



Procedure file

Basic information		
BUD - Budgetary procedure	1999/2191(BUD)	Procedure completed
2001 Budget: other sections		
Subject 8.70.60 Previous annual budgets		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets		28/07/1999
		PSE HAUG Jutta	
	Former committee responsible		28/07/1999
	BUDG Budgets	PPE-DE FERBER Markus	
			27/01/2000
	BUDG Budgets	PPE-DE FERBER Markus	
Former committee for opinion		The committee decided not to give an opinion.	
JURI Legal Affairs and Internal Market			
PETI Petitions			23/02/2000
		PPE-DE PERRY Roy	
PETI Petitions			23/02/2000
		PPE-DE PERRY Roy	
Council of the European Union	Council configuration	Meeting	Date
	Budget	2310	24/11/2000
	Budget	2285	20/07/2000

Key events			
20/03/2000	Vote in committee		Summary
20/03/2000	Preparatory budgetary report tabled for plenary	A5-0068/2000	
29/03/2000	Debate in Parliament		
30/03/2000	Decision by Parliament	T5-0127/2000	Summary
23/05/2000	Commission preliminary draft budget published	COM(2000)0300	Summary

20/07/2000	Debate in Council	2285	
11/09/2000	Council draft budget published	10299/2000	Summary
12/10/2000	Vote in committee		Summary
12/10/2000	Budgetary report tabled for plenary	A5-0292/2000	
24/10/2000	Debate in Parliament		
26/10/2000	Decision by Parliament	T5-0473/2000	Summary
24/11/2000	Amended budget adopted by Council		
24/11/2000	Council amended draft budget published	13830/2000	Summary
04/12/2000	Vote in committee, 2nd reading		Summary
04/12/2000	Budgetary report tabled for plenary, 2nd reading	A5-0380/2000	
11/12/2000	Committee referral announced in Parliament, 2nd reading		
14/12/2000	Decision by Parliament, 2nd reading	T5-0568/2000	
14/12/2000	End of procedure in Parliament		
26/02/2001	Final act published in Official Journal		

Technical information

Procedure reference	1999/2191(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/5/12272; BUDG/5/12275

Documentation gateway

Preparatory budgetary report tabled for plenary	A5-0068/2000 OJ C 378 29.12.2000, p. 0004	20/03/2000	EP	
Parliament's opinion on budgetary estimates/guidelines	T5-0127/2000 OJ C 378 29.12.2000, p. 0017-0065	30/03/2000	EP	Summary
Commission preliminary draft budget	COM(2000)0300	23/05/2000	EC	Summary
Council draft budget	10299/2000	11/09/2000	CSL	Summary
Budgetary report tabled for plenary, 1st reading	A5-0292/2000 OJ C 197 12.07.2001, p. 0008	12/10/2000	EP	
Budgetary text adopted by Parliament	T5-0473/2000 OJ C 197 12.07.2001, p. 0215-0346	26/10/2000	EP	Summary
Council amended draft budget	13830/2000	24/11/2000	CSL	Summary

Budgetary report tabled for plenary, 2nd reading	A5-0380/2000 OJ C 232 17.08.2001, p. 0009	04/12/2000	EP
Final budget adopted by Parliament	T5-0568/2000 OJ C 232 17.08.2001, p. 0200-0281	14/12/2000	EP
Final budget adopted by Parliament	T5-0591/2000	14/12/2000	EP

Final act

[Budget 2001/110](#)
[OJ L 056 26.02.2001, p. 0001](#)

2001 Budget: other sections

The committee adopted the report by Markus FERBER (EPP/ED, D) on the on the section of the 2001 budget guidelines that covered the budgets for the EU's own administration. The committee said that, with tight budgetary constraints set to continue in 2001, the institutions had to decide on their priorities. They had to start preparing now for the administrative, budgetary and financial impact of enlargement. This meant making plans, for example, for staff numbers, offices and language services. The committee believed the other institutions needed to modernise their administrations. To do this, they needed to draw up a medium-term plan for making the necessary reforms and to decide on their staff requirements. Regarding Parliament itself, the committee stressed that the system of Members' allowances should be "fully accountable". In view of the sharp increase in MEPs' workloads since the Amsterdam Treaty came into force, funding arrangements should take account of the possible entry into force of a statute for Members' assistants. In addition, all staff of the institution should be deployed efficiently. The report argued for closer interinstitutional cooperation, especially on information policy. It also called on the Commission to submit before 1 September 2000 a legislative proposal on a statute for European political parties.?

