



EUROPEAN COMMISSION

EMPLOYMENT AND SOCIAL AFFAIRS DG

SEP 4/02 EN

COMMUNITY ACTION PROGRAMME TO COMBAT SOCIAL EXCLUSION 2002-2006

Subject: Annual Budget and breakdown of funds among the different actions of the programme

1. The Programme Committee is required to approve the annual budget and the breakdown of funds among the different actions of the programme. The total annual budget available is fixed by the Budgetary Authority (made up of the Council and the European Parliament – in the case of spending under Category 3 of the budget, the Parliament has the final say) as part of the annual budget process.
2. The Commission is required each year to propose a Preliminary Draft Budget to the Budgetary Authority. This contains the Commission's estimates for the requirements for each activity and policy area. In the case of programmes based on a Council decision, the Commission invariably bases its proposal on the estimates included in the financial impact statement included with the Commission's proposal for the decision.
3. The Commission proposed a total budget for the entire life of the Action Programme of €70 million. The financial impact statement included with the Commission's proposal included a breakdown of the funds in the five years of the programme as shown in the first line of Table 1.

**Table 1: Planned financial yearly breakdown -Commitment appropriations
EUR million**

TOTAL	2002	2003	2004	2005	2006	Total
Commission proposal (COM (2000)368, June 2000)	11	13	15.5	15.5	15	70
Commission proposal (January 2002)	11	16	16	16	16	75

4. The Commission therefore proposed, in its preliminary draft budget for 2002, that the annual budget for the Action programme should be €11 million. Although the funds for the programme were subsequently increased in the decision-making process to 75M€, the Budgetary Authority maintained the original proposal of the Commission for 2002. The remaining 64 M€ would therefore have to be spread out

during four years. Taking into account the comments of the informal Committee meeting of 30 November 2001, which favoured reaching full speed of the programme as soon as possible, the Commission now envisages to propose a breakdown of funds as shown in the second line of Table 2. This Commission proposal will have to be approved every year by the Budgetary Authority.

5. Concerning 2002, the Commission proposes that the funding should be split between the Strands as in Table 2. Strand 1 is significantly lower than Strand 2 in 2002 as an exception, due to the reduced need for financing the data collection for EU-SILC, given the planned delayed start of data collection in some countries. The Committee is invited to agree to this proposal.

Table 2: Breakdown of funds in 2002 - Commitment appropriations EUR million

Breakdown	2002
Strand 1: Analysis and collection of statistics	2.25
Strand 2: Policy Cooperation and Exchange of Information and Best Practices	5.50
Strand 3: Participation of the various actors and support for networking at European level	3.25
Total	11.00