Basic information

2000/2324(BUD) BUD - Budgetary procedure	Procedure completed
2002 budget: section III, Commission **Subject** 8.70.60 Previous annual budgets	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	COSTA NEVES Carlos (PPE-DE)	04/12/2000

Former committee responsible	Former rapporteur	Appointed
BUDG Budgets	COSTA NEVES Carlos (PPE-DE)	04/12/2000
BUDG Budgets	COSTA NEVES Carlos (PPE-DE)	04/12/2000

Committee for opinion	Rapporteur for opinion	Appointed
AGRI Agriculture and Rural Development	GÖRLACH Willi (PSE)	24/01/2001

Former committee for opinion	Former rapporteur for opinion	Appointed
AFET Foreign Affairs, Human Rights, Common Security, Defense	SALAFRANCA SÁNCHEZ-NEYRA José Ignacio (PPE-DE)	06/02/2001
AFET Foreign Affairs, Human Rights, Common Security, Defense	SALAFRANCA SÁNCHEZ-NEYRA José Ignacio (PPE-DE)	06/02/2001
CONT Budgetary Control	HEATON-HARRIS Christopher (PPE-DE)	07/02/2001
LIBE Citizens' Freedoms and Rights, Justice and Home Affairs	DEPREZ Gérard (PPE-DE)	01/01/2001

LIBE Citizens' Freedoms and Rights, Justice and Home Affairs	The committee decided not to give an opinion.	17/05/2001
ECON Economic and Monetary Affairs	KUCKELKORN Wilfried (PSE)	27/02/2001
ECON Economic and Monetary Affairs	KUCKELKORN Wilfried (PSE)	27/02/2001
JURI Legal Affairs and Internal Market	The committee decided not to give an opinion.	12/02/2001
ITRE Industry, External Trade, Research, Energy	GILL Neena (PSE)	13/02/2001
EMPL Employment and Social Affairs	PRONK Bartho (PPE-DE)	15/02/2001
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	15/02/2001
ENVI Environment, Public Health, Consumer Policy	BOWE David Robert (PSE)	24/01/2001
ENVI Environment, Public Health, Consumer Policy	BOWE David Robert (PSE)	24/01/2001
AGRI Agriculture and Rural Development	GÖRLACH Willi (PSE)	24/01/2001
AGRI Agriculture and Rural Development	GÖRLACH Willi (PSE)	24/01/2001
PECH Fisheries	MAAT Albert Jan (PPE-DE)	23/01/2001
RETT Regional Policy, Transport and Tourism	MESSNER Reinhold (V/ALE)	22/02/2000
RETT Regional Policy, Transport and Tourism	ORTUONDO LARREA Josu (V/ALE)	20/06/2001
CULT Culture, Youth, Education, Media and Sport	IIVARI Ulpu (PSE)	12/01/2001
DEVE Development and Cooperation	WIJKMAN Anders (PPE-DE)	12/02/2001
DEVE Development and Cooperation	WIJKMAN Anders (PPE-DE)	12/02/2001

	AFCO Constitutional Affairs	BERÈS Pervenche (PSE)	21/06/2001
	FEMM Women's Rights and Equal Opportunities	AVILÉS PEREA María Antonia (PPE-DE)	27/02/2001

Council of the European Union	Council configuration	Meetings	Date
	Economic and Financial Affairs ECOFIN	2345	2001-05-07
	Economic and Financial Affairs ECOFIN	2335	2001-03-12
	Transport, Telecommunications and Energy	2374	2001-10-15
	Budget	2388	2001-11-22

European Commission	Commission DG	Commissioner
	Budget	

Key events

Date	Event	Reference	Summary
12/03/2001	Debate in Council		Summary
22/03/2001	Vote in committee		Summary
22/03/2001	Preparatory budgetary report tabled for plenary	A5-0102/2001	
03/04/2001	Decision by Parliament	T5-0172/2001	Summary
03/04/2001	Debate in Parliament		
07/05/2001	Debate in Council		
12/06/2001	Commission preliminary draft budget published	SEC(2001)0949	Summary
14/06/2001	Commission preliminary draft budget published	COM(2001)0285	
20/07/2001	Council draft budget published	10999/2001	
16/10/2001	Vote in committee		Summary
16/10/2001	Budgetary report tabled for plenary	A5-0330/2001	
24/10/2001	Debate in Parliament		
25/10/2001	Decision by Parliament	T5-0562/2001	Summary
22/11/2001	Amended budget adopted by Council		
22/11/2001	Debate/examination by Council scheduled	14341/2001	
04/12/2001	Vote in committee, 2nd reading		
04/12/2001	Budgetary report tabled for plenary, 2nd reading	A5-0400/2001	