2001 Budget: other sections

The European Parliament adopted its resolution drafted by Mr. Markus FERBER (EPP/ED, D), on the 2001 budgetary guidelines - other sections. Parliament points out that the policy of budgetary rigour will also apply in the 2001 budget and that setting priorities amongst the needs of the various institutions continues to be extremely important, to avoid the ceiling of heading 5 expenditure being reached. It emphasises that every request for additional expenditure has to be duly justified, and may, in principle, be granted only for new tasks, and in respect of requests for new staff, only where redeployment is not possible. It asks the institutions to consider the administrative, budgetary and financial implications of the forthcoming enlargement with particular reference to staffing requirements, office space, and the need to refurbish buildings currently in use. It welcomes the White Paper on Commission reform and considers that general principles of reform have to apply to all institutions in order to increase transparency, responsibility and accountability to European citizens. It considers that in parallel with the administrative reform under way in the Commission, the other institutions should improve the management of their own human and financial resources. It calls on the Commission to propose that a capital-based pension system for Community officials be set up. With specific reference to the Parliament, it notes that owing in particular to the increase in Parliament's powers resulting from the Amsterdam Treaty, the workload of Members has seriously increased over recent years and that for Members to fulfil their mandate they require adequate resources. Parliament instructs its Secretary-General to submit an assessment of the 2000 mobility exercise before 01/04/2001, as well as to ensure that future privatisation and/or outsourcing of services is cost-effective, and maintains a high level of quality of service. It also instructs its Secretary-General to submit by 01/07/2000 a report on the progress made in inter-institutional cooperation in the property sector - to include a quantitative assessment of future office space requirements - and of the state of play in the negotiations with the Luxembourg authorities. The implications of the large number of experts employed in the Parliament's administration and in the political groups on the basis of outside contracts also need to be examined, as well as alternatives in the data processing sector. The Secretaries-General of the Parliament, Committee of the Regions and the Economic and Social Committee are called upon to submit a report by 30/06/2000 setting out those areas such as interpretation where a common use of services might be useful to the institutions. Parliament asks the Commission to make a critical review of the allowances and the arrangements for the reimbursement of expenses set out in Annex VII to the Staff Regulations, since some of them no longer appear to be justified. It also asks the Commission to submit before 01/09/2000 a legislative proposal on the statute of, and for financial support to be provided to, European political parties, given that they 'contribute to forming a European awareness and to expressing the political will of the citizens of the Union'. The Court of Justice is called upon to submit in good time before the EP's first reading of the 2001 budget an analysis on its future human and financial resources requirements with a view to the upcoming enlargement and the expected increase in the Court's workload. The Court of Auditors is asked to bring its standard abatement into line with the number of vacant posts. The CoR and ESC are urged to do their utmost to conclude the negotiations with the owner of the Belliard building as quickly as possible. They are also called on to enter travel and daily allowances for its Members under Chapter 10 (Members of the Institution), as the other institutions do, rather than under budget line 250 (Meetings in general). The Committee of the Regions is asked to bring its costs for auxiliary agents into line with those of the other institutions by applying the principle of permanent posts for permanent tasks, and to make the necessary changes to the establishment plan in its estimates for 2001 accordingly. The Parliament stresses that although the Ombudsman's budget became an independent section of the general budget of the Communities as of the 2000 budget, this should not lead to staff increases in the administrative, budgetary and financial sectors.?

2001 Budget: other sections

PURPOSE: presentation of the preliminary draft general budget of the European Communities for the 2001 financial year - Other sections.

