Basic information	
2004/2002(BUD) BUD - Budgetary procedure	Procedure completed
2005 budget: others sections **Subject** 8.70.60 Previous annual budgets	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	GARRIGA POLLEDO Salvador (PPE-DE) JENSEN Anne E. (ELDR)	25/11/2003 01/12/2003

Former committee responsible	Former rapporteur	Appointed
BUDG Budgets	JENSEN Anne E. (ALDE)	02/09/2004
BUDG Budgets	KUCKELKORN Wilfried (PSE)	01/12/2003

Former committee for opinion	Former rapporteur for opinion	Appointed
AFET Foreign Affairs	The committee decided not to give an opinion.	
DEVE Development	The committee decided not to give an opinion.	
INTA International Trade	MARTIN David (PSE)	27/07/2004
CONT Budgetary Control	The committee decided not to give an opinion.	
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	

ENVI	Environment, Public Health and Food Safety	The committee decided not to give an opinion.	27/07/2004
ITRE	Industry, Research and Energy	The committee decided not to give an opinion.	27/07/2004
IMCO	Internal Market and Consumer Protection	The committee decided not to give an opinion.	28/07/2004
TRAN	Transport and Tourism	The committee decided not to give an opinion.	
REGI	Regional Development	The committee decided not to give an opinion.	
AGRI	Agriculture and Rural Development	The committee decided not to give an opinion.	
PECH	Fisheries	The committee decided not to give an opinion.	
CULT	Culture and Education	The committee decided not to give an opinion.	
JURI	Legal Affairs	The committee decided not to give an opinion.	27/07/2004
LIBE	Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.	
AFCO	Constitutional Affairs	The committee decided not to give an opinion.	
FEMM	Women's Rights and Gender Equality	The committee decided not to give an opinion.	
PETI	Petitions	The committee decided not to give an opinion.	
LIBE	Citizens' Freedoms and Rights, Justice and Home Affairs	CEYHUN Ozan (PSE)	02/12/2003

Council of the European Union

Council configuration	Meetings	Date

Economic and Financial Affairs ECOFIN	2598	2004-07-16
Justice and Home Affairs (JHA)	2600	2004-07-19
Transport, Telecommunications and Energy	2625	2004-11-29

Key events

Date	Event	Reference	Summary
17/02/2004	Vote in committee		Summary
17/02/2004	Budgetary report tabled for plenary	A5-0062/2004	
26/02/2004	Decision by Parliament	T5-0118/2004	Summary
28/04/2004	Commission preliminary draft budget published	COM(2004)0350	Summary
19/07/2004	Council draft budget published	11445/2004	Summary
21/07/2004	Committee referral announced in Parliament		
13/10/2004	Vote in committee		Summary
19/10/2004	Budgetary report tabled for plenary	A6-0020/2004	
28/10/2004	Decision by Parliament	T6-0039/2004	Summary
28/10/2004	Results of vote in Parliament		
29/11/2004	Amended budget adopted by Council		
29/11/2004	Debate/examination by Council scheduled	15178/2004	Summary
06/12/2004	Vote in committee, 2nd reading		
08/12/2004	Budgetary report tabled for plenary, 2nd reading	A6-0068/2004	
14/12/2004	Committee referral announced in Parliament, 2nd reading		
16/12/2004	Decision by Parliament, 2nd reading		
16/12/2004	End of procedure in Parliament		
08/03/2005	Final act published in Official Journal		

Technical information

Procedure reference	2004/2002(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/6/25131

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Budgetary report tabled for plenary, 1st reading		A5-0062/2004	17/02/2004	
Budgetary text adopted by Parliament		T5-0118/2004 OJ C 098 23.04.2004, p. 0022-0171 E	26/02/2004	Summary
Budgetary report tabled for plenary, 1st reading		A6-0020/2004	19/10/2004	
Budgetary text adopted by Parliament		T6-0039/2004 OJ C 174 14.07.2005, p. 0062-0171 E	28/10/2004	Summary
Budgetary report tabled for plenary, 2nd reading		A6-0068/2004	08/12/2004	
Final budget adopted by Parliament		T6-0103/2004 OJ C 226 15.09.2005, p. 0242-0336 E	16/12/2004	Summary