10/12/2001	Committee referral announced in Parliament, 2nd reading		
11/12/2001	Debate in Parliament		
13/12/2001	Decision by Parliament, 2nd reading	T5-0689/2001	
13/12/2001	End of procedure in Parliament		
31/01/2002	Final act published in Official Journal		

Technical information

Procedure reference	2000/2324(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/5/14738 BUDG/5/14220

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Preparatory budgetary report tabled for plenary		A5-0102/2001	22/03/2001	
Parliament's opinion on budgetary estimates/guidelines		T5-0172/2001 OJ C 021 24.01.2002, p. 0026-0117 E	03/04/2001	Summary
Budgetary report tabled for plenary, 1st reading		A5-0330/2001	16/10/2001	
Budgetary text adopted by Parliament		T5-0562/2001 OJ C 112 09.05.2002, p. 0202-0289 E	25/10/2001	Summary
Budgetary report tabled for plenary, 2nd reading		A5-0400/2001	04/12/2001	
Parliament's opinion on budgetary estimates/guidelines		T5-0689/2001 OJ C 177 25.07.2002, p. 0207-0262 E	13/12/2001	

Council of the EU

Document type	Reference	Date	Summary
Council draft budget	10999/2001	20/07/2001	Summary
Document attached to the procedure	11000/2001	20/07/2001	
Amending/supplementary letter on draft budget	12733/2001	16/10/2001	Summary
Amending/supplementary letter on draft budget	14340/2001	22/11/2001	
Council amended draft budget	14341/2001	22/11/2001	Summary

Amending/supplementary letter on draft budget	14901/2001	07/12/2001	

European Commission

Document type	Reference	Date	Summary
Document attached to the procedure	N5-0195/2001	30/04/2001	
Commission preliminary draft budget	SEC(2001)0949	12/06/2001	Summary
Commission preliminary draft budget	COM(2001)0285	14/06/2001	
Amending/supplementary letter on draft budget	SEC(2001)1467	26/09/2001	Summary
Amending/supplementary letter on draft budget	SEC(2001)1684	30/10/2001	Summary
Document attached to the procedure	SEC(2001)1978	05/12/2001	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2002/0050
OJ L 029 31.01.2002, p. 0001 Summary

2002 budget: section III, Commission

2000/2324(BUD) - 12/03/2001

Before the first adoption of the conclusions relating to the Council's priorities for the 2002 budget, the ministers exchanged points of view on the principal budgetary orientations for 2002. During the debate led by the Council, the ministers insisted in particular on the absolute necessity of respecting the finanical perspectives and the inter-institutionnel agreement of 6 May 1999 on budgetary discipline and the improvement of the budgetary procedure. They also discussed a certain number of key questions concerning different issues (amongst others, the fight against the BSE crisis, involvement in the Balkans, the cost of structural reforms and innovation, etc.). As regards financial issues in particular, the Council is of the opinion that the following must be given special attention in the context of the preparation of the 2002 budget: - in relation to the financial consequences of the BSE crisis, the Council recalls that with respect to the conclusions of the European Council at Nice, the financial perspectives and the Council regulation on budgetary discipline must be respected in order to deal with the consequences of BSE; - the Council indicated that it plans to stay within the limits of the reference amounts for the multi-annual programmes under heading 4; - it underlined the importance of the measures contained in the conclusions of the European Council in Lisbon; - before a proposal for a new programme or a new budgetary line is submitted to the budgetary authority, the pilot projects and the preparatory actions must be subject to a report containing an evaluation of results which conforms to the inter-institutional agreement; - concerned by the small margin of manoeuvre possible under heading 5, the Council stressed that the draft budget must leave a sufficient margin for the requirements of all the institutions and that the possibilities of re-deployment must be exhausted before the presentation of additional requirements.

