Basic information

2002/2005(BUD) BUD - Budgetary procedure	Procedure completed
2003 budget: other sections **Subject** 8.70.60 Previous annual budgets	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	STENMARCK Per (PPE-DE) FÄRM Göran (PSE)	10/12/2001 10/12/2001

Former committee responsible	Former rapporteur	Appointed
BUDG Budgets	STENMARCK Per (PPE-DE)	10/12/2001
BUDG Budgets	STENMARCK Per (PPE-DE)	10/12/2001

Former committee for opinion	Former rapporteur for opinion	Appointed
JURI Legal Affairs and Internal Market	MACCORMICK Professor Sir Neil (V/ALE)	19/02/2002
ITRE Industry, External Trade, Research, Energy	RÜBIG Paul (PPE-DE)	24/02/2002
ITRE Industry, External Trade, Research, Energy	RÜBIG Paul (PPE-DE)	24/02/2002
PETI Petitions	BÖSCH Herbert (PSE)	24/01/2002

Council of the European Union

Council configuration	Meetings	Date
General Affairs	2447	2002-07-22
Economic and Financial Affairs ECOFIN	2424	2002-05-07
Economic and Financial Affairs ECOFIN	2446	2002-07-19
Economic and Financial Affairs ECOFIN	2466	2002-11-26

	Economic and Financial Affairs ECOFIN	2414	2002-03-05

European Commission	**Commission DG**	**Commissioner**
	Budget	

Key events

Date	Event	Reference	Summary
26/02/2002	Vote in committee		Summary
26/02/2002	Budgetary report tabled for plenary	A5-0064/2002	
05/03/2002	Debate in Council		Summary
11/03/2002	Debate in Parliament		
12/03/2002	Decision by Parliament	T5-0097/2002	Summary
07/05/2002	Debate in Council		
30/07/2002	Council draft budget published	11138/2002	Summary
10/10/2002	Vote in committee		Summary
10/10/2002	Budgetary report tabled for plenary	A5-0351/2002	
22/10/2002	Debate in Parliament		
24/10/2002	Decision by Parliament	T5-0510/2002	Summary
26/11/2002	Amended budget adopted by Council		Summary
26/11/2002	Debate/examination by Council scheduled	13829/2002	Summary
04/12/2002	Committee referral announced in Parliament, 2nd reading		
10/12/2002	Vote in committee, 2nd reading		Summary
10/12/2002	Budgetary report tabled for plenary, 2nd reading	A5-0440/2002	
17/12/2002	Debate in Parliament		
19/12/2002	Decision by Parliament, 2nd reading	T5-0624/2002	
19/12/2002	End of procedure in Parliament		
28/02/2003	Final act published in Official Journal		

Technical information

Procedure reference	2002/2005(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Legal basis	Euratom Treaty A 177 EC Treaty (after Amsterdam) EC 272
Stage reached in procedure	Procedure completed

Committee dossier	BUDG/5/16189 BUDG/5/15662

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Budgetary report tabled for plenary, 1st reading		A5-0064/2002	26/02/2002	
Parliament's opinion on budgetary estimates/guidelines		T5-0097/2002 OJ C 047 27.02.2003, p. 0025-0079 E	12/03/2002	Summary
Budgetary report tabled for plenary, 1st reading		A5-0351/2002	10/10/2002	
Budgetary text adopted by Parliament		T5-0510/2002 OJ C 300 11.12.2003, p. 0442-0534 E	24/10/2002	Summary
Budgetary report tabled for plenary, 2nd reading		A5-0440/2002	10/12/2002	
Final budget adopted by Parliament		T5-0624/2002 OJ C 031 05.02.2004, p. 0185-0232 E	19/12/2002	

Council of the EU

Document type	Reference	Date	Summary
Council draft budget	11138/2002	30/07/2002	Summary
Document attached to the procedure	11143/2002	30/07/2002	Summary
Council amended draft budget	13829/2002	26/11/2002	Summary
Amending/supplementary letter on draft budget	15169/2002	06/12/2002	Summary

