Basic information

2003/2002(BUD) BUD - Budgetary procedure	Procedure completed
2004 budget: others sections **Subject** 8.70.60 Previous annual budgets	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	GILL Neena (PSE) MULDER Jan (ELDR)	02/12/2002 02/12/2002

Former committee responsible	Former rapporteur	Appointed
BUDG Budgets	GILL Neena (PSE)	02/12/2002
BUDG Budgets	GILL Neena (PSE)	02/12/2002

Former committee for opinion	Former rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
JURI Legal Affairs and Internal Market	ROTHLEY Willi (PSE)	28/01/2003
ITRE Industry, External Trade, Research, Energy	MCNALLY Eryl Margaret (PSE)	23/01/2003
DEVE Development and Cooperation	The committee decided not to give an opinion.	
FEMM Women's Rights and Equal Opportunities	GRÖNER Lissy (PSE)	10/07/2003
PETI Petitions	PERRY Roy (PPE-DE)	23/01/2003
PETI Petitions	PERRY Roy (PPE-DE)	10/07/2003

Council of the European Union	

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2506	2003-05-13
Economic and Financial Affairs ECOFIN	2521	2003-07-16
Economic and Financial Affairs ECOFIN	2493	2003-03-07
Agriculture and Fisheries	2524	2003-11-25

European Commission	

Commission DG	Commissioner
Budget	

Key events

Date	Event	Reference	Summary
18/02/2003	Vote in committee		Summary
18/02/2003	Budgetary report tabled for plenary	A5-0041/2003	
07/03/2003	Resolution/conclusions adopted by Council		Summary
11/03/2003	Decision by Parliament	T5-0080/2003	Summary
11/03/2003	Debate in Parliament		
13/05/2003	Debate in Council		
13/06/2003	Commission preliminary draft budget published	COM(2003)0400	Summary
18/07/2003	Council draft budget published	11357/2003	Summary
22/09/2003	Committee referral announced in Parliament		
09/10/2003	Vote in committee		Summary
09/10/2003	Budgetary report tabled for plenary	A5-0350/2003	
21/10/2003	Debate in Parliament		
23/10/2003	Decision by Parliament	T5-0450/2003	Summary
25/11/2003	Amended budget adopted by Council		
25/11/2003	Debate/examination by Council scheduled	14840/2003	
04/12/2003	Vote in committee, 2nd reading		Summary
04/12/2003	Budgetary report tabled for plenary, 2nd reading	A5-0473/2003	
15/12/2003	Committee referral announced in Parliament, 2nd reading		
16/12/2003	Debate in Parliament		
18/12/2003	Decision by Parliament, 2nd reading	T5-0588/2003	Summary
18/12/2003	End of procedure in Parliament		

23/02/2004	Final act published in Official Journal		

Technical information

Procedure reference	2003/2002(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Legal basis	EC Treaty (after Amsterdam) EC 272
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/5/19368 BUDG/5/16894

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Budgetary report tabled for plenary, 1st reading		A5-0041/2003	18/02/2003	
Parliament's opinion on budgetary estimates/guidelines		T5-0080/2003 OJ C 061 10.03.2004, p. 0026-0136 E	11/03/2003	Summary
Budgetary report tabled for plenary, 1st reading		A5-0350/2003	09/10/2003	
Budgetary text adopted by Parliament		T5-0450/2003 OJ C 082 01.04.2004, p. 0318-0472 E	23/10/2003	Summary
Budgetary report tabled for plenary, 2nd reading		A5-0473/2003	04/12/2003	
Final budget adopted by Parliament		T5-0588/2003 OJ C 091 15.04.2004, p. 0521-0608 E	18/12/2003	Summary

Council of the EU

Document type	Reference	Date	Summary
Council draft budget	11357/2003	18/07/2003	Summary
Document attached to the procedure	11358/2003	25/07/2003	Summary
Amending/supplementary letter on draft budget	14839/2003	25/11/2003	Summary
Council amended draft budget	14840/2003	25/11/2003	

European Commission

Document type	Reference	Date	Summary
Document attached to the procedure	SEC(2003)0495	30/04/2003	Summary
Commission preliminary draft budget	COM(2003)0400	13/06/2003	Summary

Document attached to the procedure	SEC(2003)1251	11/11/2003	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Budget 2004/0132 OJ L 053 23.02.2004, p. 0001-0999	Summary

