

# Procedure file

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

Key players			
European Parliament	Committee responsible		Rapporteur
	<b>BUDG</b> Budgets		Appointed 13/10/1998
			ELDR <a href="#">VIRRANKOSKI Kyösti</a> 13/10/1998
			PPE <a href="#">BOURLANGES Jean-Louis</a>
	Former committee responsible		
	<b>BUDG</b> Budgets		13/10/1998
			PPE <a href="#">BOURLANGES Jean-Louis</a>
	<b>BUDG</b> Budgets		13/10/1998
			PPE <a href="#">BOURLANGES Jean-Louis</a>
	Committee for opinion		Rapporteur for opinion
	<b>AGRI</b> Agriculture and Rural Development		Appointed
	Former committee for opinion		
	<b>AFET</b> Foreign Affairs, Human Rights, Common Security, Defense		28/07/1999
			PSE <a href="#">TITLEY Gary</a>
	<b>CONT</b> Budgetary Control		The committee decided not to give an opinion.
	<b>LIBE</b> Citizens' Freedoms and Rights, Justice and Home Affairs		29/07/1999
			PPE-DE <a href="#">DEPREZ Gérard</a>
	<b>ECON</b> Economic and Monetary Affairs		27/07/1999
			PSE <a href="#">KUCKELKORN Wilfried</a>
	<b>JURI</b> Legal Affairs and Internal Market		The committee decided not to give an opinion.
	<b>ITRE</b> Industry, External Trade, Research, Energy		29/07/1999
			PSE <a href="#">DESAMA Claude J.-M.J.</a>
	<b>EMPL</b> Employment and Social Affairs		27/07/1999
			PSE <a href="#">JÖNS Karin</a>
	<b>ENVI</b> Environment, Public Health, Consumer Policy		27/07/1999

Council of the European Union		PSE <a href="#">BOWE David Robert</a>	
	<b>AGRI</b> Agriculture and Rural Development		26/01/1999
		PSE <a href="#">GÖRLACH Willi</a>	
	<b>PECH</b> Fisheries		27/07/1999
		PPE-DE <a href="#">LANGENHAGEN Brigitte</a>	
	<b>RETT</b> Regional Policy, Transport and Tourism		31/08/1999
		PSE <a href="#">WATTS Mark Francis</a>	
	<b>CULT</b> Culture, Youth, Education, Media and Sport		27/07/1999
		PPE-DE <a href="#">PERRY Roy</a>	
	<b>DEVE</b> Development and Cooperation		21/01/1999
		PSE <a href="#">CARLOTTI Marie-Arlette</a>	
	<b>FEMM</b> Women's Rights and Equal Opportunities		27/07/1999
		PPE-DE <a href="#">KLASS Christa</a>	
	<b>ECON</b> Economic and Monetary Affairs, Industrial Policy		08/02/1999
		PSE <a href="#">KUCKELKORN Wilfried</a>	
	<b>ENER</b> Research, Technological Development and Energy		21/01/1999
		PPE <a href="#">FERBER Markus</a>	
	<b>REGI</b> Regional Policy		
	<b>TRAN</b> Transport and Tourism		17/02/1999
		PSE <a href="#">WATTS Mark Francis</a>	
	<b>ENVI</b> Environment, Public Health and Consumer Protection		05/01/1999
		PSE <a href="#">COLLINS Kenneth D.</a>	
	<b>DEVE</b> Development and Cooperation		21/01/1999
		PSE <a href="#">CARLOTTI Marie-Arlette</a>	
Council of the European Union	Council configuration	Meeting	Date
	Budget	<a href="#">2223</a>	26/11/1999

## Key events

11/03/1999	Vote in committee		Summary
11/03/1999	Preparatory budgetary report tabled for plenary	<a href="#">A4-0109/1999</a>	
23/03/1999	Debate in Parliament		
23/03/1999	Decision by Parliament	T4-0217/1999	Summary
28/04/1999	Commission preliminary draft budget published	SEC(1999)0600	Summary
14/09/1999	Council draft budget published	<a href="#">09928/1999</a>	Summary
19/10/1999	Vote in committee		Summary

19/10/1999	Budgetary report tabled for plenary	<a href="#">A5-0030/1999</a>	
26/10/1999	Debate in Parliament		
28/10/1999	Decision by Parliament	<a href="#">T5-0076/1999</a>	Summary
26/11/1999	Amended budget adopted by Council		
26/11/1999	Council amended draft budget published	<a href="#">13476/1999</a>	
07/12/1999	Vote in committee, 2nd reading		Summary
07/12/1999	Budgetary report tabled for plenary, 2nd reading	<a href="#">A5-0095/1999</a>	
13/12/1999	Committee referral announced in Parliament, 2nd reading		
14/12/1999	Debate in Parliament		
16/12/1999	Decision by Parliament, 2nd reading	<a href="#">T5-0179/1999</a>	Summary
16/12/1999	End of procedure in Parliament		
14/02/2000	Final act published in Official Journal		