Council of the EU

Document type	Reference	Date	Summary
Council draft budget	11445/2004	19/07/2004	Summary
Document attached to the procedure	11446/2004	26/07/2004	Summary
Council amended draft budget	15178/2004	29/11/2004	Summary

European Commission

Document type	Reference	Date	Summary
Commission preliminary draft budget	COM(2004)0350	28/04/2004	Summary
Document attached to the procedure	SEC(2004)0531	30/04/2004	Summary
Document attached to the procedure	SEC(2004)0660	18/06/2004	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2005/0141
OJ L 060 08.03.2005, p. 0001-1599 Summary

2005 budget: others sections

2004/2002(BUD) - 16/07/2004

Before studying and establishing the draft budget for the financial year 2005, the Council held its

customary meeting with a delegation from the European Parliament, in the framework of the 1999 Interinstitutional Agreement on budgetary discipline. The delegation was led by Mr Terence WYNN, Chairman of the Committee on Budgets. The conciliation meeting, which had been prepared by a trialogue on 5 July 2004, covered six topics relating to the budgetary procedure for 2005, namely:

-Agriculture;

-International fisheries agreements;

-Common foreign and security policy (CFSP);

-External actions and pre-accession strategy (headings 4 and 7);

-Administrative expenditure (heading 5): on this issue, the Parliament and the Council agreed to respect the existing ceiling and maintain a sufficient margin for unforeseen events. The Council justified the 4,9% increase in the EU Council's budget, inter alia, by the costs of the European Security and Defence Policy and the creation of the Civil-Military Cell decided on by the European Council. Moreover, the Council took note of the concerns expressed by the European Parliament and the Commission as regards the reduction of EUR 54,2 million in the Commission's budget (excluding pensions) affecting in particular the financing of new staff.

Throughout the debate, the European Parliament underlined that it was able to understand the Council's position to maintain a sufficient margin under heading 5 of the Financial perspective. On the other hand, the Parliament criticised the method used by the Council and decided to withhold its position on this chapter until a detailed analysis was carried out of institutional demands and the possibility to anticipate in 2004 certain expenditure provided for 2005.

As regards the increase in the Council's budget (Section III), the Parliament requested additional information on the cost of the CFSP as well as the civil-military cell. The Council agreed to verbally supply this information.

2005 budget: others sections

2004/2002(BUD) - 28/04/2004 - Commission preliminary draft budget

PURPOSE : to present the Preliminary Draft Budget of the European Commission for the financial year 2005 (Other Sections).

CONTENT : the rectified PDB takes into account the final figures for estimates for institutions other than the Commission, forwarded to the Council by the Commission, comprises budget estimates totaling:

- EUR 117 242 208 172 million in appropriations for commitments;

- EUR 109 568205 451 million in appropriations for payments.

This rectified preliminary draft general budget shows a 5.2% increase in appropriations for commitments and a 9.8% increase in appropriations for payments compared to the amounts authorised in the 2004 budget.

The volume of expenditure proposed by the Commission is equivalent to 1.03% of GNI of the EU-25. The financial framework agreed for the enlarged Union provides for a maximum of 1.08% of GNI for the EU budget. The preliminary draft is far lower — by EUR 4.7 billion — than the ceiling agreed for

2005.

This rise of EUR 9.7 billion (+ 9.8 % over 2004) is due to the full incorporation of the new Member States (+ EUR 3.9 billion), the reform of the common agricultural policy (+ EUR 1.3 billion) and the improved use of the structural funds (+ EUR 2.7 billion). Thus, these three factors explain more than 80 % of the total increase in payments.