European Commission

Document type	Reference	Date	Summary
Document attached to the procedure	SEC(2002)1286	28/11/2002	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2003/0094
OJ L 054 28.02.2003, p. 0001-0999 Summary

2003 budget: other sections

2002/2005(BUD) - 28/11/2002 - Document attached to the procedure

PURPOSE : to present the Communication from the Commission to the Council and the European Parliament on the letter of amendment No 4 to the preliminary draft budget 2003 (all sections together). CONTENT : the new Financial Regulation was adopted by the Council on 25 June 2002. It will apply from 1 January 2003 and appropriate changes will therefore need to be made to the PDB, which was adopted before the final decision on the new Financial Regulation. In its second letter of amendment (please refer to the summary dated 18 September 2002), the Commission had already drawn the budgetary authority's attention to this fact and had suggested that the budgetary authority gives its agreement on the principle so that the necessary changes can be incorporated into the budget by way of technical adjustments. However, in its draft letter of amendment (refer to summary 8 October 2002), the Council stated that 'from a legal point of view it is indispensable that the Commission officially refer a letter of amendment of this kind to the Council, in accordance with the Financial Regulation. Consequently, the Council requested the Commission to present it with a letter of amendment as soon as possible to enable the budgetary authority to finally adopt the 2003 budget in strict compliance with the new Financial Regulation. It is precisely the aim of this fourth letter of amendment to the PDB 2003. It contains the necessary adaptations to reflect in the 2003 budget the changes flowing from the Council's adoption of the new Financial Regulation on 25 June 2002. In addition, the Amending Letter proposes to harmonise the budgetary remarks relating to BA lines in sub-title B7. The purpose is to clarify the use of the technical and administrative assistance facility for the deconcentration and phasing out of technical assistance offices. This Letter of amendment is therefore budgetary neutral.

2003 budget: other sections

2002/2005(BUD) - 19/12/2002 - Final act

PURPOSE : to adopt the general budget of the European Union for the financial year 2003. COMMUNITY MEASURE : 2003/94/EC, Euratom. CONTENT : the budget of the European Union for the financial year 2003 has been finally adopted in accordance with the budgetary procedure closed on the 19 December 2002 (please refer to procedure reference BUD/2002/2004). This part of the budget includes other sections of the budgetary sections (other than the Commission) and is in accordance with the budgetary conciliation meeting of 25 November 2002 and the European Parliament's vote at its plenary session of 19.12.2002 (please refer to the previous document).

2003 budget: other sections

2002/2005(BUD) - 05/03/2002

The Council reiterates its view that the Community budget must suitably cover all real needs and the resources required to implement the various polcies of the Union effectively. It emphasises that this includes applying the same degree of budgetary restraint as exercised by Member States of the Union. The Council stresses once again the importance of keeping a tight grip on payment appropriations for 2003. The Council regrets the shortcomings in budgetary implementation for 2000 which resulted in the figure for that year greatly overshooting that of the previous years. The Council points to the need to keep the level of outstanding commitments under control. It welcomes the agreement reached in November 2001 between the two arms of the budgetary authority and the Commission aimed at eliminating abnormal outstanding commitments in the medium term. In this context, the Council stresses the fact that the reduction of abnormal outstanding commitments can be achieved not only by an increase of appropriations for payments but also by a significant resource to decommitments. In this agreement, the Commission made a commitment to submit, with the preliminary draft budget for 2003, an action plan that foresees examining all the potentially abnormal files. The Council invites the Commission to undertake this task without delay. It intends to pay close attention to the monitoring of the action plan. With regard in particular to heading 5, the Council expects the search for potential savings to continue so that the ceiling under heading 5 is not overstepped and calls on all institutions to work to this end and to submit forecasts for 2003 showing a growth rate compatible with the adjustment rate agreed for the financial perspective and the forecast increase in pensions. Moreover, it believes that better multiannual programming of their property expenditure by the institutions is one way of keeping administrative under the ceiling for heading 5. The Council is actively pursuing its work with a view to preparing the enlargement of the European Union to include the candidate countries and emphasises the need for precise evaluation of future budgetary implications. The Council wishes these guidelines to be taken into account in the budget procedure, particularly in the preparation of the preliminary draft budget for 2003.

