Basic information

1998/2186(BUD) BUD - Budgetary procedure	Procedure completed
2000 budget : section III **Subject** 8.70.60 Previous annual budgets	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	VIRRANKOSKI Kyösti (ELDR) BOURLANGES Jean-Louis (PPE)	13/10/1998 13/10/1998

Former committee responsible	Former rapporteur	Appointed
BUDG Budgets	BOURLANGES Jean-Louis (PPE)	13/10/1998
BUDG Budgets	BOURLANGES Jean-Louis (PPE)	13/10/1998

Committee for opinion	Rapporteur for opinion	Appointed
AGRI Agriculture and Rural Development		

Former committee for opinion	Former rapporteur for opinion	Appointed
AFET Foreign Affairs, Human Rights, Common Security, Defense	TITLEY Gary (PSE)	28/07/1999
CONT Budgetary Control	The committee decided not to give an opinion.	13/09/1999
LIBE Citizens' Freedoms and Rights, Justice and Home Affairs	DEPREZ Gérard (PPE-DE)	29/07/1999
ECON Economic and Monetary Affairs	KUCKELKORN Wilfried (PSE)	27/07/1999

JURI Legal Affairs and Internal Market	The committee decided not to give an opinion.	28/07/1999
ITRE Industry, External Trade, Research, Energy	DESAMA Claude J.-M.J. (PSE)	29/07/1999
EMPL Employment and Social Affairs	JÖNS Karin (PSE)	27/07/1999
ENVI Environment, Public Health, Consumer Policy	BOWE David Robert (PSE)	27/07/1999
AGRI Agriculture and Rural Development	GÖRLACH Willi (PSE)	26/01/1999
PECH Fisheries	LANGENHAGEN Brigitte (PPE-DE)	27/07/1999
RETT Regional Policy, Transport and Tourism	WATTS Mark Francis (PSE)	31/08/1999
CULT Culture, Youth, Education, Media and Sport	PERRY Roy (PPE-DE)	27/07/1999
DEVE Development and Cooperation	CARLOTTI Marie-Arlette (PSE)	21/01/1999
FEMM Women's Rights and Equal Opportunities	KLASS Christa (PPE-DE)	27/07/1999
ECON Economic and Monetary Affairs, Industrial Policy	KUCKELKORN Wilfried (PSE)	08/02/1999
ENER Research, Technological Development and Energy	FERBER Markus (PPE)	21/01/1999
REGI Regional Policy		
TRAN Transport and Tourism	WATTS Mark Francis (PSE)	17/02/1999
ENVI Environment, Public Health and Consumer Protection	COLLINS Kenneth D. (PSE)	05/01/1999
DEVE Development and Cooperation	CARLOTTI Marie-Arlette (PSE)	21/01/1999

Council of the European Union	Council configuration	Meetings	Date
	Budget	2223	1999-11-26

Key events

Date	Event	Reference	Summary
11/03/1999	Vote in committee		Summary
11/03/1999	Preparatory budgetary report tabled for plenary	A4-0109/1999	
23/03/1999	Debate in Parliament		
28/04/1999	Commission preliminary draft budget published	SEC(1999)0600	
14/09/1999	Council draft budget published	09928/1999	
19/10/1999	Vote in committee		Summary
19/10/1999	Budgetary report tabled for plenary	A5-0030/1999	
26/10/1999	Debate in Parliament		
28/10/1999	Decision by Parliament	T5-0076/1999	Summary
26/11/1999	Amended budget adopted by Council		
26/11/1999	Debate/examination by Council scheduled	13476/1999	
07/12/1999	Vote in committee, 2nd reading		
07/12/1999	Budgetary report tabled for plenary, 2nd reading	A5-0095/1999	
13/12/1999	Committee referral announced in Parliament, 2nd reading		
14/12/1999	Debate in Parliament		
16/12/1999	Decision by Parliament, 2nd reading	T5-0179/1999	
16/12/1999	End of procedure in Parliament		
14/02/2000	Final act published in Official Journal		

Technical information

Procedure reference	1998/2186(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Legal basis	Euratom Treaty A 177 EC Treaty (after Amsterdam) EC 272 ECSC Treaty C 078
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/5/12211 BUDG/5/12210

