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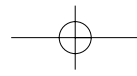


EUROPEAN UNION

# FINANCIAL REPORT 2005

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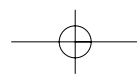
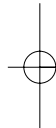
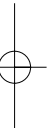


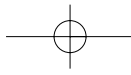
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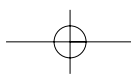
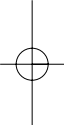
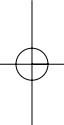
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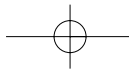




EUROPEAN UNION

**FINANCIAL REPORT  
2005**





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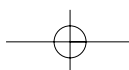
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## FOREWORD

You are reading the 2005 edition of the *European Union Financial Report*. This document provides you with an overview of the main policies and activities financed by the European Union budget in 2005, figures on the budgets since the birth of the EU, and much more valuable information. The EU budget evolves according to the challenges it is meant to answer, and the least that can be said is that 2005 was no exception!

### A year of challenges

The year 2005, the first full calendar year of the Barroso Commission, was a challenging year for European integration. It was marked by negative referendums on the Constitution in two of the founding Member States, the inconclusive European Council during the Luxembourg Presidency in June and heated debates about the next EU financial framework for 2007–13. We witnessed persistent slow economic growth and high unemployment in several Member States. It was also a year of tragic natural disasters and horrifying terrorist attacks.

The year was not bereft of important positive developments, however. In my area of responsibility, the December European Council averted a major crisis by agreeing on a compromise proposal concerning the multiannual financial framework 2007–13. Earlier in the year, the spring European Council gave fresh impetus to the efforts of economic modernisation, by deciding to focus in future on two main goals: achieving stronger and more lasting growth and creating more and better jobs. More progress was achieved at the informal meeting of Heads of State or Government at Hampton Court, during which a consensus emerged that confirmed the Commission's analysis on how to safeguard the values of the European social model in a globalised world. It was agreed that action at European Union level was essential to tackle themes of vital importance for its future: research and innovation, higher education, energy, border management and immigration, and the demographic future of Europe. More on the European Union strategy for growth and jobs and the contribution the EU budget makes to achieving its objectives can be found in a separate section of this report.

Although working hard to remain a top-of-the-league economic power, the EU certainly does not forget its responsibility to the rest of the world and in particular to the developing countries. In 2005, the Commission was one of the world's top five providers of official development assistance (ODA). The Commission speeded up its disbursement of support which totalled EUR 6.2 billion during the year (an increase of 10 % compared with the previous year). A new development policy statement — the European consensus on development — was adopted by the Council and the European Parliament on the basis of a proposal from the Commission. For the first time in 50 years, the Declaration defines at EU level the common values, principles, objectives and means of eradicating poverty and achieving the millennium development goals (MDGs).

### The 2005 budget in figures

The budget is geared towards the achievement of the EU's political priorities, the most important of which is to foster jobs and growth. The first full EU budget for 25 Member States amounted to EUR 116 193 million in commitment appropriations, a rise of 6.2 % over the previous year, and EUR 106 300 million in payment appropriations, a rise of 4.4 %. In payments, the budget therefore represented 1.004 % of the gross national income (GNI) of the enlarged European Union, leaving a margin of EUR 3.04 billion in commitments and EUR 7.9 billion in pay-

ments below the ceilings of the financial perspective, which fixes the spending limits for any given year (agreed with the Member States and the Parliament).

The revenue required from Member States to finance the payments represented only 0.93 % of EU GNI, as a small surplus of EUR 2.7 billion was deducted from the own resource payments to be made by Member States to the EU.

In terms of surplus, 2005 was a benchmark year, with a reduction in the level of unspent credits to less than EUR 1.1 billion compared with EUR 1.2 billion in 2004, and an overall surplus (including revenue) of EUR 2.4 billion, EUR 0.3 billion less than the previous year. Public resources are scarce and need to be managed as efficiently and rationally as possible. For this reason, I am particularly vigilant on the correct use of the resources put at the disposal of the EU, ensuring that the appropriations requested from Parliament and Council correspond to those actually needed and are therefore used up at the end of the year.

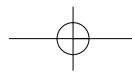
Active management also means being able to respond quickly to disasters. This was particularly true in the case of the Commission's reaction to the tsunami in Asia on 26 December 2004. Within days, the first payment had been made and more followed in the course of 2005. All told, for the year 2005, the Commission pledged a total of EUR 281 million comprising EUR 123 million in emergency aid, and EUR 158 million in reconstruction aid.

#### **Preparing the future**

The year 2005 saw significant movement towards a modernisation of the structure of future EU budgets. Intense negotiations took place on the next multiannual financial framework which will cover the years 2007–13. After heated discussions under both the Luxembourg and UK Presidencies, the December European Council reached an important compromise on the issue, opening the door to final negotiations with the European Parliament and the Commission in 2006. The Commission played an important role in these discussions, defending overall European interests and playing the honest broker by providing its technical expertise and compromise proposals. I am particularly proud of the Commission's contribution to achieving the compromise between Member States during the crucial December summit.

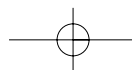
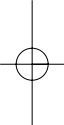
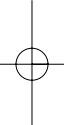


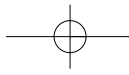
Dalia Grybauskaitė  
Commissioner for Financial  
Programming and Budget



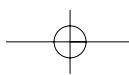
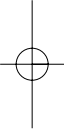
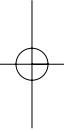
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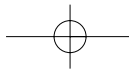




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## 1. THE ECONOMIC SITUATION OF THE EUROPEAN UNION IN 2005

After growing at potential in 2004, the economic performance of both the euro area and the EU was less dynamic in 2005. The average growth rate of GDP for 2005 was 1.3 % in the euro area and 1.5 % in the EU as a whole. However, these annual figures hide some encouraging developments concerning the strengthening of domestic demand during the course of the year.

At the beginning of 2005, the main contribution to growth came from the external sector, while in the second half of 2005 the main stimulus to growth shifted towards the domestic demand components. Also the survey indicators, following the poor readings during the first half of 2005, began to send out positive signals during the third quarter on the prospects for a recovery. In the EU, the contribution to growth was predominantly stemming from consumption and investment, while in the euro area the accumulation of inventories also supported domestic demand.

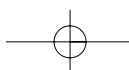
Growth in investment picked up in both areas in the first three quarters of 2005. After an increase of 0.9 % in the second quarter, investment in the euro area grew by 1.3 % in the third quarter. The corresponding figures for the EU were 1.0 % and 1.5 %, respectively. The annual rate of growth of loans to the non-financial corporate sector rose to 6.8 % in the third quarter from 6.1 % in the second quarter. In the third quarter, private consumption also gave a positive contribution to growth. Private consumption expenditure accelerated to 0.4 % in the EU and to 0.3 % in the euro area, up 0.1 % respectively from the previous quarter. The annual growth rate of loans to the household sector accelerated to 9.2 % in the third quarter, from 9.0 % in the second quarter.

The growth slowdown in the last quarter of 2005 was mainly due to subdued output growth in Germany and France, while economic activity remained buoyant in Spain and the UK. Investment growth remained robust while private consumption growth slowed

down. Ongoing dynamism for investment is in line with business survey data that suggest continued optimism in the corporate sector. In view also of a gradual but sustained improvement in consumer surveys, it was expected that the slowdown in the fourth quarter of 2005 was of a temporary nature and economic vigour would resume in the first half of 2006.

After falling below 2 % in the beginning of 2005, the annual rate of headline inflation in the euro area fluctuated around 2.1 %, before rising to 2.5 % in September–October. The HICP (harmonised index of consumer prices) inflation rate eased somewhat by the end of the year. The stickiness of euro-area inflation mainly reflected the rise in energy inflation, triggered by soaring oil prices. During the course of 2005, crude oil prices rose by more than 60 % in euro terms. In contrast to the upward trend in headline inflation, core inflation (HICP inflation excluding energy and unprocessed food) declined in early 2005 and hovered around this level for the rest of the year. In the euro area, core inflation diminished from 2 % at the end of 2004 to 1.4 % in December 2005. A similar decelerating pattern was evident for the EU. In terms of annual averages, headline HICP inflation in the euro area was 2.2 % in 2005, marking a sixth consecutive year of the average annual inflation somewhat above 2 %.

Compared with earlier cycles, both the euro area and the EU labour markets were markedly less influenced by the recent economic downswings and upswings. Although the labour market conditions worsened with the usual lag to the economic slowdown in 2001–03, the rise in the annual unemployment rate was limited to 1 percentage point, compared with a rise of over 3 percentage points in the early 1990s. In this cycle, unemployment peaked at 8.9 % of the labour force in the euro area in the fourth quarter of 2004. Several factors bear witness to the structural improvement in the functioning of the labour market, including a decline in long-term un-

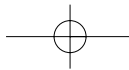


employment rates and in the average duration of unemployment spells, as well as an improvement in the matching process. In line with the usual lagged response of the labour market, employment is expected to have increased by 1 % in the euro area and by 0.9 % in the EU in 2005.

The general government deficit in the euro area is estimated to have risen to 2.9 % of GDP in 2005, up from 2.7 % of GDP a year earlier, in the wake of slowing economic growth. Based on the usual assumption of unchanged policies, the fiscal stance is expected to be broadly neutral. These projections are confirmed in the most recent updates of the stability programmes. Thanks to the planned fiscal adjustment effort in some non-euro-area countries, the fiscal stance is expected to be slightly restrictive for the EU as a whole in 2006. The upward trend in the euro-area debt to GDP ratio observed since 2003 is not ex-

pected to reverse during the forecast period. It is projected to reach 71.7 % of GDP in both 2005 and 2006, and 71.8 % of GDP in 2007, around 1 percentage point higher than in 2004. A similar development is expected in the EU, where the debt ratio is set to increase, to close to 64.5 % of GDP in 2007, up from 64 % of GDP in 2005.

