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REPORT

on the communication from the Commission to the Council and the European Parliament on the adjustment of the financial perspective with a view to enlargement of the European Union (COM(94) 0398 final)

Committee on Budgets

Rapporteur: Mr Joan Colom I Naval

* Consultation procedure
simple majority
DOC EN/RR/262/262438

*** Cooperation procedure (first reading)
simple majority

*** Cooperation procedure (second reading)
simple majority to approve the common position
absolute majority of Parliament's component Members to reject or amend the common position

*** Assent procedure
absolute majority of Parliament's component Members to give assent
except for simple majority under Articles 9a, 105, 106, 130c and 228 EC

*** Cooperation procedure (first reading)
simple majority
PE 211.063/fin.
es - Or. en/fr

*** Cooperation procedure (second reading)
simple majority to approve the common position
absolute majority of Parliament's component Members either to adopt a declaration of assent
to reject the common position or to amend or confirm the rejection of the common position

*** Cooperation procedure (third reading)
simple majority to approve the joint text
absolute majority of Parliament's component Members to reject the Council text

DA

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On 5 October 1994, the Commission forwarded to the European Parliament a communication on the adjustment of the financial perspective, attached to the Interinstitutional Agreement of 29 October 1993 on budgetary discipline and improvement of the budgetary procedure, with a view to enlargement of the European Union, pursuant to paragraph 24 of the Interinstitutional Agreement (COM(94)0398 - C4-0249/94) of 4 October 1994.

At the sitting of 12 December 1994, the President of Parliament announced that he had referred this communication to the Committee on Budgets as the committee responsible and to all the other committees concerned for their opinions.

On 4 October 1994, the Committee on Budgets confirmed the appointment of Mr Colom i Naval as rapporteur on the revision of the financial perspective.

At the meetings of 17, 18 and 19 October, 3 and 4, 10, 23 and 24 November 1994, the rapporteur submitted various working documents. The Committee on Budgets appointed a delegation consisting of Mr Samland, Chairman, Mr Colom i Naval, rapporteur, Mr Brinkhorst, Mr Dankert, Mr Elles and Mr Wynn.

A triologue was organised on 29 November 1994 and the rapporteur presented the results of this triologue at the meeting of the Committee on Budgets on 5 and 6 December 1994.

At the meeting of 12 December 1994, the Committee on Budgets considered the draft report and adopted the motion for a resolution unopposed with two abstentions.

The following were present for the vote: Samland, chairman; Tillich, 1st vice-chairman; Willockx, 3rd vice-chairman, Colom i Naval, rapporteur; Bebear, Böge, Christodoulou (for Bourlanges), Dell'Alba, Dührkop Dührkop, Elles, Fabra Valles, Fabre-Aubrespy, Ghilardotti, Haug, Kellett-Bowman (for Raffarin), Marinho (for Dankert), McCartin, Miranda, Müller, Tappin, Theato, Tomlinson, Torres Marques (for Avgerinos), Trautmann, Watson (for Brinkhorst), Wemheuer and Wynn.

The opinion of the Committee on Economic and Monetary Affairs and Industrial Policy is attached.

The report was tabled on 12 December 1994.

The deadline for tabling amendments to the motion for a resolution is 10 am on 13 December 1994.

A
MOTION FOR A RESOLUTION

Motion for a resolution embodying the opinion of the European Parliament on the communication from the Commission to the Council and the European Parliament on the adjustment of the financial perspective with a view to enlargement of the European Union (COM(94) 0398 - C4-0249/94)

