



# Procedure file

Basic information		
BUD - Budgetary procedure	2002/2005(BUD)	Procedure completed
2003 budget: other sections		
Subject 8.70.60 Previous annual budgets		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>BUDG</b> Budgets		10/12/2001
		PPE-DE <a href="#">STENMARCK Per</a>	10/12/2001
		PSE <a href="#">FÄRM Göran</a>	
	Former committee responsible		10/12/2001
	<b>BUDG</b> Budgets		10/12/2001
		PPE-DE <a href="#">STENMARCK Per</a>	
	<b>BUDG</b> Budgets		10/12/2001
		PPE-DE <a href="#">STENMARCK Per</a>	
	Former committee for opinion		19/02/2002
<b>JURI</b> Legal Affairs and Internal Market		19/02/2002	
	V/ALE <a href="#">MACCORMICK Professor Sir Neil</a>		
<b>ITRE</b> Industry, External Trade, Research, Energy		24/02/2002	
	PPE-DE <a href="#">RÜBIG Paul</a>		
<b>ITRE</b> Industry, External Trade, Research, Energy		24/02/2002	
	PPE-DE <a href="#">RÜBIG Paul</a>		
<b>PETI</b> Petitions		24/01/2002	
	PSE <a href="#">BÖSCH Herbert</a>		
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">2466</a>	26/11/2002
	<a href="#">General Affairs</a>	<a href="#">2447</a>	22/07/2002
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">2446</a>	19/07/2002
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">2424</a>	07/05/2002
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">2414</a>	05/03/2002
European Commission	Commission DG	Commissioner	

## Key events

26/02/2002	Vote in committee		Summary
26/02/2002	Budgetary report tabled for plenary	<a href="#">A5-0064/2002</a>	
05/03/2002	Debate in Council	<a href="#">2414</a>	Summary
11/03/2002	Debate in Parliament		
12/03/2002	Decision by Parliament	<a href="#">T5-0097/2002</a>	Summary
07/05/2002	Debate in Council	<a href="#">2424</a>	
30/07/2002	Council draft budget published	<a href="#">11138/2002</a>	Summary
10/10/2002	Vote in committee		Summary
10/10/2002	Budgetary report tabled for plenary	<a href="#">A5-0351/2002</a>	
22/10/2002	Debate in Parliament		
24/10/2002	Decision by Parliament	<a href="#">T5-0510/2002</a>	Summary
26/11/2002	Amended budget adopted by Council		Summary
26/11/2002	Council amended draft budget published	<a href="#">13829/2002</a>	Summary
04/12/2002	Committee referral announced in Parliament, 2nd reading		
10/12/2002	Vote in committee, 2nd reading		Summary
10/12/2002	Budgetary report tabled for plenary, 2nd reading	<a href="#">A5-0440/2002</a>	
17/12/2002	Debate in Parliament		
19/12/2002	Decision by Parliament, 2nd reading	<a href="#">T5-0624/2002</a>	
19/12/2002	End of procedure in Parliament		
28/02/2003	Final act published in Official Journal		

## Technical information

Procedure reference	2002/2005(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Legal basis	EC Treaty (after Amsterdam) EC 272; Euratom Treaty A 177
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/5/16189; BUDG/5/15662

## Documentation gateway

Budgetary report tabled for plenary, 1st reading		<a href="#">A5-0064/2002</a>	26/02/2002	EP	
--	--	------------------------------	------------	----	--

Parliament's opinion on budgetary estimates/guidelines		<a href="#">T5-0097/2002</a> OJ C 047 27.02.2003, p. 0025-0079 E	12/03/2002	EP	Summary
Document attached to the procedure		<a href="#">11143/2002</a>	30/07/2002	CSL	Summary
Council draft budget		<a href="#">11138/2002</a>	30/07/2002	CSL	Summary
Budgetary report tabled for plenary, 1st reading		<a href="#">A5-0351/2002</a>	10/10/2002	EP	
Budgetary text adopted by Parliament		<a href="#">T5-0510/2002</a> OJ C 300 11.12.2003, p. 0442-0534 E	24/10/2002	EP	Summary
Budgetary text adopted by Parliament		T5-1001/2002	24/10/2002	EP	
Council amended draft budget		<a href="#">13829/2002</a>	26/11/2002	CSL	Summary
Document attached to the procedure		<a href="#">SEC(2002)1286</a>	28/11/2002	EC	Summary
Amending/supplementary letter on draft budget		<a href="#">15169/2002</a>	06/12/2002	CSL	Summary
Budgetary report tabled for plenary, 2nd reading		<a href="#">A5-0440/2002</a>	10/12/2002	EP	
Final budget adopted by Parliament		<a href="#">T5-0624/2002</a> OJ C 031 05.02.2004, p. 0185-0232 E	19/12/2002	EP	
Final budget adopted by Parliament		T5-1002/2002	19/12/2002	EP	Summary

