

## I

(Information)

## COMMISSION

## ANNUAL ACCOUNTS OF THE EUROPEAN COMMUNITIES

FOR THE FINANCIAL YEAR 2001

(drawn up in accordance with Article 78, and Article 81 of the Financial Regulation of 21 December 1977, as last amended by Council Regulation (EC) No 762/2001 of 9 April 2001)

## VOLUME IV

## CONSOLIDATED STATEMENTS ON BUDGET IMPLEMENTATION AND CONSOLIDATED FINANCIAL STATEMENTS

(2002/C 296/01)

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## DEVELOPMENT OF THE EUROPEAN COMMUNITIES' ACCOUNTING SYSTEM

As an information system, public-sector accounting has substantially broadened its objectives from a mere record of budget execution to a more dynamic and complete management, setting out the economic, financial and asset/liability implications which arise.

In recent years, it has emerged that the European Communities' accounts needed to be modernised to change from a system of accounts focusing on a mere cash-based description of budget expenditure and revenue operations to a system based on assets and liabilities with the objective of presenting the Communities' financial situation in a more comprehensive form, showing all its assets, entitlements and debts as well as the expenditure and revenue for the financial year <sup>(1)</sup>. The Commission has therefore undertaken to gradually fall into line with the approach adopted by a large number of States and supported by international bodies such as IFAC <sup>(2)</sup> and OECD, even though it cannot yet apply the corresponding accounting standards at this stage.

However, the Commission has already introduced elements of accrual accounting in the presentation of the financial statements in recent years. At present, this information does not come from an integrated system of accounts. The Accounting Officer's departments have to use non-accounting information from the various Directorates-General to complete the financial balance sheet and draw up the annexes to this balance sheet. This procedure cannot guarantee the exhaustiveness of the data.

In 2000 and 2001 a special effort was made to improve the reliability of the information on fixed assets, inventories, the list of financial intermediaries, the valuation of entitlements and official's pension rights. In addition, the Commission must develop a multiannual plan of action to guarantee the quality of the information provided in the financial statements and implement new, more effective management and control tools.

In simple terms, the reforms focus on the following:

1. Retention of cash-based reports on budget implementation (funds collected and disbursed) and move towards general accounts based on the accrual principle. This dual system has also been adopted by a number of Member States;
2. Integrated accounting: the enhancement of budget accounting should allow transactions to be properly entered in the accounts; no lists from outside the accounts need then be used to draw up the financial statements;
3. Development of the general accounts from a cash-based account into one based on the principle of accrual, which gives a more faithful picture of the actual situation;
4. Definition and adjustment of the scope of consolidation in accordance with international standards;
5. In substance, the EC's financial statements should come into line with international standards. These statements are the product of the accounting system. Their objective is to give a faithful picture of assets, the financial situation, budget execution, the entity's results and the cash flow for the year.

This new approach will be implemented in a number of stages and relate to the financial statements for a number of financial years.

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<sup>(1)</sup> Accrual accounting.

<sup>(2)</sup> The IFAC (International Federation of Accountants) aims to produce international standards for the States which are directly based on company accounting practice and OECD, even though it cannot yet apply the corresponding accounting standards at this stage.

## STRUCTURE OF THE ACCOUNTS

1. The consolidated annual accounts of the Communities are drawn up in accordance with Articles 78, 80 and 81 of the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities, as last amended by Council Regulation (EC) No 762/2001 of 9 April 2001.

They are drawn up by the Commission every year and record the budgetary and accounting data of all the European institutions.

2. The annual accounts of the Communities are set out in four volumes:

Volume I — Commission — Analysis of financial management

Volume II — Part I: Commission — Budget implementation statements

— Part II: Commission and Euratom supply agency — Financial statements

Volume III — European Parliament, the Council, the Court of Justice, the Court of Auditors, the Economic and Social Committee, the Committee of the Regions and the Ombudsman

Volume IV — Consolidated statements on budget implementation and consolidated financial statements

## CHAPTER I

## CONSOLIDATED STATEMENTS ON THE IMPLEMENTATION OF THE BUDGET OF THE EUROPEAN COMMUNITIES

**2001 BUDGET OUTTURN**

The budget outturn for the European Communities is contained in Item 1.A.1 on the liabilities side of the consolidated balance sheet

(EUR)

	EFTA - EEA	European Communities	Total
REVENUE FROM THE YEAR	78 694 214,00	94 210 562 802,91	94 289 257 016,91
<b>Payments from 2001 appropriations</b>	67 444 765,33	79 325 967 715,70	-79 393 412 481,03
<b>Appropriations carried over to 2002</b>		2 089 687 959,54	-2 089 687 959,54
<b>EFTA-EEA appropriations carried over from 2000</b>	-407 189,20		-407 189,20
UNUSED 2000 CARRYOVERS WHICH LAPSE	138 939,28	2 134 344 871,85	2 134 483 811,13
EXCHANGE DIFFERENCES FOR THE YEAR		73 270 104,03	73 270 104,03
<b>Budget outturn</b>	10 981 198,75	15 002 522 103,55	15 013 503 302,30

**CONSOLIDATED SUMMARY OF THE IMPLEMENTATION OF GENERAL BUDGET REVENUE, 2001**

(EUR)

Titles	Budget		Established entitlement			Amounts received			Outstanding
	Initial	Final	Year	Carryovers	Total	Year	Carryovers	Total	
1 Own resources	90 972 068 520,00	81 469 724 574,00	79 735 837 187,29	2 109 958 717,57	81 845 795 904,86	77 608 982 699,34	2 063 362 963,73	79 672 345 663,07	2 173 450 241,79
3 Surpluses available	900 000 000,00	11 612 731 946,00	12 658 441 617,29		12 658 441 617,29	12 658 441 618,51		12 658 441 618,51	-1,22
4 Miscellaneous community taxes, levies and duties	562 267 101,00	562 525 101,00	542 089 530,26	2 297 878,78	544 387 409,04	539 100 879,65	2 088 568,28	541 189 447,93	3 197 961,11
5 Administrative operation of the institutions	62 044 000,00	62 044 000,00	203 085 022,36	38 529 857,86	241 614 880,22	156 536 531,46	34 255 146,59	190 791 678,05	50 823 202,17
6 Contributions by third parties	45 598 905,00	400 199 080,95	678 145 949,53	232 432 462,87	910 578 412,40	557 255 020,69	207 181 870,28	764 436 890,97	146 141 521,43
7 Interest on late payment and fines	0	0	2 061 119 822,12	961 878 524,80	3 022 998 346,92	48 660 093,16	26 682 439,58	75 342 532,74	2 947 655 814,18
8 Borrowing and lending operations	22 276 311,00	22 276 311,00	390 169 930,66	365 786 727,06	755 956 657,72	17 529 950,67	352 517 586,58	370 047 537,25	385 909 120,47
9 Miscellaneous revenue	5 114 000,00	5 114 000,00	11 179 310,02	15 099 470,68	26 278 780,70	8 324 416,31	8 337 232,08	16 661 648,39	9 617 132,31
<b>Total</b>	<b>92 569 368 837,00</b>	<b>94 134 615 012,95</b>	<b>96 280 068 369,53</b>	<b>3 725 983 639,62</b>	<b>100 006 052 009,15</b>	<b>91 594 831 209,79</b>	<b>2 694 425 807,12</b>	<b>94 289 257 016,91</b>	<b>5 716 794 992,24</b>

**DETAILS TITLE 1: OWN RESOURCES**

(EUR)

Chapters		Budget		Established entitlement			Amounts received			Outstanding
		Initial	Final	Year	Carryovers	Total	Year	Carryovers	Total	
10	Agricultural duties	1 180 000 000,00	1 180 000 000,00	1 181 631 432,23	529 952 387,97	1 711 583 820,20	602 916 363,76	529 944 179,44	1 132 860 543,20	578 723 277,00
11	Sugar levies	1 006 300 000,00	1 006 300 000,00	840 026 811,72	3 530 990,29	843 557 802,01	836 497 229,85	3 530 990,29	840 028 220,14	3 529 581,87
12	Customs duties	13 657 500 000,00	15 147 500 000,00	14 259 128 266,97	1 810 915 447,85	16 070 043 714,82	12 478 201 246,99	1 759 150 826,72	14 237 352 073,71	1 832 691 641,11
13	VAT	33 467 186 127,00	30 691 441 704,00	30 695 386 308,60		30 695 386 308,60	30 695 386 315,08		30 695 386 315,08	-6,48
14	GNP	43 245 462 393,00	35 177 862 870,00	34 460 234 510,40		34 460 234 510,40	34 460 234 519,47		34 460 234 519,47	-9,07
15	Correction of budgetary imbalances	0	0	-72 491 491,55		-72 491 491,55	-72 491 488,90		-72 491 488,90	-2,65
19	Costs incurred in the collection of own resources	-1 584 380 000,00	-1 733 380 000,00	-1 628 078 651,08	-234 440 108,54	-1 862 518 759,62	-1 391 761 486,91	-229 263 032,72	-1 621 024 519,63	-241 494 239,99
Total Title 1		90 972 068 520,00	81 469 724 574,00	79 735 837 187,29	2 109 958 717,57	81 845 795 904,86	77 608 982 699,34	2 063 362 963,73	79 672 345 663,07	2 173 450 241,79

**DETAILS TITLE 3: SURPLUSES AVAILABLE**

(EUR)

Chapters		Budget		Established entitlement			Amounts received			Outstanding
		Initial	Final	Year	Carryovers	Total	Year	Carryovers	Total	
30	Surplus from previous year	900 000 000,00	11 612 731 946,00	11 612 731 945,86		11 612 731 945,86	11 612 731 945,86		11 612 731 945,86	0
31	VAT surplus		0	624 942 640,78		624 942 640,78	624 942 641,69		624 942 641,69	-0,91
32	GNP surplus		0	418 583 356,29		418 583 356,29	418 583 356,64		418 583 356,64	-0,35
33	Refunds to Member States		0	9 661,20		9 661,20	9 661,20		9 661,20	0
35	United Kingdom correction		0	2 174 013,16		2 174 013,16	2 174 013,12		2 174 013,12	0,04
Total Title 3		900 000 000,00	11 612 731 946,00	12 658 441 617,29		12 658 441 617,29	12 658 441 618,51		12 658 441 618,51	-1,22

**CONSOLIDATED SUMMARY OF BUDGET IMPLEMENTATION — EXPENDITURE**

(EUR)

Composition and change in commitment appropriations				Composition and change in payment appropriations			
	Differentiated appropriations	Non-differentiated appropriations	Total		Differentiated appropriations	Non-differentiated appropriations	Total
<b>Budget</b>				<b>Budget</b>			
Initial appropriations	47 536 832 000,00	48 701 994 837,00	96 238 826 837,00	Initial appropriations	43 867 374 000,00	48 701 994 837,00	92 569 368 837,00
Changes (transfers, SAB, EFTA)	85 204 543,80	762 223 500,00	847 428 043,80	Changes (transfers, SAB, EFTA)	521 538 477,54	762 223 500,00	1 283 761 977,54
Total final budget appropriations	47 622 036 543,80	49 464 218 337,00	97 086 254 880,80	Total final budget appropriations	44 388 912 477,54	49 464 218 337,00	93 853 130 814,54
<b>Additional appropriations</b>				<b>Additional appropriations</b>			
Revenue from third parties	637 543 158,08	4 284 963,87	641 828 121,95	Revenue from third parties	759 274 731,99	6 383 087,13	765 657 819,12
Carried over				Carried over			
Total carried over from previous year	8 943 898 928,83	0	8 943 898 928,83	Total carried over from previous year	1 841 104 842,20	438 489 918,27	2 279 594 760,47
Other appropriations				Other appropriations			
Appropriations for re-use	71 148 858,45	163 470 572,00	234 619 430,45	Appropriations for re-use	78 710 078,72	173 442 022,03	252 152 100,75
Repayment of payments on account	17 581 395,09	0	17 581 395,09	Repayment of payments on account	9 701 000,00	0	9 701 000,00
Other appropriations — total	88 730 253,54	163 470 572,00	252 200 825,54	Other appropriations — total	88 411 078,72	173 442 022,03	261 853 100,75
Total appropriations in budget	47 622 036 543,80	49 464 218 337,00	97 086 254 880,80	Total appropriations in budget	44 388 912 477,54	49 464 218 337,00	93 853 130 814,54
<b>Total additional appropriations</b>	9 670 172 340,45	167 755 535,87	9 837 927 876,32	<b>Total additional appropriations</b>	2 688 790 652,91	618 315 027,43	3 307 105 680,34
<b>Total authorised appropriations</b>	57 292 208 884,25	49 631 973 872,87	106 924 182 757,12	<b>Total authorised appropriations</b>	47 077 703 130,45	50 082 533 364,43	97 160 236 494,88



Execution of commitment appropriations				Execution of payment appropriations			
	Differentiated appropriations	Non-differentiated appropriations	Total		Differentiated appropriations	Non-differentiated appropriations	Total
<b>Appropriations</b>				<b>Appropriations</b>			
Appropriations from the year	48 259 579 701,88	49 468 503 300,87	97 728 083 002,75	Appropriations from the year	45 148 187 209,53	49 470 601 424,13	94 618 788 633,66
Carried over	8 943 898 928,83	0	8 943 898 928,83	Carried over	1 841 104 842,20	438 489 918,27	2 279 594 760,47
Other appropriations	88 730 253,54	163 470 572,00	252 200 825,54	Other appropriations	88 411 078,72	173 442 022,03	261 853 100,75
Total appropriations authorised	57 292 208 884,25	49 631 973 872,87	106 924 182 757,12	Total appropriations authorised	47 077 703 130,45	50 082 533 364,43	97 160 236 494,88
<b>Commitments made</b>				<b>Payments made</b>			
From the year's appropriations	47 264 671 387,17	46 975 838 939,51	94 240 510 326,68	From the year's appropriations	33 463 539 641,26	45 929 872 839,77	79 393 412 481,03
From carryovers	8 930 988 914,09	0	8 930 988 914,09	From carryovers	119 072 221,60	356 164 105,77	475 236 327,37
From other appropriations	52 030 354,48	109 632 740,39	161 663 094,87	From other appropriations	15 778 620,27	102 916 275,96	118 694 896,23
Total commitments	56 247 690 655,74	47 085 471 679,90	103 333 162 335,64	Total payments	33 598 390 483,13	46 388 953 221,50	79 987 343 704,63
<b>Carried over to the following year</b>				<b>Carried over to the following year</b>			
Automatic carryovers	304 350 421,45	3 050 931,87	307 401 353,32	Automatic carryovers	544 881 713,38	1 048 454 351,49	1 593 336 064,87
Non-automatic carryovers	308 788 499,00	102 159 535,67	410 948 034,67	Non-automatic carryovers	394 192 359,00	102 159 535,67	496 351 894,67
Other appropriations	28 177 278,39	51 969 293,31	80 146 571,70	Other appropriations	30 632 412,43	68 108 682,33	98 741 094,76
Total carryovers	641 316 198,84	157 179 760,85	798 495 959,69	Total carryovers	969 706 484,81	1 218 722 569,49	2 188 429 054,30
<b>Appropriations lapsing</b>				<b>Appropriations lapsing</b>			
Appropriations from the year	381 769 394,26	2 387 453 893,82	2 769 223 288,08	Appropriations from the year	10 745 573 495,89	2 390 114 697,20	13 135 688 193,09
Carried over	12 910 014,74	0	12 910 014,74	Carried over	1 722 032 620,60	82 325 812,50	1 804 358 433,10
Other appropriations	8 522 620,67	1 868 538,30	10 391 158,97	Other appropriations	42 000 046,02	2 417 063,74	44 417 109,76
Total appropriations lapsing	403 202 029,67	2 389 322 432,12	2 792 524 461,79	Total appropriations lapsing	12 509 606 162,51	2 474 857 573,44	14 984 463 735,95

Execution of commitment appropriations by type of appropriation				Execution of payment appropriations by type of appropriation			
	Differentiated appropriations	Non-differentiated appropriations	Total		Differentiated appropriations	Non-differentiated appropriations	Total
Budget appropriation adopted	47 536 832 000,00	48 701 994 837,00	96 238 826 837,00	Budget appropriation adopted	43 867 374 000,00	48 701 994 837,00	92 569 368 837,00
Supplementary appropriations	0	760 646 000,00	760 646 000,00	Supplementary appropriations	450 000 000,00	760 646 000,00	1 210 646 000,00
Transfers	0	0	0	Transfers	0	0	0
EFTA appropriations	85 204 543,80	1 577 500,00	86 782 043,80	EFTA appropriations	71 538 477,54	1 577 500,00	73 115 977,54
Final appropriations	47 622 036 543,80	49 464 218 337,00	97 086 254 880,80	Final appropriations	44 388 912 477,54	49 464 218 337,00	93 853 130 814,54
Commitments made	46 931 478 650,54	46 974 604 907,51	93 906 083 558,05	Payments made	33 249 146 622,65	45 928 425 972,05	79 177 572 594,70
Carried over to the following year	308 788 499,00	102 159 535,67	410 948 034,67	Carried over to the following year	394 192 359,00	1 145 677 667,75	1 539 870 026,75
Appropriations lapsing	381 769 394,26	2 387 453 893,82	2 769 223 288,08	Appropriations lapsing	10 745 573 495,89	2 390 114 697,20	13 135 688 193,09
Revaluations from third parties/work for third parties	637 543 158,08	4 284 963,87	641 828 121,95	Revaluations from third parties/work for third parties	759 274 731,99	6 383 087,13	765 657 819,12
Commitments made	333 192 736,63	1 234 032,00	334 426 768,63	Payments made	214 393 018,61	1 446 867,72	215 839 886,33
Carried over to the following year	304 350 421,45	3 050 931,87	307 401 353,32	Carried over to the following year	544 881 713,38	4 936 219,41	549 817 932,79
Carried over from previous year	8 943 898 928,83	0	8 943 898 928,83	Carried over from previous year	1 841 104 842,20	438 489 918,27	2 279 594 760,47
Commitments made	8 930 988 914,09	0	8 930 988 914,09	Payments made	119 072 221,60	356 164 105,77	475 236 327,37
Appropriations lapsing	12 910 014,74	0	12 910 014,74	Appropriations lapsing	1 722 032 620,60	82 325 812,50	1 804 358 433,10
Appropriations for re-use	71 148 858,45	163 470 572,00	234 619 430,45	Appropriations for re-use	78 710 078,72	173 442 022,03	252 152 100,75
Commitments made	34 646 634,40	109 632 740,39	144 279 374,79	Payments made	8 862 137,42	102 916 275,96	111 778 413,38
Carried over to the following year	28 177 278,39	51 969 293,31	80 146 571,70	Carried over to the following year	30 632 412,43	68 108 682,33	98 741 094,76
Appropriations lapsing	8 324 945,66	1 868 538,30	10 193 483,96	Appropriations lapsing	39 215 528,87	2 417 063,74	41 632 592,61
Appropriations made available again	17 581 395,09	0	17 581 395,09	Appropriations made available again	9 701 000,00	0	9 701 000,00
Commitments made	17 383 720,08	0	17 383 720,08	Payments made	6 916 482,85	0	6 916 482,85
Appropriations lapsing	197 675,01	0	197 675,01	Appropriations lapsing	2 784 517,15	0	2 784 517,15
<b>Total appropriations</b>	<b>57 292 208 884,25</b>	<b>49 631 973 872,87</b>	<b>106 924 182 757,12</b>	<b>Total appropriations</b>	<b>47 077 703 130,45</b>	<b>50 082 533 364,43</b>	<b>97 160 236 494,88</b>
<b>Total commitments</b>	<b>56 247 690 655,74</b>	<b>47 085 471 679,90</b>	<b>103 333 162 335,64</b>	<b>Total commitments</b>	<b>33 598 390 483,13</b>	<b>46 388 953 221,50</b>	<b>79 987 343 704,63</b>
<b>Total carried over to the following year</b>	<b>641 316 198,84</b>	<b>157 179 760,85</b>	<b>798 495 959,69</b>	<b>Total carried over to the following year</b>	<b>969 706 484,81</b>	<b>1 218 722 569,49</b>	<b>2 188 429 054,30</b>
<b>Total lapsing</b>	<b>403 202 029,67</b>	<b>2 389 322 432,12</b>	<b>2 792 524 461,79</b>	<b>Total lapsing</b>	<b>12 509 606 162,51</b>	<b>2 474 857 573,44</b>	<b>14 984 463 735,95</b>

### CONSOLIDATED SUMMARY OF OUTSTANDING COMMITMENTS

(EUR)

	Differentiated appropriations	Non-differentiated appropriations	Total
<b>Commitments carried over from previous year</b>	65 608 830 433,44	451 806 668,17	66 060 637 101,61
Changes made during the year			
Decommitments	-1 494 376 836,89	-13 695 875,84	-1 508 072 712,73
Revaluations	-477 320,82	-6 267,41	-483 588,23
Payments	19 704 887 812,58	366 757 484,21	20 071 645 296,79
Appropriations lapsing		69 464 082,44	69 464 082,44
Commitments outstanding at end of year	44 409 088 463,15	1 882 958,27	44 410 971 421,42
<b>Commitments for the year</b>	56 247 690 655,74	47 085 471 679,90	103 333 162 335,64
Payments	13 893 502 670,55	46 022 195 737,29	59 915 698 407,84
Cancellation of commitments which cannot be carried over	0	2 889 310,89	2 889 310,89
<b>Outstanding commitments for the year</b>	42 354 187 985,19	1 060 386 631,72	43 414 574 616,91
<b>Total commitments outstanding at end of year</b>	<b>86 763 276 448,34</b>	<b>1 062 269 589,99</b>	<b>87 825 546 038,33</b>

Table 1

## COMPARISON OF BUDGET OUTTURN 2001 AND 2000

The 2000 figures have been corrected to include re-use.

(EUR)

Heading		Commitment appropriations							
		Appropriations authorised			Outturn				
		2001	2000	% change	2001	%	2000	%	% change
		1	2	(3 = (1-2)/2)	4	(5 = 4/1)	6	(7 = 6/2)	(8 = (4-6)/6)
1	Agriculture	44 023 700 000,00	40 716 994 000,00	8,12 %	42 083 339 895,64	95,59 %	40 466 689 400,02	99,39 %	4,00 %
2	Structural operations	41 362 454 644,06	34 913 998 413,38	18,47 %	41 165 963 589,61	99,52 %	20 089 532 780,79	57,54 %	104,91 %
3	Internal policies	7 178 241 684,97	6 605 165 800,26	8,68 %	6 703 321 449,90	93,38 %	6 013 327 389,82	91,04 %	11,47 %
4	External action	5 043 406 150,85	5 229 419 923,54	-3,56 %	4 859 356 845,33	96,35 %	4 990 391 347,58	95,43 %	-2,63 %
5	Administration	5 108 273 872,87	4 889 656 627,22	4,47 %	5 002 131 784,26	97,92 %	4 742 167 224,38	96,98 %	5,48 %
6	Reserves	866 000 000,00	1 036 000 000,00	-16,41 %	207 176 000,00	23,92 %	186 290 500,00	17,98 %	11,21 %
7	Pre-accession aid	3 342 106 404,37	3 228 558 342,07	3,52 %	3 311 872 770,90	99,10 %	3 112 433 238,83	96,40 %	6,41 %
<b>Total</b>		<b>106 924 182 757,12</b>	<b>96 619 793 106,47</b>	<b>10,66 %</b>	<b>103 333 162 335,64</b>	<b>96,64 %</b>	<b>79 600 831 881,42</b>	<b>82,39 %</b>	<b>29,81 %</b>

Heading		Carryovers					Cancellations				
		2001	%	2000	%	% change	2001	%	2000	%	% change
		9	10=9/1	11	12=11/2	(13=(9-11)/11)	14=(1-4-9)	15=14/1	16=2-6-11	17=16/2	(18=(14-16)/16)
1	Agriculture	99 000 000,00	0,22 %	0	0,00 %	0,00 %	1 841 360 104,36	4,18 %	250 304 599,98	0,61 %	635,65 %
2	Structural operations	175 226 444,32	0,42 %	8 638 874 264,74	24,74 %	-97,97 %	21 264 610,13	0,05 %	6 185 591 367,85	17,72 %	-99,66 %
3	Internal policies	315 068 823,84	4,39 %	447 970 478,36	6,78 %	-29,67 %	159 851 411,23	2,23 %	143 867 932,08	2,18 %	11,11 %
4	External action	127 060 737,91	2,52 %	43 313 825,10	0,83 %	193,35 %	56 988 567,61	1,13 %	195 714 750,86	3,74 %	-70,88 %
5	Administration	58 179 760,85	1,14 %	23 283 790,87	0,48 %	149,87 %	47 962 327,76	0,94 %	124 205 611,97	2,54 %	-61,38 %
6	Reserves	0	0,00 %	0	0,00 %	0,00 %	658 824 000,00	76,08 %	849 709 500,00	82,02 %	-22,46 %
7	Pre-accession aid	23 960 192,77	0,72 %	73 887 341,21	2,29 %	-67,57 %	6 273 440,70	0,19 %	42 237 762,03	1,31 %	-85,15 %
<b>Total</b>		<b>798 495 959,69</b>	<b>0,75 %</b>	<b>9 227 329 700,28</b>	<b>9,55 %</b>	<b>-91,35 %</b>	<b>2 792 524 461,79</b>	<b>2,61 %</b>	<b>7 791 631 524,77</b>	<b>8,06 %</b>	<b>-64,16 %</b>

		Payment appropriations								
Heading		Appropriations authorised			Outturn					
		2001	2000	% change	2001	%	2000	%	% change	
		1	2	(3 = (1-2)/2)	4	(5 = 4/1)	6	(7 = (6/2))	(8 = (4-6)/6)	
1	Agriculture	44 075 973 093,73	40 822 298 536,71	7,97 %	41 533 902 439,36	94,23 %	40 505 869 264,04	99,22 %	2,54 %	
2	Structural operations	32 994 822 871,06	35 579 801 208,38	-7,27 %	22 455 803 009,83	68,06 %	27 590 788 901,40	77,55 %	-18,61 %	
3	Internal policies	6 485 404 100,99	6 438 690 727,28	0,73 %	5 303 114 858,83	81,77 %	5 370 823 173,14	83,41 %	-1,26 %	
4	External action	4 919 303 055,04	4 213 853 515,38	16,74 %	4 230 616 722,78	86,00 %	3 841 392 119,89	91,16 %	10,13 %	
5	Administration	5 506 560 270,70	5 305 343 683,60	3,79 %	4 855 050 782,14	88,17 %	4 740 606 298,11	89,36 %	2,41 %	
6	Reserves	876 000 000,00	1 036 000 000,00	-15,44 %	207 176 000,00	23,65 %	186 290 500,00	17,98 %	11,21 %	
7	Pre-accession aid	2 302 173 103,36	1 637 587 561,67	40,58 %	1 401 679 891,69	60,89 %	1 203 731 341,07	73,51 %	16,44 %	
<b>Total</b>		<b>97 160 236 494,88</b>	<b>95 033 575 233,02</b>	<b>2,24 %</b>	<b>79 987 343 704,63</b>	<b>82,33 %</b>	<b>83 439 501 597,65</b>	<b>87,80 %</b>	<b>-4,14 %</b>	

		Carryovers					Cancellations				
Heading		2001	%	2000	%	% change	2001	%	2000	%	% change
		9	10=9/1	11	12=11/2	(13=(9-11)/11)	14=(1-4-9)	15=14/1	16=2-6-11	17=16/2	(18=(14-16)/16)
		1	Agriculture	684 917 004,50	1,55 %	52 273 093,73	0,13 %	1210,27 %	1 857 153 649,87	4,21 %	264 156 178,94
2	Structural operations	109 984,32	0,00 %	1 470 025 886,74	4,13 %	-99,99 %	10 538 909 876,91	31,94 %	6 518 986 420,24	18,32 %	61,66 %
3	Internal policies	707 412 512,12	10,91 %	388 220 571,17	6,03 %	82,22 %	474 876 730,04	7,32 %	679 646 982,97	10,70 %	-31,09 %
4	External action	238 282 100,61	4,84 %	181 052 971,04	4,30 %	31,61 %	450 404 231,65	9,16 %	191 408 424,45	4,72 %	126,58 %
5	Administration	533 805 564,99	9,69 %	422 521 466,29	7,96 %	26,34 %	117 703 923,57	2,14 %	142 215 919,20	3,27 %	-32,22 %
6	Reserves	0	0,00 %	0	0,00 %	0,00 %	668 824 000,00	76,35 %	849 709 500,00	82,02 %	-21,29 %
7	Pre-accession aid	23 901 887,76	1,04 %	172 744 040,21	10,55 %	-86,16 %	876 591 323,91	38,08 %	261 112 180,39	17,73 %	201,95 %
<b>Total</b>		<b>2 188 429 054,30</b>	<b>2,25 %</b>	<b>2 686 838 029,18</b>	<b>2,83 %</b>	<b>-18,55 %</b>	<b>14 984 463 735,95</b>	<b>15,42 %</b>	<b>8 907 235 606,19</b>	<b>9,45 %</b>	<b>66,78 %</b>