By the end of 2005, the US dollar had weakened against the euro since the US Fed rate hike in mid-December on expectations that the policy tightening cycle in the USA was reaching its end. The euro was trading at USD 1.18 and JPY 139 on 30 December. The average USD/EUR rate for the fourth quarter of 2005 was 1.20 and the JPY/EUR rate 138.9. This led to the average USD/EUR rates of 1.25 and average JPY/EUR rates of 136.7 in 2005 compared with averages of 1.24 and 134.4, respectively, in 2004.



## 2. THE FINANCIAL PERSPECTIVES OF THE EUROPEAN UNION

### FINANCIAL PERSPECTIVE (2000–06)

Since 1988, the Community budget has been defined within a multiannual financial framework — the financial perspective (FP) — in order to ensure tighter budgetary discipline and to improve the functioning of the budgetary procedure and interinstitutional cooperation.

The current financial perspective was agreed at the European Council in Berlin in March 1999 for a period of seven years (2000–06). It is the third financial programming period after those of 1988–92 and 1993–99. Its definition and implementing provisions are set out in detail in the interinstitutional agreement (IIA) of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure.

#### Structure of the financial perspective

Following the adjustment of the financial perspective for enlargement adopted in 2003, the financial framework consists of eight headings — some of them broken down into sub-headings — with an annual ceiling for commitment appropriations set for each heading. The sum of the ceilings of all eight headings gives the total ceiling of commitment appropriations. A corresponding estimate is then established for the annual ceiling of payment appropriations.

#### Implementation of the financial perspective (FP)

##### *Technical adjustment*

Under the terms of the IIA, at the beginning of each budgetary procedure the Commission carries out the technical adjustment of the FP in order to take into account inflation and the trend in the growth of evolution of gross national income (GNI). As the financial perspective framework was originally expressed in

constant prices (1999 prices), it has to be adjusted to the most recent economic environment before the preliminary draft budget for the following year is established.

The technical adjustment exercise is differentiated by heading. A fixed rate of 2 % per year is used as a deflator for:

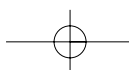
- amounts entered under heading 1 ‘Agriculture’;
- amounts entered under the ‘Structural Funds’ subheading of heading 2.

The GNI deflator in euro is applied to the amounts entered in all other headings (actual deflator). Because the enlargement to include the 10 new Member States took place in the middle of the year (on 1 May 2004), the Commission exceptionally adopted the technical adjustment for 2004 in two steps. On 23 December 2002, the Commission made the technical adjustment for 2004 concerning the EU with 15 Member States. On 19 May 2003, the technical adjustment of the financial perspective for the EU with 25 Member States was adopted, together with the adjustment of the financial perspective for enlargement.

Table 1 shows the financial perspective for the enlarged European Union with 25 Member States, adjusted to 2005 prices.

#### ***European Union Solidarity Fund***

Following the disastrous floods in central Europe during summer 2002, the Commission proposed the setting-up of a European Union Solidarity Fund to provide relief for dealing with events of this kind. On 7 November 2002, the European Parliament, the Council and the Commission signed an interinstitutional agreement creating the European Union Solidarity Fund. The Commission also proposed a regulation associated to this agreement which spelled out the conditions for the mobilisation of the fund. This fund is en-



**TABLE 1**  
**Financial perspective (EU-25) adjusted for enlargement at 2005 prices**

(million EUR)

Commitment appropriations	Current prices						2005 prices
	2000	2001	2002	2003	2004	2005	2006
1. Agriculture	41 738	44 530	46 587	47 378	49 305	51 439	51 587
1a Common agricultural policy	37 352	40 035	41 992	42 680	42 769	44 598	44 610
1b Rural development	4 386	4 495	4 595	4 698	6 536	6 841	6 977
2. Structural actions	32 678	32 720	33 638	33 968	41 035	42 441	43 701
Structural Funds	30 019	30 005	30 849	31 129	35 353	37 247	37 768
Cohesion Fund	2 659	2 715	2 789	2 839	5 682	5 194	5 933
3. Internal policies	6 031	6 272	6 558	6 796	8 722	9 012	9 138
4. External actions	4 627	4 735	4 873	4 972	5 082	5 119	5 130
5. Administration <sup>(1)</sup>	4 638	4 776	5 012	5 211	5 983	6 185	6 356
6. Reserves	906	916	676	434	442	446	446
Monetary reserve	500	500	250				
Emergency aid reserve	203	208	213	217	221	223	223
Guarantee reserve	203	208	213	217	221	223	223
7. Pre-accession aid	3 174	3 240	3 328	3 386	3 455	3 472	3 472
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	1 046
<b>Total appropriations for commitments</b>	<b>93 792</b>	<b>97 189</b>	<b>100 672</b>	<b>102 145</b>	<b>115 434</b>	<b>119 419</b>	<b>120 876</b>
<b>Total appropriations for payments</b>	<b>91 322</b>	<b>94 730</b>	<b>100 078</b>	<b>102 767</b>	<b>111 380</b>	<b>114 060</b>	<b>116 555</b>
Ceiling, appropriations for payments as % of GNI (ESA 95)	1.07 %	1.07 %	1.09 %	1.11 %	1.11 %	1.09 %	1.08 %
Margin for unforeseen expenditure	0.17 %	0.17 %	0.15 %	0.13 %	0.13 %	0.15 %	0.16 %
Own resources ceiling	1.24 %	1.24 %	1.24 %	1.24 %	1.24 %	1.24 %	1.24 %

<sup>(1)</sup> 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 2000-06.

dowed with a maximum annual amount of EUR 1 billion and can be mobilised above the relevant financial perspective ceilings.

In 2005, the EU Solidarity Fund was mobilised following violent storms in Slovakia and then in Estonia, Latvia, Lithuania and Sweden for a total of EUR 99 million.

### **Flexibility instrument**

The flexibility instrument is a new feature of the 1999 interinstitutional agreement. It offers the possibility to cover the financing of clearly identified expenditure for a given financial

year, which cannot be met within the ceilings available under one or more headings. It has an annual ceiling of EUR 200 million and its mobilisation is decided jointly by the two arms of the budgetary authority on the basis of a Commission proposal.

In 2005, the flexibility instrument was mobilised for the extension of the Peace II programme (EUR 45 million), the funding of decentralised agencies (EUR 40 million), the reconstruction of Iraq (EUR 100 million), and reconstruction assistance to the tsunami-affected countries (EUR 15 million).

## FINANCIAL FRAMEWORK 2007–13

Following the presentation by the Commission, in 2004, of the main documents related to the financial framework 2007–13, including the main communication of 10 February 2004, the proposal of 14 July 2004 on the renewal of the IIA (document COM(2004) 101 final) and most of the legislative proposals related to the same period, discussions and negotiations in the European Parliament and Council got into full swing in 2005.

In the European Parliament, the Temporary Committee on Policy Challenges and Budgetary Means of the enlarged Union 2007–13 concluded its work, setting the tone of the European Parliament resolution of 8 June 2005 which explains Parliament's position on the issue in detail. Under the Luxembourg Presidency, the Council discussed several 'negotiating boxes' which drastically reduced the financial framework available for the EU, but it proved impossible for the Heads of State or Government, who met at the European Council of June 2005, to agree on the figures.

After several months during which negotiations were stalled, they were relaunched in October 2005 through a Commission initiative (letter of 20 October 2005 from Commission President J. M. Barroso to the President of the European Parliament and the President of the Council) on five specific issues: the

earmarking of cohesion spending, the creation of a shock absorber to meet the challenges of globalisation (the European Globalisation Adjustment Fund), the consolidation of agricultural reforms, the commitment to review the EU budget, and the increasing of democratic scrutiny and coherence of external actions.

After intensive negotiations during the last weeks of the UK Presidency, Member States were finally able to reach a deal at the European Council of 15–16 December 2005 in Brussels. Compared with the initial Commission proposal, which set the annual average ceiling on commitment appropriations for the period 2007–13 at 1.22 % of the gross national income (GNI) of the enlarged Union, the European Council agreed on a global financial framework of EUR 862.3 or 1.045 % EU-GNI.

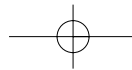
This agreement paved the way for the interinstitutional negotiations between the European Parliament, the Council and the Commission on the interinstitutional agreement, which contains the financial framework table and is needed in order for the financial framework to take effect. Table 2 shows the financial framework 2007–13 as it results from these negotiations, which were concluded in April 2006.

