2000 budget : section III

1998/2186(BUD) - 14/09/1999

The Council's draft budget for the 2000 financial year is drawn up in the following way: - 92,360.64 million euros in commitment appropriations, - 87,944.67 million euros in payment appropriations. According to this draft budget, the commitment appropriations are down by 4.7% in comparison with the 1999 budget, whereas the payment appropriations are up by 2.8%. The margins available for commitment appropriations under the ceilings for headings 1 (agriculture), 3 (internal policies), 4 (external actions) and 5 (administrative expenses) of the financial perspectives are respectively of 1,212 million euros, 222.4 million euros, 15.5 million euros and 134.1 million euros. Generally speaking, the draft budget respects the financial frame in the new interinstitutional agreement of 6 May 1999 on budgetary discipline as well as the categorisation of expenditures. The Council also took into account the following principles: 1) examination in the autumn of a letter of amendment concerning agricultural expenditures and expenditures related to fishing agreements to take account updated forecasts of needs; 2) respect of the commitments concerning structural actions; 3) identification of clear priorities within the budgetary allocations available for other policies taking into account the need to maintain margins within the headings. It was taken into account that the Kosovo crisis will require a huge effort in the redeployment of financial resources. These priority sums will be deducted from within heading 4 (external actions). More specifically, the Council agreed: - as far as agricultural expenditure is concerned, on the one hand, a lump sum reduction of 375 million euros of appropriations requested in the preliminary draft budget to cover expenses related to the common organisation of the market and, secondly, maintaining the appropriations requested to cover expenditure on rural development (for the entire agriculture heading, monetary reserve included: 41.026 billion euros); - regarding expenses relating to internal policies, a reduction in appropriations for payments requested by the Commission in providing for, with respect to the new programming, a down-payment of 3.5% of the total commitments allocation on the 7% to be divided over the years 2000 and 2001 (in total, for heading 2, the commitment appropriations amount to 32.678 billion euros: they have shrunk by 16.2% in comparison with the 1999 level); - as far as expenses relating to internal policies are concerned, a reduction in commitment and payment appropriations (heading 3 amounts to 5,808.6 billion euros) keeping the appropriations requested by the preliminary draft budget for the 5th R&D framework programme; - as far as external actions are concerned, the establishment within the sub-section B7 of the budget of a new budget line for aid for the reconstruction of Kosovo with the placing in reserve of appropriations of up to 500 million euros by a flat-rate reduction of the majority of other budget lines ofthis sub-section (the total of heading 4 is 4,611.5 million euros). it should be noted that as far as the countries of Central and Eastern Europe are concerned, the Balkan countries, the New Independent States and Mongolia, the Council has entered 1,186.4 million euros in commitments. It should also be noted that for the CFSP and following the agreement reached with the European Parliament, the figures of 47 million euros in commitment appropriations and 30 million euros in payment appropriations were accepted by the Council and broken down over 6 budget lines with a new nomenclature adopted jointly with the European Parliament; - with respect to expenditure related to the pre-accession instruments (new heading 7 of the budget), a reduction in payment appropriations in comparison with those requested in the preliminary draft budget (pre-accession assistance will amount to 3,166.7 million euros in commitment appropriations). Furthermore, the Council has decided to eliminate certain budget lines and not to retain, as it did in the past, the European Development Fund (EDF) which is still not included in the budget. It confirmed the classification made in the preliminary draft budget with just 2 exceptions (expenditure relating to pensions is classed as Compulsory Expenditure and participation in international organisations or institutions will also constitute Compulsory Expenditure.