The European Parliament,

- having regard to the communication from the Commission to the Council and the European Parliament (C4-0249/94),
 - having regard to the Interinstitutional Agreement of 29 October 1993 and in particular Article 24 thereof,
 - having regard to the acts of accession of three new states to the European Union,
 - having regard to the agreement concluded between the institutions on 29 November 1994 on the revision of the financial perspective,
 - having regard to the report of the Committee on Budgets and the opinion of the Committee on Economic and Monetary Affairs and Industrial Policy (A4-0107/94)
- A. whereas the outcome of the triilogue of 29 November 1994 allows Parliament to fulfil a number of objectives in connection with the enlargement of the Community and the Community's new requirements, as provided for in Article 24 of the IIA,
- B. whereas the margins still available under the own resources ceiling should make it possible to undertake further revisions to cover the new requirements which could not be taken into account during the current revision of the financial perspective,
1. Notes that the institutions have been able to comply in good time with Article 24 of the IIA on revising the financial perspective to take account not only of the requirements resulting from enlargement but also of the new requirements;
 2. Welcomes the fact that the adjustment of the financial perspective is creating a framework which will make it possible to adopt a budget for the enlarged European Union in December, as advocated by Parliament in its budgetary guidelines;
 3. Notes that the accession of the new states and the improved economic situation will make it possible to restore substantial margins between the revised financial perspective and the own resources ceiling as soon as the decision on own resources comes into force;
 4. Stresses that, through this agreement, the Council has in practice accepted the principle whereby new resources must correspond to new initiatives;

5. Agrees that the new financial perspective proposed following the trialogue of 29 November 1994 should be expressed in 1992 prices;

Heading 1

6. Approves the decision to raise the own resources ceiling for heading 1 by the amount needed to enable the guideline to be applied to the new Member States, but regrets that this does not take account of the effects of clearing the accounts;

Heading 2

7. Welcomes the increase in the ceiling for heading 2, not only to allow for the accession of the new EU Member States, as provided for in the acts of accession, but also to help finance a special programme for the regions of both parts of Ireland; stresses that this amount may also be used to support measures funded jointly with the International Fund for Ireland;
8. Stresses that the increase in the ceiling for heading 2 is a sign that Parliament can secure more financing for this category of expenditure, irrespective of the amounts deemed necessary in the regulations;

Heading 3

9. Welcomes the fact that, as far as heading 3 is concerned, the Council has unconditionally accepted the principles upheld by Parliament in its resolution of May 1994 as regards both accession (increasing the ceiling in line with GNP) and the financing of the programme for the Portuguese textile and clothing industry;
10. Declares that there should be a proportional increase for the Fourth Framework Programme for Research to ensure an equitable revision as provided for in the relevant decision;

Heading 4

11. Notes that, on the question of raising the ceiling for heading 4, it was possible to reach agreement only on the criterion of population increase;
12. Approves the increase in the ceiling for heading 4 of the financial perspective which will enable the EU to maintain its commitment to the developing countries, step up its policy of technical assistance for the countries of Central and Eastern Europe and put in place a new policy for the countries of the Mediterranean basin (MEDA);
13. Regrets that the Council has not taken up Parliament's proposals for a more substantial increase in funding for the Union's external action, which would have made it possible to finance new actions under the CFSP, and believes that the financial perspective has not gone far enough; reminds the Council that any decision on an additional joint action in the sphere of the CFSP which has a significant impact on the budget must be accompanied by a revision of the financial perspective;

Heading 5

14. Notes that administrative expenditure has been increased only slightly compared with the other headings but that it should nevertheless cover the initial recruitment of staff from the new Member States to the EU institutions;
15. Considers, however, that the allocation of appropriations for administrative expenditure is based on the estimates of numbers and time-scales submitted by the institutions; believes that, should a different approach be adopted, the breakdown of the ceilings for heading 5 should be reviewed;
16. Points out that the agreement on heading 5 contains a commitment on the part of the three institutions to undertake a further revision in 1996 for 1997, 1998 and 1999 to make provision for the financing of the EU institutions' property policy, in particular, the decisions taken at the Edinburgh European Council, and, where necessary, for the financing of staff posts in the institutions;

Heading 6

17. Agrees that heading 6 shall remain unchanged, as stipulated in the IIA of 29 October 1993;

Heading 7

18. Believes that the ceiling for this new line will provide sufficient compensation for the new Member States as provided for in the Accession Treaties;
19. Approves the decision attached to this resolution together with the financial perspective appended hereto;
20. Calls on the President to endorse this decision.

