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EUROPEAN PARLIAMENT

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A3-0131/91/Part A

## R E P O R T

by the Committee on Budgets

on the adjustment and revision of the financial perspective

Rapporteur: Mr Alain LAMASSOURE

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Part A: Motion for a resolution

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

*	= 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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The Committee on Budgets has confirmed the mandate of Mr LAMASSOURE, rapporteur on the 1991 budget, as rapporteur on the revision of the financial perspective.

On 11 January 1991 the Commission of the European Communities forwarded a proposal for the revision of the financial perspective (COM(90) 691), in conjunction with the granting of technical assistance to the USSR.

On 27 February 1991 the Commission withdrew its initial proposal and submitted a modification of the financial perspective relating to external Community operations (SEC(91) 338).

By letter of 11 March, the Commission notified to Parliament the technical adjustments of the financial perspective (Article 9 of the Interinstitutional Agreement) and submitted its proposals for the adaptation of the financial perspective in accordance with Articles 10 and 11 of the Interinstitutional Agreement.

By letter of 15 April the President of the Council communicated to Parliament the adjustments of the financial perspective approved by the Council, pursuant to Articles 10 and 11 of the Interinstitutional Agreement.

Trialogues took place on 16 April and 2 May 1991.

The Committee on Budgets considered this matter at its meetings of 3 December 1990, 15 January, 5 February, 1 March, 25 March, 15 April, 24 April and 13 May 1991.

At the last of these meetings it adopted the motion for a resolution as a whole by 20 votes to 1 with 1 abstention.

The following were present for the vote: von der Vring, chairman; Lamassoure, first vice-chairman and rapporteur; Cornelissen, second vice-chairman; Arias Canete, Blot, Böge, Colom I Naval, Desama, Elles, Goedmakers, Kellett-Bowman, Langes, Marques Mendes, Miranda da Silva, Napolitano (for Colajanni), Onur (for Ferri), Pasty, Samland, Theato, Tomlinson, Wynn and Zavvos.

The opinion of the Political Affairs Committee will be presented orally in plenary sitting.

The report was tabled on 13 May 1991.

The deadline for tabling amendments to the report is 5 p.m. on 14 May 1991.

A.

**MOTION FOR A RESOLUTION ON THE  
ADJUSTMENT AND REVISION OF THE FINANCIAL PERSPECTIVE**

The European Parliament,

- having regard to the Interinstitutional Agreement of 28 June 1988 and in particular Articles 10 to 12 thereof<sup>1</sup>,
  - having regard to the proposal from the Commission of 22 February 1991 on the revision of the financial perspective (SEC(91) 338),
  - having regard to the proposal from the Commission on the adjustment of the financial perspective (SEC(91) 372),
  - having regard to the outcome of the triologue of 2 May 1991,
  - having regard to the report of the Committee on Budgets and the opinion of the Political Affairs Committee (A3-0131/91),
- A. whereas new requirements have emerged since the 1991 budget was adopted, some of which are of a particularly urgent nature, and whereas, therefore, it is necessary to enter the necessary appropriations in the Community budget for 1991 as soon as possible in order to implement the measures decided on by the Community;
- B. whereas these measures cannot be funded within the current limits set by the financial perspective;
- C. whereas the negotiations on the revision of the financial perspective for 1992 have not yet been completed;
1. Gives its approval for the NCE sub-ceiling in category 4 of the financial perspective to be raised, as indicated in the joint decision attached to this resolution, by 728 m ECU in respect of commitment appropriations and 423 m ECU in respect of payment appropriations in 1991, and 180 m ECU in respect of payment appropriations for 1992, and for the stock disposal line in heading 5 to be reduced by 3 m ECU, the ceiling for this heading remaining unchanged;
  2. Requests that as agreed between the three Institutions at the conciliation meeting on 5 March 1991, the Council, before taking decisions of principle on possible new external aid measures, should contact Parliament in accordance with a procedure corresponding to the urgency of the decisions and that the appropriations which may be necessary should be determined through this procedure;

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<sup>1</sup> OJ No. L 185, 15.7.1988

3. Points out that the funding of new external aid granted by the Community must in no way lead to a reduction of the appropriations for policies already adopted by the Community and that the appropriations for internal policies should be increased in 1992 in view of the completion of the single market;

as regards assistance to the USSR :

4. Expresses its approval of this technical assistance and recalls the need for the Community to assist the reform process in the USSR; emphasizes, however, that progress towards democracy must be a condition of the continuation of the technical assistance programme;

as regards assistance to Israel and the Occupied Territories :