### Technical information

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

### Documentation gateway

Preparatory budgetary report tabled for plenary		<a href="#">A4-0109/1999</a> <a href="#">OJ C 177 22.06.1999, p. 0002</a>	11/03/1999	EP	
Parliament's opinion on budgetary estimates/guidelines		T4-0217/1999 <a href="#">OJ C 177 22.06.1999, p. 0012-0040</a>	23/03/1999	EP	Summary
Commission preliminary draft budget		SEC(1999)0600	28/04/1999	EC	Summary
Amending/supplementary letter on draft budget		SEC(1999)1002	03/08/1999	EC	Summary
Council draft budget		<a href="#">09928/1999</a>	14/09/1999	CSL	Summary
Budgetary report tabled for plenary, 1st reading		<a href="#">A5-0030/1999</a> <a href="#">OJ C 154 05.06.2000, p. 0006</a>	19/10/1999	EP	
Budgetary text adopted by Parliament		<a href="#">T5-0076/1999</a> <a href="#">OJ C 154 05.06.2000, p. 0069-0110</a>	28/10/1999	EP	Summary
Council amended draft budget		<a href="#">13476/1999</a>	26/11/1999	CSL	Summary
Amending/supplementary letter on draft budget		<a href="#">13482/1999</a>	26/11/1999	CSL	
Amending/supplementary letter on draft budget		SEC(1999)1646	01/12/1999	EC	

Budgetary report tabled for plenary, 2nd reading	<a href="#">A5-0095/1999</a> <a href="#">OJ C 296 18.10.2000, p. 0018</a>	07/12/1999	EP	
Final budget adopted by Parliament	<a href="#">T5-0179/1999</a> <a href="#">OJ C 296 18.10.2000, p. 0135-0195</a>	16/12/1999	EP	Summary

#### Final act

[Budget 2000/81](#)  
[OJ L 040 14.02.2000, p. 0001](#)

## 2000 budget : section III

The report was adopted by the Committee. The general rapporteur, Mr BOURLANGES, highlighted the uncertainty hanging over the 2000 budget procedure, given that the present multiannual financing framework (1993-99), known as the Financial Perspective (FP), and the Interinstitutional Agreement (IIA) accompanying it are due to expire and an overall agreement on Agenda 2000 has yet to be reached. He believed, however, that the spirit of budgetary rigour and discipline which had prevailed in recent years should be maintained, although adequate funds must still be made available to carry out EU policies. He noted that in the absence of a new Financial Perspective the ceiling for the 2000 budget would be the same as the total amount provided for in the current FP for 1999, adjusted in accordance with the existing IIA. If the Council were to denounce the current IIA, Article 203 of the Treaty would have to be invoked (entailing a calculation of the maximum rate of increase from one year to the next and a requirement for Parliament and Council to reach an agreement on this rate). Mr Bourlanges stressed Parliament's determination to adopt a budget which would guarantee its prerogatives and take into account its policy priorities: job creation (especially via measures to support SMEs), continuing education and training, research and development and coherent development of the various regions of the EU. In addition, the budget must strengthen the Union in the world through effective external measures and a development policy which displays solidarity and consistency. Another priority is to abolish gradually the technical assistance bureaux which currently carry out work which should be done by the Commission. The report reaffirms, for the 2000 budget, the principles used by Parliament and Council to draw up the budget in recent years: rigour, applied to all categories of expenditure, in order to guarantee margins for manoeuvre, the use of quantitative and qualitative outturn statistics to determine the funds to be entered for the following year and the concentration of appropriations in order to comply with clear priorities. The EU budget must also take account of trends in national budgets. More checks should be carried out and the qualitative aspects of expenditure should be improved. For this purpose, closer cooperation is needed between Parliament's own committees and between the latter and national parliamentary committees. The report argues for keeping the system by which the Commission, fairly late in the budget procedure (October), makes an adjustment of the estimates for agricultural expenditure based on the latest data. For this category of spending, rigour is essential but it must be accompanied by sufficient resources. For Category 2 (Structural actions), the report stresses that a clear distinction must be made between appropriations for the new programming period (2000-2006) and those covered by the current package (1993-99). The committee calls for at least 50% of "outstanding commitments" from the present programming period to be included in the 2000 budget in order to "eliminate the burden of the past". This should apply to Categories 2, 3 (Internal policies) and 4 (External action). As regards Category 3 (Internal policies), priority should be given to public information measures, asylum and immigration policy and refugees, improved environmental measures, public health and consumer protection. In Category 4 (External action), after an assessment of measures which have been carried out, the emphasis should be on exploring, in conjunction with the Commission and Council, the scope for concentrating Community aid on the poorest developing countries and possibly increasing this aid. As regards expenditure for financing pre-accession measures, these should be grouped together under a single budget title. Lastly, on administrative expenditure, the report says it is essential to make the budget estimate of staff resources of the Community administration part of a multiannual assessment of requirements. It calls on the Commission to carry out a thoroughgoing revision of its management methods, to make administrative costs more transparent and to report by 30th June 1999 on its priorities and real needs in terms of staff.