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Preparatory budgetary report tabled for plenary		A4-0109/1999 OJ C 177 22.06.1999, p. 0002	11/03/1999	
Parliament's opinion on budgetary estimates/guidelines		T4-0217/1999 OJ C 177 22.06.1999, p. 0012-0040	23/03/1999	Summary
Budgetary report tabled for plenary, 1st reading		A5-0030/1999 OJ C 154 05.06.2000, p. 0006	19/10/1999	
Budgetary text adopted by Parliament		T5-0076/1999 OJ C 154 05.06.2000, p. 0069-0110	28/10/1999	Summary
Budgetary report tabled for plenary, 2nd reading		A5-0095/1999 OJ C 296 18.10.2000, p. 0018	07/12/1999	
Final budget adopted by Parliament		T5-0179/1999 OJ C 296 18.10.2000, p. 0135-0195	16/12/1999	Summary

Council of the EU

Document type	Reference	Date	Summary
Council draft budget	09928/1999	14/09/1999	Summary
Council amended draft budget	13476/1999	26/11/1999	Summary
Amending/supplementary letter on draft budget	13482/1999	26/11/1999	

European Commission

Document type	Reference	Date	Summary
Commission preliminary draft budget	SEC(1999)0600	28/04/1999	Summary
Amending/supplementary letter on draft budget	SEC(1999)1002	03/08/1999	Summary
Amending/supplementary letter on draft budget	SEC(1999)1646	01/12/1999	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2000/0081
OJ L 040 14.02.2000, p. 0001

2000 budget : section III

1998/2186(BUD) - 03/08/1999 - Amending/supplementary letter on draft budget

In its letter of amendment no. 1 to the preliminary draft budget for 2000, the Commission amends the draft budget by requesting 150 new posts for the 2000 financial year. These posts would mainly be concentrated on strengthening the financial management of Community programmes and actions without prejudice to additional requests that the Commission might make (in particular, in respect of OLAF). A large share of the posts will be for the management of programmes and actions in the field of external relations, in particular by the RELEX (external relations) Common Service and the delegations, with a view to facilitating the deconcentration and decentralisation process in the implementation of Community programmes. A certain number of posts will be assigned to the management of the pre-accession instruments relating to the associated countries of Central and Eastern Europe, managed by non-RELEX Directorates-General. Lastly, there is also a need to respond to the priority needs in the area od internal policies, in particular the financial management of programmes. The availability of lists of candidates who have been successful in the competitive examinations for A-grade officials in 1999 and in early 2000 will accelerate the recruitment process for the new posts. In conclusion, the net need for posts, to which this amending letter refers amounts to 150, 120 of which would be at headquarters and 20 in delegations (110 A-grade posts and 40 B-grade posts), for a total additional budget of 12.047 million euros. All the posts concerned are permanent. It should also be noted that the Commission has also the intention to move forward with the conversion of 60 temporary posts (40 A-grade posts and 20 B-grade posts) into permanent posts (this will have no budgetary implications).BUD982186 03/08/99 DBC EN In its letter of amendment no. 1 to the preliminary draft budget for 2000, the Commission amends the draft budget by requesting 150 new posts for the 2000 financial year. These posts would mainly be concentrated on strengthening the financial management of Community programmes and actions without prejudice to additional requests that the Commission might make (in particular, in respect of OLAF). A large share of the posts will be for the management of programmes and actions in the field of external relations, in particular by the RELEX (external relations) Common Service and the delegations, with a view to facilitating the deconcentration and decentralisation process in the implementation of Community programmes. A certain number of posts will be assigned to the management of the pre-accession instruments relating to the associated countries of Central and Eastern Europe, managed by non-RELEX Directorates-General. Lastly, there is also a need to respond to the priority needs in the area od internal policies, in particular the financial management of programmes. The availability of lists of candidates who have been successful in the competitive examinations for A-grade officials in 1999 and in early 2000 will accelerate the recruitment process for the new posts. In conclusion, the net need for posts, to which this amending letter refers amounts to 150, 120 of which would be at headquarters and 20 in delegations (110 A-grade posts and 40 B-grade posts), for a total additional budget of 12.047 million euros. All the posts concerned are permanent. It should also be noted that the Commission has also the intention to move forward with the conversion of 60 temporary posts (40 A-grade posts and 20 B-grade posts) into permanent posts (this will have no budgetary implications).