**Decision on the adjustment of the financial perspective annexed to
the Interinstitutional Agreement of 29 October 1993 on budgetary discipline
and
improvement of the budgetary procedure**

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

Having regard to paragraph 24 of the Interinstitutional Agreement on budgetary discipline and improvement of the budgetary procedure¹,

Having regard to the Act relating to the conditions of accession for Austria, Finland and Sweden²,

Whereas the financial perspective for 1993-1999 annexed to the Interinstitutional Agreement must be adjusted in respect of the period 1995-1999 to take account of the new requirements and resources of the enlarged Community;

HAVE DECIDED AS FOLLOWS:

Sole Article

For each of the years from 1995 to 1999, the amounts contained in the financial perspective in Annex I to the Agreement are replaced by the amounts contained in the table attached to this Decision.

Done in Brussels,

For Parliament,

For the Council,

For the Commission,

¹ OJ No C 331, 7.12.1993, p. 1 ff

² OJ No C 241, 29.8.1994, p. 21 ff

**FINANCIAL PERSPECTIVE
FOR THE ENLARGED COMMUNITY**

**APPROPRIATIONS FOR COMMITMENTS
ECU MILLION - 1992 PRICES**

	1995 (*)	1996	1997	1998	1999
1. COMMON AGRICULTURAL POLICY	35354	37245	37922	38616	39327
2. STRUCTURAL OPERATIONS	24477	26026	27583	29268	30945
Structural Funds (1)	22369	23668	24980	26610	28345
Cohesion Fund	2000	2250	2500	2550	2600
FFA Financial mechanism (2)(3)	108	108	108	108	0
3. INTERNAL POLICIES	4702	4914	5117	5331	5534
4. EXTERNAL ACTION	4549	4847	5134	5507	5953
5. ADMINISTRATION	3738	3859	3974	4033	4093
6. RESERVES	1100	1100	1100	1100	1100
Monetary reserve (2)	500	500	500	500	500
Guarantee	300	300	300	300	300
Emergency aid	300	300	300	300	300
7. COMPENSATION (2)	1547	701	212	99	0
8. TOTAL APPRS. FOR COMMITMENTS	75467	78692	81047	83954	86952
9. TOTAL APPRS. FOR PAYMENTS	72020	74605	77372	80037	82778
Appropriations for payments as % GNP	1,21	1,21	1,22	1,23	1,24
Margin as % GNP	0,00	0,01	0,02	0,03	0,03
Own resources ceiling as % of GNP	1,21	1,22	1,24	1,26	1,27

(*) The accumulated deflator applied to the 1995 budget is 7,6 %.

(1) In the case of allocations intended for the new Member States, which are fixed in the Act of Accession at 1995 prices, the annual technical adjustment for the years 1996-1999 will be effected on the basis of 1995 prices.

(2) At current prices.

(3) The ceiling for the subheading may be altered, if necessary, by the technical adjustment procedure provided for in paragraph 9 of the Interinstitutional Agreement in line with the actual payments to be made in this respect during each financial year.