CONTENT: This preliminary draft budget refers to the administrative and operating expenditures for each of the Institutions of the Union. As far as what specifically concerns the administrative expenditure, the increase in the ceiling for heading 5 of the budget for 2001 is 3% (from EUR 4 638 million to EUR 4 776 million), excluding staff contributions for the pensions. With the contribution, which amounts to EUR 163 million, the ceiling for heading 5 becomes EUR 4 939 million. Since administrative appropriations for all the institutions in the 2000 budget totalled EUR 4 702 million, administrative expenditure could rise by EUR 237 million (+ 5%) in 2001. A forecast for the other institutions from the last indicative financial programming gives an increase of 2.5% (EUR 1 675 million in 2001). It should be noted that the administrative budget for the Commission takes into account a sum of EUR 12.5 million relating to the administrative reform of the Commission. It should also be noted that the budget for OLAF increases by 36.1% (to EUR 34.7 million). This increase is the result of 76 new posts (to 300 posts in 2001), the renting of a new building and the reinforcement of the IT systems. Appropriations to cover the pensions of all the institutions will increase by 10.1% to EUR 621.5 million due to the rise in the number of former officials, the increase in the average cost of pensions as new pensioners have more years' service and an adjustment to weightings to take account of the changes in the cost of living in the Member States. As far as the other institutions are concerned, the request from the Court of Justice regarding the creation of 95 new posts mainly for the translation directorate (mainly jurist-linguists), as well as for the Court of First Instance. The budget for the Court of Auditors does not provide for any increase in staff, while the budget for the Economic and Social Committee integrates, for the first time since the dissolution of the common ESC/CoR organisational structure, the ESC's contribution to the operating expenditure of the ESC's common services. The Committee of the Regions' budget is characterised by its stability and the autonomy of its financial management. As far as the European Parliament is concerned, its budget is set at EUR 987.8 million (in this context, it should be noted that a new budget article has been created relating to expenditure on parliamentary assistance, amounting to EUR 90 million). Lastly, it should be noted that, from 2001 onwards, the Ombudsman's budget will no longer be annexed to that of the European Parliament. Overall, the 'Other sections' part of the Preliminary Draft Budget amounts to EUR 4 860 million in 2001. ?

2001 Budget: other sections

The Council adopted by a large majority its first reading on the preliminary draft budget for 2001 dealing with the other sections of the budget on the basis of the preparatory work done by the Budgets Committee and the Committee of Permanent Representatives. The logic followed by the Council involved the stabilisation of current expenditure at the same rate as inflation, while allocating additional sums for exceptional or unavoidable needs of the institutions, arising mainly from the implementation of the Amsterdam Treaty or the replacement of members of the institutions. The Council was also careful to respect the priorities set by the institutions themselves within the overall amounts of operating expenditures that had themselves determined. Certain sectors were the subject of particular attention, especially posts in the Court of Justice and the Anti-Fraud Office for 2001. The Council also accepted a small number of conversions or upgradings of posts as a matter of careers policy, provided that they have no particular financial impact. The total administrative appropriations for the institutions (including the European Parliament) amounts to EUR 4.825,15 million (an increase of 2.1% in comparison with 2000, including the SAB 2/2000). As far as the assessment of needs arising from the pension scheme is concerned, it was recalled that the Commission had been asked by the Council in November 1999 to present this assessment by the end of June 2000, together with a proposal to revise the scheme. A total of 127 new permanent posts shared out between the Anti Fraud Office (76), the Court of Justice (47), the ESC (2) and the Ombudsman (2) were agreed. As regards the Commission, the Committee took note of the Commission's intention to deal with human resources in a forthcoming letter of amendment and supports the effort it has made in reviewing in depth the deployment of its staff and whether staff levels are appropriate for the tasks to be performed in each area, which must as far as possible lead to redeployment within existing staff numbers. Pending the outcome of this review, no conversion or upgrading of posts has been adopted. into account the results of its work on reorganisation -Lastly, the Council left a margin of EUR 113 million under the ceiling of heading 5 on the financial perspective in order to be able to deal with any eventual new needs that might emerge, particularly pending the letter of amendment announced by the Commission. ?

2001 Budget: other sections

The committee adopted the report by Markus FERBER (EPP-ED, D) on the administrative expenditure for 2001 of the institutions other than the Commission. The report said there must be no relaxation of budgetary rigour and stressed the need to continue and strengthen interinstitutional cooperation, in particular in order to devise a global buildings policy with a view to enlargement. ?