## 2000 budget : section III

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

## 2000 budget : section III

In its letter of amendment no. 1 to the preliminary draft budget for 2000, the Commission amends the draft budget by requesting 150 new posts for the 2000 financial year. These posts would mainly be concentrated on strengthening the financial management of Community programmes and actions without prejudice to additional requests that the Commission might make (in particular, in respect of OLAF). A large share of the posts will be for the management of programmes and actions in the field of external relations, in particular by the RELEX (external relations) Common Service and the delegations, with a view to facilitating the deconcentration and decentralisation process in the implementation of Community programmes. A certain number of posts will be assigned to the management of the pre-accession instruments relating to the associated countries of Central and Eastern Europe, managed by non-RELEX Directorates-General. Lastly, there is also a need to respond to the priority needs in the area of internal policies, in particular the financial management of programmes. The availability of lists of candidates who have been successful in the competitive examinations for A-grade officials in 1999 and in early 2000 will accelerate the recruitment process for the new posts. In conclusion, the net need for posts, to which this amending letter refers amounts to 150, 120 of which

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

## 2000 budget : section III

---

The report by Jean-Louis BOURLANGES (EPP/ED, F) for Parliament's first reading on the 2000 general budget was adopted by the committee. The resolution accompanying the committee's amendments to the Council's draft budget was based on Parliament's budget guidelines adopted last spring. It set out priorities and explained the proposals the committee was submitting to plenary. The resolution called on the Commission to put forward a proposal to revise the budget for External Action (Category 4 of the Financial Perspective) laid down in the Interinstitutional Agreement of 6 May and asked the Council to accept a revision of those figures. This would allow sufficient funding to be found for the four "absolute priorities" of the 2000 budget in this area (aid for reconstruction in Kosovo, the fisheries agreement with Morocco, reconstruction aid to Turkey following the earthquake and financial assistance for East Timor). Turning to the other expenditure categories, the committee's amendments would restore the funding for agriculture earmarked in the Commission's preliminary draft budget (PDB), pending the letter of amendment to be presented by the Commission in late October, which would enable the farm budget for 2000 to be based on the latest estimates of real needs in agriculture. For Structural Operations (Category 2 of the Financial Perspective), the committee sought to restore the payment appropriations put forward in the PDB under the new multiannual framework (the 2000-2006 Financial Perspective). It also wished to increase payment appropriations in order to complete current programmes financed under the multiannual plan now coming to an end (the 1993-1999 Financial Perspective), so as to enable outstanding commitments (payments scheduled under previous budget years but not yet paid out) to be liquidated. On Internal Policies (Category 3), the committee reiterated Parliament's wish for priority to be given to the major multiannual programmes: Socrates, Youth, Culture 2000 and Life. As co-legislator with the Council, Parliament wanted to find solutions to the funding of these programmes which represented a balance between their total funding and the annual figures to be entered in the budget. Particular emphasis was placed on measures to boost jobs and SMEs; here the committee had restored the figures of the PDB. It also called for additional funds for public information campaigns and for measures covering the reception and care of refugees. Parliament was asked to ensure that all measures to do with the creation of an area of freedom, security and justice were placed together under a new budget heading. The committee also proposed that appropriate funding be provided for pilot projects and preparatory measures. Lastly, in the area of research, the committee wanted Parliament to ask the Commission to supply full information, broken down by key area, on the management of research activities. On Administrative Expenditure (Category 5), the committee drew on the recommendations of the Committee of Independent Experts to call on the Commission to speed up its administrative reforms. It repeated the call for the Technical Assistance Offices (TAOs) to be gradually disbanded. To improve transparency, it believed administrative expenditure relating to programme management should be clearly identified. This expenditure should be entered separately from the operating appropriations approved for such programmes. It confirmed its backing for the rapid establishment of the EU anti-fraud office (OLAF), for which it provided for 75 extra posts in the year 2000.

## 2000 budget : section III

---

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

regard to research spending. As regards administrative expenditure, MEPs want to see the recommendations made by the Committee of Experts put into place as as possible, starting with the phasing out of the technical assistance offices responsible for organising foreign aid. MEPs also called for 75 extra posts for the anti-fraud office, OLAF.?