2001 Budget: section III

1999/2190(BUD) - 24/11/2000

The Council carried out the second reading of the draft budget for the financial year 2001, by taking decisions on all the proposed modifications and the amendments adopted by the European Parliament at the first reading. The Council also established (taking account of the agreement with the European Parliament for adoption on one reading) Letter of Amendment No 2 to its draft budget for the same financial year. The overall expenditure following the Council's second reading (including Letter of Amendment No 2) is as follows: - Appropriations for commitment (c/a) 95 803 - Appropriations for payment (p/a) 91 710. Compared to the 2000 budget, these figures represent an increase of 2,7% in appropriations for commitment and of 2,5% in appropriations for payment. Total payment appropriations represent 1,06% of Community GNP. The amount of the available surplus is EUR 900 million. As regards the Council's second reading (including Letter of Amendment No 2), the main changes in relation to its first reading in July and to the Parliament's first reading in October are as follows: 1) On heading 1 (agriculture), the Council's second reading provides for the overall acceptance of the proposal in Letter of Amendment No 2 for sub-heading 1a (CAP), which represents a saving of EUR 472,5 million in commitment appropriations compared with the draft budget (first reading by the Council), including a sum of EUR 60 million to finance the extension of rapid tests for bovine spongiform encephalitis (BSE). As regards the latter, if additional needs appear during 2001, the Council and the Parliament have announced that they are in favour of implementing all the provisions enabling corresponding additional financing to be made available. On rural development expenditure (heading 1b), the Council accepted the Parliament's amendments reinstating the amounts proposed in the PDB; 2) On heading 2 (structural operations), the Council also confirmed the amounts approved for payment appropriations at first reading, with the exception of those concerning Community initiative programmes (CIP). In accordance with the agreement reached during conciliation, the Council decided on a reduction of EUR 700 million for payment appropriations for the CIP; 3) On heading 3 (internal policies), the Council accepted a number of European Parliament amendments, including a set of preparatory measures and pilot projects, and maintained the Council's draft budget for the other headings, with the exception of those concerning the Multiannual Programme in favour of Enterprise and Entrepreneurship, for which it agreed a total of EUR 100 million in commitment appropriations for 2001, in the context of an indicative multiannual allocation of EUR 450 million for this programme; 4) For heading 4 (external action), the Council approved, for the first time at second reading, an increase in the overall allocation for the Balkans, making possible an allocation of EUR 200 million for aid to Serbia. Since this first instalment was entered under the overall amount set aside for the Balkans under the CARDS programme, and EUR 230 million for Kosovo, areduction in the instalment for 2001 was made possible following the EUR 175 million transfer to Kosovo at the end of 2000; it also agreed to preparatory measures and maintained the draft budget established by the Council for the other items. It also accepted Letter of Amendment No 2 regarding international fisheries agreements. The Council also gave its agreement to the principle of the mobilisation of the flexibility instrument for up to EUR 200 million in commitment appropriations for Serbia, allowing for the inclusion at second reading by the European Parliament of a total of EUR 839 million for the Balkans; 5) On heading 5 (administrative expenditure), the Council accepted the European Parliament's amendments for the Court of Auditors, the ESC, the Committee of the Regions and the European Ombudsman (see BUD/1999/2191 for further details in this regard); 6) On heading 7 (pre-accession aid), the Council confirmed the results of its first reading.