Basic information

2006/2018B(BUD) BUD - Budgetary procedure	Procedure completed
2007 budget: other sections **Subject** 8.70.60 Previous annual budgets	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	GRECH Louis (PSE)	11/01/2006

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	The committee decided not to give an opinion.	
DEVE Development	SCHRÖDER Jürgen (PPE-DE)	25/01/2006
INTA International Trade	ŠŤASTNÝ Peter (PPE-DE)	25/01/2006
CONT Budgetary Control	The committee decided not to give an opinion.	22/02/2006
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.	21/02/2006
IMCO Internal Market and Consumer Protection	The committee decided not to give an opinion.	

	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	WALLIS Diana (ALDE)	23/02/2006
	LIBE Civil Liberties, Justice and Home Affairs	DEPREZ Gérard (ALDE)	22/02/2006
	AFCO Constitutional Affairs	The committee decided not to give an opinion.	21/02/2006
	FEMM Women's Rights and Gender Equality	The committee decided not to give an opinion.	
	PETI Petitions	DOBOLYI Alexandra (PSE)	21/03/2006

Council of the European Union

Council configuration	Meetings	Date
General Affairs	2743	2006-07-17
Economic and Financial Affairs ECOFIN	2716	2006-03-14
Economic and Financial Affairs ECOFIN	2742	2006-07-14
Economic and Financial Affairs ECOFIN	2764	2006-11-21
Employment, Social Policy, Health and Consumer Affairs	2767	2006-11-30

European Commission

Commission DG	Commissioner
Budget	GRYBAUSKAITĖ Dalia

Key events

Date	Event	Reference	Summary
14/03/2006	Resolution/conclusions adopted by Council		Summary
15/06/2006	Commission preliminary draft budget published	SEC(2006)0531	Summary
17/07/2006	Council draft budget published	11675/2006	Summary
26/09/2006	Committee referral announced in Parliament		
12/10/2006	Vote in committee		Summary
13/10/2006	Budgetary report tabled for plenary	A6-0356/2006	
24/10/2006	Debate in Parliament		
26/10/2006	Decision by Parliament	T6-0452/2006	Summary
26/10/2006	Results of vote in Parliament		
30/11/2006	Draft budget approved by Council		
12/12/2006	Debate in Parliament		
14/12/2006	End of procedure in Parliament		
16/03/2007	Final act published in Official Journal		

Technical information

Procedure reference	2006/2018B(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/6/33278

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	LIBE	PE376.433	05/09/2006	
Committee opinion	PETI	PE376.335	13/09/2006	
Committee opinion	INTA	PE376.365	13/09/2006	
Committee draft report		PE378.811	29/09/2006	
Committee opinion	DEVE	PE376.788	03/10/2006	
Amendments tabled in committee		PE378.843	05/10/2006	
Budgetary report tabled for plenary, 1st reading		A6-0356/2006	13/10/2006	
Budgetary text adopted by Parliament		T6-0452/2006	26/10/2006	Summary

Council of the EU

Document type	Reference	Date	Summary
Council draft budget	11675/2006	17/07/2006	Summary

European Commission

Document type	Reference	Date	Summary
Document attached to the procedure	SEC(2006)0558	02/05/2006	Summary
Commission preliminary draft budget	SEC(2006)0531	15/06/2006	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2007/0143(1)
OJ L 077 16.03.2007, p. 0001 Summary

2007 budget: other sections

2006/2018B(BUD) - 02/05/2006 - Document attached to the procedure

This Commission document concerns the maximum rate of increase for “non-compulsory” expenditure for the 2007 budget. It states that , in accordance with Article 272(9) of the EC Treaty, the maximum rate of increase shall be:

- 3.4% for the 2007 budget with the current 25 Member States;
- 3.6% for the 2007 budget with the current 25 Member States and Bulgaria;
- 4.0% for the 2007 budget with the current 25 Member States and Romania;

4.2% for the 2007 budget with the current 25 Member States, Bulgaria and Romania

2007 budget: other sections

2006/2018B(BUD) - 21/11/2006

The Council reached political agreement in second reading on the EU's draft general budget for 2007, subject to formal confirmation at a forthcoming Council. It requested the permanent representatives committee to continue negotiations on points that remain open between the Council and the European Parliament following the conciliation meeting with a parliamentary delegation on 21st November.

