2004 budget: others sections

2003/2002(BUD) - 13/06/2003 - Commission preliminary draft budget

PURPOSE : to present the preliminary draft budget of the European Communities for the financial year 2004. CONTENT : the 2004 budget differs from the previous budgets in that it is divided into two. After 1 May 2004 the EU budget will contain appropriations for 25 Member States. For the first time, the date of enlargement falls not on the 1st January but on the 1st May. The preliminary draft therefore contains estimates for the EU-15 and the EU-25. The date of 1 May 2004 imposes some constraints on the budget procedure for 2004 : on 1 January 2004, a budget for 15 Member States (EU-15) will enter into force; this budget will then be amended in early 2004 through an amending budget, entering into force on 1 May 2004 and integrating the enlargement-related expenditure, so as to allow full operation of the enlarged Union (EU-25) from day one. The budget for the EU-15 will take effect at the start of 2004 with an amount of EUR 95.561 in payments and EUR 100.374 in commitments. The increase for enlargement will follow on the date of accession, 1 May. Under the Commission's proposal the budget for EU-25 will reach a volume of expenditure of EUR 100.650 billion in payments and more than EUR 112.214 billion in commitments. However, the EU's expenditure quota will drop to less than 1% of the Gross National Income of the Union. This shows the firm foundation for the financing of enlargement which reconciles ambitious expenditure programmes for the enlarged Union and budget discipline. For both political and practical reasons, this amending budget (affecting most budget lines) should be adopted by a simplified procedure, so as to avoid a complete re-examination of the whole budget. The political discussions on EU-25 figures should therefore be held in parallel to those on EU-15 figures. The Preliminary Draft Budget 2004 thus shows both series of figures, enabling the budgetary authority to discuss and agree on figures for EU-25, whilst actually adopting the budget for EU-15. The 2004 budget is also special in another respect - for the first time it has been drawn up under the new activity-based structure. Concerning the estimated administrative expenditure of the institutions of the European Union (heading 5), this comes to EUR 6.11 billion for the Commission, EUR 752 million or 14% higher than in 2003. This corresponds for the Commission to an increase of 9.8% (EUR 271 million). The increase covers expenditure on the new Commissioners, additional posts for the publication of legislation in the 9 new official languages and various items of administrative expenditure which will rise as a result of enlargement. Savings of EUR 20 million will be made if the new Staff Regulations can take effect on 1.1.2004. With the introduction of activity-based budgeting, most administrative expenditure is now included in the relevant policy area giving thus an estimate of the total cost of the policies implemented by the Commission. It should also be noted that Some specific administrative expenditure, such as the European Schools, representation offices or publications will appear only in specific policy areas. As a general rule, all administrative expenditure of Heading 5 is located in the chapter 01 of the policy areas. The administrative expenditure of the Commission is expected toincrease much less than the other Institutions', for which the forecast rate is more than double (+ 22%) the difference with the 2003 budget reaching EUR 420 million. The main part of this is of course related to the enlargement, in particular for the European Parliament and the Council.