**TABLE 2**  
**Financial framework 2007–13**

(million EUR, 2004 prices)

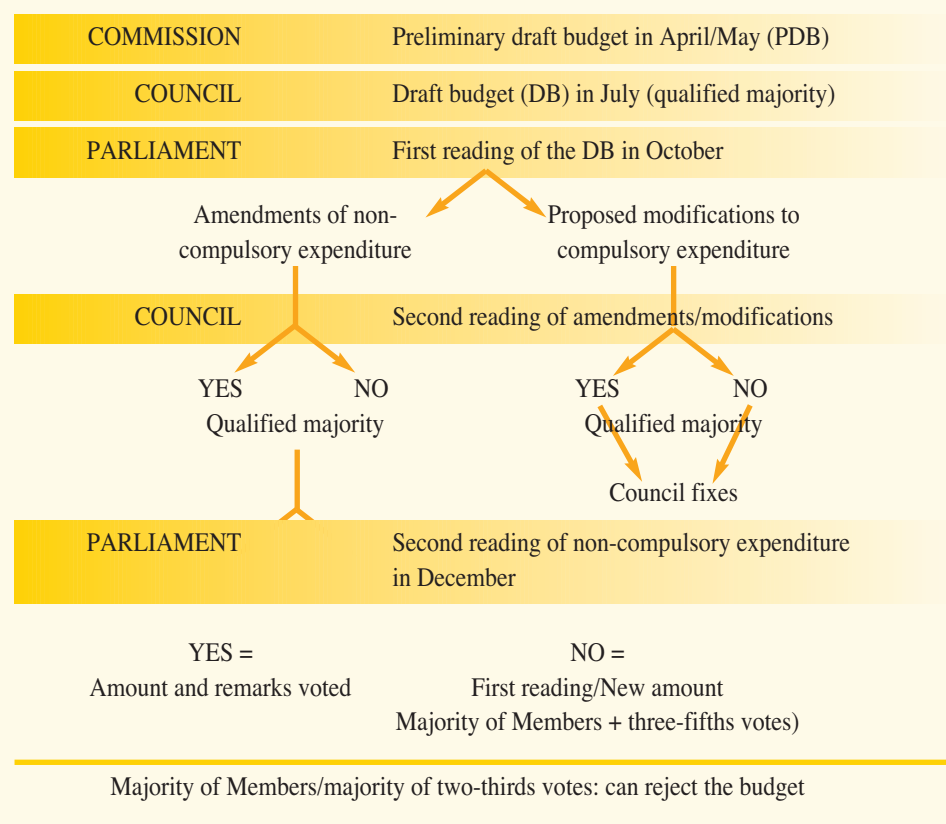
<b>Commitment appropriations</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Total 2007-13</b>
1. Sustainable growth	51 267	52 415	53 616	54 294	55 368	56 876	58 303	382 139
1a Competitiveness for growth and employment	8 404	9 097	9 754	10 434	11 295	12 153	12 961	74 098
1b Cohesion for growth and employment	42 863	43 318	43 862	43 860	44 073	44 723	45 342	308 041
2. Preservation and management of natural resources	54 985	54 322	53 666	53 035	52 400	51 775	51 161	371 344
of which: market related expenditure and direct payments	43 120	42 697	42 279	41 864	41 453	41 047	40 645	293 105
3. Citizenship, freedom, security and justice	1 199	1 258	1 380	1 503	1 645	1 797	1 988	10 770
3a Freedom, security and justice	600	690	790	910	1 050	1 200	1 390	6 630
3b Citizenship	599	568	590	593	595	597	598	4 140
4. EU as a global player	6 199	6 469	6 739	7 009	7 339	7 679	8 029	49 463
5. Administration <sup>(1)</sup>	6 633	6 818	6 973	7 111	7 255	7 400	7 610	49 800
6. Compensations	419	191	190					800
<b>Total commitment appropriations</b>	<b>120 702</b>	<b>121 473</b>	<b>122 564</b>	<b>122 952</b>	<b>124 007</b>	<b>125 527</b>	<b>127 091</b>	<b>864 316</b>
as a percentage of GNI	1.10 %	1.08 %	1.07 %	1.04 %	1.03 %	1.02 %	1.01 %	1.048 %
<b>Total payment appropriations</b>	<b>116 650</b>	<b>119 620</b>	<b>111 990</b>	<b>118 280</b>	<b>115 860</b>	<b>119 410</b>	<b>118 970</b>	<b>820 780</b>
as a percentage of GNI	1.06 %	1.06 %	0.97 %	1.00 %	0.96 %	0.97 %	0.94 %	1.00 %
Margin available	0.18 %	0.18 %	0.27 %	0.24 %	0.28 %	0.27 %	0.30 %	0.24 %
Own resources ceiling as a percentage of GNI	1.24 %	1.24 %	1.24 %	1.24 %	1.24 %	1.24 %	1.24 %	1.24 %

<sup>(1)</sup> The expenditure on pensions included under the ceiling for this heading is calculated net of the staff contributions to the relevant scheme, within the limit of EUR 500 million at 2004 prices for the period 2007–13.



### 3. THE BUDGET PROCEDURE 2005

FIGURE 1  
The budget procedure



#### Budget guidelines

In its conclusions adopted on 9 March 2004, the Council underlined the importance of maintaining overall budget discipline and stressed once again the importance of keeping a tight grip on payment appropriations. Whilst supporting the presentation of the budget on the basis of the 'activity based budgeting' method, the Council called on the Commission to improve the quality of information provided during the 2005 budget procedure.

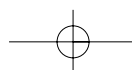
On 22 April 2004, Parliament adopted a resolution on the Commission's annual policy strategy. It set out its priorities for the 2005 budget, namely the Lisbon strategy, justice and home affairs, information policy, and cohesion policy.

#### Preliminary draft budget (PDB) 2005

The preliminary draft budget for 2005 (the first budget covering expenditure for 25 Member States over the whole year) was approved by the Commission on 28 April 2004.

Commitment appropriations for the enlarged Union came to EUR 117.2 billion, which represented an increase of 5.2 % over 2004. The total amount left a margin of EUR 2.4 billion under the ceiling for 2005.

The level of EUR 109.5 billion in payment appropriations proposed by the Commission was equivalent to 1.03 % of the gross national income (GNI) for the Union of 25 Member States. The financial framework agreed for the



enlarged Union provided for a maximum of 1.08 %. The preliminary draft was therefore far lower — by EUR 4.7 billion — than the ceiling agreed for 2005. The overall increase of EUR 9.7 billion compared with the 2004 budget was due to the full incorporation of the new Member States (EUR 3.9 billion), the reform of the common agricultural policy for an amount of EUR 1.3 billion, and the improved use of the Structural Funds (EUR 2.7 billion). These three factors accounted for more than 80 % of the total increase in payments over 2004.

The broad lines of the proposed preliminary draft budget, by financial perspective heading, are described below.

- In agriculture, the appropriations for the EU-25 came to EUR 50.7 billion, of which EUR 6.8 billion was earmarked for rural development (15 % more than in 2004). The new Member States were allocated EUR 3.6 billion, of which EUR 1.9 billion was for rural development. The amount for market and veterinary expenditure in the new Member States had substantially increased, but was still relatively low, as direct aid was being phased in.
- The Structural Funds received an increase of 3.3 % in commitment appropriations for the enlarged Union. Out of a total of EUR 42.4 billion, EUR 7.7 billion would be allocated to the new Member States. Payment appropriations for the Structural Funds came to EUR 35.4 billion for the enlarged Union, 14.8 % more than in the 2004 voted budget.
- The level of expenditure allocated to internal policies in 2005 remained relatively stable. Total commitment appropriations were put at EUR 8.9 billion, with payment appropriations at EUR 7.7 billion — an increase of 2.8 %. A total of EUR 5 billion in commitment appropriations was available for expenditure on research.
- As regards external aid, the Commission proposed commitments of just over EUR 5.2 billion for foreign policy measures, maintaining approximately the same level as in 2004. It proposed EUR 200 million for continued support to Iraq, including EUR 115 million from the flexibility instrument, while allowing the stabilisation of aid to eastern Europe and central Asia (EUR 515 million) and Latin America (EUR 315 million). There was a boost for the neighbourhood policy with the Mediterranean countries and the Middle East (a total of EUR 1 070 million, including EUR 200 million for Iraq).
- Under the pre-accession strategy, the Commission proposed to increase pre-accession aid for Bulgaria and Romania to EUR 1 550 million, while EUR 300 million in commitment appropriations was available for Turkey.
- In accordance with the Copenhagen decisions of December 2002, total payments of EUR 1.3 billion would be available for the new Member States in the 2005 budget in the form of compensation, thus ensuring that the new Member States would continue to be net recipients after accession.
- The estimated administrative expenditure of the EU institutions (heading 5) came to EUR 6.36 billion, 4.2 % higher than in the 2004 voted budget. The Commission was asking for 700 new posts as part of the medium-term adjustment to enlargement, of which approximately half were for the language services.

### Draft 2005 budget

The draft 2005 budget established by the Council at first reading on 16 July came to EUR 115.9 billion in appropriations for commitments and EUR 105.2 billion in appropriations for payments. Compared with the 2004 budget, these figures represented an overall



increase of 5.2 % in appropriations for commitments and 5.4 % in appropriations for payments. As a result, the total amount of payment appropriations was equivalent to 0.99 % of Community GNI.

### Letters of amendment

No 1/2005. Adopted by the Commission on 13 October, this letter of amendment covered mainly appropriations to finance the economic development of the Turkish Cypriot community and finance for the pre-accession strategy for Croatia as well as a number of technical corrections to the budget remarks in order to take account of the legal bases adopted since the presentation of the PDB for 2005.

No 2/2005. The Commission adopted on 29 October a second letter of amendment to PDB 2005, providing for: the establishment of an executive agency for education and culture to implement programmes in that field; the establishment of an executive agency for the public health programme (2003–08) to support the Commission services in the implementation of that programme; and the creation of a supervisory authority for the European global navigation satellite system.