2002 budget: section III, Commission

2000/2324(BUD) - 16/10/2001

On 16 October 2001, the Council compiled a Letter of Amendment 1/2002 to the Draft General Budget of the European Communities for the financial year 2002 concerning Section III - Commission and Section VIII - the European Data Protection Supervisor. To recall, on 28 September 2001, the Commission sent the Letter of Amendment 1 to the Council concerning these issues in which it proposed a budget of EUR 1,793 million for the setting up of the European Data Protection Supervisor and the financing of the SIS II (EUR 1,526 million in order to cover the initial costs of the Data Protection Supervisor within Section VIII of the budget and EUR 0,267 million to cover additional human resources needed to carry out the new tasks related to the development of the Schengen Information System SIS II). The Council is of the opinion that the number of posts requested by the Commission was not necessary. This is why the figure have been reduced as have the corresponding appropriations for expenditure and own revenue. When the Data Protection Supervisor is named, the Council shall evaluate his needs in light of the responsibilities incumbent on him and the volume of work which he must undertake, allowing thus the progressive implementation of this new institution. Nevertheless, the Council accepted the Letter of Amendment as it stands for the part concerning the SIS II. In total, the amount of total expenditure provided by the Council for the totality of this rectifying letter is EUR 1,539 million.

2002 budget: section III, Commission

2000/2324(BUD) - 12/06/2001 - Commission preliminary draft budget

PURPOSE : to present the preliminary draft budget for the financial year 2002, Commission section. CONTENT: the Commission presents its preliminary draft budget. In a policy strategy debate in February 2001, the Commission set the political framework for the European Union's 2002 preliminary draft budget. The European Parliament and the Council of Ministers also discussed their priorities for 2002 in March/April. This document sets out the Commission·s preliminary draft budget (PDB) for 2002, taking account of the priorities of the institutions. As every year, the evolution of the main budgetary items is largely determined by the financial perspective framework, as well as multiannual legal bases and programming. However, the 2002 PDB is marked by the need to deal with the crises in the agricultural sector, BSE and foot-and-mouth disease and to continue the effort to reform the Commission's management procedures and to prepare for enlargement. Commitment appropriations in the 2002 proposal amount to EUR 100 328 billion, or + 3,5 % with respect to the 2001 budget. This figure can be broken down into an increase of 4,6 % for compulsory expenditure, of which 5,0 % for agriculture, and only 2,6 % for non-compulsory expenditure. Agricultural expenditure shows the highest increases (+ 5,0 % 2002 PDB/2001 budget), especially for market-related expenditure (Heading 1a, + 5,3 %) despite the fact that SAB No 1/2001 already substantially increased the budget voted for 2001 to cater for BSE-related costs. As it is not possible at present to identify precisely the needs for the eradication of foot-and-mouth disease and since there are risks in the beef market as well, it is proposed to budget a reserve of EUR 1 billion, set aside as a provision earmarked for potential additional veterinary and market-related expenditure in the context of foot-and-mouth disease and the beef crisis. The resulting margin is EUR 365 million. For rural development (Heading 1b), it is proposed reach to the ceiling in 2002 (EUR 4,595 billion), as was the case in 2001, which results in an increase of + 2,2 % over 2001 As a result, an additional EUR 2,2 billion is available in 2002 compared to 2001 for agricultural expenditure. The ceiling for expenditure on structural measures (Heading 2) would have increased by only 0,1 %, reflecting the stabilisation of aid intensities and the gradual phasing-out of non-eligible regions as foreseen in the financial perspective. The decision to rebudget funds unused in 2000 taken at the beginning of May increases the ceiling by an amount of EUR 870 million for 2002 and thus increases the change over 2001 to 2,8 %. According to the Interinstitutional Agreement, no margin is left under the ceiling. Proposed expenditure for internal policies (Heading 3) increases above the average for the whole budget (+ 4,1 %). The margin below the ceiling is proposed to be EUR67,967 million, significantly lower than the margin proposed last year in the PDB 2001 (EUR 136 million). However, this margin will allow the pilot projects and preparatory actions to be taken into account. For external actions (heading 4), commitment appropriations are down by 2,1 %. This decrease reflects the fact that the 2001 budget had been increased above the ceiling allowed by the financial perspective by the use of the Flexibility Instrument worth EUR 200 million for the western Balkans. The proposed margin amounts to EUR 47,219 million. It is noteworthy that due to the frontloading achieved in 2000 and 2001 for the western Balkans through the Flexibility Instruments and redeployment, the Commission is able to meet its present needs without a revision of the ceiling of this heading. For Heading 5, Administrative expenditure for all institutions increases by 5 %. This figure includes a very marked 11,3 % increase in pension expenditure (A-1 9), and is based on an increase for the other institutions similar to that of the Commission and compatible with the ceiling of Heading 5. The estimated margin is EUR 30,335 million. This heading will have to be subject in the near future to particularly attentive monitoring, given the expected needs from the Commission's reform, the future of the ESDP as concerns the Council's budget and the preparation for enlargement generally. For Heading 6, reserves, the three instruments add up to the ceiling exactly. The decrease is due to halving the monetary reserve for agriculture as decided in Berlin. For Heading 7, pre-accession aid, Sapard, ISPA and the Phare programme strictly respect the subceiling allowed. Heading 8, appropriations available for accession, is foreseen in the Agenda 2000 financial perspective table for the first time in 2002. However, since no accession is foreseen for that year, this has no impact on the budget, but only on the margin available under the 1,27 % of the GNP ceiling for payment appropriations.