2004 budget: others sections

2003/2002(BUD) - 11/03/2003 - Parliament's opinion on budgetary estimates/guidelines

The European Parliament adopted a resolution drafted by Neena GILL (PES, UK) on some sections of the budget guidelines and the Parliament's preliminary draft estimates. (Please see the document dated 18/02/03). In respect of the Parliament itself, Members took the view that, following the adjustment of the financial perspective, Parliament should continue to budget up to 20% of heading 5 ("Administrative expenditure"). Besides enlargement preparations, additional cost factors such as buildings and the Members' statute could oblige it to exceed the self-imposed ceiling. On the question of the financing of political parties, Parliament considered that the appropriations should remain in the Commission's budget, instead of being entered in the Parliament's section. Parliament went on to state its willingness to examine the progress made with the necessary preparations to ensure that Parliament is fully operational by the date of accession on the basis of an updated multiannual report from the Steering Committee on Enlargement. Its administration and the Bureau, however, should further fine-tune their calculations to prepare for enlargement with a view to providing best value for money. Given the challenges posed by enlargement, it should also further examine which rationalisation measures could contribute to a more productive use of resources. Parliament's role as co-legislator has led to an increase in legislative work, which in turn has given rise to a need for more time and better facilities for Members for discussion and consultation, in particular during committee weeks. In view of the enlargement involving ten new countries, its competent bodies should examine the possibility of providing interpretation facilities to political groups to prepare committee meetings, including an assessment of the costs entailed, based on the assumption that there should be a limit to the number of languages. On the issue of bringing Parliament closer to its electorate, Parliament felt that the Internet should play a more important role in its information and communication policy. The "Europarl" site is becoming an increasingly important tool for both the general public and specialised users (journalists, national administrations, other institutions, and users from third countries, international organisations). The Internet is a most cost-effective way of providing information and communicating, as it can reach a very wide public at limited cost. The Secretary-General is asked to find ways to further improve Parliament's website with a view to making it more user-friendly and welcoming, more attractive and up-to-date, offering a great variety of topical information to both the general public and specialised users. On the question of staff policy, Parliament stated that its promotion and staff evaluation methods have served as an example for other institutions, but reform of the promotions policy is needed in order to create more incentives for performance and a more merit-based approach. The Secretary-General was also asked to ensure that the choice of candidates benefiting from the early retirement scheme reflects the operational needs of the institutions and is geared towards increasing productivity. With regard to its buildings, Parliament was disappointed thatthe negotiations with the Luxembourg authorities have not been as successful as expected on the purchase of the Konrad Adenauer Building, for which a reserve of EUR 35 million was earmarked in the 2003 budget. Parliament reminded the Luxembourg authorities of their commitment to take previous lease payments into account. Other options on the real estate market must be considered should the negotiations with Luxembourg produce no satisfactory results. The budgetary authority will not be willing to cover the financing for the unreasonable prices now being proposed. Moving on to the other institutions: Court of Justice - Parliament noted that up to ten additional judges for the Court of Justice and 10 new judges for the Court of First Instance will have to be accommodated, together with the staff of their respective private offices and other enlargement-related staff. Since the Court's building project to cater for enlargement will not be completed before 2005, Parliament is willing to examine the budgetary implications of finding additional office space in 2004 in Luxembourg, but the best price must be found. Court of Auditors - it will be imperative to ensure that auditing in the new Member States is brought closer to auditing practices in current Member States. The Court is asked to continue its efforts also with a view to facilitating the establishment of a single audit system in the European Union, as this will improve the use of resources, avoid duplication and contribute to a more effective audit of European funding. The number of vacant posts in the Court is a matter of concern. Economic and Social Committee and Committee of the Regions - Parliament urged both Committees to ensure that their specific needs as regards the renovation of the Belliard building do not exceed the amount of EUR 26 million made available by the budgetary authority. The European Ombudsman - the number of electronic submissions to the Ombudsman has increased considerably and this trend will continue with enlargement. Parliament stated its willingness to support further improvements in the service to the citizen in the 2004 budget.