2001 Budget: other sections

The European Parliament approved the resolution from Mr Markus FERBER (EPP/ED, D) on the administration of Parliament's budget and the administrative budgets of other European institutions with a number of amendments. The Parliament underlines that administrative expenditure must continue to be subject to budgetary rigour and insists on the need to continue and reinforce institutional cooperation, notably in order to develop a global buildings policy in the perspective of future enlargement. The resolution notes that the discontinuation of Friday's sitting in Strasbourg will lead to savings of about EUR 1 million, the Parliament instructs the Bureau to adopt strict criteria for Members' eligibility for the Friday daily allowance. Furthermore, the Parliament remains convinced that a statute for Members' assistants is urgently needed. ?

2001 Budget: other sections

The Council has completed the second reading of the 2001 budget (other sections), taking decisions on all proposed alterations and on all the amendments adopted by the European Parliament at the first reading. In particular, the Council has accepted the parliamentary amendments relating to the Court of Auditors, the Economic and Social Committee, the Committee of the Regions and the European Ombudsman, as well as upholding the draft budget adopted by the Council in July 2000 for Part A of the Commission section, including Letter of Amendment No 1, and for the Court of Justice, apart from one amendment. As far as the Council budget is concerned, the Council indicated that, from January 2001, it would be examining draft estimates for a supplementary and amending budget designed to cover the Council's new requirements arising from developments in the European security and defence policy and especially its additional staffing requirements. ?

2001 Budget: other sections

The committee adopted the report drawn up by Jutta HAUG (PES, D) jointly with Markus FERBER (EPP-ED, D) on the 2001 budget. Although the Council had refused to revise the financial perspective, despite repeated requests by Parliament, the committee nevertheless welcomed the agreement reached at the budgetary conciliation meeting between Parliament's delegation and the Council on 23 November 2000 and in particular the use of the flexibility instrument. It agreed that the instrument should be mobilised for an amount of EUR 200m in commitment appropriations for Serbia, thus providing for a total amount of EUR 839m to be entered for the Balkan states, including EUR 240m for Serbia. Funding for the reconstruction of Kosovo within that total could therefore be maintained at the level provided for in the preliminary draft budget (PDB). The committee also noted that financing was guaranteed under heading 4 (external action) for Parliament's traditional priorities, such as cooperation with the countries of Latin America and Asia and South Africa, support for democratisation and human rights and cooperation with NGOs. Financing would also be guaranteed for the Rapid Reaction Facility proposed by the Commission. The committee confirmed that the overall increase in payment appropriations for 2001 would be limited to 3.5% in relation to 2000 and agreed to the rebudgetisation for 2002 and subsequent years of an amount of EUR 1600m in commitment appropriations for Community initiative programmes. It therefore accepted that payment appropriations for the 2001 budget in heading 2 would be EUR 700m lower than projected in the 2001 PDB. In line with Parliament's priorities, the committee also welcomed the agreement that had been reached on continuing the employment initiative created in 1998 and on an allocation of EUR 450m for the multiannual programme for enterprise and entrepreneurship (2001-2005), with a total of EUR 100m in commitment appropriations in 2001. The committee agreed to release the performance reserve for heading 4 and the reserve for Letter of Amendment 1/2001 created at Parliament's first reading. It confirmed Parliament's ongoing commitment to support the administrative reform of the Commission, including the creation of 500 new posts, and underlined the need to create an early retirement scheme to support the reform process. As agreement had been reached in a joint statement by Council, Commission and Parliament to establish performance conditions to improve the efficiency of the institutions, the committee called on the Commission to submit a progress report to Parliament by 30 June 2001, in the context of the 2002 budgetary procedure, on phasing out the commitment backlog by 2003; the implementation of performance targets in heading 4 and progress on limiting the duration of commitments; improvements in committology; the state of affairs relating to the early retirement scheme; and improvements in simplifying and implementing programmes. Lastly, it agreed to adopt in one reading Letter of Amendment No. 2/2001 as amended by the Council and including an additional amount of EUR 60m for BSE tests.?