Amending budget 7/2003: section III Commission, anticipating locative expenditures

2003/2234(BUD) - 18/11/2003 - Commission preliminary draft budget

PURPOSE : to present the preliminary draft amending budget 8/2003 - General statement of revenue - Section III (Commission). CONTENT : the PDB 2004 has been prepared on the basis of a 2% increase in salaries and pensions in 2004 compared to 2003. In the meantime, two events, which are for the moment discussed in the Council, will have a considerable impact on the budgetary needs for salaries and remunerations in 2004: 1) an important difference with the French government's statistics on the evolution of the basic pay for the French civil servants has been assessed by Eurostat. Consequently, the Commission has adopted on October 6, 2003 a proposal for a Council decision to correct this difference by increasing the remunerations by 1% as from July 2002. This decision should have an impact of EUR 32,7 million on the budget 2004 for all Institutions; 2) the final calculation of the salary adjustment for January 2004 shows an increase for the salary adjustment of 3,4%. This is 1,4% higher than the PDB 2004 estimate. The proposal of the Commission is based on this new information. The amount needed to cover this increase is EUR 44,2 million on the budget 2004 for all Institutions. The margin under the ceiling of Heading 5 after the first reading of Draft Budget 2004 by the Parliament (EUR 86,8 million) can be used to cover these needs, thus reducing the margin to around EUR 10 million. However, the Commission believes that a higher margin in 2004 would be advisable in order to cover, if necessary, unexpected needs related to enlargement. For this reason, the Commission proposes to transfer the margin left in Budget 2003 to Budget 2004 through a frontloading approach similar to the one used in building Budget 2003. The PDAB would transfer the 2003 margin to the budget of the Commission on the budget line financing the rent and ground rent. The Commission would pay the rent and ground rent of the first months of 2004 (which have to be paid before January 1, 2004) on budget 2003 instead of budget 2004. The appropriations for the rent and ground rent in budget 2004 could be reduced in the second reading by the amount frontloaded, increasing the margin of 2004 by the amount of the margin of 2003 (EUR 21,9 million). The Parliament could then adjust the amount of the remuneration and the pensions for 2004 in its second reading, leaving a margin between EUR 25 million and EUR 30 million in heading 5 in order to cope with unforeseen requirements which might arise in 2004, a decisive year for enlargement.