2006 budget: Section III, Commission

2005/2001(BUD) - 15/12/2005 - Final budget adopted by Parliament

The European Parliament adopted a resolution drafted by Giovanni **PITELLA** (PES, IT) and Valdis **DOMBROVSKIS** (EPP-ED, LV), and established the payments in the 2006 budget at a level of 1.01% of the Community GNI compared to 1.00% in the 2005 budget. Parliament was disappointed that the Council was not willing to agree to a higher amount, but was willing to accept this payment level as a part of the global compromise on the 2006 budget. Payments are set at EUR 111.969bn, and there are special financing arrangements for the EU's external action. Parliament also observed that the reaching of an agreement between the two sides of the budget authority has not been made any easier by the attitude of the Commission, whose role it is to be a credible and impartial arbitrator between the two sides of the budget authority.

Heading 1: Agriculture: Parliament regretted the Council's reductions to various lines in this sector in accordance with its prerogative for compulsory expenditure, but warmly welcomed, at the same time, the reinforced funding for the food programme for deprived persons.

Heading 2: Structural Actions: Parliament was disappointed that, contrary to the positive indications earlier in the year, the implementation of structural actions in the new Member States had not developed as well as hoped, but was optimistic that, with the support of the Commission, these countries would be able to considerably improve their implementation in 2006. Given the unexpected delays in implementation, the payment appropriations proposed in the Commission's budget proposal provide the most accurate estimate of the needs for 2006 and will enable a sufficient basic level of implementation. A Joint Declaration annexed to the resolution specifically stated that further payment appropriations could be made available, if needed, by way of an amending budget in 2006.

Heading 3: Internal Policies: Parliament underlined the importance of the Lisbon and Gothenburg strategy for sustainable development, competitiveness, job creation and social cohesion. It decided to reinstate a number of Lisbon-related amendments amounting to some EUR 130 million. It welcomed the political agreement with Council to reinforce a number of co-decided programmes in this area, in excess of the amounts set out in the corresponding financial frameworks, and highlighted the additional funding made available for SMEs, research policy, Socrates, LIFE III, the YOUTH programmes and the cultural organisations advancing the idea of Europe. Funding for student exchanges in the Erasmus programme is reinforced, as is the individual student allowances, thereby making the programme more accessible and equitable. Parliament approved a number of pilot projects:

- to promote the implementation of mobility actions (visits and exchanges) for upper secondary pupils which should start effectively within the framework of the Comenius programme as of 1 January 2007, -on cross border cooperation in the fight against natural disasters,
- on security along the trans-European road network
- the continuation of the pilot project on the 'fight against terrorism'.

A number of budgetary lines for information policy were also reinforced, in support of the re-launch of these actions after the presentation by the Commission of the White Paper on Communication and Democracy. Parliament decided to lift part of the reserve in second reading.

Heading 4: External Policies: Parliament welcomed the decision to mobilise the flexibility instrument for a total amount of EUR 275 million for the reconstruction programme following the tsunami, the reconstruction programme in Iraq, new support measures for ACP countries following sugar reform, and the Common Foreign and Security Policy (CFSP). It agreed to a substantial increase in funding for CFSP

actions in order to respond to the international situation, especially the need for conflict prevention and resolution. The total funding for the CFSP for 2006 rises to EUR 102.6 million, an increase of EUR 40 million compared to the 2006 preliminary draft budget. The Joint Declarations annexed to the resolution show that the Council and Parliament agree that the significantly higher funding for CFSP from the Community budget will be accompanied by improved information and consultation measures. The Council has committed itself to being represented at ambassador level in this political consultation process.

Heading 5: Administration: Parliament confirmed its first reading position on administrative expenditure, and stressed the importance of striking a balance between applying budgetary rigours and providing the institutions with the necessary budgetary resources for their proper functioning. It will restore all posts not approved by Council but maintain the reserve of EUR 16 million in administrative expenditure until all conditions are fulfilled. It released part of the reserve related to comitology, awaiting the results of the exploratory contacts between Parliament and Commission on a revision of Council Decision 1999/468 /EC. Parliament welcomed the decision taken to increase the funds available for cultural organisations by EUR 1 million.

Heading 7: Pre-Accession Strategy: Finally, Parliament confirmed its decision to provide for greater budgetary transparency in relation to Community assistance to candidate or pre-candidate countries, especially with a view to the entry into force of the new pre-accession instrument, which would consolidate into one single act a variety of geographical and thematic programmes.