2004 Budget: section III, Commission

2003/2001(BUD) - 18/07/2003

The Council reached agreement on the draft general budget for 2004. The draft budget adopted for 2004 is based on the need to: - respect the IIA of 6 May 1999 as well as the budgetary guidelines for 2004 adopted on 7 March 2003; - comply with the annual expenditure ceilings set by the financial perspective for 2000-2006 and leave, where possible, adequate margins below the ceilings for the various headings, except for heading 2; - provide adequate funding for the European Union's various priorities. The overall amounts of expenditure for EU-15 resulting from the Council's deliberations are as follows : - appropriations for commitments (c/a) : EUR 100.066 billion. - payment appropriations (p/a) : EUR 95,034 billion. The 2004 budget is characterise by the following elements: a) in the case of agricultural expenditure (heading 1 of the financial perspective): - an across-the-board reduction in the appropriations requested in the PDB by an amount of EUR 160 million under budget headings of subheading 1a (market expenditure) where the sum of appropriations is greater than EUR 1 thousand million; this reduction is in line with the overall approach of controlled growth of appropriations for payments, in which it is proposed to include compulsory expenditure (subheading 1a) and non-compulsory expenditure (other headings); - 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 appropriations for commitments; - an across-the-board reduction of EUR 138 million in the appropriations for payments requested in the PDB under the budget headings concerning Community initiatives. Moreover, EUR 22 million in payment appropriations for the scrapping of vessels has not been accepted in view of the rejection of the corresponding commitment appropriations in amending budget No 1/2003; c) regarding expenditure on internal policies (heading 3 of the financial perspective): - acceptance of the amounts proposed for multiannual programmes under the codecision procedure for EU-15; with regard to the appropriations included in the PDB for co-decided programmes for EU-25, the amounts included in the annexed document are provisional, pending agreement on the new reference amounts following adaptation and revision of the financial perspective; - limitation of the appropriations for some budget headings not based on multiannual programmes; appropriations have also been reduced for subsidies for certain agencies, while taking account of the special situation of agencies that are new or starting up; - not to approve for 2004 two new preparatory actions relating to chemicals and security of supply of conventional energies, and partial acceptance of the new preparatory action for European security research; - an increase in appropriations for the ARGO programme to take account of the European Council conclusions of 19/20 June 2003and for the Prince (the European Union's role in the world) and forest protection programmes; d) regarding external action (heading 4 of the financial perspective): - a reduction in appropriations achieved by small decreases over a limited number of non-geographical budget headings ; - a slight reduction in the appropriations for geographical headings other than those relating to the Balkans for which the amount entered in the preliminary draft budget has been accepted; - acceptance of the amount in the preliminary draft budget for the CFSP budget accompanied by two transfers of appropriations, one from the CFSP budget to the transitional civil administrations for the stability pact and the other from the Council budget to the CFSP budget for the special representatives, the final amount proposed for the CFSP budget therefore being EUR 52,6 million. e) regarding the administrative expenditure of the institutions (heading 5 of the financial perspective): - to take into account the impact of the reform of the Staff Regulations resulting from the political agreement reached on 19 May 2003; - to accept exceptional expenditure presented by the institutions such as the move to the Berlaymont or the replacement of members of the Commission and members of the Court of Justice; - not to accept the creation of new posts and upgradings under current operations, other than in exceptional cases; - to accept most of the new posts requested for enlargement, including all the posts under language needs; f) regarding expenditure on pre-accession instruments (heading 7 of the financial perspective): - acceptance of the PDB for appropriations for commitments; - a decrease of EUR 100 million in the

appropriations for payments requested in the PDB; g) regarding revenue: - acceptance of the PDB, subject to the technical adjustments arising from the changes made to expenditure and the staff complement in the draft budget.