The proportion of heading 5 of the PDB 2005 is established as follows for the EU-25:

- Commission (excluding common expenditure) EUR 2 871 billion;

- Other institutions EUR 2 345 billion;

- Common expenditure: 1 143 billion including Pensions - EUR 865,93 million; European Schools -EUR 127 million; Publications Office EUR 79,37 million; European Anti-fraud Office EUR 47,33 million; European Personnel Selection Office EUR 24,28 million. The estimated administrative expenditure of the institutions of the European Union (heading 5) comes to EUR 6.36 billion, 3.9 % higher than in 2004.

With the introduction of the activity based budget (ABB), most of the administrative expenditure is included in the corresponding policy sectors and only specific expenditure (i.e. publications or representation offices) shall be presented separately.

It should be noted that the Commission is asking for 700 new posts as part of the medium term adjustment to enlargement. Approximately half of the new staff will be devoted to linguistic services (refer to BUD/2004/2001).

2005 budget: others sections

2004/2002(BUD) - 19/07/2004 - Council draft budget

The Council established the draft budget for the financial year 2005 by qualified majority. It used the preliminary draft budget of the European Communities for 2005, submitted by the Commission, as the basis for establishing the draft budget.

Under the draft budget established by the Council, commitment appropriations increase by 4.1% compared to the 2004 budget and payment appropriations by 5.4%.

The Council's scrutiny of the institutions' administrative expenditure was based on the following principles:

- setting an adequate margin within the ceiling under Heading 5 of the Financial Perspective in the interest of sound financial management;

- applying a reduction of 1.5% on current expenditure, taking into account the impact of development of information technologies and interinstitutional co-operation;

- fixing a minimum standard flat rate on salaries of 4%, taking into account the current vacancy rate;

- accepting new posts requested for enlargement and certain new tasks and applying a reduction of 5% on appropriations for these accepted posts, taking into account specific recruitment schedules;

- accepting conversions and upgradings, in particular related to career development under the new Staff Regulations.

A Council analysis of the administrative expenditure for each institution (except the Commission- refer to BUD/2004/2001) can be summarised as follows:

- European Parliament (Section I) : under the "gentlemen's agreement", the Council included the European Parliament estimate in the draft general budget of the European Communities for the financial year 2005 without any changes; the estimate represents an increase of 3.33%) over the 2004 budget.

- Council (Section II) : the Council allocated for its section of the budget, an overall amount of EUR 568 343 403, which represents an increase of 4.88%) over the 2004 budget. It includes an additional amount of EUR 9.8 million, which represents an increase of 1.8% over the 2004 budget, submitted during the proceedings after the tabling of the Council's explanatory memorandum and original draft estimates. The Council found it necessary to include this additional amount in order to carry out the latest decisions of the European Council concerning: the establishment of a civilian /military cell, a small EU cell at SHAPE and an operation centre, relating to the European Security and Defence Policy (EUR 8.1 million).

The integration in the Council Secretariat of an intelligence capacity on all aspects

of the terrorist threat, concerning the JHA area (EUR 1.7 million). As regards staffing, for its section of the budget, the Council agreed to the creation of the posts requested for enlargement and, given the expenditure laid down for the new tasks of the Secretariat, some other posts. It has agreed to create 119 new posts.

- Court of Justice (Section IV) : the Council allocated an overall amount of EUR 227 196 872, which represents a decrease of 3.34% over the 2004 budget. However, it represents an increase of 6.7% when taking into account the frontloading done in 2003 for the budget year 2004. As regards staffing, the Council accepted the creation of 10 new posts in the translation service. The Council approved also the 145 transformations for career development. All other requests were rejected.

- Court of Auditors (Section V) : the Council allocated an overall amount of EUR 106 740 579, which represents an increase of 10.13% over the 2004 budget. As regards staffing, the Council accepted the creation of 19 new posts requested by the Court of Auditors as reinforcement of its audit activity. The Council approved the 30 transformations for career development. The request for 23 other posts could not be accepted.