2002 budget: section III, Commission

2000/2324(BUD) - 03/04/2001 - Parliament's opinion on budgetary estimates/guidelines

In adopting the report presenting by Carlos COSTA NEVES (EPP-ED, P), Parliament voted 440 votes to 6 with 8 abstentions in favour of a resolution setting out priorities for next year's budget (please refer to previous document). MEPs were concerned that extra funds required to pay for the consequences of the BSE crisis will lead to pressures on next year's budget. Parliament is giving its backing to the new European Food Safety Authority and believes that the BSE crisis should prompt the EU and its Member States to go further in reforming the CAP, in light of both the forthcoming round of WTO negotiations and the implications for agriculture of enlargement. Other points taken up in the resolution include paying for reforms to the Common Fisheries Policy, illegal immigration, aid to the Balkans, the Mediterranean Strategy and the budgetary implications of a Foreign and Defence Policy where MEPs take the view that insufficient attention has been paid to the budgetary aspects and are anxious to see an international approach to dismantling weapons of mass destruction.

2002 budget: section III, Commission

2000/2324(BUD) - 30/10/2001 - Amending/supplementary letter on draft budget

This document sets out the amending letter No 2 to the preliminary draft budget 2002 (Section III - Commission). Under the Interinstitutional Agreement on budgetary discipline and the improvement of the budgetary procedure signed on 6 May 1999, the Commission presents this letter of amendment in order to update the figures underlying the estimate of agriculture expenditure in the preliminary draft budget and/or to correct, on the basis of the most recent information available. This ad-hoc amending letter for the 2002 budget covers issues such as agriculture expenditure, structural Funds (creation of the necessary structure for the restructuring programme), external actions (update on the international fisheries agreements concluded), a provisional estimation of the budget surplus from the 2001 implementation: 1) agricultural expenditures: the update of the figures proposed in the PDB shows a markedly improved situation Global needs are expected to reduce considerably compared to the PDB. In fact, the agriculture budget benefits from an improving situation in most market, which, sustained by a strong dollar vis-à-vis the euro, leads to significant savings (notably in the arable crops sector, dairy products and sheep meat). The needs to cope with the beef crisis and BSE/FMD eradication are more "modest" than expected. The EUR 1 billion reserve foreseen in the PDB for beef sector and veterinary expenditure is no longer deemed necessary, and this is proposed to be annulled for two reasons: firstly, because the amount of EUR 400 million for FMD is charged to the 2001 budget; secondly, because the situation on the beef market appears to be less dramatic than initially expected; 2) structural funds: this non-renewal of the international fisheries agreement with Morocco affected the European fisheries fleet. It is for this reason that the Commission proposed, at the request of the Council, a specific action programme for restructuring the Community fleet under the structural funds heading of the Financial Perspective. The programme should complement available funding from FIFG and be managed as structural programmes. Unfortunately there was no margin left under the ceiling therefore the present letter of amendment is presented simultaneously with a proposal to mobilise the flexibility instrument foreseen in point 24 of the Interinstitutional Agreement for this amount in order to adapt the ceiling of the Financial Perspectives. It is proposed to create a new title in the 2002 budget. The required funding according to the Commission's proposal currently in discussion would be, for 2002, EUR 197 million in commitment appropriations and EUR 39.4 million in payment appropriations; 3) external actions: as provided in the interinstitutional agreement, the Commission is correcting the breakdown for appropriations for the international fisheries agreements. The reserve for the item B7-8000, international fisheries agreement amounted to EUR 148 367 500 in commitments in the PDB and it is proposed to reduce it by EUR 104 543 500 to EUR 43 824 000. This reduction corresponds to the amounts initially foreseen for agreements with Morocco, Comores, Madagascar, Cape Verde, Guinea Bissau and Mauritania that havebeen initialled during 2001 and either have already been proposed to the Budget Authority. The agreement with Mauritania has been increased by EUR 33 million compared to initial estimates due to, amongst others, the non-renewal with Morocco. The reserve now contains funding for Gabon, Seychelles, Senegal, Republic of Guinea and Angola, which are still under negotiation. Budget line B7-8000 itself amounts to EUR 120 671 000 in the PDB. It is now proposed to increase it to EUR 144 969 000 in commitment appropriations for the new agreements as mentioned above. As a result, around EUR 80 million are made available and are no longer considered necessary for international fisheries agreements. The resulting margin amounts to around EUR 128 million which the Commission proposes to keep at this order of magnitude to cater for future needs already dawning in the area of external aid; 4) a provisional estimation of the budget surplus from the 2001 implementation: besides the familiar components of the traditional letter of amendment and as has been done already last year, the Commission wishes to add one further item relating to the the balance for 2001. The Commission considers that a prudent estimation of the balance of EUR 1 000 million can at this stage be included in the PDB 2002. Contrary to the situation last year, this does not result from a surplus in revenues but form under-implementation in the 2001 budget, expenditure side. This stems mainly from heading 1, agriculture and heading 2, structural funds.

