


# Procedure file

Basic information		
BUD - Budgetary procedure	<a href="#">2002/2043(BUD)</a>	Procedure completed
Amending and supplementary budget 2/2002		
Subject 8.70.60 Previous annual budgets		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>BUDG</b> Budgets		13/05/2002
		PPE-DE <a href="#">PODESTÀ Guido</a>	
	Former committee responsible		
	<b>BUDG</b> Budgets		09/04/2002
		PSE <a href="#">WYNN Terence</a>	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Competitiveness (Internal Market, Industry, Research and Space)</a>	<a href="#">2426</a>	21/05/2002
European Commission	Commission DG <a href="#">Budget</a>	Commissioner	

Key events			
27/02/2002	Commission preliminary draft budget published	<a href="#">SEC(2002)0222</a>	Summary
12/03/2002	Council draft budget published	<a href="#">07033/2002</a>	Summary
08/04/2002	Committee referral announced in Parliament		
09/04/2002	Vote in committee		Summary
09/04/2002	Budgetary report tabled for plenary	<a href="#">A5-0109/2002</a>	
24/04/2002	Debate in Parliament		
25/04/2002	Decision by Parliament	<a href="#">T5-0200/2002</a>	
21/05/2002	Amended budget adopted by Council		
21/05/2002	Council amended draft budget published	<a href="#">08605/2002</a>	Summary
21/05/2002	Vote in committee, 2nd reading		Summary

21/05/2002	Budgetary report tabled for plenary, 2nd reading	<a href="#">A5-0179/2002</a>	
29/05/2002	Committee referral announced in Parliament, 2nd reading		
30/05/2002	Debate in Parliament		
30/05/2002	Decision by Parliament, 2nd reading	<a href="#">T5-0263/2002</a>	Summary
30/05/2002	End of procedure in Parliament		
29/07/2002	Final act published in Official Journal		

### Technical information

Procedure reference	2002/2043(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
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/5/15938

### Documentation gateway

Commission preliminary draft budget	<a href="#">SEC(2002)0222</a>	27/02/2002	EC	Summary
Council draft budget	<a href="#">07033/2002</a>	12/03/2002	CSL	Summary
Budgetary report tabled for plenary, 1st reading	<a href="#">A5-0109/2002</a>	09/04/2002	EP	
Budgetary text adopted by Parliament	<a href="#">T5-0200/2002</a> <a href="#">OJ C 131 05.06.2003, p. 0017-0117 E</a>	25/04/2002	EP	
Parliament's opinion on budgetary estimates/guidelines	<a href="#">T5-0201/2002</a> <a href="#">OJ C 131 05.06.2003, p. 0017-0117 E</a>	25/04/2002	EP	Summary
Budgetary report tabled for plenary, 2nd reading	<a href="#">A5-0179/2002</a>	21/05/2002	EP	
Council amended draft budget	<a href="#">08605/2002</a>	21/05/2002	CSL	Summary
Final budget adopted by Parliament	<a href="#">T5-0263/2002</a> <a href="#">OJ C 187 07.08.2003, p. 0021-0128 E</a>	30/05/2002	EP	Summary

### Final act

[Budget 2002/594](#)  
[OJ L 199 29.07.2002, p. 0001-0032](#) Summary

## Amending and supplementary budget 2/2002

PURPOSE : draft amending Budget No 2 to the Budget for 2002. CONTENT : this Preliminary Draft amending Budget (PDAB) No 2/2002 consists of the following elements that exclusively concern the revenue side of the budget: - a complete recalculation of the financing of the 2002 budget to take account of the entry into force of the new Own Resources Decision (2000/597/EC). A budgetary line is also foreseen for the effects of the new Decision on the payments of traditional own resources relating to the financial year 2001; - the budgeting of a preliminary amount of the positive balance carried over from 2001. The new Own Resources Decision entails the following changes as compared to the previous council Decision 94/728: - the use of ESA 95 (the European System of Accounts 1995) is extended to the budgetary

and own resources area, which has an impact on the calculation of GNP bases, and consequently on Member States' payments of the GNP resource. The ceiling of own resource, calculated in GNP, has also been recalculated in order to maintain the maximum amount of own resources put at the disposal of the Communities. - the percentage of traditional own resources (TOR) that Member States are allowed to retain to cover their collection costs increases from 10% to 25%. This applies to TOR established after 31/12/00. - the maximum rate of VAT is reduced from 1% to 0.75% in 2002 (and to 0.5% from 2004 onwards.) The new financing rules for the UK correction further reduces the uniform rate of call of VAT. - the method of calculating the UK correction is modified in order to neutralise the net gains (the "windfall gains") of the UK that result from the increase in percentage of TOR retained by Member States. - the share of Austria, Germany, the Netherlands and Sweden in the financing of the UK correction is reduced to a quarter of their normal share. The reduction is financed by the other Member States, excluding the UK. On the positive balance carried over, the final amount is not yet known. A preliminary estimate is proposed. In addition to the EUR 1 200 million that was already in the 2002 budget, it is proposed to budget a further EUR 10 000 million in the present PDAB. As a result of these changes, total own resources payments under title 1 of the present PDAB decrease by EUR 7961.3 million as compared to the 2002 budget. The remaining part of the budgeted additional surplus of EUR 10 000 million corresponds to the adjustment for the 2001 traditional own resources, which is budgeted as negative revenue under title 2.?