- Economic and Social Committee (Section VI) : the Council allocated an overall amount of EUR 103 430 125, which represents an increase of 0.70% over the 2004 budget. With regard to staff level, the Council endorsed the creation of 5 new posts, all language-related posts and it approved 78 transformations for career development. The Council rejected the request for the creation of 13 new posts.

- Committee of the Regions (Section VII) : the Council allocated an overall amount of EUR 59 875 396, which represents an increase of 0.78% over the 2004 budget. With regard to staff levels, the Council approved the creation of 3 new posts, all language-related posts and 17 transformations for career development. The Council rejected the request for the creation of 24 additional posts.

- European Ombudsman - (Section VIII a) : the Council allocated an overall amount of EUR 7 018 926, which represents an increase of 21.37%) over the 2004 budget.

On staffing, the Council accepted the creation of 4 new temporary posts, approved 7 transformations for career development and 3 conversions of permanent into temporary posts.

The Council rejected the request for the creation of 9 other new posts.

- European Data Protection Supervisor – (Section VIII b) : the Council allocated an overall amount of EUR 2 842 305, which represents an increase of 123.45%) over the 2004 budget that was established for only six months (Amending Budget No 2/2004). On staffing, the Council accepted the creation of the 4 new temporary posts requested and approved 6 transformations for career development.

2005 budget: others sections

2004/2002(BUD) - 26/07/2004 - Document attached to the procedure

This document is to be annexed to the draft budget for 2005, in accordance with the 1979 agreements on budgetary procedure. Article 8(3) of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund (EDF) requires the Commission to make this document available to the Council by 15 June, stipulating that this information serves as a basis for an interim estimate of commitments and payments.

As in previous years, this document shows EDF implementation at 31 December 2003; financial implementation forecasts for the current year (2004) and expenditure forecasts for 2005.

More specifically, the initial estimates put the total for 2005 at EUR 2 975 million, EUR 240 million of it for the EIB (9thEDF instruments), EUR 2 585 million for traditional instruments managed by the Commission and EUR 150 million provisionally earmarked for the Water Facility. As for the Peace Facility, the Commission has yet to make any allocations for 2004 because there is still no sign of practical operations.

Though the total volume of payments in 2004 has been revised upwards, this increased volume can currently be implemented without increasing the overall volume of contributions to be paid by the Member States in 2004 (EUR 2 440 million). There are two reasons for this: (i) the EIB ended 2003 with a relatively large amount of unused financial resources, so reducing needs for 2004, and (ii) the Commission revised its cash position at the end of 2004 downwards. Maintaining the overall level of contributions set out in the communication of November 2003 should cover the current estimated needs of both the EIB (in view of the reserves built up at the end of 2003) and the Commission. If payment forecasts hold good, the EIB's needs in 2004 will be covered by the first tranche already received. The Commission is asking the Member States to pay EUR 1 100 million for the second 2004 tranche and the balance (EUR 490 million) for the final 2004 tranche.

Concerning the future, the Commission and the EIB renew their pledge to do everything they can to commit the funds made available by the Cotonou Agreement (including the balances remaining from the 6th, 7th and 8th EDFs transferred to the 9th EDF) by the end of 2007. This, however, presupposes that the political situation in all ACP countries is such that the conditions required for disbursing the funds are met. The co-operation agreements (Lomé and Cotonou) are rooted in the principle of partnership between the Union and the ACP countries, which means that implementation of the EDF depends on the absorption capacity (political stability, quality of governance, etc.) of the ACP countries. As regards the budget aid (structural adjustment programmes and the HIPC debt-relief instrument) which accounts for a growing proportion of aid, payments are conditional on the ACP countries' compliance with certain macroeconomic conditions. Last but not least, utilisation of funds provided by the Cotonou Agreement will also depend on the results of any reallocation of funds following the mid-term and final reviews scheduled for 2004 and 2006 respectively.