No 3/2005. On 26 October, the Commission adopted the ad hoc letter of amendment, provided for in the interinstitutional agreement of 6 May 1999, updating the estimates for agricultural expenditure and for international fisheries agreements. The overall impact of the letter of amendment was a reduction of agricultural expenditure by EUR 224 million, mainly due to changes in market conditions.

### Parliament's first reading

By its vote in first reading, which took place on 28 October, the European Parliament adopted a budget of EUR 117.4 billion in commitment appropriations and EUR 111.5

billion in payment appropriations. These new amounts represented an increase of 7.0 % in commitment appropriations and of 9.5 % in payment appropriations compared with the 2004 voted budget.

### Council's second reading

The Council had its second reading of the 2005 draft budget on 29 November, following the conciliation meeting with a delegation from Parliament on 25 November, as provided for in the interinstitutional agreement of 6 May 1999. The second reading resulted in a total of EUR 116.2 billion in commitment appropriations and EUR 105.3 billion in payment appropriations.

### Parliament's second reading (voted budget)

The 2005 budget was adopted on 16 December 2004 after Parliament's second reading. It totalled EUR 116.6 billion in appropriations for commitments and EUR 106.3 billion in appropriations for payments, in line with the agreement reached at the conciliation meeting between Parliament and the Council. Compared with the 2004 voted budget, this was an increase of 6.2 % in commitments and 4.4 % in payments. The volume of appropriations for payments represented 1.004 % of the gross national income (GNI) of the enlarged European Union. This left a margin of EUR 3.04 billion in commitments and EUR 7.9 billion in payments beneath the ceilings of the financial perspective. The use of the flexibility instrument was confirmed (EUR 30 million to finance the decentralised agencies and EUR 100 million for assistance to Iraq).

The following tables give a breakdown, by financial perspective heading, of the commitment and payment appropriations entered at the various stages of the 2005 budget procedure and a comparison with 2004.

TABLE 3  
Various stages of the budget procedure  
Commitments

(million EUR, rounded)

Heading	Final budget 2004 ( <sup>1</sup> )	Preliminary draft budget 2005 ( <sup>2</sup> )	Council (first reading) ( <sup>3</sup> )	Parliament (first reading)	Council (second reading) ( <sup>3</sup> )	Voted budget 2005 ( <sup>3</sup> )	Difference voted budget 2005/final budget 2004 (%)
	(1)	(2)	(3)	(4)	(5)	(6)	(%)
Total — Heading 1	45 081	50 451	49 676	50 722	49 676	49 676	10.2 %
Margin	4 224	987	1 762	717	1 762	1 762	
Total — Heading 2	41 031	42 438	42 423	42 378	42 423	42 423	3.4 %
Margin	4	2	17	62	17	17	
Total — Heading 3	8 705	8 958	8 903	9 026	8 921	9 052	4.0 %
Margin	17	53	109	- 14	90	- 40	
Total — Heading 4	5 177	5 169	5 040	5 309	5 040	5 219	0.8 %
Margin	- 95	- 50	79	- 190	79	- 100	
Total — Heading 5	6 122	6 381	6 300	6 357	6 300	6 351	3.7 %
Margin	35	- 21	59	3	59	9	
Total — Heading 6	442	446	446	446	446	446	0.9 %
Margin	0	0	0	0	0	0	
Total — Heading 7	1 733	2 075	2 081	1 856	2 081	2 081	20.1 %
Margin	1 722	1 397	1 391	1 616	1 391	1 391	
Compensation	1 410	1 305	1 305	1 305	1 305	1 305	- 7.4 %
Margin	0	0	0	0	0	0	
<b>Total appropriations for commitments</b>	<b>109 700</b>	<b>117 224</b>	<b>116 175</b>	<b>117 400</b>	<b>116 193</b>	<b>116 554</b>	<b>6.2 %</b>
<b>Margin</b>	<b>5 908</b>	<b>2 369</b>	<b>3 419</b>	<b>2 194</b>	<b>3 401</b>	<b>3 040</b>	

## Payments

(million EUR, rounded)

Heading	Final budget 2004 ( <sup>1</sup> )	Preliminary draft budget 2005 ( <sup>2</sup> )	Council (first reading) ( <sup>3</sup> )	Parliament (first reading)	Council (second reading) ( <sup>3</sup> )	Voted budget 2005 ( <sup>3</sup> )	Difference voted budget 2005/final budget 2004 (%)
	(1)	(2)	(3)	(4)	(5)	(6)	(%)
Total — Heading 1	43 993	49 890	49 115	50 160	49 115	49 115	11.6 %
Total — Heading 2	34 522	35 396	32 396	36 219	32 396	32 396	- 6.2 %
Total — Heading 3	7 510	7 729	7 686	7 894	7 704	7 924	5.5 %
Total — Heading 4	4 951	5 000	4 976	5 514	4 976	5 476	10.6 %
Total — Heading 5	6 122	6 381	6 300	6 357	6 300	6 351	3.7 %
Total — Heading 6	442	446	446	446	446	446	0.9 %
Total — Heading 7	2 856	3 225	3 025	3 576	3 025	3 287	15.1 %
Compensation	1 410	1 305	1 305	1 305	1 305	1 305	- 7.4 %
<b>Total appropriations for payments</b>	<b>101 807</b>	<b>109 372</b>	<b>105 250</b>	<b>111 472</b>	<b>105 268</b>	<b>106 300</b>	<b>4.4 %</b>
<b>Margin</b>	<b>9 747</b>	<b>4 863</b>	<b>8 985</b>	<b>2 763</b>	<b>8 967</b>	<b>7 935</b>	

<sup>(1)</sup> Including amending budgets 1 to 10.<sup>(2)</sup> Including preliminary draft letters of amendment 1 to 3.<sup>(3)</sup> Including letters of amendment 1 to 3.

## Budgetary adjustments

### Carryover from 2004

The situation of commitment appropriations carried over into 2005 was as follows:

(million EUR)

Heading	Carryover from 2004	Implemented 2005	Cancelled
1. Agriculture	49.5	49.0	0.5
2. Structural operations <sup>(1)</sup>	115.2	115.2	0.0
3. Internal policies	35.0	33.8	1.2
4. External actions	8.9	8.3	0.6
5. Administration (Commission)	0.4	0.3	0.1
7. Pre-accession	1.5	1.5	0.0
<b>Total</b>	<b>210.5</b>	<b>208.1</b>	<b>2.4</b>

<sup>(1)</sup> Includes reconstituted appropriations.

There was almost full (99 %) implementation of the commitment appropriations carried over.

## Amending budgets (Part III — Commission)

(million EUR)

Amending budget (AB)	Adoption date	Subject	Heading	Amounts	
				CA	PA
AB 1/2005	22.12.2004	Reorganisation of the Commission's services and the necessary technical modifications to the 2005 budget	5	0	0
AB 2/2005	30.3.2005	Adjustment of administrative appropriations (annual adaptation of salaries and pensions for the institutions)	5	- 39.0	- 39.0
AB 3/2005	27.4.2005	Rehabilitation and reconstruction assistance to the earthquake/tsunami-affected countries	4	15.0	0
AB 4/2005	13.5.2005	Budgeting the surplus resulting from implementation of the budget year 2004	n.a.	Income	Income
AB 5/2005	7.9.2005	Revision of the forecast of own resources and mobilisation of the EU Solidarity Fund requested by Slovakia	3	5.7	0

Amending budget (AB)	Adoption date	Subject	Heading	Amounts	
				CA	PA
AB 6/2005	17.11.2005	Mobilisation of the European Solidarity Fund for Estonia, Latvia, Lithuania and Sweden	3	92.9	92.9
AB 8/2005	13.12.2005	To take into consideration the exceptional increase in forecast revenue, in particular for the revision of the forecast of VAT and GNI balances and the redeployment of appropriations within heading 2 and a decrease in heading 1	1, 2	- 653.0	- 650.0

The impact of these amending budgets on the headings of the financial perspectives is given in the following table:

(million EUR)

Heading	CA	PA
1. Agriculture	- 650	- 650
2. Structural operations	- 3	
3. Internal policies	+ 99	+ 93
4. External actions	+ 15	
5. Administration	- 59	- 59
7. Pre-accession aid		
<b>Total</b>	<b>- 598</b>	<b>- 616</b>

## Transfers

### Transfers from the reserve

The initial reserve is composed of provisional appropriations placed there by the budgetary authority whilst awaiting the adoption of a legal base or for other reasons.

(million EUR)

Heading	Commitments			Payments		
	Initial reserve	Transfers to operational lines	Unused reserve end 2005	Initial reserve	Transfers to operational lines	Unused reserve end 2005, after transfers
1. Agriculture (rural development only)	0	0	0	0	0	0
2. Structural operations	0	0	0	0	284.3	0
3. Internal policies	71.3	67.7	3.6	42.7	7.7	13.3
4. External actions	134.8	344.1	0.7	25.1	- 278.4	0
5. Administration	8.2	6.9	1.3	8.2	6.7	1.3
6. Reserve	120.0	- 210.0	0	0	- 100.0	0
7. Pre-accession aid	120.0	120.0	0	26.8	167.8	0
<b>Total</b>	<b>334.2</b>	<b>328.7</b>	<b>5.5</b>	<b>102.7</b>	<b>88.2</b>	<b>14.5</b>

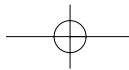
### Transfers between chapters

In 2004, the number of transfers submitted to the budget authority rose sharply compared with previous years: 71 were submitted for

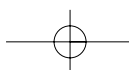
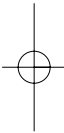
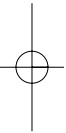
decision and 18 for information, together representing some EUR 798 million in commitments and EUR 1 676 million in payments.

