

2006 budget: Commission's strategical annual priorities

2004/2270(BUD) - 13/04/2005 - Budgetary text adopted by Parliament

The European Parliament adopted a resolution drafted by Giovanni PITTELLA (PES, IT) on the Commission's annual policy strategy. It stated that the 2006 budget will be the last of the current financial perspective and constitutes, with the ongoing negotiations for a new financial perspective for 2007-2013, the strategic framework in which the Parliament will decide its priorities so that the Union's objectives can be backed up by a proper level of budgetary resources.

Parliament is aware of the budget implementation problems due to the current financial regulation, in particular in areas such as info-points, external cooperation and delays for contracts. The Commission proposals for a revision of the Financial Regulation and the implementing rules must address these issues and make the Financial Regulation less bureaucratic. Parliament regretted that the Commission did not list this review in its legislative and work programme for 2005.

The 2006 budget must reflect the following principles in order to ensure sound financial and budgetary management:

- establishing an adequate level of payments to cover the real needs;
- the revision of the financial perspective transferring appropriations from subheading 1a) to subheading 1b), in order to implement the provisions of Council Regulation 1782/2003/EC on direct support schemes for farmers;
- properly implementing the joint statement of 16 July 2004 on financial programming;
- using all means available in the Treaty and/or the current Interinstitutional Agreement on budgetary discipline to take on the significant budgetary and financial challenges which the EU will face with the 2006 budget and to provide a solid basis for the budgetary years to come.

With regard to priorities, Parliament supported the Commission in its general approach but pointed out that its latest financial programming and its annual policy strategy show a number of discrepancies between key action for 2006 and budgetary resources (i2020 initiative, Growth initiative, Youth initiative, European asylum support, programmes to help implement environmental legislation, European Year of Mobility for Workers, etc.).

The 2006 budget must, in particular, reflect the new approach of the Lisbon Strategy, as expressed by Parliament's coordination group:

- reinforcing its contribution to competitiveness and social, economic and environmental cohesion;
- concentrating EU support for key Lisbon and Göteborg areas, such as employment, environmental policy, research and development, SMEs, promoting the knowledge and information society, dissemination of environmental technologies, life-long learning, and properly implementing the TransEuropean Networks;
- allowing for the greater effort which is required to complete the internal market;

- preparing for new areas of Community support, such as Natura 2000;
- the important role of young people for the integration and prosperity of the Union;
- the strengthening of the EU's role in the international community;

Sectoral issues:

Agriculture: Parliament expressed its support for the objectives established in the CAP reform, in particular those strengthening rural development. It is strongly in favour of providing the funding necessary for these measures but draws attention to the fact that an agreement on transferring appropriations under subheading 1a) to subheading 1b) ("budgetary modulation") is necessary before the Council's first reading.

Structural operations: Parliament stressed the importance of budgeting fully the real needs for payments under the structural funds and the need to provide for a sufficient level of payments in order to avoid jeopardising the implementation of the programmes. It emphasized the need for the N+2 rule (sunset clause) to be closely monitored and for full information to the budgetary authority to be reinforced, in particular on the budgetary commitments that are in danger of being cancelled. The Commission is invited to present by the end of July 2005 an overall evaluation of the state of implementation in payments in comparison with the multiannual initial forecasts.

Internal policies: the Commission is asked to propose within the Lisbon Strategy real priority actions creating European added value. Parliament felt that the limited margin of manoeuvre under the ceiling of the financial perspective for this heading should be targeted at core priority areas, such as employment, research and development, support to SMEs through the EIF lending facility for SMEs created in the 2004 and 2005 budgets, promotion of the knowledge and information society, dissemination of environmental technologies and life-long learning.

Achieving the Lisbon objectives long-term growth should not lead to widening gaps and social uncertainty. Parliament outlined its intent to reinforce the EU budget for actions for young people, also in line with the Commission's emphasis on promoting mobility in education and learning and the effective use of the potential of youth. Exchange programmes are important in this field and the Erasmus programme should be extended to cover students at secondary-school level and to young entrepreneurs.

Parliament also called on the Commission to present proposals to strengthen the EU's overall capacity to provide assistance to citizens in the case of emergencies, including those occurring outside EU territory, and to manage trans border crises. It underlined the importance of Parliament being fully involved in the current debate on this matter.

External actions: Parliament stressed the current difficulty of reconciling the traditional priorities of the Union with a large number of new budget responsibilities, which have been taken over under Category IV in recent years (Balkans, Afghanistan, Iraq, tsunami and other natural disasters). The Council is reminded that new tasks should not be financed to the detriment of Parliament's traditional priorities. The financial resources allocated to assist the countries and communities affected by the tsunami must be additional to the existing aid budgets and not merely shifted within them or redirected from other regions (redeployment).

Personnel and administration: Parliament noted that the Commission has requested 700 new posts to be created in 2006 following its multiannual plan for additional human resources following the 2004 enlargement. The Commission estimates that, as a result of the accession of Bulgaria and Romania, 850 new posts will need to be phased in by 2010. Parliament asked the Commission to present a review of the medium-term staff needs as put forward by the previous Commission by 31 July 2005, and for a detailed report on the Commission's staffing of support and coordination functions.

Pilot projects and preparatory Actions: Parliament will work closely with the Commission on pilot projects and preparatory actions in order to facilitate the joint examination on the feasibility of the proposals.