Table 2

## BUDGET EXECUTION OF COMMITMENT AND PAYMENT APPROPRIATIONS BY INSTITUTION

Appropriations for institutions other than the Commission are consolidated in heading 5 of the financial perspective

(EUR)

Commitment appropriations															
Institution	Commitment appropriations authorised	Commitments entered into					Carried over to the following year					Appropriations lapsing	%	Commitments outstanding at close of financial year	Approps made available again in 2002
		from the year's appropriations	from carryovers	from other appropriations	Total	%	automatic carryovers	non-automatic carryovers	other appropriations	Total	%				
		1	2	3	4	(5 = 2+ 3+ 4)	(6 = 5/1)	7	8	9	(10 = 7+ 8+ 9)				
European Parliament	1 056 323 403,37	1 005 814 717,37	0	13 862 852,12	1 019 677 569,49	96,53 %	0		29 773 351,00	29 773 351,00	2,82 %	6 872 482,88	0,65 %	136 621 421,66	
Council	379 733 264,15	373 214 584,07	0	2 108 341,52	375 322 925,59	98,84 %	0		534 381,00	534 381,00	0,14 %	3 875 957,56	1,02 %	53 753 075,90	
Commission	105 152 842 659,50	92 538 689 939,56	8 930 988 914,09	143 823 586,41	101 613 502 440,06	96,63 %	307 401 353,32	408 453 499,00	48 650 715,88	764 505 568,20	0,73 %	2 774 834 651,24	2,64 %	87 610 363 072,97	3 947 684,00
Court of Justice	143 727 292,28	140 683 893,21	0	928 625,32	141 612 518,53	98,53 %	0		832 108,98	832 108,98	0,58 %	1 282 664,77	0,89 %	7 999 785,17	
Court of Auditors	73 703 680,64	71 967 749,52	0	178 288,18	72 146 037,70	97,89 %	0		138 912,11	138 912,11	0,19 %	1 418 730,83	1,92 %	10 656 411,96	
Economic and Social Committee	79 012 417,18	73 456 510,73	0	761 401,32	74 217 912,05	93,93 %	0	1 837 020,67	217 102,73	2 054 123,40	2,60 %	2 740 381,73	3,47 %	4 008 226,74	
Committee of the Regions	34 937 724,00	33 068 456,07	0	0	33 068 456,07	94,65 %	0	657 515,00	0	657 515,00	1,88 %	1 211 752,93	3,47 %	1 683 506,46	
Mediator	3 902 316,00	3 614 476,15	0	0	3 614 476,15	92,62 %	0		0	0	0,00 %	287 839,85	7,38 %	460 537,47	
<b>Total</b>	<b>106 924 182 757,12</b>	<b>94 240 510 326,68</b>	<b>8 930 988 914,09</b>	<b>161 663 094,87</b>	<b>103 333 162 335,64</b>	<b>96,64 %</b>	<b>307 401 353,32</b>	<b>410 948 034,67</b>	<b>80 146 571,70</b>	<b>798 495 959,69</b>	<b>0,75 %</b>	<b>2 792 524 461,79</b>	<b>2,61 %</b>	<b>87 825 546 038,33</b>	<b>3 947 684,00</b>

Payment appropriations															
Institution	Payment appropriations authorised	Payments made					Carried over to the following year					Appropriations lapsing			
		from the year's appropriations	from carryovers	from other appropriations	Total	%	automatic carryovers	non-automatic carryovers	other appropriations	Total	%	from the year's appropriations	from carryovers	from other appropriations	Total
		1	2	3	4	(5 = 2+ 3+ 4)	(6 = 5/1)	6	7	8	(9 = 6+ 7+ 8)	(10 = 9/1)	11	12	13
European Parliament	1 143 418 404,54	869 193 295,71	80 185 294,78	13 862 852,12	963 241 442,61	84,24 %	136 621 421,66		29 773 351,00	166 394 772,66	14,55 %	6 785 282,63	6 909 706,39	87 200,25	13 782 189,27
Council	421 414 045,46	319 461 508,17	29 642 348,39	2 108 341,52	351 212 198,08	83,34 %	53 753 075,90		534 381,00	54 287 456,90	12,88 %	3 853 415,93	12 038 432,92	22 541,63	15 914 390,48
Commission	95 229 978 045,18	77 906 616 320,31	338 460 031,40	101 014 126,73	78 346 090 478,44	82,27 %	1 378 311 838,47	493 857 359,00	67 086 499,98	1 939 255 697,45	2,04 %	13 118 220 575,88	1 782 216 376,99	44 194 916,42	14 944 631 869,29
Court of Justice	151 081 812,91	132 684 108,04	5 993 920,50	928 625,32	139 606 653,86	92,40 %	7 999 785,17		832 108,98	8 831 894,15	5,85 %	1 204 706,79	1 360 600,13	77 957,98	2 643 264,90
Court of Auditors	81 449 696,65	61 311 337,56	7 433 191,01	178 288,18	68 922 816,75	84,62 %	10 656 411,96		138 912,11	10 795 324,07	13,25 %	1 418 350,48	312 825,00	380,35	1 731 555,83
Economic and Social Committee	88 987 905,32	69 607 022,95	9 171 921,53	602 662,36	79 381 606,84	89,20 %	3 849 487,78	1 837 020,67	375 841,69	6 062 350,14	6,81 %	2 706 268,60	803 566,61	34 113,13	3 543 948,34
Committee of the Regions	39 619 361,14	31 384 949,61	4 011 449,46	0	35 396 399,07	89,34 %	1 683 506,46	657 515,00	0	2 341 021,46	5,91 %	1 211 752,93	670 187,68	0	1 881 940,61
Mediator	4 287 223,68	3 153 938,68	338 170,30	0	3 492 108,98	81,45 %	460 537,47		0	460 537,47	10,74 %	287 839,85	46 737,38	0	334 577,23
<b>Total</b>	<b>97 160 236 494,88</b>	<b>79 393 412 481,03</b>	<b>475 236 327,37</b>	<b>118 694 896,23</b>	<b>79 987 343 704,63</b>	<b>82,33 %</b>	<b>1 593 336 064,87</b>	<b>496 351 894,67</b>	<b>98 741 094,76</b>	<b>2 188 429 054,30</b>	<b>2,25 %</b>	<b>13 135 688 193,09</b>	<b>1 804 358 433,10</b>	<b>44 417 109,76</b>	<b>14 984 463 735,95</b>

Table 3

## COMPOSITION AND CHANGE IN COMMITMENT AND PAYMENT APPROPRIATIONS

(EUR)

Financial perspective	Commitment appropriations				Payment appropriations			
	Initial budget	Final appropriations after transfers & SABs (incl. EFTA)	Additional appropriations and carryovers	Total authorised	Initial budget	Final appropriations after transfers and SABs (incl. EFTA)	Additional appropriations and carryovers	Total authorised
	1	2	3	4=1+2+3	5	6	7	8=5+6+7
<b>Heading 1: Agriculture</b>								
Agricultural expenditure (Titles B1-1 to B1-3)	38 802 700 000,00	726 000 000,00	0	39 528 700 000,00	38 802 700 000,00	726 000 000,00	52 273 093,73	39 580 973 093,73
Rural development and accompanying measures (Titles B1-4)	4 495 000 000,00	0	0	4 495 000 000,00	4 495 000 000,00	0	0	4 495 000 000,00
<b>Total Heading 1</b>	<b>43 297 700 000,00</b>	<b>726 000 000,00</b>	<b>0</b>	<b>44 023 700 000,00</b>	<b>43 297 700 000,00</b>	<b>726 000 000,00</b>	<b>52 273 093,73</b>	<b>44 075 973 093,73</b>
<b>Heading 2: Structural actions</b>								
Innovative measures and technical assistance (Chapter B2-1 6)	138 000 000,00	75 749 650,00	81 282,87	213 830 932,87	229 700 000,00	0	81 282,87	229 781 282,87
Other structural measures (outside Objective 1) (Chapter B2-1 3)	164 000 000,00	0	14 000 000,00	178 000 000,00	463 500 000,00	0	0	463 500 000,00
Cohesion Fund (Title B2-3)	2 715 000 000,00	0	413 546 759,00	3 128 546 759,00	2 860 000 000,00	0	300 000 000,00	3 160 000 000,00
Community initiatives (Chapter B2-1 4)	1 683 000 000,00	-75 749 650,00	0	1 607 250 350,00	1 747 400 000,00	159 969 000,00	0	1 907 369 000,00
Financial mechanism (European Economic Area) (Title B2-4)	0	0	0	0	0	0	0	0
Objective 1 (Chapter B2-1 0)	20 832 000 000,00	0	5 374 964 218,19	26 206 964 218,19	18 745 200 000,00	-209 682 000,00	1 020 054 588,19	19 555 572 588,19
Objective 2 (Chapter B2-1 1)	3 613 000 000,00	0	2 652 105 354,00	6 265 105 354,00	4 323 200 000,00	0	150 000 000,00	4 473 200 000,00
Objective 3 (Chapter B2-1 2)	3 575 000 000,00	0	187 757 030,00	3 762 757 030,00	3 205 400 000,00	0	0	3 205 400 000,00
<b>Total Heading 2</b>	<b>32 720 000 000,00</b>	<b>0</b>	<b>8 642 454 644,06</b>	<b>41 362 454 644,06</b>	<b>31 574 400 000,00</b>	<b>-49 713 000,00</b>	<b>1 470 135 871,06</b>	<b>32 994 822 871,06</b>

Financial perspective	Commitment appropriations				Payment appropriations			
	Initial budget	Final appropriations after transfers & SABs (incl. EFTA)	Additional appropriations and carryovers	Total authorised	Initial budget	Final appropriations after transfers and SABs (incl. EFTA)	Additional appropriations and carryovers	Total authorised
	1	2	3	4=1+2+3	5	6	7	8=5+6+7
<b>Heading 3: Internal policies</b>								
Aid for reconstruction (Title B5-2)	1 260 000,00	0	2 000 000,00	3 260 000,00	1 260 000,00	0	2 000 000,00	3 260 000,00
Other agricultural operations (Title B2-5)	54 575 000,00	0	22 144,06	54 597 144,06	108 475 000,00	0	22 144,06	108 497 144,06
Other measures concerning fisheries and the sea (Title B2-9)	61 050 000,00	1 000 000,00	979,67	62 050 979,67	55 785 000,00	0	979,67	55 785 979,67
Other regional operations (Title B2-6)	15 000 000,00	0	0	15 000 000,00	15 000 000,00	0	852 000,00	15 852 000,00
Euratom nuclear safeguards (Title B4-2)	17 700 000,00	0	260 440,31	17 960 440,31	17 300 000,00	1 600 000,00	305 267,59	19 205 267,59
Culture and audiovisual media (Title B3-2)	120 100 000,00	2 124 400,00	19 593 740,56	141 818 140,56	113 000 000,00	1 823 167,60	27 308 333,54	142 131 501,14
Social dialogue and employment (Title B3-4)	148 370 000,00	1 304 000,00	5 440 712,75	155 114 712,75	140 370 000,00	3 190 478,80	1 431 160,52	144 991 639,32
Education, vocational training and youth policy (Title B3-1)	491 320 000,00	8 988 656,00	105 102 775,03	605 411 431,03	427 830 000,00	48 469 212,00	181 172 613,92	657 471 825,92
Energy (Title B4-1)	33 800 000,00	544 053,20	31 112 798,34	65 456 851,54	33 000 000,00	9 241 258,00	2 050 315,51	44 291 573,51
Environment (Title B4-3)	116 200 000,00	449 191,30	116 128 254,19	232 777 445,49	143 000 000,00	2 408 900,00	34 998 230,19	180 407 130,19
Area of freedom, security and justice (Title B5-8)	113 150 000,00	216 200,00	34 287 797,34	147 653 997,34	111 840 000,00	12 188 904,21	3 756 736,54	127 785 640,75
Industry (Title B5-4)	0	0	0	0	0	0	0	0
Information and communication (Title B3-3)	103 050 000,00	5 000 000,00	6 630 235,46	114 680 235,46	105 150 000,00	3 700 000,00	1 636 595,46	110 486 595,46
Statistical information (Title B5-6)	32 600 000,00	459 660,00	3 470 380,45	36 530 040,45	31 000 000,00	437 100,00	4 715 313,36	36 152 413,36
Measures to combat fraud (Title B5-9)	5 000 000,00	0	99,16	5 000 099,16	4 800 000,00	1 400 000,00	99,16	6 200 099,16



Financial perspective	Commitment appropriations				Payment appropriations			
	Initial budget	Final appropriations after transfers & SABs (incl. EFTA)	Additional appropriations and carryovers	Total authorised	Initial budget	Final appropriations after transfers and SABs (incl. EFTA)	Additional appropriations and carryovers	Total authorised
	1	2	3	4=1+2+3	5	6	7	8=5+6+7
Labour market and technological innovation (Title B5-5)	127 000 000,00	1 880 000,00	23 329 570,51	152 209 570,51	127 600 000,00	2 392 754,36	18 433 776,60	148 426 530,96
Internal market (Title B5-3)	159 280 000,00	-5 242 360,00	3 092 896,53	157 130 536,53	159 852 000,00	2 703 512,00	5 287 180,10	167 842 692,10
Protection and promotion of consumer interests (Title B5-1)	22 500 000,00	423 000,00	509,84	22 923 509,84	20 000 000,00	291 053,08	509,84	20 291 562,92
Research and technological development (Subsection B6)	3 920 000 000,00	67 606 584,57	510 042 705,21	4 497 649 289,78	3 610 000 000,00	-275 827 663,18	531 428 423,63	3 865 600 760,45
Transeuropean networks (Title B5-7)	665 000 000,00	451 158,73	361 101,76	665 812 260,49	608 200 000,00	1 132 800,67	85 943,76	609 418 744,43
Transport (Title B2-7)	25 205 000,00	0	0	25 205 000,00	21 305 000,00	0	0	21 305 000,00
<b>Total Heading 3</b>	<b>6 232 160 000,00</b>	<b>85 204 543,80</b>	<b>860 877 141,17</b>	<b>7 178 241 684,97</b>	<b>5 854 767 000,00</b>	<b>-184 848 522,46</b>	<b>815 485 623,45</b>	<b>6 485 404 100,99</b>
<b>Heading 4: External action</b>								
International fisheries agreements (Chapter B7-80)	273 440 000,00	-78 000 000,00	0	195 440 000,00	275 424 000,00	-60 000 000,00	0	215 424 000,00
Food aid and support operations (Chapter B7-20)	455 000 000,00	-40 000,00	9 701 000,00	464 661 000,00	400 000 000,00	80 000 000,00	9 701 000,00	489 701 000,00
Humanitarian aid (Chapter B7-21)	473 000 000,00	50 000 000,00	39 107,32	523 039 107,32	473 000 000,00	147 100 000,00	39 107,32	620 139 107,32
Other cooperation measures (Title B7-6)	389 540 000,00	59 610 000,00	13 968 621,12	463 118 621,12	381 040 000,00	40 630 000,00	39 422 512,12	461 092 512,12
Other Community measures in favour of the partner countries of eastern Europe and central Asia and the countries of the western Balkans ( B7-53)	0	40 000 000,00	0	40 000 000,00	700 000,00	40 000 000,00	345 000,00	41 045 000,00
European Bank for Reconstruction and Development (Chapter B7-51)	0	0	0	0	7 425 000,00	0	0	7 425 000,00
Assistance to partner countries in eastern Europe and central Asia (Chapter B7-52)	469 280 000,00	-56 910 000,00	3 659 672,43	416 029 672,43	462 366 000,00	-40 460 000,00	10 659 672,43	432 565 672,43

Financial perspective	Commitment appropriations				Payment appropriations			
	Initial budget	Final appropriations after transfers & SABs (incl. EFTA)	Additional appropriations and carryovers	Total authorised	Initial budget	Final appropriations after transfers and SABs (incl. EFTA)	Additional appropriations and carryovers	Total authorised
	1	2	3	4=1+2+3	5	6	7	8=5+6+7
Cooperation with the countries of the western Balkans (Chapter B7-54)	839 000 000,00	53 400 000,00	6 747 697,07	899 147 697,07	490 500 000,00	495 000 000,00	74 368 697,07	1 059 868 697,07
Cooperation with the countries of southern Africa, including South Africa (Chapter B7-32)	122 000 000,00	0	0	122 000 000,00	135 000 000,00	-13 500 000,00	365 443,83	121 865 443,83
Cooperation with Latin American developing countries (Chapter B7-31)	336 250 000,00	-24 408 915,00	301 257,55	312 142 342,55	252 000 000,00	-35 000 000,00	14 432 757,39	231 432 757,39
Cooperation with Asian developing countries (Chapter B7-30)	446 000 000,00	-13 369 742,00	3 499 499,93	436 129 757,93	370 000 000,00	26 000 000,00	3 703 624,60	399 703 624,60
Cooperation with Mediterranean third countries (Title B7-4)	896 320 000,00	16 340 000,00	9 808 257,35	922 468 257,35	459 350 000,00	146 330 000,00	18 810 257,35	624 490 257,35
European Development Funds (Title B7-1)	0	0	0	0	0	0	0	0
European initiative for democracy and human rights (Title B7-7)	102 000 000,00	3 378 657,00	272 963,56	105 651 620,56	81 800 000,00	-6 000 000,00	21 172 963,56	96 972 963,56
Common Foreign and Security Policy (Subsection B8)	36 000 000,00	0	2 581 000,00	38 581 000,00	35 000 000,00	0	9 003 000,00	44 003 000,00
Pre-accession strategy for the Mediterranean countries (Chapter B7-04 and B7-05)	19 000 000,00	0	7 300 000,00	26 300 000,00	13 000 000,00	0	0	13 000 000,00
External aspects of certain policies (Chapter B7-81 to B7-87)	71 842 000,00	0	6 855 074,52	78 697 074,52	84 392 000,00	-24 000 000,00	182 019,37	60 574 019,37
<b>Total Heading 4</b>	<b>4 928 672 000,00</b>	<b>50 000 000,00</b>	<b>64 734 150,85</b>	<b>5 043 406 150,85</b>	<b>3 920 997 000,00</b>	<b>796 100 000,00</b>	<b>202 206 055,04</b>	<b>4 919 303 055,04</b>

Financial perspective	Commitment appropriations				Payment appropriations			
	Initial budget	Final appropriations after transfers & SABs (incl. EFTA)	Additional appropriations and carryovers	Total authorised	Initial budget	Final appropriations after transfers and SABs (incl. EFTA)	Additional appropriations and carryovers	Total authorised
	1	2	3	4=1+2+3	5	6	7	8=5+6+7
<b>Heading 5: Administration</b>								
Part A (excluding pensions)	4 285 967 837,00	27 773 500,00	167 755 535,87	4 481 496 872,87	4 285 967 837,00	27 773 500,00	565 906 473,70	4 879 647 810,70
Pensions (all institutions)	618 327 000,00	8 450 000,00	0	626 777 000,00	618 327 000,00	8 450 000,00	135 460,00	626 912 460,00
<b>Total Heading 5</b>	<b>4 904 294 837,00</b>	<b>36 223 500,00</b>	<b>167 755 535,87</b>	<b>5 108 273 872,87</b>	<b>4 904 294 837,00</b>	<b>36 223 500,00</b>	<b>566 041 933,70</b>	<b>5 506 560 270,70</b>
<b>Heading 6: Reserves</b>								
Monetary reserve (Title B1-6)	500 000 000,00	0	0	500 000 000,00	500 000 000,00	0	0	500 000 000,00
Emergency aid reserve (Chapter B7-9 1)	208 000 000,00	-50 000 000,00	0	158 000 000,00	208 000 000,00	-40 000 000,00	0	168 000 000,00
Guarantees and reserves (Chapters B0-23 and B0-24)	208 000 000,00	0	0	208 000 000,00	208 000 000,00	0	0	208 000 000,00
<b>Total Heading 6</b>	<b>916 000 000,00</b>	<b>-50 000 000,00</b>	<b>0</b>	<b>866 000 000,00</b>	<b>916 000 000,00</b>	<b>-40 000 000,00</b>	<b>0</b>	<b>876 000 000,00</b>
<b>Heading 7: Pre-accession aid</b>								
Agriculture (Chapter B7-01)	540 000 000,00	0	0	540 000 000,00	330 800 000,00	0	140 100 000,00	470 900 000,00
ISPA (Chapter B7-02)	1 080 000 000,00	0	41 245 655,94	1 121 245 655,94	350 000 000,00	0	2 354,94	350 002 354,94
Phare pre-accession instrument (Chapter B7-03)	1 620 000 000,00	0	60 860 748,43	1 680 860 748,43	1 420 410 000,00	0	60 860 748,42	1 481 270 748,42
<b>Total Heading 7</b>	<b>3 240 000 000,00</b>	<b>0</b>	<b>102 106 404,37</b>	<b>3 342 106 404,37</b>	<b>2 101 210 000,00</b>	<b>0</b>	<b>200 963 103,36</b>	<b>2 302 173 103,36</b>
<b>GRAND TOTAL</b>	<b>96 238 826 837,00</b>	<b>847 428 043,80</b>	<b>9 837 927 876,32</b>	<b>106 924 182 757,12</b>	<b>92 569 368 837,00</b>	<b>1 283 761 977,54</b>	<b>3 307 105 680,34</b>	<b>97 160 236 494,88</b>

## EXECUTION OF THE YEAR'S

Financial perspective	Commitment appropriations	Commitments made				Total (5 = 2+ 3+ 4)	% (6 = 5/1)
		from the year's appropriations	from carryovers	from other appropriations			
		1	2	3	4		
<b>Heading 1: Agriculture</b>							
Agricultural expenditure (Titles B1-1 to B1-3)	39 528 700 000,00	37 719 523 972,59	0,00	0,00	37 719 523 972,59	95,42%	
Rural development and accompanying measures (Titles B1-4)	4 495 000 000,00	4 363 815 923,05	0,00	0,00	4 363 815 923,05	97,08%	
<b>Total Heading 1</b>	<b>44 023 700 000,00</b>	<b>42 083 339 895,64</b>	<b>0,00</b>	<b>0,00</b>	<b>42 083 339 895,64</b>	<b>95,59%</b>	
<b>Heading 2: Structural operations</b>							
Innovative measures and technical assistance (Chapter B2-1 6)	213 830 932,87	204 696 864,06	0,00	0,00	204 696 864,06	95,73%	
Other structural measures (outside Objective 1) (Chapter B2-1 3)	178 000 000,00	159 400 000,00	14 000 000,00	0,00	173 400 000,00	97,42%	
Cohesion Fund (Title B2-3)	3 128 546 759,00	2 711 685 503,55	413 546 759,00	0,00	3 125 232 262,55	99,89%	
Community initiatives (Chapter B2-1 4)	1 607 250 350,00	1 433 843 665,00	0,00	0,00	1 433 843 665,00	89,21%	
Financial mechanism (European Economic Area) (Title B2-4)	0,00	0,00	0,00	0,00	0,00	0,00%	
Objective 1 (Chapter B2-1 0)	26 206 964 218,19	20 828 143 471,00	5 374 795 235,00	0,00	26 202 938 706,00	99,98%	
Objective 2 (Chapter B2-1 1)	6 265 105 354,00	3 611 472 407,00	2 648 749 354,00	3 356 000,00	6 263 577 761,00	99,98%	
Objective 3 (Chapter B2-1 2)	3 762 757 030,00	3 574 517 301,00	187 757 030,00	0,00	3 762 274 331,00	99,99%	
<b>Total Heading 2</b>	<b>41 362 454 644,06</b>	<b>32 523 759 211,61</b>	<b>8 638 848 378,00</b>	<b>3 356 000,00</b>	<b>41 165 963 589,61</b>	<b>99,52%</b>	
<b>Heading 3: Internal policies</b>							
Information and communication (Title B3-3)	114 680 235,46	98 580 061,56	5 479 778,50	236 309,20	104 296 149,26	90,95%	
Aid for reconstruction (Title B5-2)	3 260 000,00	1 258 262,57	2 000 000,00	0,00	3 258 262,57	99,95%	
Other agricultural operations (Title B2-5)	54 597 144,06	49 800 359,87	0,00	0,00	49 800 359,87	91,21%	
Other measures concerning fisheries and the sea (Title B2-9)	62 050 979,67	52 379 884,01	0,00	0,00	52 379 884,01	84,41%	
Other regional operations (Title B2-6)	15 000 000,00	15 000 000,00	0,00	0,00	15 000 000,00	100,00%	
Euratom nuclear safeguards (Title B4-2)	17 960 440,31	17 561 999,50	0,00	113 541,50	17 675 541,00	98,41%	
Culture and audiovisual media (Title B3-2)	141 818 140,56	120 049 401,05	10 863 779,23	5,79	130 913 186,07	92,31%	
Social dialogue and employment (Title B3-4)	155 114 712,75	144 243 396,82	0,00	4 326 720,08	148 570 116,90	95,78%	
Education, vocational training and youth policy (Title B3-1)	605 411 431,03	575 848 072,34	6 339 144,43	0,00	582 187 216,77	96,16%	
Energy (Title B4-1)	65 456 851,54	34 889 049,76	27 670 591,00	17 946,00	62 577 586,76	95,60%	
Environment (Title B4-3)	232 777 445,49	105 649 807,19	107 623 068,32	80 495,02	213 353 370,53	91,66%	
Area of freedom, security and justice (Title B5-8)	147 653 997,34	91 967 009,48	33 158 750,31	0,00	125 125 759,79	84,74%	
Industry (Title B5-4)	0,00	0,00	0,00	0,00	0,00	0,00%	
Statistical information (Title B5-6)	36 530 040,45	32 576 360,99	85 750,00	2 509 786,03	35 171 897,02	96,28%	
Measures to combat fraud (Title B5-9)	5 000 099,16	4 365 186,26	0,00	0,00	4 365 186,26	87,30%	
Labour market and technological innovation (Title B5-5)	152 209 570,51	126 201 253,96	6 820 613,00	33 291,64	133 055 158,60	87,42%	
Internal market (Title B5-3)	157 130 536,53	141 828 580,21	99 000,00	350 621,96	142 278 202,17	90,55%	
Protection and promotion of consumer interests (Title B5-1)	22 923 509,84	21 224 216,05	0,00	0,00	21 224 216,05	92,59%	
Research and technological development (Subsection B6)	4 497 649 289,78	4 158 798 166,44	20 438 057,00	4 458 831,02	4 183 695 054,46	93,02%	
Trans-European networks (Title B5-7)	665 812 260,49	655 245 506,78	0,00	4 374,39	655 249 881,17	98,41%	
Transport (Title B2-7)	25 205 000,00	23 144 420,64	0,00	0,00	23 144 420,64	91,82%	
<b>Total Heading 3</b>	<b>7 178 241 684,97</b>	<b>6 470 610 995,48</b>	<b>220 578 531,79</b>	<b>12 131 922,63</b>	<b>6 703 321 449,90</b>	<b>93,38%</b>	
<b>Heading 4: External action</b>							
European Development Fund (Title B7-1)	0,00	0,00	0,00	0,00	0,00	0,00%	
International fisheries agreements (Chapter B7-80)	195 440 000,00	194 296 954,89	0,00	0,00	194 296 954,89	99,42%	
Food aid and support operations (Chapter B7-20)	464 661 000,00	451 693 429,34	0,00	9 701 000,00	461 394 429,34	99,30%	
Humanitarian aid (Chapter B7-21)	523 039 107,32	522 988 425,21	0,00	0,00	522 988 425,21	99,99%	
Other cooperation measures (Title B7-6)	463 118 621,12	418 827 653,25	13 688 703,30	50 000,00	432 566 356,55	93,40%	
Other Community measures in favour of the partner countries of eastern Europe and central Asia and the countries of the western Balkans (B7-5 3)	40 000 000,00	40 000 000,00	0,00	0,00	40 000 000,00	100,00%	
European Bank for Reconstruction and Development (Chapter B7-5 1)	0,00	0,00	0,00	0,00	0,00	0,00%	
Assistance to partner countries in eastern Europe and central Asia (Chapter B7-52)	416 029 672,43	407 709 584,00	0,00	65 983,94	407 775 567,94	98,02%	
Cooperation with the countries of the western Balkans (Chapter B7-5 4)	899 147 697,07	821 932 000,00	0,00	150 000,00	822 082 000,00	91,43%	
Assistance to partner countries in eastern Europe and central Asia (Chapter B7-52)	122 000 000,00	121 224 496,00	0,00	0,00	121 224 496,00	99,36%	
Cooperation with the countries of the western Balkans (Chapter B7-5 4)	312 142 342,55	300 187 786,00	0,00	0,00	300 187 786,00	96,17%	
Cooperation with Asian developing countries (Chapter B7-3 0)	436 129 757,93	407 538 534,00	0,00	102 390,78	407 640 924,78	93,47%	
Cooperation with Mediterranean third countries (Title B7-4)	922 468 257,35	909 136 639,00	0,00	5 044,00	909 141 683,00	98,56%	
European initiative for democracy and human rights (Title B7-7)	105 651 620,56	104 717 997,00	0,00	11 335,13	104 729 332,13	99,13%	
Common Foreign and Security Policy (Subsection B8)	38 581 000,00	30 090 299,26	2 581 000,00	0,00	32 671 299,26	84,68%	
Pre-accession strategy for the Mediterranean countries (Chapter B7-04 and B7-05)	26 300 000,00	19 000 000,00	7 300 000,00	0,00	26 300 000,00	100,00%	
External aspects of certain policies (Chapter B7-81 to B7-8 7)	78 697 074,52	69 608 590,23	6 749 000,00	0,00	76 357 590,23	97,03%	
<b>Total Heading 4</b>	<b>5 043 406 150,85</b>	<b>4 818 952 388,18</b>	<b>30 318 703,30</b>	<b>10 085 753,85</b>	<b>4 859 356 845,33</b>	<b>96,35%</b>	

