



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 18.11.2003
SEC(2003) 1297 final

**PRELIMINARY DRAFT AMENDING BUDGET No 8
TO THE BUDGET FOR 2003**

GENERAL STATEMENT OF REVENUE

**STATEMENT OF REVENUE AND EXPENDITURE BY SECTION
Section III – Commission**

(presented by the Commission)

**PRELIMINARY DRAFT AMENDING BUDGET No 8
TO THE BUDGET FOR 2003**

GENERAL STATEMENT OF REVENUE

STATEMENT OF REVENUE AND EXPENDITURE BY SECTION

Section III – Commission

Having regard to:

- the Treaty establishing the European Community, and in particular Article 272 thereof;
- the Treaty establishing the European Atomic Energy Community, and in particular Article 177 thereof;
- the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities¹, and in particular Article 37 thereof;

The European Commission hereby presents to the budgetary authority the preliminary draft amending budget No 8 to the 2003 budget for the reasons set out in the explanatory memorandum.

¹ OJ L 248, 16.9.2002, p. 1.

TABLE OF CONTENTS

EXPLANATORY MEMORANDUM 4

SUMMARY TABLE PER HEADING OF THE FINANCIAL PERSPECTIVE 5

GENERAL STATEMENT OF REVENUE

The general statement of revenue will be forwarded separately.

STATEMENT OF REVENUE AND EXPENDITURE BY SECTION..... 6

SECTION III – COMMISSION 6

EXPLANATORY MEMORANDUM

The PDB 2004 has been prepared on the basis of a 2% increase in salaries and pensions in 2004 compared to 2003.

In the meantime, two events, which are for the moment discussed in the Council, will have a considerable impact on the budgetary needs for salaries and remunerations in 2004:

- An important difference with the French government's statistics on the evolution of the basic pay for the French civil servants has been assessed by Eurostat. Consequently, the Commission has adopted on October 6, 2003 a proposal for a Council decision² to correct this difference by increasing the remunerations by 1% as from July 2002. This decision should have an impact of 32,7 M€ on the budget 2004 for all Institutions.
- The final calculation of the salary adjustment for January 2004 shows an increase for the salary adjustment of 3,4%. This is 1,4% higher than the PDB 2004 estimate. The proposal of the Commission³ is based on this new information. The amount needed to cover this increase is 44,2 M€ on the budget 2004 for all Institutions.

The margin under the ceiling of Heading 5 after the first reading of Draft Budget 2004 by the Parliament (86,8 M€) can be used to cover these needs, thus reducing the margin to around 10 M€. However, the Commission believes that a higher margin in 2004 would be advisable in order to cover, if necessary, unexpected needs related to enlargement. For this reason, the Commission proposes to transfer the margin left in Budget 2003 to Budget 2004 through a frontloading approach similar to the one used in building Budget 2003. The PDAB would transfer the 2003 margin to the budget of the Commission on the budget line financing the rent and ground rent. The Commission would pay the rent and ground rent of the first months of 2004 (which have to be paid before January 1, 2004) on budget 2003 instead of budget 2004. The appropriations for the rent and ground rent in budget 2004 could be reduced in the second reading by the amount frontloaded, increasing the margin of 2004 by the amount of the margin of 2003 (21,9 M€).

The Parliament could then adjust the amount of the remuneration and the pensions for 2004 in its second reading, leaving a margin between 25 M€ and 30 M€ in heading 5 in order to cope with unforeseen requirements which might arise in 2004, a decisive year for enlargement.

