Supplementary and amending budget 2/2000

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PURPOSE: Presentation of a draft supplementary and amending budget 2/2000 concerning sections I (European Parliament) and II (Council) of the EC budget. CONTENT: The Commission proposes a draft supplementary and amending budget 2/2000 concerning sections I (European Parliament) and II (Council) of the budget. - As regards the European Parliament, the Commission outlines its justification for strengthening budget item 206 of the European Parliament's budget. The European Parliament's policy in relation to buildings has consisted, for a number of years, of acquiring the buildings that it occupies in three locations (Luxembourg, Strasbourg and Brussels) as well as the financing of these buildings for the shortest periods possible so as to reduce property charge in its budget. Since 1993, the European Parliament has made advance payments without penalties so as to speed up the repayment of its buildings, made possible by two supplementary and amending budgets (1996 and 1998) and by savings by the European Parliament in its own budget. Between 1993 and the end of January 2000, the total amount of advance payments was in the region of EUR 686 million, with the following results: 1.For the European taxpayer, the cost of financing the European Parliament was reduced (own resources); 2. For Category 5 'Administrative Expenditure' of financial perspectives, the annual budgetary requirements of the European Parliament are limited (otherwise, it would be necessary to increase the annual budget of the European Parliament by EUR 85 million); 3. As regards the EU's budget, these advance payments have allowed the European Parliament some flexibility in managing the cost of the statute for MEPs (see INI/1998/2165), maintaining its part of the budget under administrative expenditure at around 20%. On many occassions, the European Parliament has found itself in a difficult situation relative to the other institutions in the sense of being constrained in conducting its business in three different locations (or a budgetary increase of 12% for the European Parliament annually). Moreover, its membership is likely to increase in the future due to enlargement, with important budgetary consequences for this institution, particularly in relation to the acquisition of buildings (the necessity of anticipating the needs and space for an increased number of MEPs). Under these conditions, the Commission is proposing to continue its policy of financing the buildings of the European Parliament in its three working locations, as soon as the necessary conditions are brought together. An advance payment of EUR 15 million, in current value, leading to a saving in interest of 2.2 million EURO over 10 years. Since the budget of the European Parliament for 2000 does not contain a provision to respond to these needs, it is proposed to reinforce the credit line of budget 2000 by 15 million EURO (credit line 206 of the budget) to finance the buildings of the European Parliament. - As regards the Council, the Commitee of the Permanent Representatives adopted a provisionel list of income and expenditure in view of the supplementary and amending budget for the financial year 2000 so as to provide for the needs ofthis institution in the aftermath of the Helsinki Summit (December 1999), relating to the strengthening of the EU's common security and defence policy in particular. In sum, the conclusions of the Summit forsee, while anticipating the putting in place of definitive structures, the establishment of intermediary structures from March 2000 (for example, the strengthening of the General Secretariat of the Council through national military experts). The objective of this supplementary and amending budget is precisely to take account of the financial consequences of these changes which include the following: 45 military experts and additional buildings (location of building near the Juste Lipse building, various improvements and computer equipment). To this end, the supplementary and amending budget of the Council is in the region of EUR 6,635 million.