2007 budget: other sections

2006/2018B(BUD) - 14/07/2006

The Council agreed by qualified majority on the draft general budget for 2007 at first reading after a conciliation meeting with the European Parliament and the Commission. The adoption under "A" items - without discussion - of the draft budget will take place at the General Affairs and External Relations Council on **17 July 2006**.

The Commission submitted a preliminary draft budget in spring 2006. As usual, this draft budget will be examined and amended by the European Parliament at first reading in autumn 2006. The Commission will submit a customary "ad hoc" Letter of Amendment in autumn before the second reading by the Council, scheduled for November 2006.

Before examining and establishing the draft budget for the financial year 2007, the Council held its customary meeting with a delegation from the European Parliament in the framework of the Interinstitutional Agreement. The delegation was led by Mr Janusz **LEWANDOWSKI**, Chairman of the Committee on Budgets, and comprised:

- Mr James **ELLES** (Rapporteur for Section III (Commission) of the 2007 budget), Louis **GRECH** (Rapporteur for Other Sections of the 2007 budget);
- Mr Reimer **BOGE**, Ms Ingeborg **GRAβLE**, Ms Catherine **GUY-QUINT**, Ms Anne **JENSEN**, Mr Jan **MULDER**, Mr Giovanni **PITTELLA**, Mr Paul **RUBIG**, Mr Antonis **SAMARAS**, Mr Esko **SEPPANEN**, Mr Laszlo **SURJAN**, Ms Helga **TRUPEL**, Mr Kyosti **VIRRANKOSKI** and Mr Ralf **WALTER**, members of the European Parliament.

Ms Dalia **GRYBAUSKAITE**, member of the European Commission, took part in the conciliation meeting.

This meeting, which had been prepared by a trialogue on 10 July 2006, covered the general outline of the 2007 budget and the following specific items related to the Budget 2007.

More specifically, as regards the budget of the other institutions, the Council made two declarations:

- on "productivity gains for the years 2007-2013" including the freezing of posts following retirement;
- concerning "Recruitment in relation with the 2004 enlargement" and the planned deletion of 500 posts for the Commission by 2010.

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 2007 (please refer to the summary of the draft budget 2007 dated 17 July 2006).

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.

2007 budget: other sections

2006/2018B(BUD) - 17/07/2006 - Council draft budget

The Council adopted, by qualified majority, the draft general budget of the other institutions for the financial year 2007. The Council used the preliminary draft budget of the European Communities for 2007, submitted by the Commission, as the basis for establishing the draft budget (refer to the summary dated 15/07/2006). It also drew upon the debates in conciliation (refer to Council activities 17/07/2006).

The draft budget of the other institutions (except the Commission) is characterised by the following elements:

A. Generally:

- setting an appropriate level for the administrative budget of each institution taking into account their own specificities and their real and justified needs;
- applying targeted reductions by limiting requested increases to 2% in comparison to 2006 for some types of expenditure such as Information Technology services and by retaining specific decreases on some other individual budget lines taking into account real needs;
- applying a differentiated rate of reduction on current expenditure related to productivity gains and the impact of interinstitutional cooperation (between 1.5% to 2.5% taking into account the past implementation in 2004 and 2005) on budget lines which have not been subject to specific reductions;
- increasing the standard flat rate abatement on salaries for most institutions, taking into account their current vacancy rate.

As regards recruitment in relation with the 2004 enlargement, the Council approved a declaration in which it notes with great concern the information provided by the institutions regarding the recruitment process on new posts granted in 2004, 2005 and 2006, in particular regarding the slowing down of the recruitment process in 2006. The Council insists that all efforts should be made by the institutions as well as by EPSO to ensure that the recruitment process is sufficiently and speedily carried forward at every stage in order to occupy the posts granted as soon as possible. It intends to monitor closely the ongoing recruitment process. To this effect, it requests each institution and EPSO to provide quarterly information to the Budgetary Authority on the state of affairs regarding recruitments in relation with the 2004 enlargement. It invites the Secretaries-general of the institutions to present a report on the progress made in this field before its second reading of the 2007 budget in November 2006.

