


Procedure file

Basic information		
BUD - Budgetary procedure	2003/2026(BUD)	Procedure completed
2003 budget: implementation, credit transfers, amending and supplementary budgets		
Subject 8.70.60 Previous annual budgets		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets	PSE FÄRM Göran	19/02/2003
Council of the European Union European Commission	Commission DG Budget	Commissioner	

Key events			
01/01/2003	Committee referral announced in Parliament		
17/06/2003	Vote in committee		Summary
17/06/2003	Budgetary report tabled for plenary	A5-0233/2003	
01/07/2003	Debate in Parliament		
03/07/2003	Decision by Parliament	T5-0333/2003	Summary
03/07/2003	End of procedure in Parliament		

Technical information	
Procedure reference	2003/2026(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/5/19249

Documentation gateway

Budgetary report tabled for plenary, 1st reading	A5-0233/2003	17/06/2003	EP	
Budgetary text adopted by Parliament	T5-0333/2003 OJ C 074 24.03.2004, p. 0669-0847 E	03/07/2003	EP	Summary

2003 budget: implementation, credit transfers, amending and supplementary budgets

The committee unanimously adopted the report by Goran FÄRM (PES, S) on the 2003 budget: implementation profile, transfers of appropriations and supplementary and amending budgets. It was concerned at the increase in the level of total outstanding commitments (RAL) and called on the Commission to provide an overview of the commitments not implemented, cancelled, de-committed and lapsed since 1999, so as to determine which percentage of the budget was not only delayed but really not spent. As regards preparations for enlargement, MEPs asked the Commission to provide a breakdown of where the new posts created in 2001 and 2002 had been allocated and announced that they would pay particular attention to whether Parliament's priorities had been taken into account in the allocation of these posts. They also wanted the Commission to clarify future plans for DG Enlargement, especially with regard to staffing resources once the forthcoming enlargement had taken place (and taking into account needs for Bulgaria, Romania, Croatia, etc.). On the 2002 surplus, the committee deplored the fact that it amounted to EUR 7.4 billion and called for a more efficient budgetary policy to be applied, particularly when it came to taking account of Parliament's political priorities. It noted that the Commission had advanced the explanation that the new Financial Regulation was largely to blame for the low level of implementation in the first four months of 2003 (lower than for the same period in 2002). On agricultural spending, the committee continued to be critical of the system of export subsidies for the transport of live animals and expressed its dissatisfaction that the Council had not accepted the change in nomenclature for the budget lines concerned which would, at least, have made the system more transparent. It intended to reintroduce this proposed change in future budgets. The problem of outstanding commitments was particularly acute in Heading 2 (structural operations), and the report urged the Commission to ensure the full application of the "N+2 rule" and to provide detailed and regular information (each quarter) on the risk of decommitment, including an assessment of its impact. The committee also pointed to a poor rate of implementation of commitments under Heading 3 (internal policies) and under Heading 4 (external policies), particularly for the Asia and Latin America programmes and for CFSP operations (despite the fact that additional appropriations were deemed necessary and granted by the budgetary authority for the 2003 budget). MEPs welcomed the fact that the Commission intended to replace its current direct budgetary assistance programme to the Palestinian Authority by more targeted support for the private sector and social services, as well as support for specific projects. Lastly, while welcoming the front-loading operation in the 2003 budget procedure, which had made it possible to safeguard preparations for enlargement, the committee nevertheless issued the caveat that "front-loading of administrative expenditure should be used only when no other options are available and if it does not lead to an excessive administrative and procedural burden or to legal problems as regards the annuality principle".?

2003 budget: implementation, credit transfers, amending and supplementary budgets

The European Parliament adopted, by 407 votes for, 10 against and 34 abstentions, the report by Mr Göran FÄRM (PES, S) on the 2003 budget: implementation profile, transfers of appropriations and supplementary and amending budgets. The Parliament followed the decision of the committee responsible (please refer to the document dated 17/06/03) except for an amendment approved by the House concerning fisheries expenditure. The Parliament notes that the Council has not established its position on the financing of the reform of the Common Fisheries Policy and in particular has not yet agreed on financing the scrapping fund under the 2003 budget. It expresses its readiness to provide for appropriations for the scrapping of fishing vessels in the context of the global evaluation of the implementation of the budget, ahead of the end-of-year transfer procedures, once the Member States have put forward their requests. Concerning external policies, the Parliament criticises the fact that the Commission had to cancel an amount of EUR 6,48 million of appropriations, that had been carried over from 2002, because the implementation deadline of 31 March was missed. It is particularly disappointed that this deadline was missed by one single day for a number of projects. As regards the RAL and the implementation plan, Parliament notes that notes that, as at 30 April 2003, total outstanding commitments (RAL) had risen to EUR 126.1 billion from an amount of EUR 110.7 billion at the same date in 2002, an increase of 14%. Is concerned at this general increase, although final opinion must be reserved until new information on the abnormal part of these RALs is available. It recalls the Commission's undertaking to submit, with the PDB for 2004, an action plan examining all potentially abnormal outstanding commitments and a timetable for their elimination by the end of 2003. It states that these documents will contain information, broken down per Member State, on items falling under the N+2 rule and indicate the measures to be taken. It also recalls that the Implementation Plan for 2003 should take into account and reflect the political priorities of the European Parliament as set out in the already adopted 2003 budget. The House believes that there is a problem with the general debate on RALs (outside purely budgetary circles) as the total figures are so often confused with what is the "abnormal" part, even within the Institutions themselves, let alone by the general public and considers that the abnormal part of the RAL must be made more visible and, as a first step, that it should appear separately and regularly in documents produced by the Commission.?