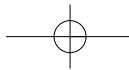
(million EUR)

Heading	Commitments		
	Transfers to a chapter	Transfers from a chapter	Impact between headings
1. Agriculture	356.4	- 356.4	0
2. Structural operations	0.1	- 0.1	0
3. Internal policies	103.0	- 94.8	8.2
4. External actions	419.8	- 333.2	86.6
5. Administration	50.0	- 54.9	- 4.9
6. Reserves	140.1	- 350.1	- 210.0
7. Pre-accession aid	- 1.5	121.5	120.0
<b>Total</b>	<b>1 068.0</b>	<b>1 068.0</b>	<b>0</b>



By comparison, in 2004 the transfers between chapters were EUR 798 million for commitment appropriations and EUR 1 676 million for payment appropriations. The number of transfers submitted to the budget authority was similar to that of 2004: 64 were submitted for decision and 20 for information. Of the EUR 1 724 million of payment appropriations, the global transfer accounted for EUR 1 236 million. The transfers to heading 6 concerned one transfer in favour of the Guarantee Fund (DEC 11), two for the tsunami (DEC 01 and DEC 27) and one for emergency aid to Pakistan (DEC 55).





## 4. EU BUDGET REVENUE IN 2005

The budget of the European Union is financed by own resources and other revenue. In 2005, own resources amounted to EUR 100.8 billion and other revenue to EUR 6.3 billion (of which EUR 2.7 billion corresponded to the surplus carried over from the previous year).

When the Council and Parliament approve the annual budget, total revenue must equal total expenditure. The total amount needed to finance the budget follows automatically from the level of total expenditure. However, since outturns of revenue and expenditure usually differ from the budgeted estimates at the end of the financial year, there is a balance resulting from the implementation of the budget. Normally, there has been a surplus, which reduces Member States' own resources payments in the subsequent year.

### Own resources

The basic rules on the system of own resources are laid down in a Council decision (currently 2000/597/EC, Euratom), adopted by unanimity in the Council and ratified by all Member States. Own resources can be defined as revenue accruing automatically to the EU in order to finance its budget without the need for any subsequent decision by national authorities. The overall amount of own resources needed to finance the budget is determined by total expenditure less other revenue. The total amount of own resources cannot exceed 1.24 % of the EU gross national income (GNI).

Own resources can be divided into the following categories:

- traditional own resources (TOR), which include two categories: agricultural duties and sugar levies on the one hand and customs duties on the other hand;
- the VAT-based own resource;

- the GNI-based own resource ('the additional fourth resource'), which acts as a residual resource.

Finally, a specific mechanism for correcting budgetary imbalances in favour of the United Kingdom (UK correction) is also part of the own resources system.

### Traditional own resources (customs duties, agricultural duties and sugar levies)

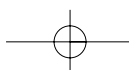
Traditional own resources (TOR) are levied on economic operators and collected by Member States on behalf of the EU. TOR payments accrue directly to the EU budget, after deduction of a 25 % compensation retained by the Member States as collection costs.

Agricultural duties and customs duties are levied on imports of agricultural and non-agricultural products from third countries, at rates based on the Common Customs Tariff. In 2005, these resources corresponded to 1.3 % and 11.9 % of total own resources, respectively.

Sugar levies are paid by sugar producers to finance the export refunds for sugar. Revenue from this resource amounted to 0.7 % of total own resources payments in 2005.

### The own resource based on value added tax (VAT)

The VAT-based own resource is levied on Member States' VAT bases, which are harmonised for this purpose in accordance with Community rules. The same percentage is levied on the harmonised base of each Member State. However, the VAT base to be taken into account is capped at 50 % of each Member State's GNI. This rule is intended to avoid the less prosperous Member States contributing sums which are out of proportion to their capacity since, at relatively lower levels of



prosperity, consumption and hence VAT tend to account for a higher percentage of a country's national income.

In 2005, the 50 % 'capping' was applied to 13 Member States (Czech Republic, Estonia, Greece, Spain, Ireland, Cyprus, Lithuania, Luxembourg, Malta, Poland, Portugal, Slovenia and the United Kingdom).

The maximum percentage rate of the VAT base that can be called was fixed at 0.50 % in 2005. However, this rate must be decreased to take account of the UK correction (see below). The actual rate of call of VAT in 2005 amounted to 0.3179 % (rounded figure).

The total amount of the VAT-based resource (including adjustments for previous years) levied in 2005 reached EUR 16.0 billion or 15.9 % of total own resources.

### The own resource based on gross national income (GNI)

The GNI-based own resource ('additional fourth resource') was introduced in 1988 to balance budget revenue and expenditure, i.e. to finance the part of the budget not covered by other revenue. The same percentage rate is levied on each Member State's GNI, which is established in accordance with Community rules.

The rate is fixed during the budgetary procedure. The amount of the GNI resource needed depends on the difference between total expenditure and the sum of all other revenue. In 2005, the rate of call of the GNI-based resource amounted to 0.6518 % (rounded figure).

The total amount of the GNI-based resource (including reserves and adjustments for previous years) levied in 2005 reached EUR 70.9 billion or 70.3 % of total own resources.

### The correction of budgetary imbalances in favour of the United Kingdom (UK correction)

The current UK correction mechanism was introduced in 1985 to correct the imbalance between the United Kingdom's share in payments to the Community budget and its share in Community expenditure allocated to the Member States. This mechanism has been modified on several occasions to compensate for changes in the system of EU budget financing, but the basic principles remain the same.

This imbalance is calculated as the difference between the percentage share of the UK in EU expenditure paid in the Member States ('allocated expenditure') and the UK share in total VAT-based and GNI-based own resources payments. The difference in percentage points is multiplied by the total amount of EU expenditure allocated to the Member States. The UK is reimbursed 66 % of this budgetary imbalance.

The cost of the correction is borne by the other 24 Member States. The distribution of the financing is first calculated on the basis of each country's share of total EU GNI. The financing share of Germany, the Netherlands, Austria and Sweden, however, is restricted to one fourth of its normal value. This cost is redistributed across the remaining 20 Member States.

The total amount of the UK correction paid in 2005 amounted to EUR 5.2 billion.

### Other revenue

The part of the general budget not financed by own resources includes notably tax and other deductions from staff remunerations, bank interest, contributions from non-member countries to certain Community programmes (e.g. in the research area), repayments of unused Community financial assistance, interest on late payments and the balance from the previ-



ous year. However, this last item is mainly derived from the difference between the outturn of own resources payments and expenditure in the previous year.

In 2005, other revenue amounted to EUR 6.3 billion, of which EUR 2.7 billion corresponded to the surplus carried over from the year 2004.

TABLE 4

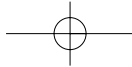
## Own resources payments by Member State in 2005

(EUR)

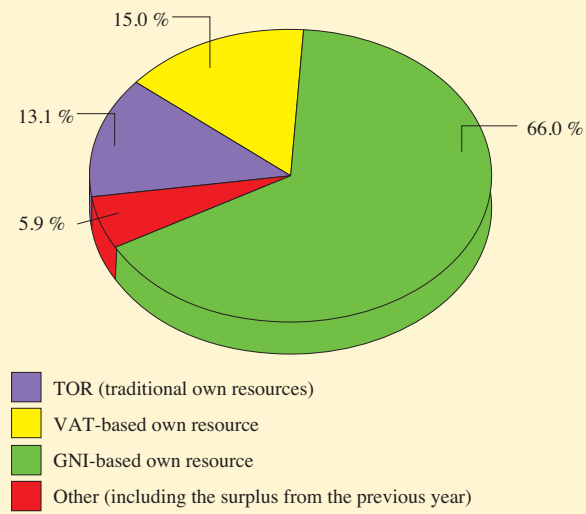
	Traditional own resources payments, net (75 %)	VAT-based own resources payments at uniform rate	GNI-based own resources payments <sup>(1)</sup>	UK correction <sup>(2)</sup>	Total own resources payments
	(1)	(2)	(3)	(4)	(5)=(1)+(2)+(3)+(4)
Belgium	1 373 194 617	422 810 665	2 000 160 946	227 587 594	4 023 753 822
Czech Republic	146 129 824	150 645 832	614 632 972	78 784 207	990 192 835
Denmark	298 202 668	253 067 275	1 289 260 860	148 488 377	1 989 019 181
Germany	2 724 357 677	2 888 310 840	14 153 712 793	369 925 177	20 136 306 486
Estonia	16 004 063	14 907 226	61 225 091	7 579 685	99 716 065
Greece	199 648 547	286 074 084	1 173 594 284	142 237 984	1 801 554 898
Spain	1 097 809 043	1 616 646 836	6 075 331 845	685 129 043	9 474 916 768
France	1 337 260 736	2 655 486 340	11 431 427 732	1 429 916 578	16 854 091 385
Ireland	182 249 608	229 719 838	923 538 527	106 961 354	1 442 469 326
Italy	1 341 876 925	2 003 793 199	9 092 984 303	1 108 008 384	13 546 662 811
Cyprus	35 236 120	20 459 094	83 418 950	10 891 043	150 005 208
Latvia	20 353 457	17 113 961	82 327 478	9 955 264	129 750 159
Lithuania	34 136 442	29 823 786	126 871 518	16 168 908	207 000 654
Luxembourg	15 812 471	37 724 539	153 613 894	19 879 068	227 029 972
Hungary	113 270 119	108 508 616	540 850 792	70 567 374	833 196 901
Malta	11 896 430	6 816 910	27 680 325	3 748 006	50 141 671
Netherlands	1 484 302 730	757 954 347	3 649 736 514	55 059 122	5 947 052 713
Austria	188 517 191	326 279 958	1 588 908 338	40 327 233	2 144 032 720
Poland	272 033 773	366 061 214	1 495 712 197	193 428 582	2 327 235 766
Portugal	108 026 520	283 685 312	1 025 315 912	109 951 135	1 526 978 879
Slovenia	28 146 118	43 926 763	179 511 791	23 160 725	274 745 397
Slovakia	44 072 834	45 307 827	238 806 003	30 797 591	358 984 255
Finland	112 719 411	214 129 270	1 011 406 434	126 656 189	1 464 911 304
Sweden	351 034 756	338 188 099	1 925 138 621	39 921 593	2 654 283 070
United Kingdom	2 526 846 539	2 900 588 542	11 915 424 337	- 5 185 794 482	12 157 064 936
<b>Total</b>	<b>14 063 138 619</b>	<b>16 018 030 374</b>	<b>70 860 592 456</b>	<b>- 130 664 265</b>	<b>100 811 097 184</b>
% of total	13.9 %	15.9 %	70.1 %	0.1 %	100.0 %