2002 budget: section III, Commission

2000/2324(BUD) - 20/07/2001

PURPOSE : to present the draft budget for the financial year 2002 (Commission Section) as set out by the Council. CONTENT : the main features of the draft budget are as follows: - appropriations for commitments (c/a): EUR 99.009,10 mio; - appropriations for payments (p/a): EUR 95.598,53 mio. The commitment appropriations increase by 2,1% on the 2001 budget, and payment appropriations increase by 2,0%. Compared with the 2001 budget, there is a 2,0% increase in c/a and a 1,8% increase in p/a for operating appropriations. The rate of increase in non-compulsory expenditure for the 2002 draft budget is 2,3% and 2,1% in p/a. The total payment appropriations provided for in the draft budget correspond to 1,03% of Communtiy GNP. In establishing the draft budget for the financial year 2002, the Council followed a number of guidelines: On a general scale, the draft budget shows due regard for the Interinstitutional Agreement of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure and is in line with the Council conclusion on the budget guidelines for 2002 adopted on 12 March 2001. In this context, particular care was taken to: - comply with the annual expenditure ceilings set by the financial perspective for 2000-2006; - leave, where possible, adequate margins below the ceilings for the various headings, except for headings 2 and 7; - provide adequate funding for the European Union's various priorities. The establishment of the draft budget was, moreover, guided by the following principles: 1) examination of a letter of amendment concerning agricultural expenditure and expenditure arising from international fisheries agreements, in order to take account of the updated estimates of requirements. In this context, it invited the Commission to take due account of the latest developments in the current negotiations on the CMOs in rice and sheepmeat and goatmeet while maintaining an adequate margin below the ceiling of subheading 1a of the financial perspective. Moreover, sufficient margins must be provided in order to deal with the requirements of the BSE and the foot-and mouth disease crisis. To this effect, the Council and the Parliament refused the proposal from the Commission for a reserve of EUR 1 billion and invited it to cover these requirements firstly by using up the appropriations still available in 2001 and secondly by including the appropriations necessary in 2002 in its autumn letter of amendment. With regard to international fisheries agreements, the Council agreed at this stage to keep in reserve the appropriations set aside for the Fisheries Agreement with Morocco and asked the Commission not to use the reserve for purposes other than fisheries agreement. 2) honouring the commitments written into the financial perspective for structural operations; 3) identification of genuine requirements within the budget amounts available for other policies (internal policies and external actions) taking into account the possibilities forutilisation of appropriations and keeping in mind the maintenance of margins below the ceiling for financial perspective headings; 4) controlled growth of administrative expenditure so as to leave an adequate margin under the ceiling of heading 5 of the financial perspective; 5) limited and controlled growth of the volume of payment appropriations, taking into account in particular the capacity for utilisation the likely rate of payments under outstanding commitments and constraints upon national budgets; 6) spending restraint, shared between the compulsory expenditure and non-compulsory expenditure; 7) requests for an estimate of the surplus available for the financial year 2001 to be included