## Final act

[Budget 2003/94](#)  
[OJ L 054 28.02.2003, p. 0001-0999](#) Summary

## 2003 budget: other sections

In adopting the report by Per STENMARCK (EPP-ED, S) on the budgetary guidelines for the Community institutions other than the Commission, the committee confirmed that preparing for EU enlargement would be the key political priority of the 2003 budget. This challenge would be all the more difficult given that no real progress had yet been achieved in the matter of institutional reform and, at the same time, the projected needs of all the institutions already exceeded the ceiling of Heading 5 (administrative expenditure) by EUR 140m. The committee therefore called on all institutions to clearly define their core activities and negative priorities. It also wanted the proposed interinstitutional recruitment system to be set up as soon as possible and expressed support for an early retirement scheme for officials. As far as Parliament was concerned (Section I), while endorsing the concept of "controlled multilingualism", the committee wanted parliamentarians from the candidate countries to participate as observers in the activities of the EP and said that more funds should be allocated to the secretariats of the political groups. It also stressed that compulsory mobility of staff should be applied "within reasonable conditions". Finally, it was in favour of measures to enhance the reach of Parliament's information policy with a view to both the forthcoming enlargement and also the 2004 elections, for example by broadcasting Parliament's debates live on the Internet. As far as the other sections were concerned, the committee expressed concern at the projected expansion of the Council's budget (Section II) concerning the second and third pillars, stressing that these activities were not traditional administrative expenditure and therefore remained excluded from the scope of the current "gentlemen's agreement". Lastly, the Court of Justice (Section IV) and the Court of Auditors (Section V) were urged to scale down their budgetary projections for the 2003 budget, along with the Economic and Social Committee (Section VI) whose dependence on external expertise, the committee felt, could compromise the legitimacy of that institution.. ?

## 2003 budget: other sections

The Council reiterates its view that the Community budget must suitably cover all real needs and the resources required to implement the various policies of the Union effectively. It emphasises that this includes applying the same degree of budgetary restraint as exercised by Member States of the Union. The Council stresses once again the importance of keeping a tight grip on payment appropriations for 2003. The Council regrets the shortcomings in budgetary implementation for 2000 which resulted in the figure for that year greatly overshooting that of the previous years. The Council points to the need to keep the level of outstanding commitments under control. It welcomes the agreement reached in November 2001 between the two arms of the budgetary authority and the Commission aimed at eliminating abnormal outstanding commitments in the medium term. In this context, the Council stresses the fact that the reduction of abnormal outstanding commitments can be achieved not only by an increase of appropriations for payments but also by a significant resource to decommitments. In this agreement, the Commission made a commitment to submit, with the preliminary draft budget for 2003, an action plan that foresees examining all the potentially abnormal files. The Council invites the Commission to undertake this task without delay. It intends to pay close attention to the

monitoring of the action plan. With regard in particular to heading 5, the Council expects the search for potential savings to continue so that the ceiling under heading 5 is not overstepped and calls on all institutions to work to this end and to submit forecasts for 2003 showing a growth rate compatible with the adjustment rate agreed for the financial perspective and the forecast increase in pensions. Moreover, it believes that better multiannual programming of their property expenditure by the institutions is one way of keeping administrative under the ceiling for heading 5. The Council is actively pursuing its work with a view to preparing the enlargement of the European Union to include the candidate countries and emphasises the need for precise evaluation of future budgetary implications. The Council wishes these guidelines to be taken into account in the budget procedure, particularly in the preparation of the preliminary draft budget for 2003.?

