2002 budget: section III, Commission

2000/2324(BUD) - 25/10/2001 - Budgetary text adopted by Parliament

In adopting the report by Mr Carlos COSTA NEVES (EPP-ED, P), the European Parliament approves the first reading of the 2002 general budget of the European Union as well as the Letter of Amendment 1 /2002. The total amounts approved by the Parliament are EUR 99,634 billion in commitment appropriations (CA) and EUR 98,737 billion in payment appropriations (PA). The Council, at its first reading, adopted figures of EUR 99,009 billion in CA and EUR 95,598 billion in PA. The Commission, in its preliminary draft budget, has prioposed EUR 100,364bn in CA and EUR 97,806bn in PA. The main headings of the budget are presented as follows (in CA): - Agriculture (Heading 1): Following amendments adopted at plenary, a total amount of EUR 45,39bn of which EUR 40.795bn are earmarked for market expenditure (heading 1a) and EUR 4,595bn for rural development (heading 1b). However, Parliament and Council will have to consider the Letter of Amendment to be presented very shortly by the Commission, in order to reach agreement on the requirements of the BSE and Foot and Mouth disease crisis before second reading on the figures to be entered under Heading 1a. The Parliament rejects the Council's across-the-board cuts and restores the PDB against most lines in heading 1a. It also rejects the reductions in the school milk programme; - Structural actions (Heading 2): The European Parliament follows the recommendations by the Budgets Committee and calls for an increase in payment appropriations compared with Council's first reading; - Internal Policies (Heading 3): By the amendments adopted, the Parliament provides EUR 6,554 billion in CA and EUR 6,158 billion in PA for this expenditure category. It wishes to see new appropriate measures developed in response to the terrorist attack on the United States on 11 September 2001, especially in the field of justice and home affairs. In addition, it emphasises its readiness to find necessary financial means within the possibilities. Moreover, the Parliament also recalls that the fight against poverty and social exclusion is a fundamental element of the Lisbon strategy towards more and better jobs and more social cohesion within the Union. It invites the Council - in accordance with the mandate given by the European Council meeting in Stockholm - to improve monitoring of action in this field by agreeing indicators for combating social exclusion; - External Actions (Heading 4): As in previous years, this category is suffering most from a shortage of funds. This is resulting in severe pressure on the ceiling laid down in the Financial perspective. In these two last years, the flexibility instrument has had to be used. It is proposed that EU 4,872bn in CA and EUR 4,779 billion in PA against EUR 4,773bn in PA and EUR 4,167bn in CA as requested by the Council). It underlines that following the attacks agains tthe World Trade Centre and the Pentagon, the European Union should re-examine its approach in the field of external actions. It calls on the Commission to submit to the Parliament, at the latest before the second reading of theCouncil, a report which outlines the Commission's conclusions, including the budgetary consequences. Wih regard to humanitarian aid to cope with the refugee catastrophe in Afghanistan and diversifying the Communities development co-opertion , the Parliament believes that it is necessary to ensure that the Union is a credible actor in conflict prevention andaction against terrorism. It is also necessary to include support for regions bordering Afghanistan; - Administrative Expenditure (Heading 5): proposing an amount of EUR 5,175 billion, the European Parliament provides appropriations almost identical to the ceiling for this expenditure category in the Financial Perspective (5,179). With regard to the Commission, it reaffirms its clear political support for the reform of the Commission and recalls the challenge that it represents for citizens' faith in the European institutions. It is concerned about the delays which have occurred in some aspects of the reform, in particular the staff package and considers that by providing additional posts to the Commission, the budgetary authority shall give the reform legitimacy. It has therefore adopted a prudent approach. It points out that continuing the process of devolving Commission staff to the external delegations is a political priority of Parliament. It should be added that the Parliament has reduced the administrative expenditure of the programmes (B...A lines) by 10% and increased by the equivalent amount the corresponding operational headings; - Pre-accession (Heading 7): Here also, the Parliament has followed the committee responsible which provides for an increase in PA (EUR 2,901) billion : against EUR 2,541 billion in CA proposed by the Council. It reaffirms its position that the pre-accession

assistance for Malta and Cyprus should be included under heading 7 of the financial perspective, increasing its ceiling with corresponding adjustment of heading 4. It deplores the significant reduction in payment appropriations which the Council made to its draft budget, and has reinstated the level of payments proposed in the prelimianry draft budget by the Commission for ISPA while increasing the appropriations for payments for PHARE according to its general strategy on payments. On a more technical level, the Parliament notes that no agreement was reached at the conciliation meeting on 20 July 2001 on the amounts to be entered for international fisheries agreements (B7-8000) or for the common foreign and security policy (B8). It approves the decision to raise the level of payment appropriations on a range of lines throughout the budget where the ratio of PA to CA is too low to ensure effective implementation and sound financial management, particularly regards the appropriations for commitments to be implemented in 2002. The Parliament welcomes the recent efforts made by the Commission to reactivate its information and communication activities including its willingness to particapte in genuine interinstitutional cooperation with the Parliament. Lastly, the Parliament intends by means of an agreementbetween it and the Commission to create a new budget heading with a token entry, before the second reading of the 2002 budget, designed to fund a Community contribution as part of as large a coalition as possible for the rebuilding of Afghanistan's infrastructure.