


Procedure file

Basic information		
BUD - Budgetary procedure	2001/2063(BUD)	Procedure completed
2002 budget: interinstitutional conciliation procedure		
Subject 8.70.60 Previous annual budgets		

Key players			
European Parliament	Committee responsible		Rapporteur
	BUDG Budgets		Appointed 23/03/2001
			PPE-DE COSTA NEVES Carlos
	Committee for opinion		Rapporteur for opinion
	AFET Foreign Affairs, Human Rights, Common Security, Defense		Appointed 06/02/2001
			PPE-DE SALAFRANCA SÁNCHEZ-NEYRA José Ignacio
	EMPL Employment and Social Affairs		15/02/2001
			PPE-DE PRONK Bartho
	AGRI Agriculture and Rural Development		24/01/2001
			PSE GÖRLACH Willi
	PECH Fisheries		23/01/2001
			PPE-DE MAAT Albert Jan
Council of the European Union	Council configuration		Meeting
	Budget		2388 Date 21/11/2001

Key events			
23/03/2001	Committee referral announced in Parliament		
26/06/2001	Vote in committee		Summary
26/06/2001	Budgetary report tabled for plenary	A5-0241/2001	
04/07/2001	Debate in Parliament		
05/07/2001	Decision by Parliament	T5-0391/2001	Summary
05/07/2001	End of procedure in Parliament		

21/11/2001	Debate in Council	2388	
14/03/2002	Final act published in Official Journal		

Technical information

Procedure reference	2001/2063(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budgetary preparation
Legal basis	EC Treaty (after Amsterdam) EC 272; Euratom Treaty A 177; ECSC Treaty C 078
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/5/14587

Documentation gateway

Budgetary report tabled for plenary, 1st reading		A5-0241/2001	26/06/2001	EP	
Budgetary text adopted by Parliament		T5-0391/2001 OJ C 065 14.03.2002, p. 0172-0284 E	05/07/2001	EP	Summary

2002 budget: interinstitutional conciliation procedure

The committee adopted the report by Carlos COSTA NEVES (EPP-ED, P) establishing the broad guidelines for negotiations with the Council on the 2002 budget. It emphasised first of all that the appreciable margin existing under the overall ceiling for payment appropriations in the preliminary draft budget should be used better to implement Community policies under headings 3 and 4 (internal policies and external action), and called for a solution to the problems relating to the outstanding commitments in various sectors. The Commission was also asked to present a study analysing the measures taken in the context of agricultural reform as part of Agenda 2000 in order to facilitate decision-taking by the budgetary authority on the 2002 agriculture budget. The committee was concerned that the increase in market expenditure (sub heading 1a - Agriculture) might have an adverse impact on efforts to promote rural development. Turning to fisheries, in the light of the failure to conclude a new agreement with Morocco the Commission was asked to propose a specific action programme for restructuring the Community fleet. The committee wanted clarification of the use to which the provision of EUR 125 million in the reserve - initially intended to fund a new EC-Morocco agreement - was to be put. The committee wondered whether the Commission proposal to maintain funding for the CFSP at the same level as in 2001 was really justified. The Commission and Council were also urged to move towards a multi-annual programme of actions for the CFSP. Lastly, it called for further measures to destroy weapons of mass destruction as part of the development of the CFSP. Under the heading of administrative expenditure (heading 5), the Council should honour its commitment to create a separate title in its budget (together with an establishment plan) for the costs of the defence policy (ESDP). The three institutions should engage in a study of the long-term needs of the ESDP, enlargement, other expanding budget areas and their implications for administrative expenditure. The committee also reiterated its support for the reform process at the Commission. Lastly, it reiterated Parliament's priorities as stated in the 2002 budget guidelines approved in April 2001, such as the E-learning initiative, external action and asylum and migration policy. ?

2002 budget: interinstitutional conciliation procedure

By adopting the report by Mr Carlos COSTA NEVES (EPP-ED, P), the European Parliament broadly agreed with position of the committee responsible. (Please refer to the previous text). The report deals essentially with expenditure in sectors such as agriculture, fisheries, common foreign and security policy (CFSP). This procedure, known until now as "ad hoc procedure", aims to evaluate the needs and come to an agreement between the Parliament and the Council on the level of expenditure to be provided in the various sectors. Firstly, the Parliament considers that the appreciable margin which exists in the SAB under the overall ceiling for payment appropriations should be used better to implement Community policies, especially under Heading 3 and Heading 4 (internal policies and external actions) and to liquidate the continuing large volume in outstanding commitments in various sectors. Moreover, the Parliament considers that the payments to be made available for the the reserve for agriculture should not prejudice the assessment of needs for payments in Headings 3 and 4. It also considers that the proposal by the Commission to create a reserve for agriculture earmarked for measures regarding BSE and FMD partly meets the concerns expressed by Parliament on this subject on successive occasions in the past. However, the Parliament wonders at the Commission's reasons for proposing such a large reserve at this stage when it still has the opportunity of adjusting the PDB by means of a Letter of Amendment later in the procedure. The Parliament expects the Commission to substantiate the need for this reserve in time for Parliament's first reading. In addition, the Parliament expects that on the occasion of the presentation of the Letter of Amendment, the Commission shall present a detailed study analysing the different measures taken in the context of the agriculture reform making up Agenda 2000 in order to help the budgetary authority to come to a decision on the appropriations to be provided to the agriculture sector in 2002. Furthermore, the Parliament reaffirms its determination that agriculture expenditure should remain within the ceilings laid down in the financial perspective, in accordance with the Regulation on Budgetary Discipline. It notes that a margin of EUR 365 million below the ceiling remains within Titles B-1 to B-3 and it calls for it to be made possible, in future, to transfer funding not needed from the compulsory expenditure area to non-compulsory CAP expenditure in order to give appropriate acknowledgement to the growing importance of Title B1-4 (Rural Development) in terms of policy

formulation and budgeting. The Parliament asks the Commission to submit a report on the implementation and possible violation of rules relating to animal transport in the Community and suggests this report should be made available by 15 September 2001 so that it can be taken into account before Parliament's first reading. With regard to fisheries, recalling the failure to reach an agreement with Morocco, the Commission is called upon to propose a specific action programme for restructuring the Community fleet. Parliament also notes that the PDB still includes a provision for EUR 125 million in the reserve which was initially provided to finance the new EC/Morocco Agreement. In relation to the appropriations for the CFSP, that the Commission proposes to keep at the same level as in 2001, the European Parliament expresses doubts that this allocation is really justified given the number of activities previously financed under CFSP which now have their own separate legal base and given the actual implementation record of the last 3 years. It supports the Commission's efforts to secure a better planning and evaluation of CFSP actions and urges the Commission and the Council to move towards a multiannual programme of actions. The House calls for the further development of actions for the reduction and destruction of weapons of mass destruction, as part of the development of the CFSP. On the subject of administrative expenditure, the Parliament insists that the costs of the new European security and defence policy is presented in a transparent way in a separate title of Section II of the budget, in line with the Council's undertakings on the occasion of SAB No 2/2001. It also points out that similar questions are raised in connection with Eurojust. The Parliament considers that it is now urgent for the Council to engage with Parliament and the Commission in a study both for budget 2002 and for the longer-term needs of the ESDP, enlargement, other expanding budget areas and their implications for Heading 5 of the budget (administrative expenditure). In its resolution, the Parliament expresses its willingness to discuss with the Commission and the Council the pilot projects and preparatory actions that it intends to include in the budget.?