## 2003 budget: other sections

---

The European Parliament adopted a resolution, drafted by Per STENMARCK (EPP, Sweden), on the 2003 budget guidelines, and on the preliminary draft estimates for other sections. (Please refer to the document dated 26/02/02). The provisional figure for the technical adjustment of the financial perspective project a ceiling of EUR 5382 million for heading 5 in the 2003 budget. Parliament reiterated its concern that the additional needs related to enlargement will have a major impact on heading 5, and invited the Council to examine all the possibilities that interinstitutional cooperation can offer. The projected needs of all the institutions already exceed the ceiling of heading 5 by EUR 140 million. There needs to be an interinstitutional strategic approach to the future building needs of the institutions, to allow the budgetary authority to take stock of current and future buildings liabilities and develop a position on funding over the longer term. On the other sections of the budget: - Section 1: whilst the concept of "controlled multilingualism" is endorsed, a wider debate on the post-enlargement linguistic regime must take place. The secretariats of the political groups must be reinforced to prepare for enlargement. The assistance provided to Members by Parliament's administration and by the secretariats of the political groups for the fulfilment of their legislative and budgetary responsibilities must be enhanced, as these are the core activities. - Section II (Council): on the projected expansion of the Council's budget to cater for developments under the second and third pillars, this creates additional pressure under heading 5. Parliament will make amendments if this contributes to a global solution in heading 5. - Section IV (Court of Justice): The budgetary projections should be scaled down. The requirement of 112 extra posts is not realistic given the current constraints on heading 5. - Section V (Court of Auditors): in view of the difficulties under heading 5, the Court should refrain from requesting additional staff in its 2003 estimates. - Section VI (Economic and Social Committee): Increasing dependence on external expertise could compromise the legitimacy of the institution. A more focused work programme should be adopted so that the impact of its opinions can be increased.

## 2003 budget: other sections

---

At the time of the adoption of the draft 2003 budget by the Council, a declaration was made relating to the nomenclature of the EDF and its possible integration in the Community budget. The Council thus decided that, as in the past, the nomenclature of the European Development Funds (EDF) would not be modified and that the EDF would continue to be financed by national contributions. It should be noted that the declaration adopted by Conference of Representatives of the Governments of the Member States and annexed to the final decision relating to the Treaty on the European Union states: "the Conference is of the opinion that the EDFs will continue to be financed by national contributions in accordance with the current provisions". It should also be noted that the Council congratulates the good level of good level of payments in 2001. With a level of payments reaching 2.067,86 mios EUR in 2001, the execution of the EDF recorded the highest level which has never been reached and confirms the recovery of the payments started in 1998, thanks to the entry into force of 8th FED. On the other hand, commitments are very weak with a net value of 1.554 mios EUR compared to the achievements in 2000 (3.757 mios EUR) which was a record. The provisions for 2002 were revised, mainly for the payments. It is revealed that the level, envisaged in November of 2001, may not be able to be reached. On the basis of an analysis of the documents in progress, the Commission is counting on an amount of 2.000 mios EUR for the payments as well as for the decisions, against respectively 2.345 mios EUR and 2.100 mios EUR estimated at the end of 2001. The reductions relate to programmable assistance and also to a lack of financial resources, following the delay in the ratification of the Cotonou agreement. Consequently, whereas the Commission had foreseen to have to call on national contributions for the sum of 2.000 mios EUR, it now considers that an amount of 1.800 mios EUR should be sufficient to cover the needs. Lastly, for the year 2003, the Commission expects decisions and payments in the order of about 2.500 mios EUR. By taking account of the balances at the beginning and the end of the financial year considered to be necessary, the amount of the contributions which the Member States should transfer in 2003 is estimated at 2.300 mios EUR.?

