Basic information

2005/2002(BUD) BUD - Budgetary procedure	Procedure completed
2006 budget: other sections **Subject** 8.70.60 Previous annual budgets	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	DOMBROVSKIS Valdis (PPE-DE)	06/12/2004

Committee for opinion	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)	14/03/2005
CONT Budgetary Control	HEATON-HARRIS Christopher (PPE-DE)	16/03/2005
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.	
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
IMCO Internal Market and Consumer Protection	The committee decided not to give an opinion.	15/03/2005

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	SZEJNA Andrzej Jan (PSE)	03/02/2005
LIBE	Civil Liberties, Justice and Home Affairs	DEPREZ Gérard (ALDE)	06/06/2005
AFCO	Constitutional Affairs	The committee decided not to give an opinion.	20/04/2005
FEMM	Women's Rights and Gender Equality	The committee decided not to give an opinion.	
PETI	Petitions	SCHWAB Andreas (PPE-DE)	24/05/2005

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2673	2005-07-15
Economic and Financial Affairs ECOFIN	2693	2005-11-24

European Commission

Commission DG	Commissioner
Budget	

Key events

Date	Event	Reference	Summary
27/04/2005	Commission preliminary draft budget published	COM(2005)0300	Summary

15/07/2005	Council draft budget published	11186/2005	Summary
29/09/2005	Committee referral announced in Parliament		
13/10/2005	Vote in committee		Summary
18/10/2005	Budgetary report tabled for plenary	A6-0307/2005	
26/10/2005	Debate in Parliament		
27/10/2005	Decision by Parliament	T6-0410/2005	Summary
27/10/2005	Results of vote in Parliament		
24/11/2005	Debate in Council		Summary
13/12/2005	Draft budget approved by Council		
15/12/2005	Final act signed		
15/12/2005	End of procedure in Parliament		
15/03/2006	Final act published in Official Journal		

Technical information

Procedure reference	2005/2002(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/6/25972

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	PETI	PE359.907	25/07/2005	
Committee opinion	INTA	PE362.423	12/09/2005	
Committee opinion	LIBE	PE360.276	16/09/2005	
Committee opinion	CONT	PE362.884	06/10/2005	
Amendments tabled in committee		PE364.676	10/10/2005	
Budgetary report tabled for plenary, 1st reading		A6-0307/2005	18/10/2005	
Budgetary text adopted by Parliament		T6-0410/2005 OJ C 272 09.11.2006, p. 0453-0561 E	27/10/2005	Summary

Council of the EU

Document type	Reference	Date	Summary

Council draft budget	11186/2005	15/07/2005	Summary

European Commission

Document type	Reference	Date	Summary
Commission preliminary draft budget	COM(2005)0300	27/04/2005	Summary
Document attached to the procedure	SEC(2005)0552	29/04/2005	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2006/0179
OJ L 078 15.03.2006, p. 0001-1547 Summary

2006 budget: other sections

2005/2002(BUD) - 15/12/2005 - Final act

PURPOSE : to present the final adoption of the general budget of the European Union for the financial year 2006.

LEGISLATIVE ACT : 2006/179/EC, Euratom.

CONTENU : the 2006 budget was adopted on 15 December 2005 with the European Parliament's second reading. The total level of commitment appropriations amounts to EUR 121 190 million, which represents an increase of 4.5 % on 2005. Payment appropriations increase by 5.9 % to EUR 111 969 million, which represents 1.01 % of the gross national income (GNI) of the European Union. The margins remaining below the ceilings of the financial perspective are EUR 2 505 million for commitments and EUR 7 323 million for payments.

For **agriculture and rural development** commitments amount to EUR 51 051 million, leaving a margin of EUR 1 567 million under the ceiling. Payment appropriations increase by 5.2 % compared to 2005 to a level of EUR 51 991 million. During the budgetary process, an adjustment to the sub-headings of the financial perspective was agreed, allowing for modulation of funds from sub-heading 1a agriculture to sub-heading 1b rural development in line with the last reform of the CAP. Of the total commitments under Heading 1, EUR 7 771 million is for rural development measures, with payments at EUR 7 711 million.

