2005 budget: section III, Commission

2004/2001(BUD) - 29/11/2004 - Amending/supplementary letter on draft budget

PURPOSE : to present the amending letter No 1 to the draft general budget of the European Communities for the financial year 2005 as established by the Council.

CONTENT : to recall, on 15 October 2004, the Commission forwarded to the Council Amending Letter No. 1 to the Preliminary Draft Budget for the financial year 2005. This Amending Letter concerns expenditure and revenue under Section III – Commission – of the Community budget and covers the following elements:

- request for supplementary appropriations under Heading 7 of the Financial Perspective to finance actions encouraging the economic development of the Turkish Cypriot community. The Commission proposes to endow the new budget lines created by its Preliminary Amending Budget 9/2004 with EUR 114million in commitment appropriations and EUR 26.84 million in payment appropriations;

- request for supplementary appropriations under Heading 7 of the Financial Perspective to finance the pre-accession strategy for Croatia. The Commission has estimated the amount necessary for the pre-accession instruments PHARE and ISPA in 2005 at EUR 105 million for commitment appropriations and EUR 18.4 million for payment appropriations relating to these new commitments;

- removal of the appropriations initially budgeted for Croatia in the framework of the CARDS programme under Heading 4 of the Financial Perspective, which amount to EUR 65 million in commitment appropriations and EUR 10 million in payment appropriations;

- proposal to extend the PEACE II programme to cover the period 2005-2006, thus aligning it with the other structural actions of the European Investment Fund. For 2005, this prolongation will only necessitate in this instrument a change in commitment appropriations. The total amount to be made available is EUR 60 million, of which EUR 36.6 million from the ERDF and EUR 23.4 million under the ESF;

- proposal for the Publications Office (OPOCE) to take over activities and posts linked to CORDIS. To integrate CORDIS into OPOCE requires changes to the establishment plans (18 posts) and a transfer of EUR 1 965 600 from the Commission budget 2005 to the OPOCE budget 2005;

- creation of a new budget article to allow for the accession of the European Community to the International Convention for the Protection of New Varieties of Plants (UPOV);

- updating of revenue in the context of Switzerland's association with the application of the Schengen agreement and Eurodac.

Following conciliation with the Parliament delegation on 25 November 2004 prior to the Budget

Council meeting, the Council, as part of an overall agreement with the European Parliament and the

Commission involving adoption of the letter at a single reading, decided as follows:

- as regards the financing of the Turkish Cypriot Community, a higher total amount of EUR 120 million in commitment appropriations (+ EUR 6 million compared to the Commission proposal) is agreed, thereby merging the request for Preliminary Amending Budget 9/2004 with the one for Amending Letter 1/2005. However, the amount is put in reserve, pending the adoption of the legal basis;

- as regards the prolongation of the PEACE II programme (point 2d) within a 2 year funding scheme, commitment appropriations for a total amount of EUR 50 million were accepted for 2005. It was therefore agreed to fund an amount of EUR 45 million through the mobilisation of the flexibility instrument. A further amount of EUR 5 million is to be financed by reallocation within the 2005 budget: 2.5 million from line 13 03 08 (European Regional Development Fund (ERDF) - Technical assistance and innovative measures) and EUR 2.5 million from line 04 02 10 (European Social Fund (ESF) - Operational technical assistance and innovative measures).