## 2003 budget: other sections

---

The Council reached an agreement on the draft budget for 2003 for the other institutions (except the Commission), it is based on the need to: 1) comply with the annual expenditure ceilings set by the financial perspective for 2000-2006; 2) provide adequate funding for the European Union's various priorities, in particular the enlargement process. The total administrative appropriations for all the institutions (including the European Parliament) is thus set at EUR 5.364.526.883 which represents an increase of 3.6% in comparison with those for 2002. The salient features of the administrative expenditure of the institutions are given below: - to increase in expenditure to prepare for enlargement : given that the preparation for enlargement is a key priority for 2003. The budgetary authority agrees, within the constraints set by the financial perspective, to provide Community institutions with adequate appropriations and incentives to prepare for enlargement in 2003. The ceiling of heading 5 of the financial perspective in 2003 should be respected and the flexibility instrument for administrative expenditure should not be used, as suggested by the Commission; - to endeavour to finance the publication of the *acquis communautaire* by means of frontloading and anticipating expenditure in the 2002 budget with the corresponding reduction of pressure in the 2003 budget, while respecting the Gentlemen's Agreement. Both arms of the budgetary authority undertake to facilitate the frontloading procedure, consisting of mopping up transfers within institutions and, where appropriate, a Supplementary and Amending Budget. - to reserve EUR 18 m in a specific and ringfenced reserve in the Council's budget. This specific reserve for the *acquis* in the Council's budget will be transferred to the Commission's budget in accordance with the frontloading operation, as if it were part of the Commission's budget. - to reserve a margin of EUR 16 million under Heading 5 for eventual needs in particular concerning the European Data Protection Supervisor. The Council intends to follow up on the reports from the Secretaries-General on the evolution of heading 5 and on interinstitutional cooperation, which has already resulted in savings of 0,5% of recurrent expenditure in all institutions. Moreover, the Council accepted exceptional early retirement measures, including for the staff of the political groups of the European Parliament. For payment appropriations, growth in the volume of appropriations was controlled by taking into

account in particular the capacity for utilisation, the likely rate of payments under outstanding commitments and constraints upon national budgets. In this context, the overall budget proposed for pre-enlargement allows new posts to be created or appropriations for auxiliary staff to be entered for all the institutions, with particular attention to language requirements. A total of 311 new permanent jobs have been agreed - Council (236), the Court of Justice (53), the Court of Auditors (14), the Economic and Social Committee (7) and the Ombudsman (1). The following elements should also be noted. These are the individual characteristics of each institution: - European Parliament (Section 1) : budget of EUR 1.051.644.375 by applying the "Gentlemen's Agreement", i.e. an increase of 1,6% in comparison with the 2002 budget; - Council (Section II) : budget of EUR 430.013.000 (EUR 18 million in reserve, i.e. an overall increase of 7%; - Court of Justice (Section IV) : budget of EUR 151.637.022 increasing by 2,49% in comparison with 2002; - Court of Auditors (Section V) : budget of EUR 77.443.289, a decrease of 8,6%; - Economic and Social Committee (Section VI) : budget EUR 81.649.960 an increase of 4,22%; - Committee of the Regions (Section VII) : budget of EUR 39.101.436 an increase of 7,41%; - European Ombudsman (Section VIII) : budget of EUR 4.248.648 an increase of 8,6%.?

## 2003 budget: other sections

---

The committee adopted the report by Per STENMARK (EPP-ED, S) finalising its position for the first reading of the 2003 budget (Sections I, II, IV, V, VI, VII, VIII(a) and VIII(b)). In its general remarks, it welcomed the common approach agreed on between Parliament and Council whereby both sides had undertaken to observe the existing ceiling for heading 5 and not to use the flexibility instrument for this heading. It reiterated that preparing for enlargement remained Parliament's key priority for the 2003 budget. Noting that the Council had taken an 'across-the board' approach when making cuts in each section under heading 5, the committee said that it had decided to apply a strategy of re-entering appropriations to cover the most pressing needs in each section and offsetting them by other budgetary measures. Other points raised in the report included the need for a more in-depth examination of the scope for interinstitutional cooperation, the need to enter amounts in the reserve in the Parliament, Council and Commission sections to cover the work of the European Convention (which would continue beyond the end of 2002) and the need to establish a pension fund for EU officials. Turning to Section I (Parliament), the committee stressed that preparing Parliament for enlargement and for welcoming the new MEPs in 2004 was the key priority. Expressing the belief that negotiations with 10 applicant countries could be concluded by the end of 2002 and that new Member States could join the EU by 1 January 2004, it said that Parliament's 2003 budget must make provision for this scenario. It agreed to leave appropriations for this purpose in the "Enlargement reserve", pending political and administrative decisions to be taken. The committee further said that it remained committed to the principle of "controlled full multilingualism" after enlargement and to maintaining equality between languages. It also endorsed the proposal to move towards an externalisation rate of 50% for Parliament's translations. Other policy issues mentioned in the report included a call for Parliament to be brought closer to the citizens it represents and to improve its outreach, in particular with a view to the next elections. With this in mind, the committee also wanted to see the development of internet broadcasting of plenary sittings and meetings. For Section II (Council), the committee took note of the Council's decision, in view of the pressure on the ceiling for heading 5, to postpone to subsequent years expenditure for the acquisition of the LEX building to cater for enlargement. For Section IV (Court of Justice), it pointed out that the cost of the measures for some of the Court's priorities could be offset by a further reduction in staff expenditure without undermining the Court's enlargement preparations. It therefore authorised a number of establishment plan proposals, but reduced the appropriations which the Council had proposed for the creation of 53 enlargement-related linguistic posts. For Section V (Court of Auditors), it felt that the appropriations allocated in the draft budget would not allow the Court either to prepare for enlargement or to guarantee its normal functioning. It therefore increased the appropriations for personnel and premises and decided to offset these costs by making cuts in other areas. With regard to Sections VI (Economic and Social Committee) and VII (Committee of the Regions), it welcomed the decision of those two institutions to postpone the expenditure on the move to the Belliard complex to the 2004 budget, thereby reducing pressure on the 2003 budget. For Section VIII(A) (European Ombudsman), the committee entered appropriations for staff and translation costs. Lastly, as regards Section VIII(B) (European Data Protection Officer), it decided not to enter any appropriations in the 2003 budget for the time being, given that the European Data Protection Officer had not yet been appointed and that the office was not yet operational. ?