For **structural operations**, commitments increase by 5 % on 2005 to EUR 44 555 million. Payment appropriations amount to EUR 35 640 million, which is an increase of 10 % compared to 2005. In addition, in accordance with the declaration agreed at the trilogue of 30 November, if the Commission becomes convinced of a shortage in payment appropriations, it will present a preliminary draft amending budget to the budgetary authority, which should be decided

on in a single reading.

Commitment appropriations for **internal policies** amount to EUR 9 373 million. This is an increase of 2.4 % on 2005, and leaves a margin of EUR 12 million under the ceiling. Payment appropriations increase by 10.9 % to EUR 8 889 million. The budgetary authority agreed to increase the financial envelope for a number of co-decided programmes, which are in their final year, for a total amount of EUR 100 million. The emphasis is on measures to encourage growth, environmental protection and encouraging active citizenship, especially among Europe's young people, thus contributing to the Lisbon Strategy.

For **external actions**, commitments increase by 5.9 % to EUR 5 544 million, and payments decrease by 2% to EUR 5 369 million. Of this, EUR 275 million is to be financed outside Heading 4 by recourse to the Flexibility Instrument. This amount is broken down as follows: EUR 100 million for reconstruction in Iraq (out of a total amount of EUR 200 million); EUR 95 million for aid to the regions affected by the tsunami (out of a total amount of

EUR 180 million); EUR 40 million for support to the Sugar Protocol countries affected by reform in the EU sugar sector; and EUR 40 million for the Common Foreign and Security Policy (CFSP).

For **administrative expenditure** both commitment and payment appropriations are set at EUR 6 656 million, which is an increase of 5.8 % on 2005. A total of new 800 posts are created, of which 700 are related to the last enlargement, and 100 are intended for external staff in order to prepare the accession of Bulgaria and Romania.

The preparation for future enlargements will continue, in line with the roadmaps agreed for Bulgaria and Romania.

Turkey and Croatia will also continue to benefit from the pre-accession strategy funding. An overall amount of EUR 2 481 million is programmed in commitments for **pre-accession strategy (heading 7)**, which represents an increase of 19.2% on the 2005 budget, but still leaves a margin under the ceiling of EUR 1 085 million.

In accordance with the political agreement that the new Member States should not become net-contributors to the budget at this early stage of their membership, **compensation** of EUR 1 074 million is foreseen under Heading 8. This will be available as transfers to the new Member States to balance their budgetary receipts and contributions.

2006 budget: other sections

2005/2002(BUD) - 15/07/2005

After the meeting with the European Parliament, and on the basis of the preparatory work done by the Permanent Representatives Committee and during the conciliation meeting with the European Parliament, the Council confirmed by a qualified majority the agreement reached by the Permanent Representatives Committee on the draft general budget for 2005. (The delegations of Germany, Austria and the Netherlands abstained).

The Council gives a mandate to the Presidency, assisted by the General Secretariat of the Council, to establish budget documents and forward them to the European Parliament in accordance with the planned timetable.

2006 budget: other sections

2005/2002(BUD) - 24/11/2005

The Council held a conciliation meeting with a delegation from the European Parliament to examine the EU's draft general budget for 2006. Despite major progress in bringing positions closer together, representatives of the two institutions were unable to reach total agreement at this stage, and the Council postponed its second reading of the draft budget. The presidency indicated that it would reflect on how to take work forward with a view to bringing the conciliation to a successful conclusion and also enabling the Council to approve its second reading as soon as possible.

2006 budget: other sections

2005/2002(BUD) - 29/04/2005 - Document attached to the procedure

In a letter from the European Commission to the Secretary General of the European Parliament, it is stated that, in accordance with Article 272 (9) of the Treaty on the European Community, the maximum rate of increase of “non compulsory” expenditure for the 2006 budget is set at 3.6%.

2006 budget: other sections

2005/2002(BUD) - 27/04/2005 - Commission preliminary draft budget

PURPOSE: The presentation of the Preliminary Draft Budget for the EU institutions 2006 (Budget: Other Sections)

CONTENT: In presenting a preliminary draft budget for 2006, the Commission is taking into account the expenditure of all of the EU institutions.