Furthermore, the Council accepts some new posts requested by the institutions for new tasks on the basis of justified needs. It intends to obtain an agreed Budgetary Authority policy on **freezing half of the posts becoming vacant in 2007 following the retirement of the incumbent** (not including language posts and AD 13 to AD 16 posts) in view of their deletion in the 2008 budget, if the Budgetary Authority were to agree such a policy, a target total of 200 posts is estimated to be affected (Council 24, Commission 170, Court of Justice 1, Court of Auditors 2, European and Social Committee 3).

In the context of this "productivity gains programme for years 2007-2013", the Council made a second statement in which it stresses the need to ensure real productivity gains in the EU administration throughout the new financial framework period. It also recalls the importance of ensuring that institutions' budgetary estimates be based on real, justified and demonstrated needs. Productivity gains should also be brought about by redeployment and reorganisation of the administrative structures of EU institutions, and saving should be achieved, inter alia, through staffing levels, building policy, tendering for utilities and supplies and IT investments.

The Council invites the institutions to present by the end of 2006 a comprehensive outline of the composition of current cost-bases and their plans for assessing and realising gains on administrative costs for the period 2007-2013 including all administrative expenditure.

B. Expenditure authorised by the Council for each institution (except the Commission) :

- **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 2007 without any changes; the estimate represents an increase of EUR 56 100 000 (+ 4.24%) over the 2006 budget.

- **Council - Section II**: EUR 593 528 788, which represents an increase of EUR 1 775 259 (+0.30%) over the 2006 budget. The standard flat rate abatement on salaries has been maintained at 7% as proposed in the PDB, taking into account the current vacancy rate. The rate of reduction on current expenditure related to productivity gains and the impact of interinstitutional co-operation has been fixed at 1.7%. Targeted reductions were retained by applying a specific decrease on Information Technology, on the SESAME project and on the contingency reserve. As regards staffing, for its section of the budget, the Council approved the creation of 20 new posts for new tasks and 37 posts for enlargement. It also approved the transformations for career development as requested and it accepted the transformation of 13 temporary posts into permanent posts. It rejected the request for a further 39 new posts.

- **Court of Justice - Section IV**: EUR 267 585 990, which represents an increase of EUR 17 247 388 (+6.89) over the 2005 budget. The standard flat rate abatement on salaries has been fixed at 4.5%. The rate of reduction on current expenditure related to productivity gains and the impact of interinstitutional co-operation has been fixed at 2.2%. As regards staffing, the Council approved the creation of 8 new posts for new tasks, 115 new posts in view of the enlargement to Romania and Bulgaria and 2 new posts requested in relation to the translation into Irish. It accepted the transformations for career development as requested. The Council also agreed on the removal of 5 posts. In view of the forthcoming accession of Romania and Bulgaria, it also accepted the appropriations requested for employment of 7 contract agents. However, the Council could not accept the request for 5 other posts.

- **Court of Auditors - Section V**: EUR 117 500 271, which represents an increase of EUR 4 303 780 (+3.80%) over the 2006 budget. The standard flat rate abatement on salaries has been fixed at 4.5%. The rate of reduction on current expenditure related to productivity gains and the impact of interinstitutional co-operation has been fixed at 2.5%. Targeted reductions were retained by applying a specific decrease on Information Technology. As regards staffing, the Council accepted the creation of 3 new posts for new tasks and a further 41 new posts, as well as the appropriations for employment of contract agents, in view of the enlargement to Romania and Bulgaria. It approved the transformations for career development as requested. The Council also agreed on the removal of 2 temporary posts.