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## COMMITMENT APPROPRIATIONS

(EUR)

Carried over to the following year				Appropriations lapsing				
automatic carryovers	non-automatic carryovers	Total	%	from the year's appropriations	from carryovers	from other approps	Total	%
7	8	(9 = 7+8)	(10 = 9/1)	11	12	13	(14 = 11+12+13)	(15 = 14/1)
0,00		0,00	0,00%	1 809 176 027,41	0,00	0,00	1 809 176 027,41	4,58%
0,00	99 000 000,00	99 000 000,00	2,20%	32 184 076,95	0,00	0,00	32 184 076,95	0,72%
<b>0,00</b>	<b>99 000 000,00</b>	<b>99 000 000,00</b>	<b>0,22%</b>	<b>1 841 360 104,36</b>	<b>0,00</b>	<b>0,00</b>	<b>1 841 360 104,36</b>	<b>4,18%</b>
55 396,13		55 396,13	0,03%	9 052 785,94	0,00	25 886,74	9 078 672,68	4,25%
0,00	4 600 000,00	4 600 000,00	2,58%	0,00	0,00	0,00	0,00	0,00%
0,00	3 314 496,00	3 314 496,00	0,11%	0,45	0,00	0,00	0,45	0,00%
0,00	161 817 842,00	161 817 842,00	10,07%	11 588 843,00	0,00	0,00	11 588 843,00	0,72%
0,00		0,00	0,00%	0,00	0,00	0,00	0,00	0,00%
54 588,19	3 856 529,00	3 911 117,19	0,01%	0,00	0,00	114 395,00	114 395,00	0,00%
0,00	1 527 593,00	1 527 593,00	0,02%	0,00	0,00	0,00	0,00	0,00%
0,00		0,00	0,00%	482 699,00	0,00	0,00	482 699,00	0,01%
<b>109 984,32</b>	<b>175 116 460,00</b>	<b>175 226 444,32</b>	<b>0,42%</b>	<b>21 124 328,39</b>	<b>0,00</b>	<b>140 281,74</b>	<b>21 264 610,13</b>	<b>0,05%</b>
197 904,08		197 904,08	0,17%	9 469 938,44	563 861,50	152 382,18	10 186 182,12	8,88%
0,00		0,00	0,00%	1 737,43	0,00	0,00	1 737,43	0,05%
1 954,00		1 954,00	0,00%	4 774 640,13	0,00	20 190,06	4 794 830,19	8,78%
0,00		0,00	0,00%	9 670 115,99	0,00	979,67	9 671 095,66	15,59%
0,00		0,00	0,00%	0,00	0,00	0,00	0,00	0,00%
89 806,28		89 806,28	0,50%	138 000,50	0,00	57 092,53	195 093,03	1,09%
6 697 834,18	3 076 076,00	9 773 910,18	6,89%	773 436,56	336 650,59	20 957,16	1 131 044,31	0,80%
876 129,74		876 129,74	0,56%	5 520 315,91	0,00	148 150,20	5 668 466,11	3,65%
16 678 509,26	4 966 741,00	21 645 250,26	3,58%	1 538 959,73	39 132,34	871,93	1 578 964,00	0,20%
2 027 540,66		2 027 540,66	3,10%	427 662,44	424 061,68	0,00	851 724,12	1,30%
1 653 231,56		1 653 231,56	0,71%	15 800 369,11	1 217 451,68	753 022,61	17 770 843,40	7,63%
0,00	989 532,00	989 532,00	0,67%	20 409 658,52	1 120 979,69	8 067,34	21 538 705,55	14,59%
0,00		0,00	0,00%	0,00	0,00	0,00	0,00	0,00%
764 568,24	77 266,00	841 834,24	2,30%	406 033,01	3 331,26	106 944,92	516 309,19	1,41%
99,16		99,16	0,00%	634 813,74	0,00	0,00	634 813,74	12,70%
2 157 915,80	349 100,00	2 507 015,80	1,65%	16 629 394,44	0,17	18 001,50	16 647 396,11	10,94%
2 407 638,17	172 900,00	2 580 538,17	1,64%	12 190 806,79	0,00	80 989,40	12 271 796,19	7,81%
509,84		509,84	0,00%	1 698 783,95	0,00	0,00	1 698 783,95	7,41%
263 202 550,50	6 079 030,00	269 281 580,50	5,99%	44 031 809,05	9 091,13	631 754,64	44 672 654,82	0,99%
68 339,37	1 577 463,00	1 645 802,37	0,25%	8 628 188,95	275 158,00	13 230,00	8 916 576,95	1,34%
0,00	956 185,00	956 185,00	3,79%	1 104 394,36	0,00	0,00	1 104 394,36	4,38%
<b>296 824 530,84</b>	<b>18 244 293,00</b>	<b>315 068 823,84</b>	<b>4,39%</b>	<b>153 849 059,05</b>	<b>3 989 718,04</b>	<b>2 012 634,14</b>	<b>159 851 411,23</b>	<b>2,23%</b>
0,00		0,00	0,00%	0,00	0,00	0,00	0,00	0,00%
0,00		0,00	0,00%	1 143 045,11	0,00	0,00	1 143 045,11	0,58%
0,00	2 300 000,00	2 300 000,00	0,49%	966 570,66	0,00	0,00	966 570,66	0,21%
37 756,84		37 756,84	0,01%	11 574,79	0,00	1 350,48	12 925,27	0,00%
9 621,12	18 815 754,00	18 825 375,12	4,06%	11 506 592,75	120 296,70	100 000,00	11 726 889,45	2,53%
0,00		0,00	0,00%	0,00	0,00	0,00	0,00	0,00%
0,00		0,00	0,00%	0,00	0,00	0,00	0,00	0,00%
2 287 151,80	1 500 000,00	3 787 151,80	0,91%	3 160 416,00	0,00	1 306 536,69	4 466 952,69	1,07%
6 403 789,62	65 940 000,00	72 343 789,62	8,05%	4 528 000,00	0,00	193 907,45	4 721 907,45	0,53%
0,00	103 746,00	103 746,00	0,09%	671 758,00	0,00	0,00	671 758,00	0,55%
73 451,18	1 750 000,00	1 823 451,18	0,58%	9 903 299,00	0,00	227 806,37	10 131 105,37	3,25%
2 410 052,19	22 159 941,00	24 569 993,19	5,63%	2 931 783,00	0,00	987 056,96	3 918 839,96	0,90%
446 802,21		446 802,21	0,05%	3 523 361,00	8 800 000,00	556 411,14	12 879 772,14	1,40%
8 281,46		8 281,46	0,01%	660 660,00	0,00	253 346,97	914 006,97	0,87%
0,00	2 800 000,00	2 800 000,00	7,26%	3 109 700,74	0,00	0,00	3 109 700,74	8,06%
0,00		0,00	0,00%	0,00	0,00	0,00	0,00	0,00%
14 390,49		14 390,49	0,02%	2 324 838,77	0,00	255,03	2 325 093,80	2,95%
<b>11 691 296,91</b>	<b>115 369 441,00</b>	<b>127 060 737,91</b>	<b>2,52%</b>	<b>44 441 599,82</b>	<b>8 920 296,70</b>	<b>3 626 671,09</b>	<b>56 988 567,61</b>	<b>1,13%</b>

Financial perspective	Commitment appropriations	Commitments made				
		from the year's appropriations	from carryovers	from other appropriations	Total	%
		1	2	3	4	(5 = 2+ 3+ 4)
<b>Heading 5: Administration</b>						
Part A (excluding pensions)	4 481 496 872,87	4 266 109 543,87	0,00	109 632 740,39	4 375 742 284,26	97,64%
Pensions (all institutions)	626 777 000,00	626 389 500,00	0,00	0,00	626 389 500,00	99,94%
<b>Total Heading 5</b>	<b>5 108 273 872,87</b>	<b>4 892 499 043,87</b>	<b>0,00</b>	<b>109 632 740,39</b>	<b>5 002 131 784,26</b>	<b>97,92%</b>
<b>Heading 6: Reserves</b>						
Monetary reserve (Title B1-6)	500 000 000,00	0,00	0,00	0,00	0,00	0,00%
Emergency aid reserve (Chapter B7-9 1)	158 000 000,00	0,00	0,00	0,00	0,00	0,00%
Guarantees and reserves (Chapters B0-23 and B0-2 4)	208 000 000,00	207 176 000,00	0,00	0,00	207 176 000,00	99,60%
<b>Total Heading 6</b>	<b>866 000 000,00</b>	<b>207 176 000,00</b>	<b>0,00</b>	<b>0,00</b>	<b>207 176 000,00</b>	<b>23,92%</b>
<b>Heading 7: Pre-accession aid</b>						
Agriculture (Chapter B7-01)	540 000 000,00	540 000 000,00	0,00	0,00	540 000 000,00	100,00%
ISPA (Chapter B7-02)	1 680 860 748,43	1 624 231 503,90	0,00	26 456 678,00	1 650 688 181,90	98,20%
PHARE pre-accession instrument (Chapter B7-03)	1 121 245 655,94	1 079 941 288,00	41 243 301,00	0,00	1 121 184 589,00	99,99%
<b>Total Heading 7</b>	<b>3 342 106 404,37</b>	<b>3 244 172 791,90</b>	<b>41 243 301,00</b>	<b>26 456 678,00</b>	<b>3 311 872 770,90</b>	<b>99,10%</b>
<b>Total</b>	<b>106 924 182 757,12</b>	<b>94 240 510 326,68</b>	<b>8 930 988 914,09</b>	<b>161 663 094,87</b>	<b>103 333 162 335,64</b>	<b>96,64%</b>

(EUR)

Carried over to the following year				Appropriations lapsing				
automatic carryovers	non-automatic carryovers	Total	%	from the year's appropriations	from carryovers	from other approps	Total	%
7	8	(9 = 7+8)	(10 = 9/1)	11	12	13	(14 = 11+12+13)	(15 = 14/1)
55 020 225,18	3 159 535,67	58 179 760,85	1,30%	45 706 289,46	0,00	1 868 538,30	47 574 827,76	1,06%
0,00		0,00	0,00%	387 500,00	0,00	0,00	387 500,00	0,06%
<b>55 020 225,18</b>	<b>3 159 535,67</b>	<b>58 179 760,85</b>	<b>1,14%</b>	<b>46 093 789,46</b>	<b>0,00</b>	<b>1 868 538,30</b>	<b>47 962 327,76</b>	<b>0,94%</b>
0,00		0,00	0,00%	500 000 000,00	0,00	0,00	500 000 000,00	100,00%
0,00		0,00	0,00%	158 000 000,00	0,00	0,00	158 000 000,00	100,00%
0,00		0,00	0,00%	824 000,00	0,00	0,00	824 000,00	0,40%
<b>0,00</b>		<b>0,00</b>	<b>0,00%</b>	<b>658 824 000,00</b>	<b>0,00</b>	<b>0,00</b>	<b>658 824 000,00</b>	<b>76,08%</b>
0,00		0,00	0,00%	0,00	0,00	0,00	0,00	0,00%
23 899 532,83		23 899 532,83	1,42%	3 530 000,00	0,00	2 743 033,70	6 273 033,70	0,37%
2 354,94	58 305,00	60 659,94	0,01%	407,00	0,00	0,00	407,00	0,00%
<b>23 901 887,77</b>	<b>58 305,00</b>	<b>23 960 192,77</b>	<b>0,72%</b>	<b>3 530 407,00</b>	<b>0,00</b>	<b>2 743 033,70</b>	<b>6 273 440,70</b>	<b>0,19%</b>
<b>387 547 925,02</b>	<b>410 948 034,67</b>	<b>798 495 959,69</b>	<b>0,75%</b>	<b>2 769 223 288,08</b>	<b>12 910 014,74</b>	<b>10 391 158,97</b>	<b>2 792 524 461,79</b>	<b>2,61%</b>

## EXECUTION OF THE YEAR'S

Financing perspective	Payment appropriations authorised	Payments made				Total (5 = 2+3+4)	%
		from the year's appropriations	from carryovers	from other appropriations			
		1	2	3	4		
<b>Heading 1: Agriculture</b>							
Agricultural expenditure (Titles B1-1 to B1-3)	39 580 973 093,73	37 133 606 968,09	36 479 548,22	0,00	37 170 086 516,31	93,91%	
Rural development and accompanying measures (Titles B1-4)	4 495 000 000,00	4 363 815 923,05	0,00	0,00	4 363 815 923,05	97,08%	
<b>Total Heading 1</b>	<b>44 075 973 093,73</b>	<b>41 497 422 891,14</b>	<b>36 479 548,22</b>	<b>0,00</b>	<b>41 533 902 439,36</b>	<b>94,23%</b>	
<b>Heading 2: Structural operations</b>							
Innovative measures and technical assistance (Chapter B2-1 6)	229 781 282,87	97 853 619,26	0,00	0,00	97 853 619,26	42,59%	
Other structural measures (outside Objective 1) (Chapter B2-1 3)	463 500 000,00	115 586 868,94	0,00	0,00	115 586 868,94	24,94%	
Cohesion Fund (Title B2-3)	3 160 000 000,00	1 983 398 232,50	0,00	0,00	1 983 398 232,50	62,77%	
Community initiatives (Chapter B2-1 4)	1 907 369 000,00	1 701 406 018,24	0,00	0,00	1 701 406 018,24	89,20%	
Financial mechanism (European Economic Area) (Title B2-4)	0,00	0,00	0,00	0,00	0,00	0,00%	
Objective 1 (Chapter B2-1 0)	19 555 572 588,19	13 789 393 238,73	0,00	0,00	13 789 393 238,73	70,51%	
Objective 2 (Chapter B2-1 1)	4 473 200 000,00	3 137 862 566,08	0,00	0,00	3 137 862 566,08	70,15%	
Objective 3 (Chapter B2-1 2)	3 205 400 000,00	1 630 302 466,08	0,00	0,00	1 630 302 466,08	50,86%	
<b>Total Heading 2</b>	<b>32 994 822 871,06</b>	<b>22 455 803 009,83</b>	<b>0,00</b>	<b>0,00</b>	<b>22 455 803 009,83</b>	<b>68,06%</b>	
<b>Heading 3: Internal policies</b>							
Aid for reconstruction (Title B5-2)	3 260 000,00	1 258 262,57	2 000 000,00	0,00	3 258 262,57	99,95%	
Other agricultural operations (Title B2-5)	108 497 144,06	79 230 003,08	0,00	0,00	79 230 003,08	73,02%	
Other measures concerning fisheries and the sea (Title B2-9)	55 785 979,67	43 797 661,95	0,00	0,00	43 797 661,95	78,51%	
Other regional operations (Title B2-6)	15 852 000,00	15 000 000,00	191 281,84	0,00	15 191 281,84	95,83%	
Euratom nuclear safeguards (Title B4-2)	19 205 267,59	17 526 361,39	0,00	44 827,28	17 571 188,67	91,49%	
Culture and audiovisual media (Title B3-2)	142 131 501,14	96 455 686,65	629 997,10	5,79	97 085 689,54	68,31%	
Social dialogue and employment (Title B3-4)	144 991 639,32	122 438 838,98	0,00	0,00	122 438 838,98	84,45%	
Education, vocational training and youth policy (Title B3-1)	657 471 825,92	553 935 066,51	13 675 783,35	0,00	567 610 849,86	86,33%	
Energy (Title B4-1)	44 291 573,51	34 562 345,61	0,00	17 946,00	34 580 291,61	78,07%	
Environment (Title B4-3)	180 407 130,19	134 620 488,75	20 974 276,18	245 422,37	155 840 187,30	86,38%	
Area of freedom, security and justice (Title B5-8)	127 785 640,75	83 798 553,95	1 813 546,21	0,00	85 612 100,16	67,00%	
Industry (Title B5-4)	0,00	0,00	0,00	0,00	0,00	0,00%	
Information and communication (Title B3-3)	110 486 595,46	92 834 867,78	655 321,24	0,00	93 490 189,02	84,62%	
Statistical information (Title B5-6)	36 152 413,36	30 054 198,75	0,00	2 502 609,85	32 556 808,60	90,05%	
Measures to combat fraud (Title B5-9)	6 200 099,16	5 544 187,74	0,00	0,00	5 544 187,74	89,42%	
Labour market and technological innovation (Title B5-5)	148 426 530,96	109 473 820,65	1 500 000,00	20 573,53	110 994 394,18	74,78%	
Internal market (Title B5-3)	167 842 692,10	124 403 950,52	0,00	2 304 260,16	126 708 210,68	75,49%	
Protection and promotion of consumer interests (Title B5-1)	20 291 562,92	19 050 873,37	0,00	0,00	19 050 873,37	93,89%	
Research and technological development (Subsection B6)	3 865 600 760,45	3 192 788 515,91	0,00	3 118 797,46	3 195 907 313,37	82,68%	
Trans-European networks (Title B5-7)	609 418 744,43	482 111 127,86	0,00	4 374,39	482 115 502,25	79,11%	
Transport (Title B2-7)	21 305 000,00	14 531 024,06	0,00	0,00	14 531 024,06	68,20%	
<b>Total Heading 3</b>	<b>6 485 404 100,99</b>	<b>5 253 415 836,08</b>	<b>41 440 205,92</b>	<b>8 258 816,83</b>	<b>5 303 114 858,83</b>	<b>81,77%</b>	
<b>Heading 4: External action</b>							
International fisheries agreements (Chapter B7-8 0)	215 424 000,00	191 963 435,76	0,00	0,00	191 963 435,76	89,11%	
Food aid and support operations (Chapter B7-2 0)	489 701 000,00	476 946 996,96	0,00	6 916 482,85	483 863 479,81	98,81%	
Humanitarian aid (Chapter B7-21)	620 139 107,32	561 079 398,32	0,00	0,00	561 079 398,32	90,48%	
Other cooperation measures (Title B7-6)	461 092 512,12	297 408 666,09	4 126 401,34	0,00	301 535 067,43	65,40%	
Other Community measures in favour of the partner countries of eastern Europe and central Asia and the countries of the western Balkans (B7-5 3)	41 045 000,00	40 309 868,00	344 590,20	0,00	40 654 458,20	99,05%	
European Bank for Reconstruction and Development (Chapter B7-5 1)	7 425 000,00	7 425 000,00	0,00	0,00	7 425 000,00	100,00%	
Assistance to partner countries in eastern Europe and central Asia (Chapter B7-5 2)	432 565 672,43	375 413 841,30	7 000 000,00	65 983,94	382 479 825,24	88,42%	
Cooperation with the countries of the western Balkans (Chapter B7-5 4)	1 059 868 697,07	860 564 851,52	59 380 439,40	67 372,90	920 012 663,82	86,80%	
Assistance to partner countries in eastern Europe and central Asia (Chapter B7-5 2)	121 865 443,83	99 481 650,86	0,00	0,00	99 481 650,86	81,63%	
Cooperation with the countries of the western Balkans (Chapter B7-5 4)	231 432 757,39	151 147 806,76	779 757,19	9 499,84	151 937 063,79	65,65%	
Cooperation with Asian developing countries (Chapter B7-3 0)	399 703 624,60	383 045 445,02	0,00	76 812,78	383 122 257,80	95,85%	
Cooperation with Mediterranean third countries (Title B7-4)	624 490 257,35	578 172 913,03	800 457,03	5 044,00	578 978 414,06	92,71%	
European Development Fund (Title B7-1)	0,00	0,00	0,00	0,00	0,00	0,00%	
European initiative for democracy and human rights (Title B7-7)	96 972 963,56	51 107 401,56	2 940 924,38	11 335,13	54 059 661,07	55,75%	
Common Foreign and Security Policy (Subsection B8)	44 003 000,00	27 235 974,22	2 259 446,14	0,00	29 495 420,36	67,03%	
Pre-accession strategy for the Mediterranean countries (Chapter B7-04 and B7-05)	13 000 000,00	2 530 680,00	0,00	0,00	2 530 680,00	19,47%	
External aspects of certain policies (Chapter B7-81 to B7-8 7)	60 574 019,37	41 998 246,26	0,00	0,00	41 998 246,26	69,33%	
<b>Total Heading 4</b>	<b>4 919 303 055,04</b>	<b>4 145 832 175,66</b>	<b>77 632 015,68</b>	<b>7 152 531,44</b>	<b>4 230 616 722,78</b>	<b>86,00%</b>	



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## PAYMENT APPROPRIATIONS

(EUR)

Carried over to the following year				Appropriations lapsing				
automatic carryovers	non-automatic carryovers	Total	%	from the year's appropriations	carryovers	other appropriations	Total	%
7	8	(9 = 7+8)	(10 = 9/1)	11	12	13	(14 = 11+12+13)	(15 = 14/1)
585 917 004,50		585 917 004,50	1,48%	1 809 176 027,41	15 793 545,51	0,00	1 824 969 572,92	4,61%
0,00	99 000 000,00	99 000 000,00	2,20%	32 184 076,95	0,00	0,00	32 184 076,95	0,72%
<b>585 917 004,50</b>	<b>99 000 000,00</b>	<b>684 917 004,50</b>	<b>1,55%</b>	<b>1 841 360 104,36</b>	<b>15 793 545,51</b>	<b>0,00</b>	<b>1 857 153 649,87</b>	<b>4,21%</b>
55 396,13		55 396,13	0,02%	131 846 380,74	0,00	25 886,74	131 872 267,48	57,39%
0,00		0,00	0,00%	347 913 131,06	0,00	0,00	347 913 131,06	75,06%
0,00		0,00	0,00%	876 601 767,50	300 000 000,00	0,00	1 176 601 767,50	37,23%
0,00		0,00	0,00%	205 962 981,76	0,00	0,00	205 962 981,76	10,80%
0,00		0,00	0,00%	0,00	0,00	0,00	0,00	0,00%
54 588,19		54 588,19	0,00%	4 746 124 761,27	1 020 000 000,00	0,00	5 766 124 761,27	29,49%
0,00		0,00	0,00%	1 185 337 433,92	150 000 000,00	0,00	1 335 337 433,92	29,85%
0,00		0,00	0,00%	1 575 097 533,92	0,00	0,00	1 575 097 533,92	49,14%
<b>109 984,32</b>		<b>109 984,32</b>	<b>0,00%</b>	<b>9 068 883 990,17</b>	<b>1 470 000 000,00</b>	<b>25 886,74</b>	<b>10 538 909 876,91</b>	<b>31,94%</b>
0,00		0,00	0,00%	1 737,43	0,00	0,00	1 737,43	0,05%
1 954,00	10 465 000,00	10 466 954,00	9,65%	18 779 996,92	0,00	20 190,06	18 800 186,98	17,33%
0,00		0,00	0,00%	11 987 338,05	0,00	979,67	11 988 317,72	21,49%
0,00		0,00	0,00%	0,00	660 718,16	0,00	660 718,16	4,17%
161 949,86		161 949,86	0,84%	1 373 638,61	0,00	98 490,45	1 472 129,06	7,67%
12 813 044,84		12 813 044,84	9,01%	28 359 086,70	3 852 722,90	20 957,16	32 232 766,76	22,68%
1 072 562,50		1 072 562,50	0,74%	21 415 367,65	0,00	64 870,19	21 480 237,84	14,81%
79 257 920,62		79 257 920,62	12,05%	8 282 806,86	2 319 376,65	871,93	10 603 055,44	1,61%
1 726 505,45	3 295 000,00	5 021 505,45	11,34%	4 689 776,45	0,00	0,00	4 689 776,45	10,59%
4 644 564,87		4 644 564,87	2,57%	11 837 991,59	7 331 363,82	753 022,61	19 922 378,02	11,04%
0,00	13 319 353,00	13 319 353,00	10,42%	26 910 997,26	1 935 122,99	8 067,34	28 854 187,59	22,58%
0,00	0,00	0,00	0,00%	0,00	0,00	0,00	0,00	0,00%
197 904,08	4 047 885,00	4 245 789,08	3,84%	11 967 247,22	394 678,76	388 691,38	12 750 617,36	11,54%
2 034 207,77		2 034 207,77	5,63%	1 382 901,25	0,00	178 495,74	1 561 396,99	4,32%
99,16		99,16	0,00%	655 812,26	0,00	0,00	655 812,26	10,58%
2 167 111,54	21 500 000,00	23 667 111,54	15,95%	13 747 023,74	0,00	18 001,50	13 765 025,24	9,27%
2 604 316,63	5 000 000,00	7 604 316,63	4,53%	33 329 736,54	0,00	200 428,25	33 530 164,79	19,98%
509,84		509,84	0,00%	1 240 179,71	0,00	0,00	1 240 179,71	6,11%
432 851 283,59		432 851 283,59	11,20%	235 461 787,03	0,00	1 380 376,46	236 842 163,49	6,13%
68 339,37	108 583 000,00	108 651 339,37	17,83%	18 638 672,81	0,00	13 230,00	18 651 902,81	3,06%
0,00	1 600 000,00	1 600 000,00	7,51%	5 173 975,94	0,00	0,00	5 173 975,94	24,29%
<b>539 602 274,12</b>	<b>167 810 238,00</b>	<b>707 412 512,12</b>	<b>10,91%</b>	<b>455 236 074,02</b>	<b>16 493 983,28</b>	<b>3 146 672,74</b>	<b>474 876 730,04</b>	<b>7,32%</b>
0,00		0,00	0,00%	23 460 564,24	0,00	0,00	23 460 564,24	10,89%
0,00		0,00	0,00%	3 053 003,04	0,00	2 784 517,15	5 837 520,19	1,19%
37 756,84	50 000 000,00	50 037 756,84	8,07%	9 020 601,68	0,00	1 350,48	9 021 952,16	1,45%
94 859,12	65 000 000,00	65 094 859,12	14,12%	59 261 333,91	35 051 251,66	150 000,00	94 462 585,57	20,49%
0,00		0,00	0,00%	390 132,00	409,80	0,00	390 541,80	0,95%
0,00		0,00	0,00%	0,00	0,00	0,00	0,00	0,00%
2 287 151,80		2 287 151,80	0,53%	46 492 158,70	0,00	1 306 536,69	47 798 695,39	11,05%
6 403 789,62	99 954 143,00	106 357 932,62	10,04%	24 981 005,48	5 340 560,60	3 176 534,55	33 498 100,63	3,16%
0,00		0,00	0,00%	22 018 349,14	0,00	365 443,83	22 383 792,97	18,37%
73 451,18		73 451,18	0,03%	65 852 193,24	13 342 242,81	227 806,37	79 422 242,42	34,32%
2 453 967,19		2 453 967,19	0,61%	12 954 554,98	0,00	1 172 844,63	14 127 399,61	3,53%
446 802,21	4 218 937,00	4 665 739,21	0,75%	23 288 149,97	17 001 542,97	556 411,14	40 846 104,08	6,54%
0,00	0,00	0,00	0,00%	0,00	0,00	0,00	0,00	0,00%
8 281,46		8 281,46	0,01%	24 692 598,44	17 959 075,62	253 346,97	42 905 021,03	44,24%
0,00	7 035 415,00	7 035 415,00	15,99%	728 610,78	6 743 553,86	0,00	7 472 164,64	16,98%
0,00		0,00	0,00%	10 469 320,00	0,00	0,00	10 469 320,00	80,53%
93 920,19	173 626,00	267 546,19	0,44%	18 307 971,89	0,00	255,03	18 308 226,92	30,22%
<b>11 899 979,61</b>	<b>226 382 121,00</b>	<b>238 282 100,61</b>	<b>4,84%</b>	<b>344 970 547,49</b>	<b>95 438 637,32</b>	<b>9 995 046,84</b>	<b>450 404 231,65</b>	<b>9,16%</b>

