2003 budget: section III, Commission

2002/2004(BUD) - 05/03/2002

The Council reiterates its view that the Community budget must suitably cover all real needs and the resources required to implement the various policies of the Union effectively. It emphasises that this includes applying the same degree of budgetary restraint as exercised by Member States of the Union. In this context, compliance with the financial perspective remains a key objective. Community expenditure must stay within the limits fixed by the financial perpsective and sufficient margins must be maintained under the ceilings of the various headings, except under heading 2, notably to cater for unforeseen circumstances. The Council reaffirms the value of financial programming, in particular for headings 3 and 4 of the financial perpsective. It points to the importance of the budgetary authority having, in good time for its budgetary procedure discussions, sufficient financial information on legislative proposals. The Council stresses once again the importance of keeping a tight grip on payment appropriations for 2003. The Council regrets the shortcomings in budgetary implementation for 2000 which resulted in the figure for that year greatly overshooting that of the previous years. The Council points to the need to keep the level of outstanding commitments under control. It welcomes the agreement reached in November 2001 between the two arms of the budgetary authority and the Commission aimed at eliminating abnormal outstanding commitments in the medium term. In this context, the Council stresses the fact that the reduction of abnormal outstanding commitments can be achieved not only by an increase of appropriations for payments but also by a significant resource to decommitments. In this agreement, the Commission made a commitment to submit, with the preliminary draft budget for 2003, an action plan that foresees examining all the potentially abnormal files. The Council invites the Commission to undertake this task without delay. It intends to pay close attention to the monitoring of the action plan. As regards certain specific headings of the financial perspective, the Council identifies the following elements as crucial in preparing the 2003 budget: - at the beginning of the second half of 2002, the Council expects from the Commission a mid-term review of the CAP reform implemented in the framework of Agenda 2000, which it must take into account in the autumn letter of amendment if necessary; - given the discussions on 18 February 2002, the Council states its intention of staying within the reference amounts for multiannual programmes and the ceiling under heading 4. In determining budget allocations, accounts must also be taken of the Community's development policy, of information on other contributors and on the capacity of the partner countries to absorb funds, and of the annual priorities which the Council has set itself; - it advocates that the support for Afghanistan and neighbouring countries under the 2002 budget be continued in an appropriate way in 2003, in accordance with the financial framework laid down by the financial perspective; - following the cuts to CFSP budgetary allocations in the last two years, it stresses the importance of funding measures under the CFSP and would like to see the budgetary allocation for 2003 geared towards potential needs. - the Council highlights the importance of measures relating to the conclusions of the most recent European Councils, especially those drawn at the Lisbon European Council. - before any proposal for a new programme or a new budget heading is submitted to the budgetary authority, there must, in accordance the Interinstitutional Agreement, be a report on the pilot projects and preparatory measures, containing inter alia an evaluation of the results. - given the information currently available in the report of the Secretaries-General which was forwarded to the budgetaryauthority at the last budget Council, in November 2001, the Council believes that particular heed must be paid to the worrying situation of heading 5 of the financial perspective in 2003 and to its evolution in the coming years; - in particular, it expects the search for potential savings to continue so that the ceiling under heading 5 is not overstepped and calls on all institutions to work to this end and to submit forecasts for 2003 showing a growth rate compatible with the adjustment rate agreed for the financial perspective and the forecast increase in pensions. Moreover, it believes that better multiannual programming of their property expenditure by the institutions is one way of keeping administrative under the ceiling for heading 5; - the Council is actively pursuing its work with a view to preparing the

enlargement of the European Union to include the candidate countries and emphasises the need for precise evaluation of future budgetary implications. The Council wishes these guidelines to be taken into account in the budget procedure, particularly in the preparation of the preliminary draft budget for 2003.