2006 budget: conciliation procedure

2005/2080(BUD) - 06/07/2005 - Parliament's opinion on budgetary estimates/guidelines

The European Parliament adopted a resolution drafted by Giovanni **PITTELLA** (PES, IT) on budgetary conciliation. It felt that that the Commission's very modest proposal, representing 1.02% of Gross National Income (GNI) - EUR 1.19 billion lower than the 1.03% of GNI proposed in the 2005 PDB - must be measured against real needs and implementation capacity, and pointed out that the proposal of the Commission is far lower than the 1.08 % ceiling of the current financial perspective. Parliament stated that the amounts earmarked in the PDB, as regards both agricultural market intervention spending plus direct aids and rural development spending, are an absolute minimum. Any decrease would likely cause serious harm to the sector.

With regard to fisheries agreements, Parliament questioned the amount of EUR 8 million for eventual conclusion of new agreements with Algeria, Croatia, Kenya, Libya and Morocco, pointing out that for Morocco the annual amount between 1995 and 1999 was EUR 125 million.

Whilst the PEACE programme for Northern Ireland must continue to receive support, Parliament stated that it could not see the point of reducing other priority actions when there is EUR 62 million available under sub-heading 2b. An agreement between Parliament and Council concerning the two sub-ceilings would be budgetary-neutral for the heading as a whole and could provide a solution. Parliament rejected the Commission's approach of reducing by an additional EUR 12 million the amount set aside for "innovative measures", which was not agreed in the joint statement of the budgetary conciliation of 25 November 2005.

Moving on to Lisbon Strategy, Parliament felt that the Commission's PDB insufficiently reflects in budgetary terms the agreed political ambitions. It invited the Council to engage with the European Parliament in a constructive dialogue on how to meet these political commitments. Human capital is Europe's most important asset. Following the recent referenda, Parliament believed it more important than ever to connect with young people. It would like to engage with the Council to increase the co-decision financial frameworks for the Socrates and Youth programmes, pointing out that this was done at the end of the last financial programming period.

Parliament was particularly concerned about certain areas of external relations, which could not be foreseen at the time of adopting the current financial perspective. These include Afghanistan, Iraq and the recent proposal for a reconstruction programme after the tsunami. It expected the Council to recognise the current difficulties and agree the new priorities without jeopardising the traditional policies. There are worrying decreases both for some geographical and thematic programmes. A re-balancing of budgetary amounts and new resources is necessary. Parliament particularly regretted the reduction in particular of the European Initiative for Democracy and Human Rights, the only external programme which can be applied without host country consent.

Finally, Parliament expressed concern about the need for funding to cover the recruitment of staff from the new member states.