<sup>(1)</sup> For the simplicity of the presentation, GNI-based own resources payments are presented including the adjustment for the impact of non-participation of certain Member States in the justice and home affairs policy.

<sup>(2)</sup> Total UK correction payments are not equal to zero on account of exchange rate differences.

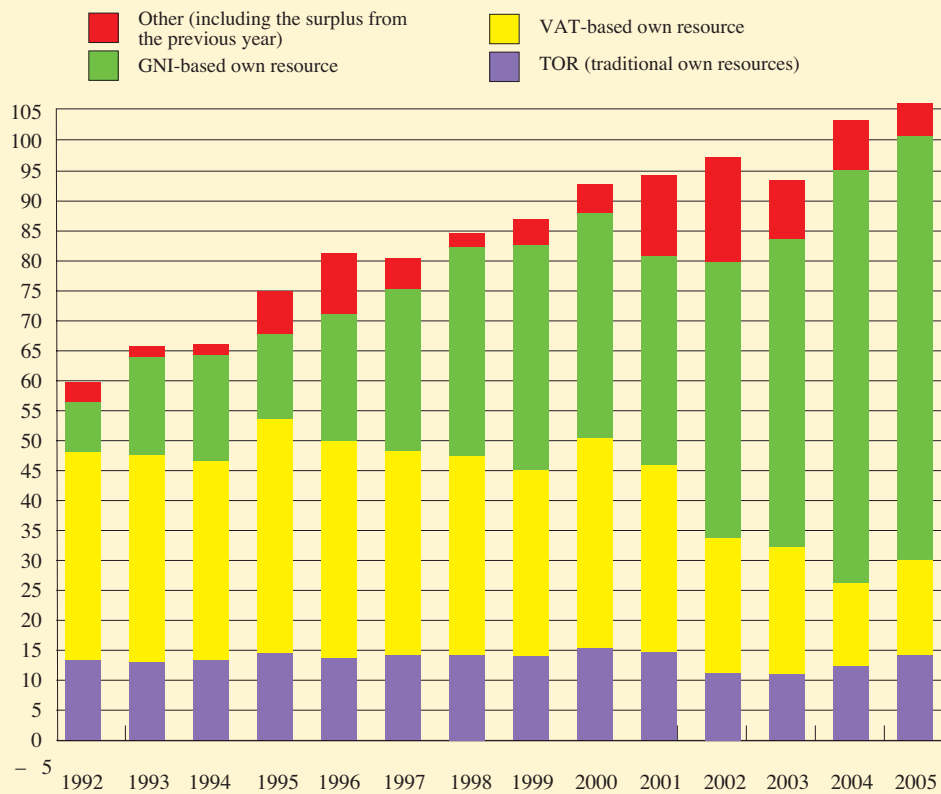


**FIGURE 2**  
EU revenue in 2005



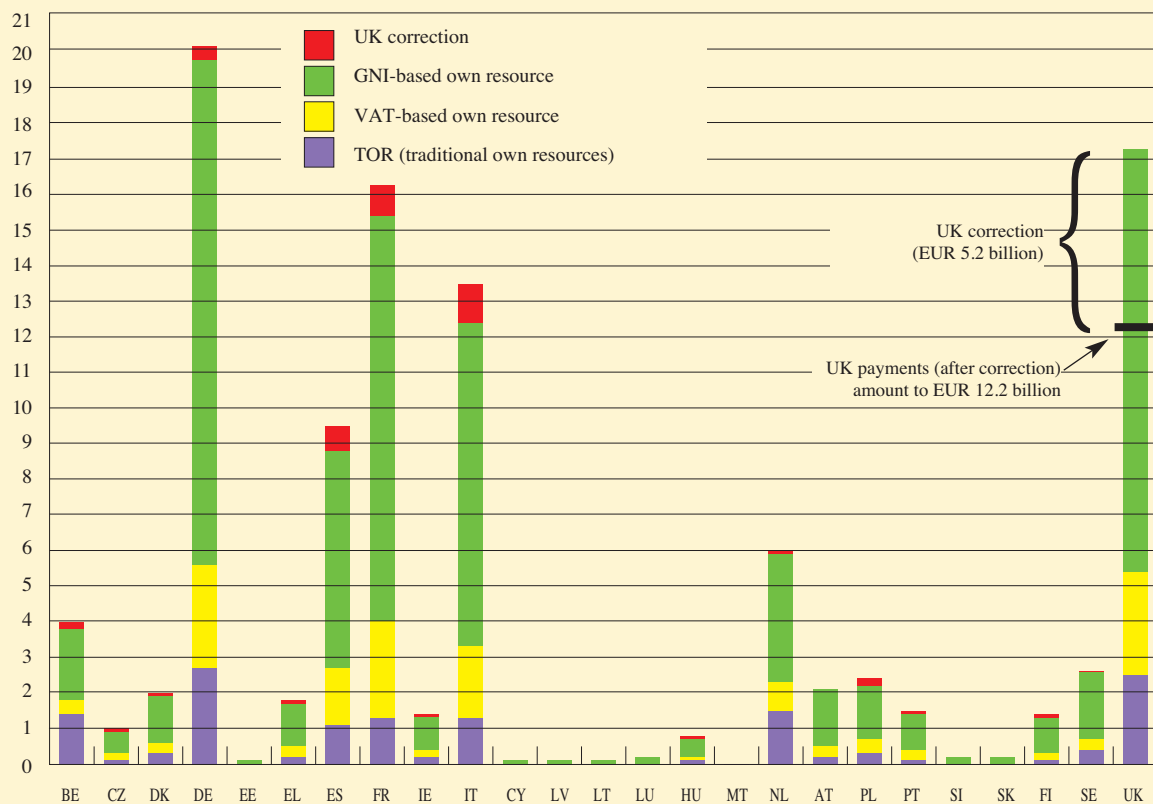
**FIGURE 3**  
EU revenue 1992–2005

(billion EUR)



**FIGURE 4**  
Own resources payments by Member State in 2005

(billion EUR)



## 5. BUDGET IMPLEMENTATION 2005

Budget implementation 2005 of authorised appropriations by financial perspective heading is summarised below in percentage terms, in comparison with the previous year.

Heading	Implementation of commitment appropriations (including earmarked revenue)		Implementation of payment appropriations (including earmarked revenue)	
	2005	2004	2005	2004
1. Agriculture	100 %	97 %	99 %	96 %
2. Structural operations	100 %	99 %	100 %	98 %
3. Internal policies	91 %	92 %	82 %	80 %
4. External actions	97 %	97 %	92 %	90 %
5. Administration	97 %	96 %	85 %	85 %
6. Reserves	59 %	41 %	41 %	41 %
7. Pre-accession aid	94 %	94 %	84 %	95 %
8. Compensation new Member States	100 %	100 %	100 %	100 %
<b>Total</b>	<b>99 %</b>	<b>98 %</b>	<b>96 %</b>	<b>95 %</b>

### 1. Introduction

The commentary that follows concentrates on the financial perspective headings that are the key contributing factors to the underutilisation of budget appropriations (comprising the initial budget appropriations, the initial reserve, amending budgets, transfers, and carryovers). The tables show, at heading level, the implementation for the total voted budget including transfers and amending budgets (ABs).

The utilisation of earmarked revenues is presented separately. The assessment of the implementation of earmarked revenues (for example, interest on advance payments,

reimbursements on the occasion of programme/contract closures, EFTA contributions, etc.) needs to be different from general budget appropriations in the sense that its use is subject to specific conditions, is difficult to programme or, in some cases (refunds following closure of certain programmes), is not meant to be reused. Normally, payments are entered in the budget for an amount corresponding to the earmarked commitments, even if it is clear from the outset that these corresponding payments will be implemented only in later years. Furthermore, earmarked revenues remaining unused at the end of the year will not be cancelled but carried forward automatically.