EXPLANATORY STATEMENT

INTRODUCTION

1. In this background document to the motion for a resolution, your rapporteur will summarize the outcome of the negotiations in question, one advantage of which is that they will enable Parliament to adopt a budget for the Europe of the Fifteen, without in any way infringing the law or departing from Parliament's wishes as expressed in the 1995 budget guidelines.
2. Your rapporteur has no hesitation in admitting that, just as he expected, a number of the problems to which Parliament - rightly - drew the Council's attention have quite simply not been tackled.
3. Furthermore, the negotiations were influenced by certain factors for which the rapporteur and the Parliament delegation as a whole made allowance, prompted as they were by a keen sense of responsibility:
 - (a) virtually all the Member States are walking an economic tightrope at a time when each is endeavouring to move more closely into line with the convergence criteria laid down by the Maastricht Treaty. All the Council delegations, however, are manifestly determined to limit the impact on national budgets;
 - (b) a new Commission, the driving force of Europe, is shortly to take office and will have to address itself without fail to the task of charting new priorities for the next five years, in agreement with Parliament;
 - (c) the obligation of achieving a result was, on this occasion, more urgent than ever. Indeed, it might be said that there was no alternative, for, if the new Member States were to be encompassed within the budget in the manner considered desirable, agreement had to be reached with the Council. Parliament could not merely have invoked Article 203 of the Treaty, since the maximum rate of increase (MRI) in non-compulsory expenditure would scarcely have been sufficient to boost the Structural Funds for the Europe of the Twelve, let alone to meet the minimum needs of a fifteen-strong Europe. What is more, a new MRI could not have been laid down unless the Council had agreed to it.
4. Article 24 of the Interinstitutional Agreement stipulates that the financial perspective must be adjusted 'to take account of the new requirements and resources of the enlarged Community'. Enlargement will certainly provide an injection of new resources for the Community budget, and Parliament has already made it clear - when it adopted its resolution on the 1995 budget guidelines - that it wishes the new Member States to benefit from Community funding from the very outset. If agreement is reached on that point, Parliament will have achieved its goal.

RESULTS

5. The Council has agreed that:
- new initiatives must, as a matter of principle, be financed by new resources;
 - no new 'sub-ceilings' should be imposed on the various categories;
 - Parliament's new initiative to aid Ireland should be supported; and
 - the measures to boost Portuguese industry should be funded under category 3.

As regards the figures for each category, over the whole of the period from 1995 to 1999, the outcome of the negotiations can be summed up as follows:

Category 1: + ECU 8558 m
Category 2: + ECU 5379 m
Category 3: + ECU 2170 m
Category 4: + ECU 1644 m
Category 5: + ECU 935 m
Category 6: + ECU 0 m
Category 7: + ECU 2559 m.

6. Parliament had backed the proposal from the Committee on Budgets to the effect that a number of amendments should be adopted immediately at first reading *subject to revision of the financial perspective*. In view of the outcome of the trialogue on 29 November, most of the amendments in question can be allowed to stand, even though, in some cases, the amounts will have to be reduced. This undoubtedly constitutes a success, and it will be up to the rapporteur on the 1995 budget to strike a balance, having regard to the new ceilings laid down.
7. Parliament was likewise anxious to prevent any sub-ceilings being imposed within the different categories of the financial perspective. The Council and Commission had everything to gain from making the budgetary procedure more rigid by earmarking the additional appropriations available in advance. Parliament considered the introduction of sub-ceilings to be quite unacceptable, and no sub-ceiling was accepted in the end. As far as non-compulsory expenditure is concerned, Parliament will remain free to determine its priorities throughout the period in question, following the annual budgetary procedure.
8. The Commission elected to base the calculations in the financial perspective on 1995 prices, as this was the most convenient option from the bookkeeping point of view. The choice is not a neutral one in financial terms, since economic trends in the current year should enable the figures to be revised upwards when, for each year prior to the budgetary procedure, 1992 prices are converted into current prices. Parliament has consequently accepted that prices for revision purposes should be expressed at the 1992 levels.
9. Parliament has long supported the principle - which was also observed by Parliament's delegation - that the Union's new needs must be

financed by new resources. Notwithstanding Article 24 of the Interinstitutional Agreement, there was fierce opposition to this principle, not just from the Presidency, but from the Council as a whole, which insisted that it wished to redeploy the resources allocated to existing measures in order to finance the new priorities. Speaking on behalf of the delegation, your rapporteur can confirm that the Council is firmly committed to the latter principle, which, moreover, should not be rejected out of hand, and that the delegation had difficulty in convincing its negotiating partners that the scope of revision needs to extend beyond the needs deriving directly from enlargement. The figures resulting from the trialogue reveal that Parliament has scored a significant success in this area.