Financing perspective	Payment appropriations authorised	Payments made				
		from the year's appropriations	from carryovers	from other appropriations	Total	%
		1	2	3	4	(5 = 2+ 3+ 4)
<b>Heading 5: Administration</b>						
Part A (excluding pensions)	4 879 647 810,70	3 807 214 364,06	319 684 557,55	102 916 275,96	4 229 815 197,57	86,68%
Pensions (all institutions)	626 912 460,00	625 235 584,57	0,00	0,00	625 235 584,57	99,73%
<b>Total Heading 5</b>	<b>5 506 560 270,70</b>	<b>4 432 449 948,63</b>	<b>319 684 557,55</b>	<b>102 916 275,96</b>	<b>4 855 050 782,14</b>	<b>88,17%</b>
<b>Heading 6: Reserves</b>						
Monetary reserve (Title B1-6)	500 000 000,00	0,00	0,00	0,00	0,00	0,00%
Emergency aid reserve (Chapter B7-9 1)	168 000 000,00	0,00	0,00	0,00	0,00	0,00%
Guarantees and reserves (Chapters B0-23 and B0-2 4)	208 000 000,00	207 176 000,00	0,00	0,00	207 176 000,00	99,60%
<b>Total Heading 6</b>	<b>876 000 000,00</b>	<b>207 176 000,00</b>	<b>0,00</b>	<b>0,00</b>	<b>207 176 000,00</b>	<b>23,65%</b>
<b>Pre-accession aid</b>						
Agriculture (Chapter B7-01)	470 900 000,00	30 528 425,85	0,00	0,00	30 528 425,85	6,48%
ISPA (Chapter B7-02)	350 002 354,94	203 262 625,42	0,00	0,00	203 262 625,42	58,07%
PHARE pre-accession instrument (Chapter B7-03)	1 481 270 748,42	1 167 521 568,42	0,00	367 272,00	1 167 888 840,42	78,84%
<b>Total Heading 7</b>	<b>2 302 173 103,36</b>	<b>1 401 312 619,69</b>	<b>0,00</b>	<b>367 272,00</b>	<b>1 401 679 891,69</b>	<b>60,89%</b>
<b>Total</b>	<b>97 160 236 494,88</b>	<b>79 393 412 481,03</b>	<b>475 236 327,37</b>	<b>118 694 896,23</b>	<b>79 987 343 704,63</b>	<b>82,33%</b>

(EUR)

Carried over to the following year				Appropriations lapsing				
automatic carryovers	non-automatic carryovers	Total	%	from the year's appropriations	carryovers	other appropriations	Total	%
7	8	(9 = 7+8)	(10 = 9/1)	11	12	13	(14 = 11+12+13)	(15 = 14/1)
530 639 429,32	3 159 535,67	533 798 964,99	10,94%	47 219 777,41	66 396 806,99	2 417 063,74	116 033 648,14	2,38%
6 600,00		6 600,00	0,00%	1 534 815,43	135 460,00	0,00	1 670 275,43	0,27%
<b>530 646 029,32</b>	<b>3 159 535,67</b>	<b>533 805 564,99</b>	<b>9,69%</b>	<b>48 754 592,84</b>	<b>66 532 266,99</b>	<b>2 417 063,74</b>	<b>117 703 923,57</b>	<b>2,14%</b>
0,00		533 798 964,99	0,00%	500 000 000,00	0,00	0,00	500 000 000,00	100,00%
0,00		0,00	0,00%	168 000 000,00	0,00	0,00	168 000 000,00	100,00%
0,00		0,00	0,00%	824 000,00	0,00	0,00	824 000,00	0,40%
<b>0,00</b>		<b>0,00</b>	<b>0,00%</b>	<b>668 824 000,00</b>	<b>0,00</b>	<b>0,00</b>	<b>668 824 000,00</b>	<b>76,35%</b>
0,00		0,00	0,00%	300 271 574,15	140 100 000,00	0,00	440 371 574,15	93,52%
2 354,94		2 354,94	0,00%	146 737 374,58	0,00	0,00	146 737 374,58	41,92%
23 899 532,82		23 899 532,82	1,61%	260 649 935,48	0,00	28 832 439,70	289 482 375,18	19,54%
<b>23 901 887,76</b>		<b>23 901 887,76</b>	<b>1,04%</b>	<b>707 658 884,21</b>	<b>140 100 000,00</b>	<b>28 832 439,70</b>	<b>876 591 323,91</b>	<b>38,08%</b>
<b>1 692 077 159,63</b>	<b>496 351 894,67</b>	<b>2 188 429 054,30</b>	<b>2,25%</b>	<b>13 135 688 193,09</b>	<b>1 804 358 433,10</b>	<b>44 417 109,76</b>	<b>14 984 463 735,95</b>	<b>15,42%</b>

Table 6

## COMMITMENTS FROM DIFFERENTIATED APPROPRIATIONS OUTSTANDING AT 31 DECEMBER 2001

(EUR million)

Heading	Classification by heading in financial perspective														Totals
	< 1996		1996		1997		1998		1999		2000		2001		
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
<b>1. Agriculture</b>															
Agricultural expenditure (Titles B1-1 to B1-3)	0,03	42,6	0,05	57,4											0,08
<b>Subtotal heading 1</b>	<b>0,03</b>	<b>42,6</b>	<b>0,05</b>	<b>57,4</b>											<b>0,08</b>
<b>2. Structural operations</b>															
Objective 1 (Chapter B2-1 0)	338,21	1,1	49,39	0,2	245,44	0,8	1 454,11	4,7	5 803,23	18,8	4 152,35	13,4	18 841,10	61	30 883,82
Objective 2 (Chapter B2-1 1)	146,41	1,8	514,17	6,3	185,51	2,3	186,06	2,3	2 255,40	27,5	327,36	4	4 583,78	55,9	8 198,70
Objective 3 (Chapter B2-1 2)	20,61	0,4	44,85	0,8	22,12	0,4	270,26	4,7	1 105,70	19,1	846,27	14,6	3 469,59	60	5 779,40
Other structural measures (outside Objective 1 areas) (Chapter B2-1 3)	15,81	1,6	29,38	3	2,39	0,2	33,39	3,5	645,61	66,9	78,21	8,1	160,44	16,6	965,23
Community initiatives (Chapter B2-1 4)	299,56	7,7	275,94	7,1	280,05	7,2	247,01	6,3	1 330,78	34,1	450,98	11,6	1 018,03	26,1	3 902,36
Innovative measures and technical assistance (Chapter B2-1 6)	52,07	12,2	14	3,3	29,8	7	67,43	15,8	65,01	15,2	5,96	1,4	192,79	45,1	427,07
Cohesion Fund (Title B2-3)	185,45	2,8	123,47	1,9	269,44	4,1	466,94	7,1	1 274,35	19,3	1 355,23	20,5	2 933,79	44,4	6 608,67
<b>Subtotal heading 2</b>	<b>1 058,13</b>	<b>1,9</b>	<b>1 051,20</b>	<b>1,9</b>	<b>1 034,76</b>	<b>1,8</b>	<b>2 725,20</b>	<b>4,8</b>	<b>12 480,08</b>	<b>22</b>	<b>7 216,36</b>	<b>12,7</b>	<b>31 199,52</b>	<b>55</b>	<b>56 765,26</b>
<b>3. Internal policies</b>															
Research and technological development (Subsection B6)	72,13	1	106,57	1,5	260,02	3,8	459,94	6,7	992,9	14,4	2 027,37	29,3	2 991,64	43,3	6 910,57
Other agricultural operations (Title B2-5)	2,69	2,4	4,52	4	6,53	5,8	4,6	4,1	40,71	36,1	16,21	14,4	37,43	33,2	112,69
Other regional operations (Title B2-6)	1,4	31,4			0,05	1,2							3	67,4	4,45
Transport (Title B2-7)	0,15	0,4	0,06	0,2	0,43	1,2	0,96	2,7	5,42	15,3	8,51	24,1	19,83	56,1	35,35
Other measures concerning fisheries and the sea (Title B2-9)			0,44	0,4	2,2	2,1	13,69	13,1	21,21	20,3	22,17	21,2	44,71	42,8	104,41

Heading	Classification by heading in financial perspective														Totals
	< 1996		1996		1997		1998		1999		2000		2001		
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
Education, vocational training and youth policy (Title B3-1)	10,07	2,1	18,25	3,8	28,71	5,9	51,6	10,7	57,35	11,9	105,09	21,8	211,87	43,9	482,95
Culture and audiovisual media (Title B3-2)	2,17	1,4	0,85	0,6	0,92	0,6	3,42	2,2	7,79	5,1	35,21	23,1	102,23	67	152,6
Information and communication (Title B3-3)	0,42	0,4	1,87	2	3,12	3,3	4,44	4,7	7,09	7,5	21,32	22,6	56,17	59,5	94,43
Social dialogue and employment (Title B3-4)	1,33	0,9	1,07	0,7	2,57	1,7	3,6	2,4	13,07	8,6	39,39	25,9	91,23	59,9	152,26
Energy (Title B4-1)	1,18	1,6	1,97	2,6	2,93	3,9	5,73	7,6	11,82	15,6	0,97	1,3	50,94	67,4	75,52
Euratom nuclear safeguards (Title B4-2)					0,59	5	0,1	0,8	0,57	4,9	2,07	17,7	8,4	71,6	11,74
Environment (Title B4-3)	16,43	5,5	10,25	3,4	20,31	6,8	37,21	12,5	65,13	21,9	11,29	3,8	137,11	46,1	297,73
Protection and promotion of consumer interests (Title B5-1)							0,4	1,6	1,18	4,7	6,81	27,3	16,52	66,3	24,9
Internal market (Title B5-3)	15,75	8,9	7,28	4,1	5,75	3,2	7,97	4,5	13,42	7,6	31,97	18	95,58	53,8	177,72
Industry (Title B5-4)	0,6	1					46,33	74,8	15,04	24,3					61,97
Labour market and technological innovation (Title B5-5)	3,35	0,9	1,1	0,3	6,65	1,7	23,9	6,2	86,34	22,3	161,55	41,7	104,42	27	387,3
Statistical information (Title B5-6)			0,08	0,2	0,38	0,9	1,54	3,5	5,18	11,9	9,95	22,8	26,45	60,7	43,58
Trans-European networks (Title B5-7)	87,01	6,3	40,42	2,9	89,04	6,5	135,43	9,8	191,49	13,9	312,09	22,6	522,65	37,9	1 378,14
Area of freedom, security and justice (Title B5-8)	0,03	0	0,08	0,1	0,75	0,8	2,74	2,9	7,34	7,7	16,1	16,8	68,67	71,8	95,7
Measures to combat fraud (Title B5-9)			0,09	2,4	0,05	1,5	0,11	3	0,43	12,1	0,55	15,3	2,34	65,6	3,57
<b>Subtotal heading 3</b>	<b>214,7</b>	<b>2</b>	<b>194,88</b>	<b>1,8</b>	<b>431</b>	<b>4,1</b>	<b>803,7</b>	<b>7,6</b>	<b>1 543,49</b>	<b>14,6</b>	<b>2 828,60</b>	<b>26,7</b>	<b>4 591,20</b>	<b>43,3</b>	<b>10 607,58</b>

Heading	Classification by heading in financial perspective														Totals
	< 1996		1996		1997		1998		1999		2000		2001		
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
<b>4. External action</b>															
Food and support operations (Chapter B7-20)	10,18	1	45,39	4,6	43,22	4,3	85,17	8,5	160,29	16,1	261,01	26,2	391,1	39,3	996,37
Humanitarian aid (Chapter B7-21)			0,34	0,1	2,63	0,7	6,38	1,7	54,82	14,8	89,08	24,1	216,65	58,6	369,91
Cooperation with Asian developing countries (Chapter B7-30)	366,56	18	178,26	8,8	260,95	12,8	242,04	11,9	192,88	9,5	404,72	19,9	386,54	19	2 031,95
Cooperation with Latin American developing countries (Chapter B7-31)	129,23	10,1	121,78	9,5	159,95	12,5	185,41	14,5	162,07	12,7	218,71	17,1	299,37	23,5	1 276,53
Cooperation with the countries of southern Africa, including South Africa (Chapter B7-32)	24,16	5,3	30,38	6,7	66,28	14,5	51,01	11,2	72,42	15,9	90,62	19,9	120,81	26,5	455,68
Cooperation with Mediterranean third countries (Title B7-4)	205,66	5,4	182,57	4,8	438,92	11,6	686,45	18,1	667,4	17,6	772,22	20,4	829,2	21,9	3 782,43
European Bank for Reconstruction and Development (Chapter B7-51)							14,18	32,3	29,7	67,7					43,88
Assistance to partner countries in eastern Europe and central Asia (Chapter B7-52)	102,21	7,1	76,01	5,3	106,33	7,4	162,07	11,2	228,44	15,8	390,38	27	379,68	26,3	1 445,11
Other Community measures in favour of the partner countries of eastern Europe and central Asia and the countries of the western Balkans (B7-53)	0,05	26,7	0,15	73,3											0,2
Cooperation with the countries of the western Balkans (Chapter B7-54)	5,43	0,6	7,07	0,8	41,77	4,7	65,6	7,3	128,24	14,3	172,95	19,3	476,66	53,1	897,71
Other cooperation measures (Title B7-6)	30,12	3,6	30,45	3,6	45,22	5,4	58,13	6,9	118,46	14	188,06	22,3	373,91	44,3	844,37
European initiative for democracy and human rights (Title B7-7)	4,32	1,8	6,72	2,8	8,74	3,7	11,87	5	48,76	20,5	56,82	23,9	100,08	42,2	237,32
International fisheries agreements (Chapter B7-80)	7,18	43,3	0,85	5,1	0,04	0,3	0,29	1,8	0,38	2,3	1,53	9,2	6,33	38,1	16,61
External aspects of certain policies (Chapter B7-81 to B7-87)	12,21	5,8	10,22	4,8	15,72	7,4	15,63	7,4	44,06	20,8	48,6	23	65,2	30,8	211,66

Heading	Classification by heading in financial perspective														Totals
	< 1996		1996		1997		1998		1999		2000		2001		
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
Common Foreign and Security Policy (Subsection B8)			2,12	6,4	0,6	1,8	0,42	1,3	0,33	1	11,17	33,9	18,31	55,6	32,95
Pre-accession strategy for the Mediterranean countries (Chapter B7-04 and B7-05)											5,17	16,4	26,3	83,6	31,47
<b>Subtotal heading 4</b>	<b>897,33</b>	<b>7,1</b>	<b>692,32</b>	<b>5,5</b>	<b>1 190,39</b>	<b>9,4</b>	<b>1 584,66</b>	<b>12,5</b>	<b>1 908,25</b>	<b>15,1</b>	<b>2 711,04</b>	<b>21,4</b>	<b>3 690,14</b>	<b>29,1</b>	<b>12 674,14</b>
<b>7. Pre-accession aid</b>															
Agriculture (Chapter B7-01)													1 038,37	100	1 038,37
ISPA (Chapter B7-02)											835,82	43,3	1 095,84	56,7	1 931,67
PHARE pre-accession instrument (Chapter B7-03)	41,15	1,1	59,95	1,6	53,1	1,4	164,16	4,4	691,7	18,6	1 119,44	30	1 598,29	42,9	3 727,78
<b>Subtotal Heading 7</b>	<b>41,15</b>	<b>0,6</b>	<b>59,95</b>	<b>0,9</b>	<b>53,1</b>	<b>0,8</b>	<b>164,16</b>	<b>2,5</b>	<b>691,7</b>	<b>10,3</b>	<b>1 955,26</b>	<b>29,2</b>	<b>3 732,51</b>	<b>55,7</b>	<b>6 697,82</b>
<b>Grand total</b>	<b>2 211,35</b>	<b>2,5</b>	<b>1 998,39</b>	<b>2,3</b>	<b>2 709,25</b>	<b>3,1</b>	<b>5 277,72</b>	<b>6,1</b>	<b>16 623,52</b>	<b>19,2</b>	<b>14 711,27</b>	<b>17</b>	<b>43 213,38</b>	<b>49,8</b>	<b>86 744,88</b>

Note: Tables 6 to 8 do not contain commitments relating to the allocation accounts. EUR 18,4 million must therefore be added to reach the total of EUR 86 763,27 million in outstanding commitments.

Table 7

## COMMITMENTS FROM DIFFERENTIATED APPROPRIATIONS STILL TO BE CLEARED IN THE COURSE OF 2001

(EUR million)

Heading	Initial commitments including decommitments and revaluations	Total payments since initial commitment	Amount still to be paid at 31.12.2001
<b>1. Agriculture</b>			
Agricultural expenditure (Titles B1-1 to B1-3)	0,4	0,318	0,08
<b>Subtotal Heading 1</b>	0,4	0,318	0,08
<b>2. Structural operations</b>			
Objective 1 (Chapter B2-1 0)	61 549,09	30 665,27	30 883,82
Objective 2 (Chapter B2-1 1)	16 637,05	8 438,35	8 198,70
Objective 3 (Chapter B2-1 2)	11 000,88	5 221,47	5 779,40
Other structural measures (outside Objective 1 areas) (Chapter B2-1 3)	2 160,41	1 195,18	965,23
Community initiatives (Chapter B2-1 4)	9 600,12	5 697,76	3 902,36
Innovative measures and technical assistance (Chapter B2-1 6)	922,378	495,313	427,07
Cohesion Fund (Title B2-3)	11 009,91	4 401,24	6 608,67
<b>Subtotal Heading 2</b>	112 879,84	56 114,59	56 765,26
<b>3. Internal policies</b>			
Research and technological development (Subsection B6)	15 225,39	8 314,82	6 910,57
Other agricultural operations (Title B2-5)	305,891	193,204	112,69
Other regional operations (Title B2-6)	19,486	15,035	4,45
Transport (Title B2-7)	56,644	21,29	35,35
Other measures concerning fisheries and the sea (Title B2-9)	235,776	131,366	104,41
Education, vocational training and youth policy (Title B3-1)	1 855,79	1 372,84	482,95
Culture and audiovisual media (Title B3-2)	418,662	266,067	152,60
Information and communication (Title B3-3)	260,04	165,607	94,43
Social dialogue and employment (Title B3-4)	328,301	176,038	152,26
Energy (Title B4-1)	131,06	55,537	75,52
Euratom nuclear safeguards (Title B4-2)	28,458	16,719	11,74
Environment (Title B4-3)	661,982	364,256	297,73
Protection and promotion of consumer interests (Title B5-1)	45,88	20,983	24,90
Internal market (Title B5-3)	423,321	245,601	177,72
Industry (Title B5-4)	174,109	112,139	61,97
Labour market and technological innovation (Title B5-5)	571,163	183,859	387,30
Statistical information (Title B5-6)	76,17	32,587	43,58
Trans-European networks (Title B5-7)	2 301,26	923,124	1 378,14
Area of freedom, security and justice (Title B5-8)	204,638	108,937	95,70
Measures to combat fraud (Title B5-9)	8,412	4,841	3,57
<b>Subtotal Heading 3</b>	23 332,43	12 724,85	10 607,58



(EUR million)

Heading	Initial commitments including decommitments and revaluations	Total payments since initial commitment	Amount still to be paid at 31.12.2001
<b>4. External action</b>			
Food and support operations (Chapter B7-20)	1 746,69	750,325	996,37
Humanitarian aid (Chapter B7-21)	1 987,17	1 617,26	369,91
Cooperation with Asian developing countries (Chapter B7-30)	3 819,96	1 788,01	2 031,95
Cooperation with Latin American developing countries (Chapter B7-31)	2 304,18	1 027,66	1 276,53
Cooperation with the countries of southern Africa, including South Africa (Chapter B7-32)	844,166	388,485	455,68
Cooperation with Mediterranean third countries (Title B7-4)	5 362,59	1 580,16	3 782,43
European Bank for Reconstruction and Development (Chapter B7-51)	67,5	23,625	43,88
Assistance to partner countries in eastern Europe and central Asia (Chapter B7-52)	4 241,41	2 796,30	1 445,11
Other Community measures in favour of the partner countries of eastern Europe and central Asia and the countries of the western Balkans ( B7-53)	1,932	1,731	0,20
Cooperation with the countries of the western Balkans (Chapter B7-54)	2 753,13	1 855,42	897,71
Other cooperation measures (Title B7-6)	1 487,63	643,254	844,38
European initiative for democracy and human rights (Title B7-7)	437,288	199,972	237,32
International fisheries agreements (Chapter B7-80)	90,147	73,535	16,61
External aspects of certain policies (Chapter B7-81 to B7-87)	416,123	204,468	211,66
Common Foreign and Security Policy (Subsection B8)	90,363	57,413	32,95
Pre-accession strategy for the Mediterranean countries (Chapter B7-04 and B7-05)	32,1	0,631	31,47
<b>Subtotal Heading 4</b>	<b>25 682,38</b>	<b>13 008,24</b>	<b>12 674,14</b>
<b>7. Pre-accession aid</b>			
Agriculture (Chapter B7-01)	1 068,90	30,528	1 038,37
ISPA (Chapter B7-02)	2 137,46	205,792	1 931,67
PHARE pre-accession instrument (Chapter B7-03)	8 220,42	4 492,64	3 727,78
<b>Subtotal Heading 7</b>	<b>11 426,78</b>	<b>4 728,96</b>	<b>6 697,82</b>
<b>Grand Total</b>	<b>173 321,84</b>	<b>86 576,96</b>	<b>86 744,88</b>

Table 8

**COMMITMENTS FROM DIFFERENTIATED APPROPRIATIONS CLEARED IN THE COURSE OF 2001***(EUR million)*

Heading	Initial commitments including decommitments and revaluations	Total payments since initial commitment	Amount still to be paid at 31.12.2001
<b>2. Structural operations</b>			
Objective 1 (Chapter B2-1 0)	7 329,61	7 329,61	0,000
Objective 2 (Chapter B2-1 1)	2 186,69	2 186,69	0,000
Objective 3 (Chapter B2-1 2)	1 183,95	1 183,95	0,000
Other structural measures (outside Objective 1 areas) (Chapter B2-1 3)	40,765	40,765	0,000
Community initiatives (Chapter B2-1 4)	1 083,96	1 083,96	0,000
Innovative measures and technical assistance (Chapter B2-1 6)	286,571	286,571	0,000
Cohesion Fund (Title B2-3)	1 559,40	1 559,40	0,000
<b>Subtotal Heading 2</b>	<b>13 670,95</b>	<b>13 670,95</b>	<b>0,000</b>
<b>3. Internal policies</b>			
Research and technological development (Subsection B6)	2 575,35	2 575,35	0,000
Other agricultural operations (Title B2-5)	129,805	129,805	0,000
Other regional operations (Title B2-6)	30,128	30,128	0,000
Transport (Title B2-7)	11,187	11,187	0,000
Other measures concerning fisheries and the sea (Title B2-9)	13,76	13,76	0,000
Education, vocational training and youth policy (Title B3-1)	390,908	390,908	0,000
Culture and audiovisual media (Title B3-2)	97,251	97,251	0,000
Information and communication (Title B3-3)	85,792	85,792	0,000
Social dialogue and employment (Title B3-4)	101,392	101,392	0,000
Energy (Title B4-1)	38,596	38,596	0,000
Euratom nuclear safeguards (Title B4-2)	23,55	23,55	0,000
Environment (Title B4-3)	156,987	156,987	0,000
Protection and promotion of consumer interests (Title B5-1)	24,726	24,726	0,000
Aid for reconstruction (Title B5-2)	3,258	3,258	0,000
Internal market (Title B5-3)	150,106	150,106	0,000
Labour market and technological innovation (Title B5-5)	54,608	54,608	0,000
Statistical information (Title B5-6)	27,324	27,324	0,000
Trans-European networks (Title B5-7)	518,322	518,322	0,000
Area of freedom, security and justice (Title B5-8)	56,353	56,353	0,000
Measures to combat fraud (Title B5-9)	9,653	9,653	0,000
<b>Subtotal Heading 3</b>	<b>4 499,06</b>	<b>4 499,06</b>	<b>0,000</b>

(EUR million)

Heading	Initial commitments including decommitments and revaluations	Total payments since initial commitment	Amount still to be paid at 31.12.2001
<b>4. External action</b>			
Food and support operations (Chapter B7-20)	637,255	637,255	0,000
Humanitarian aid (Chapter B7-21)	345,996	345,996	0,000
Cooperation with Asian developing countries (Chapter B7-30)	472,175	472,175	0,000
Cooperation with Latin American developing countries (Chapter B7-31)	196,91	196,91	0,000
Cooperation with the countries of southern Africa, including South Africa (Chapter B7-32)	55,8	55,8	0,000
Cooperation with Mediterranean third countries (Title B7-4)	362,046	362,046	0,000
Assistance to partner countries in eastern Europe and central Asia (Chapter B7-52)	97,438	97,438	0,000
Other Community measures in favour of the partner countries of eastern Europe and central Asia and the countries of the western Balkans ( B7-53)	42,352	42,352	0,000
Cooperation with the countries of the western Balkans (Chapter B7-54)	340,396	340,396	0,000
Other cooperation measures (Title B7-6)	312,262	312,262	0,000
European initiative for democracy and human rights (Title B7-7)	33,84	33,84	0,000
International fisheries agreements (Chapter B7-80)	195,611	195,611	0,000
External aspects of certain policies (Chapter B7-81 to B7-87)	26,866	26,866	0,000
Common Foreign and Security Policy (Subsection B8)	23,534	23,534	0,000
Pre-accession strategy for the Mediterranean countries (Chapter B7-04 and B7-05)	1,9	1,9	0,000
<b>Subtotal Heading 4</b>	<b>3 144,38</b>	<b>3 144,38</b>	<b>0,000</b>
<b>6. Reserves</b>			
Guarantees and reserves (Chapters B0-23 and B0-24)	207,176	207,176	0,000
<b>Subtotal Heading 6</b>	<b>207,176</b>	<b>207,176</b>	<b>0,000</b>
<b>7. Pre-accession aid</b>			
Agriculture (Chapter B7-01)	0	0	0,000
ISPA (Chapter B7-02)	0	0	0,000
PHARE pre-accession instrument (Chapter B7-03)	707,016	707,016	0,000
<b>Subtotal Heading 7</b>	<b>707,016</b>	<b>707,016</b>	<b>0,000</b>
<b>Grand Total</b>	<b>22 228,58</b>	<b>22 228,58</b>	<b>0,000</b>

CHAPTER II  
**CONSOLIDATED BALANCE SHEET**

**ASSETS**

(EUR)

	31.12.2001	31.12.2000
I. INITIAL COSTS	0,00	0,00
II. INTANGIBLE FIXED ASSETS	5 462 532,32	3 319 803,29
III. TANGIBLE FIXED ASSETS	3 347 370 786,73	3 261 254 218,12
A. Land and buildings	1 479 717 856,26	1 320 843 388,85
B. Plant, machinery and tools	40 553 958,74	34 249 471,39
C. Furniture and vehicles	32 475 825,12	57 969 161,25
D. Computer hardware	71 783 580,88	67 918 698,33
E. Leasing, financing and similar entitlements	1 653 072 875,62	1 390 932 638,73
F. Other tangible assets	11 604 706,60	6 127 185,42
G. Fixed assets under construction and prepayments in respect of tangible fixed assets	58 161 983,51	383 213 674,15
IV. INVESTMENTS	2 080 812 121,69	1 737 489 765,19
A. Investments in related organisations	277 500 000,00	277 500 000,00
1. Participations	277 500 000,00	277 500 000,00
2. Receivables	0,00	0,00
B. Other fixed financial assets	1 803 312 121,69	1 459 989 765,19
1. Participations	22 879 226,68	22 879 226,68
2. Receivables	0,00	0,00
3. Guarantees and advances granted	1 780 432 895,01	1 437 110 538,51
4. Other	0,00	0,00
V. LONG-TERM ASSETS	17 594 861 536,78	2 251 372 633,32
A. Loans granted from the budget	652 429 224,78	679 439 914,50
B. Loans granted from borrowed funds	1 499 958 872,14	1 413 915 807,28
C. Other long-term assets	15 442 473 439,86	158 016 911,54
VI. STOCKS	77 643 372,82	82 368 240,13
A. Office supplies and other consumables	14 352 646,78	8 708 894,80
B. Scientific equipment	63 266 912,48	69 433 187,65
C. Publications Office stocks	23 813,56	4 226 157,68

(EUR)

	31.12.2001	31.12.2000
VII. SHORT-TERM ASSETS	5 848 449 099,10	3 994 867 067,15
A. Long-term receivables due in less than one year	271 250 425,49	480 138 966,62
1. Loans granted from the budget	16 222 248,49	207 151 051,92
2. Loans granted from borrowed funds	235 000 000,00	253 278 229,70
3. Other assets with a term of more than one year	20 028 177,00	19 709 685,00
B. Current assets	5 567 336 187,05	3 505 155 280,01
1. Advances paid to Member States	0,00	0,00
2. Advances owed by Member States	1 442 840 826,65	1 306 847 907,80
(a) EAGGF	681 394 524,99	414 949 211,04
(b) VAT paid and recoverable from Member States	38 590 776,31	22 278 329,86
(c) Other receivables	722 855 525,35	869 620 366,90
3. Amounts owed by Community institutions and bodies	4 568 651,20	5 733 579,78
4. Sundry debtors	4 119 926 709,20	2 192 573 792,43
C. Sundry receivables	9 862 486,56	9 572 820,52
1. Amounts owed by staff	9 680 494,77	9 378 524,73
2. Other	181 991,79	194 295,79
VIII. CASH INVESTMENTS	40 709 601,61	28 372 890,52
IX. DISPOSABLE ASSETS	21 351 498 906,15	17 259 881 774,25
X. TRANSITIONAL ACCOUNTS	163 289 556,93	83 729 930,21
<b>Total</b>	<b>50 510 097 514,13</b>	<b>28 702 656 322,18</b>

## LIABILITIES

(EUR)

	31.12.2001	31.12.2000
I. OWN CAPITAL	23 296 299 646,94	17 776 551 817,59
A. Economic outturn	17 140 984 720,10	11 889 085 922,44
1. Budget outturn	15 002 522 103,55	11 612 731 945,86
2. Result of adjustments	2 138 390 842,73	275 682 403,81
3. Result of borrowing and lending activities	71 773,82	671 572,77
B. Economic outturn carried over from previous years	6 095 767 613,10	5 819 228 525,55
Result of adjustments	6 095 767 613,10	5 819 228 525,55
C. Reserves	59 547 313,74	68 237 369,60
1. Revaluation reserve	57 124 663,00	65 869 625,09
2. Reserve for borrowing and lending activities	2 422 650,74	2 367 744,51
II. PROVISIONS FOR RISKS AND LIABILITIES	17 266 328 288,63	1 493 855 934,58
A. Provisions for major repairs and maintenance	0,00	0,00
B. Other provisions for risks and liabilities	17 266 328 288,63	1 493 855 934,58
III. LONG-TERM LIABILITIES	2 977 145 074,80	2 763 056 359,03
A. Financial liabilities	1 427 898 931,80	1 312 426 534,21
B. Other long-term debts	1 549 246 143,00	1 450 629 824,82
IV. SHORT-TERM LIABILITIES	6 391 750.835,18	5 968 181 979,75
A. Long-term debts falling due within the year	360 876 516,01	465 557 765,65
B. Other short-term financial liabilities	3 714 191 827,75	2 760 004 139,49
C. Current liabilities	2 300 706 758,75	2 729 950 243,83
1. Member States and EFTA countries	75 877 523,34	17 657 688,87
2. Community institutions and bodies	28 574 127,24	27 028 016,02
3. Appropriations to be carried over	2 089 687 959,54	2 609 312 949,30
4. Sundry creditors	106 567 148,63	75 951 589,64
D. Other liabilities	15 975 732,67	12 669 830,78
V. TRANSITIONAL ACCOUNTS	578 573 668,58	701 010 231,23
<b>Total</b>	<b>50 510 097 514,13</b>	<b>28 702 656 322,18</b>

## CHAPTER III

## ANNEX I

## ACCOUNTING PRINCIPLES, RULES AND METHODS

## ACCOUNTING PRINCIPLES

1. The aims of a financial statement must be to describe the nature and range of an institution's activities, explain how it is financed and supply definitive information on its operations.

