2000 budget : section III

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PURPOSE: presentation of the preliminary draft budget of the European Communities for the financial year 2000 (Commission). CONTENT: The preliminary draft budget for 2000 covers the first year of the new financial perspectives (2000-2006). The Commission has had to take into account the Agenda 2000 priorities and the need to conduct a tight budgetary policy. Pending the conclusion of a new Interinstituional Agreement, it has decided to restrict its proposals to the limits agreed at the Berlin European Council. It will be for the new Commission to propose a letter of amendment, either to modify the guidelines of the preliminary draft or to take account of the conclusion of the new Interinstitutional Agreement. Compared with the 1999 budget, the Commission's proposals represent a 4.4% reduction in commitments, while the increase in appropriations for payments has been confined to 4.7%, which is needed to cover the large volume of outstanding commitments which has built up for the Structural Funds, research and external action. Revenues represent 1.11% of the GNP of the 15 Member States - still around 1,800 EUR beneath the ceiling for payment appropriations agreed in Berlin for 2000. Total expenditures in the preliminary draft budget now total 92,706 million euros in commitment appropriations, while payment appropriations amount to 89,585 million euros. As regards agricultural expenditure, budgetary discipline has been tightened and the preliminary draft budget proposals comply with the sub-ceilings for the heading which now covers rural development as well as the traditional market measures. Expenditure under this heading amounts to 40,901 million euros. As 2000 is the first year of a new programming period, the commitment appropriations for structural operations are down on the exceptionally large amounts in 1999, whereas payment appropriations continue to increase in order to clear past commitments. The allocation for the Structural Funds in 2000 is 30,019 million euros (excluding the Cohesion Fund) of which 27,954 million euros will be earmarked for the priority objectives (Objectives 1, 2 and 3). The breakdown between Community initiatives is only indicative. It will be reviewed in a letter of amendment in the light of subsequent decisions by the Commission (in particular on setting up the URBAN initiative). Resources for internal policies have been concentrated on a number of top priorities in view of their multiplier effect on growth and employment and on the development and dissemination of new technologies. Expenditure under this heading amounts to 5,937 million EUR in commitment appropriations and 5,626 million in payment appropriations. The preliminary draft budget also allows for the budgetary implications of the ratification of the Amsterdam Treaty, in particular, in the field of justice and home affairs. It is planned at present to roll over the 1999 allocation for existing programmes and for the reception of refugees; the EUR 15 million allocation for the latter measure could be increased by the lmetter of amendment in the light of the development of requirements linked to events in Kosovo. 5.65 million euros will also be available under this heading for measures to combat fraud andsupport expenditure. On the external action stage, the pre-accession strategy is in the limelight, with the creation of two specific instruments for agriculture and infrastructure and the beefing up of the Phare programme. An allocation of EUR 529 million is earmarked for the pre-accession instrument for agriculture (SAPARD) in 2000. Commitment appropriations amounting to EUR 1,058 million are proposed for ISPA the structural preaccession instrument (similar to the Cohesion Fund). Proposed commitments for the development of the preaccession strategy for associated countries (Phare) come to EUR 1,580 million for 2000. Under the external action heading, proposed funding for humanitarian aid is at EUR 473 million. There is proposed funding for technical, financial and economic cooperation measures with Latin American countries (EUR 317.5 million) and Asian countries (EUR 447.5 million) and Mediterranean third countries (EUR 1,146 million). EUR 280 million are allocated to cooperation with Balkan countries, EUR 510 million for cooperation with the New Independent States and Mongolia. The Commission considers that this preliminary draft strikes a fair balance between the desire for tight budgeting shown by the budgetary authority, the need to consolidate the Union's achievements, and preparation of the forthcoming enlargement.