### 2. Agriculture

Agriculture	Final budget	Implementation
Heading 1a (million EUR)	42 534.4	42 136.4
Heading 1b (million EUR) payment appropriations	6 373.6	6 329.3
Heading 1 (total, million EUR)	48 908.0	48 465.7
Implementation (%)		99 %
Carryover to 2006 (million EUR)		285.5
<b>Under-implementation after carryover (million EUR)</b>		<b>156.8</b>

Total agricultural expenditure (heading 1) for the year based on commitments made was EUR 48.3 billion (100 %), leaving only some EUR 162 million unused. This compares favourably with the 99 % outcome for the same period last year.

For CAP (common agriculture policy) -related expenditure (heading 1a), an underutilisation of EUR 768 million compared with the initial budget was recorded, of which EUR 650 million had already been included in AB 8/2005. The under-implementation compared with the initial budget is a net result of:

- milk and milk products: – EUR 769 million, due to a more favourable internal and external market situation than expected;
- additional revenues: + EUR 458 million revenues, of which EUR 280 million extra super levy and EUR 178 million additional

financial corrections as compared with the forecasts;

- euro/dollar exchange rate: some – EUR 100 million, due to an appreciation of the dollar compared with the estimates from October 2004;
- additional expenditure, mostly for plant products, due to extra storage and as a result of cuts in direct payments by the budget authority.

For rural development, subheading 1b, under-spending amounted to EUR 44 million, which relates entirely to the new early retirement scheme. This compares with EUR 95 million last year. Of the unused appropriations for the heading, the full amount of EUR 44 million for rural development programmes was carried forward to 2006.

### 3. Structural operations

Structural operations	Implementation of commitments		Implementation of payments	
	Final budget	Implementation	Final budget	Implementation
Implementation (million EUR)	42 490.1	42 535.7	32 829.7	32 755.4
Implementation (%)		100		100
Under-implementation (million EUR)		45.6		74.3
Carryover to 2006 (million EUR)		43.8		13.9
<b>Under-implementation after carryover (million EUR)</b>		<b>1.8</b>		<b>60.4</b>

#### Structural operations commitments

For this heading, practically full implementation for commitment appropriations was reached, with EUR 46 million unutilised that relate to Structural Fund programmes under Objective 1 (EUR 20 million), innovative measures and technical assistance (EUR 12 million), and to Community initiatives (EUR 11 million). Of the unused appropriations in 2005, EUR 20 million (concerning the Objective 1 programmes, due to a programme mod-

ification in eastern Germany under EAGGF-Guidance) was carried forward to 2006.

#### Structural operations payments

Overall, payments for the heading were increased by EUR 390 million as part of the global transfer procedure. Total payments for the heading amounted to EUR 32.8 billion, or 100 % of available appropriations, an under-utilisation of around EUR 75 million. This mainly relates to: fisheries outside Objective 1 regions (EUR 30 million), innovative mea-

asures and technical assistance (EUR 25 million), and to Community initiatives (EUR 12 million). Given the practically full execution, no amounts for this heading are carried over to 2006.

The trends underlying the high level of implementation are clear: the EU-15 2000–06 pro-

grammes in their sixth year had finally reached cruising speed, whereas the interim payments for the 2004–06 programmes for the new Member States started slowly, as the EU-10 programmes have been affected by start-up problems.

## 4 Internal policies

Internal policies	Implementation of commitments			Implementation of payments		
	Final budget	Ear-marked revenues	Overall	Final budget	Ear-marked revenues	Overall
Implementation (million EUR)	8 858.3	689.9	9 548.2	7 413.9	558.2	7 972.1
Implementation (%)	96	55	91	91	35	82
Under-implementation (million EUR)	324.0	564.8	888.8	725.0	1 043.0	1 768.0
Carryover to 2006 (million EUR)	120.3	564.8	685.1	273.3	1 043.0	1 316.3
<b>Under-implementation after carryover (million EUR)</b>	<b>203.7</b>		<b>203.7</b>	<b>451.7</b>		<b>451.7</b>

### Internal policies commitments

Commitments made for internal policies amounted to EUR 9.5 billion, or 91 % of the total available appropriations, an underutilisation of around EUR 900 million. This compares with 92 % for the same period last year. Of the unused appropriations, EUR 564 million relates to earmarked revenue, and mostly concerns the completion of previous framework programmes under research and technological development. The remaining EUR 344 million unused commitment appropriations are spread across the heading, but mainly concern AB 6/2005, under which EUR 93 million was transferred from the EU Solidarity Fund to cover emergency aid following the major storm in Estonia, Latvia, Lithuania and Sweden. Due to the late adoption of AB 6, the grant decisions and bilateral implementation agreements could not be completed before year-end. Therefore, the full amount of EUR 93 million had to be carried over to 2006. Apart from the commitments for the Solidari-

ty Fund, another EUR 27 million of the appropriations that could not be used before end-year 2005 was carried forward to 2006.

### Internal policies payments

Payments made amounted to EUR 8.0 billion from available appropriations of EUR 9.7 billion, an implementation rate of 82 %. This compares with EUR 7.3 billion in 2004, an implementation rate of 80 %. The under-implementation is mainly accounted for by earmarked revenues (over EUR 1 billion), mostly related to payments for the completion of earlier programmes under research and technological development (carried over completely). The remaining unused appropriations of EUR 730 million are budget appropriations spread across the heading, mostly for administrative expenditure related to specific operations. Of the total unused budget payment appropriations for the heading in 2005, an amount of EUR 147 million was carried forward to 2006.

## 5. External actions

External actions	Implementation of commitments			Implementation of payments		
	Final budget	Ear-marked revenues	Overall	Final budget	Ear-marked revenues	Overall
Implementation (million EUR)	5 411.2	104.9	5 516.1	4 878.0	135.1	5 013.1
Implementation (%)	99	51	97	93	63	92
Under-implementation (million EUR)	41.1	102.4	143.5	343.0	79.4	422.4
Carryover to 2006 (million EUR)	3.7	102.4	106.1	61.2	79.4	140.6
<b>Under-implementation after carryover (million EUR)</b>	<b>37.4</b>		<b>37.4</b>	<b>281.8</b>		<b>281.8</b>

### External actions commitments

Out of total available appropriations of EUR 5.7 billion for the heading as a whole, commitments of EUR 5.5 billion were made. This compares with EUR 5.2 billion in 2004, with a similar implementation rate (97 %). The under-utilisation mainly concerns earmarked revenues (of around EUR 100 million, spread across the heading and carried over completely). The unused budget commitments (EUR 41 million) partly relate to the cancelled macro-financial assistance to Georgia, and partly to the former BA lines. Of the budget appropriations that could not be used before end-year 2005, EUR 4 million was carried forward to 2006.

### External actions payments

EUR 5.0 billion payments were made in 2005 from total available payment appropriations for this heading of EUR 5.4 billion, an imple-

mentation rate of 92 %, which reflects a continuing improvement on the previous levels of EUR 4.6 billion (90 %) in 2004, EUR 4.2 billion (88 %) in 2003 and 89 % in 2002. This continuous improvement shows the success of the deconcentration exercise and the reform of external aid.

Of the unused appropriations (EUR 420 million), EUR 80 million concerned earmarked revenues that are spread across the heading and were carried over completely. The remaining unused budget appropriations partly relate to administrative expenditure for the heading (former BA lines), and on the other hand to cooperation with the western Balkans (EUR 140 million), partly due to lower than expected payments for the Reconstruction Agency. Of the unused budget appropriations, EUR 11 million for CFSP (concerning the EUJUST Rule of Law Mission for Iraq and the Aceh Monitoring Mission) will be carried over to 2006.

## 6. Administration (heading 5)

Administration	Final budget	Provisional implementation
Heading 5 (million EUR)	7 299.9	6 191.3
Implementation (%)		85
Under-implementation		1 108.6
Carryover to 2006 (million EUR)		775.9
<b>Under-implementation after carryover (million EUR)</b>		<b>332.7</b>

## 7. Pre-accession aid

Pre-accession aid	Implementation of commitments			Implementation of payments		
	Final budget	Ear-marked revenues	Overall	Final budget	Ear-marked revenues	Overall
Implementation (million EUR)	1 955.3	39.1	1 994.4	2 896.3	88.4	2 984.7
Implementation (%)	94	81	94	84	81	84
Under-implementation (million EUR)	127.2	9.1	136.3	541.4	20.4	561.8
Carryover to 2006 (million EUR)		9.1	9.1	15.4	20.4	35.8
<b>Under-implementation after carryover (million EUR)</b>	<b>127.2</b>		<b>127.2</b>	<b>526</b>		<b>526</b>

### Pre-accession commitments

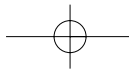
Implementation of commitment appropriations for this heading amounted to EUR 2.0 billion, from total available appropriations of EUR 2.2 billion, i.e. 89 %, compared with 94 % for 2004. Part of the unused appropriations of EUR 237 million concern earmarked revenues (EUR 110 million, as last year essentially from programme closure). The remaining EUR 120 million relate to the cancelled financial assistance to the Turkish Cypriot community, as the legal basis could not be adopted.

### Pre-accession payments

Based on initial forecasts of the implementing authorities of the beneficiary countries, a net amount of EUR 41 million was transferred to

this heading during the global transfer procedure. Payments amounting to EUR 3.0 billion were made, i.e. an implementation rate of 84 %, compared with EUR 3.1 billion or 95 % last year. Of the EUR 560 million remaining payment appropriations, EUR 18 million concern earmarked revenues (carried over completely to 2006). The under-implementation of budget appropriations is spread across the heading (Sapard EUR 73 million, ISPA EUR 43 million, Phare EUR 312 million, Turkey EUR 75 million and the Turkish Cypriot community EUR 27 million).