These are certainly the objectives of the consolidated annual accounts produced annually by the European Commission. The manner in which financial operations were conducted in the course of the financial year is described in Volume I (Analysis of financial management).

If they are to present a true and fair picture, financial statements must not only supply relevant information, but do so in a clear and comprehensible manner which allows comparisons between financial years. It is with these goals in mind that the present document has been drawn up.

2. The accounting system of the European institutions comprises general accounts and budget accounts. These accounts are kept in euros on the basis of the calendar year.
  - 2.1. The **budget accounts** give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle <sup>(1)</sup>.
  - 2.2. The **general accounts** show all expenditure and revenue over the financial year and are designed to establish the financial position in the form of a balance sheet at 31 December the previous year.

The general accounts are based on the following principles:

- the principle of going concern;
- the principle of materiality and aggregation of data;
- the principle of substance over form;
- the principle of no-netting between assets and liabilities.

The financial statements take account of certain elements of the principle of prudence and accrual accounting such as value adjustments for entitlements, depreciation and the entry of carryovers in the accounts as charges and debts for the financial year.

## ACCOUNTING RULES AND METHODS

1. **Legal provisions**

The accounts are kept in accordance with the Financial Regulation of 21 December 1977, as last amended by Council Regulation (EC, ECSC, Euratom) No 762/2001 of 9 April 2001 and Commission Regulation (EC) No 3418/93 of 9 December 1993 laying down detailed rules for the implementation of certain provisions of the Financial Regulation, as last amended by Regulation (EC) No 1687/2001 of 21 August 2001.

The same rules of valuation and accounting methods are applied in all the European institutions currently falling within the scope of consolidation (Commission, Parliament, Council, Court of

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<sup>(1)</sup> This differs from cash-based implementation because of elements such as carryovers.

Justice, Court of Auditors, Economic and Social Committee, Committee of the Regions and the Ombudsman) in order to guarantee harmonisation of the accounts and consistency of data.

## 2. Bases for conversion

2.1. Accounts are kept in euros.

2.2. Assets and liabilities are converted into euros on the basis of the conversion rates applying on 28 December 2001, except for the following:

- tangible and intangible assets, which retain their value in euros at the rate that applied when they were purchased,
- appropriations carried over, some of which are to cover commitments in national currencies converted into euros at the monthly accounting rates for December; the total amount in euros of appropriations carried over cannot be subsequently revalued,
- advances paid under the Guarantee Section of the European Agricultural Guidance and Guarantee Fund, which are converted at the exchange rates applying on the 10th day of the month following the month in which they are granted,
- the transitional accounts which retain their value in euros at the accounting rate that applied at the time of the accounting operation,
- Conversion rates for the main currencies at 28 December 2001:

EUR 1	0,608500	GBP
EUR 1	7,436500	DKK
EUR 1	9,301200	SEK
EUR 1	0,881300	USD
EUR 1	115,330000	JPY

2.3. Monetary items other than those listed above are revalued at the closing euro rate on the date the accounts are closed. The revalued figure is treated as follows:

- cash assets: the contra-entry for the positive and negative exchange differences relating to cash assets is recorded in the profit and loss accounts,
- monetary items other than cash assets: when, overall, the negative exchange differences on assets and commitments expressed in a specific currency exceed the positive differences noted on assets and commitments expressed in the same currency, the surplus is recorded in the profit and loss accounts. Otherwise, the surplus is recorded in the transitional liability accounts,
- the result of the revaluation of transactions in currencies forming part of the euro zone has been recorded in the profit and loss accounts. These transactions will no longer be revalued in future years.

## 3. Revenue

3.1. The amounts of own resources and financial contributions entered in the accounts are those credited in the course of the year to the accounts opened in the Commission's name by the governments of the Member States.

The difference between the amount of VAT own resources, GNP-based resources and financial contributions entered in the budget and the amount actually due is calculated by 1 July of the following year and entered in an amending budget for that year.



- 3.2. The other revenue entered in the accounts is the amount actually received in the course of the year.

#### 4. Expenditure

- 4.1. For the purposes of calculating the budget outturn for the year, expenditure comprises payments made against the year's appropriations for payments plus any of the appropriations for that year that are carried over to the following year.
- 4.2. Payments made against the year's appropriations for payments means payments for which authorisation reaches the Financial Controller by 31 December and which are made by the accounting officer by 15 January of the following year.

In the case of the Guarantee Section of the European Agricultural Guidance and Guarantee Fund, the payments are those effected by the Member States between 16 October 2000 and 15 October 2001, provided that the accounting officer was notified of the commitment and authorisation by 31 January 2002.

#### 5. Economic outturn for the year

The economic outturn consists of the budget outturn and the result of the adjustments.

##### 5.1. Budget outturn

The budget outturn comprises two elements: the result of the European Communities and the result of the participation of the EFTA countries belonging to the EEA. It represents the difference between:

- total revenue received for that year;
- total payments made against that year's appropriations plus the total amount of that year's appropriations carried over to the following year <sup>(1)</sup>.

The following are added to or deducted from the resulting figure:

- the net balance of cancellations of payment appropriations carried over from previous years and any payments which, because of fluctuations in the euro rate, exceed non-differentiated appropriations carried over from the previous year,
- the balance of exchange-rate gains and losses recorded during the year.

The budget outturn is paid back to the Member States the following year.

##### 5.2. Result of adjustments

In the course of the year, accounting is based on the cash principle. In order to give a more accurate picture of assets and liabilities, the financial situation and the result, a number of adjustments are necessary.

As a result of these adjustments, the annual accounts can be presented in accordance with the principle of modified accrual accounting based on modified cash budget accounting.

<sup>(1)</sup> In the case of the EFTA-EEA countries, the volume of appropriations carried over from year n to year n+1 is known after the accounts have been closed. As a result the calculation of the balance includes carryovers of appropriations from year n-1 to year n.

5.3. *Result of borrowing and lending activities*

**6. Rules on valuation**

Except where indicated in the explanatory notes to the balance sheet, the various headings are valued as follows:

- 6.1. Tangible and intangible fixed assets are valued at their historic value converted into euros at the rate applying when they were purchased. Except for land, these fixed assets must also be subject to depreciation for each full year, according to the straight line method (Title IV, Chapter 4 of Regulation (EC) No 2909/2000 of 29 December 2000 on the management in the accounts of the non-financial fixed assets of the European institutions).
- 6.2. Stocks are valued at the price of the last supplies received. Amounts in foreign currencies are converted into euros.
- 6.3. Financial assets are valued at their purchase price. If denominated in foreign currency, they are converted at the euro rate applying at the close of the year. In line with the principle of prudence, an adjustment is made where there is a probable loss.
- 6.4. Entitlements are entered in the accounts at their face value, converted at the euro rate applying at the end of the year, with the exception of entitlements denominated at a fixed rate. Entitlements are entered at the estimated recovery value. A value reduction is thus applied for amounts considered irrecoverable, with account being taken of risks and legal developments.

Two types of value reduction exist:

- a specific value reduction applied when a given amount is deemed irrecoverable, irrespective of any legal developments (the risk of non-recovery is thus examined for each debt);
  - a flat-rate value reduction applied when the amount of the irrecoverable debt is still not known.
- 6.5. Cash investments and disposable assets are valued at their face value converted into euros at the rate applying at the end of the year. For the sake of prudence, an adjustment is made where there is a probable loss.
  - 6.6. Debts are valued at their face value converted into euros at the rate applying at the end of the year if they are denominated in a foreign currency.

**7. Payments of advances and payments on account**

Payments on account for operational purposes are included in the year's expenditure and do not appear as assets in the balance sheet.

Advances to public or private intermediaries which had not been received by the final beneficiary at 31 December 2001 and which are included in the year's budget expenditure are entered on the assets side of the balance sheet as short-term assets.

**8. EFTA participation in the 2001 general budget**

The figures in the accompanying tables include the appropriations entered to cover the participation in the Community budget of the EFTA countries belonging to the European Economic Area.

**9. Consolidation**

The consolidated accounts cover the accounts of the European Parliament, the Council, the Commission (including the Publications Office and the Joint Research Centre), the Court of Justice, the Court of Auditors, the Economic and Social Committee, the Committee of the Regions and the Ombudsman.

The method used is that of full consolidation.

## ANNEX 2

**EXPLANATORY NOTES TO THE BUDGET IMPLEMENTATION STATEMENTS****GENERAL BUDGET AND TYPES OF APPROPRIATION**

The general budget, the main instrument of the Communities' financial policy, is the instrument which provides for and authorises the Communities' revenue and expenditure every year.

The budgetary procedure is set out in Article 272 of the EC Treaty which stipulates the sequence of stages and the time-limits which must be respected by the two arms of the budgetary authority: the Council and Parliament.

Every year, the Commission estimates all the European institutions' revenue and expenditure for the coming year and draws up a preliminary draft budget which it sends to the budgetary authority.

On the basis of this preliminary draft budget, the Council draws up a draft budget which is then the subject of negotiations between the two arms of the budgetary authority.

The President of Parliament declares that the budget has been finally adopted making the budget enforceable. The task of executing the budget is mainly the responsibility of the Commission.

**1. BUDGETARY PRINCIPLES**

The general budget of the Communities is governed by a number of basic principles:

- *unity*: all Community expenditure and revenue must be incorporated in a single budget document;
- *universality*: this principle comprises two rules:
  - the rule of non-assignment, meaning that budget revenue must not be earmarked for specific items of expenditure (total revenue must cover total expenditure);
  - the gross budget rule, meaning that revenue and expenditure are entered in full in the budget without any adjustment against each other;
- *annuality*: the appropriations entered are authorised for a single year and must therefore be used during that year;
- *equilibrium*: the revenue and expenditure shown in the budget must be in balance (estimated revenue must equal payment appropriations);
- *specification*: each appropriation is assigned to a specific purpose and a specific objective.

**2. BUDGET STRUCTURE**

The budget consists of:

- (a) a general statement of revenue;
- (b) separate sections divided into the statements of revenue and expenditure of each institution: Section I: Parliament; Section II: Council; Section III: Commission; Section IV: Court of Justice; Section V: Court of Auditors; Section VI: Economic and Social Committee; Section VII: Committee of the Regions; Section VIII: Ombudsman.

Each institution's items of revenue and expenditure are classified according to their type or the use to which they are assigned under titles, chapters, articles and items.

### 3. TYPES OF BUDGET APPROPRIATION

Only the Commission budget contains administrative appropriations and operating appropriations. The other institutions have only administrative appropriations.

The budget distinguishes between two types of appropriation: non-differentiated appropriations and differentiated appropriations.

Non-differentiated appropriations are used to finance operations of an annual nature (which comply with the principle of annuality). Differentiated appropriations were introduced in order to reconcile the principle of annuality with the need to finance multiannual operations. They cover the total cost, during the current year, of legal obligations entered into for operations extending over more than one financial year.

#### (a) **Non-differentiated appropriations cover:**

- all administrative expenditure (part A of the Commission Section and the sections of all the other institutions),
- EAGGF Guarantee appropriations of annual nature,
- certain technical appropriations (in particular: repayments, borrowing and lending guarantees, etc.).

In the case of non-differentiated appropriations, the amount of commitment appropriations is the same as that of payment appropriations.

(b) **Differentiated appropriations** are intended to cover multiannual operations. The appropriations in Part B of the Commission Section (not including EAGGF) come into this category.

These differentiated appropriations break down into commitment appropriations and payment appropriations:

- *commitment appropriations*: cover the total cost of the legal obligations entered into for the current financial year for operations extending over a number of years <sup>(1)</sup>.
- *payment appropriations*: cover expenditure arising from commitments entered into in the current financial year and/or earlier financial years <sup>(2)</sup>.

### 4. BUDGET IMPLEMENTATION

Article 22(1) of the Financial Regulation states: 'The Commission shall implement the budget on its own responsibility in accordance with this Financial Regulation and within the limits of the appropriations allotted'.

Article 22(2) states that the Commission shall confer on the institutions the requisite powers for the implementation of the sections of the budget relating to them.

#### 4.1. **Execution of revenue:**

The budget takes over the forecasts of revenue subject to any changes resulting from the adoption of supplementary and amending budgets which adjust the forecasts in the initial budget in line with the reductions or increases in own resources noted during implementation. The budget revenue covers appropriations for payment.

The revenue outturn comprises established entitlements, revenue actually collected against these established entitlements and the balance to be recovered.

The actual revenue for a financial year corresponds to the revenue collected against entitlements established in the course of the year and amounts collected against entitlements still to be recovered from previous years.

<sup>(1)</sup> Appropriations for commitment = commitment appropriations + non-differentiated appropriations.

<sup>(2)</sup> Appropriations for payment = payment appropriations + non-differentiated appropriations.

#### 4.2. Execution of expenditure:

As with revenue, expenditure is forecast in the initial budget.

The execution of expenditure shows how appropriations for commitments <sup>(1)</sup> and appropriations for payments <sup>(2)</sup> are changed, used, carried over and lapse during the year.

##### 4.2.1. Composition of appropriations available:

- *Final budget appropriations*: initial budget + supplementary and amending budget + transfers;
- *Appropriations for the year*: final appropriations + supplementary revenue (contributions by third parties);
- *Additional appropriations*: supplementary revenue (contributions by third parties) + appropriations carried over from the previous financial year + other appropriations (appropriations for re-use + commitment appropriations made available again following decommitments + appropriations made available again following repayments of amounts paid on account);
- *Total appropriations authorised*: final budget appropriation + additional appropriations;
- *Commitment and payment appropriations carried over from the previous financial year*: as a rule, appropriations must be used by the end of the year under the principle of annuality. Amounts not used therefore lapse unless they are carried over on the basis of strict criteria <sup>(3)</sup>.

##### 4.2.2. Utilisation of appropriations:

- *Appropriations for commitment*: The final appropriations are available during the financial year for entering into commitments.
- *Appropriations for payment*: The final appropriations are available during the financial year for making payments.

##### 4.2.3. Carryovers to the following year:

- *Appropriations for commitments*: Appropriations which are not committed may be carried over automatically or with the authorisation of the budgetary authority (non-automatically).  
Carryovers of differentiated appropriations must be authorised by the Commission; the budgetary authority must also be notified.
- *Appropriations for payments*:
  - non-differentiated appropriations: carryover is generally automatic if it is to cover outstanding commitments; otherwise the budgetary authority has to give prior authorisation;
  - differentiated appropriations: unused payment appropriations usually lapse; however, the Commission may decide to carry them over if the payment appropriations for the following year are not sufficient to meet previous commitments or commitments made against commitment appropriations which have themselves been carried over.

##### 4.2.4. Cancellation of appropriations:

Any appropriations for commitment and for payment not used and not carried over are cancelled at the end of the year.

#### 5. OUTSTANDING COMMITMENTS

With the introduction of differentiated appropriations, a gap developed between commitments entered into and payments made: this gap, corresponding to outstanding commitments, represents the time-lag between when the commitments are entered into and when the corresponding payments are made.

<sup>(1)</sup> Commitment appropriations + non-differentiated appropriations.

<sup>(2)</sup> Payment appropriations + non-differentiated appropriations.

<sup>(3)</sup> Article 7 of the Financial Regulation.

### FINANCIAL PERSPECTIVE

The 2001 financial year was the second covered by the financial perspective 2000 to 2006, concluded on 6 May 1999 between the European Parliament, the Council and the Commission, on the basis of the conclusions of the Berlin European Council of 24 and 25 March 1999 which called for tighter budgetary discipline and improvement of the budgetary procedure.

In concluding an agreement of this type, the institutions agreed in advance on the main budgetary priorities for the following period and established a framework for Community expenditure in the shape of the financial perspective. The financial perspective shows the maximum amount and the composition of foreseeable Community expenditure.

As the initial financial perspective was drawn up in constant 1999 prices, point 15 of the Agreement states that each year the Commission will make a technical adjustment to the financial perspective in line with movements in the GNP of the European Union and prices.

However, it was agreed that a deflator of 2 % would be used for agriculture and the Structural Funds.

The following table shows the adjusted financial perspective at 2001 prices.

The overall ceiling on appropriations for commitments for 2001 comes to EUR 97 189 million, equivalent to 1,19 % of GNP.

The corresponding ceiling on the appropriations for payments required comes to EUR 94 730 million, i.e. around 1,11 % of GNP.

This leaves a margin of EUR 13 643 million between the ceiling on appropriations for payments and the own-resources ceiling, i.e. 0,16 % of GNP, on the basis of current economic forecasts. The margin for 2000 has been updated in relation to the technical adjustment for 2001 by including the latest GNP estimates for 2000 and thus allowing comparisons to be made between a number of years.

However, the ceilings on commitments and payments resulting from that adjustment have not been changed.

The second half of the table sets out, for reference, the adjusted financial framework for EU-21 at 2001 prices.

The GNP figure incorporates the latest estimates available for the GNP of the six countries in the first wave of accession (Poland, Czech Republic, Hungary, Estonia, Slovenia, Cyprus).

The total GNP of these countries for 2001 is estimated at EUR 315 billion.

(EUR million)

	Current prices		2001 prices				
	2000	2001	2002	2003	2004	2005	2006
<b>COMMITMENT APPROPRIATIONS: EU-15</b>	93 792	97 189	97 697	96 937	95 397	94 762	94 279
1. Agriculture	41 738	44 530	45 674	45 538	44 488	43 624	43 344
2. Structural operations	32 678	32 720	32 106	31 503	30 785	30 785	30 343
3. Internal policies	6 031	6 272	6 386	6 500	6 614	6 729	6 853
4. External action	4 627	4 735	4 745	4 756	4 766	4 776	4 787
5. Administration	4 638	4 776	4 880	4 984	5 088	5 192	5 296
6. Reserves	906	916	666	416	416	416	416
7. Pre-accession aid	3 174	3 240	3 240	3 240	3 240	3 240	3 240
<b>Total payment appropriations: EU-15</b>	91 322	94 730	102 281	105 650	104 828	105 658	107 989
<b>Available for accession (payment appropriations)</b>			4 306	6 979	9 247	11 899	14 792

(EUR million)

	Current prices		2001 prices				
	2000	2001	2002	2003	2004	2005	2006
COMMITMENT APPROPRIATIONS: EU-21	93 792	97 189	104 406	106 330	107 473	109 532	111 734
1. Agriculture	41 738	44 530	45 674	45 538	44 488	43 624	43 344
2. Structural operations	32 678	32 720	32 106	31 503	30 785	30 785	30 343
3. Internal policies	6 031	6 272	6 386	6 500	6 614	6 729	6 853
4. External action	4 627	4 735	4 745	4 756	4 766	4 776	4 787
5. Administration	4 638	4 776	4 880	4 984	5 088	5 192	5 296
6. Reserves	906	916	666	416	416	416	416
7. Pre-accession aid	3 174	3 240	3 240	3 240	3 240	3 240	3 240
8. Enlargement			6 709	9 393	12 076	14 770	17 455
<b>Total payment appropriations: EU-21</b>	<b>91 322</b>	<b>94 730</b>	<b>102 281</b>	<b>105 650</b>	<b>104 828</b>	<b>105 658</b>	<b>107 989</b>

## STRUCTURAL FUNDS: THE NEW PROGRAMMING PERIOD 2000—2006

The Community's Structural Funds consist of the ERDF, the ESF, the EAGGF Guidance Section and the FIFG <sup>(1)</sup>. The Structural Funds come under heading 2 'Structural operations' of the financial perspective, which also covers the Cohesion Fund. In the budget the Structural Funds are grouped together under Title B2-1.

This programming period is based on the new Structural Funds Regulation, the main elements of which are as follows:

### 1. STRUCTURAL FUND OBJECTIVES

The Structural Funds are the main instrument for attaining increased economic and social cohesion in the Community. The Union supports three specific objectives with appropriations from the Structural Funds:

*Objective 1:* Development and structural adjustment of regions whose development is lagging behind

*Objective 2:* Economic and social conversion of areas in structural difficulty

*Objective 3:* Adaptation and modernisation of policies and systems for education, training and employment.

There is a special scheme covering restructuring in the fisheries sector outside Objective 1 regions. Rural development projects are implemented across the EU, financed by either the Structural Funds or the common agricultural policy.

The Community initiatives cover the following fields:

(a) *Interreg:* cross-border, transnational and interregional cooperation intended to encourage the harmonious, balanced and sustainable development of the whole of the Community area.

(b) *Urban:* economic and social regeneration of cities and of urban neighbourhoods in crisis with a view to promoting a sustainable urban development.

(c) *Leader:* rural development.

(d) *Equal:* transnational cooperation to promote new means of combating all forms of discrimination and inequalities in connection with the labour market.

### 2. FINANCIAL PERSPECTIVE AND PROGRAMMING

The financial perspective for 2000—2006 sets out the overall and annual totals for all the Structural Funds. It was drawn up at constant 1999 prices and is thus adjusted every year by an index of 2 % (with a technical revision, if necessary, in 2003 for 2004—2006) in line with Community inflation.

The initial financial programming was based on the annual allocations in the financial perspective for all the Funds and corresponds to the financing plans in the programming documents initially adopted.

<sup>(1)</sup> ERDF: European Regional Development Fund.  
ESF: European Social Fund.  
EAGGF: European Agricultural Guidance and Guarantee Fund.  
FIFG: Financial Instrument for Fisheries Guidance.



3. COMMITMENT AND PAYMENT PROCEDURES

3.1. **Commitment procedure**

The budget commitments, made in annual tranches, are based on the initial or revised financial plans in the programming documents. The first annual tranche is committed when the Commission approves the decision relating to the operation.

The Commission then commits the annual tranches by 30 April of each year and automatically decommits any commitments not used within two years.

3.2. **Payment procedure**

The Commission makes a payment on account amounting to 7 % of the total contribution from the Structural Funds once the programme is adopted. This payment may be subdivided over two budget years. The payment on account will have to be reimbursed if no expenditure is declared within 18 months. The Commission then makes interim payments to reimburse actual expenditure certified by the Member State. The balance of 5 % is paid on the closure of the programme once all the documents required are submitted and approved by the Commission.

Payments are posted to the earliest open commitment.

**COMMENTS ON THE CONSOLIDATED STATEMENTS ON THE IMPLEMENTATION OF THE BUDGET FOR  
THE FINANCIAL YEAR 2001**

**1. Advances, payments on account and final payments**

The amended proposal for a Financial Regulation draws a distinction between four different types of payment:

- payment of the entire amount due,
- prefinancing, which may be divided into a number of payments,
- interim payments,
- payment of the balance of the amounts due.

A distinction must be made in the accounts between these different types of payment at the time they are made; this will have the advantage of removing any uncertainty about the payment.

The Commission will adapt its accounting system when this proposal is finally adopted.

Until then, it has presented the information as in the annual accounts for the previous financial year.

For the Structural Funds and Sapard, the amounts paid on account but not yet used are as follows:

*(EUR million)*

Structural Funds	Advances granted in 2001	Advances granted in 2000	Total Advances granted
Objective 1 (B2-1 0)	5 307,3	4 354,8	9 662,1
Objective 2 (B2-1 1)	1 561,2	48,4	1 609,6
Objective 3 (B2-1 2)	314,3	1 433,5	1 747,8
Other structural operations	471,1	59,9	531,0
ESF-EQUAL	207,8		
EAGGF-LEADER	82,0		
ERDF-INTERREG + URBAN	125,9		
FIFG (HORS OBJECTIVE 1)	18,2		
Peace	37,2		
ISPA	196,7	2,5	199,2
<b>Total</b>	7 850,6	5 899,1	13 749,7

*(EUR million)*

Sapard	Advances granted in 2001	Advances granted in 2000	Total Advances granted
B7-010 Sapard	30,5	0	30,5

The advances granted to intermediaries but not yet distributed to the final beneficiaries break down as follows:

	<i>(EUR million)</i>
	Advances not distributed at 31.12.2001
B2-1 Structural Funds	0
B3-1 Education, training and youth	155,0
B3-2 Culture and audiovisual media	0
B3-3 Information and communication	0
B5-3 Internal market	11,6
B5-5 Labour market and technological innovation	69,0
B7-0 Pre-accession strategy	477,6
B7-2 Food aid and humanitarian aid	2,9
B7-3 Cooperation with developing countries in Asia, Latin America and southern Africa, including South Africa	1,0
B7-5 Cooperation with countries of central and eastern Europe, the Balkans, the new independent states and Mongolia	169,1
B7-6 Other cooperation measures	20,8
<b>Total</b>	<b>907,0</b>

## 2. Appropriations relating to contributions by third parties

Appropriations carried over from the previous financial year in respect of contributions by third parties, which by definition never lapse, are included with the additional appropriations for the financial year. This explains the difference between carryovers from the previous year in the 2001 budget implementation statements and those carried over to the following year in the budget implementation statements.

## 3. 2001 budget outturn

The appropriations for re-use and appropriations made available again following the repayment of payments on account are disregarded when calculating the outturn for the year.

Total budget revenue for the year comes to EUR 95 681 018 503,82 after the costs incurred by the Member States in the collection of own resources (EUR 1 391 761 486,91) are taken into account. Total budget expenditure comes to EUR 82 197 431 606,82 when the negative expenditure under EAGGF Guarantee (EUR 2 804 019 125,79) is taken into account.

The EFTA-EEA appropriations carried over from 2001 to 2002 could not be included in the 2001 balance as this occurred after the closure of the budget implementation statements for 2001.

The payment appropriations carried over which lapse have been increased by the appropriations corresponding to contributions by third parties carried over from 2001 to 2002 (EUR 330 125 378,03) as these appropriations are included with the appropriations for the financial year.

## ANNEX 3

**EXPLANATORY NOTES TO THE BALANCE SHEET****COMMENTS ON THE CONSOLIDATED BALANCE SHEET FOR THE FINANCIAL YEAR 2001****1. Establishment of the balance-sheet**

The balance-sheet is drawn up in accordance with:

- the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities, as last amended by Council Regulation (EC) No 762/2001 of 9 April 2001 (OJ L 111, 20.4.2001) as regards segregating the internal audit function from the ex ante financial control function;
- Commission Regulation (EC) No 3418/93 of 9 December 1993 laying down detailed rules for the implementation of certain provisions of the Financial Regulation (OJ L 315, 16.12.1993), as last amended by Regulation (EC) No 1687/2001 of 21 August 2001 (OJ L 228, 24.8.2001);
- Commission Regulation (EC) No 2909/2000 of 29 December 2000 on the management in the accounts of the non-financial fixed assets of the European institutions (OJ L 336, 30.12.2000);
- Accounting and consolidation manual of the European Communities, drawn up by the Commission, setting out the rules on evaluation and accounting methods to be applied by all the institutions in order to establish a uniform set of rules for accounting, valuation and presentation of the accounts with a view to harmonising the process for drawing up the financial statements and consolidation.

**2. Adjustment of the opening balance-sheet**

The balances at 31.12.2000 for some items set out in the Commission's financial statements for 2001 have been changed by comparison with those in the financial statements for 2000.

The balance-sheet total is EUR 212 million lower, mainly because of adjustments to the financial statements for the ECIP <sup>(1)</sup> programme and the NCI <sup>(2)</sup>.

The opening balance-sheet has been adjusted as follows:

- For ECIP, loans and participations has been recalculated and amounts deducted from 'Sundry debtors' and 'Amounts available' as they were already recorded under other items;
- As regards the various borrowing and lending instruments, 'provisions' have been reclassified as 'reserves' as the amounts concerned are in fact reserves for future liabilities which arise during allocation of the surplus.