10. In working document No 2 your rapporteur put forward a number of reasons which, as he saw it, made it necessary to increase the appropriations under certain headings. They can be summed up as follows:
11. As regards the Irish **peace process**, Parliament sets great store by the economic support which Europe could provide, in addition to the aid already being granted to the regions concerned. Although your rapporteur and the delegation felt that the programme should come under category 3 of the FP, the Council maintained that it was first and foremost a regional and structural measure. The delegation agreed that it should be financed as a structural measure, on condition that the ceiling for category 2 was raised by ECU 200 m for the years 1995, 1996, and 1997.
12. The significance of the increase goes beyond mere figures. The Council had always considered that structural measures under category 2 were an entirely separate matter from the budgetary point of view. Once the rules had been adopted, the Commission and the Member States charted the priorities for the next six years, Parliament's powers being confined solely to the exercise of supervision.
13. This revision of category 2 proves that there is a margin for new structural policy initiatives and that Parliament was right to reject the inclusion of any binding amount in the legislation, and to allow the normal budgetary procedures to take precedence. It should be stressed that accepting this revision is tantamount to acknowledging that Parliament can increase the capacity for financial intervention in the structural field, regardless of the sums deemed necessary and entered in the regulations.
14. The implementation of the **internal policies in the new Member States** of the Union has been fully guaranteed in the agreement reached at the trialogue since the 7% increase in the ceiling for category 4 corresponds to the increase in GNP of the three states, which was the only point of reference which could be adopted.

15. The Council has also agreed to increase the category 2 ceiling to enable **structural measures** to be financed in the new Member States and to allow the EEA financial mechanism to be reimbursed under the terms negotiated in the accession treaties.
16. The **modernization of the Portuguese textile and clothing industry** has been the subject of one of the longest-running disputes between Parliament and the Council in recent months. The different institutions recognize the need for Community assistance for the industry but discussions have been continuing since November 1993 on how this industrial policy programme should be financed.
17. From the outset the Commission and the Council have wanted to finance the programme from category 2, for the sole reason that the appropriations could be made available from the reserve earmarked for extending Community initiatives that have already been decided, by means of long-term reductions in the funding of programmes in progress. In an effort to preserve a measure of budgetary orthodoxy, Parliament has always taken the view that this industrial policy programme could only be funded from category 3 of the financial perspective and that new resources therefore needed to be released in order to finance this programme properly.
18. Parliament was not only defending a budgetary principle - that of a correct entry in the budget - but also displaying its determination to protect the Structural Funds from a dangerous distortion. Had the Council's position been accepted, the programmes in progress would have had to be reduced or halted, which would have been unacceptable. The Council has unconditionally accepted an additional increase of ECU 400 m in the category 3 ceiling. For Parliament this represents a considerable success brought about by the firm and coherent line it adopted.
19. The financing of the **foreign policy** of a 15-member Union is probably the sphere in which the objectives set by Parliament were not fully satisfied by the Council. This may seem paradoxical given that the main 'petitioner' in the field of foreign policy is the (General Affairs) Council, which is in the habit of taking decisions without regard for the financial implications of its acts.
20. The opening positions in the debate on this category were very far apart, with several Council delegations even having difficulty acknowledging the need to raise the ceiling for this category of expenditure. Nevertheless, the Presidency agreed to a 6.3% increase in the ceiling, which corresponds to the rate of population increase. Your rapporteur expects that the same criterion will be applied for future enlargements.
21. Even if the size of the increase is lower than Parliament had hoped, it must be recognized that the Union's foreign policy will not change after enlargement but that these additional resources will enable Europe to adopt a more committed approach to foreign policy.

