2006 budget: Section III, Commission

2005/2001(BUD) - 07/12/2005 - Amending/supplementary letter on draft budget

At the conciliation meeting as finalised at the Trialogue on 30 November 2005, an agreement was reached between the European Parliament, the Council and the Commission regarding the 2006 budget as follows:

1) to accept Amending Letter No. 1/2006 concerning the consequences of the Sugar Reform in ACP countries;

2) to accept Amending Letter No. 2/2006 concerning agriculture expenditure;

3) to accept Amending Letter No. 3/2006 concerning payment appropriations;

4) to accept the **mobilisation of the flexibility instrument** for an amount of **EUR 275 million under Heading 4** of which:

- EUR 95 million for the reconstruction in countries affected by the Tsunami;
- EUR 100 million for the reconstruction in Iraq;
- EUR 40 million for the consequences of the Sugar reform in ACP countries; and
- EUR 40 million for the CFSP.

5) to fix the amount of the **CFSP budget at EUR 102.6 million** for 2006, with a breakdown of the additional amount of EUR 40 million compared to the PDB as follows:

- 19 03 01 - Conflict prevention and crisis management 0
- 19 03 02 - Non-proliferation and disarmament +2
- 19 03 03 - Conflict resolution, verification, support for the peace process and stabilisation +20
- 19 03 04 - Emergency measures +16.5
- 19 03 05 - Preparatory and follow-up measures 0
- 19 03 06 - European Union Special Representatives +1.5

6) to finance the PEACE II programme in 2006 as proposed in the Preliminary Draft Budget;

7) to accept to enter in the 2006 budget commitment appropriations exceeding the financial framework of the following co-decided programmes for a total additional amount within the existing ceiling of Headings 3 and 5 of EUR 100 million:

- for SMEs (EUR 28.5 million),
- for Socrates (EUR 33 million),
- for LIFE (EUR 7.075 million),
- for Youth (EUR 9.2 million),
- for Research (EUR 21.225 million) and

- for Cultural organisations (EUR 1 million).

8) to accept Preliminary Draft Amending Budget No. 8/2005 as amended by the Commission (see BUD /2005/2179);

9) the total amount for payment appropriations decided at the end of the 2006 budgetary procedure in December shall not exceed **EUR 111.969 billion**.

A series of common declarations was also approved which may be summarized as follows:

- The European Parliament and the Council remain fully committed to the existing Joint Declaration on CFSP, as adopted at the budget conciliation of November 2002 and the subsequent exchange of letters of 5 December 2003 and their full implementation. They confirm that, as of 2006, participation in joint meetings (to take place at least quarterly in order to provide timely information on both the recent and forthcoming developments and their budgetary implications) shall be defined as follows: for the European Parliament, Members, and for the Council, Ambassador (the Chairman of the Political and Security Committee).

- The European Parliament and the Council invite the Commission to take the appropriate measures for the relevant transfers, as soon as possible in 2006, in order to put into effect this agreement reached on CFSP and co-decided programmes.

- as in 2005, if the execution of payment appropriations for the Structural Funds exceeds 40% by the end of July 2006, or if the Commission becomes otherwise convinced of a shortage in payment appropriations in the budget, it will, after having examined the possibilities of redeployment of payment appropriations within the totality of the budget, including Heading 2, and evaluated possible sources of additional revenue, present a PDAB to the budgetary authority at the latest by October. The European Parliament and the Council will decide in one single reading on the PDAB in order to have additional appropriations needed available at the latest in early November 2006.

It should be noted in the context of that agreement, the Commission presented, on 1 December 2005, Amending Letter No. 3 to the Preliminary Draft Budget for 2006 relating to a reduction of the level of payment appropriations in the Preliminary Draft Budget (including AL Nos. 1 and 2/2006) of **EUR 257 million** under Headings 4 and 7. This reduction is broken down as follows:

1) a reduction under Heading 4 of payment appropriations by **EUR 70 million** on the following budget lines:

- 01 03 02 02 - Macrofinancial assistance for the countries of the Western Balkans - EUR 15 million
- 19 06 01 - TACIS - EUR 20 million
- 19 08 02 01 - MEDA - EUR 20 million
- 19 10 01 - Asia - EUR 15 million

2) a reduction under Heading 7 of payment appropriations by **EUR 187 million** on the following budget lines:

- 05 05 01 01 - SAPARD - EUR 50 million

- 13 05 01 01 - ISPA - EUR 27 million

- 22 02 01 - Pre-accession assistance for countries of central and eastern Europe - EUR 80 million

- 22 02 04 01 - Pre-accession assistance Turkey - EUR 30 million

On 7 December 2005, the Council established Amending Letter No. 3 to the Draft Budget for the financial year 2006 as proposed by the Commission.