in a letter of amendment. More specifically, with regard to the development of operational expenditure of the budget, the Council has decided on the following measures: - in the case of agricultural expenditure (heading 1 of the financial perspective): the Council rejects the reserve proposed by the Commission as a consequence of the BSE and foot and mouth disease crises as well as those relating to the CMOs currently being negotiated (rice and sheepmeat/goatmeat). The Council accepts on the other hand the Commission's preliminary draft budget as regards appropriations for rural develoment (subheading 1b). For structural operations expenditure (heading 2), the Council has accepted a reduction of EUR 375 million in the payment appropriations for Community initiative programmes because of the anticipated delay in their implementation. As for expenditure on internal policies (heading 3 of the financial perspective), the Council accepts the amounts proposed as commitment appropriations for multiannual programmes under the codecision procedure but limits the commitment and payment appropriations for budget headings not based on multiannual programmes and for agencies. In addition, the Council enters budget appropriations for Eurojust and the SIS II system and sets a new margin of EUR 110 million under the ceiling for heading 3. With regard to external actions (heading 4 of the financial perspective): the Council accepts the appropriations proposed by the Commission for international fisheries agreements. There is also a reduction in payment and commitment appropriations for external action, achieved by small decreases spread over different geographical regions and a limited number of budget headings. The Council also establishes a margin of EUR 100 million, enabling the European Parliament to set its own priorities. Lastly, regarding expenditure on pre-accessioon instruments (heading 7 of the financial perspective): a decrease of EUR 380 million in payment appropriations has been made by the Council.

2002 budget: section III, Commission

2000/2324(BUD) - 13/12/2001

PURPOSE : to finally adopt the general budget of the European Union for the financial year 2002. COMMUNITY MEASURE : 2002/50/EC, ECSC, Euratom. CONTENT : the general budget of the Union for the financial year 2002 has finally been adopted in conformity with the budgetary procedure concluded on 13 December 2001. The Union's budget is accordance with the priorities defined by the budgetary authorities at budgetary conciliation and with the vote, second reading, at Parliament's plenary session (please refer to Parliament's resolution of 13/12/2001).

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.

2002 budget: section III, Commission

2000/2324(BUD) - 13/12/2001

By adopting the report by Mr Carlos COSTA NEVES (EPP-ED, P) and Mrs Kathalijne Maria BUITENWEG (Greens/EFA, NL), the European Parliament confirmed the agreement which was reached by its delegation and the Council on 21 November 2001 at the conciliation meeting. This agreement seems to be satisfactory for the Parliament, the Council and the Commission. The main problems, that is those concerning the CAP and the Structural Funds, have been resolved. On the other hand, the problem of transfers from one heading to another shall continue to pose problems in the future. The Community budget is 1,034% of European GDP but remains inferior to the provisions. Moreover, it is possible that the 2003 budget shall be more than the symbolic ceiling of EUR 100 billion. The draft budget for 2002 totals EUR 98.63 billion in commitment appropriations and EUR 95.65 billion in payment appropriations, which represents an increase in payment appropriations of 2% over the 2001 budget. The proposal takes into account the agreement reached by the Parliamentary delegation and the Council on 21 November, as well as on a large number of issues which the institutions could not agree on. The two parties came together to reach a decision on the Letter of Amendment No 2, on the flexibility instrument (for a total amount of EUR 200 million) with a view to financing the reconversion of the Spanish and Portuguese fishing fleets, additional funding for the fleet restructuring programme and the border regions in the 2003 budget as well as providing funds to assist the Afghan population and the neighbouring countries. With regard to agriculture, taking into account the Letter of amendment No 2, the amount under heading 1a (market expenditure) rises to EUR 39.66 billion and EUR 4.595 billion for heading 1b (rural development). The total for heading 1 is therefore EUR 44.255 billion. As regards heading 2 - structural actions, the proposed amount is EUR 33.838 billion. It is from this heading that the EUR 200 million shall be mobilised provided by the flexibility instrument. EUR 170 million shall be used to finance the conversion of the Spanish and Portuguese fisheries sectors and to offset the impact of the failure to sign the fisheries agreement with Morocco, and an amount of EUR 30 million to finance projects in the border regions of the Union which will be affected by enlargement. It should be noted that the Parliament, the Council and the Commission are committed, by a declaration, to include in the 2003 budget an additional EUR 27 million for the reconversion of the fishing fleets (to arrive at a total of EUR 197 million, as proposed by the Commission) as well as 15 million to be used for bordering regions. For heading 3 - internal policies, a total of EUR 6.557 billion was proposed at the budgetary conciliation meeting in commitment appropriations and 6.155 billion in payment appropriations as opposed to EUR 6.47 billion in commitment appropriations and EUR 5.997 billion in payment appropriations proposed by the Council (it should be noted that the ceiling for the financial perspectives is EUR 6.558 billion). The Parliament welcomes the Council's support for Parliament's priorities, such as the European Refugee Fund, and the new e-learning initiative, for which it calls for a legal basis to be established in due timeto transform this preparatory action into a multiannual programme and welcomes the Council support for a pilot project on the impact of enlargement on the border regions of the Community. As regards heading 4 - external actions, 4.803 billion in commitment appropriation and 4.665 billion in payment appropriations was proposed at the conciliation meeting. It should be noted that the ceiling provided in the financial perspectives is 4.873 billion. On aid to Afghanistan, Parliament's delegation has agreed to a Council's figure of EUR 488 million on the understanding that every effort will be made to find an extra EUR 70 million. Moreover, the Parliament welcomes the decision by the two arms of the budgetary authority to allocate, in accordance with paragraph 39 of the Interinstitutional Agreement, an amount of EUR 30 million to the European Common Security and Defence Policy, having taking account of the remarks of the Court of Auditors on the implementation of the expenditure for this policy in the financial year 2000; Under heading 5 - administrative expenditure, the 5.177 million as opposed to 5.127 proposed by the Council. It stresses its support for the Commission's reform process. Lastly, with regard to heading 6 - reserves, the Parliament points out that emergency reserve may be mobilised to meet immediate needs and welcomes the decision of the budgetary authority to earmark EUR 35 million for aid to Afghanistan and neighbouring countries.

