2003 budget: section III, Commission

2002/2004(BUD) - 30/07/2002

The Council reached an agreement on the draft general budget for 2003. The draft budget adopted for 2003 is based on the need to: - comply with the annual expenditure ceilings set by the financial perspective for 2000-2006; - leave, where possible, adequate margins below the ceilings for the various headings, except for headings 2 and 7; - provide adequate funding for the European Union's various priorities. The overall amounts of expenditure resulting from the Council's deliberations are as follows : - appropriations for commitments (c/a) : EUR 99,548 billion. - payment appropriations (p/a) : EUR 96,992 billion. On the basis of the above overall approach the Council adopted a draft budget for 2003 which provides for an overall increase of 0,9% in commitment appropriations and 1,4% in payment appropriations, as compared with the budget for 2002. As a result, total payment appropriations represent 1,01% of Community GNP. In establishing the draft budget, particular account was taken of the assessment of the possibilities for utilising the commitment appropriations. For payment appropriations, growth in the volume of appropriations was controlled by taking into account in particular the capacity for utilisation, the likely rate of payments under outstanding commitments and constraints upon national budgets. Account was also taken of the coming examination, due to take place in the autumn in accordance with the Interinstitutional Agreement, of a letter of amendment concerning agricultural expenditure and expenditure arising from fisheries agreements, in order to take account of the updated estimates of requirements. The salient features of the various headings concerning operational and administrative expenditure are as follows: a) in the case of agricultural expenditure (heading 1 of the financial perspective): - an across-the-board reduction of the appropriations requested in the PDB by an amount of EUR 275 million in all budget chapters of subheading 1a (market expenditure) where the sum of appropriations is greater than EUR 1,5 billion. If the appropriations entered in the 2003 budget are insufficient to cover common agricultural policy expenditure under heading 1a of the financial perspective, the Commission should submit an amending budget. - a decision not to approve appropriations for two actions for which there is no legal basis (other actions in the veterinary, animal welfare and public health fields; genetic resources); - acceptance of the Commission's PDB as regards appropriations for rural development (subheading 1b). b) for structural operations expenditure (heading 2 of the financial perspective): - acceptance of the PDB as regards commitment appropriations; - an across-the-board reduction of EUR 525 million in the payment appropriations requested in the PDB for the Structural Funds because of the significant under-utilisation in recent years. The Commission is invited by the Council to submit an amending budget if the payment appropriations are insufficient to cover paymentsto be made. - a decision not to include at this stage the amount of EUR 27 million in commitment appropriations for the programme to restructure the Spanish and Portuguese fishing fleets, while proposing a draft joint statement with the European Parliament and the Commission at the conciliation meeting. c) regarding expenditure on internal policies (heading 3 of the financial perspective): - acceptance of the amounts proposed for multiannual programmes under the codecision procedure and an adjustment of the amounts for some of them in the light of the Council's common position or the outcome of proceedings within the Council. - the reductions in appropriations for trans-European transport networks will not affect projects relating to frontier regions bordering the candidate countries; - limitation of the appropriations for some budget headings not based on multiannual programmes, particularly for BA headings, and for some agencies, when a very significant increase is proposed in the PDB; - a decision not to approve for 2003 two preparatory actions relating to non-Community areas (sport and cultural cooperation); - an increase in appropriations for special annual events, relating to the world Special Olympics 2003. d) regarding external action (heading 4 of the financial perspective): - a reduction in appropriations achieved by small decreases spread over a limited number of budget headings; - an increase in the appropriations in the PDB for East Timor and the CFSP; - agreement to retain the appropriations for the pre-accession strategy for Mediterranean countries under heading 4 of the financial perspective and enter them in the Title "Pre-accession strategy" (it should be noted that the following statement was made by the Greek delegation: The Greek delegation insists, as an issue of priority, on the

technical arrangement of classifying appropriations for Cyprus and Malta in the appropriate category 7 of the financial perspective (Pre-accession strategy), while it also underlines the political importance and neutral budgetary content of such a scheme. e) The administrative expenditure of the institutions was examined on the basis of the following principles: - observing the existing ceiling of heading 5 of the finacnial perspective and controlled growth of administrative expenditure excluding pensions, so as to leave an adequate margin within the ceiling for this heading in order to be able to meet any subsequent needs which may arise. The margin should in particular make it possible under this budgetary procedure to enter administrative appropriations for 2003 under Section VIII of the budget for the Data Protection Officer of the European Communities, since an amount of EUR 2,5 million has been earmarked for that purpose within the margin made available. The fixing of administrative budgets should be based on the following approach: - taking into account the pre-enlargement expenditure necessary for each of the institutions. In this context, the overall budget proposed for pre-enlargement allows new posts to be created or appropriations for auxiliary staff to be entered for all theinstitutions, with particular attention to language requirements; - spreading the costs of pre-enlargement. Institutions faced with high pre-enlargement costs have been granted a rate of increase above 3,5%; - postponing certain expenditure to the following year, in particular with regard to premises, computers and upgradings. The Council, the Economic and Social Committee and the Committee of the Regions have been asked to postpone certain expenditure on premises; - an abatement of 0,5% in the institutions operating expenditure resulting from enhanced efficiency as a result of interinstitutional cooperation; - curbing the institutions' operating expenditure by proposing an additional abatement of 0,5% on the requests submitted and by not creating new posts under current operating expenditure or making any conversions or upgradings which would have an impact on the budget in 2003. - acceptance of the amount proposed by the Commission in its preliminary draft budget with regard to pensions expenditure. f) regarding expenditure on pre-accession instruments (heading 7 of the financial perspective): - acceptance of the PDB for commitment appropriations; - a reduction of EUR 300 million in the payment appropriations requested in the PDB, to take account of under-utilisation in previous years. As regards the EDF, the following statement adopted by the Conference of Representatives of the Member States and annexed to the Final Act of the Treaty on European Union should be noted: The Conference agrees that the European Development Fund will continue to be financed by national contributions in accordance with the current provisions.