5. Expresses its approval of financial assistance to Israel and the occupied territories, but stresses that the aid must be determined on the basis of the financial capacity of each party and its specific requirements;

as regards aid to the Kurdish peoples :

6. Congratulates the Commission for the speed with which it implemented this emergency aid, thereby responding to Parliament's concern that the Community should take speedy action;

as regards the fight against famine in Africa :

7. Draws attention to the agreement between the three Institutions on implementation of a programme to combat famine in Africa, thereby implementing Parliament's resolution of 18 April 1991;
8. Recalls that the agreement of the three Institutions for this programme provides for 400 000 tonnes of cereals equivalent to be supplied to the people affected by the famine; if the appropriations entered for this purpose were to prove insufficient, a further revision of the financial perspective would be necessary;

as regards subsequent procedure :

9. Regrets the Council's refusal to endorse the proposal by the Commission and Parliament for the setting up of a reserve fund to cover unexpected contingencies;
10. Calls on the Commission to submit proposals to the budgetary authority for exceptional financial aid to both Bangladesh and the Latin American countries affected by the cholera epidemic;
11. Expresses its willingness to reach a common decision with the Council on this subject, in the spirit of the mutual undertakings made at the conciliation meeting on 5 March 1991;

12. Welcomes the Commission's undertaking to submit a quarterly report to the budgetary authority on the implementation of all these programmes, and recalls that the first of these reports must be submitted by 15 September 1991;
13. Notes that, at current levels, the estimated requirements in respect of both internal and external policies will inevitably entail an increase in the financial perspective for 1992;
14. Regrets that the Council was not able to conclude the negotiations on the revision of the financial perspective for 1992, but welcomes its undertaking to conclude these negotiations before Parliament's first reading of the draft budget for 1992;
15. Gives its agreement for the financial perspective to be adjusted, in accordance with Articles 10 and 11 of the Interinstitutional Agreement, in respect of the following amounts: in Category 2, the ceiling for commitment appropriations for non-compulsory expenditure is increased by ECU 350 m in 1992, and in Category 3, by ECU 115 m, as specified in the decision annexed to this resolution;
16. Agrees that, taking account of cancellations of appropriations in 1990, the budget of the Structural Funds for 1993 must provide for an amount of ECU 193 m in commitment appropriations, and for the same purpose commitment appropriations amounting to ECU 30 m must be budgeted during a subsequent financial year for the framework research programme; in addition, with regard to the Structural Funds, the Commission must make the necessary technical adjustments to ensure their effective doubling by 1993 in order to take account of real rates of inflation during the period 1987-1993;
17. Recalls that Article 9 of the Interinstitutional Agreement requires the Commission to update the financial perspective each year in line with movements in prices and gross national product; takes the view that the technical adjustment must take into account, for all categories of expenditure in the financial perspective, the real trend in inflation and movements in the volume of GNP;
18. Reiterates its integration of Article 12 of the Interinstitutional Agreement, on the basis of which the financial perspective may be revised provided that the overall ceiling does not exceed the margin of 1.19% of GNP in 1991 and 1.2% in 1992 and therefore deplores the Council's unilateral decision;
19. Instructs its President to forward this resolution to the Council and the Commission.

Decision adjusting the financial perspective annexed to the Interinstitutional Agreement of 29 June 1988 on budgetary discipline and improvement of the budgetary procedure.

The European Parliament and the Council of the European Communities,

Having regard to Articles 10 and 11 of the Interinstitutional Agreement on budgetary discipline and improvement of the budgetary procedure, <sup>(1)</sup>

Having regard to the proposal from the Commission,

Whereas, in view of the conditions under which the 1990 budget was executed, the financial perspective annexed to the Interinstitutional Agreement must be adapted to allow the transfer of parts of unused appropriations to the financial year 1992,

HAVE DECIDED AS FOLLOWS:

#### Sole Article

The ceilings appearing in the financial perspective resulting from the Joint Decision of the European Parliament, the Council and the Commission of 12 December 1990, as last adjusted by the Commission Decision of 6 March 1991 are hereby amended as follows:

- The ceilings for commitment appropriations for non-compulsory expenditure shall be increased by ECU 350 million for heading 2 in 1992 and ECU 115 million for heading 3 in 1992. The totals for commitment appropriations shall be adjusted accordingly.

Done at ..... 1991

For the European Parliament

For the Council

(1) O.J. No L 185, 15.7.1988, pp. 33 et seq.