- **Economic and Social Committee - Section VI**: EUR 111 165 227, which represents an increase of EUR 3 180 422 (+2.95%) over the 2006 budget. The standard flat rate abatement on salaries has been fixed at 4%. The rate of reduction on current expenditure related to productivity gains and the impact of interinstitutional co-operation has been fixed at 2.3%. Targeted reductions were retained by limiting the increase to 2% in comparison to 2006 on Information Technology and by applying a specific decrease on other expenditure on buildings, taking into account real needs. With regard to staff level, the Council approved the creation of 2 new posts for new tasks, 11 new posts requested in relation to the 2004 enlargement and 6 new posts in view of the enlargement to Romania and Bulgaria. It approved the transformations for career development as requested.

- **Committee of the Regions - Section VII**: EUR 66 520 009, which represents an increase of EUR 3 157 339 (+4.98%) over the 2006 budget. The standard flat rate abatement on salaries has been fixed at 5%. The rate of reduction on current expenditure related to productivity gains and the impact of interinstitutional co-operation has been fixed at 2.5%. Targeted reductions were retained by limiting the increase to 2% in comparison to 2006 on Information Technology and by applying a specific decrease on other expenditure relating to persons working with the institutions, taking into account real needs. With regard to staff levels, the Council approved the creation of 3 new posts for new tasks. It accepted the transformations for career development as requested. However, the Council could not accept the request for 6 other posts.

- **European Ombudsman - Section VIII-A**: EUR 8 003 447, which represents an increase of EUR 320 909 (+4.18%) over the 2006 budget. The rate of reduction on current expenditure related to productivity gains and the impact of interinstitutional co-operation has been fixed at 2.5%. Targeted reductions were retained by applying a specific decrease on the National Ombudsmen Biennal Seminar. The Council approved the requested transformations for career development as requested.

- **European Data Protection Supervisor - Section VIII-B**: EUR 4 796 880, which represents an increase of EUR 1 213 047 (+33.85%) over the 2006 budget. However, taking into account DAB No. 3/2006, the increase over the 2006 budget is 15.91%. The standard flat rate abatement on salaries has been fixed at 1.8% and the rate of reduction on current expenditure related to productivity gains and the impact of interinstitutional co-operation has been fixed at 2.5%. With regard to staff levels, the Council approved the creation of 3 new posts and rejected the request for any others.

2007 budget: other sections

2006/2018B(BUD) - 14/12/2006 - Final act

PURPOSE: final adoption of the general budget of the European Union for the financial year 2007.

LEGISLATIVE ACT: 2007/143/EC, Euratom.

CONTENT: the 2007 budget of the European Union was finally adopted on 14 December 2006, in accordance with the budgetary procedure (see summary of Parliament's resolution of 14/12/2006 in procedure file BUD/2006/2018).

The budget is the first one to be issued under the 2007-2013 financial framework and the first involving the enlarged European Union of 27 Member-States. It supports a new generation of programmes which deal with the main priorities of the Union, namely sustainable growth and employment.

The budget for 2007 amounts to EUR 126.5 billion in commitment appropriations. This represents 1.08% of Community GNI and is an increase of 5% on the 2006 budget.

Payment appropriations amount to EUR 115.5 billion, or 0.99% of GNI. This represents an increase of 7.6% on 2006.

The key priority of the 2007 budget for the European Union remains growth and employment in line with the Lisbon Strategy.

The heading 'administration', which includes the expenditure of all the EU institutions, represents 5.5% of the total EU budget and totals almost EUR 7 billion (commitments and payments).

In terms of that expenditure, the budget of the other institutions (European Parliament, Council, Court of Justice, Court of Auditors, European Economic and Social Committee, Committee of the Regions, European Ombudsman and European Data Protection Supervisor) represents 37.1% of the total budget (or EUR 2 577 189 874).

2007 budget: other sections

2006/2018B(BUD) - 15/06/2006 - Commission preliminary draft budget

PURPOSE : to present the Preliminary Draft Budget (PDB) of the European Communities for the year 2007 (Budget "other sections").

CONTENT : the European Commission has presented its PDB 2007 including the provisional amounts for all the other institutions of the Union (except Section III-Commission).

The PDB 2007 comprises the following budgetary provisions: EUR 3 270 million for administrative expenditure of the Commission and **EUR 2 643 million for the other institutions**.

For Heading 5, the total for commitment and payments increase by 6 % to **EUR 7 002,3 million** and **EUR 7 002,2 million**, respectively which represents and an increase of EUR 399 million compared to 2006.

