


# Procedure file

| Basic information   |                                |                     |
|---|--------------------------------|---------------------|
| BUD - Budgetary procedure   | <a href="#">2002/2084(BUD)</a> | Procedure completed |
| 2002 budget: implementation profile, transfers and Supplementary and amending budgets |                                |                     |
| Subject<br>8.70.60 Previous annual budgets  |                                |                     |

| Key players                   |                       |                                      |            |
|-------------------------------|-----------------------|--------------------------------------|------------|
| European Parliament           | Committee responsible | Rapporteur                           | Appointed  |
|                               | <b>BUDG</b> Budgets   | PPE-DE <a href="#">PODESTÀ Guido</a> | 18/04/2002 |
| Council of the European Union |                       |                                      |            |

| Key events |  |   |         |
|------------|--|---|---------|
| 01/01/2002 | Committee referral announced in Parliament |   |         |
| 19/06/2002 | Vote in committee                          |   | Summary |
| 19/06/2002 | Budgetary report tabled for plenary        | <a href="#">A5-0246/2002</a>  |         |
| 02/07/2002 | Debate in Parliament                       |  |         |
| 02/07/2002 | Decision by Parliament                     | <a href="#">T5-0349/2002</a>  | Summary |
| 02/07/2002 | End of procedure in Parliament             |   |         |
| 12/11/2003 | Final act published in Official Journal    |   |         |

| Technical information      |  |
|----------------------------|--|
| Procedure reference        | 2002/2084(BUD)   |
| Procedure type             | BUD - Budgetary procedure  |
| Procedure subtype          | Budget   |
| Legal basis                | EC Treaty (after Amsterdam) EC 272; EC Treaty (after Amsterdam) EC 274 |
| Stage reached in procedure | Procedure completed  |
| Committee dossier          | BUDG/5/16166   |

| Documentation gateway |  |  |  |  |
|-----------------------|--|--|--|--|
|                       |  |  |  |  |

|  |   |            |    |         |
|--|---|------------|----|---------|
| Budgetary report tabled for plenary, 1st reading | <a href="#">A5-0246/2002</a>  | 19/06/2002 | EP |         |
| Budgetary text adopted by Parliament             | <a href="#">T5-0349/2002</a><br><a href="#">OJ C 271 12.11.2003, p. 0031-0186 E</a> | 02/07/2002 | EP | Summary |

## 2002 budget: implementation profile, transfers and Supplementary and amending budgets

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The committee adopted the report by Guido PODESTA' (EPP-ED, I) on the implementation profile of the 2002 budget. It issued an urgent call to the Commission to implement the budget as adopted by the budgetary authority, to improve implementation of Community programmes and to adhere to the action plan intended to put an end to abnormal outstanding commitments. The committee wanted more detailed information to be provided by September 2002 on the reasons why the EUR 10 billion refunded to Member States under Supplementary and Amending Budget 2/2002 was not used in 2001, and called for payments to be speeded up. In this connection, it stressed that national administrations also had an important role to play in implementing the budget and called on the Member States not to delay implementation of payment appropriations. At all events, the committee deplored the fact that, because of the rigidity of the system, unspent funds in one sector could not be used to cover needs in another. With regard to transfers, the committee pointed to the cumbersome procedures caused by comitology. In addition, within heading 1 (agriculture), the funds for subheading 1a (market expenditure) were not being spent as planned, in contrast to category 1b (rural development). The Commission should therefore provide further information on this subject. As regards heading 2, the implementation of payments, which was bad enough in this area at the end of 2000, had deteriorated further. The committee issued a reminder that speeding up spending was a constant concern of the budgetary authority and called for the development of a quarterly monitoring process for structural measures. It also urged Member States to cooperate more on using funds for trans-european transport networks (heading 3), while welcoming the beginning of the enlargement pilot project in regions bordering the candidate countries. The committee regretted the poor rate of implementation of certain items under heading 4 (external action) but reiterated its willingness to contribute to the reconstruction of Afghanistan by using the available margin if necessary. It also called on the Commission to provide information about the use of Community funds by Israel and the Palestinian Authority and about the relevant monitoring mechanisms. As regards preparations for enlargement, given that these could not be funded within the current ceiling for heading 5 (administrative expenditure) for 2003, the committee said it was therefore essential to consider bringing expenditure forward from 2003 to 2002. Lastly, with regard to heading 7, the committee believed that the pre-accession instruments Sapard and Ispa should be speeded up so that they could be properly implemented before the first accessions in 2004. ?

## 2002 budget: implementation profile, transfers and Supplementary and amending budgets

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The European Parliament adopted the resolution drafted by its rapporteur Guido PODESTA (EPP-ED, Italy) on certain aspects of the 2002 budget. (Please refer to the summary dated 19/06/02.) For December 2002, the Commission is forecasting an average implementation rate of 100% for commitments and 97% for payments. Parliament hoped that these were realistic forecasts, particularly as regards payments given that the implementation rate for them was only 72% in 2001. With regard to transfers, Parliament was concerned to emphasise that these must not simply be used to shift budgetary funds from one area to another so that the final budget would contradict the priorities voted by the budgetary authority. More than EUR 2 billion in payment appropriations was transferred during the 2001 budgetary procedure. The Commission should present a schedule for the transfers it intends to request from one chapter to another, in particular during the last quarter. In principle, Parliament will not accept any transfer request that reduces budget lines unless convincing justifications can be provided and adequate proposals are presented to improve the implementation of the donor line. Heading 6 (emergency reserve) could cover additional needs, particularly if natural disasters, wars or crises make EU aid important for the population concerned. Parliament went on to deplore the fact that most of the programmes where the Commission is forecasting about 10% divergence from the budgetary authority's decision, in terms of commitments or payments, represent political priorities for Parliament, such as e-learning, information and communication, social dimension and employment, JHA, and cooperation with Latin America. The Commission is asked for detailed reasons. With regard to the individual headings, there was concern on heading 2 and the increasing volume of outstanding commitments, which rose from EUR 38418 million to EUR 56 765 million in the calendar year 2001 and totalled EUR 82 710 million in May 2002. There needs to be new control instruments to ensure effective quarterly monitoring and thus improve implementation of structural operations. On heading 3, Parliament expressed concern about the low implementation rate for pilot projects and preparatory actions at the end of May 2002 (less than 5%.) It was unacceptable that objections to implementation raised by the Commission, which had already been considered by the budgetary authority, continued to be invoked by the commission after the budget had been established. On heading 4, Parliament noted that the budget line for support for Asian developing countries was at only 13% in terms of commitments at the end of May, which it considered surprising given the situation in Afghanistan and the conflict between India and Pakistan. Finally, on heading 5, the Commission was asked to explain why the budget line on women's organisations had apparently been restricted to only one field of action. The original intention of the budgetary authority was to open it to a wide range of organisations not covered by the European Women's Lobby.?