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Committee on Economic and Monetary Affairs

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OPINION

of the Committee on Economic and Monetary Affairs

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2006
(C6-0000/2005 - 2005/2001(BUD))

Section III - Commission

Draftswoman: Catherine Guy-Quint

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SHORT JUSTIFICATION

The Commission published preliminary draft budget (PDB) for the 2006 financial year on 29 April 2005. However, as far as the procedure on first reading is concerned, this draft opinion takes as its point of departure the 2006 draft budget (DB) which was adopted by the Council on 15 July 2005 so that the Committee on Economic and Monetary Affairs (ECON) can work with the latest figures as adopted by the Council. Specific remarks relating to the various aspects of the PDB and the DB are set out below but your draftsman wishes first of all to make a general remark about the lack of political ambition in this budget as far as the Lisbon Strategy is concerned: she believes that the objectives of this Strategy have not been sufficiently taken into account in the budgetary resources that have been allocated, particularly where the role of small and medium-sized enterprises is concerned.

1. Administrative expenditure of economic and financial affairs policy area (budget heading 01 01 01)

Your draftsman notes with satisfaction in the PDB a 13% increase over 2005 in the appropriations set aside for expenditure on active staff, while regretting the fact that the increase in question falls short of the figures recorded in other policy areas such as the communication on economic and monetary union (EMU). She deplores the fact that the Council has reduced this figure by 4.2%, which means an increase of only 7.5% over 2005. This reduction was carried out across the board in the Commission departments by the Council in its draft budget. However, your draftsman believes it is essential that the Commission services have available adequate resources to discharge the tasks entrusted to them in this area. She accordingly suggests by way of compromise an increase of at least 10% in the appropriations for 2006.

2. Coordination and surveillance of economic and monetary union (budget heading 01 02 02)

Your draftsman welcomes the increase (7%) under this budget heading which was proposed by the Commission and accepted by the Council. It is essential that political decision-makers and public opinion have available high-quality analyses in order to be able to monitor effectively developments in the European economy. This is all the more important after the accession of ten new Member States in 2004 with the need for economic analyses for a European Union of 25 and no longer just 15.

3. Prince - communication on economic and monetary union, including the euro (budget heading 01 02 04)

Your draftsman cannot accept the drastic reduction (20%) made by the Council to this budget heading and wonders about the real reasons for this cut. She therefore suggests an amendment which would seek to reinstate the payment and commitment appropriations for 2006 at the level initially foreseen by the Commission (25% compared with 2005). This increase is necessary because the Prince programme and its information campaigns about EMU and the euro are a vital instrument for the euro zone. New campaigns are necessary in the new Member States, some of which are at an advanced stage of preparation with a view to their entry into the euro zone. Parliament recently supported this policy in the Maaten report on the communication strategy for the euro.

4. Programme for enterprises: improvement of the financial environment for SMEs (budget heading 01 04 05)

Your draftsman categorically refuses the drastic reduction (29%) in commitment appropriations for 2006 when compared with 2005 in view of the fact that aid for SMEs, including microenterprises, reflects a genuine political will on the part of the European Parliament expressed on several occasions in recent budgetary procedures. Your draftsman will therefore be proposing an amendment seeking to set the commitment appropriations at the same level as in 2005, while signifying her agreement to the level of payment appropriations proposed by the Commission. It is essential to encourage all efforts to facilitate access by SMEs in difficulties to reasonable financing. These measures should also promote ethical financing instruments based on solidarity in order to encourage human, social and environmental development.

5. Administrative expenditure in the competition policy area (budget heading 03 01 01) and expenditure in the area of mergers and liberalisation (budget heading 03 03 01)

The 14% increase in the PDB over 2005 in the appropriations allocated to expenditure on staff in active employment in the competition policy area was subsequently reduced by the Council. However, your draftsman feels it is essential that the Commission services have available adequate resources to discharge the tasks entrusted to them in this area. Accordingly, by way of compromise, she proposes an increase in appropriations for 2006 of at least 10%. As regards the budgetary resources for the accompanying measures for the reform of the system of mergers, your draftsman welcomes the fact that the amounts for 2005 have been maintained.

6. Completion of Fiscalis programme (budget heading 14 05 01) and Fiscalis 2007 (budget heading 14 05 03)

In view of the completion of the Fiscalis programme, your draftsman agrees that the 2006 budget should not contain any commitment or payment appropriations for this item. At the same time, it is important to allocate the necessary budgetary resources to the new Fiscalis 2007 programme. Your draftsman welcomes the planned increase in commitment appropriations for this programme which is mainly intended for the training of officials. Nevertheless, according to in-house figures produced by the Commission, it appears that the payment appropriations are not sufficient for 2006. Your draftsman will therefore be tabling an amendment seeking to increase the payment appropriations by 20% in order to guarantee better availability of the necessary resources attached to this programme.

7. Prince - role of the European Union in the world (budget heading 19 11 03)

Against the background of globalisation in which the role of the European Union as a player on the world stage is becoming ever more pronounced, it is essential to ensure that the governments and citizens of the world are properly informed not only about developments within the European Union but also about its priorities and values. Your draftsman welcomes the increase in commitment and payment appropriations proposed by the Commission but will be tabling an amendment seeking to reinstate the amount of payments which was reduced by 11% by the Council.

SUGGESTIONS

The Committee on Economic and Monetary Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Reiterates its support for the allocation of appropriate resources in order to guarantee the availability of high-quality and consistent economic analyses for the European Union which will help guarantee effective surveillance of developments in the European economy; asks explicitly that the appropriations set aside for staff expenditure in this area be increased;
2. Reiterates its support in principle for the Prince programme relating to the communication programmes about economic and monetary union and the euro; underlines the need to have available sufficient resources to cope with a possible 'second wave' of accessions to the euro zone starting in 2007; reiterates its support for those aspects of the Prince programme seeking to promote the role of the European Union in the world; decides that commitment appropriations should be increased to the level of the PDB (that is, to EUR 5 000 000);
3. Underlines Parliament's recurrent position in favour of SMEs as potential sources of employment and growth; rejects categorically the sharp cut in appropriations for this item and asks explicitly that the measures conducted in this area benefit from additional funding in order to promote both a viable financial environment for the smallest businesses and ethical financing instruments;
4. Asks explicitly that the appropriations set aside for staff expenditure in the area of competition policy be increased in order to guarantee effective surveillance of markets in the European Union;
5. Reiterates its support for the Fiscalis 2007 programme aimed at improving the operation of taxation systems in the European Union and training national officials in the areas of both direct and indirect taxation; approves, moreover, the increase in payment appropriations set aside for Fiscalis 2007 to the level of the PDB (that is, an increase of EUR 448 000, bringing the amount allocated to the programme to EUR 15 000 000), in order to guarantee better availability of the necessary resources attached to this programme and proper implementation of the budget.