2005 budget: others sections

2004/2002(BUD) - 28/10/2004 - Budgetary text adopted by Parliament

Parliament adopted the report by Anne Elisabet JENSEN (ALDE, DK) by 455 votes in favour, 66 against with 6 abstentions, on the first reading of the 2005 draft general budget with regard to the European Parliament, the Council, the Court of Justice, the Court of Auditors, the Economic and Social Committee, the Committee of the Regions, the European Ombudsman and the European Data Protection Supervisor.

The Parliament agrees with the committee responsible in that extra posts in the administration for enlargement, requested by the various institutions, should be provided. However, the committee insists on the importance of clear justification for the new spending (activity-based budgeting). The House also insists on developing, on top of reforming administrative structures, an institutional redeployment and co-ordination in order to make further savings. Parliament is in favour of leaving a significant margin under the ceiling of heading 5 (Administrative expenditure), but is obliged, at this stage, to opt for a limited margin. It proposes to restore some EUR 10 million out of the EUR 15 million cut made by the Council in its first reading on the budgets of the other institutions. It also requests the institutions to report to the budgetary authority by 15 November 2004 on the possibilities for further savings, reprogramming and frontloading to adjust the ! appropriations in order to create a more substantial margin in heading 5.

Parliament expects that the salary adjustment for officials of the European institutions will have less of an impact on administrative expenditure under the 2005 general budget than foreseen therefore it will adjust the appropriations for officials' salaries in its second reading accordingly.

The Parliament makes the following recommendations:

Section I - European Parliament: noting the budgetary decision to set the global level of Parliament's budget for 2005 at EUR 1 272 million corresponding to 20% of the ceiling of heading 5. On the other hand, it deplores the fact, however, that in the 2004 budget an amount of 10% could not be spent according to the foreseen allocation. It reiterates its support for the Members' Statute; considers, however, that even with a swift conclusion of the negotiations, the entry into force and the implementation of the Members' Statute could take place at the earliest towards the end of 2005 and is therefore in favour of keeping a token entry for the Members' Statute in Parliament's budget. It also notes that no final agreement has yet been reached with the Belgian authorities on the financial arrangements concerning the D4/D5 building project in Brussels and it points out that the Committee on Budgets has nevertheless decided, under certain conditions, not to rais! e an objection regarding the signature of the contract with the constructor. It has decided to enter EUR 17,5 million of the appropriations entered against Item 3910 (Secretarial assistance allowance) in the reserve until the Bureau has clarified the internal rules on the use of the secretarial allowance to take the increased amount into account. Moreover, Parliament has decided to make the necessary appropriations available for the following establishment plan measures: include the appropriations corresponding to the 140 enlargement-related posts, create 39 posts in the general secretariat, chiefly in order to meet requirements in connection with the new Financial

Regulation, the new Staff Regulations and management of MEPs' entitlements, create 19 'passerelle' posts in the general secretariat in order to give established status to around 125 long-standing temporary staff members in political groups during the current parliamentary term, create 37 temporary posts in politi! cal groups and 9 temporary posts for the non-attached Members.

Section II – Council: Parliament points out that the Council's budget for 2005 increases by 4,9% compared to 2004 and hence shows a higher rate of increase on average than heading 5 (3,2%); notes that some EUR 8 million of the increase relates to the establishment of a civilian/military cell, a small EU cell at SHAPE and an operation centre, relating to the European Security and Defence Policy. It calls on Council to improve the transparency of its budgetary procedure and to set a self-imposed ceiling for its budget; expects the Council to adopt its estimates at the same time as all other institutions and to forward to the Commission the estimates to be included in the PDB. It calls on the Council to act in accordance with budgetary rigour when evaluating its own and other institutions' budgetary needs.

