2005 budget: section III, Commission

2004/2001(BUD) - 16/12/2004

The European Parliament adopted a resolution, by 477 votes for, 106 against and 5 abstentions, based on the draft by Salvador GARRIGA POLLEDO (EPP-ED, ES) and Anne Elisabet JENSEN (ALDE,DK) adopting the EU budget for 2005. Parliament decided to reconfirm its first reading priorities and amendments with the adjustments resulting from the agreement with the Council reached at the budget conciliation on 25 November 2004. The Budget for 2005 as adopted by the Parliament amounts to EUR 116 554 135 698 in commitments, which represents an increase of 6.1% on the 2004 Budget, and EUR 106 300 million in payments, which represents an increase of 4.4% on the 2004 Budget. This level of payments represents 1.004% of estimated GNI for the year 2005, compared to 1.08% as established by the Financial Perspective, a difference of EUR 7,935 million.

With regard to the specific headings, the following should be noted:

- Agriculture: Parliament regretted the Council's horizontal reduction on payments in accordance with its prerogative for compulsory expenditure. The Council has agreed, however, to finance the pilot project on quality promotion and the pilot project on a risk financing model for livestock epidemics as a continuation of initiatives undertaken in 2004.

- Structural Actions: In accordance with the conciliation agreement, the Parliament has not restored amendments aimed at increasing payment appropriations under this heading. Despite this, in the light of the utilisation level of these funds in 2004, Parliament insisted that new payment appropriations should be made available, if required, through an amending budget during the 2005 budget year. The PEACE II programme, which aims to support the Northern Ireland peace process, has been prolonged until 2006. EUR 50 million will be made available for 2005, EUR 45 million of which is to be made available through the mobilisation of the flexibility instrument.

- Internal Policies: Parliament welcomed the agreement reached at the conciliation of 25 November 2004 whereby an additional EUR 40 million will be made available for 2005 in order to finance decentralised agencies while safeguarding and reinforcing Parliament's priorities, notably in the areas of the Lisbon Strategy, Justice and Home Affairs (including the fight against terrorism) and Communication Policy (including information to citizens and the debate on the future of the Union). Parliament confirmed its rejection of the drastic reductions proposed by the Council for actions linked with the Lisbon Strategy and added an additional EUR 62 million above the Council's proposal, of which EUR 42 million will be used for SMEs and EUR 20 million to boost other actions. It attached some importance to anti-pollution measures to protect the seas and has entered EUR 17.8 million in both commitment and payment appropriations for the programme managed by the European Maritime Safety Agency.

- External Policies: the funds available were insufficient to meet new needs while also respecting the Parliament's traditional priorities, so the funding for 2005 has been increased by an exceptional increase in the budgetary ceiling. Parliament welcomed the agreement reached on the overall funding for the external policies, including the mobilisation of the flexibility instrument for an amount of EUR 100 million for the financing of reconstruction and humanitarian measures in Iraq. It supported a preparatory action to encourage vaccine development and fight serious poverty-related diseases in developing countries and therefore entered EUR 10 million against that budget line. It entered EUR 6 million against the budget line on fighting drugs.

- Administrative Expenditure: Parliament stated its willingness to provide the EU institutions with the necessary means for 2005 to address the needs created by enlargement, and restored a significant part of

the appropriations cut by the Council in its second reading. It agreed to create almost all posts requested by the Institutions in their estimates for 2005. Parliament also pointed out that the 2004 salary adjustment is only 0.7% instead of 2.6% as initially envisaged. Appropriations in the 2005 budget must be adjusted to take account of this lower than expected salary adjustment level.

- Pre-Accession Strategy: The Council and the Parliament have agreed to include EUR 120m for promoting the economic development of the Turkish Cypriot community. Financing for Croatia amounts to some EUR 105m, reflecting the pre-accession strategy for that country.