## 2003 budget: other sections

---

Parliament adopted the report by Mr Per STENMARK (EPP-ED, S) on the EU's 2003 budget in particular on the sections for the institutions of the EU apart from the European Commission. (Sections I, II, IV, V, VI, VII, VIII(a) and VIII(b)). (Please refer to the summary dated 10/10/2002).

## 2003 budget: other sections

---

PURPOSE : to establish the second reading of the draft budget for the European Union for the financial year 2003 by the Council (amended draft and proposed modifications) : other budgetary sections). CONTENT : after the meeting with the European Parliament, and on the basis of the preparatory work done by the Permanent Representatives Committee as well as the agreements reached with the European Parliament at the conciliation meeting, the Council reached political agreement at second reading of the draft general budget for 2003. The agreement reached with the Parliament, concerning heading 5 of the budget (administrative expenditure) takes account of the following elements : - the impact of the fall in the actual rate of increase of salaries and pensions (2% instead of 2,6%), - the impact of preliminary draft supplementary and amending budget No 6/2002 on the anticipation in 2002 of expenditure envisaged for 2003 ("frontloading"); - the acceptance of amendments to administrative expenditure in relation to expenditure connected with enlargement; - return to the Council's first reading for the other budget headings except for the Recruitment Office. Examining each of the institutions, the budgetary agreement provides for the following elements: - Section I : European Parliament : in accordance with the Gentlemen's Agreement, none of the measures taken by the European Parliament in its own draft budget was amended; - Section II: Council : financing of the *acquis communautaire* by taking into account the effects of SAB No 6/2002. The amount entered in Chapter 103 (Provisional appropriations: publication of the *acquis communautaire*) now stands at EUR 1,66 million. - Section III: Commission (Part A) : a technical amendment concerning item 3014 (European master's courses in human rights and democratisation), was accepted. Moreover, as a result of the lower rate of increase in salaries taken for 2003: the amount entered under item 1100 (Basic salaries) now stands at EUR 1 015,936 million. Concerning the remaining sections (Section IV - Court of Justice, Section V - Court of Auditors, Section VI - Economic and Social Committee, Section VII - Committee of the Regions, Section VIII - European Ombudsman and the European Data Protection Supervisor): the budget, as approved by the Council, is characterised by the smaller increase in salaries taken for 2003.?

## 2003 budget: other sections

---

During the conciliation meeting, the Parliament and the Council reached overall agreement on the 2003 budget, in particular as regards heading 5. Concerning administrative expenditure (Heading 5), the Council and the Parliament reached an agreement on the acceptance of the budget of Section I (European Parliament) for an amount of EUR 1.086.644.375 and Section II (Council) for an amount of EUR 431.673.000 respecting the Gentlemen's Agreement. In addition, the Council invites the Parliament to keep a total margin of EUR 30 million under Heading 5 at the end of the 2003 budgetary procedure.?

