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**A5-0446/2001**

4 December 2001

## **REPORT**

on the Draft Supplementary and amending budget 5/2001 of the European Union for the financial year 2001  
(SEC(2001) 1956 - xxxxx-2001 - C5-xxxx/2001 - 2001/2264(BUD))

Section I - European Parliament

Committee on Budgets

Rapporteur: Markus Ferber



## CONTENTS

	<b>Page</b>
PROCEDURAL PAGE .....	4
MOTION FOR A RESOLUTION.....	5
EXPLANATORY STATEMENT .....	7

## PROCEDURAL PAGE

For the budgetary procedure for the financial year 2001, the Committee on Budgets appointed Markus Ferber rapporteur at its meeting of 28 July 1999.

At the sitting of 28-29 November 2001, Parliament adopted supplementary estimates of revenue and expenditure of the European Parliament for the financial year 2001 (2001/2243(BUD) - A5-0424/2001).

On 30 November 2001 the Commission presented Preliminary draft supplementary and amending budget No 5/2001 of the European Union for the financial year 2002 and forwarded it to Parliament (SEC(2001)1956).

On 7 December 2001 the Council will establish Draft supplementary and amending budget No 5/2001 of the European Union for the financial year 2001 and will forward it to Parliament by letter of ..... (xxxx/2001).

At the sitting of 10 December 2001 the President of Parliament will announce that she had referred Draft supplementary and amending budget No 5/2001 to the Committee on Budgets as the committee responsible (C5-xxxx/2001 - 2001/2264(BUD)).

The Committee on Budgets considered Draft supplementary and amending budget No 5/2001 and the draft report at its meeting of 3 and 4 December 2001.

At this meeting it adopted the motion for a resolution unanimously awaiting adoption by the Council.

The following were present for the vote: Terence Wynn, chairman; Reimer Böge, vice-chairman; Markus Ferber, rapporteur; Kathalijne Maria Buitenweg, Joan Colom i Naval, Carlos Costa Neves, Gérard M.J. Deprez (for Jean-Louis Bourlanges), Göran Färm, Neena Gill, Catherine Guy-Quint, Jutta D. Haug, Ulpu Iivari (for Paulo Casaca), Juan Andrés Naranjo Escobar, Giovanni Pittella, Heide Rühle, Rijk van Dam (for Florence Kuntz pursuant to Rule 153(2)), Kyösti Tapio Virrankoski, Ralf Walter.

The report was tabled on 4 December 2001.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session.

## MOTION FOR A RESOLUTION

### **European Parliament resolution on the Draft supplementary and amending budget No 5/2001 of the European Union for the financial year 2001 - Section I - European Parliament (SEC(2001)1956 – xxxxx/2001 - C5-xxxx/2001 - 2001/2264(BUD))**

*The European Parliament,*

- having regard to Article 272 of the EC Treaty, Article 78 of the ECSC Treaty and Article 177 of the Euratom Treaty,
  - having regard to the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities, as last amended by Regulation (EC, ECSC, EURATOM) No 763/2001<sup>1</sup>, and particularly Article 15,
  - having regard to the general budget of the European Union for the financial year 2001, as finally adopted on 14 December 2000<sup>2</sup>,
  - having regard to the Interinstitutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure<sup>3</sup>,
  - having regard to its resolution of 29 November 2001 on the supplementary estimates of revenue and expenditure of the European Parliament for the financial year 2001<sup>4</sup>,
  - having regard to Preliminary draft supplementary and amending budget No 5/2001 of the European Union for the financial year 2001, which the Commission presented on 30 November 2001 (SEC(2001) 1956),
  - having regard to Draft supplementary and amending budget No 5/2001, which the Council established on 7 December 2001 (xxxxx/2001 – C5-xxxx/2001),
  - having regard to Rule 92 of and Annex IV to its Rules of Procedure,
  - having regard to the report of the Committee on Budgets (A5-0446/2001),
- A. whereas the margin in heading 5 of the financial perspective for the financial year 2001 is € 24 859 163,
- B. whereas the Draft Supplementary and Amending Budget 5/2001 concerns Parliament's advance payments for the acquisition of its premises;
1. Accepts the Council's Draft Supplementary and Amending Budget 5/2001 of 7 December 2001 without amendment;

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<sup>1</sup> OJ L 111, 20.04.2001, p.1.

<sup>2</sup> OJ L 56, 26.02.2001.

<sup>3</sup> OJ C 172, 18.06.1999, p.1.

<sup>4</sup> Adopted Texts, item 5.

2. Instructs its President to forward this resolution to the Council and Commission.

## EXPLANATORY STATEMENT

1. ***The European Parliament's property policy has now been laid down and implemented for a number of years.*** It consists of ensuring that buildings suited to the institution's specific needs are available in its various places of work; purchasing the buildings occupied on the basis of the most appropriate legal arrangements; and financing the purchase over a relatively short period in order to reduce the burden of property expenditure on future budgets.

On the basis of decisions taken by other bodies, Parliament is required to carry out its activities in three main places of work: Brussels, Luxembourg and Strasbourg. This represents a severe financial constraint.

2. ***In order to reduce as far as possible this financial burden which has a significant impact on its own budget, the European Parliament, during the last 10 years, has made advance payments*** in order to speed up the payment of the buildings costs and thus reduce the burden of property expenditure on future budgets.

The report of the Secretaries general on the multiannual evolution of Heading 5 and the possible savings in the context of the interinstitutional cooperation underlined in its main conclusions that the possible savings during 2003 will not be sufficient to cover the necessary additional expenses for the next enlargement.

Under these circumstances, SAB for the European Parliament in 2001 would help to anticipate payments for buildings foreseen in 2003.

3. ***In particular, these advance payments were made possible by two supplementary and amending budgets in 1996 and 1998*** and by the savings made by the institution since 1992 in its operating budget.

Thus far the early payment operations as well as normal payments have resulted in the full repayment of the PAUL-HENRI SPAAK building during the 1995 and 1996 financial year. The total outstanding amount of the SPINELLI building has been repaid by July 2001.

4. These advance payments had a beneficial impact on the European Parliament current budget. Had these advance payments not been made, the European Parliament's 2002 budget would need to have been increased over and above the ceiling of 20 % of the appropriations available under Chapter five "Administrative expenditure" of the Financial Perspectives.
5. Considering the current property situation, the European Parliament should continue with the early repayment method in order to reduce the burden of property expenditure on its future budgets. The advance payment policy in respect of the LOW building in Strasbourg should be continued. At current prices, an advance payment of € 10 M will generate an estimated saving in terms of interest payments of € 1.8 million over a 10-year period.
6. On these grounds, it is herewith requested that appropriations totalling € 24 800 000 are being made available in the 2001 budget for an accelerated financing of the LOW building.
7. For the 2001 financial year, the margin available under heading 5, administrative expenditure is € 24 859 163.