

2000 discharge: EC general budget, section III

Commission

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PURPOSE : to present the balance sheet and analysis of the financial management of the European Communities for the financial year 2000 - Section III - Commission. **CONTENT** : this document presents the analysis of the use of Commission appropriations in 2000, section by section. To recall, the 2000 budget was declared adopted after Parliament's second reading on 16 December 1999. It is the first budget established under the financial perspective for 2000-06 contained in the Interinstitutional Agreement of 6 May 1999 and totals EUR 93 323 million in appropriations for commitments, 3.5 % down on 1999, and EUR 89 441 million in appropriations for payments, a 4.5% increase. The total appropriations for payments are equivalent to 1.11% of GNP. It should be noted that the report on the implementation of the budget is the first answering to the Court of Auditor's request to present the budget in such a way as to concentrate on specific activities. This completely new approach of the presentation of the budget also includes very precise tables of expenditure for each sector. This document also analyses the budgetary procedure step-by-step. The main characteristics of this budget can be summarised as follows: - this budget manages to comply with the tight spending targets set by the Commission in its original proposals and by the two arms of the budgetary authority throughout the budgetary procedure, while at the same time covering the Union's priorities for 2000, in particular reconstruction in Kosovo. - agricultural expenditure totals EUR 40 994 million. The bulk is for market organisation measures (EUR 36 889 million). An across-the-board cut kept the appropriations well below the sub-ceiling (EUR 41 738 million). The other EUR 4 105 million is for the "second agricultural pillar", expenditure on rural development and accompanying measures, including EUR 50 million for improving the processing and marketing of agricultural products (in connection with the dioxin crisis). The margin remaining beneath the ceiling for the heading is EUR 744 million. As this will be the first year of a new programming period, the commitment appropriations for structural measures (EUR 32 678 million) are down on the exceptionally large amounts in 1999 (EUR 39 billion), while payment appropriations (EUR 31 801 million) continue to increase (+4.5 %) to clear outstanding commitments. - the internal policies have a total allocation of EUR 6 028 million in appropriations for commitments, 2.8% up on the 1999 budget, and EUR 5 674 million in appropriations for payments (+13%). The resources are concentrated on a number of top priorities because of the leverage they exert on growth and employment, and on the development and distribution of new technologies. Research is allocated EUR 3 630 million in commitment appropriations and EUR 3 600 million in payment appropriations, a sharp increase (of around 20%) warranted by the large volume of outstanding commitments. - the second major spending area is the Trans-European networks (EUR 688 million in commitment appropriations, up by 17.6 %). Measures on education, vocational training and youth policy receive a substantial 9% increase at EUR 481.5 million in commitment appropriations. - the budgetary impact of the ratification of the Treaty of Amsterdam is also accommodated, in particular as it affects justice and home affairs, with the insertion of a new title covering all the operations for setting up an area for freedom, security and justice and an allocation totalling EUR 97 million (including EUR 26 million for the European Refugee Fund alone). - the allocations for external action come to a total of EUR 4 825 million for commitments, an increase of 3,3 % over 1999, and EUR 3 612 million for payments. The 2000 budget will cover the immediate needs for reconstruction in Kosovo. After the entire EUR 200 has been drawn under the flexibility instrument, a total of EUR 360 million will be available for Kosovo in 2000. The appropriations will also cover new needs for aid to East Timor (EUR 20 million), Turkish earthquake victims (EUR 30 million) and the fisheries agreement with Morocco (EUR 125 million). - in accordance with the new financial perspective the pre-accession strategy is identified in a new heading 7 with an allocation of EUR 3 167 million for commitments and EUR 1 696 million for payments, with a new instrument for agriculture (SAPARD, EUR 529 million for commitments and EUR 200 million for payments) and one for infrastructure (ISPA, EUR 1 058 million for commitments and EUR 245 million for payments) in addition to the Phare

programme. - lastly, it should also be noted that the 2000 Budget has been amended by two supplementary and amending budgets.