

Basic information	
2004/2038(BUD) BUD - Budgetary procedure	Procedure lapsed or withdrawn
2005 budget: conciliation procedure Subject 8.70.60 Previous annual budgets	

Key players			
Council of the European Union	Council configuration	Meetings	Date
	Economic and Financial Affairs ECOFIN	2598	2004-07-16

Technical information	
Procedure reference	2004/2038(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budgetary preparation
Stage reached in procedure	Procedure lapsed or withdrawn

2005 budget: conciliation procedure

2004/2038(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 conciliation meeting, which had been prepared by a triologue on 5 July 2004, covered six topics relating to the budgetary procedure for 2005, namely:

-Agriculture : the European Parliament and the Council agreed to resume examination of agricultural

expenditure on the basis of the Letter of Amendment in the autumn. The Commission confirmed that it will issue a report in September on the two 2004 pilot projects (on risk financing model for livestock epidemics and on quality schemes) raised by the European Parliament, which will include if appropriate amounts to be inserted in the Letter of Amendment in the autumn.

-International fisheries agreements: the Council and the European Parliament agreed to resume discussion of this question in November on the basis of the Letter of Amendment that the Commission would be submitting in autumn.

The Council took note of the concerns expressed by the European Parliament and the Commission concerning the reduction of EUR 6 million in commitment appropriations for fisheries (EUR 196 million at first reading instead of EUR 202 million in the preliminary draft budget 2005).

-Common foreign and security policy (CFSP): the European Parliament took note of the increase of EUR 7,6 million in the CFSP budget proposed by the Council (EUR 62,6 million at the first reading instead of EUR 55 million in the preliminary draft budget 2005). The Council also took note of the request expressed by the European Parliament concerning the information to be provided as regards the

budgetary impact of the EU Special Representatives.

-External actions and pre-accession strategy (headings 4 and 7): as regards the use of the flexibility instrument, the Council reaffirmed its exclusion of the flexibility instrument from the financing of external actions and recalled that it had created a positive margin of EUR 14,4 million instead of the EUR - 115 million initially submitted in the PDB 2005.

Concerning the financing of assistance to Northern Cyprus - EUR 259 million - and the relevant heading of the Financial Perspective, the European Parliament and the Council agreed to find an appropriate solution and to work on this issue on the basis of a future Council position.

-Administrative expenditure (heading 5): the European 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. 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.

-Payment appropriations: the European Parliament and the Council agreed to come back to this issue at the next Council meeting in November. The Council insisted on the need for a limited and controlled increase of payment appropriations in 2005.

For a more detailed overview of the budgetary procedure, please refer to the procedure references BUD/2004/2001 (Budget 2005 - Section III: Commission) and BUD/2004/2002 (Budget 2005 – Other institutions).