2002 budget: section III, Commission

2000/2324(BUD) - 05/12/2001 - Document attached to the procedure

Up to now, the budgetary procedure for 2002 was based, for the revenue side, on the assumption that the new own resources Decision would enter into force on 1 January 2002, after ratification by all Member States. It now appears that in several Member States the procedures of ratification will not be completed in time for the Decision to enter into force at this date. Under these conditions, the final budget for 2002, to be adopted by the European Parliament, should be based, concerning the revenue side, on the existing own resources Decision, pending the entry into force of the new Decision. In order to make it possible for the European Parliament to adopt the budget on this basis, the Commission is presenting this letter of amendment 3/2002 to the budgetary authority. It modifies the preliminary draft budget. However, taking into account the very limited time available for its adoption by the Council and the fact that the first twelfths of own resources to be called on 1 January 2002 are calculated on the sums entered in the draft budget (Council Regulation 1150/2000/EC, Euratom of 22 May 2000 implementing the Decision on the system of own resources), the financing tables provided by the Commission corresponding to the existing own resources Decision are directly calculated on the basis of the draft budget for 2002, as adopted by the Council on 20 July 2001.

2002 budget: section III, Commission

2000/2324(BUD) - 26/09/2001

PURPOSE : to present the amending letter 1 to the preliminary draft budget 2002- section VIII B · European data protection supervisor Section III · Commission. CONTENT: the present proposal covers different sections of the budget: the first concerns the creation of subsection VIII b to cater for the creation of the European Data Protection Supervisor. The second is related to the development of the Schengen Information System II. The total