2004 budget: others sections

2003/2002(BUD) - 13/06/2003 - Commission preliminary draft budget

PURPOSE : to present the preliminary draft budget of the European Communities for the financial year 2004. CONTENT : the 2004 budget differs from the previous budgets in that it is divided into two. After 1 May 2004 the EU budget will contain appropriations for 25 Member States. For the first time, the date of enlargement falls not on the 1st January but on the 1st May. The preliminary draft therefore contains estimates for the EU-15 and the EU-25. The date of 1 May 2004 imposes some constraints on the budget procedure for 2004 : on 1 January 2004, a budget for 15 Member States (EU-15) will enter into force; this budget will then be amended in early 2004 through an amending budget, entering into force on 1 May 2004 and integrating the enlargement-related expenditure, so as to allow full operation of the enlarged Union (EU-25) from day one. The budget for the EU-15 will take effect at the start of 2004 with an amount of EUR 95.561 in payments and EUR 100.374 in commitments. The increase for enlargement will follow on the date of accession, 1 May. Under the Commission's proposal the budget for EU-25 will reach a volume of expenditure of EUR 100.650 billion in payments and more than EUR 112.214 billion in commitments. However, the EU's expenditure quota will drop to less than 1% of the Gross National Income of the Union. This shows the firm foundation for the financing of enlargement which reconciles ambitious expenditure programmes for the enlarged Union and budget discipline. For both political and practical reasons, this amending budget (affecting most budget lines) should be adopted by a simplified procedure, so as to avoid a complete re-examination of the whole budget. The political discussions on EU-25 figures should therefore be held in parallel to those on EU-15 figures. The Preliminary Draft Budget 2004 thus shows both series of figures, enabling the budgetary authority to discuss and agree on figures for EU-25, whilst actually adopting the budget for EU-15. The 2004 budget is also special in another respect - for the first time it has been drawn up under the new activity-based structure. Concerning the estimated administrative expenditure of the institutions of the European Union (heading 5), this comes to EUR 6.11 billion for the Commission, EUR 752 million or 14% higher than in 2003. This corresponds for the Commission to an increase of 9.8% (EUR 271 million). The increase covers expenditure on the new Commissioners, additional posts for the publication of legislation in the 9 new official languages and various items of administrative expenditure which will rise as a result of enlargement. Savings of EUR 20 million will be made if the new Staff Regulations can take effect on 1.1.2004. With the introduction of activity-based budgeting, most administrative expenditure is now included in the relevant policy area giving thus an estimate of the total cost of the policies implemented by the Commission. It should also be noted that Some specific administrative expenditure, such as the European Schools, representation offices or publications will appear only in specific policy areas. As a general rule, all administrative expenditure of Heading 5 is located in the chapter 01 of the policy areas. The administrative expenditure of the Commission is expected toincrease much less than the other Institutions', for which the forecast rate is more than double (+ 22%) the difference with the 2003 budget reaching EUR 420 million. The main part of this is of course related to the enlargement, in particular for the European Parliament and the Council.

2004 budget: others sections

2003/2002(BUD) - 18/12/2003 - Final budget adopted by Parliament

The European Parliament adopted, by a large majority, the resolution by Jan MULDER (ELDR, NL) and Neena GILL (PES, UK). The budget that MEPs are proposing for 2004 seeks to provide sufficient funding for enlargement and the EU's external policy commitments while still observing the principles of sound financial management. (Please refer to the summary dated 4 December 2003 of procedure BUD/2003/2001). The Budget for 2004 as adopted by the Parliament for EU-15 amounts to EUR 99 528 million in commitments and EUR 94 618 million in payments, whereas the budget figures agreed for EU-25 account for EUR 111 300 million in commitments and EUR 99 724 million in payments, whereas these levels of payments represent only 0.98% of estimated GNI for the year 2004, compared to 1.06% for EU-15 and 1.10% for EU-25 as established by the Financial Perspective, and leaving a margin of EUR 7 655 million for EU-15 and of EUR 11 829 million for EU-25. The Commission's letter concerning the executability of the amendments adopted to the draft budget 2004 was taken into consideration, whereas the overall amount of payment appropriations has been maintained at the lowest acceptable level, i.e. at 2,3% over Budget 2003 for EU-25, in accordance with the agreement reached at the conciliation meeting of 24 November 2003. More specifically, as regards the budget of the other institutions, the House notes that heading 5 will be under considerable pressure in 2005 due, among other things, to the effects that the new gross national income estimates will have on the technical adjustment of the Financial Perspective and the resulting reduction of the ceiling. Parliament recalls that all the Secretaries General of the institutions presented an estimation of needs in 2005 in the third report on the evolution of heading 5 and it points out that the estimation provided is no longer compatible with the adjusted ceiling of the Financial Perspective in 2005. Furthermore, Parliament urges all institutions, therefore, to fine-tune and scale down their needs when they present their 2005 estimates of expenditure, so that the ceiling of heading 5 is not exceeded, as is also outlined in the attached declaration on heading 5. It requests its Bureau and its Secretary-General, to work out a smooth and swift financial structure for paying the various costs related to Parliament's involvement in the Parliamentary Assembly of the WTO in Parliament's budget, when preparing the budgetary estimates for 2005, and to take appropriate action to this end during the financial year 2004. The budget as adopted by the Parliament at second reading, includes several declarations made at the time of conciliation on 24 November 2003.