Other institutions : Parliament has created most of the new posts requested by the institutions to ensure that enlargement-related needs are met and has increased appropriations especially for salaries by introducing lower standard abatement rates to enable swift recruitment from the new Member States. Parliament also intends to anticipate especially rent and lease payments from 2005 to 2004 and to reduce the appropriations for 2005 in its second reading at the latest and has introduced amendments to allow for frontloading.

Section IV - Court of Justice: Parliament considers that the possible establishment in 2005 of a judicial panel with jurisdiction to deliver judgments at first instance on disputes between the Community and its staff should be financed inside the budget of the Court of Justice for 2005.

Section V - Court of Auditors: Parliament calls on the Council to provide in writing, and before 15 December 2004, justifications for ignoring the European Parliament's negative opinion on the appointment of a Member of the European Court of Auditors.

Section VIII (A) - European Ombudsman: Parliament takes note of the significant increase in the number of complaints received by the Ombudsman during 2004.

2005 budget: others sections

2004/2002(BUD) - 16/12/2004 - Final budget adopted by Parliament

The European Parliament adopted a resolution, by 477 votes for, 106 against and 5 abstentions, based on the draft by Salvador GARRIGA POLLEDO (EPP-ED, ES) and Anne Elisabet JENSEN (ALDE, DK)adopting the EU budget for 2005. Parliament decided to reconfirm its first reading priorities and amendments with the adjustments resulting from the agreement with the Council reached at the budget conciliation on 25 November 2004. The Budget for 2005 as adopted by the Parliament amounts to EUR 116 554 135 698 in commitments, which represents an increase of 6.1% on the 2004 Budget, and EUR 106 300 million in payments, which represents an increase of 4.4% on the 2004 Budget. This level of payments represents 1.004% of estimated GNI for the year 2005, compared to 1.08% as established by the Financial Perspective, a difference of EUR 7,935 million.

More specifically, as regards administrative expenditure, Parliament stated its willingness to provide the EU institutions with the necessary means for 2005 to address the needs created by enlargement, and restored a significant part of the appropriations cut by the Council in its second reading. It agreed to create almost all posts requested by the Institutions in their estimates for 2005. Parliament also pointed out that the 2004 salary adjustment is only 0.7% instead of 2.6% as initially envisaged. Appropriations in the 2005 budget must be adjusted to take account of this lower than expected salary adjustment level.

Pre-Accession Strategy: The Council and the Parliament have agreed to include EUR 120m for promoting the economic development of the Turkish Cypriot community. Financing for Croatia amounts to some EUR 105m, reflecting the pre-accession strategy for that country.

2005 budget: others sections

2004/2002(BUD) - 29/11/2004 - Council amended draft budget

On 29 November 2004, after having deliberated with the Commission, the Council of the European Union carried out a second reading of the draft general budget of the European Communities for 2005.

In assessing the outcome of the Parliament's first reading of the Draft Budget for 2005, the Council was guided by the following principles:

- it ensured compliance with the annual expenditure ceilings set by the Financial Perspective;

- it adopted a limited and controlled growth of the volume of payment appropriations by maintaining the agreed level of payment appropriations of the Council first reading, taking into account in particular the level of surpluses of the past years and the constraints upon national budgets;

- it ensured compliance with the relevant provisions regarding the placing of appropriations in reserve, the classification of expenditure, legal bases, preparatory measures and pilot programmes

More specifically, as regards the 2005 budget of the other institutions , the Council adopted two joint statements concerning the reductions of administrative expenditure resulting from the adaptation of the salaries and pensions and on the management of the relevant posts, in particular on an updated situation of those posts that cannot be occupied or have been redeployed as a result of the creation of Executive Agencies.

On the whole, the Commission has maintained its first reading for the rest of the other budgetary sections of the Union's budget with the exception of the amendments concerning the European Parliament's budget which were all accepted in the framework of the "Gentlemen's Agreement).

It should be noted that the Council also accepted the Commission's amending letter No 2/2005 concerning the executive agencies.