2003 budget: other sections

2002/2005(BUD) - 24/10/2002 - Budgetary text adopted by Parliament

Parliament adopted the report by Mr Per STENMARK (EPP-ED, S) on the EU's 2003 budget in particular on the sections for the institutions of the EU apart from the European Commission. (Sections I, II, IV, V, VI, VII, VIII(a) and VIII(b). (Please refer to the summary dated 10/10/2002).

2003 budget: other sections

2002/2005(BUD) - 30/07/2002 - Document attached to the procedure

At the time of the adoption of the draft 2003 budget by the Council, a declaration was made relating to the nomenclature of the EDF and its possible integration in the Community budget. The Council thus decided that, as in the past, the nomenclature of the European Development Funds (EDF) would not be modified and that the EDF would continue to be financed by national contributions. It should be noted that the declaration adopted by

Conference of Representatives of the Governments of the Member States and annexed to the final decision relating to the Treaty on the European Union states: "the Conference is of the opinion that the EDFs will continue to be financed by national contributions in accordance with the current provisions". It should also be noted that the Council congratulates the good level of good level of payments in 2001. With a level of payments reaching 2.067,86 mios EUR in 2001, the execution of the EDF recorded the highest level which has never been reached and confirms the recovery of the payments started in 1998, thanks to the entry into force of 8th FED. On the other hand, commitments are very weak with a net value of 1.554 mios EUR compared to the achievements in 2000 (3.757 mios EUR) which was a record. The provisions for 2002 were revised, mainly for the payments. It is revealed that the level, envisaged in November of 2001, may not be able to be reached. On the basis of an analysis of the documents in progress, the Commission is counting on an amount of 2.000 mios EUR for the payments as well as for the decisions, against respectively 2.345 mios EUR and 2.100 mios EUR estimated at the end of 2001. The reductions relate to programmable assistance and also to a lack of financial resources, following the delay in the ratification of the Cotonou agreement. Consequently, whereas the Commission had foreseen to have to call on national contributions for the sum of 2.000 mios EUR, it now considers that an amount of 1.800 mios EUR should be sufficient to cover the needs. Lastly, for the year 2003, the Commission expects decisions and payments in the order of about 2.500 mios EUR. By taking account of the balances at the beginning and the end of the financial year considered to be necessary, the amount of the contributions which the Member States should transfer in 2003 is estimated at 2.300 mios EUR.

2003 budget: other sections

2002/2005(BUD) - 26/11/2002

During the conciliation meeting, the Parliament and the Council reached overall agreement on the 2003 budget, in particular as regards heading 5. Concerning administrative expenditure (Heading 5), the Council and the Parliament reached an agreement on the acceptance of the budget of Section I (European Parliament) for an amount of EUR 1.086.644.375 and Section II (Council) for an amount of EUR 431.673.000 respecting the Gentlemen's Agreement. In addition, the Council invites the Parliament to keep a total margin of EUR 30 million under Heading 5 at the end of the 2003 budgetary procedure.

