Amending budget 7/2004: section III Commission, balance of budget 2003

2004/2039(BUD) - 12/05/2004 - Commission preliminary draft budget

PURPOSE : to present the Preliminary Draft Amending Budget 7/2004. CONTENT : the present Preliminary Draft Amending Budget (PDAB) aims at budgeting the surplus resulting from the implementation of the budget year 2003. As provided for in the Financial Regulation applicable to the general budget of the European Communities, under Article 15, it is the only subject of this PDAB and it is submitted within 15 days following the submission of the provisional accounts, which took place on 1 May 2004. The final closing of budget accounts for 2003 reveals a net surplus of EUR 5.47 billion. This will be entered as revenue in 2004. The budgeting of the surplus from 2003 will reduce the financing needs from the Member States to the EU budget in 2004. This figure results from revenues higher than forecast (+ EUR 0.85 billion), less money taken up on the expenditure side (+ EUR 4.73 billion) and a negative balance of monetary exchange rate (- EUR 0.11 billion). As regards expenditure, the uptake of funds available in the budget was higher compared to 2002, and was very good for agriculture, the cohesion fund, trans-european networks, external actions and administration. The percentage uptake has also risen in internal policies in general, and pre-accession aid, where nevertheless EUR 0.39 billion and EUR 0.43 billion were left over. The highest difference between result and initial budget in 2003 occurred in the Structural Funds, where amounts budgeted are based on forecasts submitted by the Member States. Despite an amount of EUR 5 billion having been returned already in autumn 2003 some EUR 3.1 billion have not been disbursed, mainly related to the previous programming period. Lower than expected payments in one year generally shift payment needs to another year, except for agriculture (EUR 0.44 billion), where unspent money is real saving because needs were lower. For agriculture one has to bear in mind that 2003 was special because of the advance payments due to the drought. By way of comparison, the surplus for 2002 was EUR 7.4 billion, for 2001 was EUR 15 billion, and for 2000 was EUR 11.6 billion. The 2003 surplus represents savings for all 25 Member States, as it will mean a substantial reduction in their contributions to this year's budget. The contribution by Member State will be recalculated in a separate Amending Budget, to be presented by the Commission at the end of May. The effect by Member State of the global decrease by the surplus will be adjusted to take into account the update of the revenue forecast, including the updated amount of the UK correction and the inclusion of a surplus from the guarantee fund for lending activities.