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## Amending and supplementary budget 2/2002

PURPOSE : to present the draft Supplementary and Amending Budget No 2 for the financial year 2002. CONTENT : On 12 March 2002, the Council established draft supplementary and amending budget No 2 for the financial year 2002. The preliminary draft supplementary and amending budget (please refer to the text dated 27/02/02) was accepted unchanged and is now draft supplementary and amending budget No 2 for the financial year 2002. No 2 for the year 2002. Under draft supplementary and amending budget No 2 for the financial year 2002, overall expenditure remains unchanged.?

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## Amending and supplementary budget 2/2002

The committee adopted the report presented by its chairman, Terence WYNN (PES, UK) on Draft Amending Budget No. 2 for the financial year 2002. It noted that the definitive balance from 2001 would be presented in yet another Amending Budget, to be presented by the Commission in May 2002, and said that it was inappropriate to increase the number of budgetary procedures in this way for amending and rectifying budgets. The Commission was therefore urged to use its right of initiative in a more rational way. The committee also noted that the first estimate of the surplus from 2001 was extremely high and asked the Commission to make a detailed analysis by May 2002 to determine whether responsibility for this "unacceptable situation" lay with Commission management, Member States or regional authorities and/or beneficiaries. The Commission was also asked to come up with proposals aimed at overcoming the rigidity of the system and ensuring that unspent money could be used for other needs. When presenting the third supplementary and amending budget in May, the Commission should make a thorough and more accurate assessment of the needs for 2002.?

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## Amending and supplementary budget 2/2002

The European Parliament adopted a resolution on Draft Amending Budget Number 2 for the financial year 2002, following a report by Terence WYNN (PES, United Kingdom.) Please refer to the document dated 09/04/02. In addition, it commented that serious doubts exist as to whether the increase in retained collection costs - from 10% to 25%- is justifiable with respect to the real costs incurred by Member States in collecting traditional own resources. Additional payment appropriations, within the limits of the existing ceiling should now be made available for 2002 so as not to increase unwisely the balance of outstanding payments for the future (RAL). Parliament takes this view especially in light of the fact that the Commission has indicated that a difficult situation as regards payment appropriations can already be foreseen for the 2003 budget; hence the need for a more accurate assessment for 2002.?

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## Amending and supplementary budget 2/2002

At its plenary session on 25 April 2002, the European Parliament voted on 2 amendments to the draft Supplementary and Amending Budget (SAB) No 2/2002. The Council, at second reading, rejected these 2 amendments considering them not to be in accordance with Article 15 of the Financial Regulation. The Council recalls that at its first reading, it remained strictly in the framework set out by the Commission's proposal. The Parliament had, for its part, added its amendment (amendment 1) which provided an estimated expenditure without the Commission having taken note of this initiative. However, as far as the Council is concerned, Article 15 of the Financial Regulation on the basic conditions and procedures for the adoption of a Supplementary and Amending Budget is of strict interpretation. Furthermore, the Council considers that amendment 2 is technically incorrect.?

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## Amending and supplementary budget 2/2002

The committee adopted the report presented by Guido PODESTÀ (EPP-ED, I) on Draft Amending Budget 2/2002 for the financial year 2002. The report reinstated the budgetary amendments adopted by Parliament at first reading, which the Council had rejected. It thereby upheld the committee's policy of increasing the payment appropriations available to the EU budget for 2002 by EUR 4.5 billion. The committee pointed out that the budget thus adopted fully complied with the ceilings laid down by the interinstitutional agreement. The net effect of the amendments voted in the committee would be that the balance of EUR 5.5 billion would still be returned to Member States, whereas the 4.5 billion voted would instead be used to accelerate the completion of projects committed by the EU, but which had not yet been paid. Given that the Commission had indicated that a serious shortfall of payment appropriations might be expected for the EU budget in 2003, the committee took the view that payments in 2002 should be accelerated in order to take pressure off in the years to come. ?

## Amending and supplementary budget 2/2002

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The European Parliament adopted a report drafted by Guido PODESTA (EPP-ED, Italy) and approved the Draft supplementary and amending budget No 2/2002 unamended. Parliament expressed its concern at the build-up of outstanding payments, above all following the cancellation of payment appropriations in 2001. It stated that it wished to achieve a more balanced relationship between commitments and payments. The Commission was asked to evaluate the outstanding payments situation before 30/09/02 and, if necessary, submit the appropriate adjustments either under the omnibus transfer procedure or by means of a supplementary budget.?

## Amending and supplementary budget 2/2002

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PURPOSE : to finally adopt the supplementary and amending budget No 2 of the European Union for the financial year 2002. COMMUNITY MEASURE : 2002/594/EC, ECSC, Euratom. CONTENT : the European Parliament has adopted the supplementary and amending budget 2/2002 of the European Union. Please refer to its resolution dated 30 May 2002.?