2003 budget: other sections

2002/2005(BUD) - 26/11/2002 - Council amended draft budget

PURPOSE : to establish the second reading of the draft budget for the European Union for the financial year 2003 by the Council (amended draft and proposed modifications) : other budgetary sections). CONTENT : after the meeting with the European Parliament, and on the basis of the preparatory work done by the Permanent Representatives Committee as well as the agreements reached with the European Parliament at the conciliation meeting, the Council reached political agreement at second reading of the draft general budget for 2003. The agreement reached with the Parliament, concerning heading 5 of the budget (administrative expenditure) takes account of the following elements : - the impact of the fall in the actual rate of increase of salaries and pensions (2% instead of 2,6%), - the impact of preliminary draft supplementary and amending budget No 6/2002 on the anticipation in 2002 of expenditure envisaged for 2003 ("frontloading"); - the acceptance of amendments to administrative expenditure in relation to expenditure connected with enlargement; - return to the Council's first reading for the other budget headings except for the Recruitment Office. Examining each of the institutions, the budgetary agreement provides for the following elements: - Section I : European Parliament : in accordance with the Gentlemen's Agreement, none of the measures taken by the European Parliament in its own draft budget was amended; - Section II: Council : financing of the acquis commaunitaire by taking into account the effects of SAB No 6/2002. The amount entered in Chapter 103 (Provisional appropriations: publication of the acquis communautaire) now stands at EUR 1,66 million. - Section III: Commission (Part A) : a technical amendment concerning item 3014 (European master's courses in human rights and democratisation), was accepted. Moreover, as a result of the lower rate of increase in salaries taken for 2003: the amount entered under item 1100 (Basic salaries) now stands at EUR 1 015,936 million. Concerning the remaining sections (Section IV - Court of Justice, Section V - Court of Auditors, Section VI - Economic and Social Committee, Section VII - Committee of the Regions, Section VIII - European Ombudsman and the European Data Protection Supervisor): the budget, as approved by the Council, is characterised by the smaller increase in salaries taken for 2003.

2003 budget: other sections

2002/2005(BUD) - 30/07/2002 - Council draft budget

The Council reached an agreement on the draft budget for 2003 for the other institutions (except the Commission), it is based on the need to: 1) comply with the annual expenditure ceilings set by the financial perspective for 2000-2006; 2) provide adequate funding for the European Union's various priorities, in particular the enlargement process. The total administrative appropriations for all the institutions (including the European Parliament) is thus set at EUR 5.364.526.883 which represents an increase of 3.6% in comparsion with those for 2002. The salient features of the administrative expenditure of the institutions are given below: - to increase in expenditure to prepare for enlargement : given that the preparation for enlargement is a key priority for 2003. The budgetary authority agrees, within the constraints set by the financial perspective, to provide Community institutions with adequate appropriations and incentives to prepare for enlargement in 2003. The ceiling of heading 5 of the financial perspective in 2003 should be respected and the flexibility instrument for administrative expenditure should not be used, as suggested by the Commission; - to endeavour to finance the publication of the acquis communautaire by means of frontloading and anticipating expenditure in the 2002 budget with the corresponding reduction of pressure in the 2003 budget, while respecting the Gentlemen's Agreement. Both arms of the budgetary authority undertake to facilitate the frontloading procedure, consisting of mopping up transfers within institutions and, where appropriate, a Supplementary and Amending Budget. - to reserve EUR 18 m in a specific and ringfenced reserve in the Council's budget. This specific reserve for the acquis in the Council's budget will be transferred to the Commission's budget in accordance with the frontloading operation, as if it were part of the Commission's budget. û to reserve a margin of EUR 16 million under Heading 5 for eventual needs in particular concerning the European Data Protection Supervisor. The Council intends to follow up on the reports from the Secretaries-General on the evolution of heading 5 and on interinstitutional cooperation, which has already resulted

in savings of 0,5% of recurrent expenditure in all institutions. Moreover, the Council accepted exceptional early retirement measures, including for the staff of the political groups of the European Parliament. For payment appropriations, growth in the volume of appropriations was controlled by taking into account in particular the capacity for utilisation, the likely rate of payments under outstanding commitments and constraints upon national budgets. In this context, the overall budget proposed for pre-enlargement allows new posts to be created or appropriations for auxiliary staff to be entered for all the institutions, with particular attention to language requirements. A total of 311 new permanent jobs have been agreed - Council (236), the Court of Justice (53), the Court of Auditors (14), the Economic and Social Committee (7)and the Ombudsman (1). The following elements should also be noted. These are the individual characteristics of each institution: - European Parliament (Section 1) : budget of EUR 1.051.644.375 by applying the "Gentlemen's Agreement", i.e. an increase of 1,6% in comparison with the 2002 budget; - Council (Section II) : budget of EUR 430.013.000 (EUR 18 million in reserve, i.e. an overall increase of 7%; - Court of Justice (Section IV) : budget of EUR 151.637.022 increasing by 2,49% in comparison with 2002; - Court of Auditors (Section V) : budget of EUR 77.443.289, a decrease of 8,6%; - Economic and Social Committee (Section VI) : budget EUR 81.649.960 an increase of 4,22%; - Committee of the Regions (Section VII) : budget of EUR 39.101.436 an increase of 7,41%; - European Ombudsman (Section VIII) : budget of EUR 4.248.648 an increase of 8,6%.