In terms of its own spending the Commission draft proposes EUR 3 009 million, equalling an increase of 6.16% on 2005 figures. The proposed raise is due to the continuing enlargement process. For the other institutions an increase of 6.27% on 2005 figures is being proposed equivalent to a total budget of EUR 2 482 million. Adding the two together results in a total administrative expenditure for all of the EU institutions equivalent to EUR 6 683 million, in other words a rise of EUR 390 million compared to 2005. Proportionally speaking, Heading 5 is divided as follows:

- 45% for the Commission (not including communal expenses) - EUR 3 009 million;

- 37.2 % for the other institutions - EUR 2 482 million (including the European Parliament, Council, Court of Justice, Court of Auditors, Committee of the Regions, Economic and Social Affairs Committee, European Ombudsman and the European Data Protection Supervisor).

- 17% for common expenses - EUR 1 197 million sub-divided as follows:

pensions: EUR 904 82 million;

European Schools: EUR 130 million;

OPOCE: EUR 80 86 million;

OLAF: EUR 50 16 million;

All together this then adds up to EUR 6 683 million for the total of heading 5.

A new system is being introduced whereby administrative expenditure will, in future, be budgeted in line with its relevant policy field. More specific expenditure, such as Official Journal publications or Commission representations abroad, will be budgeted separately. It is noteworthy that the Commission is seeking to create 700 new posts to be established within the framework of EU enlargement – on top of the 700 created in 2005. One new, non-negotiable, expense is expenditure on increasing the security of Commission buildings.

2006 budget: other sections

2005/2002(BUD) - 27/10/2005 - Budgetary text adopted by Parliament

The European Parliament adopted a resolution drafted by Valdis **DOMBROVSKIS** (EPP-ED, LV) on the EU's draft general budget for 2006 (institutions other than the Commission) and mostly focused on the Parliament and its targets for the coming year.

General framework: Parliament was in favour of leaving an adequate margin under the ceiling of heading 5 (Administrative expenditure). It proposed restoring some EUR 7.7 million out of the EUR 15.1 million cut made by Council in its first reading on the budgets of the other institutions (excluding Parliament and the Council).

Section I - European Parliament:20% of the European institutions' administrative resources are dedicated to the European Parliament. With an estimated maximum of EUR 1341 million at its disposal, the Parliament decided to further limit its spending with a proposed cut of EUR 20m to EUR 1321 million. Parliament emphasised that this was not a precedent for future years. It also decided to enter in the reserve of the 'Provisional appropriations to cover the institution's property investments' (Item 2009) an amount of EUR 15 million to allow the continuing acquisition of buildings.

Furthermore, EUR 20 million will be put in an *"information and communication reserve".* Finally Parliament decided, in addition to the amount of EUR 13.8 million entered in its estimates, to make available further appropriations totalling EUR 9 726 000 in connection with preparations for Romanian and Bulgarian accession

For the remaining sections, please see the summary dated 13/10/2005.

2006 budget: other sections

2005/2002(BUD) - 15/07/2005 - Council draft budget

A total of EUR 6 578 million has been allocated to Heading 5 (Administration) of the Financial Perspective. This is EUR 119 87 million short of that originally proposed by the Commission in its draft preliminary budget (PDB). (See 2005/2001 BUD). Of the EUR 6 578 approved, EUR 4 106 million is being granted to the European Commission’s budget (including OPECE, OLAF, EPSO with EAS, PMO, OIB and pensions). Although this is lower than that foreseen by the Commission, it nevertheless represents an increase of 3.8% on the 2005 budget, equivalent to EUR 149 469 090. For the remaining institutions a total of EUR 2 472 million has been allocated covering both commitment and payment appropriations. The Council has authorised that the margin for Heading 5 should be set at EUR 130 11 million, compared to that of the Commission’s PDB, where a figure of EUR 25 million was proposed.

Other modifications introduced by the Council to the PDB include:

- applying a 2% reduction on current expenditure. This takes account of savings made by an efficiency drive and the impact of inter-institutional co-operation.
- Increasing the standard flat rate abatement on salaries for some institutions. This takes account of the current rate of vacancy.
- Accepting all A grade posts needed for enlargement and the introduction of other new activities. Some reductions have been applied to B and C grade posts.
- Accepting 75% of the requests made by the institutions for new, pre-enlargement post. This takes account of the recruitment rate in recent years.
- Accepting conversions and upgradings, in particular those related to career development under the new Staff Regulations.

