

# Procedure file

Basic information	
BUD - Budgetary procedure	2001/2025(BUD)
Supplementary and amending budget 1/2001: BSE crisis	Procedure completed
Subject	
8.70.60 Previous annual budgets	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>BUDG</b> Budgets		28/07/1999
		PSE <a href="#">HAUG Jutta</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>AGRI</b> Agriculture and Rural Development		19/10/1999
		PPE-DE <a href="#">MAAT Albert Jan</a>	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">2329</a>	01/03/2001
European Commission	Commission DG	Commissioner	
	<a href="#">Budget</a>		

Key events			
31/01/2001	Commission preliminary draft budget published	SEC(2001)0148	Summary
12/02/2001	Council draft budget published	<a href="#">06073/2001</a>	Summary
26/02/2001	Vote in committee		Summary
26/02/2001	Budgetary report tabled for plenary	<a href="#">A5-0064/2001</a>	
28/02/2001	Committee referral announced in Parliament		
01/03/2001	Decision by Parliament	<a href="#">T5-0110/2001</a>	Summary
01/03/2001	Draft budget approved by Council		
01/03/2001	End of procedure in Parliament		
13/08/2001	Final act published in Official Journal		

Technical information	
Procedure reference	2001/2025(BUD)

Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Legal basis	ECSC Treaty C 078; EC Treaty (after Amsterdam) EC 272; Euratom Treaty A 177
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/5/14355

### Documentation gateway

Commission preliminary draft budget		SEC(2001)0148	31/01/2001	EC	Summary
Council draft budget		<a href="#">06073/2001</a>	12/02/2001	CSL	Summary
Budgetary report tabled for plenary, 1st reading		<a href="#">A5-0064/2001</a>	26/02/2001	EP	
Budgetary text adopted by Parliament		<a href="#">T5-0110/2001</a> <a href="#">OJ C 277 01.10.2001, p. 0016-0070</a>	01/03/2001	EP	Summary

### Final act

[Budget 2001/603](#)  
[OJ L 218 13.08.2001, p. 0001](#)

## Supplementary and amending budget 1/2001: BSE crisis

PURPOSE : to present the draft supplementary and amending budget 1/2001 of the European Communities for the 2001 financial year - section III (Commission). CONTENT : in December 2000, the Commission announced that it would present a SAB in early 2001 to cater for the additional costs of the BSE crisis. The Nice European Council noticed that the measures to be proposed by the Commission should be " in strict compliance with the financial perspective". The present is a very urgent and targeted SAB, which cannot therefore include an updating of the agro-economical assumptions for the common agricultural policy. The BSE crisis erupted too late last year to be incorporated into the then ongoing budget procedure. The budget 2001 as adopted leaves a margin of EUR 1 232,3 million below the ceiling provided for heading 1a, which it is now proposed to use. The main items covered by the present proposal include: the additional costs decided in December by the Agriculture Council and related to the destruction scheme for animals older than 30 months (EUR 700 million), market intervention in the beef market (EUR 238 million) and the co-financing of BSE tests (EUR 33 million). This BSE related costs total EUR 971 million. The present SAB also proposes to update the EUR/USD exchange rate with a subsequent reduction of EUR 245 million of the appropriations provided to take into account the smaller gap between EU and world market prices. With these assumption for the year 2001 the biggest reductions are occurring for arable crops (EUR 178 million), followed by much smaller decreases for sugar, textile plants and other plant sectors and products (EUR 22, 24 and 16 million respectively). Some minor adjustments can be operated for Food aid and POSEI. An additional technical element of the present preliminary draft SAB is the proposed modification of a budgetary remark in heading 4: external relations. The remark for B7-541 for the Western Balkans, would be completed in order to allow the reconstruction Agency, currently operating in Kosovo and Serbia to extend its activity to Montenegro and to cover its administrative costs with a maximum of 8% of the overall multiannual amount fixed for the programme. The Commission believes that additional appropriations can be financed by an increase of the surplus available from the 2000 financial year, stemming both from surplus in the revenues and under-implementation of the expenditures, in particular in the area of Structural Funds. The call for own resources will therefore not change.?

## Supplementary and amending budget 1/2001: BSE crisis

PURPOSE: presentation of the supplementary and amending budget 1/2001 concerning certain measures relating to BSE. CONTENT: The Council confirming an agreement reached in COREPER by qualified majority established the Draft Supplementary and Amending Budget (DSAB) 1/2001 to finance a package of BSE related measures agreed by the Agriculture Council at its January 2001 meeting. The DSAB makes a provision for additional expenditure of EURO 971 million -of which EURO 726 million will be funds drawn from the available margin under budgetary sub heading 1a. The EURO 726 million will be covered entirely by the surplus recovered from the previous year. The remaining EURO 245 million will come from adjustments in forecasts for agricultural expenditure resulting from an adapted Euro/Dollar exchange rate, in line with article 8 of the Council Regulation of 26 September 2000 on budgetary discipline.?

## Supplementary and amending budget 1/2001: BSE crisis

The committee adopted the report by Jutta HAUG (PES, D) accepting the Draft Supplementary and Amending Budget (SAB) 1/2001. It issued a warning, however, that the adjustment of the euro/dollar exchange rate required under the Regulation on budgetary discipline distorted the

real picture of the 2001 budget, and might give rise to savings (for example, a larger margin remaining under subheading 1a after approval of SAB 1/2001) which were only virtual and provisional. While approving the proposed measures to counter problems in the beef and veal sector, the committee noted that it was likely that the SAB 1/2001 would not be sufficient to cope with the BSE crisis. It called on the Commission to study the feasibility of alternative schemes for financing the consequences of outbreaks of animal diseases in which the costs were more equally shared among all the parties concerned, and urged that funds be made available for more research into BSE and improved testing of younger animals. The committee also called on the Commission, in the context of its mid-term review of Agenda 2000, to put forward a coherent package of proposals for reforming the CAP. Lastly, it felt that the time had come for Parliament to be fully involved in decision-making on agricultural expenditure in subheading 1a, by making such expenditure subject to the codecision procedure.?

## Supplementary and amending budget 1/2001: BSE crisis

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The European Parliament adopted the report by Mrs Jutta HAUG (PES, D) on the draft SAB 1/2001. The House approved the budget for 2001 of some EUR 971 million to pay for extra costs as a result of the BSE crisis. Some EUR 700 million is to go towards paying for the destruction of 530,000 tonnes of beef and another EUR 238 million to buy-in 125,000 tonnes of beef to go into stock. The rest is to go towards paying for extra tests on animals. However, the Parliament pointed out that it is likely that the SAB 1/2001 will not be sufficient to cope with the BSE crisis. Parliament's resolution also supports the idea of agriculture spending coming under the co-decision procedure and thus subject to closer parliamentary control. Moreover, the House has approved the modifications to the budgetary remarks of heading B7-541, aiming to clarify the European Agency for Reconstruction's mandate in favour of Montenegro, within the ceiling agreed by the budgetary authority, in proportion of the appropriations dedicated to Montenegro. ?