2004 budget: others sections

2003/2002(BUD) - 25/11/2003 - Amending/supplementary letter on draft budget

PURPOSE : to present the letter of amendment No 3 to the draft general budget of the European Communities for the financial year 2004. CONTENT : on 13 November 2003 the Commission forwarded to the Council letter of amendment No 3 to the preliminary draft general budget of the European Communities for the financial year 2004 (please refer to the summary dated 11/11/2003). The purpose of the Commission's proposal is to enter a budget heading in the general statement of revenue, in the relevant section for each institution and in the annex for each administrative office. The heading will provide a structure to accommodate the revenue deriving from the new "special levy" provided for in the political agreement, adopted by the Council on 29 September 2003, on the amendment of the Staff Regulations of officials of the European Communities. Following conciliation with the Parliament delegation on 24 November 2003 prior to the Budget Council meeting, the Council, as part of an overall agreement with the European Parliament and the Commission involving adoption of the letter at a single reading, decided to accept the letter of amendment No 3 to the preliminary draft budget for the financial year 2004 as submitted by the Commission.

2004 budget: others sections

2003/2002(BUD) - 16/07/2003

Before studying and establishing the draft budget for the financial year 2004, the Council held its customary meeting with a delegation from the European Parliament, in the framework of the 1999 Interinstitutional Agreement on budgetary discipline. Concerning the issue of administrative expenditure (Heading 5), the Council agreed on a rigorous approach for heading 5 and confirmed that the necessary appropriations and posts for making enlargement a success should be provided in the 2004 budget. The final result must be a margin very close to the one resulting from the Council's first reading. The Council considered, nevertheless, that the accession of ten new Member States should be used as an opportunity to make supplementary efforts in the organisational structures and management of the institutions with a view to increasing efficiency. It also considered that the third report of the Secretaries-General on the evolution of heading 5 should be examined by both arms of the budgetary authority at the November trialogue with a view to promoting this process.

2004 budget: others sections

2003/2002(BUD) - 30/04/2003 - Document attached to the procedure

This document consists of a letter from the European Commission which states that in accordance with Article 272(9) of the EC Treaty, the maximum rate of increase for "non-compulsory" expenditure is as follows : - 2.7% for the initial 2004 budget based on 15 Member States and - 8.0% for the 2004 budget of the enlarged union of 25 Member States.

2004 budget: others sections

2003/2002(BUD) - 07/03/2003

The Council has adopted the following conclusions on the guidelines for the 2004 EU budget. Firstly, it underlines the fact that the budgetary procedure for 2004 will be marked by two important challenges. Also, that this budget will be the first one adopted in accordance with the provisions of the new Financial Regulation and its establishment will require dealing with a new presentation on the basis of the "Activity Based Budgeting" method. It will also be the first budget that takes fully into account the forthcoming enlargement in the course of the year 2004. The Council underlines the need to respect the Financial Perspective. The Council stresses once again the importance of keeping a tight grip on payment appropriations for 2004, which should reflect a level of budgetary rigour similar to that being applied at national level. The level of payment appropriations entered in the budget should be based on realistic forecasts while being sufficient for fulfilling the different commitments undertaken by the European Union. AS regards the budget if the other institutions, the Council states that due to the constraints of Heading 5 (administrative expenditure), institutions are invited to establish rigorous draft estimates using, as much as possible, the redeployment of existing resources in order to leave sufficient margins under this Heading. In this context, the institutions should also be encouraged to strengthen their arrangements for interinstitutional co-operation. Taken together, these measures should result in budgetary savings and efficiency gains. It underlines the fact that the draft estimates presented by the institutions should clearly identify all costs related to the enlargement, in particular in the field of buildings and staff resources. It attaches great importance to the Commission's reform programme, including its financial implications, which should be guided by the principle of budgetary discipline. It furthermore recalls the principle of budgetary neutrality that was retained for the creation of executive agencies and European offices.

