Amending and supplementary budget 4/2002

2002/2204(BUD) - 24/07/2002 - Commission preliminary draft budget

PURPOSE : to present the preliminary draft supplementary and amending budget No 4 to the budget for 2002. CONTENT : this Preliminary Draft Supplementary and Amending Budget (PDSAB) No 4/2002 contains the following elements in section III - Commission: - the mobilisation of the remaining margin under the ceiling of the financial perspective heading 4, in favour of the aid to Afghanistan; - the modification of the remarks of a budget line dedicated to the internal market, in order to fund actions in the field of customs. Following the events of September 11 th, and the subsequent developments, the European Union has committed itself to actively participate to the financial efforts in favour of Afghanistan and the neighbouring region. It has played a major role, hosting the Bonn Conference, which provided the blue print for Afghanistan's future, and has declared its clear support for the long term reconstruction effort. The Budgetary Authority already decided during the conciliation meeting at the Budget Council of 21 November 2002 to "leave a margin of EUR 70 million in Heading 4 to cover further needs in this area in 2002 (and) await more accurate estimates of these needs from the Commission". The Budgetary Authority has conditioned the use of this margin to the fulfilment of specific requirements, whose respect must be confirmed by the Commission. In particular, the Commission should demonstrate that appropriations already entered under the budget lines for Asia and for humanitarian aid are spent properly, whilst evaluating support given by other donors with respect to their commitments made in Tokyo (January 2002). Moreover, the Commission should ensure that the new appropriations could be spent in an efficient way to help the Afghan people. The Commission considers that the conditions stated above are met, and therefore presents this Preliminary Draft Supplementary and Amending budget. All the elements and justifications are included in the present proposal. Preparation on a number of foreseen components is already under way and it is expected that, out of the total EUR 70M contracts worth EUR 50M will be concluded before the end of 2002. The indicative breakdown proposed for the EUR 70M shall reinforce line B7-300, Financial and technical cooperation with Asian developing countries. An indicative breakdown proposed for the EUR 70 million accompanies the PDSAB: - human and Social Capital (the health sector and social protection) (EUR 19 million); - good Governance and Institutional Reform (support to public administration and public administrative reform) (EUR 37 million); - physical Reconstruction (support to economic infrastructure - electricity and water in Kabul and other urban infrastructures) (EUR 11 million); - pilot initiatives and studies (EUR 3 million). The budget authority approved the request on 22 July for an amount of EUR 25M. This brings the total EC funding for 2002 (including this PDSAB) up to EUR 250 million.