STATEMENT BY THE COUNCIL AND THE EUROPEAN PARLIAMENT

on the Structural Funds

(attached to the Joint Decision  
under Articles 10 and 11 of the Interinstitutional Agreement)

In the light of the cancellation of appropriations in 1990, allocations to the Structural Funds for 1993, to be determined in accordance with Article 12(2) of Regulation 2052/88, will take account of ECU 193 million in commitment appropriations within the meaning of Article 11 of the Interinstitutional Agreement.

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Decision concerning the financial perspective  
annexed to the Interinstitutional Agreement of 29 June 1988

The European Parliament, the Council and the Commission of the European Communities,

Having regard to the Interinstitutional Agreement on Budgetary Discipline and Improvement of the Budgetary Procedure<sup>1</sup>

Having regard to the Commission proposal,

Whereas the Rome European Council on 14/15 December 1990 agreed to grant financial assistance to the USSR; whereas the Council decided in principle on 4 March 1991 to grant aid to Israel and the occupied territories; whereas emergency aid has been granted to the Iraqi population of Kurdish origin; whereas the Commission has proposed a special food aid programme for Africa; whereas Parliament has examined all these measures and has expressed its agreement in principle;

Whereas to cover this expenditure the ceiling for heading 4 (Other policies) of the financial perspective and the total of payment appropriations required need to be increased for 1991;

Whereas the increase in the payment appropriations required involves an increase in the amounts to be set aside in the financial perspective for refunds to Spain and Portugal; whereas part of the stock disposal heading will not be required in 1991 and 1992;

<sup>1</sup> OJ No. L 185, 15.7.1988, p. 33 et seq.

HAVE DECIDED AS FOLLOWS:

Article 1

1. The ceiling for heading 4 (Other policies) of the financial perspective is hereby raised by ECU 728 million in 1991 for non-compulsory expenditure.

2. The total of commitment appropriations (non-compulsory expenditure) is increased by the same amount in 1991. The total of payment appropriations required (non-compulsory expenditure) is increased by ECU 423 million in 1991 and ECU 180 million in 1992.

Article 2

The stock disposal figure under heading 5 (Refunds and administration) is hereby reduced by ECU 3 million in 1991, the ceiling for the heading remaining unchanged.

Done at Brussels,

For the European Parliament

For the Council

For the Commission

Commission statement

The Commission states that it will shortly be presenting a further proposal for the revision of the financial perspective for 1992 relating to expenditure under heading 5.

## JOINT DECLARATION

annexed

to the Decision on the financial perspective of ...

In the context of the trialogue of 2 May 1991, Parliament, the Council and the Commission agreed that:

### As regards heading 4

1. The increase in the ceiling for heading 4 in 1991 is designed to permit
  - the financing of technical assistance to the USSR up to an amount of 400 m ECU;
  - the financing of financial assistance to Israel and the occupied territories for the amount of 87.5 m ECU;
  - the level of appropriations to be restored in the budget lines from which transfer were made to fund the emergency aid for the Iraqi population of Kurdish origin, up to an amount of 100 m ECU;
  - the financing of the special food aid programme for Africa for the amount of 140 m ECU.

This non-compulsory expenditure amounting to 727.5 m ECU in 1991 will be exclusively reserved for the requirements referred to above.

2. The Commission will submit the proposal for a legal basis concerning technical assistance to the USSR before a formal decision has been taken on the current adjustment of the financial perspective.
3. The special programme to combat famine in Africa proposed by the Commission, and worth 400 000 tonnes of cereal equivalent, will require funds totalling 140 m ECU. The corresponding appropriations will be entered in budget line B7-2070 'Exceptional reserve'. These appropriations may not be used for any other purposes.

The Commission undertakes not to propose transfers which would have the effect of these appropriations being used for any purpose other than that mentioned above. Should these appropriations prove insufficient for the implementation of this famine control programme, the Commission will submit to the budgetary authority the initiatives it deems necessary.

4. The Commission will submit quarterly reports on the implementation of the programmes covered by this decision. The first of these reports must be submitted by 15 September 1991.

When this first report is discussed, the three Institutions will consider possible requirements for 1991 and for 1992 with a view to completing the process of adjusting the financial perspective for 1992 before Parliament's first reading of the draft budget.

As regards heading 5:

5. The compulsory expenditure amounting to 3 m ECU in 1991, for refunds to Spain and Portugal, under heading 5, and resulting from a corresponding reduction of the figure for stock disposal, will be used exclusively for these purposes.
6. The three Institutions will endeavour to ensure that the budgetary decisions relating to the implementation of the measures resulting from this Decision are taken in the context of amending and supplementary budget No. 1/91.

