2006 budget: Section III, Commission

2005/2001(BUD) - 27/10/2005 - Budgetary text adopted by Parliament

The European Parliament adopted a resolution drafted by Gianni **PITELLA** (PES, Italy) and stated that the Council's adopted level of EUR 111,4 billion (1,01% of GNI) was inadequate for the effective implementation of policies already agreed and necessary new actions. Parliament decided to increase payments across the budget to a level of EUR 115,4 billion (1,04% of GNI). The budget proposed reintroduces a series of appropriations which the Council decided to withdraw in the context of a preliminary agreement in July. These funds essentially concern research, education and youth, and support programmes for small and medium-sized enterprises.

General considerations and priorities: Parliament decided to increase budgetary commitments, in particular for the Lisbon and Göteborg strategy, for information policy and for external actions, in order to safeguard important EU actions in line with its previous resolutions on the 2006 budget and which will make a difference for EU citizens. It urged the Council to cooperate fully with the Parliament to reach a satisfactory solution, including the utilisation of measures envisaged within the framework of the Interinstitutional Agreement of 6 May 1999.

Heading 1: Parliament warmly welcomed the revision of the sub-ceilings of heading 1 in order to make possible the modulation measures related to CAP reform agreed between Parliament and Council at the conciliation of 15 July 2005. The amounts suggested by the Commission in its budgetary proposal should be considered the minimum necessary. Parliament therefore decided to reject the Council's reductions.

Heading 2: Parliament noted thelarge gap between the Member States' payments forecasts and the Commission's PDB regarding the Structural Funds. It increased payment appropriations to a level of EUR 39.2 billion. It also insisted that the PEACE programme for Northern Ireland continue to receive support but recalled that the amount to be re-deployed from "innovative measures" was jointly agreed between the Parliament and the Council at the budget conciliation of 25 November 2004. Parliament reinstated this level and asked the Council to agree a solution, within the framework of all means envisaged in the Interinstitutional Agreement of 6 May 1999, to solve the financing of the remaining EUR 12 million for PEACE.

Heading 3: Parliament rejected the Council's attitude of indiscriminate reductions which runs contrary to pressing political priorities, most especially the need to match the ambitions for the renewed Lisbon strategy with something more than what is already available in 2005. The 2006 budget is a bridge to a new programming period and should therefore reflect its transitional character and anticipate the envisaged higher funding from 2007 onwards for the key policy areas. Accordingly, Parliament decided to reinforce a set of important budget lines concerning research and innovation, SMEs, competitiveness, Socrates, Youth, development of the internal market, Life, Intelligent Energy and the Leonardo da Vinci programme. It also felt that the amounts envisaged for the EU Information Policy are inadequate and decided to increase them. The Commission must first publish its White Paper on information and communication policy. Parliament also wants an explanation for the Commission's under-spending of its information budget in 2005. Parliament rejected an amendment contained in the report presented by the Parliamentary committee aiming to remove a billion euros in subsidies for tobacco producers, part of which might have been channelled towards funding EU anti-smoking campaigns.

Heading 4: It should be recalled that the Council proposed a budget cut of EUR 82.5 million: Parliament was determined that the Council must see reason and agree to finance new priorities without jeopardising important ongoing actions. It rejected the Council's approach of reductions in human rights and democracy lines, geographical cooperation programmes, including the neighbourhood policy, and actions

important for the Millennium Development Goals. It decided to enter appropriations at a level which safeguards such policies while making room for new ones. Parliament allocated EUR 200 million to reconstruction in Iraq and EUR 180 million to post-tsunami aid. An agreement on the funding of extraordinary spending should be reached through negotiations with the Council with a view to the budget' s second reading. Parliament also felt that the new "aid for trade" budget line is necessary in order to: improve transparency and thereby democratic control over a large budget, provide trade-related assistance with more visibility; and facilitate more flexibility in mobilising funds quickly and through multilateral initiatives as appropriate.

Heading 5: Parliament was aware of the Commission's declarations as concerns the recruitment of officials from the new Member States and considered this a just priority. The Council's across-the-board cuts are unacceptable and Parliament decided to reinstate for the Commission at first reading an amount of EUR 90.4 million out of the Council's EUR 94.4 million cut. It entered an amount of EUR 16 million of salary appropriations in reserve would release the posts from the reserve once the Commission has carried out a number of actions prescribed by Parliament.

Pilot Projects, Preparatory Actions and Studies: Parliament welcomed the improvement in cooperation with the Commission on this, while regretting that a limited number of projects are still suffering from implementation difficulties. It decided to create a number of important new initiatives in line with its priorities, including: cross-border cooperation in the fight against natural disasters, which would raise awareness of the need for closer cooperation on civil protection measures in order to prevent or at least minimise the consequences of such disasters, individual mobility actions for upper secondary pupils, a pilot project on security along the Trans-European network, mobility actions for young entrepreneurs to support exchanges at a European level, European Destinations of Excellence, and preparatory actions for an internet-based system for better legislation and for public participation, and for Natura 2000.