2003 budget: other sections

2002/2005(BUD) - 10/12/2002

The committee adopted the report by Göran FÄRM (PES, S) on the EU's draft general budget for 2003 as modified by the Council and Letters of Amendment Nos. 2 and 3. Emphasising Parliament's desire to preserve strict budgetary discipline, it pointed out that the overall figure for payment appropriations had been kept as low as possible, and below inflation (a growth rate of 1.9% on the 2002 budget) in order to meet the operational requirements of the various policies, in particular under Heading 4. The committee also voiced concern at the perennial problem of outstanding commitments, and urged the Commission to continue its efforts to reduce the backlog and to improve the programming according to quarterly implementation and reporting plans agreed by the three institutions during the budgetary conciliation. On agricultural expenditure the committee's proposed figure for subheading 1a (market expenditure) was EUR 40.08bn while the amount for subheading 1b (rural development) was EUR 4.7bn (thus leaving a margin of EUR 2.6 bn for Heading 1). It welcomed the fact that funding for genetic resources was to be transferred to Heading 3, as previously demanded by Parliament, and that a separate budget line was to be created for refunds for the export of live cattle. However, it regretted that the figures for the new budget line for the export of live animals had not been reduced as requested by Parliament. On Heading 2 (structural operations) it called on the Commission to submit an assessment of the payments situation, particularly regarding the Structural Funds, in July 2003. It also welcomed the agreement reached on financing the outstanding commitments of EUR 27m for converting the Spanish and Portuguese fishing fleets through a transfer of EUR 15m of funds not spent under the 2002 budget, with the remainder being provided through the flexibility instrument. In Heading 3 (internal policies) the committee proposed EUR 6.795bn in commitments (leaving a margin of EUR 199m under the ceiling for Heading 3) and EUR 6.204 bn in payments. It welcomed the fact that, during conciliation, the Council approved Parliament's proposals on pilot projects and preparatory actions. As regards Heading 4 (external action) the committee proposed EUR 4.955bn in commitments and EUR 4.853bn in payments. In line with the budgetary conciliation agreement of November 2002, a figure of EUR 42m was proposed for the Global Health Fund. This amount, together with an additional contribution via the EDF, should enable the EU to keep a seat on the Board of the Fund. It also said that, if the additional EDF contribution proved insufficient, the contribution from the Community budget could be increased instead. In order to fund the reconstruction of Afghanistan without reducing the funding available for traditional EU priorities, the committee wanted to bring forward the implementation of EU humanitarian aid to the Horn of Africa by using funds from the 2002 budget, thereby creating "the necessary space" for Afghanistan in the 2003 budget. It welcomed the joint declaration of 25 November 2002, which improved the procedure for providing prior information to Parliament as part of the CFSP decision-making process. Lastly, it also welcomed the Council decision to freeze funds earmarked for KEDO until assurances had been given by North Korea as to its compliance with the nuclear non-proliferation regime. For Heading 5 (administrative expenditure) the committee welcomed the result of the frontloading operation which allowed the financing of the institutions' needs for preparing enlargement through savings and anticipated appropriations in 2002, thereby avoiding the need to use the flexibility instrument. As regards Heading 7 (pre-accession aid) the committee regretted the reduction in payment appropriations and called on the Commission to improve cooperation with the candidate countries. It stressed that the reduction in payments in the 2003 budget must not lead to a worsening in the new Member States' position as net recipients after 2004. Lastly, the committee called on the Parliament's Conference of Presidents to examine carefully all the financial implications before taking its political decisions and to consult the Budgets Committee if any proposed measures involve exceeding the level of funding laid down under the relevant budget line.