To reflect the real economic situation, the Commission's assets and liabilities vis-à-vis the EIB have also been reclassified in a transitional account on the liabilities side;

- For loans from risk capital, the balance at 31 December 2000 has been adjusted.

More detailed explanations are provided in the specific financial statements for each instrument and programme concerned (see Volume II — Part II).

Presentation of Item I (Own capital) on the liabilities side of the balance-sheet has been improved. The outturn of the year's borrowing and lending activities is now presented in Item I.A.3.

<sup>(1)</sup> ECIP: European Community Investment Partners.

<sup>(2)</sup> The NCI is a borrowing and lending instrument.

**ASSETS — CONSOLIDATED BALANCE-SHEET**

(EUR)

	Balance 31.12.2000 Vol. IV 2000	Changes	Balance 31.12.2000 Vol. IV 2001
Item IV.B.1. Participations	22 879 266,68	-40,00	22 879 226,68
Item IV.B.4.A29 Miscellaneous	118 993 712,42	-118 993 712,42	—
Item V.A. Loans from budget appropriations	664 389 451,97	15 050 462,53	679 439 914,50
Item VII.A.1. Loans from budget appropriations	238 191 226,28	-31 040 174,36	207 151 051,92
Item VII.B.4. Sundry debtors	2 217 432 545,58	-24 858 753,15	2 192 573 792,43
Item IX. Assets available	17 312 576 774,01	-52 694 999,76	17 259 881 774,25
<b>Total Assets</b>	<b>28 915 193 539,34</b>	<b>-212 537 217,16</b>	<b>28 702 656 322,18</b>

**LIABILITIES — CONSOLIDATED BALANCE-SHEET**

(EUR)

	Balance 31.12.2000 Vol. IV 2000	Changes	Balance 31.12.2000 Vol. IV 2001
Item I.A.2. Result of adjustments	369 225 908,55	-93 543 504,74	275 682 403,81
Item I.A.3. Result of borrowing and lending activities (new heading)	—	671 572,77	671 572,77
Item I.C.2. Borrowing and lending reserve, renamed 'special borrowing and lending reserve'	671 572,77	1 696 171,74	2 367 744,51
Item II.B. Other provisions for risks and liabilities	1 497 353 116,63	-3 497 182,05	1 493 855 934,58
Item III.B. Other long-term debts	1 574 043 030,83	-123 413 206,01	1 450 629 824,82
Item V. Transitional accounts	695 461 300,10	5 548 931,13	701 010 231,23
<b>Total Liabilities</b>	<b>28 915 193 539,34</b>	<b>-212 537 217,16</b>	<b>28 702 656 322,18</b>

**3. Adjustment of the European Communities' system of own resources**

The Council Decision of 29 September 2000 on the system of the European Communities' own resources <sup>(1)</sup> was adopted following the Berlin European Council of 24-25 March 1999.

Article 2(3) of this Decision states that Member States shall retain, by way of collection costs, 25 % of traditional own resources instead of 10 %.

This Decision was to enter into force on the first day of the month following receipt of the last of the notifications from the Member States of the completion of the procedures for the adoption of this Decision in accordance with their respective constitutional requirements.

The Secretary-General received the last notification on 5 February 2002 and the decision thus entered into force on 1 March 2002. The decision was backdated to 1 January 2001.

<sup>(1)</sup> OJ L 253, 7.10.2000.

The 2002 budget must therefore be recalculated and adjustments must be made for 2001.

No correction has been made to the accounting statements for 2001. In view of the principle of budget equilibrium, the outturn for the year is not affected.

## ASSETS

### II. INTANGIBLE FIXED ASSETS

Intangible fixed assets are identifiable non-monetary assets without physical substance. To be entered on the assets side of the balance sheet, they must be controlled by the institution and generate future economic benefits for the European Communities.

Computer software developed within the institutions does not constitute an intangible fixed asset.

For the first time the Joint Research Centre has entered the computer software of the Geel, Ispra, Petten and Seville sites in the balance sheet with a net book value of EUR 0,18 million. The scientific software at the Karlsruhe site has always been listed in the inventory with the system in which it is installed, while the entry of the administrative software in the inventory and balance sheet is planned for 2002.

DG RELEX has deducted the computer software in the delegations which is not covered by a site licence or acquired under a large account contract. The net book value was EUR 0,1 million.

(EUR)

	Computer software
<b>A. ACQUISITION VALUE</b>	
Previous year-end	12 306 424,08
Adjustments	1 969 998,84
Changes during the year:	
— Acquisitions during the year	4 661 738,86
— Disposals and withdrawals	- 65 440,76
— Changes due to different threshold	0,00
— Transfers between headings	- 76 279,00
— Other adjustments	223 526,74
Year-end	19 019 968,76
<b>B. DEPRECIATION AND REDUCTION IN VALUE</b>	
Previous year-end	8 986 620,79
Adjustments	1 157 099,38
Changes during the year:	
— Decided	3 499 034,03
— Cancelled following disposals and withdrawals	- 65 440,76
— Changes due to different threshold	0,00
— Transfers between headings	- 19 877,00
— Other adjustments	0,00
Year-end	13 557 436,44
<b>NET BOOK VALUE YEAR-END (A-B)</b>	<b>5 462 532,32</b>

### III. TANGIBLE FIXED ASSETS

#### A. Land and buildings

##### *Joint Research Centre:*

The value of the land and buildings of the JRC at Geel is based on the same method of evaluation and calculation of depreciation as that applied by Ispra in 2000.

In the absence of historical data on the costs of acquisition and the costs of annual improvements before 1998, the value is based on an evaluation conducted by an outside firm at 31 December 1997. The changes which occurred during the period 1998—2000 could be calculated.

The method of depreciation is as follows:

1. For buildings which had been depreciated in full at 1 January 1998, a new depreciation plan was fixed.
2. For buildings which had not been depreciated in full at 1 January 1998, depreciation was calculated over their residual life having due regard to the revalued value at 1 January 1998.

##### *Delegations:*

In some developing countries the value of the land cannot be distinguished from the value of the building.

##### *European Parliament:*

In May 1998 Parliament invoked its purchase option in respect of a complex in Brussels (consisting of three buildings) for which the final investment cost (not including land) came to EUR 1 097 million.

In two memoranda of understanding with the European Communities dated 23 July 1998, Belgium made a contribution to the purchase of the land and the development and construction costs for the third building. One clause in the memorandum stipulates that, if Parliament moves to other premises, the land will be returned to the Belgian State for EUR 0,025 or for its market value. An adjustment has therefore been made for the value of the land, which is now entered in the balance sheet at EUR 0,025.

##### *Council:*

In the balance-sheet at 31.12.2001, the Council transferred the value of the Justus Lipsius building from the item 'Fixed assets under construction and advances' to the item 'Land and buildings'.

The building has been depreciated for the first time since it was occupied in 1995. The total figure comes to EUR 95 million, of which EUR 81 million is for the period between 1995 and 2000 and EUR 14 million forms part of the amount allocated for depreciation in 2001.

#### B. C. D. Fixtures and fittings, machinery and tools

##### **Furniture and vehicle fleet**

##### **Computer equipment**

In the course of 2001 the five JRC sites and the Commission's representations in the European Union switched from the old to the new nomenclature of Commission assets, leading to a number of transfers between items.

The physical inventory began in Geel and Seville in 2001, but will have to be continued in 2002. This will be conducted in Petten and Karlsruhe in the course of 2002. In Petten, not all assets could be entered in the inventory in 2001.

DG ADMIN has broken down assets by type rather than the management centre to which they belong as in previous years. The necessary adjustments are shown in the 'Adjustments' line in Table III — Tangible fixed assets.

In 2001 DG PRESS depreciated assets held by the Commission's representations in the 'Fixtures and fittings, machinery and tools' item for the first time. This depreciation came to EUR 1,4 million, of which EUR 0,1 million was for 2001. In previous years, assets were not depreciated in the year they were put into service; this was corrected in 2001.

#### E. Leasing, financing and similar entitlements

The criterion for the classification of property covered by leases as fixed assets is based on the extent to which the risks and rewards incident to ownership of the leased asset lie with the lessor or the lessee and depends on the transaction rather than the form of the contract <sup>(1)</sup>.

Assets covered by a finance lease which does not transfer substantially the risks and rewards incident to their ownership to the lessee and assets covered by a lease of over five years are entered in the annex to the financial statements in the chapter for off-balance-sheet commitments.

On 15 November 1994 the Court of Justice signed a lease contract with the Luxembourg Government for three annexes of the Palais building. The Court will rent the buildings for the whole term of the agreement and will be able to exercise the purchase option once the selling price has been paid in full; at the latest this will be on 31 December 2015. The selling price is determined by an independent expert.

These buildings have been entered on the assets side of the balance sheet and the charges to be paid, recorded on the liabilities side, are estimated at EUR 47,19 million on the basis of a valuation by the independent expert. This figure is provisional as negotiations are still under way after certain construction defects were noted.

The value of the three annexes was adjusted in 2001 with deductions of EUR 3 million for fees and other charges paid up to 2000 and EUR 0,26 million in respect of the value of a road by-passing the building.

The Economic and Social Committee (ESC) and the Committee of the Regions (CoR) entered the financial leasing contracts for the Belliard 103-113 and Montoyer 91-102 buildings on the assets side of the balance-sheet for the first time. They are co-financed in line with the following scale:

2001	ESC: 70 %	CoR: 30 %
2002	ESC: 67,7 %	CoR: 32,7 %
From 2003	ESC: 67 %	CoR: 33 %

The value of the land for the Montoyer building could not be calculated. The depreciation of EUR 3 million in 2001 (EUR 2 million for the ESC and EUR 1 million) for the CoR is thus overvalued by the amount corresponding to the depreciation of the land. The Belliard building will not be depreciated until the work in progress is accepted.

#### G. Fixed assets under construction and advances in respect of tangible fixed assets

The Court of Auditors has entered EUR 10 million under this item for the funds placed at the disposal of the project manager for the extension to the Court by means of a transfer to a bank account opened for this purpose. The interest produced by this account will be recorded as budget revenue.

The Economic and Social Committee has paid an advance of EUR 26 million to finance renovation of the Belliard building. This figure is included with the fees provided for in the financial leasing contract mentioned in Item E 'Leasing, financing and similar entitlements'.

<sup>(1)</sup> This item is based on IAS 17 of the International Accounting Standards Committee.



(EUR)

	Land and buildings	Plant, machinery and tools	Furniture and vehicles	Computer hardware	Leasing, financing and similar rights	Other fixed assets	Assets under construction and prepayments made
<b>A. ACQUISITION VALUE</b>							
Previous year end	1 763 659 815,07	185 681 545,79	257 951 841,45	295 665 238,70	1 632 900 104,39	8 295 811,41	383 213 673,61
Adjustments	-3 652 500,56	11 241 639,92	-15 798 302,04	5 209 170,27	-4 044 782,63	0,00	0,00
Changes during the year:							
— Acquisitions	2 062 081,63	16 371 218,46	7 289 989,14	49 261 077,46	344 778 139,39	7 008 233,25	14 500 778,02
— Disposal, withdrawal	-1 097 349,89	-13 966 863,66	-4 839 108,16	-44 045 237,57	-233 429,57	0,00	0,00
— Differences resulting from change in threshold	0,00	-7 848,38	-85 418,57	-277 698,36	0,00	0,00	0,00
— Transfers between headings	339 367 730,44	107 509 042,98	-108 901 391,63	705 733,73	-226 880,87	138 041,00	-339 552 468,12
— Other adjustments	0,00	870 865,54	-486 147,19	966 826,07	-3 148 963,92	0,00	0,00
Year end	2 100 339 776,69	307 699 600,65	135 131 463,00	307 485 110,30	1 970 024 186,79	15 442 085,66	58 161 983,51
<b>B. RISE IN VALUE</b>							
Previous year end	65 869 625,09	0,00	0,00	0,00	0,00	0,00	0,00
Adjustments to last year's figures	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Changes during the year:							
— Decided	0,00	0,00	0,00	0,00	0,00	0,00	0,00
— Cancelled	-8 744 962,09	0,00	0,00	0,00	0,00	0,00	0,00
— Differences resulting from change in threshold	0,00	0,00	0,00	0,00	0,00	0,00	0,00
— Transfers between headings	0,00	0,00	0,00	0,00	0,00	0,00	0,00
— Other adjustments	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Year end	57 124 663,00	0,00	0,00	0,00	0,00	0,00	0,00

(EUR)

	Land and buildings	Plant, machinery and tools	Furniture and vehicles	Computer hardware	Leasing, financing and similar rights	Other fixed assets	Assets under construction and prepayments made
<b>C. DEPRECIATION AND VALUE ADJUSTMENTS</b>							
Previous year	508 686 051,34	151 432 074,40	199 982 680,20	227 746 540,37	241 967 465,66	2 168 625,99	
Adjustments	79 739 020,68	9 843 781,68	-5 544 789,17	3 594 658,87	201 655,99	0,00	
Changes during the year:							
— Decided	89 779 645,84	23 776 841,25	10 685 598,80	47 551 347,13	76 347 823,84	1 560 544,07	
— Cancelled following disposals and withdrawals	-458 134,43	-13 422 532,48	-4 352 548,82	-43 657 667,17	-202 090,55	0,00	
— Differences resulting from change in threshold	0,00	-4 513,10	-67 220,82	-79 010,46	0,00	0,00	
— Transfers between headings	0,00	95 038 952,41	-98 069 786,49	-209 280,05	-212 494,78	108 209,00	
— Other adjustments	0,00	481 037,75	21 704,18	754 940,73	-1 151 048,99	0,00	
Year end	677 746 583,43	267 145 641,91	102 655 637,88	235 701 529,42	316 951 311,17	3 837 379,06	
NET BOOK VALUE (A+B-C)	1 479 717 856,26	40 553 958,74	32 475 825,12	71 783 580,88	1 653 072 875,62	11 604 706,60	58 161 983,51

#### IV. INVESTMENTS

This heading covers equity investments made with a view to establishing permanent links and which are seen as supporting the activities of the European Communities and related amounts receivable, independent of the due date, origin or form.

It also includes permanent guarantees and advances granted and the net assets of the Guarantee Fund. A distinction should be drawn between guarantees granted by the European Community to third parties and the Guarantee Fund, which is designed to cover risks associated with loans granted to non-member countries.

##### A. **Investments in related organisations:**

###### European Bank for Reconstruction and Development (EBRD) subscription

The EBRD was given initial capital of EUR 10 billion, of which 3 % was subscribed by the Community. The proportion of this capital called up — 30 % — has been paid in full.

On 15 April 1996, at their annual meeting, the Bank's governors decided to double the amount of authorised capital. Under this decision, the Community has subscribed for 30 000 additional shares with a face value of EUR 10 000 each. This operation involves paid-in shares and callable shares in the following proportions: 22,5 % of the subscribed shares represent a full number of paid-in shares and the remainder will be callable shares.

This item covers the full amount of the Commission's subscription to the EBRD's capital which has been called up and paid. Payments outstanding on the proportion of capital called up — EUR 43,9 million — are recorded under short-term liabilities (EUR 8,4 million) and long-term liabilities (EUR 35,5 million). Payments outstanding on non-called up capital, amounting to EUR 442,5 million, are included in the off-balance-sheet commitments.

###### European Investment Fund (EIF) subscription

Under the Council Decision of 6 June 1994 the European Community, represented by the Commission, subscribes a total of EUR 600 million to the EIF's capital. This represents 30 % of the EIF's capital. The Commission has paid all the called-up capital, which amounts to 20 %.

As with the EBRD subscription, payments outstanding on non-called up capital (80 %), amounting to EUR 480 million, are included in the off-balance-sheet commitments.

##### B. **Other investments:**

###### B.1. *Subscriptions and participations*

This heading includes subscriptions and participations purchased to help beneficiaries develop their business activities.

###### ECIP programme equity

This heading covers Community contributions to the provision of equity and subordinated loan capital for joint ventures set up under the European Community Investment Partners Programme (ECIP).

###### Eurotech capital, Venture consort and JOP

The purpose of the Eurotech capital instrument is to encourage the private funding of transnational high-technology projects developed by small and medium-sized undertakings through a network of risk-capital investors. It covers payments since 1990 in the form of advances repayable in certain circumstances when contracts run out.

The purpose of the Venture consort instrument is to promote the transnational syndication of risk-capital operators in small and medium-sized undertakings. It covers contributions since 1985 for investments in small and medium-sized enterprises (SMEs) engaging in innovatory projects.

The purpose of the Phare-Tacis Joint Venture programme (JOP) is to foster the creation and development of joint ventures in the countries of central and eastern Europe and the new independent States.

Since all three are risk capital operations, it is very difficult to assess the real present value of the contributions. In line with the principle of prudence, a 100 % adjustment has been made for the value of these contributions, which are therefore entered in the balance sheet at zero.

(EUR)

	Related organisations		Non-related organisations	
	EBRD	FEI	ECIP	EUROTECH, VENTURE CONSORT, JOP
<b>A. ACQUISITION VALUE</b>				
Previous year-end	600 000 000,00	600 000 000,00	22 879 226,68	20 404 673,00
Changes during the year				
— Acquisitions				1 078 729,00
— Disposals and withdrawals				-1 322 698,00
— Transfers between headings				
Year-end	600 000 000,00	600 000 000,00	22 879 226,68	20 160 704,00
<b>B. INCREASED IN VALUE</b>				
Previous year-end				
Changes during the year				
— Decided				
— Acquired from third parties				
— Cancelled				
— Transfers between headings				
Year-end	0,00	0,00	0,00	0,00
<b>C. REDUCTIONS IN VALUE</b>				
Previous year-end				20 404 673,00
Changes during the year				
— Decided				1 078 729,00
— Cancelled following disposal, withdrawal				-1 322 698,00
— Transfers between headings				
Year-end	0,00	0,00	0,00	20 160 704,00
<b>D. AMOUNTS NOT CALLED UP</b>	442 500 000,00	480 000 000,00		
Year-end	442 500 000,00	480 000 000,00	00,00	0,00
<b>NET BOOK VALUE YEAR-END (A+B-C-D)</b>	157 500 000,00	120 000 000,00	22 879 226,68	0,00

### B.3. *Guarantees and advances granted*

This heading incorporates fixed assets not included under tangible assets, such as deposits and guarantees paid, permanent advances for building charges, the operating funds advanced to third parties and the Guarantee Fund.

#### Guarantee Fund

Council Regulation (EC, Euratom) No 2728/94 of 31 October 1994 set up a Guarantee Fund for external actions to repay the Community's creditors in the event of default by beneficiaries of loans granted or guaranteed by the Community.

This facility covers loans guaranteed by the Community as a result of a Council Decision, in particular EIB lending operations outside the European Union and loans under macro-financial assistance and Euratom financial assistance outside the European Union.

The Interinstitutional Agreement of 29 October 1993 on budgetary discipline and improvement of the budgetary procedure provided that the general budget of the European Communities should include a guarantee reserve to cover loans to non-member countries. This reserve is intended to cover the requirements of the Guarantee Fund and, where necessary, activated guarantees exceeding the amount available in the Fund, so that these amounts may be charged to the budget.

The Fund is managed by the European Investment Bank (EIB) under a mandate from the Community.

The Fund is endowed by payments from the Community budget, the proceeds from interest on investments made from the Fund's assets, and sums recovered from defaulting debtors for whom the Fund has had to activate its guarantee.

The entry in the assets side of the Commission's balance sheet represents the Fund's net assets at 31 December 2001.

Since the Fund may be called on to cover defaulting debtors at any time, a provision has been created for risks and liabilities in line with the principle of prudence. This provision (EUR 1 266,2 million) corresponds to the target amount for the Guarantee Fund calculated on the basis of the amount outstanding at 31 December 2001 <sup>(1)</sup>.

The rules state that at the end of a year the surplus is to be paid back to a special heading in the statement of revenue in the general budget of the European Communities.

The Guarantee Fund surplus to be repaid to the Community budget during the first quarter of 2002 (EUR 372 million) is entered as own capital.

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<sup>(1)</sup> The target amount corresponds to 9 % of the amount outstanding.

**Guarantees and advances granted**

(EUR)

Description	Acquisition value at 31.12.2000 (A)	Changes during year (B)	Net book value at 31.12.2001 (C) = (A) + (B)
Guarantees and advances granted			
1. Guarantees	5 263 721,58	724 365,45	5 988 087,03
2. Advances granted	287 636,35	-266 780,00	20 856,35
3. Guarantee Fund	1 431 559 180,58	342 864 771,05	1 774 423 951,63
Total guarantees and advances granted	1 437 110 538,51	343 322 356,50	1 780 432 895,01
Other financial fixed assets — Total	0,00	0,00	0,00
<b>Total</b>	<b>1 437 110 538,51</b>	<b>343 322 356,50</b>	<b>1 780 432 895,01</b>

## V. LONG-TERM ASSETS

This heading includes amounts owed to the European Community by Member States, non-member countries and third parties on loans granted for more than one year, either from borrowed funds or from budget appropriations. It also includes amounts owed by third parties under the MEDIA programme.

**A. Loans granted from the budget**

This item principally covers risk capital loans on special terms granted as part of cooperation with non-member countries. It also covers loans granted under the ECIP programme to promote the setting-up of investment joint ventures in Asia, Latin America, the Mediterranean region and South Africa.

Amounts granted under the MEDIA II programme are also included under this heading. As the contracts stipulate that loan repayments depend on the always uncertain success of the projects, an adjustment has been made for the loans which have been definitively converted into grants.

The item also includes other, much smaller loans granted from the budget: loans for migrant workers and building loans for Community officials.

**B. Loans granted from borrowed funds**

Under the EC Treaty, the Council, acting unanimously, has the power to adopt guarantee or borrowing programmes if it considers this necessary to attain the objectives of the Community. Community borrowings are direct commitments by the Community itself and not by any individual Member State <sup>(1)</sup>.

<sup>(1)</sup> Detailed tables on these loans appear in Volume II.

As these loans are financial assets covered by borrowings, in order to give a true and fair view of the Union's assets and liabilities, financial position and results, all the operations are now set out in the form of a balance sheet and a charges and incomes account <sup>(1)</sup>.

The balance sheets of these financial operations have been incorporated in the Commission balance sheet by means of full consolidation.

For the borrowing and lending operations, the yield on loans and costs of borrowings in 2001 are as follows:

(EUR)

Description	Cost of borrowings	Yield on loans
Medium-term financial assistance	86 728 770,12	86 763 586,30
Food aid	0,00	0,00
Balance of payments	0,00	0,00
NCI Treasury instrument	6 415 611,62	6 452 689,55
Normal	2 184 862,47	2 202 703,09
Euratom	1 468 372,58	1 489 709,57
<b>Total</b>	<b>96 797 616,79</b>	<b>96 908 688,51</b>

Under an agreement with the EIB, the latter bears the risks of the NCI treasury instrument. Consequently, the surplus of loan proceeds over borrowing costs is charged to the EIB.

Changes in volume of loans granted by the European Communities:

<sup>(1)</sup> The balance sheets, charges and incomes accounts and changes in the volume of loans relating to financial activities under this heading are shown in detailed tables contained in Volume II.

(EUR)

	Currency	Balance at 31.12.2000 (A)	New loans (B)	Repayments (C)	Write-off (D)	Changes in exchange rates (E)	Balance at 31.12.2001 (F) = (A) + (B) - (C) - (D) + (E)	Reduction in value at 31.12.2000 (G)	Changes during the year (H)	Reduction in value at 31.12.2001 (I) = (G) + (H)	Net value at 31.12.2001 (J) = (F) - (I)
<b>A. LOANS GRANTED FROM THE BUDGET</b>											
Loans with special conditions	Euro	384 480 890,75		15 114 480,17			369 366 410,58			0,00	369 366 410,58
Risk capital operations <sup>(1)</sup>	Euro	157 759 225,07	37 856 207,23	1 759 887,83	873 080,97		192 982 463,50	0,00	413 085,28	413 085,28	192 569 378,22
ECIP loans <sup>(2)</sup>	Euro	88 879 307,75		21 275 111,54			67 604 196,21	0,00	49 000 000,00	49 000 000,00	18 604 196,21
Loans for migrant workers	Euro	89 261,87		24 843,37			64 418,50			0,00	64 418,50
Building loans	Euro	10 947,80		10 947,80			0,00			0,00	0,00
Loans to Turkey	Euro	175 000 000,00		175 000 000,00			0,00			0,00	0,00
MEDIA II loans <sup>(3)</sup>	Euro	80 371 333,18	14 852 351,91	3 649 493,84	3 527 121,49		88 047 069,76			0,00	88 047 069,76
Subtotal	Euro	886 590 966,42	52 708 559,14	216 834 764,55	4 400 202,46	0,00	718 064 558,55	0,00	49 413 085,28	49 413 085,28	668 651 473,27



	Currency	Balance at 31.12.2000 (A)	New loans (B)	Repayments (C)	Write-off (D)	Changes in exchange rates (E)	Balance at 31.12.2001 (F) = (A) + (B) - (C) - (D) + (E)	Reduction in value at 31.12.2000 (G)	Changes during the year (H)	Reduction in value at 31.12.2001 (I) = (G) + (H)	Net value at 31.12.2001 (J) = (F) - (I)
<b>B. LOANS GRANTED FROM BORROWED FUNDS</b>											
Medium-term assistance	Euro	1 561 000 000,00	305 000 000,00	252 000 000,00			1 614 000 000,00			0,00	1 614 000 000,00
Food aid	Euro	0,00					0,00			0,00	0,00
Balance of payments	Euro	0,00					0,00			0,00	0,00
NCI	Euro	106 194 036,98		27 608 402,95		2 373 238,11	80 958 872,14			0,00	80 958 872,14
Euratom	Euro	0,00	40 000 000,00				40 000 000,00			0,00	40 000 000,00
Subtotal	Euro	1 667 194 036,98	345 000 000,00	279 608 402,95	0,00	2 373 238,11	1 734 958 872,14	0,00	0,00	0,00	1 734 958 872,14
<b>Total</b>	Euro	2 553 785 003,40	397 708 559,14	496 443 167,50	4 400 202,46	2 373 238,11	2 453 023 430,69	0,00	49 413 085,28	49 413 085,28	2 403 610 345,41 <sup>(4)</sup>

<sup>(1)</sup> The write-off consists of commissions which the borrower does not have to repay. The value reductions correspond to proposals to convert loans into grants.

<sup>(2)</sup> The value reduction corresponds to the conversion of loans into grants now being examined by Financial Control.

<sup>(3)</sup> In accordance with the contracts, MEDIA II loans are sometimes converted into grants. In these circumstances, a write-off is made.

<sup>(4)</sup> This figure includes entitlements for both more and less than one year. The table below makes a distinction between entitlements of more than one year and those of less than one year.

The amounts outstanding on borrowings at 31 December 2001 are entered under long-term liabilities in the case of loans due in more than a year and under short-term liabilities in the case of loans due in less than one year. As the duration of the MEDIA loans is uncertain, the amount outstanding at 31 December 2001 is included under long-term assets.

	(EUR)		
	> 1 year	< 1 year	Loans outstanding 31.12.2001
<b>A. Loans from budgets:</b>			
ECIP	18 035 251,00	568 945,21	18 604 196,21
Other	634 393 973,78	15 653 303,28	650 047 277,06
Subtotal	652 429 224,78	16 222 248,49	668 651 473,27
<b>B. Loans from borrowed funds:</b>			
Financial assistance	1 379 000 000,00	235 000 000,00	1 614 000 000,00
Balance of payments	0,00	0,00	0,00
NCI	80 958 872,14	0,00	80 958 872,14
Euratom	40 000 000,00	0,00	40 000 000,00
Subtotal	1 499 958 872,14	235 000 000,00	1 734 958 872,14
<b>C. Other long-term loans</b>			
MEDIA I	26 820 647,86	0,00	26 820 647,86
Payable by Member State, pensions scheme	15 300 000 000,00	0,00	15 300 000 000,00
Others	115 652 792,00	20 028 177,00	135 680 969,00
Subtotal	15 442 473 439,86	20 028 177,00	15 462 501 616,86
<b>Total</b>	17 594 861 536,78	271 250 425,49	17 866 111 962,27

### C. Other long-term receivables

#### 1. Community pensions

Under Article 83 of the Staff Regulations, benefits paid under the pension scheme are charged to the budget of the Communities (Chapter A-19 (pensions and severance grants) covering all the institutions). Member States jointly guarantee payment of such benefits in accordance with the scale laid down for financing such expenditure (first subparagraph of paragraph 1).

An amount of EUR 15,3 billion payable by the Member States has been entered on the assets side of the balance-sheet for the first time; this explains the sharp rise in the 2001 balance compared with 2000.

Officials contribute one third of the long-term cost of financing the scheme by means of a compulsory levy set at 8,25 % of the basic salary (second subparagraph of Article 83(1)).

## 2. Financial contribution by the Belgian State

This is the contribution to the purchase and fitting-out of the D3 building for Parliament which came to EUR 176 million and which is to be paid for a minimum of ten years ending in 2008.

