2007 budget: other sections

2006/2018B(BUD) - 14/03/2006

The Council adopted the following conclusions, which will serve as the basis for discussions with the European Parliament and the Commission on preparation of the EU's general budget for 2007.

The Council underlines the fact that the budgetary procedure for 2007 will be marked by two important elements:

- § the new Financial Perspective for 2007-2013 to be agreed;
- § the forthcoming accession of two countries to the EU to be confirmed. This should clearly be reflected in the Preliminary Draft Budget (PDB) for 2007.

It reaffirms the importance of maintaining a framework of overall **budget discipline** andreiterates its wish that the EU budget for 2007 should provide sufficient resources to implement the various policies of the EU effectively and efficiently. It emphasises that it should apply the same degree of budgetary constraint as exercised by the Member States of the EU for their own national budgets.

The Council is convinced of the importance of good collaboration between the two arms of the Budgetary Authority and the Commission, and looks forward to establishing a good spirit of cooperation for the 2007 budget procedure.

The Council confirms that the forthcoming Interinstitutional Agreement (IIA) on budgetary discipline and improvement of budgetary procedure covering the period 2007-2013 will constitute the basis for establishing the budget for 2007. It recalls its constant willingness to apply the IIA to the full. It lays great emphasis on compliance with the Financial Perspective, which requires that Community expenditure remains within the annual limits to be set therein.

It emphasises that the appropriations for 2007 should reflect real and well-defined needs and be compatible with the ceilings set in the Financial Perspective. Absorption capacity and past implementation should also be taken into account when establishing appropriations. It considers that all appropriations need to be reviewed in detail for each policy sector and in this context it reaffirms the importance of **reallocation** in order to allow the Budgetary Authority to make the necessary financial adaptations to meet present and future needs. For this purpose it points to the necessity of having high quality Activity Statements and financial information on spending proposals in good time.

As regards the budget of the other institutions, the Council considers it important that institutional effectiveness is an increasingly important factor when allocating administrative resources. Savings and

rationalisation benefits due to yearly growth in productivity and economies of scale should also be taken into account when setting the level of administrative spending. The objective should be to achieve a substantial efficiency gain mainly by further development of interinstitutional cooperation and targeted measures. It should also be achieved by redeployment and reorganisation of administrative structures of EU institutions. This would give a signal of improved efficiency to the EU citizens.

It invites the Institutions to present during the budget procedure for 2007 **their plans for assessing and realising gains on administrative costs for the period 2007-2013** including all administrative expenditure.

Lastly, it recalls the importance that the institutions should ensure that the recruitment process in the context of the enlargement is carried forward without delay.