DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 7 September 2005

on the revision of the financial perspective 2000 to 2006

(2005/708/EC)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to the Interinstitutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure ([1]), and in particular to points 19, 20 and 21 thereof,

Having regard to Decision 2003/430/EC of the European Parliament and of the Council of 19 May 2003 on the revision of the financial perspective ([2]),

Having regard to the proposal from the Commission,

Acting in accordance with the procedure laid down in the fifth subparagraph of Article 272(9) of the Treaty ([3]),

Whereas:

The reform of the common agricultural policy adopted by the Council in September 2003 ([4]) provides for a reduction in direct payments (modulation) to finance rural development policy to achieve a better balance between policy tools designed to promote sustainable agriculture and those designed to promote rural development and to finance additional rural development measures. The financial perspective set out in Annex I to the Interinstitutional Agreement on budgetary discipline and improvement of the budgetary procedure as revised by Decision 2003/430/EC hereinafter referred to as the 'financial perspective', should therefore be modified to take into account the effect of 'modulation' for the year 2006. As a consequence, commitment appropriations from subheading 1a 'Common agricultural policy' can be used to finance additional measures under subheading 1b 'Rural development', with no change in the ceiling of heading 1 'Agriculture',

HAVE DECIDED AS FOLLOWS:

Article 1

The financial perspective is revised as follows:

The annual ceilings for appropriations for commitments in heading 1 of table 1a, table 1b, table 2a and table 2b shall be amended as follows:

(a) the figure for the subheading 1a 'Common agricultural policy' shall be reduced in 2006 by the amount corresponding to the modulation;

Reduced amounts in common agricultural policy	2006
EUR million at 1999 prices	– 570
EUR million at 2006 prices	– 655

([1]) OJ C 172, 18.6.1999, p. 1. Agreement amended by Decision 2003/429/EC of the European Parliament and of the Council (OJ L 147, 14.6.2003, p. 25).
([2]) OJ L 147, 14.6.2003, p. 31.
([3]) Decision of the European Parliament of 7 September 2005 and Decision of the Council of 18 July 2005.
([4]) Council Regulation (EC) No 1782/2003 (OJ L 270, 21.10.2003, p. 1).

(b) the figure for the subheading 1b 'Rural development' shall be increased in 2006 by the amount corresponding to the modulation;

Increased amounts in rural development	2006
EUR million at 1999 prices	+ 570
EUR million at 2006 prices	+ 655

Article 2

1. The financial perspective for the European Union, in 1999 prices, is set out in tables 1a and 1b in the Annex.

2. The corresponding financial perspective resulting from the technical adjustment for 2005, in line with movements in gross national income (GNI) and prices, is set out in tables 2a and 2b in the Annex.

Article 3

This decision shall be published in the *Official Journal of the European Union*.

Done at Strasbourg, 7 September 2005.

For the European Parliament
The President
J. BORRELL FONTELLES

For the Council
The President
D. ALEXANDER

ANNEX

Table 1a: Revised financial perspective (EU-25) at 1999 prices

(EUR million)

Commitment appropriations	2000	2001	2002	2003	2004	2005	2006
1. AGRICULTURE	40 920	42 800	43 900	43 770	44 657	45 677	45 807
1a Common agricultural policy	36 620	38 480	39 570	39 430	38 737	39 602	39 042
1b Rural development	4 300	4 320	4 330	4 340	5 920	6 075	6 765
2. STRUCTURAL ACTIONS	32 045	31 455	30 865	30 285	35 665	36 502	37 940
Structural funds	29 430	28 840	28 250	27 670	30 533	31 835	32 608
Cohesion fund	2 615	2 615	2 615	2 615	5 132	4 667	5 332
3. INTERNAL POLICIES	5 930	6 040	6 150	6 260	7 877	8 098	8 212
4. EXTERNAL ACTIONS	4 550	4 560	4 570	4 580	4 590	4 600	4 610
5. ADMINISTRATION (1)	4 560	4 600	4 700	4 800	5 403	5 558	5 712
6. RESERVES	900	900	650	400	400	400	400
Monetary reserve	500	500	250				
Emergency aid reserve	200	200	200	200	200	200	200
Guarantee reserve	200	200	200	200	200	200	200
7. PRE-ACCESSION STRATEGY	3 120	3 120	3 120	3 120	3 120	3 120	3 120
Agriculture	520	520	520	520			
Pre-accession structural instrument	1 040	1 040	1 040	1 040			
PHARE (applicant countries)	1 560	1 560	1 560	1 560			
8. COMPENSATION					1 273	1 173	940
TOTAL APPROPRIATIONS FOR COMMITMENTS	92 025	93 475	93 955	93 215	102 985	105 128	106 741
TOTAL APPROPRIATIONS FOR PAYMENTS	89 600	91 110	94 220	94 880	100 800	101 600	103 840
Ceiling, appropriations for payments as % of GNI (ESA 95)	1,07 %	1,07 %	1,10 %	1,11 %	1,10 %	1,07 %	1,07 %
Margin for unforeseen expenditure	0,17 %	0,17 %	0,14 %	0,13 %	0,14 %	0,17 %	0,17 %
Own resources ceiling	1,24 %	1,24 %	1,24 %	1,24 %	1,24 %	1,24 %	1,24 %