² COM(2003) 580

³ COM(2003) 612

SUMMARY TABLE PER HEADING OF THE FINANCIAL PERSPECTIVE

Financial perspective HEADING / Sub-heading	Financial perspective 2003		Budget 2003 incl. PDAB 7/2003		PDAB 8/2003		Budget 2003 incl. PDAB 7/2003 + PDAB 8/2003	
	CA	PA	CA	PA	CA	PA	CA	PA
1. AGRICULTURE								
-Agricultural expenditure	42 680 000 000		40 082 450 000	40 082 450 000			40 082 450 000	40 082 450 000
-Rural development and supporting measures	4 698 000 000		4 698 000 000	4 698 000 000			4 698 000 000	4 698 000 000
Total	47 378 000 000		44 780 450 000	44 780 450 000			44 780 450 000	44 780 450 000
Margin			2 597 550 000				2 597 550 000	
2. STRUCTURAL OPERATIONS								
-Structural fund	31 129 000 000		31 141 008 240	25 523 097 000			31 141 008 240	25 523 097 000
-Cohesion fund	2 839 000 000		2 839 000 000	2 650 000 000			2 839 000 000	2 650 000 000
Total	33 968 000 000		33 980 008 240	28 173 097 000			33 980 008 240	28 173 097 000
Margin			-12 008 240				-12 008 240	
3. INTERNAL POLICIES								
Margin	6 796 000 000		6 900 590 000	6 204 163 000			6 900 590 000	6 204 163 000
			-104 590 000				-104 590 000	
4. EXTERNAL ACTION								
Margin	4 972 000 000		4 949 362 000	4 843 756 000			4 949 362 000	4 843 756 000
			22 638 000				22 638 000	
5. ADMINISTRATION								
Margin	5 382 000 000		5 360 071 098	5 360 071 098	+21 900 000	+21 900 000	5 381 971 098	5 381 971 098
			21 928 902				28 902	
6. RESERVES								
-Monetary reserve	0		-	-			-	-
-Reserve for guarantees	217 000 000		217 000 000	217 000 000			217 000 000	217 000 000
-Reserve for emergencies aid	217 000 000		217 000 000	217 000 000			217 000 000	217 000 000
Total	434 000 000		434 000 000	434 000 000			434 000 000	434 000 000
Margin			0				0	
7. PRE-ACCESSION AID								
-Agriculture	564 000 000		564 000 000	442 900 000			564 000 000	442 900 000
-ISPA	1 129 000 000		1 129 000 000	717 500 000			1 129 000 000	717 500 000
-PHARE	1 693 000 000		1 693 000 000	1 547 000 000			1 693 000 000	1 547 000 000
Total	3 386 000 000		3 386 000 000	2 707 400 000			3 386 000 000	2 707 400 000
Margin			0				0	
TOTAL	102 316 000 000	102 938 000 000	99 790 481 338	92 502 937 098	+21 900 000	+21 900 000	99 812 381 338	92 524 837 098
Margin			2 525 518 662	10 435 062 902			2 503 618 662	10 413 162 902

STATEMENT OF REVENUE AND EXPENDITURE BY SECTION

SECTION III – COMMISSION

EXPENDITURE

Article A-2 0 0 — Rent and ground rent

Figures

2003 budget	Amending budget No 8	New amount
132 590 904	+21 900 000	154 490 904

Remarks

This appropriation is intended to cover the payment of rent and ground rent relating to occupied buildings or parts of buildings, and the hire of conference rooms, storerooms, garages and parking facilities.

For certain buildings, this appropriation also covers expenditure on rents and ground rents for the first quarter or half of 2004 which fall due on 1 January and which have to be paid before 31 December 2003.

It covers expenditure incurred within the territory of the Community, excluding:

- Joint Research Centre sites, for which expenditure is entered in subsection B6,
- property situated outside the Community, for which expenditure is entered in Title A-6,
- offices in the Community, for which expenditure is entered in Chapter A-4 2.

The amount of assigned revenue under Article 18(1)(e) to (j) of the Financial Regulation is estimated at EUR 1 300 000.

Revenue from the contribution to administrative expenditure under the decision by the representatives of the Governments of the Member States, meeting within the Council, of 27 February 2002 on the financial consequences of the expiry of the ECSC Treaty and on the research fund for coal and steel, entered in Item 6 1 1 2 of the general statement of revenue, may give rise to the provision of additional appropriations in accordance with Article 18 of the Financial Regulation.