

2003 budget: interinstitutional conciliation procedure

2002/2027(BUD) - 19/06/2002

The committee adopted the report by Göran FÄRM (PES, S) restating its priorities for negotiations with the Council on the 2003 budget before the Council's first reading. The committee pointed out once again that an adjustment to the financial perspective was needed to reflect the needs of a Community with ten additional countries, and said that the margin of EUR 4.7 billion in the preliminary draft budget (PDB) below the overall ceiling for payment appropriations would not be sufficient to resolve the problem of outstanding commitments or help the implementation of Community policies, in particular under heading 4 (external action). The report said that the revision of the CAP must result in a fair and sustainable agricultural policy for both Member States and candidate countries and urged the Commission to submit a proposal to shift the balance of agricultural funding by increasing funding for rural development and cutting direct payments, with the necessary adjustments to heading 1 (agriculture). The committee also pointed out that adequate funds were needed to counter new outbreaks of animal disease and that the reduction of 90% in funding for veterinary measures was contrary to Parliament's guidelines. On fisheries, the committee wished to obtain rapid and substantial information on the reform of the fisheries sector so that, during the conciliation, the impact of this reform on the 2003 budget could be evaluated, including its consequences for international fisheries agreements. As regards funding for the CFSP, the committee asked the Commission to provide further information and evaluation regarding the pledges made to Afghanistan in order to decide on future funding for the Balkans. MEPs were concerned to ensure that new policies under heading 4 did not erode the EU's traditional priorities. Noting that the level of administrative expenditure (heading 5) was up by 5.2% compared with the 2002 budget, thus exceeding the ceiling of heading 5 in 2003 by EUR 66 million, the committee wanted a solution to be found to this problem other than that of using the flexibility instrument. A more detailed evaluation should be made of all the institutions' administrative expenditure, with a view to 'frontloading' 2003 expenditure within the limits of heading 5, thereby relieving pressure on the 2003 budget as a whole. The Council was urged to show moderation on administrative expenditure, in view of Parliament's efforts to restrict itself voluntarily to one fifth of heading 5. The committee also highlighted Parliament's priorities as set out in the 2003 budget guidelines: a common asylum and immigration policy, stronger external border controls, economic development, SMEs (mainly craft industries and micro-enterprises) and the e-learning initiative. Lastly it called for more information and communication campaigns aimed at the general public and businesses, as part of preparations for enlargement and the general debate on the future of the Union.