2004 budget: others sections

2003/2002(BUD) - 18/12/2003 - Final act

PURPOSE: Final adoption of the general budget of the European Union for the financial year 2004. LEGISLATIVE ACT: 2004/132/EC, Euratom. CONTENT: The European Union's general budget for 2004 was definitively adopted in accordance with the budgetary procedure concluded on 18 December 2003. The adopted budget is in line with the priorities defined by the budgetary authorities at the conciliation meeting on 24 November 2003 and the vote on the second reading adopted by the Parliament in plenary session on 18 December 2003 (please refer to the summary on the Parliament's resolution of 18.12.2003). This budget is valid for the EU of fifteen Member States. After 1 May 2004, the official date of the accession of the ten new Member States, an amending budget with complement this budget and will take into account all the expenses relating to the enlargement of the Union (see BUD/2004/2009).

2004 budget: others sections

2003/2002(BUD) - 11/11/2003 - Document attached to the procedure

PURPOSE : to present the amending letter No 3 to the preliminary draft budget for 2004 (statement of revenue and expenditure for all the institutions). CONTENT : in the light of the outcome of the Conciliation Committee and in accordance with the political agreement reached in the Council on 29 September 2003, the Commission proposal adopted on 15 October 2003, provides for the creation of a new temporary measure entitled "Special levy" for a period beginning on 1 January 2004 and ending on 30 April 2004 (please refer to CNS/2003/0241). The basic difference between this new levy and the old temporary contribution, which expired on 30 June 2003, is the rate, which is no longer fixed but varies from 2.50% in 2004 to 5.50% in 2011, following the entering into force of the Regulation modifying the Staff Regulations of officials of the European Communities. In order to have an appropriate structure to accommodate the revenue deriving from this new levy, this amending letter enters a specific budget line in the general statement of revenue and in the relevant section for each institution and in the annex for each administrative office.

2004 budget: others sections

2003/2002(BUD) - 25/07/2003 - Document attached to the procedure

This document is to be annexed to the draft budget for 2004, in accordance with the 1979 agreements on budgetary procedure. Article 8(3) of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund requires the Commission to make this document available to the Council by 15 June, stipulating that this information serves as a basis for an interim estimate of commitments and disbursements. In accordance with Article 38 of the Financial Regulation, this communication is accompanied by a proposal for a Council Decision on the instalment of the contributions to be paid by the Member States in July 2003. As in previous years, this document shows: - EDF implementation at 31.12.2002; - financial implementation forecasts for the current year (2003); - expenditure forecasts for 2004. This document states that after slowing down somewhat in 2001, the rate of decisions picked up again in 2002 (EUR 2 114.5 million in new decisions), thanks primarily to the provision by the Council of new funding as a transitional measure pending the entry into force of the ACP-EU Partnership Agreement signed in Cotonou. 1 These measures enabled the Commission to commit a considerable sum (EUR 793 million) and so offset some of the shortfall in resources for the countries performing best. In short, decisions slightly exceeded the target (EUR 2 000 million) fixed in the communications of June and November 2002. 2 After deducting decommitments amounting to EUR 346.1 million, the net figure is EUR 1 768.4 million. For 2003 and 2004, in order to get more reliable forecasts the Commission went over each individual (project) dossier carefully with the delegations. Taking into account the figures supplied by the EIB for its own instruments (risk capital, investment facility and interest rate subsidies) we arrive at EUR 2 500 million of new decisions for 2003 (EUR 200 million up on the figure in the November 2002 Communication) and confirmation of the estimated on EUR 3 275 million for 2004. The sharp rise in the forecast for 2003 can be attributed to the Commission's efforts to improve the EDF's performance. The document equally highlights the situation regarding payments, with payments amounting to EUR 1 902.5 million in 2002, the rate of implementation of the EDF was slightly lower than that recorded in 2001 (EUR 2 142.49 million). However, the figures recorded for 2002 are still above the average for 1989-2001 (about EUR 1 600 million). It was not possible to achieve the target figure of EUR 2 000 million set by the Commission in June 2002. This is largely due to the fact that there was no need to pay the final instalment of EUR 149 million to the EIB for the HIPC (debt relief) initiative because a number of ACP countries notched up delays in achieving the objectives that would have entitled them to such aid. A new payment estimate has been drawn up for 2003 and 2004 covering both current projects and those in the pipeline. Taking the EIB's estimates into account we get a figure of EUR 2 100 million for 2003. The Commission will be doing its utmost to speed up the rate of disbursement in order to meet a more ambitious target by the year end, and will re-assess the situation in its communication in October 2003. The total estimated for 2004 is EUR 2 600 million, confirminglast year's forecast orders of magnitude.?