2005 budget: others sections

2004/2002(BUD) - 16/12/2004 - Final act

PURPOSE: the final adoption of the general budget for the European Union (EU25) for the 2005 financial year.

LEGISLATIVE ACT: 2005/141/EC, Euratom.

CONTENT: the general budget of the Union for the 2005 financial year is definitively adopted in accordance with the budgetary procedure completed on 16 December 2004. The Union’s budget as adopted is in line with the priorities defined by the budgetary authorities at their consultatative meeting on 25 November 2004 and the European Parliament’s vote in plenary session on the second reading (please refer to the summary of the Parliament’s resolution of 16.12.2004).

This is the first budget drawn up for the 25 Member States that covers a complete financial year and amounts to a total of EUR 116.554 billion in commitment appropriations and EUR 106.3 billion in payment appropriations, thus an increase 6.2% in the former and 4.4% in the latter. This level of payment appropriations is equivalent to 1.004% of GNI of the enlarged Union. The margins left under the ceilings set by the financial perspectives amount to EUR 3.04 billion for commitments and EUR 7.935 billion for payments.

By budgetary heading, the 2005 budget is as follows:

Agriculture and rural development: EUR 49.676 billion in commitments which leaves a margin of EUR 1.763 billion under the ceiling for this item. The payment appropriations amount to EUR 49,115 billion, which is an increase of 11.6% in comparison with 2004. The increases may be explained by the second phase of the gradual application of direct aids to the new Member States and by the effects of the reform of the CAP. Of the total commitment appropriations, EUR 6.841 billion are for rural development actions, while the corresponding payment appropriations amount to EUR 6.279 billion.

Structural actions: the 2005 budget comprises EUR 42.423 billion in commitment appropriations – a rise of 3.4% compared with 2004. For payments, there has been a decrease of 6.2% compared with 2004: EUR 32.396 billion - EUR 2.126 billion less than in 2004. However, if the Commission considers that these credits are insufficient, it can present an amending budget to the budgetary authorities, on which a decision will be taken in a single reading. It should also be noted that the PEACE II Programme was extended in 2005 (and in 2006). In 2005, this will receive EUR 50 million.

Internal policies: EUR 9.052 billion in commitment appropriations and EUR 7.923 billion in payment appropriations, an increase of 4% and 5.5% respectively in comparison with 2004. Given that this level of commitments exceeds the financial perspective ceilings, EUR 3.4 million of the necessary amount for financing the decentralised agencies will have to come from the flexibility instrument. The main priorities concern the Lisbon Strategy and the AFSJ.

External actions: EUR 5.219 billion in commitment and EUR 5.476 billion in payment appropriations, which corresponds with the respective increases of 0.8% and 11% compared with 2004. Aid to Iraq remains at EUR 200 million. Of this amount, EUR 100 million will have to be funded from outside heading 4, using the flexibility instrument. For priority actions, such as combating diseases related to poverty, combating drugs and regional programmes – in particular in Asia and in Latin America – funding has increased by almost 2%. The CFSP budget is EUR 62.2 million.

Administrative expenditures: EUR 6.351 billion, an increase of 3.7% so as to fund 1,250 new posts (700 of which for the Commission to cover requirements resulting from enlargement).

Pre-accession strategy: EUR 2.081 billion, representing an increase of 20.1% in comparison with 2004. Payment appropriations are at a considerably higher level – EUR 3.287 billion – an increase of 15.1% compared with 2004. This is due in part to payments under way to the new Member States for pre-accession progammes in which they participated before becoming EU members. Pre-accession aid continues for Romania and Bulgaria (EUR 1.552 billion in commitments) and for Turkey (EUR 286.2 million). For the first time, Croatia is part of the pre-accession strategy – taking into account its status as a candidate country. The sum available for this country has increased by 60% in comparison with 2004 amounting to EUR 105 million. Heading 7 also includes commitment appropriations of EUR 120 million to fund the economic development of the Turkish Cypriot community, placed in reserve awaiting the adoption of the appropriate legal base.

