GENERAL SECRETARIAT
OF THE COUNCIL

Brussels, 1 December 1998

-45-

SN 5210/6/98 REV 6

## REPORT ON THE STATE OF DISCUSSION IN THE ECOFIN COUNCIL

### Mandate

After examining the Commission's Agenda 2000 proposals, the ECOFIN Council at the informal meeting in Vienna agreed on a number of key questions relating to the future financial framework. Subsequently, the ECOFIN Council has discussed a number of detailed options and possible solutions on the basis of these key questions. Regarding the Commission's own resources report, the ECOFIN Council has undertaken a first examination.

### Volume of expenditure

It is generally acknowledged that the new financial framework should be based on the following fundamental principles:

- the need to ensure strict budgetary discipline at the EU level;
- the need to ensure that the Union has sufficient resources at its disposal in order to ensure the orderly development of its policies and cope effectively with the process of enlargement;

With this in mind, and in order to give a steer on the financial perspective within which the Union's policy reforms will take place, the ECOFIN Council has examined the future volume of expenditure. After the examination of the Commission's proposal, discussions, on the initiative of some Member States, have focused on the concept of real stabilisation of expenditure and how it relates to the drawing up the new financial perspective.