2004 budget: others sections

2003/2002(BUD) - 23/10/2003 - Budgetary text adopted by Parliament

By adopting the report by Mrs Neena Gill (PES, UK), the European Parliament gave its opinion at first reading on the draft budget for the year 2004 (other sections). Parliament notes that a considerable margin is still available under the heading 5 ceiling for the financial year 2004 and points out that this has been made possible not only due to the revision of the financial perspective, but also due to institutions having been given the means to prepare for enlargement in previous financial years, notwithstanding the fact that, before the latest revision, the ceiling for heading 5 had not yet been adjusted to cater for enlargement. It also takes note of the third report of the Secretaries-General of the institutions on trends in heading 5 and on interinstitutional cooperation. It considers that the report has provided a useful overview on likely movements in the main cost factors, including buildings and personnel, as was requested by the budgetary authority. It points out, however, that a considerable increase in buildings expenditure can be expected in 2007, as the financing of buildings currently under construction to cater for enlargement will begin; requests that an assessment of the Translation Centre and a forecast of its possible future be submitted to its Committee on Budgets by 15 November 2003 at the latest. The Secretaries-General of all institutions are invited to implement the appropriate measures against all types of discrimination as provided for in Article 13 of the Treaty; insists that special attention should be given to the principle of equal opportunities, in particular in the areas of recruitment and appointment to senior posts. Parliament is disappointed, on the one hand, by the fact that the institutions have not taken full advantage of the opportunity to rationalise their working methods and identify activities which could be discontinued, with a view to increasing value for money; endorses, on the other hand, the approach taken by the Council to limit the increase in the total number of C and B posts to a more acceptable level, including within its own establishment plan. It is noted that not all the consequences of the revision of the Staff Regulations can be incorporated at this stage of the procedure and that an amending budget will be required in 2004 (for measures such as changes to establishment plans). It urges the Commission to take the parliamentary calendar for 2004 into consideration when it presents its proposal. Parliament deals with each institution as follows: - Section I - European Parliament : the Parliament endorses the objectives envisaged in the 'Raising the Game' exercise, which aims to provide Members with a more efficient service in an enlarged Parliament. It also takes note of the report submitted on the development of the concept of 'full controlled multilingualism'. The House is satisfied that an agreement has been reached with the Luxembourg authorities concerning the purchase of the Konrad Adenauer Building, for which provision was made in the 2003 budget. It also welcomes the progress achieved in the negotiations with the French authorities as regards the final investment cost of the Louise Weiss Building. Parliament remains supportive of the Europe House framework andinvites its competent body to ensure that it is also applied in the information offices in the new Member States. It takes the view, in this context, that the policy of rationalising offices should continue to be promoted so as to avoid the duplication of functions and cost between Commission and Parliament information offices in the acceding countries and in the Member States, including in the regional offices. The Institutions are invited to extend the use of synergies to their headquarters structures (press rooms, etc.). The European Parliament has decided to release EUR 2.5 million from the reserve entered against Item 2100 (Purchase, servicing and maintenance of equipment and software, and related work). It notes the report submitted by the administration on the estimated movement in IT expenditure, which concludes that overall IT expenditure will remain stable at 2004 levels over the period 2004-2007. It remains concerned by the fact that Parliament continues to have too many separate systems, which has a negative impact on productivity, working processes and cost. It welcomes the planned development of a new system to allow Members and officials to access Parliament's internal systems remotely and invites its administration to examine the possible advantages of Linux for Parliament's IT landscape. Parliament has also decided to enter an additional allocation of EUR 1.3 million for the installation of a third computer in Members ' offices in Brussels upon request. Parliament has decided to make the necessary appropriations available for the following establishment plan measures: - creation of 355 posts to cater for enlargement; creation of 26 posts for "Raising the Game"; creation of 24 posts in the reserve for new committee secretariats and 3 A7 posts in the reserve for the legal service; creation of 15 various other posts. Parliament has decided to enter EUR 5 million against Item 1111 (Auxiliary staff for