22. **Mediterranean policy (MEDA programme)** has become a priority for Parliament, which believes that in the coming years Europe must formulate a new policy vis-à-vis the countries in this region. Without going into the reasons which had prompted Parliament to place emphasis on this policy, Parliament's delegation wanted to concentrate on ensuring that the policy could be financed. The Council's agreement to increase the category 4 ceiling will satisfy this concern.
23. **Economic assistance to the countries of Eastern Europe** will be even more important with the enlargement of the Union, since it is one of the priorities of the new members. The agreement that has been reached will make it possible to step up the Union's support for this policy.
24. Parliament has expressed concern regarding the maintenance and the strengthening of the Union's traditional **development policy**. The agreement will provide fresh resources in this field and Parliament must make sure that existing policies can be strengthened.
25. It is Parliament's view that the CFSP (common foreign and security policy) must be financed from the Union's budget. Showing a great sense of responsibility, Parliament demonstrated during the 1995 budget that this could be done without difficulty provided that the resources **are available**. The conclusions of the triilogue leave some doubt as to the Council's willingness to make available sufficient resources to pursue policies that match its ambitions. Nevertheless, the funding of measures in progress is guaranteed. As far as new measures are concerned, negotiations are still in progress concerning institutional decision-making and funding mechanisms. Clearly, new substantial measures cannot be funded under the financial perspective, if the Community decisions already taken in this sector are to be respected.
26. On the question of **administrative expenditure**, the delegation supported the Commission's proposal for an increase equivalent to GDP. Furthermore, the Presidency has informed us of the restrictive approach to administrative expenditure adopted by the Council and the need to prevent this revision from being used as an opportunity to finance non-essential needs.
27. Parliament's delegation agreed with the restrictive approach taken by the Presidency designed to limit the increase in the category 5 ceiling to 4.6%, on the understanding that a revision of the financial perspective would be needed once the financial impact of some of the needs of the institutions, particularly in the field of property, was clearly known. Moreover, the institutions agreed that category 5 expenditure would be reviewed in 1996 as part of a new revision.
28. Your rapporteur considers that the scheduled increase will make it possible to finance the expenditure strictly necessary for enlargement and recommends that the proposal be accepted.

CONCLUSIONS

29. Attention should be drawn to the contradictory attitude taken by the Council, which, with regard to the category 1 ceiling, refused to deduct the additional appropriations of approximately ECU 400 m a year

resulting from the 'agreement' on milk quotas, as called for by Parliament.

30. In conclusion, mention must be made of the requests which were not met, such as the substantial increases in category 3 for networks, the White Paper, employment and research.

Nevertheless, it should be remembered that the agreement of 29 October 1993 provides for a contingency allowance and that macro-economic developments together with the ratification of the increase in the ceiling for own resources should make it possible for this to be used. The attached tables show the figures for the various categories. Also attached is the summary established at the end of the negotiations.

31. On the basis of these documents, your rapporteur recommends on behalf of the delegation that the conclusions of the triologue of 29 November 1994 should be approved.

FINANCIAL PERSPECTIVE CEILING

APPROPRIATIONS FOR COMMITMENTS - ECU MILLION - 1995 PRICES					
	1995	1996	1997	1998	1999
1. COMMON AGRICULTURAL POLICY	950	1848	1883	1920	1957
2. STRUCTURAL OPERATIONS	1065	1096	1124	1088	1006
Structural Funds	957	988	1016	980	1006
Cohesion Fund	0	0	0	0	0
FFA Financial mechanism	108	108	108	108	0
3. INTERNAL POLICIES	408	419	433	448	462
4. EXTERNAL ACTION	290	306	324	348	376
5. ADMINISTRATION	170	180	185	195	205
6. RESERVES	0	0	0	0	0
7. COMPENSATION	1547	701	212	99	0
8. TOTAL APPRS. FOR COMMITMENTS	4430	4550	4161	4098	4006
9. TOTAL APPRS. FOR PAYMENTS	4305	4386	3972	3896	3795