## VI. STOCKS

The heading mainly covers the scientific and technical equipment of the Joint Research Centre. In line with the principle of prudence, the stocks of heavy water, fissile material and samples for industrial and scientific use are valued every year and entered in the balance sheet at the acquisition price or re-sale cost of the last supplies received or the market price, whichever is the lower <sup>(1)</sup>.

It also includes the stocks of publications held by the Publications Office, valued according to special valuation rules. Value reductions have been made for the first time this year.

(EUR)

Description	Acquisition value	Value adjustment	Net book value
A. Office supplies	3 615 135,61	83 104,04	3 532 031,57
Other consumables	5 092 037,18	176 051,30	4 915 985,88
Building maintenance equipment	5 904 629,33	0,00	5 904 629,33
Subtotal	14 611 802,12	259 155,34	14 352 646,78
B. Scientific equipment			
Scientific reference material	45 270 043,00	0,00	45 270 043,00
Fissile material	22 151 806,00	4 243 372,00	17 908 434,00
Heavy water	14 923,00	0	14 923,00
Other scientific material	73 512,48	0,00	73 512,48
Subtotal	67 510 284,48	4 243 372,00	63 266 912,48
C. Stock of publications	4 493 123,66	4 469 310,10	23 813,56
Subtotal	14 611 802,12	259 155,34	14 352 646,78
<b>Total</b>	86 615 210,26	8 971 837,44	77 643 372,82

<sup>(1)</sup> With the exception of the Petten research centre where the fissile material has been valued at the cost of the last purchase.

## VII. SHORT-TERM ASSETS

B. **Current assets**B.2. *Amounts owed by Member States*

## 1. EAGGF GUARANTEE

This item includes amounts payable by the Member States in relation to amounts due to the EAGGF Guarantee Section (EUR 2 263 million) which have been declared by the Member States and entered in the debtors ledger at the end of the year and EUR 58 million from the clearance decision of December 2001.

In accordance with the principle of prudence, the European Communities must make a provision for the part of this amount which is unlikely to be recovered. Since 2001, Member States have been obliged under Regulation (EC) No 2761/99 to submit a half-yearly statement of the amounts entered in the debtors ledger. A more precise estimate of these entitlements will then be possible.

For 2001, the value reduction has been estimated at EUR 1 641 million. The fact that this adjustment is entered in the accounts does not mean that the European Communities is waiving recovery of the amounts covered by the provision.

## 2. VAT paid by institutions and recoverable from the Member States

This item covers the amounts due in respect of taxes paid by the institutions and recoverable from the Member States. A specific value adjustment of EUR 1,5 million has been calculated.

## 3. Other receivables from Member States

The figure of EUR 722,8 million represents claims on Member States which have been quantified and duly established. Estimates of amounts receivable have been recorded as a memorandum item in the Commission's accounts for other entitlements which have not yet been identified as certain, of a fixed amount and due. They are shown in Table 3.

The heading also includes own resources — this year totalling EUR 2 119,4 million — which, under Article 6(2)(b) of Regulation (EEC) No 1552/89, are established by the Member States but not made available to the Communities as they have not yet been recovered or guaranteed or because they have been challenged. This figure overestimates the Communities' actual entitlements since the separate account for traditional own resources largely consists of amounts where actual recovery is very doubtful.

However, it is very difficult to make a precise calculation of the impact of this overestimate since detailed information on the possibility of recovering these receivables is very scarce and fragmentary. In accordance with the principle of prudence, a value adjustment of EUR 1 581 million has been estimated on the basis of previous years' recovery statistics (EUR 1 055 million) and examination of individual cases (EUR 526 million). This value adjustment has been deducted from the item for receivables from Member States on the assets side of the balance sheet.

(EUR million)

	2001	2000
Established own resources entered in the account provided for in Article 6(2)(a) of Council Regulation (EEC) No 1552/89, to be recovered	54,020	74,557
Established own resources entered in the separate account provided for in Article 6(2)(b) of Council Regulation (EEC) No 1552/89, to be recovered	2 119,431	2 035,407
Value adjustment	- 1 581,368	- 1 286,812
Established own resources under the fifth subparagraph of Article 10(3) of Council Regulation (EEC) No 1552/89, as amended by Regulation (EC) No 2729/94	0,000	73,043
Taxes to be recovered from the Member States	38,591	22,279
Interest on late payment	10,259	10,668
EAGGF Guarantee debtors	2 263,033	2 010,609
Value adjustment	- 1 640,588	- 1 603,863
Year-end EAGGF regularisation advances	58,949	8,202
Additional amounts collected, 1998/1999 marketing year	0,000	0,000
National pensions (subrogation)	0,047	0,049
Own resources to be regularised	120,304	35,752
Miscellaneous (co-financing)	0,163	
<b>Total</b>	<b>1 442,841</b>	<b>1 306,848</b>

Table 1

## ACCOUNTS: OWN RESOURCES ESTABLISHED AND STILL TO BE RECOVERED AT END-2001

(EUR)

Member State	Agricultural duties	Sugar and isoglucose levies	Customs duties	Traditional own resources GROSS (=100 %)	Collection costs (10 % of traditional own resources)	Traditional own resources NET (= 90 %)	VAT and VAT balances	GNP and GNP balances	Total own resources to be recovered
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Belgium	0	0	4 131 538	4 131 538	-413 154	3 718 384	0	0	3 718 384
Denmark	0	0	7 486 297	7 486 297	-748 630	6 737 668	0	0	6 737 668
Germany	0	0	20 265 203	20 265 203	-2 026 520	18 238 683	0	0	18 238 683
Greece	8 209	0	0	8 209	-821	7 388	0	0	7 388
Spain	0	0	1 784 635	1 784 635	-178 464	1 606 172	0	0	1 606 172
France	0	0	269 610	269 610	-26 961	242 649	0	0	242 649
Ireland	0	0	209 051	209 051	-20 905	188 146	0	0	188 146
Italy	0	0	15 302 910	15 302 910	-1 530 291	13 772 619	0	0	13 772 619
Luxembourg	0	0	0	0	0	0	0	0	0
Netherlands	0	0	7 325 966	7 325 966	-732 597	6 593 370	0	0	6 593 370
Austria	0	0	0	0	0	0	0	0	0
Portugal	0	0	1 645 441	1 645 441	-164 544	1 480 897	0	0	1 480 897
Finland	0	0	386	386	-39	348	0	0	348
Sweden	0	0	559 303	559 303	-55 930	503 373	0	0	503 373
United Kingdom	0	0	1 081 352	1 081 352	-108 135	973 217	0	0	973 217
EUR 15	8 209	0	60 061 694	60 069 902	-6 006 990	54 062 912	0	0	54 062 912

Table 2

## SEPARATED ACCOUNTS: OWN RESOURCES ESTABLISHED AND STILL TO BE RECOVERED AT END-2001

(EUR)

Member State	Agricultural duties	Sugar and isoglucose levies	Customs duties	Traditional own resources GROSS (= 100 %)	Collection costs (10 % of traditional own resources)	Traditional own resources NET (= 90 %)
	(1)	(2)	(3)	(4)	(5)	(6)
Belgium	28 269 060	0	107 383 653	135 652 713	-13 565 271	122 087 442
Denmark	2 407 226	0	8 101 405	10 508 631	-1 050 863	9 457 768
Germany	147 478 771	0	476 742 192	624 220 963	-62 422 096	561 798 867
Greece	19 916 506	0	10 690 979	30 607 484	-3 060 748	27 546 736
Spain	13 175 009	0	77 460 975	90 635 984	-9 063 598	81 572 386
France	24 539 486	150 126	136 948 897	161 638 508	-16 163 851	145 474 657
Ireland	88 232	0	5 886 338	5 974 570	-597 457	5 377 113
Italy	265 021 060	0	148 716 556	413 737 616	-41 373 762	372 363 854
Luxembourg	0	0	2 958	2 958	-296	2 662
Netherlands	31 007 560	3 379 456	78 158 860	112 545 876	-11 254 588	101 291 289
Austria	9 208 094	0	41 595 666	50 803 760	-5 080 376	45 723 384
Portugal	10 429 267	0	30 298 000	40 727 267	-4 072 727	36 654 541
Finland	124 457	0	4 957 608	5 082 065	-508 206	4 573 858
Sweden	1 991 841	0	5 549 178	7 541 019	-754 102	6 786 917
United Kingdom	25 058 499	0	640 185 487	665 243 986	-66 524 399	598 719 588
EUR 15	578 715 069	3 529 582	1 772 678 751	2 354 923 402	-235 492 340	2 119 431 062

Table 3

## ESTIMATES OF AMOUNTS RECEIVABLE AT END-2001

	Agricultural levies	Sugar levies	Customs duties	VAT balances	GNP balances	Interest on late payment	Total
Belgium			10	4	1	20	35
Denmark			3	2	1	15	21
Germany			26	4	1	31	62
Greece			8	4	1	9	22
Spain			9	7	1	13	30
France			7	15	1	13	36
Ireland			1	5	1	11	18
Italy			9	12	1	17	39
Luxembourg			2	2	1	0	5
Netherlands			7	1	1	9	18
Austria			3	6	1	3	13
Portugal			4	8	1	7	20
Finland			4	9	1	6	20
Sweden		1	8	11	14	14	48
United Kingdom			20	3	1	33	57
EUR 15	0	1	121	93	28	201	444

### B.3. *Amounts owed by Community bodies*

This heading contains various amounts owed to the European Communities by Community bodies not covered by the scope of consolidation, for which the institutions pay certain expenditure, which will subsequently be repaid.

### B.4. *Sundry debtors*

This item covers amounts owed as a result of the activities of the European Communities, including:

1. The recovery orders entered in the revenue accounts at 31 December 2001 as established entitlements outstanding.

A value adjustment has been entered for irrecoverable entitlements still to be determined. Entitlements due for more than one year are written down by 20 %. A further cut of 20 % is made for each additional year.

2. Unpaid fines imposed by the Commission for infringements against competition rules (EUR 28 billion). After the decision to impose a fine, the debtor has 6 months from the date of notification:

- either to accept the decision, in which case he must pay the fine within the time limit laid down and the amount is definitively collected by the Commission;
- or not to accept the decision, in which case he lodges an appeal under Community law. However, the principal of the fine must be paid within the time limit laid down as the appeal does not have a suspensory effect (Article 242 of the EC Treaty). In this case, the debtor has two options: he can present a bank guarantee or pay the fine provisionally.

As regards fines still outstanding at 31 December 2001, EUR 338,5 million had been collected provisionally and bank guarantees had been presented to cover EUR 731,6 million <sup>(1)</sup>.

3. All debtors owing sums resulting from loans paid from borrowed funds.
4. At 31 December 2001, the Guarantee Fund no longer registered any default on loans guaranteed and had recovered all its debts from third parties (including interest on late payment).
5. Amounts paid to financial intermediaries but not yet transferred to the final beneficiary. This item includes advance payments from the budget to public or private intermediaries selected by the Commission to carry out the management or forward these payments to the final beneficiaries, either because of provisions contained in the regulations or as a result of contractual provisions. This amount — EUR 980 million (including bank interest of EUR 73 million) — thus corresponds to the funds held by the intermediaries at 31 December 2001.

As the procedure followed was of a non-accounting nature and given the number and geographical spread of the intermediaries, the amount entered in the balance sheet may not be complete. However, the improvement on the information for 2000 should be noted.

<sup>(1)</sup> See point 11 of Annex 4: Off-balance-sheet commitments.

Total value adjustments on current assets break down as follows:

(EUR)			
Value adjustments	Gross amount	Value adjustments	Net amount
EAGGF	2 321 982 558,61	1 640 588 033,62	681 394 524,99
Own resources	2 304 223 266,13	1 581 367 740,78	722 855 525,35
VAT to be recovered from the Member States	40 067 007,56	1 476 231,25	38 590 776,31
Sundry debtors (*)	4 289 743 129,15	169 816 419,95	4 119 926 709,20
<b>Total</b>	<b>8 956 015 961,45</b>	<b>3 393 248 425,60</b>	<b>5 562 767 535,85</b>

### C. Sundry receivables

Basically, this item covers amounts owed to the institutions by its staff, in particular advances on salary and other sums to be recovered.

### VIII. CASH INVESTMENTS

(EUR)		
Description	31.12.2001	31.12.2000
1. Shares		
2. Fixed-income bonds		
3. Term accounts		
— maturity < 1 month	11 324 167,90	7 950 000,00
— maturity > 1 month and < 1 year	29 385 433,71	20 422 890,52
— maturity > 1 year		
<b>Total</b>	<b>40 709 601,61</b>	<b>28 372 890,52</b>

### IX. DISPOSABLE ASSETS

(EUR)		
Description	31.12.2001	31.12.2000
A. Accounts with treasuries	19 768 758 736,84	15 918 997 076,72
B. Accounts with central banks	466 533 056,99	283 437 061,05
C. Accounts for borrowing/lending operations	34 211 771,61	9 960 550,69
D. Current accounts	982 147 408,03	932 829 047,33
E. Imprest accounts	92 730 924,86	114 132 776,33
F. Cash in hand	117 007,82	519 476,69
G. Transfers of funds	7 000 000,00	5 785,44
<b>Total</b>	<b>21 351 498 906,15</b>	<b>17 259 881 774,25</b>

This heading covers all the funds which the Commission keeps in its accounts in each Member State and EFTA country (treasury or central bank), in current accounts and imprest accounts, petty cash and the proceeds of loans made from borrowed funds and loans granted to improve housing conditions for migrant workers.



Funds totalling EUR 1,6 million kept in current accounts with two banks outside the Community which have gone bankrupt will probably prove irrecoverable. As a result, and in accordance with the principle of prudence, an adjustment has been made for these accounts and entered on the assets side (reducing the value of the 'Imprest accounts' heading).

(EUR)

Description	31.12.2001	31.12.2000
Imprest accounts	94 283 720,63	115 614 731,51
Adjustment	-1 552 795,77	-1 481 955,18
<b>Net book value</b>	<b>92 730 924,86</b>	<b>114 132 776,33</b>

## X. TRANSITIONAL ACCOUNTS

(EUR)

Description	31.12.2001	31.12.2000
Interest to be received	15 643 681,27	21 253 060,90
Expenditure to be charged	7 987 718,18	0,00
Expenditure between institutions	21 862 788,31	7 716 856,36
Charges paid in advance	58 240 100,87	54 501 922,38
Other charges carried over and acquisitions	59 555 268,30	258 090,57
<b>Total</b>	<b>163 289 556,93</b>	<b>83 729 930,21</b>

As the payment appropriations carried over are already contained in the result for the financial year, only the expenditure to be charged to the appropriations carried over are included in this item. Other miscellaneous expenditure still to be booked, i.e. expenditure which could not be finally booked before 31 December 2001, is now included with the result of the adjustments and is not covered by this item.

**LIABILITIES**

## I. OWN CAPITAL

The own capital item now consists of:

A. *The economic outturn for the financial year:*

1. Outturn of the budget
2. Result of adjustments
3. Result of borrowing and lending activities

B. *Outturn carried over from previous financial years:*

This covers only the cumulative outturn of economic adjustments given that the budget outturn is repaid to the Member States and that the result of borrowing and lending activities is transferred partly to the reserves and partly to the Commission's budget revenue.

C. *Reserves:*

1. The revaluation reserve comprises the durable revaluations of tangible and intangible fixed assets.
2. The reserve for borrowing and lending activities comprises a special reserve set up in previous years to cover future liabilities resulting from borrowing and lending activities.

The economic outturn breaks down as follows:

	(EUR)	
	31.12.2001	31.12.2000
Budget outturn	15 002 522 103,55	11 612 731 945,86
Result of adjustments	2 138 390 842,73	275 682 403,81
Result of borrowing and lending activities	71 773,82	671 572,77
<b>Economic outturn for the financial year</b>	<b>17 140 984 720,10</b>	<b>11 889 085 922,44</b>

The result of adjustments breaks down as follows:

	(EUR)	
Result of adjustments	31.12.2001	31.12.2000
<b>Positive adjustments</b>		
1. Reduction in charges: increase in assets	614 698 254,43	993 766 770,77
(a) Initial costs	0,00	0,00
(b) Intangible fixed assets	7 196 379,84	2 983 402,20
(c) Tangible fixed assets	370 650 918,08	747 053 959,39
(d) Financial fixed assets	8 503 729,00	28 525 046,00
(e) Loans granted from the budget	54 019 006,14	62 067 617,36
(f) Stocks	7 747 211,81	9 612 429,52
(g) Other expenditure	166 581 009,56	143 524 316,30
2. Depreciation	97 780 244,90	119 556 788,38
3. Value adjustments	259 731 091,65	665 931 078,68
4. Provisions	0,00	0,00
5. Income resulting from budgetary assets acquired during the year and not recovered	18 481 882 247,04	1 548 859 755,92
Total positive adjustments (A)	19 454 091 838,02	3 328 114 393,75
<b>Negative adjustments</b>		
1. Reduction in income: reduction in assets	737 984 152,43	1 092 906 256,41
(a) Initial costs	0,00	0,00
(b) Intangible fixed assets	482 835,16	1 961 218,02
(c) Tangible fixed assets	117 580 677,96	212 859 208,60
(d) Financial fixed assets	166 576 698,00	5 610 191,74
(e) Loans granted from the budget	217 328 181,41	125 544 986,87
(f) Stocks	12 388 975,08	79 107 941,62
(g) Collection of entitlements established in previous financial years	223 224 836,87	260 777 922,41
(h) With own capital	401 947,95	407 044 787,15
2. Depreciation	375 320 682,98	787 169 150,56
3. Value adjustments	403 432 909,74	737 700 181,60
4. Exceptional depreciation and value adjustments	4 535 977,28	7 009 827,52
5. Provisions	15 772 472 354,05	288 623 963,42
6. Expenditure to be regularised	21 954 918,81	76 184 276,92
Correction of result of adjustments for previous years		62 838 333,51
Total negative adjustments (B)	17 315 700 995,29	3 052 431 989,94
<b>Result of adjustments for the year (A-B)</b>	<b>2 138 390 842,73</b>	<b>275 682 403,81</b>

The result of borrowing and lending activities breaks down as follows:

(EUR)

Result of borrowing and lending activities and allocation of previous year's result					
Borrowing/lending instrument	Result 2000 (a) = (b) + (c)	Transfer of result to budget (b)	Allocation to special reserve (c)	Entry in special reserve	Result 2001
Medium-term financial assistance (MTA)	14 626,23	0,00	-14 626,23	0,00	109 541,88
Food aid to the former Soviet Union (FMA)	191,87	-191,87	0,00	0,00	56 604,42
Balance of payments (BOP)	80 107,33	-39 827,33	-40 280,00	0,00	-56 173,53
Euratom	442 988,04	-442 988,04	0,00	0,00	-85 788,12
New Community Instrument (NCI)	133 659,30	-133 659,30	0,00	0,00	47 589,17
<b>Total</b>	<b>671 572,77</b>	<b>-616 666,54</b>	<b>-54 906,23</b>	<b>0,00</b>	<b>71 773,82</b>

The reserve for borrowing and lending activities breaks down as follows:

(EUR)

Special reserve for borrowing and lending activities			
Borrowing/lending instrument	Balance at 31.12.2000 (a)	Allocation of 2000 result (b)	Balance at 31.12.2001 (a) + (b)
Medium-term financial assistance (MTA)	840 747,74	14 626,23	855 373,97
Food aid to the former Soviet Union (FMA)	10 000,00	0,00	10 000,00
Balance of payments (BOP)	66 996,77	40 280,00	107 276,77
Euratom	1 150 000,00	0,00	1 150 000,00
New Community Instrument (NCI)	300 000,00	0,00	300 000,00
<b>Total</b>	<b>2 367 744,51</b>	<b>54 906,23</b>	<b>2 422 650,74</b>

## II. PROVISIONS FOR LIABILITIES AND CHARGES

(EUR)

Description	Provision at 31.12.2000	Change over year	Provision at 31.12.2001
A. Major repairs			
B. Other liabilities and charges			
Guarantee Fund	1 266 169 180,58	135 794 771,05	1 401 963 951,63
Provision for decommissioning of installations	227 686 754,00	336 343 183,00	564 029 937,00
Provision for the pensions scheme	0,00	15 300 000 000,00	15 300 000 000,00
Other provisions	0,00	334 400,00	334 400,00
<b>Total provisions liabilities and charges</b>	<b>1 493 855 934,58</b>	<b>15 772 472 354,05</b>	<b>17 266 328 288,63</b>

### Lending to third countries

In view of the risks involved in lending to third countries, a provision for risks and liabilities has been set up for the net assets of the Guarantee Fund, not including the surplus funds to be repaid to the general budget in the first quarter of 2002 (see note IV.B.3 on the assets side).

*Decommissioning of JRC nuclear facilities*

In 2000, a provision for the decommissioning of the JRC nuclear facilities was decided for the closed facilities. The amount for facilities which are still in operation has been included with off-balance-sheet commitments as not all the information needed to calculate the provision is known.

In 2001, a more reliable estimate of the cost of decommissioning was possible. The provision is based on a specific detailed calculation at 31 December 2001 using the technological information and experience available.

At 31 December 2001 the total cost of decommissioning the JRC nuclear facilities was estimated at EUR 570 million, broken down as follows: EUR 190 million for facilities still in operation and EUR 380 million for facilities which have closed (of which EUR 6 million has already been paid). In view of these amounts, the provision came to EUR 564 million at the end of 2001.

*Pensions*

The rules governing the Community pension scheme are laid down in the Staff Regulations of Officials of the European Communities, in particular Chapter 3 (Pensions) of Title V (Emoluments and social security benefits of officials) and Annex VIII (Pension scheme). They are directly applicable in all the Member States.

The scheme covers different types of pension (retirement, invalidity, survivor's) and the payment of family benefits.

Under Article 83 of the Staff Regulations, benefits paid under the pension scheme are charged to the budget of the Communities (Chapter A-19 (Pensions and severance grants) covering all the institutions). Member States jointly guarantee payment of such benefits in accordance with the scale laid down for financing such expenditure (first subparagraph of paragraph 1).

Officials contribute one third of the long-term cost of financing the scheme by means of a compulsory levy set at 8,25 % of the basic salary (second subparagraph of Article 83(1)).

In previous years, pension rights were mentioned in the off-balance-sheet commitments (point 8).

For the 2001 financial statements, it was decided to enter a provision on the liabilities side of the balance sheet for the estimated calculation of pension rights.

The calculation of the estimate of total pensions liabilities (in line with the financing provided for in Article 83 of the Staff Regulation) is consistent with standard IAS19, an international accounting standard which requires the employer to determine his actuarial commitment on a going concern basis, reflecting service-prorated benefits and taking into account foreseeable salary increases.

The actuarial valuation method used to calculate this liability is known as the projected unit credit method (or accumulated entitlements method).

The estimate of total pension liabilities is based on an actuarial study using the figures at 31 December 1997, but adjusted to 31 December 2001 in line with the additional entitlements acquired in 1998, 1999, 2000 and 2001.

The liabilities cover the pension rights of the following persons:

1. Staff in active employment at 31 December 2001 in all the institutions and agencies covered by the Community pensions scheme;
2. Persons receiving a retirement pension;

3. Persons receiving a survivor's pension;
4. Orphans;
5. Persons receiving an invalidity pension;
6. Members and former Members of the Commission.

The actuarial calculation is based on standard IAS 19 and, in particular, the following parameters:

1. Updated mortality tables;
2. Calculation interest in accordance with standard IAS 19: 3,35 % compound;
3. Closed-group model (participants at 31 December 2001);
4. Application of the principle of married staff in active employment, without taking orphans' pensions into account;
5. The marital situation of persons no longer at work, taking orphans' pensions into account;
6. Elimination of the effect of the weighting, inflation or general revaluation of salaries/pensions;
7. Average salary progression of around 2 %;
8. A pensionable age of 60;
9. The statistics on early retirement and invalidity are based on current data.

The calculations of gross pensions and family allowances are based on the provisions of the Staff Regulations.

In accordance with accounting standard IAS19, the actuarial commitment has been calculated on the basis of a real rate of interest of 3,35 % (the rate at 31.12.2001) and comes to EUR 15,3 billion (including EUR 0,04 billion for the members). If the 1998 rate of 2,5 % had been used, the figure would have been EUR 17,7 billion (including EUR 0,04 billion for the members).

In 2001 the servicing cost comes to EUR 0,7 billion (real interest 2,5 %) and the nominal interest calculated on the actuarial commitment comes to EUR 0,8 billion (nominal interest 4,75 %).

With a 3,82 % rate over 20 years (and a constant real interest rate of 3,9 % for the period up to 1998 as proposed by KPMG), the commitment would be EUR 14,2 billion.

	NUMBER			EXPENDITURE (EUR million)		
	Actual	Estimate		Actual	Estimate	
	2001	2002	2003	2001	2002	2003
Retirement pensions	5 871	6 355	6 869	352	390	429
Invalidity pensions	3 060	3 227	3 393	135	145	157
Survivors' pensions	2 426	2 543	2 670	64	69	75
Severance grants	444	545	607	15	20	20
<b>Total</b>	<b>11 801</b>	<b>12 670</b>	<b>13 539</b>	<b>566</b>	<b>624</b>	<b>681</b>

## III. LONG-TERM LIABILITIES

This heading includes liabilities due in more than one year.

Financial liabilities include liabilities contracted by the European Communities under borrowing and lending activities <sup>(1)</sup>.

'Other long-term liabilities' includes all other liabilities whose amounts are known and whose duration is more than a year.

(EUR)

Description	31.12.2000	Changes during year	31.12.2001
1. Financial debts: Borrowings			
MTA	1 294 000 000,00	75 000 000,00	1 369 000 000,00
Euratom	0,00	40 000 000,00	40 000 000,00
NCI	18 426 534,21	472 397,59	18 898 931,80
Subtotal	1 312 426 534,21	115 472 397,59	1 427 898 931,80
2. Other long-term liabilities			
Staff funds	20 478 068,07	1 919 132,29	22 397 200,36
Deposits and guarantees	2 788 566,88	387 367,54	3 175 934,42
NCI	0,00	15 000 000,00	15 000 000,00
Leasing	1 194 749 155,00	162 833 561,22	1 357 582 716,22
EBRD subscriptions	43 875 000,00	-8 437 500,00	35 437 500,00
Other	188 739 034,87	-73 086 242,87	115 652 792,00
Subtotal	1 450 629 824,82	98 616 318,18	1 549 246 143,00
<b>Total</b>	<b>2 763 056 359,03</b>	<b>214 088 715,77</b>	<b>2 977 145 074,80</b>

Staff funds: This heading covers the unemployment fund for temporary staff at all the institutions and the welfare fund for Commission local staff in non-member countries.

Deposits and guarantees received: These are sums deducted as guarantees for the payment of construction work and the guarantee accounts for accounting officers, assistant accounting officers and imprest administrators.

Leasing: This heading contains leasing debts due in more than one year.

EBRD subscriptions: the part of the subscription called in (see note IV.A — Assets).

Other: As it has invoked its purchase option for a building, Parliament must repay the cost of investment (see note III.A — Assets).

<sup>(1)</sup> Detailed tables on borrowing are to be found in Volume II.

The detailed movements in borrowing operations in 2001 are as follows:

(EUR)

Description	Balance at 31.12.2000	New borrowings	Repayments	Exchange differences	Balance at 31.12.2001
1. Borrowings					
MTA	1 566 000 000,00	305 000 000,00	-272 000 000,00	0,00	1 599 000 000,00
NCI	89 704 763,91	0,00	-71 278 229,70	472 397,59	18 898 931,80
Euratom	0,00	40 000 000,00	0,00	0,00	40 000 000,00
<b>Total</b>	<b>1 655 704 763,91</b>	<b>345 000 000,00</b>	<b>-343 278 229,70</b>	<b>472 397,59</b>	<b>1 657 898 931,80</b>

The amounts outstanding on borrowings at 31 December 2001 are entered under long-term liabilities in the case of loans due in more than a year and under short-term liabilities in the case of loans due in less than one year. The debt from borrowings is guaranteed by the Community budget.

(EUR)

Description	Maturity > 1 year	Maturity < 1 year	Balance
1. Borrowings			
MTA	1 369 000 000,00	230 000 000,00	1 599 000 000,00
Euratom	40 000 000,00	0,00	40 000 000,00
NCI	18 898 931,80	0,00	18 898 931,80
Subtotal	1 427 898 931,80	230 000 000,00	1 657 898 931,80
2. Leasing	1 357 582 716,22	102 409 434,93	1 459 992 151,15
3. Other	191 663 426,78	28 467 081,08	220 130 507,86
Subtotal	1 549 246 143,00	130 876 516,01	1 680 122 659,01
<b>Total</b>	<b>2 977 145 074,80</b>	<b>360 876 516,01</b>	<b>3 338 021 590,81</b>

## IV. SHORT-TERM LIABILITIES

## A. Long-term liabilities falling due in less than one year

This heading includes borrowings which fall due for payment in less than one year's time, long-term leasing debts falling due within the year, subscriptions to EBRD capital and the purchase of Parliament's building complex (see table below).

## B. Other financial liabilities

This item covers payments booked to the budget in 2001 but only effected by the accounting officer between the closure of the accounts and 15 January 2002 (Article 6 of the Financial Regulation).