enlargement), which increases the total allocation for this item to EUR 40 million. It has on the other hand, decided to reduce the allocation entered against Item 1301 (Mission expenses) by EUR 1 million, as the June 2004 European Parliament elections will lead to a reduction in the total number of staff missions, despite the enlargement-related growth of Parliament's establishment plan as a result of enlargement. Parliament has decided to transfer an allocation of EUR 46.2 million from Chapter 102 (Reserve for the Statute for Members) to Article 209 (Provisional appropriation to cover the institution's property investments), as it is now clear that the Statute for Members will not enter into force in the financial year 2004. Parliament invites its Secretary-General and the Bureau to continue exploring which activities can be discontinued or further rationalised; requests its Secretary-General, in addition, to report on the state of affairs concerning Parliament's participation in the EU's Eco-Mangement and Audit Scheme (EMAS); also takes the view that parliamentary bodies should meet primarily in one of the three working places, as the cost of meetings elsewhere will be increasingly difficult to justify in view, inter alia, of the increasing cost of multilingualism. Parliament also considers that the current situation in Parliament's main canteen is very difficult for Members and staff and points out that it will become increasingly difficult whenenlargement takes place. It invites its competent authorities to consider the reintroduction of a system of time slots for access to Parliament's main canteen, taking into account, above all, the needs of Members and in-house staff. Concern is also shown in relation to security both on and around its premises and the competent authorities are invited to further improve the current security arrangements, by introducing new technologies and professional skills. It invites its Secretary-General to examine how the security arrangements concerning access to its garages need to be improved, for instance by means of scanning devices. - Section II - Council: Parliament welcomes the transfer of expenditure on EU Special Representatives from the Council's to the Commission's budget (Policy Area 19), as Parliament has consistently requested, which corresponds to a saving of EUR 3.1 million in Section II. It invites the Council to re-examine the usefulness and added value of maintaining representations in Geneva and New York, in particular in view of the cost of posts and office space and recalls that Commission delegation premises may also be used by the Council and Parliament. Lastly, it notes that the Council has presented no frontloading operation for the 2004 budget. Further, it has decided, in accordance with the gentlemen's agreement between the Council and Parliament, not to amend the Section II draft budget concerning administrative expenditure; - Section IV - Court of Justice : the Parliament has decided to increase appropriations for auxiliary staff by EUR 150 000 and has decided to endorse the EUR 12.6 million frontloading operation concerning the Court's premises; - Section V - Court of Auditors : Parliament takes note that the Court of Auditors' requests were moderate in comparison to those made by other institutions. It has endorsed a series of requests rejected by the Council concerning 23 upgradings, 8 ad personam upgradings and the creation of 1 B5 post for the Market Unit and 7 C5 posts for enlargement; - Section VI - European Economic and Social Committee (EESC) : Parliament considers that the EESC should reorganise its services in order to reduce the pressure of enlargement, making the best use of the appropriations entered in the budget, especially within the linguistic departments and in the field of external expertise; - Section VII - Committee of the Regions (CoR) : Parliament has decided to endorse, as for the other institutions, the upgradings rejected by the Council and it has also decided to scale down some CoR requests such as those concerning appropriations for the building sector; - Section VIII (A) - Ombudsman - and Section VIII (B) - European Data Protection Supervisor : Parliament has decided to restore part of the cuts made by Council concerning Article A-270 (expenditure on publishing and information) and Article A-1875 (translation and interpretation costs). Equally it has decided to make the appropriations available for the creation of a C5 post.