The Council’s other modifications to the PDB can be summarised as follows:

1. European Parliament – Section I: Under the terms of a “gentleman’s agreement”, the Council has agreed to include the European Parliament’s draft general budget for the 2006 financial year, without any changes. The estimate represents an increase of EUR 77 6 million, or an increase of 6.14% on the 2005 budget.
2. Council – Section II: The Council has allocated itself at total of EUR 591 752 953 for the financial year 2006, representing an increase of 5.08% over the 2005 budget. The standard flat rate abatement on salaries has been fixed at 5.2% taking into account the current rate of vacancies. As far as staffing is concerned the Council has approved the creation of 161 new posts, as well as the transfer of one C1 post to the Commission’s ADMINFO. The transformations for career development, in line with revised Staff Regulations, were approved by the

Council. It has also accepted two upgradings and the transformation of five grade A posts. However, it could not accept a request for two grade B posts and twenty-two grade C requested for the pre-enlargement process.

3. Court of Justice – Section IV: The Council has allocated a total of EUR 246 940 602 to the Court of Justice, representing an increase of 7.86% on the 2005 budget. The standard flat rate abatement on salaries has been fixed at 4% taking account of the current rate of vacancies. As far as staffing levels are concerned, the Council has approved appropriations for eight new Member States, equating to seven judges and one registrar for the new Civil Service Tribunal and the creation of twenty two new posts, of which eighteen are for the new Tribunal. In addition, the Council accepted 51 upgradings, of which thirty-six transformations are related to career development in line with revised Staff Regulations. Eleven posts have been removed. As regards contracts with agents and national experts, the Council has approved 75% of the appropriations requested to take account of the forthcoming accession of Romania and Bulgaria. However, in the case of the Civil Service Tribunal, the Council has rejected the request for nine grade B, three grade C and four temporary grade B posts.
4. Court of Auditors – Section V: For 2006, the Council has allocated an over all amount of EUR 111 641 491 to the Court of Auditors, representing a 4.39% n increase on the 2005 budget. The standard flat rate abatement on salaries has been fixed at 3.5% taking into account the current rate of vacancies. As far as staffing is concerned, the Council has accepted the creation of eleven new posts, equating to ten A grade (six without financing in view of the forthcoming accession of Romania and Bulgaria). One grade A post has been removed. Fifty two upgradings have been approved in line with revised Staff regulations as well as thirty one transformations. The Council approved 75% if the appropriations requested for contracts with national experts and agencies to take account of Romanian and Bulgarian accession. Four grade B posts were rejected.
5. Economic and Social Committee – Section IV: A total amount of EUR 106 794 805 has been allocated to the Economic and Social Committee for 2006, representing an increase of 3.85% on the 2005 budget. The standard flat rate abatement on salaries has been fixed at 4% taking account of the current rate of vacancies. As far as staffing levels are concerned the Council has approved the creation of 28 posts, of which twenty are directly related to the EU's enlargement. Requests for ten grade B posts have been turned down.
6. Committee of the Regions – Section IV: The Council has allocated a total overall amount of EUR 62 103 170 to the Committee of the Regions, representing an increase of 3.94%. The standard flat rate of abatement on salaries has been fixed at 4.5% taking account of the current vacancy rate. Concerning staffing levels, the Council has approved the creation of 20 posts, of which fourteen are language-related posts and one a temporary grade A. In addition the Council has accepted thirty one career transformations in line with revised Staff Regulations. Thirteen grade B and fourteen grade C posts have been rejected.
7. European Ombudsman – Section VIII: An overall total of EUR 7 509 482 has been allocated to the European Ombudsman for 2006, representing an increase of EUR 3.94%. With regard to staffing levels, the Council has agreed to the creation of four new posts for six months, of which three are related to the accession of Romania and Bulgaria. In line with revised Staff Regulation, the Council has accepted the number of transformations requested. Two grade B posts were rejected.
8. European Data Protection Supervisor – Section VIII B. An overall total of EUR 3 447 233 has been awarded to the European Data Protection Supervisor for 2006, representing an increase of 21.35%. Three new posts have been approved, whilst the request for one grade B and one grade C have been turned down.