2003 budget: other sections

2002/2005(BUD) - 12/03/2002 - Parliament's opinion on budgetary estimates/guidelines

The European Parliament adopted a resolution, drafted by Per STENMARCK (EPP, Sweden), on the 2003 budget guidelines, and on the preliminary draft estimates for other sections. (Please refer to the document dated 26/02/02). The provisional figure for the technical adjustment of the financial perspective project a ceiling of EUR 5382 million for heading 5 in the 2003 budget. Parliament reiterated its concern that the additional needs related to enlargement will have a major impact on heading 5, and invited the Council to examine all the possibilities that interinstitutional cooperation can offer. The projected needs of all the institutions already exceed the ceiling of heading 5 by EUR 140 million. There needs to be an interinstitutional strategic approach to the future building needs of the institutions, to allow the budgetary authority to take stock of current and future buildings liabilities and develop a position on funding over the longer term. On the other sections of the budget: - Section 1: whilst the concept of "controlled multilingualism" is endorsed, a wider debate on the post-enlargement linguistic regime must take place. The secretariats of the political groups must be reinforced to prepare for enlargement. The assistance provided to Members by Parliament's administration and by the secretariats of the political groups for the fulfilment of their legislative and budgetary responsibilities must be enhanced, as these are the core activities. - Section II (Council): on the projected expansion of the Council's budget to cater for developments under the second and third pillars, this creates additional pressure under heading 5. Parliament will make amendments if this contributes to a global solution in heading 5. - Section IV (Court of Justice): The budgetary projections should be scaled down. The requirement of 112 extra posts is not realistic given the current constraints on heading 5. - Section V (Court of Auditors): in view of the difficulties under heading 5, the Court should refrain from requesting additional staff in its 2003 estimates. - Section VI (Economic and Social Committee): Increasing dependence on external expertise could compromise the legitimacy of the institution. A more focused work programme should be adopted so that the impact of its opinions can be increased.

2003 budget: other sections

2002/2005(BUD) - 06/12/2002 - Amending/supplementary letter on draft budget

On 2 December 2002, the Commission sent the Council letter of amendment No 4 to the preliminary draft general budget of the EC for 2003. The letter of amendment seeks to amend the statements both of revenue and expenditure in the budget, so at to adapt the latter to the provisions of the new Financial Regulation which apply from 01/01/03 (please refer to the summary dated 28/11/2002). This letter of amendment is budgetarily neutral. On 6 December 2002, the Council established Letter of Amendment No 3 to the draft budget for the financial year 2003 as set out in the technical annex to the explanatory memorandum.