2000 budget : section III

1998/2186(BUD) - 26/11/1999

On its second reading, the Council approves the Budget 2000 as a whole, compulsory and not-compulsory spendings. Nervertheless, for not-compulsory expenditures, the Parliament has the last word (in particular, for the reconstruction in Kosovo). The Budget, as voted by the Council, is 92.51 billion euro in commitment appropriations and 87,9 billion in payment appropriations, distributed as follows, in billion of euro : - agriculture : 40,53 in commitments and as much in payments; - structural policy : 32,67 in commitments, and 30,97 in payments; - internal policies : 5,93 in commitments and 5,60 in payments; - external actions : 4,61 in commitments and 3,49 in payments; - administration : 4,69 in commitments and as much in payments; - reserves : 0,91 in commitments and as much in payments; - aid to pre-accession : 3,17 in commitments and 1,69 in payments. For Kosovo, the Council is sticking to its position by refusing the Parliament proposal to revise the multi-annual financial perspectives. The Council recommended, as expected, adding 360 million euro to the 140 million already included in the preliminary draft budget proposed by the Commission, by redeployment of credits from heading 4 of the budget. In addition, the Council agreed on the granting of 55 million euro for "improving the processing and marketing of agricultural products" mainly intended to remedy the consequences of the dioxin crises, notably in Belgium. Concerning the dialogue between the Council and the Parliament on the budgetary procedure, both of the institutions agreed on one essential aspect : the Community budget will contribute 360 million euro to Kosovo in the year 2000 (the Commission has pledged 500 million at the second Donor Conference, but the remaining 140 million would be provided from the 2001 budget). There is widespread disagreement about the manner of financing this 360 million euro. The Council proposes that it would be funded as follows : 1) 90 million euro from what remains of the 1999 OBNOVA programme's credits and other credits from the year 2000 (OBNOVA); 2) 50 million euro from humanitarian assistance (30 left over from 1999); 3) 180 million in the redeployment of credits from heading 4, as suggested by the Commission; 4) 40 million in additional redeployment of this heading. The Parliament, on the other hand, calls for a multi-annual commitment of some 1 billion euro, corresponding to about half the requirements estimated by the World Bank and the Commission for 2000-2003. At the same time, it is demanding a corresponding review of the multi-annual financial perpespectives for heading 4 of the budget after evaluation of Kosovo's needs in the first months of year 2000.

2000 budget : section III

1998/2186(BUD) - 28/04/1999

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.

2000 budget : section III

1998/2186(BUD) - 28/10/1999 - Budgetary text adopted by Parliament

The European Parliament adopted its resolution on the 2000 Budget, Section III. Its rapporteur was Mr. Jean-Louis BOURLANGES (EPP, F). The Parliament voted through a series of amendments to bring the new figures for EU expenditures in 2000 up to 93.5 billion euros in commitments and 91.4 billion in payments. The Parliament confirmed its commitment to the Inter- Institutional Agreement (IIA), but is concerned at the growing disparity between the needs to be covered by the EU budget, which are increasing as a result of the extension in powers provided for by the Treaty of Amsterdam and the planned geographical enlargement of the EU, and the structural contraction of Community spending resulting from the financial perspective, contraction being reflected in a regular reduction in the percentage of GDP allocated to the Community budget. It, therefore, deplores the Council's tendency to have new priorities financed by unjustifiably sacrificing traditional priorities. It takes the view that the principle of sufficient resources must be fully respected, since the EU must have the financial resources needed to realise its ambitions and address the new challenges now facing it. It points out that the 2000 budgetary procedure has seen the emergence of major needs which were not taken into account either in the financial perspective annexed to the IIA of 06/05/1999 or in the preliminary draft budget submitted by the Commission. It underscores its determination to ensure that the 2000 budget finances the new priorities, i.e.: - participation in the Kosovo reconstruction effort (500 million euros); - conclusion of a fair fisheries agreement with Morocco (125 million euros); - the Union's financial contribution to Turkey in response to the earthquake damage (50 million euros); and - Europe's financial contribution to East Timor (50 million euros). It regards these new needs as an essential priority for the 2000 budget and calls on the Commission to submit a proposal to revise the financial perspective, and the Council to agree to it. It points out to the Commission that the EP's first reading has greatly helped to give backing to the position set out in the PDB by deleting most of the cuts made by the Council. Parliament supports the Commission's figures for agriculture and regional and social spending, where it has re-inserted the cuts made by the Council. Members also voted to increase funding for the school milk programme. As far as other budgetary lines are concerned, Parliament has voted for increases in the Youth and Culture and Environment budgets, and has supported expenditure to allow other projects to go ahead in the new Third Pillar area of freedom, security and justice. MEPs also want the Commission to come forward with more information with regard to research spending. As regards administrative expenditure, MEPs want to see the recommendations made by the Committee of Experts put into place as as possible, starting with the phasing out of the technical assistance offices responsible for organisingforeign aid. MEPs also called for 75 extra posts for the anti-fraud office, OLAF.