## C. Current liabilities

## C.1. Member States and EFTA countries

This heading covers amounts owed to EFTA countries belonging to the EEA.

## C.2. Community bodies

This item covers amounts owed by the institutions to certain Community bodies which do not come within the scope of consolidation.

## C.3. Appropriations to be carried over

At 31 December 2000 the breakdown of appropriations to be carried over, taking all the institutions together, was as follows:

(EUR)

Description	31.12.2001	31.12.2000
Appropriations to be carried over:		
— non-differentiated appropriations carried over automatically	1 043 518 132,08	438 489 918,27
— non-differentiated appropriations carried over by the budgetary authority	102 159 535,67	0,00
— appropriations carried over by Commission decision	394 192 359,00	1 840 697 653,00
— differentiated appropriations for the year from contributions by third parties	549 817 932,79	330 125 378,03
<b>Total</b>	<b>2 089 687 959,54</b>	<b>2 609 312 949,30</b>

## C.4. Sundry creditors

This item covers debts arising from the activities of the European Communities and non-budget recovery orders.

## D. Other liabilities

These are mainly amounts owed to staff and revenue to be transferred to various organisations or other third parties.



## V. TRANSITIONAL ACCOUNTS

(EUR)

Description	31.12.2001	31.12.2000
Interest	19 819 920,38	21 254 430,04
Expenditure to be charged	315 341 724,30	91 990 775,64
Revenue of the institutions to be regularised	2 110 153,93	3 733 496,09
Appropriations for re-use to be carried over	108 934 365,83	96 201 304,82
Appropriations for re-use to be collected	68 909 116,36	454 977 782,90
Conversion differences	1 277 282,43	26 686 076,82
Other charges carried over and acquisitions	62 181 105,35	6 166 364,92
<b>Total</b>	578 573 668,58	701 010 231,23

This item comprises revenue not booked, i.e. revenue which could not be definitively booked to the budget before the close of the year and revenue available for re-use. It also includes accrued interest on borrowings and swaps.

The entitlements for re-use still to be recovered are included under this item as they can be re-utilised. Entitlements from the repayment of payments on account are now included in the result of adjustments in view of the low rate of re-use.

This item also covers conversion gains on currency items, not including cash assets.

## ANNEX 4

## OFF-BALANCE-SHEET COMMITMENTS

## POTENTIAL DEBTS AT 31 DECEMBER 2001

(EUR)

		31.12.2001	31.12.2000
1 (*)	Commitments against differentiated appropriations not covered by carryovers of payment appropriations	85 824 202 376	63 429 543 396
2 (*)	Aid planned but not committed in respect of	172 920 033 563	211 929 134 983
	2.1. Structural Funds (aid planned but not committed for the period 2000—2006)	156 617 830 641	194 463 405 045
	2.2 Cohesion Fund	13 622 314 496	16 386 546 759
	2.3 ISPA	1 831 074 176	865 524 429
	2.4 Protocols with Mediterranean countries	159 100 000	132 100 000
	2.5 External relations	80 000 000	42 250 000
	2.6 Fisheries agreements	609 714 250	39 308 750
3 (*)	EAGGF-Guarantee	24 298 585 958	23 162 514 193
	3.1. Expenditure by Member States under the EAGGF Guarantee Section between 16.10.2001 and 31.12.2001	23 439 550 000	22 526 913 000
	3.2 Potential liabilities connected with the clearance of the EAGGF Guarantee accounts pending judgment by the Court of Justice	859 035 958	635 601 193
4 (*)	Repayment guarantee	19 599 893 913	22 972 866 914
	4.1. On loans granted by the EIB from its own resources to non-member countries	19 363 000 000	22 719 000 000
	4.2. Signed by EIF (EC holds 30 % of EIF authorised capital)	236 893 913	253 866 914
5 (*)	Leasing and long-term rental commitments	833 921 217	1 385 574 063
	5.1 Leasing of buildings	831 711 706	1 383 258 881
	5.2 Computer equipment and transport	2 209 511	2 315 182
6	SWAPS	140 000 000	274 285 371
	6.1 Currency swaps to be delivered: NCI	0	59 285 371
	6.2 Exchange rate swaps to be delivered: Financial assistance	140 000 000	215 000 000
7	Correction of budgetary imbalances	p.m.	p.m.
8 (*)	Potential liabilities in respect of contributions to related organisations	922 500 000	922 500 000
9 (*)	Other potential liabilities — Taxes	17 456 670	13 000 000
10 (*)	Renovation of Berlaymont building	374 000 000	374 000 000
11 (*)	Fines: appeals to Court of Justice	2 212 079 326	0
	<b>Total</b>	<b>307 142 673 023</b>	<b>324 463 418 920</b>

(\*) See explanatory notes.

All these potential debts with the exception of those entered under points 4.1 and 6 will have to be financed from future Community budgets if they fall due. The Community budget is financed by the Member States. The commitments in respect of pensions and the cost for decommissioning Joint Research Centre facilities are entered under 'Provisions' on the liability side of the balance-sheet.

**POTENTIAL ASSETS AT 31 DECEMBER 2001 <sup>(1)</sup>**

(EUR)

		31.12.2001	31.12.2000
4 (*)	Guarantees received from third-party guarantors in respect of loans granted by:	19 483 958 872	22 825 194 037
	4.1 the EIB and covered by a Community guarantee	19 363 000 000	22 719 000 000
	4.3 Commission: NCI and Euratom	120 958 872	106 194 037
6	SWAPS	125 000 000	267 250 000
	6.1 Currency swaps to be received: NCI	—	47 250 000
	6.2 Exchange rate swaps to be received: Financial assistance	125 000 000	220 000 000
11 (*)	Commitments received (bank guarantees) in respect of fines (cases still pending at 31.12.2001)	731 625 500	639 451 500
12 (*)	Potential assets relating to cases of fraud and irregularities in the field of:	441 348 000	1 416 492 000
	EAGGF-Guarantee	—	1 099 225 000
	Structural operations	441 348 000	317 267 000
13 (*)	EAGGF-Guarantee — net potential gain on disposal of agricultural stocks	148 720 000	155 320 000
14 (*)	Estimates of amounts receivable	288 755 798	151 640 998
	<b>Total</b>	<b>21 219 408 170</b>	<b>25 455 348 535</b>

(\*) See explanatory note. Potential assets linked to potential liabilities have the same number in the explanatory notes.

<sup>(1)</sup> Once these assets (with the exception of those entered under points 4 and 6) are certain of a fixed amount and due, they will be added to budget revenue for the year in which they are collected. They will thus increase the budget outturn earmarked for the Member States.

## EXPLANATORY NOTES

### OFF-BALANCE-SHEET COMMITMENTS — POTENTIAL LIABILITIES AND ASSETS

In order to improve the financial information of the European Communities, off-balance-sheet commitments are included in the annex to the financial statements. These are commitments made or received which could be of considerable budgetary significance in the medium or long term.

#### POINT 1: OUTSTANDING COMMITMENTS (RAL)

Commitments against differentiated appropriations still outstanding at 31 December 2001 totalled EUR 86,8 billion of which EUR 0,9 billion is covered by carryovers of payment appropriations from 2001 to 2002. This is the maximum potential commitment.

The overall amount of outstanding commitments has been tending to grow over the last ten years, most of the increase being linked to the increase over the same period in commitment appropriations and corresponding to the deferred completion of the operations covered by the budget commitments. These normal outstanding commitments are the direct and legitimate consequence of the implementation of the Community budget.

In a joint declaration of 20 November 2001, the Commission, Parliament and the Council, all three of whom wished to contain the amounts still to be cleared and eliminate 'abnormal outstanding commitments' in the medium term, stressed the fact that abnormal outstanding commitments could be reduced not only by increasing the appropriations for payments, but also by making greater use of decommitment. Potentially abnormal outstanding commitments were defined in this declaration, by common agreement, as consisting of dormant commitments for which no payment had been made over the past two years and old commitments entered in the budget for at least five years.

As a result of this Declaration, the Commission has undertaken to present, along with the preliminary draft budget for 2003 at the latest, an action plan providing for the examination of all potentially abnormal cases entered at the start of the 2002 budget year. This plan will consist of the following elements for each of the lines contained in the annex to the Declaration:

- the number of potentially abnormal cases at 31 December 2001, together with the corresponding amounts;
- the number of cases examined over the previous twelve months;
- for the other cases, an examination schedule for the following dates:
  - 30 April 2002;
  - 31 August 2002;
  - 31 December 2002;
  - 30 April 2003.

On each of these dates, the budgetary authority will be informed of the findings of this examination and the decisions taken in respect of these cases: payments, closure, decommitment and specific follow-up.

A working paper on changes in the level of both normal and abnormal commitments outstanding in each heading will then be sent every year to the budgetary authority together with the preliminary draft budget. This paper will also describe the measures taken by the Commission to avoid the recurrence of abnormal outstanding commitments. It would therefore seem possible to start bringing under control, by the end of 2003, the abnormal component of outstanding commitments and to keep the budgetary authority regularly informed of the progress made.

Finally the proposed recasting of the Financial Regulation should introduce strict arrangements for monitoring old and dormant commitments.

The calculation of potentially abnormal outstanding commitments for the main areas concerned at 31 December 2001 was:

(EUR million)

	Structural Funds	Internal policies	External action	Pre-accession aid	Total
Total RAL	56 765	10 625	12 675	6 698	86 763
Total potentially abnormal RAL	7 684	1 153	2 643	175	11 655
of which:					
dormant RAL	7 306	992	1 359	86	9 743
non-dormant old RAL	378	161	1 284	89	1 912

This initial calculation shows that the abnormal component of outstanding commitments amounts to almost EUR 11,7 billion, but is still low compared with total outstanding commitments and is divided unevenly between the headings of the financial perspective. Two thirds of all outstanding commitments, and of potentially abnormal outstanding commitments, are accounted for by the Structural Funds. The measures to reduce abnormal outstanding commitments are concentrated on the Structural Funds and on external action.

## POINT 2: LEGAL COMMITMENTS WITHOUT A BUDGET COMMITMENT

These potential debts originated because the Commission decided to enter into commitments in respect of amounts that were not covered by commitment appropriations in the budget.

Under the Interinstitutional Agreement and, more generally, the rules relating to the budget, the following expenditure must be recorded as off-balance-sheet commitments in view of the volume of financial commitments which arises.

- The Structural Funds and the Cohesion Fund represent expenditure targets and the whole allocation shown in the financial perspective is thus intended to be matched by decisions. As a result, potential commitments are evaluated at a maximum (points 2.1 and 2.2).

A second more binding level of commitment arises once there is a legal decision for each programme or project (see table below).

- ISPA: In itself, the ISPA Regulation does not lead to off-balance-sheet commitments as it does not provide for an annual allocation or even a total allocation. This is determined every year by the budgetary authority in line with the financial perspective. The ceilings in heading 7 (pre-accession) are not expenditure targets and the Interinstitutional Agreement allows a degree of flexibility between the various pre-accession instruments. On the other hand, ISPA generates potential debts in connection with the individual projects which involve a number of annual tranches of which only the first is covered by a budget commitment when the decision is adopted (point 2.3).
- Commitments entered into with specified third parties for certain operations outside heading 4, relating to specific amounts over a fixed period (points 2.4 to 2.6).

The other multiannual programmes do not contain any commitments to be included under potential debts: expenditure in future years is conditional on the annual decisions by the budgetary authority or changes in the rules concerned.

(EUR million)

Structural Funds <sup>(1)</sup>	Amount available under the financial perspective (current prices)	Legal commitments concluded in 2001	Budget commitments 2000/2001	Maximum potential commitments <sup>(2)</sup>	Legal commitments with no budget commitment
	(A)	(B)	(C)	(A-C)	(B-C) <sup>(3)</sup>
Objective 1	147 098	138 730	38 000	109 098	100 729
Objective 2	24 242	23 218	6 427	17 815	16 791
Objective 3	26 054	24 969	7 080	18 974	17 890
FIFG (outside Objective 1)	1 198	1 116	316	882	800
Community initiatives	11 295	9 319	1 446	9 849	7 888
<b>Total</b>	<b>209 887</b>	<b>197 352</b>	<b>53 269</b>	<b>156 618</b>	<b>144 098</b>

<sup>(1)</sup> Commitments from Chapter B2-16 (Innovation measures and technical assistance) are not included in this list as they are not likely to have generated any off-balance-sheet commitments.

<sup>(2)</sup> Including appropriations cancelled and those which have not been carried over or transferred in 2000 and 2001.

<sup>(3)</sup> Budget commitments in respect of the networks are not included unless they take the form of a programme with annual tranches (EUR 15 million).

Legal commitments not followed up by a budget commitment total EUR 144 098 million and correspond to the difference between the value of the programmes adopted by the Commission at 31 December 2001 and the amount of budget commitments entered into in respect of these programmes in 2000 and 2001.

(EUR million)

Cohesion Fund		
Total allocation 2000—2006 (*)	Budget commitments	Maximum potential commitments
18 993	5 371	13 622

(\*) Under the ceiling for the Cohesion Fund in the financial perspective in force at 31.12.2001.

(EUR million)

ISPA		
contribution to projects adopted by the Commission in 2000 and 2001	Budget commitments	Maximum potential commitments
3 938	2 107	1 831

### POINT 3: EAGGF GUARANTEE

#### 3.1. Expenditure between 16 October 2001 and 31 December 2001

In the case of the Guarantee Section of the European Agricultural Guidance and Guarantee Fund, the payments are those effected by the Member States between 16 October 2000 and 15 October 2001, provided that the accounting officer was notified of the commitment and authorisation by 31 January 2002. Payments made by Member States between 16 October and 31 December 2001 are included in the off-balance-sheet commitments.

### 3.2. Clearance of accounts

Potential liabilities towards the Member States connected with the clearance procedures. The determination of the final amount of the liability and the year in which it will be charged to the budget will depend on the length of the procedure before the Court of Justice.

## POINT 4: REPAYMENT GUARANTEES

### 4.1. Loans granted by the EIB to third countries from its own resources

As formulated, the guarantee legally covers the loans signed by the EIB at 31 December 2001 (including loans granted to three Member States before accession). However, it should be noted that these loans have not been fully paid out. At 31 December 2001 the amount paid out totalled EUR 13 770 million (EUR 13 736 million when the countries which have become Member States are excluded) and this, therefore, is the amount of the risk incurred by the Union. Of the EUR 19 363 million paid out up to 31 December 2001, EUR 5 593 million has already been repaid.

The loans granted by the EIB from its own resources to third countries are covered by the Community budget guarantee as follows:

(EUR million)

	31.12.2001	31.12.2000
65 % guarantee	3 560	2 916
70 % guarantee	5 088	7 320
75 % guarantee	5 441	1 465
100 % guarantee	5 274	11 018
<b>Total</b>	<b>19 363</b>	<b>22 719</b>

Third-party guarantees have been obtained for the loans granted by the EIB covered by the Community budget guarantee (EUR 19 363 million).

### 4.2. Signed by the EIF

At 31 December 2001 the EIF had signed guarantees totalling EUR 2 789,6 million; this represents a maximum potential risk of EUR 836,9 million for the European Community. As the Community contributes a total of EUR 600 million to the capital of the EIF, the latter might, in the worst possible scenario, have to repay EUR 2 236,9 million. The proportion of the capital subscribed by the European Community which has not been called up (80 %, amounting to EUR 480 million) is also included in the off-balance-sheet commitments as a potential liability (point 9).

### 4.3. Loans granted under borrowing and lending activities

The Community has received guarantees from third-party guarantors in respect of guarantees it has granted on loans under its borrowing and lending activities. The guarantees received may be classified as follows:

(EUR)

Guarantees by Member States	621 648
Guarantees by third countries	40 000 00
Banks or long-term credit institutions	61 438 292
Loans to Member States	18 898 932
<b>Total</b>	<b>120 958 872</b>

The Community has not received third-party guarantees for loans granted under the financial assistance scheme. However, these loans, totalling EUR 1 614 million, are guaranteed by the Guarantee Fund.

## POINT 5: LONG-TERM LEASES

### 5.1. Buildings

This heading covers buildings occupied under a long-term leasing contract (with an initial term of more than five years) which do not meet the conditions for entry on the assets side of the balance sheet. The amounts indicated correspond to commitments still to be paid during the term of the contract, except for the Court of Justice's Palais building, which is occupied under an indefinite lease, here, the amounts correspond to the annual rent.

The total for rented buildings breaks down as follows:

(EUR million)

Institution	Amount
Commission	687
OPOCE	77
Council	36
Parliament	24
Court of Justice	2
ESC	6
<b>Total</b>	<b>832</b>

The Commission figure includes property tax of EUR 5,9 billion.

In accordance with the framework contract relating to the construction of one or more extensions to the building of the Court of Auditors, signed on 15 December 1999, the Luxembourg State undertakes to grant the Court a building lease on the land for the first extension at the price of EUR 1 (one) for a period not exceeding 49 years. Any further building leases on other land needed for the other extensions must not exceed the expiry date of the building lease granted for the first extension.

The Luxembourg State also undertakes to sell the land at any time at the market rate determined by a joint expert opinion.

For its part, the Court undertakes to do all it can to purchase the land from the Luxembourg State. It will ask the budgetary authority for the necessary funds.



Because of an administrative delay, the Luxembourg State has not yet followed up its commitments of principle.

#### POINT 8: CONTRIBUTIONS TO RELATED ORGANISATIONS

Potential debts due to contributions to related organisations.

This sum represents payments outstanding on non-called-up capital subscribed by the Commission to the EBRD and the EIF:

(EUR million)

EBRD	Total capital EBRD	Commission subscription
Capital	20 000	600
Paid-in	5 250	157,5
Callable	14 750	442,5

(EUR million)

EIF	Total capital EIF	Commission subscription
Capital	2 000	600
Paid-in	400	120
Callable	1 600	480

#### POINT 9: OTHER POTENTIAL COMMITMENTS

##### Brussels Capital Region tax

In 1993 the Brussels Capital Region introduced a tax on office workers. The Commission asked the regional authorities about its exemption under the Protocol on privileges and immunities. The initial reply given was favourable.

However, this position was reversed as a result of legal procedures brought by the owners of some of the buildings occupied by the Commission. The Commission might therefore have to pay this tax.

#### POINT 10: RENOVATION OF THE BERLAYMONT BUILDING

A memorandum of understanding was signed between the European Community, the Belgian State and SA Berlaymont 2000 on 8 July 1997 with the following stipulations:

- The Belgian State would finance the cleaning up of the Berlaymont (removal of asbestos) at a total cost of EUR 89 million;
- As soon as the new Berlaymont building was available, the European Community would reimburse the cost of investment consisting of the value of the building before renovation (a flat-rate EUR 49 million) and the cost of renovation (estimated at EUR 325 million);
- The investment costs are to be reimbursed by the Community in the form of an annual leasehold charge at market conditions for 27 years (estimated at EUR 27 million a year);
- The date for the building's return to service was fixed as a non-binding indication at 30 June 2000.

The Commission is now seeking to update the 1997 memorandum of understanding to fix a ceiling for the renovation costs it must cover and a fixed date for the building's return to service.

A memorandum of understanding was signed between the Commission and the Belgian State on 17 July 2001. This memorandum stipulates that an agreement is to be signed setting a firm maximum price for the Commission to pay and a firm date for the building's return to service. The figure of EUR 374 million could be increased in line with the updating of the programme of requirements laid down for the Berlaymont building in 1997.

#### POINT 11: FINES

As the fines imposed by the Commission for infringement of competition rules are entered in the result for the financial year, it has been decided, in accordance with the principle of prudence, that fines for which an appeal has been lodged <sup>(1)</sup> should be included as a potential liability in the off-balance-sheet commitments pending a decision by the Court of Justice. This potential debt will be maintained until a decision which acquires the authority of a final decision. (see explanatory note to the balance sheet — assets VII b.4 —)

(EUR)

Year of decision	Amount covered by an appeal
Before 2001	964 258 326
2001	1 247 821 000
<b>Total</b>	2 212 079 326

#### Debts and claims:

The following table, classified by year of Commission decision, shows all the cases involving fines which were still pending at 31 December 2001.

This means that:

1. It does not show cases completely settled by that date.
2. Cases for which there has been a final judgment but which still have to be finalised for various reasons have been removed from this table.

In view of the complicated nature of these cases, the number of companies involved and the possible options, this table cannot reflect historical developments over a number of years. It therefore merely gives the current situation for each case pending in relation to the Commission's initial decision.

The 'Miscellaneous' heading contains a number of amounts which, for various reasons, cannot be recovered or have not yet been recovered. They include:

- appeals by the Commission against a ruling by the Court of First Instance cancelling the fines. The Commission appeal is not covered by a bank guarantee or provisional payment;
- debtors who are bankrupt or under judicial administration and for whom a legal procedure is still ongoing;
- fines in the course of recovery, the case being still pending;
- fines imposed in 2001 but not due until 2002, where the level is particularly high as most of the decisions were taken in the final quarter of 2001.

<sup>(1)</sup> Even if the appeal for fines imposed in 2001 was made in 2002 before the closure of accounts.

(EUR)

Year of decision	Number of companies involved	Total fines initially imposed	Appeals pending against Commission decision		No appeal (i.e. definitive payment)	Miscellaneous
			No payment (with bank guarantee)	With payment (provisional)		
1987	2	410 000 (2)	400 000 (1)	10 000 (1)		
	2	410 000 (2)	400 000 (1)	10 000 (1)		
1992	1	1 000 000 (1)	1 000 000 (1)			
	1	1 000 000 (1)	(no guarantee)			1 000 000 (1)
1994	44	151 130 000 (44)	143 406 411 (37 + 2 in part)	3 813 589 (1 + 2 in part)	1 700 000 (2)	2 210 000 (2)
	24	42 530 000 (24)	15 060 000 (20)	27 460 000 (3)		10 000 (1)
1995	43	250 966 000 (43)	223 843 000 (33)	25 165 000 (8)	102 000 (1)	1 856 000 (1)
	7	61 643 000 (7)	39 325 000 (4)	22 318 000 (3)		
1997	1	8 800 000 (1)		8 800 000 (1)		
	1	7 883 326 (1)		7 883 326 (1)		
1998	38	532 510 000 (38)	422 122 500 (19+1 in part)	21 647 500 (6+1 in part)	1 800 000 (1)	86 940 000 (11)
	35	509 910 000 (35)	409 702 500 (20 + 2 <i>parciais</i> )	63 557 500 (7+2 <i>parciais</i> )		36 650 000 (6)
1999	11	112 350 000 (11)	87 250 000 (8)	20 700 000 (2)		4 400 000 (1)
	10	107 950 000 (10)	87 250 000 (8)	20 700 000 (2)		
2000	24	232 932 000 (24)	148 928 000 (19 + 1)	84 004 000 (4+1 in part)		
	24	232 932 000 (24)	148 928 000 (19 + 1)	84 004 000 (4 + 1 in part)		
2001	63	1 986 869 000 (63)	30 960 000 (1)	112 635 000 (5)	37 126 000 (3)	1 806 148 000 (54)
	60	1 949 743 000 (63)	30 960 000 (1)	112 635 000 (5)		1 806 148 000 (54)
Total Decisions notified	227	3 276 967 000 (227)	1 057 909 911 (119 + 4 in part)	276 775 089 (28 + 4 in part)	40 728 000 (7)	1 901 554 000 (69)
	164	2 914 001 326 (167)	731 625 500 (73 + 3 in part)	338 567 826 (26 +3 in part)		1 843 808 000 (62)

N.B: Fines still pending are shown in italics.

**POINT 12: FRAUD AND IRREGULARITIES****Structural operations:**

The table below is based on the formal reports submitted by the Member States in accordance with Regulation (EC) No 1681/94, with amounts being broken down by Member State. The tables show the difference between amounts identified by the Member States as still to be recovered (calculated on the basis of established entitlements or estimates) and amounts already recovered or declared irrecoverable.

**Potential assets linked to fraud and irregularities****Cases reported in accordance with Regulations (EC) No 1681/94 and (EC) No 1831/94 (Structural operations)**

<i>(EUR thousand)</i>	
Member State	Balance to be recovered at 31.12.2001
Belgium	845
Denmark	611
Germany	66 581
Greece	33 085
Spain	70 702
France	19 930
Ireland	6 132
Italy	134 219
Luxembourg	0
Netherlands	1 311
Austria	102
Portugal	22 901
Finland	1 184
Sweden	938
United Kingdom	82 807
<b>Total</b>	<b>441 348</b>

N.B. Where these amounts are actually recovered, they may be reprogrammed and used to finance other projects under a programme not yet completed.

The figures given in this table represent a theoretical maximum rather than the amounts which will actually be made available to the Community budget, for the following reasons:

- The Member States do not always report the results of their recovery operations (and certainly not promptly).
- Although Member States must inform the Commission of the likelihood of recovery, it is impossible to determine exactly what proportion of the amounts still to be recovered will actually be recovered. National laws sometimes provide for a 30-year limitation period, which may well make the national authorities think twice about formally writing off the debt even if the chances of recovery are only theoretical. For structural operations, Member States must now send the Commission once a year a statement of the amounts awaiting recovery (Article 8 of Regulation (EC) No 438/2001) to give a better picture of the actual situation.
- Even if the Member State concerned launches recovery proceedings in time, a positive outcome is not guaranteed. This is particularly true where recovery orders are contested in the courts.

- Individual projects are co-financed as part of multiannual programmes. As long as a multiannual programme has not been closed, it is impossible to put an exact figure on the amounts to be recovered because the sums involved in irregularities may, in certain circumstances, be reallocated to other, legitimate projects and because payment by instalments, in particular final payments, can sometimes be used as a means of adjusting expenditure. The figures in these tables are provisional figures based on the reports received and processed up to the end of March 2002. These figures may therefore be changed in line with further reports arriving late.

The prospects of recovery in individual cases cannot be assessed with sufficient accuracy from the information forwarded by the Member States. The Commission will be able to draw conclusions, probably from next year onwards, after closure of the programmes for the period 1994-1999.

On the date when the revenue and expenditure account was drawn up, the annual report on the fight against fraud for 2001 had not yet been adopted.

#### **Agriculture — EAGGF Guarantee:**

As regards entitlements resulting from the establishment of fraud and irregularities involving EAGGF Guarantee reported by the paying agencies in accordance with Regulation (EC) No 595/91, EUR 1 952,6 million has been entered as amounts receivable from Member States on the assets side of the balance-sheet. Notification of this information has been made obligatory for 2001. This explains the considerable difference between the statement for 2000 (EUR 0,97 million) and that for 2001.

The Member States must also report cases of fraud and irregularities to the Commission. However, the figures available when the accounts closed did not reveal any potential entitlements apart from those already entered on the assets side of the balance sheet. In accordance with the principle of prudence, no potential entitlements have been entered in the off-balance-sheet commitments.

#### **POINT 13: AGRICULTURAL STOCKS**

The situation as regards stocks was carried forward to 30 September 2001 and the additional depreciation entered.

The expected selling prices for products from public stocks might change in line with the market situation. The situation update of market prices in February 2002 shows a potential gain of EUR 148,72 million compared with the year-end.

The expected development of cereal prices accounts for 56,5 % of the total increase. The partial recovery of the beef market accounts for 30,7 % of the increase. These two sectors make up 87,2 % of the potential gain.

At 30 September 2001, there was a net potential gain of EUR 148,72 million for the disposal of agricultural stocks.

## VOLUME, BOOK VALUE, FORESEEABLE SALES, VALUE OF STOCKS AND POTENTIAL LOSSES/GAINS

AT 30. September 2001

Product	Quantity (tonnes)	Book value (EUR million)	Potential sales value (EUR million) <sup>(b)</sup>	Potential gains/losses (EUR million) <sup>(c)</sup>
(1)	(2)	(3)	(4)	(5)
Common wheat, for bread	665 936	67,76	82,31	14,55
Durum wheat			0,00	0,00
Barley	2 210 293	223,06	260,81	37,75
Rye	3 791 720	266,92	298,41	31,49
Maize	11 669	1,09	1,25	0,16
Sorghum	5 499	0,49	0,59	0,10
Cereals — Total	6 685 117	559,32	643,37	84,05
Rice	619 792	103,75	104,43	0,68
Olive oil	6 136	7,76	8,09	0,33
Public alcohol <sup>(a)</sup>	1 785 281	21,08	19,64	-1,44
Mixed alcohol <sup>(a)</sup>	463 581	5,91	5,10	-0,81
Alcohol — Total	2 248 862	26,99	24,74	-2,25
Butter	34 109	43,33	63,78	20,45
Skimmed milk powder		0,00	0,00	0,00
Milk Products — Total	34 109	43,33	63,78	20,45
Beef/carcasses	165 054	165,40	212,75	47,35
Boned (boneless) beef	45 841	77,53	75,64	-1,89
Equivalent carcasses	67 413			
Beef — Total	232 467	242,93	288,39	45,46
<b>GRAND TOTAL</b>		984,08	1 132,80	148,72

<sup>(a)</sup> Hectolitres of alcohol.<sup>(b)</sup> expected selling prices assumed in the situation update of February 2002 at the budgetary rate assumed for 2002 (EUR = USD 0,89).<sup>(c)</sup> '+' = gain; '-' = loss.