The margin under this heading amounts to EUR 112.7 million.

Heading 5 of the PDB 2007 can broken down as follows:

- 46.7% for the Commission (excluding pensions), that is EUR 3 270 million;
- 37.7% : for the other institutions, that is EUR 2 643 million including:
  - **EuropeanParliament**: EUR 1 378 million;
  - **Council**: EUR 613 million;
  - **CourtofJustice**: EUR 282.7 million;
  - **CourtofAuditors**: EUR 122.5 million;
  - **EconomicandSocialCommittee**: EUR 115.9 million;
  - **CommitteeoftheRegions**: EUR 69.4 million;
  - **EuropeanOmbudsman**: EUR 8.3 million;
  - **EuropeanData**-protection supervisor: EUR 5 million.
- 13.7% : for pensions (all institutions), that is EUR 960 million;
- 1.9% : for expenditure relating to European schools, that is EUR 130 million.

Total 7 002 million for heading 5.

Lastly, it should be noted that in 2007, the evolution of posts is again strongly influenced by the needs of enlargement. In total 853 posts are requested by the Commission, complemented by 50 external staff. Added together, this request represents an increase of 4 % in the Commission staff.

2007 budget: other sections

2006/2018B(BUD) - 17/07/2006

On 14 July 2006, the Council adopted at first reading, by qualified majority, the draft general budget for 2007 (for details please refer to the summary dated 17 July 2006).

The Council’s draft budget is subject to a preliminary debate involving all the institutions. During this debate, the Council requested that the European Parliament and the Commission agree on its draft declarations on “the recruitment in relation with the 2004 enlargement procedure” (see Council activities 14 July 2006).

The Parliament was critical of method applied by the Council to reduce administrative expenditure. It was equally critical of the two Council declarations concerning the "productivity gains for the years 2007-2013" including the freezing of posts following retirement; and "Recruitment in relation with the 2004 enlargement" and the planned deletion of 500 posts for the Commission by 2010.

At the end of the debate, the European Parliament stated that it was not able to support the statements made by the Council at this stage in the procedure.

2007 budget: other sections

2006/2018B(BUD) - 26/10/2006 - Budgetary text adopted by Parliament

The European Parliament adopted a resolution drafted by Louis **GRECH** (PSE, AT), and approved the budget of the other institutions, whilst refusing to align itself with Council on across-the-board reduction. It recalled that 2007 is the first year of the new financial framework (2007-2013), for which the ceiling of heading 5 (Administrative expenditure) has been set at EUR 7 115 000 000 at current prices but that after Council's decision the draft budget has a margin of EUR 285 190 000 below the ceiling of heading 5 for 2007. It decided to leave a margin under the ceiling of heading 5, and recommended restoring EUR 30 389 840 out of the EUR 47 812 781 reduction made by Council on the budget of the other institutions (excluding the Commission).

Overall, Parliament felt that the principle of budgetary discipline should be applied to all the institutions, but that budgetary requests should be evaluated on a case-by-case basis which would result in a clear and more precise picture of the real needs and priorities of each institution. It expected the institutions to ensure that policies and activities financed by the taxpayers provide real added-value for citizens and that budget appropriations are used in accordance with the principles of sound financial management and cost-effectiveness. It therefore decided to limit the budget increase of 2007 to 4.79%, excluding enlargement costs.

With regard to the buildings policy of the European institutions, Parliament felt that, under normal circumstances, the policy of purchasing buildings should be continued especially since, over the years, this policy has served the European Parliament's interests well. However, the institutions should present for each future acquisition proposal an indication of the additional related costs that would result in the medium term. Parliament recommended the implementation of a policy of multiannual property investment planning instead of an annual plan.

Parliament also felt that it was important to address the policy regarding outsourcing and recruitment of temporary contract workers, in view of the he ever-increasing trend in the hiring of temporary staff in certain technical fields. In the coming years institutions should ensure that a re-deployment policy is an integral part of the planning procedure when preparing the annual estimates, thus ensuring that human resources requested are in line with operational requirements. Parliament agreed with Council's policy to accept all new posts related to enlargement. On the other hand, it did not agree with Council's decision to increase the "standard abatement" to a relatively high level and base it on the current rate of vacant posts.