In line with the political agreement in terms of which the new Member States should not become net contributors to the budget at the very beginning of their membership, a compensatory amount of EUR 1.305 billion is provided for under heading 8. This amount will be made available in the form of transfers to the new Member States, in order to balance their budgetary receipts and contributions.

2005 budget: others sections

2004/2002(BUD) - 26/02/2004 - Budgetary text adopted by Parliament

The European Parliament adopted a resolution drafted by Wilfried KUCKELKORN (PES, D) on the guidelines for the sections other than the Commission (including Parliament) for the 2005 budgetary procedure. (Please see the document dated 17/02/04.) With regard to the general framework, Parliament noted the efforts made so far by the institutions to respond to the challenges of the enlargement. The amount of staff in most of the institutions has been increasing rapidly to cater for the needs of the enlargement. Parliament felt that the main bulk of the additional needs related to the enlargement are covered in the 2002-2004 budgets, albeit that a number of measures remain to be taken. With regard to the Parliament section, the European Parliament stated its determination, as the driving force behind the movement to set up a WTO Parliamentary Assembly, to ensure that sufficient appropriations become available to provide for the adequate participation, with the necessary infrastructure, of its delegations in all meetings of or leading up to such an assembly. On information policy and new technologies, Parliament underlined the importance of web-publishing in disseminating information, including Internet broadcasting of plenary sittings. Its Internet site "Europarl" is crucial in bringing the Parliament closer to its

electorate. The parliamentary bodies and Parliament's administration should make greater use of videoconferencing, when appropriate. Parliament noted that wireless computer access is already in place in several national parliaments. It pointed out that offering possibilities for remote access to Parliament's network for both Members and staff would increase efficiency and accessibility.

2005 budget: others sections

2004/2002(BUD) - 30/04/2004 - Document attached to the procedure

A letter from the European Commission to the Secretary-General of the European Parliament indicated that, in accordance with Article 272(9) of the Treaty establishing the European Community, the maximum rate of increase for non-compulsory expenditure was fixed at 3.4% for the 2005 budget.

2005 budget: others sections

2004/2002(BUD) - 18/06/2004 - Document attached to the procedure

In this strategy paper, the European Commission outlines its political and financial priorities for 2005.

This will be the guideline for the Commission's legislative programme and the allocation of resources. The top operational priority is the integration of the new Member States. Politically, the Commission wants to ensure that in the EU of 25 Member States and 450 million citizens competitiveness and cohesion are enhanced, security and European citizenship are guaranteed for a greater number of more mobile citizens, and that the Union will be able to take on more external responsibility.

The Annual Policy Strategy decision for 2005 is exceptional in that the current Commission will establish a framework to be considered by the next Commission. This decision will ensure consistency with the priorities for the post 2006 period covered by the new financial perspectives.

For 2005, the overriding priority is to make enlargement a success and shape the future of Europe. 2005 will be a key year for negotiations on the next financial perspectives, new programmes, such as structural funds, education and training etc. and, in all probability, the ratification of the new Treaty.

The Commission's central objective will be to provide a new momentum of economic growth, based on enhanced competitiveness and cohesion; the objective of stability and security will be maintained, through efforts to improve security and European citizenship; the Union will also take a new external responsibility, with emphasis on the neighbourhood dimension, by strengthening its new continental legitimacy.

More specifically, this strategy document presents the budgetary and in particular the administrative priorities of the Commission : in this context, the Commission requests 700 new posts which will be shared between 661 new posts for the operating establishment plan of the Commission and 39 new posts for the Offices.

Reinforcement of linguistic services will also be one of key priority of the Commission for 2005. Approximately half of the new staff that will be allocated in 2005, including increase in linguistic external staff, will be devoted to linguistic services (translation, interpretation and publication).

Lastly, it should be noted that this document does not concern the budgetary and administrative priorities of the other institutions.