2005 budget: section III, Commission

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

PURPOSE : to present the amending letter No 3 to the draft general budget of the European Communities for the financial year 2005 as established by the Council.

CONTENT : to recall, 29 October 2004, the Commission forwarded to the Council Amending Letter No. 3 to the Preliminary Draft Budget for the financial year 2005.

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:

- to accept the expenditure related to International Fisheries Agreements as proposed in Amending Letter 3 to the Preliminary Draft Budget for the financial year 2005 : the Commission is proposing to transfer an amount of EUR 2.5 million in commitment appropriations and EUR 3.56 million in payment appropriations from the reserve 31 02 to the relevant budget heading (11 03 01 - "International fisheries agreements"), in order to reinforce several existing protocols for which catches have exceeded the reference tonnage and to allow the postponement to 2005 of the first payment related to the protocol with the Ivory Coast, initially foreseen for 2004;

- in addition, the Amending Letter contains some amendments to the nomenclature to increase transparency in recoveries and clearance of accounts;

- taking into account the level of surpluses of the past years and the constraints upon national budgets, not to accept the proposals regarding the agricultural expenditure, apart from the two pilot projects on quality promotion and on a risk financing model for livestock epidemics. To recall, the new assessment leads to lower needs than estimated in the PDB (- EUR 224 million) in sub-heading 1a). However, these savings have been partly offset by increased needs for other sectors, notably market measures for cereals (+ EUR 224 million), fruit and vegetables (+ EUR 85 million) and textile plants (+ EUR 30 million).

With regard to expenditure relating to rural development (sub-heading 1b), the Commission is proposing to maintain the commitment appropriations in the 2005 budget at the ceiling of the Financial Perspective. Overall, payment appropriations remain unchanged.