(1) The expenditure on pensions included under the ceiling for this heading is calculated net of staff contributions to the pension scheme, up to a maximum of EUR 1 100 million at 1999 prices for the period 2000 to 2006.

Table 1b: Revised financial perspective (EU-25) at 1999 prices

(including budgetary implications of a political settlement in Cyprus)

(EUR million)

Commitment appropriations	2000	2001	2002	2003	2004	2005	2006
1. AGRICULTURE	40 920	42 800	43 900	43 770	44 650	45 675	45 805
1a Common agricultural policy	36 620	38 480	39 570	39 430	38 740	39 611	39 052
1b Rural development	4 300	4 320	4 330	4 340	5 910	6 064	6 753
2. STRUCTURAL ACTIONS	32 045	31 455	30 865	30 285	35 718	36 579	38 052
Structural funds	29 430	28 840	28 250	27 670	30 571	31 899	32 703
Cohesion fund	2 615	2 615	2 615	2 615	5 147	4 680	5 349
3. INTERNAL POLICIES	5 930	6 040	6 150	6 260	7 891	8 112	8 226
4. EXTERNAL ACTIONS	4 550	4 560	4 570	4 580	4 590	4 600	4 610
5. ADMINISTRATION (1)	4 560	4 600	4 700	4 800	5 403	5 558	5 712
6. RESERVES	900	900	650	400	400	400	400
Monetary reserve	500	500	250				
Emergency aid reserve	200	200	200	200	200	200	200
Guarantee reserve	200	200	200	200	200	200	200
7. PRE-ACCESSION STRATEGY	3 120	3 120	3 120	3 120	3 120	3 120	3 120
Agriculture	520	520	520	520			
Pre-accession structural instrument	1 040	1 040	1 040	1 040			
PHARE (applicant countries)	1 560	1 560	1 560	1 560			
8. COMPENSATION					1 273	1 173	940
TOTAL APPROPRIATIONS FOR COMMITMENTS	92 025	93 475	93 955	93 215	103 045	105 218	106 865
TOTAL APPROPRIATIONS FOR PAYMENTS	89 600	91 110	94 220	94 880	100 800	101 600	103 840
Ceiling, appropriations for payments as % of GNI (ESA 95)	1,07 %	1,07 %	1,10 %	1,11 %	1,10 %	1,07 %	1,07 %
Margin for unforeseen expenditure	0,17 %	0,17 %	0,14 %	0,13 %	0,14 %	0,17 %	0,17 %
Own resources ceiling	1,24 %	1,24 %	1,24 %	1,24 %	1,24 %	1,24 %	1,24 %

(1) The expenditure on pensions included under the ceiling for this heading is calculated net of staff contributions to the pension scheme, up to a maximum of EUR 1 100 million at 1999 prices for the period 2000 to 2006.

Table 2a: Revised financial perspective (EU-25) at current prices

(EUR million)