Parliament recommended forms of cooperation between institutions which are bound to create synergy and contribute towards financial savings and greater efficiency, whilst helping the citizens to better understand the role of the EU in their everyday activity. There needs to be a more harmonised and standard approach when drafting estimates, including clear and precise justifications, as this would facilitate their analysis.

Parliament made several specific demands with regard to each of the institutions, and certain amendments were passed in Plenary session in respect of the Parliament’s own budget.

European Parliament: after careful examination of Parliament's budgetary requirements, Parliament felt that the final level should be set at EUR 1 397 460 174 corresponding to a 5.74% increase over the 2006 budget. It called on the Bureau to re-address the self-imposed ceiling of 20% of heading 5 in the coming years, taking into account the development and consequential requirements of Parliament for 2009 and beyond. It regretted that the budgetary authority has had no feedback from the Administration on its request relating to the minimisation of costs in areas experiencing unnecessary expenditure as a result of having three places of work, recalling that the costs of this geographical dispersion represent approximately 16% of the total expenditure of Parliament. The Administration was requested to submit a report on the number of officials who are required in Strasbourg during the Plenary Session.

With regard to buildings policy, Parliament noted that the Bureau has proposed to enter an additional EUR 19 million in the reserve for buildings over and above the EUR 50 million requested in Parliament's estimates, but felt that the amount of EUR 19 million is not at this stage a realistic

requirement. It decided to maintain the EUR 50 million in the reserve for provisional appropriations for buildings to cover the institution's property investment. The Administration was asked, especially after the "Strasbourg experience", to apply more stringent procedures when purchasing buildings, and to draw up a report examining whether it might be feasible to establish a European Building Authority charged with responsibility for the construction and maintenance of the buildings of the EU Institutions and bodies.

On information policy, Parliament passed an EPP-ED amendment, re-affirming its policy that it should continue its efforts to develop an effective and user-friendly information strategy with the main objective of improving the relationship between the institution and European citizens. This can only be achieved on the basis of a report on a global concept for information and communication with citizens and after analysis of the added value of each information tool.

It noted the Bureau's proposals to release EUR 6 700 000 from the reserve for information and communication policy earmarked for Web TV, and decided maintain the EUR 6 700 000 allocated by the Bureau for Web TV in the reserve, as well as the 5 posts relating to the project, until the prototype, the content and the cost of the project are presented to the budgetary authority for its final decision. Parliament regretted the unnecessary delays in the implementation of the overall improvement of the visitors" programme and reiterated its call for immediate action to resolve the sensitive issue regarding the under-spending of EUR 5 million relating to the programme. It accepted an EPP-ED amendment that the reception of visitors' groups should be done under the best conditions, and it requested the Administration to study carefully practical arrangements such as access to the new Visitors' Centre, the conditions for visiting the Plenary Chamber and the availability of meeting rooms. It agreed with the following Bureau proposals regarding various appropriations on vistors and confirmed the "Citizens Agora" initiative for a trial period.

On enlargement, Parliament confirmed the decision to enter an allocation of EUR 48 million for enlargement related expenditure (Romania and Bulgaria) and called on the Administration to ensure that enlargement-related recruitment processes do not experience the same delays as witnessed in the enlargement to the EU 10.

On the question of multilingualism, Parliament acknowledged its importance for the work of Members and for citizens, and pointed out that it represents approximately 33% of the total expenditure of Parliament. More discipline and control are necessary to administer this service effectively. It approved appropriations for the Irish language (EUR 412,000 for 2007).

On the question of assistance and services to Members, Parliament welcomed the report on the final assessment of the "Raising the game" exercise, and agreed that the main objectives of improving the support provided to Parliament's bodies and Members have, on the whole, been achieved. It gave its full support for the adoption of a real and meaningful statute for Members" assistants.

Other institutions: Parliament’s remaining recommendations with regard to the other institutions conformed largely to those of its competent committee. (Please see the summary of committee proceedings.)

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.