2004 budget: others sections

2003/2002(BUD) - 18/07/2003 - Council draft budget

The Council established the draft EU 15 budget for the financial year 2004 for the other budgetary sections (all except the Commission). The budget is set forth in the present volume of the draft budget of the European Communities for the financial year 2004. The Council used the preliminary draft budget of the European Communities EU 25 for 2004, submitted by the Commission, as the basis for establishing the draft budget. In this context, the Council also agreed on a position for EU 25 with a view to political agreement with the European Parliament by the end of the budgetary procedure. The Council's scrutiny of the institutions' administrative expenditure was based on the following principles: - leaving an adequate margin within the ceiling under heading 5 of the financial perspective, in the interests of sound financial management; this margin should incorporate an amount for the budget to be provided by the European Data Protection Supervisor; - making allowance, in expenditure, for the impact of the revision of the Staff Regulations, as entailed by the political agreement reached on 19 May 2003; - limiting the increase in current expenditure to 2,7%, compared with 2003, this being the maximum rate of increase for the EU 15; - accepting exceptional expenditure put forward by institutions, such as the move to the Berlaymont or the replacement of members of the Commission and members of the Court of Justice; - not accepting the creation of new posts or upgrading of posts for ordinary purposes, save in exceptional cases; should any upgrading of posts be allowed for other institutions in the subsequent budgetary procedure, the case of the requests made by the Council in its own estimate would have to be reexamined; - accepting all the new posts requested for enlargement in respect of language requirements; the minor reductions in other posts requested were mainly for C and D posts; the period for which posts approved have been budgeted for is 6 months; - accepting most of the appropriations requested for enlargement; - accepting the pensions appropriations, after making allowance for the impact of the revision of the Staff Regulations; - placing in reserve the appropriations intended for subsidies under the former Chapter A-30, in the absence of legal bases. As far as each institution is concerned, the following can be noted: - European Parliament (Section I) : under the "gentlemen's agreement", the Council included the European Parliament estimate in the draft general budget of the European Communities for the financial year 2004 without any changes; the estimate was EUR 144,35 million (13,28%) up on the 2003 budget. - Council (Section II) : for its section of the budget for 2004, the Council approved an overall allocation of EUR 524,81 million, including expenditure on enlargement; this takes in expenditure on publication of the Community acquis, as well as EUR 13,12 million for the FADO project and the replacement of the Cortesy and ESDP Net communications networks. The FADO project will involve EUR 2,12 million in appropriations for 2004, a figure set to remain more or less unchanged in future. For Cortesy and ESDP Net, EUR 11 million will be appropriated for 2004, with EUR 35 million estimated to be needed in 2005. For 2006, however, expenditure is forecast at only EUR 10 million. The funding of special representatives, apart from the mission expenses of Council officials assigned to them, will be transferred as from 1 January 2004 to the Commission budget, under policy area 19: external Relations, CFSP activity (EUR 3,1 million). As regards staffing, for its section of the budget, the Council agreed to the creation of 20 new posts for the Secretariat's new tasks other than enlargement. - Court of Justice (Section IV) : for 2004, the Council approved an overall allocation of EUR 220,26 million, including expenditure on enlargement, a EUR 69,66 million (46,26%) increase on the 2003 budget. As regards staffing, the Council accepted the creation of 504 new posts, namely all 246 new language-related posts another 143 new posts and 115 temporary posts. The Council did not approve the creation of 102 enlargement posts, nor the 46 non-enlargement posts requested. All the Court's requests for upgrading or conversion of posts were rejected. - Court of Auditors (Section V) : for 2004, the Council approved an overall allocation of EUR 96,25 million, including expenditure on enlargement, a EUR 19,17 million (24,87%) increase on the 2003 budget. As regards staffing, the Council accepted the creation of 126

new posts for enlargement, namely all (45) language-related posts requested by the institution (10 LA5 and 35 LA7) and 81 other new posts. However, it did not approve the request for the creation of 10 posts for this purpose, nor that for a B5 post for non-enlargement purposes. All other upgrading or conversion of posts was rejected. - Economic and Social Committee (Section VI) : for 2004, the Council approved an overall allocation of EUR 103,78 million, including expenditure on enlargement, a EUR 22,62 million (27,86%) increase on the 2003 budget. As regards staffing, the Council accepted the creation of 110 new posts for enlargement, namely all (71) language-related posts requested by the institution and 39 other new posts. However, it did not approve the request for the creation of 6 posts for this purpose, nor that for 1 post for non-enlargement purposes. The Council rejected the requests for upgrading or conversion of posts (26). - Committee of the Regions (Section VII) : for 2004, the Council approved an overall allocation of EUR 60,01 million, including expenditure on enlargement, a EUR 21,01 million (53,87%) increase on the 2003 budget. As regards staffing, the Council accepted the creation of 162 new posts for enlargement, namely 107 language-related posts and 55 other posts. The Council rejected the requests for upgrading or conversion of posts (24). - European Ombudsman - (Section VIII) : the Council allocated a total amount of EUR 5,44 million for 2004, including expenditure on enlargement, an increase of EUR 1 million (22,52 %) over 2003. On staffing, the Council accepted the creation of 3 new posts under current Expenditure. The conversion without cost of one temporary C5 into one permanent C5 was accepted. The posts requested for enlargement were accepted.