

Amending budget 3/2003: section III Commission

2003/2031(BUD) - 26/02/2003 - Commission preliminary draft budget

PURPOSE : to present the preliminary draft amending budget No 1 to the budget for 2003. **CONTENT :** the present Preliminary Draft Amending Budget No 1 for the year 2003 covers three elements: 1) the provision of supplementary appropriations for the scrapping of fishing vessels, under Heading 2 of the Financial Perspective, in the framework of the reform of the Common Fisheries Policy (CFP); 2) the creation of a new budget line of and under Heading 3 of the Financial Perspective, with a token entry of (p. m) for the actions of information and communication related to the role of the European Union in the world; 3) the modification of the title and remarks of the post A-3014 so as to align it with comparable actions under budget lines in the same chapter and to facilitate its implementation. Concerning the first element, on 28 May 2002 the Commission proposed a major review of the CFP aiming at a fishing fleet whose capacity is in line with available resources. These proposals included an emergency Community measure designed to provide additional incentives for scrapping fishing vessels in order to urgently address over-capacity in fisheries. The reform of the CFP was adopted in the Agriculture and Fisheries Council meeting of 16-20 December 2002. A major part of the emergency measure will be financed through re-programming the Structural Funds for the years 2004-2006, but extra funding is needed in 2003 in order to initiate the reform. The additional funding needed for 2003 is EUR 32 million in commitment appropriations and EUR 10 million in payment appropriations. As the measure concerned by this proposal is eligible under the Financial Instrument for Fisheries Guidance (FIFG) and anticipates a major re-shuffle of the FIFG programme, it has to be financed under Heading 2 of the Financial Perspective. There is no margin left under the ceiling of Heading 2 in the 2003 budget and no possibility to reallocate appropriations. Thus, the Commission is referring to its proposal to use the flexibility instrument, as foreseen in point 24 of the Interinstitutional Agreement, to allow financing the measure under budget line B2-201 "Supplementary Community Measure for Scrapping Fishing Vessels". This line was created in the budget 2003, in the chapter "other specific structural operations", with a token entry (p. m). The additional payment appropriations of EUR 10 million can be financed by an increase of surplus available from the financial year 2002, deriving from the under-implementation of expenditure, in particular in the field of structural funds. The call for own resources remains unchanged. As for the second element, it is based on the Commission's communication on the "information and Communication Strategy of the European Union" of 2 July 2002, which proposal the "role of the European Union in the world" as a priority theme for the coming years. The Inter-Institutional Working Group on the Information Policy approved this approach in its meeting of 24 September 2002. However no budgetary translation of this was achieved during the procedure leading to the adoption of the budget 2003. Lastly, the third element, under Heading 5 of the Financial Perspective, relates to a line of chapter A-30 (subsidies) whose beneficiary is not clearly indicated in the title, contrary to similar actions in the same chapter.