpretation of Article 12 of the Interinstitutional Agreement with respect to the use of the margin of 0.03% of GNP obliges the three institutions to follow the most cumbersome procedure when taking extremely urgent decisions;
10. Calls on the Commission to submit a proposal for the creation from 1991 onwards of a crisis reserve which would enable the Community to cope with unforeseen and exceptional events, such as those that occurred in 1990, without having to follow cumbersome procedures likely to result in interinstitutional conflicts;

THE CREATION OF A FINANCIAL INSTRUMENT FOR THE ENVIRONMENT (LIFE)

11. Reaffirms the objective of strengthening economic and social cohesion within the Community, an objective requiring a doubling of the resources of the Structural Funds by 1993, as provided for in the Single Act; notes that the 1991 draft budget is in line with that objective;
12. Notes, however, that in 1991 and 1992 a margin remains available within category 2 of the financial perspective, in addition to a doubling of the Funds, as a result of the transfer to category 1 (EAGGF Guarantee) of certain measures hitherto financed by the EAGGF Guidance Section (grubbing premium for vines, for example). The amounts available in category 2 amount to 156.5 m ECU in 1991 and approximately 90 m ECU in 1992;
13. Believes, under the circumstances, that it would be sensible to use not only the twofold resources of the Structural Funds but also the margin available in 1991 and 1992 to create, as from 1991, a financial instrument for the environment (LIFE) within category 2. That line would enable the Community to participate in regional environmental protection programmes which, by virtue of their subject and scale, would best be tackled at Community level;
14. Calls on the Commission to adopt a proposal for a legal basis for the creation of a financial instrument for the environment of this nature, before Parliament gives a second reading to the budget;

PROGRAMME FOR THE PERIPHERAL REGIONS AND MARGINALIZED ACTIVITIES (PERIFRA)

15. Is aware that all the events that occurred in 1990 (German unification, opening up of Eastern Europe, Gulf crisis, conversion of military installations) will affect some of the Community's peripheral regions as well as some very sensitive regions and sectors and therefore enters additional appropriations in a new line in the chapter of the budget devoted to Community initiatives within the Structural Funds so that the Community may act to alleviate the most serious difficulties;
16. Calls on the Commission to submit at a very early date an appropriate Community action programme which takes account of Parliament's guidelines;

RESEARCH POLICY

17. Notes the substantial delay in the adoption by the Council of projects under the third framework programme and considers that the delay in adopting them will result in a substantial reduction in the appropriations required for the programme;
18. Notes the statements made by the Commission representative to the Committee on Budgets on 8 October 1990 and considers that all the preconditions have been met for stepping up the pace of some projects under the second framework programme of research;

BUDGETARY NOMENCLATURE

19. Reaffirms its wish to improve budgetary transparency without, at the same time, making the implementation of the budget more difficult; welcomes in this connection, the splitting up of certain budget lines, particularly those relating to the Structural Funds, activities in the cultural sector and the PHARE Programme;

MINI-BUDGETS

20. Recalls its opposition to the practice followed hitherto by the Commission of committing administrative appropriations outside the Titles A-1 and A-2 under which such expenditure should be covered; welcomes, therefore, the initiative taken by the Council and, hopes that this represents a first step towards more effective management of the Commission's staff;
21. Takes the view, however, that the corresponding lines must be presented more clearly so that it becomes easier to follow trends in administrative appropriations and operating appropriations connected with one and the same policy;
22. Notes, with regard to the lines in subsection B 8, that the Commission should have the power to act with a certain degree of flexibility in managing the appropriations, so that, in an emergency, it could top up a line of operating appropriations from the corresponding line of appropriations entered in B 8, and will ensure that proposed transfers of appropriations are considered as rapidly as is compatible with the provisions of the Financial Regulation;

ADMINISTRATIVE EXPENDITURE

23. Notes that the margin for administrative expenditure is very narrow and that it is inadequate to take account of the real requirements of the various institutions, especially the Commission, in the absence of any increase in the ceilings in the financial perspective;
24. Decides, therefore, to enter some of the appropriations of Titles A-1, A-2 and A-3 with the rider 'subject to a revision of the financial perspective', thereby reserving the right to come back to those lines and take a final decision in the light of the outcome of the revision of the financial perspective;
25. Announces its intention of allocating the resources released by that revision as a priority to financing the amendments it adopted at first reading to the lines in A-3.

AUDIT

26. Recalls that Article 85 of the Financial Regulation imposes on recipients of Community subsidies the unconditional acceptance of a Community audit, particularly by the Court of Auditors, either based on records or carried out on the spot.
27. Instructs its President to forward this resolution to the Commission and Council.