Commitment appropriations	Current prices						
	2000	2001	2002	2003	2004	2005	2006
1. AGRICULTURE	41 738	44 530	46 587	47 378	49 305	51 439	52 618
1a Common agricultural policy	37 352	40 035	41 992	42 680	42 769	44 598	44 847
1b Rural development	4 386	4 495	4 595	4 698	6 536	6 841	7 771
2. STRUCTURAL ACTIONS	32 678	32 720	33 638	33 968	41 035	42 441	44 617
Structural funds	30 019	30 005	30 849	31 129	35 353	37 247	38 523
Cohesion fund	2 659	2 715	2 789	2 839	5 682	5 194	6 094
3. INTERNAL POLICIES	6 031	6 272	6 558	6 796	8 722	9 012	9 385
4. EXTERNAL ACTIONS	4 627	4 735	4 873	4 972	5 082	5 119	5 269
5. ADMINISTRATION (1)	4 638	4 776	5 012	5 211	5 983	6 185	6 528
6. RESERVES	906	916	676	434	442	446	458
Monetary reserve	500	500	250				
Emergency aid reserve	203	208	213	217	221	223	229
Guarantee reserve	203	208	213	217	221	223	229
7. PRE-ACCESSION STRATEGY	3 174	3 240	3 328	3 386	3 455	3 472	3 566
Agriculture	529	540	555	564			
Pre-accession structural instrument	1 058	1 080	1 109	1 129			
PHARE (applicant countries)	1 587	1 620	1 664	1 693			
8. COMPENSATION					1 410	1 305	1 074
TOTAL APPROPRIATIONS FOR COMMITMENTS	93 792	97 189	100 672	102 145	115 434	119 419	123 515
TOTAL APPROPRIATIONS FOR PAYMENTS	91 322	94 730	100 078	102 767	111 380	114 060	119 112
Ceiling, appropriations for payments as % of GNI (ESA 95)	1,07 %	1,08 %	1,11 %	1,09 %	1,09 %	1,08 %	1,08 %
Margin for unforeseen expenditure	0,17 %	0,16 %	0,13 %	0,15 %	0,15 %	0,16 %	0,16 %
Own resources ceiling	1,24 %	1,24 %	1,24 %	1,24 %	1,24 %	1,24 %	1,24 %

(1) The expenditure on pensions included under the ceiling for this heading is calculated net of staff contributions to the pension scheme, up to a maximum of EUR 1 100 million at 1999 prices for the period 2000 to 2006.

Table 2b: Revised financial perspective (EU-25) at current prices

(including budgetary implications of a political settlement in Cyprus)

(EUR million)

Commitment appropriations	Current prices						
	2000	2001	2002	2003	2004	2005	2006
1. AGRICULTURE	41 738	44 530	46 587	47 378	49 297	51 437	52 615
1a Common agricultural policy	37 352	40 035	41 992	42 680	42 772	44 608	44 858
1b Rural development	4 386	4 495	4 595	4 698	6 525	6 829	7 757
2. STRUCTURAL ACTIONS	32 678	32 720	33 638	33 968	41 094	42 528	44 746
Structural funds	30 019	30 005	30 849	31 129	35 395	37 319	38 632
Cohesion fund	2 659	2 715	2 789	2 839	5 699	5 209	6 114
3. INTERNAL POLICIES	6 031	6 272	6 558	6 796	8 737	9 027	9 401
4. EXTERNAL ACTIONS	4 627	4 735	4 873	4 972	5 082	5 119	5 269
5. ADMINISTRATION (1)	4 638	4 776	5 012	5 211	5 983	6 185	6 528
6. RESERVES	906	916	676	434	442	446	458
Monetary reserve	500	500	250	0	0	0	0
Emergency aid reserve	203	208	213	217	221	223	229
Guarantee reserve	203	208	213	217	221	223	229
7. PRE-ACCESSION STRATEGY	3 174	3 240	3 328	3 386	3 455	3 472	3 566
Agriculture	529	540	555	564			
Pre-accession structural instrument	1 058	1 080	1 109	1 129			
PHARE (applicant countries)	1 587	1 620	1 664	1 693			
8. COMPENSATION					1 410	1 305	1 074
TOTAL APPROPRIATIONS FOR COMMITMENTS	93 792	97 189	100 672	102 145	115 500	119 519	123 657
TOTAL APPROPRIATIONS FOR PAYMENTS	91 322	94 730	100 078	102 767	111 380	114 060	119 112
Ceiling, appropriations for payments as % of GNI (ESA 95)	1,07 %	1,08 %	1,11 %	1,09 %	1,09 %	1,08 %	1,08 %
Margin for unforeseen expenditure	0,17 %	0,16 %	0,13 %	0,15 %	0,15 %	0,16 %	0,16 %
Own resources ceiling	1,24 %	1,24 %	1,24 %	1,24 %	1,24 %	1,24 %	1,24 %

(1) The expenditure on pensions included under the ceiling for this heading is calculated net of staff contributions to the pension scheme, up to a maximum of EUR 1 100 million at 1999 prices for the period 2000 to 2006.