## 2003 budget: other sections

---

**PURPOSE :** to present the Communication from the Commission to the Council and the European Parliament on the letter of amendment No 4 to the preliminary draft budget 2003 (all sections together). **CONTENT :** the new Financial Regulation was adopted by the Council on 25 June 2002. It will apply from 1 January 2003 and appropriate changes will therefore need to be made to the PDB, which was adopted before the final decision on the new Financial Regulation. In its second letter of amendment (please refer to the summary dated 18 September 2002), the Commission had already drawn the budgetary authority's attention to this fact and had suggested that the budgetary authority gives its agreement on the principle so that the necessary changes can be incorporated into the budget by way of technical adjustments. However, in its draft letter of amendment (refer to summary 8 October 2002), the Council stated that 'from a legal point of view it is indispensable that the Commission officially refer a letter of amendment of this kind to the Council, in accordance with the Financial Regulation. Consequently, the Council requested the Commission to present it with a letter of amendment as soon as possible to enable the budgetary authority to finally adopt the 2003 budget in strict compliance with the new Financial Regulation. It is precisely the aim of this fourth letter of amendment to the PDB 2003. It contains the necessary adaptations to reflect in the 2003 budget the changes flowing from the Council's adoption of the new Financial Regulation on 25 June 2002. In addition, the Amending Letter proposes to harmonise the budgetary remarks relating to BA lines in sub-title B7. The purpose is to clarify the use of the technical and administrative assistance facility for the deconcentration and phasing out of technical assistance offices. This Letter of amendment is therefore budgetary neutral.?

## 2003 budget: other sections

---

On 2 December 2002, the Commission sent the Council letter of amendment No 4 to the preliminary draft general budget of the EC for 2003. The letter of amendment seeks to amend the statements both of revenue and expenditure in the budget, so as to adapt the latter to the provisions of the new Financial Regulation which apply from 01/01/03 (please refer to the summary dated 28/11/2002). This letter of amendment is budgetarily neutral. On 6 December 2002, the Council established Letter of Amendment No 3 to the draft budget for the financial year 2003 as set out in the technical annex to the explanatory memorandum.?

## 2003 budget: other sections

---

The committee adopted the report by Göran FÄRM (PES, S) on the EU's draft general budget for 2003 as modified by the Council and Letters of Amendment Nos. 2 and 3. Emphasising Parliament's desire to preserve strict budgetary discipline, it pointed out that the overall figure for payment appropriations had been kept as low as possible, and below inflation (a growth rate of 1.9% on the 2002 budget) in order to meet the operational requirements of the various policies, in particular under Heading 4. The committee also voiced concern at the perennial problem of outstanding commitments, and urged the Commission to continue its efforts to reduce the backlog and to improve the programming according to quarterly implementation and reporting plans agreed by the three institutions during the budgetary conciliation. On agricultural expenditure the committee's proposed figure for subheading 1a (market expenditure) was EUR 40.08bn while the amount for subheading 1b (rural development) was EUR 4.7bn (thus leaving a margin of EUR 2.6 bn for Heading 1). It welcomed the fact that funding for genetic resources was to be transferred to Heading 3, as previously demanded by Parliament, and that a separate budget line was to be created for refunds for the export of live cattle. However, it regretted that the figures for the new budget line for the export of live animals had not been reduced as requested by Parliament. On Heading 2 (structural operations) it called on the Commission to submit an assessment of the payments situation, particularly regarding the Structural Funds, in July 2003. It also welcomed the agreement reached on financing the outstanding commitments of EUR 27m for converting the Spanish and Portuguese fishing fleets through a transfer of EUR 15m of funds not spent under the 2002 budget, with the remainder being provided through the flexibility instrument. In Heading 3 (internal policies) the committee proposed EUR 6.795bn in commitments (leaving a margin of EUR 199m under the ceiling for Heading 3) and EUR 6.204bn in payments. It welcomed the fact that, during conciliation, the Council approved Parliament's proposals on pilot projects and preparatory actions. As regards Heading 4 (external action) the committee proposed EUR 4.955bn in commitments and EUR 4.853bn in payments. In line with the budgetary conciliation agreement of November 2002, a figure of EUR 42m was proposed for the Global Health Fund. This amount, together with an additional contribution via the EDF, should enable the EU to keep a seat on the Board of the Fund. It also said that, if the additional EDF contribution proved insufficient, the contribution from the Community budget could be increased instead. In order to fund the reconstruction of Afghanistan without reducing the funding available for traditional EU priorities, the committee wanted to bring forward the implementation of EU humanitarian aid to the Horn of Africa by using funds from the 2002 budget, thereby creating "the necessary space" for Afghanistan in the 2003 budget. It welcomed the joint declaration of 25 November 2002, which improved the procedure for providing prior information to Parliament as part of the CFSP decision-making process. Lastly, it also welcomed the Council decision to freeze funds earmarked for KEDO until assurances had been given by North Korea as to its compliance with the nuclear non-proliferation regime. For Heading 5 (administrative expenditure) the committee welcomed the result of the frontloading operation which allowed the financing of the institutions' needs for preparing enlargement through savings and anticipated appropriations in 2002, thereby avoiding the need to use the flexibility instrument. As regards Heading 7 (pre-accession aid) the committee regretted the reduction in payment appropriations and called on the Commission to improve cooperation with the candidate countries. It stressed that the reduction in payments in the 2003 budget must not lead to a worsening