2003 budget: other sections

2002/2005(BUD) - 19/07/2002

After the meeting with the European Parliament, and on the basis of the preparatory work done by the Permanent Representatives Committee as well as the agreements reached with the European Parliament at the conciliation meeting, the Council reached agreement on the draft general budget for 2003. Taking into account the specific situation regarding heading 5 of the financial perspective in 2003, due in particular to the increase in expenditure to prepare for enlargement, the Council and the Parliament reached agreement on the administrative expenditure of the institutions, based on the following principles: - that preparing for enlargement is a key priority for 2003. The budgetary authority agrees, within the constraints set by the financial perspective, to provide Community institutions with adequate appropriations and incentives to prepare for enlargement in 2003. The ceiling of heading 5 of the financial perspective in 2003 should be respected and the flexibility instrument should not be used for administrative expenditure. - the budget authority endeavours to finance the publication of the acquis communautaire by means of frontloading and anticipating expenditure in the 2002 budget with the corresponding reduction of pressure in the 2003 budget, while respecting the Gentlemen's Agreement. Both arms of the budgetary authority undertake to facilitate the frontloading procedure, consisting of mopping up transfers within institutions and, where appropriate, a Supplementary and Amending Budget. To reserve, at this stage, EUR 11 m in the Commission's part of the budget for enlargement (including the acquis) and, for purely legal reasons, EUR 18 m in a specific and ringfenced reserve in the Council's budget. This specific reserve for the acquis in the Council's budget will be transferred to the Commission's budget in accordance with the frontloading operation, as if it were part of the Commission's budget. To respect the amount entered in heading 5 in the draft budget for the Council of EUR 430 m (without taking account of the specific reserve for the acquis mentioned above) and the European Parliament in accordance with the Gentlemen's Agreement. It is also necessary to leave an appropriate margin under the ceiling, in accordance with Article 12 of the Interinstitutional Agreement. It is also proposed to follow up on the reports from the Secretaries-General on the evolution of heading 5 and on interinstitutional cooperation, which has already resulted in savings of 0,5% of recurrent expenditure in all institutions. Moreover, the Council accepted exceptional early retirement measures, including for the staff of the political groups of the European Parliament.

2003 budget: other sections

2002/2005(BUD) - 19/12/2002 - Final budget adopted by Parliament

By adopting the report by Mr Göran FÄRM (PES, S) and Mr Per STENMARCK (EPP-ED, S), the Plenary voted through the general budget for the financial 2003 (please refer to the summary dated 10 December 2002 of procedure BUD/2002/2004). Thus, according to the terms of the draft approved at Plenary, the budget for 2003 amounts to EUR 99 685 692 338 in commitments, which represents an increase of 0.25 % on the 2002 budget, and EUR 97 502 937 098 in payments, which represents an increase of 1.9 % on the 2002 budget. In its resolution, Parliament welcomes the results of the frontloading operation but regrets that Council, in its second reading, decided to depart from the position laid down jointly with Parliament by not restoring the PDB and in particular by reducing the appropriations for staff in relation to the establishment plan; confirms therefore most of its first reading amendments. In addition, Parliament asks the Commission to submit to the European Parliament and to the Council before 1 June 2003 a coherent proposal: - ensuring user-friendly and free access to the institutions' databases which monitor the EU decision-making process (such as PRE-LEX, CELEX, EUR-LEX, etc, - restructuring these databases so that they may be immediately updated with texts and information accessible on the institutions' registers, thereby avoiding duplication of the same texts and inconsistencies. The Commission is also asked to submit a proposal to solve definitively the problem of the creation of a day and residential care centre for disabled children of European officials. Parliament stresses that; despite the constraints imposed by the current Financial Perspective, which makes no provision for covering enlargement-related preparations of the institutions before accession of the new Member States, it will be possible to ensure the normal functioning of the institutions and allow them to prepare for enlargement of the European Union in the financial year 2003 by making the best use of resources available under the 2002 budget. Parliament welcomes the fact that the frontloading operation as proposed by Parliament has been a considerable success, thanks to the cooperation of almost all institutions; recalls that some of the amounts available in the 2002 budget of the institutions will also be used to frontload enlargement preparations planned in the 2004 budget, thus providing additional leeway in the first year of enlargement. Parliament notes that sufficient margin has been left under the ceiling of heading 5 to cover expenditure for which no provision could be made in the budgetary procedure, such as expenditure for the Data Protection Supervisor and unexpected needs. It also notes that there has been an excessive deterioration in terms of permanent employment as a result of changes in the proportion of temporary and auxiliary staff to officials at the Committee of the Regions. The Committee of the Regions is called upon to reorganise its staffing arrangements without delay and, in the process, to make use of transparent and proper selection procedures.