amount in expenditures of the amending letter is EUR 1 793 000 and EUR 176 997 in revenues. With regard to he European data protection supervisor, Regulation 45/2001/EC of the European Parliament and of the Council of on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data provides for the establishment of an independent supervisory authority entrusted with ensuring the application of the provision of the Regulation. This authority is entitled the European Data Protection Supervisor and is assisted by an Assistant Supervisor. The Commission stressed its determination to take the steps needed on its part to enable the European Data Protection Supervisor to be established and become operational as soon as possible and in particular to take action in the budget procedure to ensure that the Supervisor appointed has the necessary human and financial resources needed for the performance of his tasks upon taking office. The present estimates rely on the assumption that a number of services related to the administrative functions of the Supervisor will be provided by the administrative services of the EP in a way similar to what is the case for the European Ombudsman. Should this not be the case, additional staff needs could amount to 5 new posts. The present letter of amendment covers only 2002, the year of setting up when the total cost will be EUR 1 526 000 for 15 posts and revenues of EUR 137 000. In the medium term there would be 21 posts for a total amount of EUR 2 899 000 and revenues of EUR 319.000. With regard to the Schengen Information System - SIS II, the Council concluded that SIS-II development would be financed by the Community budget from 2002. On 20 July the Budget Council entered EUR 950 000 into Article B5-840 - Schengen - to finance the launch of SIS II. Given that this is a new major and growing task decided by the Council but administered by the Commission, the Commission would ask the budgetary authority that the additional human resources needed for the new work linked to SIS II development be entered in the 2002 budget. To recall, the Schengen Information System (SIS) is essential to the functioning of the Schengen area without frontiers. It has been decided to develop a second-generation SIS (SIS II) to enable the applicant countries to be incorporated into the SIS andto introduce new functionalities. As the preliminary draft budget does not provide any appropriations for Article B5-840 or the corresponding administrative resources (EUR 267 000), these are included in this letter of amendment.

2002 budget: section III, Commission

2000/2324(BUD) - 22/11/2001

This document details the second reading of the 2002 budget by the Council concerning the budget for the Commission (Section - III of the budget). In the perspective of the second reading of the draft 2002 budget, the Council met with a delegation from the European Parliament. Following the conciliation meeting, the Parliament, the Council and the Commission agreed on the following elements in the framework of an overall agreement on the 2002 budget: the expenditure retained by the Council following its second reading (including the amending letter no 2) rises overall to: 1) commitment appropriations (c/a) EUR 98 448 million; 2) payment appropriations (p/a) EUR 94 827 million. These amounts represent, in comparison with the 2001 budget, an increase of 1.5% in commitment appropriations and 1.1% in payment appropriations representing 1.03% of Community GNP. The increase in payment appropriations resulting from the second reading by the Council, is included in the context of the agreement with the European Parliament. Main elements of the agreement: 1) concerning agriculture: the delegations accepted the amending letter no 2 as well as four amended proposals proposed by the European Parliament. In addition, they adopted a joint declaration on the transportation of animals; 2) concerning the restructuring of the Spanish and Portuguese fishing fleets, an amount of EUR 170 million in commitment appropriations (c/a) has been provided under Heading 2 (Structural Funds). It was also agreed to use the flexibility instrument for this amount. The three institutions also agreed on a joint declaration which provides for the allocation of EUR 27 million in c/a in the 2003 budget, which will bring the envelope of available funds for the restructuring of the Spanish and Portuguese fishing fleet to EUR 197 million. With regard to the regions bordering candidate countries, EUR 30 million in c/a has been allocated under Heading 2. It is also provided that the flexibility instrument be used for this amount; 3) it is also agreed to allocate EUR 20 million for the c/a under Heading 3 (internal policy), in particular in the framework of the pilot-project "Effects of enlargement on regions bordering candidate countries. Lastly, the three institutions agreed another joint declaration on the allocation of EUR 15 million in c/a in the 2003 budget for expenditure in this field; 4) as for external actions, all of the strands concerning the international fishing agreements included in the amending letter no 2 were accepted in one reading. Still within the field of external actions and in order to provide financing for the consequences of the events of 11 September in Afghanistan and in the neighbouring countries, an agreement was reached on the following elements: - the allocation of EUR 488 million for Asia, of which an addition EUR 60 million for Afghanistan; - to keep a minimum margin of EUR 70 million under Heading 4, to be used for potential needs in Afghanistan and in the neighbouring countries; - a minimum of EUR 35 million in the emergency aid reserve to be potentially used in Afghanistan and its neighbouring countries. With regard to administrative expenditure, the three institutions agreed on holding an informal trialogue at the beginning of 2002on the report of the General-Secretaries on the multiannual developments of the "administrative expenditure" heading (Heading 5) and the additional economies potentially associated with interinstitutional co-operation. Moreover, an other agreement was also decided upon concerning a ceiling of 2% to increase payment appropriations (p/a) in comparison to 2001. Finally, with regard to existing amounts, it was agreed to add a provisional amount of EUR 1.2 billion to the amending letter no 2. It should be noted that the Spanish delegation included a unilateral declaration in the minutes for the meeting on the examination procedure of the reforming of the financial regulation.