in the new Member States' position as net recipients after 2004. Lastly, the committee called on the Parliament's Conference of Presidents to examine carefully all the financial implications before taking its political decisions and to consult the Budgets Committee if any proposed measures involve exceeding the level of funding laid down under the relevant budget line.?

## 2003 budget: other sections

---

**PURPOSE** : to adopt the general budget of the European Union for the financial year 2003. **COMMUNITY MEASURE** : 2003/94/EC, Euratom. **CONTENT** : the budget of the European Union for the financial year 2003 has been finally adopted in accordance with the budgetary procedure closed on the 19 December 2002 (please refer to procedure reference BUD/2002/2004). This part of the budget includes other sections of the budgetary sections (other than the Commission) and is in accordance with the budgetary conciliation meeting of 25 November 2002 and the European Parliament's vote at its plenary session of 19.12.2002 (please refer to the previous document).?

## 2003 budget: other sections

---

By adopting the report by Mr Göran FÄRM (PES, S) and Mr Per STENMARCK (EPP-ED, S), the Plenary voted through the general budget for the financial 2003 (please refer to the summary dated 10 December 2002 of procedure BUD/2002/2004). Thus, according to the terms of the draft approved at Plenary, the budget for 2003 amounts to EUR 99 685 692 338 in commitments, which represents an increase of 0.25 % on the 2002 budget, and EUR 97 502 937 098 in payments, which represents an increase of 1.9 % on the 2002 budget. In its resolution, Parliament welcomes the results of the frontloading operation but regrets that Council, in its second reading, decided to depart from the position laid down jointly with Parliament by not restoring the PDB and in particular by reducing the appropriations for staff in relation to the establishment plan; confirms therefore most of its first reading amendments. In addition, Parliament asks the Commission to submit to the European Parliament and to the Council before 1 June 2003 a coherent proposal: - ensuring user-friendly and free access to the institutions' databases which monitor the EU decision-making process (such as PRE-LEX, CELEX, EUR-LEX, etc, - restructuring these databases so that they may be immediately updated with texts and information accessible on the institutions' registers, thereby avoiding duplication of the same texts and inconsistencies. The Commission is also asked to submit a proposal to solve definitively the problem of the creation of a day and residential care centre for disabled children of European officials. Parliament stresses that; despite the constraints imposed by the current Financial Perspective, which makes no provision for covering enlargement-related preparations of the institutions before accession of the new Member States, it will be possible to ensure the normal functioning of the institutions and allow them to prepare for enlargement of the European Union in the financial year 2003 by making the best use of resources available under the 2002 budget. Parliament welcomes the fact that the frontloading operation as proposed by Parliament has been a considerable success, thanks to the cooperation of almost all institutions; recalls that some of the amounts available in the 2002 budget of the institutions will also be used to frontload enlargement preparations planned in the 2004 budget, thus providing additional leeway in the first year of enlargement. Parliament notes that sufficient margin has been left under the ceiling of heading 5 to cover expenditure for which no provision could be made in the budgetary procedure, such as expenditure for the Data Protection Supervisor and unexpected needs. It also notes that there has been an excessive deterioration in terms of permanent employment as a result of changes in the proportion of temporary and auxiliary staff to officials at the Committee of the Regions. The Committee of the Regions is called upon to reorganise its staffing arrangements without delay and, in the process, to make use of transparent and proper selection procedures.?