2000 budget : section III

1998/2186(BUD) - 23/03/1999 - Parliament's opinion on budgetary estimates/guidelines

The Parliament approved the resolution drafted by Mr. Jean-Louis BOURLANGES (EPP, F) concerning the guidelines for the 2000 budget with the priorities of supporting jobs, helping small firms, and a strong EU research and education policy. Following the report of the Independent Experts, the resolution draws attention to the need to make available adequate provision for staff resources.

2000 budget : section III

1998/2186(BUD) - 16/12/1999

In adopting the report by Mr Jean-Louis BOURLANGES (EPP/ED, F), the European Parliament approved its second reading a budget for the year 2000 of EUR 93,2 billion in commitment appropriations (that is a reduction of 1,37%) and EUR 89,3 billion in payment (that is a rise of 4,48%). In comparison with 1999, there is a reduction of 3,7% of the budget. It should be noted that the framework of the budgetary discipline is respected and that the accent is put on strengthening rural development, research policy, and culture. Pre-accession aid rises from EUR 1,3 billion to EUR 3 billion. The 2000 budget, as voted in its second reading, includes many positive elements from the Parliament's point of view: - technical and administrative reform of the technical assistance offices; - financing of "Kosovo" expenditure above the ceiling of heading 4, which permits the avoiding of the redeployment of appropriations at the interior of this budget heading thanks to the use of the flexibility instrument (see procedure 1999/0210/ACI); - a rise in payment appropriations in order to gradually reduce the gap that exists between the inflated commitment appropriations and the inadequate payment appropriations; - the adoption of certain measures (reconstruction of East Timor, aid to Turkey, future fishing Agreement with Morocco, distribution of milk in schools, distribution of food products to the least well off...) close to the Parliament's heart. On the other hand, the Parliament is frustrated concerning long-term aid to Kosovo. In fact, the Parliament sought an exact, realistic and serious assessment of needs of the province; it did not get this. It also wanted a multi-annual commitment from the Council; it did not get this. In addition, it sought, in the long-term, a revision of the financial perspectives; it obtained a declaration promising this, but not a firm commitment from the Council. In this case, the European Parliament succeeded with respect to the use of the flexibility instrument but this will only be valid for a year (the year 2000). By 2001, the European Parliament will no longer be able to use this flexibility instrument for Kosovo. A revision of financial perspectives will be necessary from 2001. Thus, it accepts the compromise proposed by the Council which seeks to finance the reconstruction of Kosovo to the amount of EUR 360 million in the year 2000, by leaving a margin of EUR 20 million under the ceiling of heading 4 and undertakes to proceed, if necessary, to a redeployment of appropriations of EUR 40 million. Lastly, it calls on the Commission to present by April 2000 at the latest a very clear evaluation of the financial needs of Kosovo and for the whole of the Western Balkans, as well as the consequences of this evaluation in budgetary terms (in particular an eventual revision of the financial perspectives).

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.