FINANCIAL PERSPECTIVE FOR THE UNION OF 15

APPROPRIATIONS FOR COMMITMENTS - ECU MILLION - 1995 PRICES					
	1995	1996	1997	1998	1999
1. COMMON AGRICULTURAL POLICY	37944	39546	40267	41006	41764
2. STRUCTURAL OPERATIONS	26329	27710	29375	31164	32956
Structural Funds (1)	24069	25206	26604	28340	30187
Cohesion Fund	2152	2396	2663	2716	2769
FFA Financial mechanism (2) (3)	108	108	108	108	0
3. INTERNAL POLICIES	5060	5233	5449	5677	5894
4. EXTERNAL ACTION	4895	5162	5468	5865	6340
5. ADMINISTRATION	4022	4110	4232	4295	4359
6. RESERVES	1146	1140	1140	1140	1140
Monetary reserve (2)	500	500	500	500	500
Guarantee	323	320	320	320	320
Emergency aid	323	320	320	320	320
7. COMPENSATION (2)	1547	701	212	99	0
8. TOTAL APPRS. FOR COMMITMENTS	80943	83602	86143	89246	92453
9. TOTAL APPRS. FOR PAYMENTS	77229	79248	82227	85073	88007
Appropriations for payments as % GNP	1,20	1,21	1,22	1,23	1,24
MARGIN FOR UNFORESEEN EXP. (as % of GNP) *	0,01	0,01	0,02	0,03	0,03
OWN RESOURCES CEILING	1,21	1,22	1,24	1,26	1,27

- (1) In the case of allocations intended for the new Member States, which are fixed in the Act of Accession at 1995 prices, the annual technical adjustment for the years 1996-1999 will be effected on the basis of 1995 prices.
- (2) At current prices.
- (3) The ceiling for the subheading may be altered, if necessary, by the technical adjustment procedure provided for in paragraph 9 of the Interinstitutional Agreement in line with the actual payments to be made in this respect during the financial year.
- (*) 0.01 % of GNP represents about ECU 600m.

OPINION

of the Committee on Economic and Monetary Affairs and Industrial Policy

Letter from the Chairman of the Committee to Mr Samland, Chairman of the Committee on Budgets

Brussels, 30 November 1994

Subject: Adjustment of the financial perspective (Communication from the European Commission COM(94)0398)

Dear Mr Samland,

At its meeting of 29-30 November 1994, the Committee on Economic and Monetary Affairs and Industrial Policy considered the above subject, by request of the Committee on Budgets.

The Committee took the view that the need to increase appropriations for new activities, such as Trans-European networks, especially those in the field of the information society, and the White Paper on Growth, competitiveness and employment, is clearly necessary, given that these fields form the backbone not only of Parliament's priorities, but also of the Council's. The above mentioned appropriations are considered by the Committee on Economic and Monetary Affairs and Industrial Policy as vital with regard to the completion of the internal market.

As far as the Committee on Economic and Monetary Affairs and Industrial Policy is concerned, special attention should be given to the new budget line B5-323N (the growth and environment initiative for small enterprises and the craft industry). Up till now only 5 MECU, half of the amount originally foreseen, has been made available for this line. The other 5 MECU should be financed, as agreed in principle, from the adjustment of the financial perspective.

Finally the Committee on Economic and Monetary Affairs and Industrial Policy would like to express its concern about the progress of the Trans-European networks projects. The Committee wants to emphasize the need to continue seriously with the proposed projects, especially those where infrastructure is involved. The Committee on Economic and Monetary Affairs and Industrial Policy considers that adequate finance must be made available and that, given a likely private sector financing gap, appropriate solutions are to be found.

Yours sincerely,

Karl von WOGAU

¹ The following took part in the vote: Mr von Wogau, chairman; Messrs Metten, and Theonas, vice-chairmen; Messrs Blokland (for Mrs de Rose), Christodoulou, Donnelly, Filippi (for Mr Secchi), Mrs Garcia Arias, Messrs Garosci, Glante, Mrs Haug (for Mrs Read), Messrs Hendrick, Herman, Jarzembowski (for Mr Hoppenstedt), Kuckelkorn, Langen, Mrs Larive, Mrs Lulling, Messrs Miller, Murphy, Mrs Peijs, Messrs Peter (for Mr Ruffolo), Rapkay, Mrs Riis-Jørgensen, Mr Sindal, Mr Tappin (for Mr Moscovici), Mrs Thyssen, Mrs Torres Marques, Messrs Watson and Willockx.