


Procedure file

Basic information	
BUD - Budgetary procedure	2002/2027(BUD)
2003 budget: interinstitutional conciliation procedure	Procedure completed
Subject	
8.70.60 Previous annual budgets	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets		10/12/2001
		PSE FÄRM Göran	
	Committee for opinion	Rapporteur for opinion	Appointed
	AFET Foreign Affairs, Human Rights, Common Security, Defense		24/02/2002
	PSE TITLEY Gary		
	AGRI Agriculture and Rural Development		04/12/2001
		V/ALE GRAEFE ZU BARINGDORF Friedrich-Wilhelm	
	PECH Fisheries		24/01/2002
		GUE/NGL FIGUEIREDO Ilda	
Council of the European Union			

Key events			
20/02/2002	Committee referral announced in Parliament		
19/06/2002	Vote in committee		Summary
19/06/2002	Budgetary report tabled for plenary	A5-0247/2002	
02/07/2002	Debate in Parliament		
02/07/2002	Decision by Parliament	T5-0348/2002	Summary
02/07/2002	End of procedure in Parliament		
12/11/2003	Final act published in Official Journal		

Technical information	
Procedure reference	2002/2027(BUD)

Procedure type	BUD - Budgetary procedure
Procedure subtype	Budgetary preparation
Legal basis	EC Treaty (after Amsterdam) EC 272; ECSC Treaty C 078; Euratom Treaty A 177
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/5/15886

Documentation gateway

Budgetary report tabled for plenary, 1st reading		A5-0247/2002	19/06/2002	EP	
Budgetary text adopted by Parliament		T5-0348/2002 OJ C 271 12.11.2003, p. 0031-0181 E	02/07/2002	EP	Summary

2003 budget: interinstitutional conciliation procedure

The committee adopted the report by Göran FÄRM (PES, S) restating its priorities for negotiations with the Council on the 2003 budget before the Council's first reading. The committee pointed out once again that an adjustment to the financial perspective was needed to reflect the needs of a Community with ten additional countries, and said that the margin of EUR 4.7 billion in the preliminary draft budget (PDB) below the overall ceiling for payment appropriations would not be sufficient to resolve the problem of outstanding commitments or help the implementation of Community policies, in particular under heading 4 (external action). The report said that the revision of the CAP must result in a fair and sustainable agricultural policy for both Member States and candidate countries and urged the Commission to submit a proposal to shift the balance of agricultural funding by increasing funding for rural development and cutting direct payments, with the necessary adjustments to heading 1 (agriculture). The committee also pointed out that adequate funds were needed to counter new outbreaks of animal disease and that the reduction of 90% in funding for veterinary measures was contrary to Parliament's guidelines. On fisheries, the committee wished to obtain rapid and substantial information on the reform of the fisheries sector so that, during the conciliation, the impact of this reform on the 2003 budget could be evaluated, including its consequences for international fisheries agreements. As regards funding for the CFSP, the committee asked the Commission to provide further information and evaluation regarding the pledges made to Afghanistan in order to decide on future funding for the Balkans. MEPs were concerned to ensure that new policies under heading 4 did not erode the EU's traditional priorities. Noting that the level of administrative expenditure (heading 5) was up by 5.2% compared with the 2002 budget, thus exceeding the ceiling of heading 5 in 2003 by EUR 66 million, the committee wanted a solution to be found to this problem other than that of using the flexibility instrument. A more detailed evaluation should be made of all the institutions' administrative expenditure, with a view to 'frontloading' 2003 expenditure within the limits of heading 5, thereby relieving pressure on the 2003 budget as a whole. The Council was urged to show moderation on administrative expenditure, in view of Parliament's efforts to restrict itself voluntarily to one fifth of heading 5. The committee also highlighted Parliament's priorities as set out in the 2003 budget guidelines: a common asylum and immigration policy, stronger external border controls, economic development, SMEs (mainly craft industries and micro-enterprises) and the e-learning initiative. Lastly it called for more information and communication campaigns aimed at the general public and businesses, as part of preparations for enlargement and the general debate on the future of the Union. ?

2003 budget: interinstitutional conciliation procedure

The European Parliament adopted a resolution drafted by Goran FARM (PES, Sweden) on the 2003 budget with a view to the conciliation procedure before the Council's first reading. (Please refer to the summary dated 19/06/02.) Parliament reiterated its concern about the limited margin left under heading 4 in respect of the needs appearing over the past years for financing external actions, considering that EUR 400 million have been added to the initial ceiling through the flexibility instrument. Most of the margin left under heading 3 could be consumed only to finance the pilot projects and preparatory actions allowed by paragraph 37 of the IIA, leaving no margin for increasing other programmes. On the question of payments, Parliament stressed that EUR 4.7 billion is left under the overall ceiling of the Financial Perspective. It was concerned that margins left for payments will not allow the improvement of the implementation of common policies nor of a reduction of the RAL. It deplored the fact that the Commission links the problem of RAL with the lowest level of payments after declaring that the PDB for 2003 could exceed the payments ceilings. It went on to urge that the use of new instruments be expanded (performance reserve, activity-based budgeting, assessment of the economic and social impact of projects) and that the application, authorisation and payment procedures be reviewed for unnecessary rigidity. The present situation is not the result of a temporary malfunctioning of the system, but is definitely a structural problem. On agriculture, the Commission was asked to explain the discrepancy in funding for the sheepmeat and goat meat sector: the increase is EUR 1242 million, but the sector is improving after the latest FMD crisis, and the legislative proposal spoke of only a minor increase in funding. Concern was also expressed about other budget lines. On fisheries, international relations should be developed by the financing of fisheries agreements, and adequate funding must be maintained. With respect to the CFSP, Parliament is prepared to make funds available for the Community Police Force in Bosnia, but given the responsibility commitments entered into elsewhere after 11 September, insisted that provision should be made for adequate financial resources. Parliament should also be appropriately involved. ?