## 6. HOW THE EU BUDGET CREATES MORE GROWTH AND JOBS



### Introduction

Creating more growth and jobs is the number one priority of the European Commission headed by President José Manuel Barroso. But how can the EU's budget of approximately EUR 115 billion a year contribute towards this goal? This chapter aims to show how the Union's budget is increasingly geared towards promoting employment, competitiveness and sustainable economic growth in the 25 members of the EU.

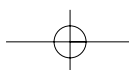
### Why Europe needs more growth and jobs

The European Union has a lot to be proud of in the economic sphere. A continent that was in ruins at the end of the Second World War 60 years ago has become one of the most developed areas in the world. Partly due to the peace and stability the EU has helped anchor,

the 25 countries that form the Union make up the largest economy on the planet. The EU has created a single market that allows goods, people, capital and services to flow freely across borders. Twelve countries have scrapped their national monies and adopted the euro as their common currency. And Europe is home to some of the most competitive and cutting edge companies in the world.

But the European Union is more than a common market. It has a unique social model based on high education standards, generous welfare provisions and protective labour laws. And it has made more progress towards sustainable development than any other region in the world. Despite this progress, Europe has structural problems that threaten to undermine these advances.

Today most countries in the European Union suffer from low growth rates. With the Chinese economy surging by almost 10 % a year



and the United States experiencing growth rates almost twice the average of EU States, Europe risks being left behind in the global economy without deep-seated changes.

Low growth often goes hand in hand with high unemployment, a sickness that has afflicted most EU countries during the 1990s and the first years of the 21st century. European jobless rates, which have remained above 8 % for much of the last decade, are substantially higher than US or Japanese levels and youth unemployment in some countries hovers around 20 %. Unemployment is not just a waste of human talent, it is a drain on scarce resources that could be better spent on education, training or social services.

The European Union's growth and employment woes are compounded by the fact that the continent's population is rapidly ageing. Currently there are four people in work for every retired person, but by 2050 there will be only two. The Commission estimates that the impact of ageing populations will be to reduce the potential growth rate of the EU from just over 2 % to 1.25 % by 2040, cutting GDP per head by some 20 % below what could otherwise be expected.

'Europe must rise to the challenge. We need to build on economic integration and turn the biggest economic and trade entity in the world into an area generating more growth and prosperity. The evidence suggests that unless action is taken now the European economy will decline. Robust, coordinated and coherent action is needed to reverse this trend.'

Speech by Dalia Grybauskaitė, Commissioner for Financial Programming and Budget, 4 December 2004

## Growth and jobs: work in progress since 2000

It was against this backdrop that European Heads of State or Government met in the Portuguese capital Lisbon in March 2000 to commit themselves to making the European Union the most dynamic and competitive knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs, greater social cohesion and respect for the environment.

The targets set at the Lisbon summit:

- an average of 3 % growth a year,
- an extra 20 million jobs by 2010,
- an overall employment rate of 70 % by 2010,
- research and development spending exceeding 3 % a year,
- 50 % of 55–64 year olds and 60 % of women in employment by 2010.

The Lisbon strategy produced some significant achievements during its first five years. But a mid-term review in 2004 noted insufficient progress in meeting growth and job targets.

## Fresh focus on enhancing growth and creating jobs

With its policy paper entitled 'Working together for growth and jobs — A new start for the Lisbon strategy', the Commission relaunched the initiative in February 2005.

The revised plan focuses like a laser beam on creating more growth and jobs and hands greater responsibility to Member States in attaining these targets. It also sets two main EU-wide targets: achieving an employment rate of 70 % and an R & D investment level of 3 % of GDP by 2010.

In July 2005, the Commission tabled a more detailed set of measures to boost growth and create more jobs, while urging governments to concentrate on the following eight key measures with a high European added value.

1. Supporting knowledge and innovation in Europe
2. Reforming State aid policy
3. Improving and simplifying the regulatory framework in which business operates
4. Completing the internal market for services
5. Reaching an ambitious agreement in the Doha round of trade liberalisation talks
6. Removing remaining obstacles to physical, labour and academic mobility
7. Developing a common approach to economic migration
8. Supporting efforts to deal with the social consequences of economic restructuring

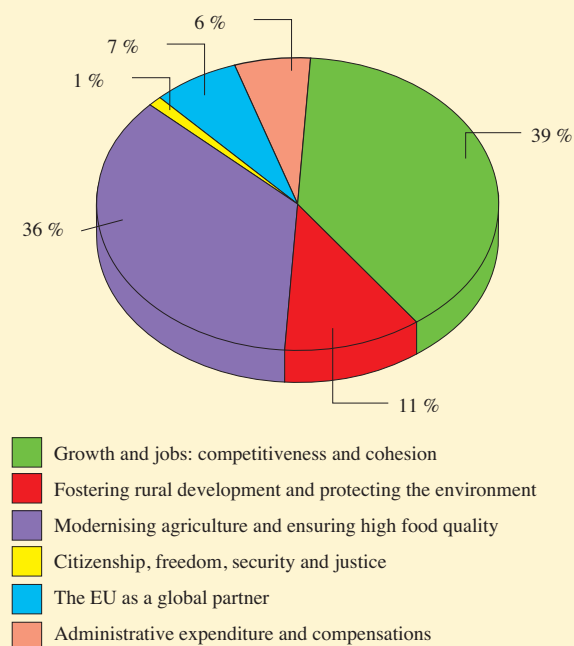
At their spring summit in March 2005, EU leaders agreed to most of the targets proposed by the Commission. The Heads of State or Government also noted that the reforms agreed at Lisbon were beginning to bear fruit, with growth on the rise and 6 million new jobs expected to be created between 2005 and 2007, helping to reduce unemployment from a peak of 9 % at the end of 2004 by roughly 1 % in 2007.

### The European Union budget

Contrary to popular belief, the European Union's annual budget is tiny in comparison with the revenues of EU governments. For example, government expenditure in Denmark is about 55 % of the country's GDP, whereas the Union's budget cannot exceed 1.24 % of the EU's gross national income. This corresponds to a contribution of EUR 0.70 per day per European citizen, although it is actually less than this.

In 2005, the total amount of commitments entered into by the EU was almost EUR 116 billion. However, as funding for many EU programmes is spread out over several years, the amount of actual payments made during 2005 was significantly less, totalling just over EUR 105 billion.

In commitment terms, the budget for 2005 was split in the following way:



In December 2005, EU leaders reached an agreement on the Union's budget for 2007–13. Under the deal, spending on agriculture and rural development will fall slightly over the seven-year period and expenditure on cohesion for growth and jobs will rise by almost 3 % a year. But the big winners in the budget battle are funds to boost competitiveness.

### How the EU budget contributes to growth and jobs

In the past, EU budget lines contributed to specific objectives — such as helping poorer regions catch up, protecting the countryside, fighting poverty in developing countries — but lacked one overarching theme or cohesive goal. The Barroso Commission has attempted to shift funding towards meeting the European Union's central aim of creating more jobs and growth.

Expenditure aimed at boosting competitiveness has increased drastically in the 2005 and 2006 budgets and will continue to do so throughout the next seven-year financial perspective. By 2013, annual funding on competitiveness for growth and employment will be over 64 % higher than in 2006. In the same year, the EU will be spending 20 % more than in 2006 on measures to encourage more growth and jobs in the Union's less prosperous regions.

The European Union is not just spending more per year on budget headings that contribute to growth and employment; it is devoting a greater share of EU funds to meeting the Lisbon objectives. At present about half of the projects financed by EU Structural Funds directly contribute to the growth and jobs agenda. In December 2005, EU leaders declared that in future 60 % of regional and structural funding and 75 % of competitiveness should be earmarked for 'growth and jobs' policies.

### Computer literacy for all

Public administrations and private companies are increasingly moving towards the use of IT to provide information and services to citizens and customers. But this trend risks marginalising those citizens, particularly older people, who neither have access to computers nor the skills to use them.

In central Italy, the municipality of Perugia has teamed up with vocational training centres to offer free courses in new technologies, foreign languages and other specialised fields for all adults over the age of 25.

Now in its third phase, the organisers have received 12 000 requests to participate and over 2 000 people — 40 % of them over the age of 50 — have attended courses. In addition to IT, participants can choose from courses in English, French and Spanish, entrepreneurship, and health and safety in the home.

'The courses are helping to meet a real need for training outside the formal education system,' says Anna Schippa, project coordinator with the association FORMA.Azione, which is helping to run the scheme. 'Older people in particular come not only to learn new skills, but also to meet new people and to give a structure to their day.'

The first round of courses was launched in 2001, within the framework of the European Social Fund project GEMMA 1.

## Promoting jobs and growth through R & D

To be a genuinely competitive, knowledge-based economy, Europe must become better at producing knowledge. This requires increased investment in research and development, in particular in the field of information and communication technologies.

At present, the EU currently invests just below 2 % of its GDP in R & D — almost a third less than the United States. Of this, only 20 % is devoted to ICT research expenditure, compared with 30 % by Europe's main competitors. The Lisbon strategy calls on EU Member States to invest 3 % of GDP in research and development by 2010.

At the European level, most R & D projects are funded by the framework programme for research and technological development. In 2005, EUR 3.5 billion was earmarked for R & D payments. In keeping with the growth and jobs strategy, the seventh framework programme (2007–13) will place an even stronger emphasis on research in fields which can help create more growth and jobs. For example, stimulating investment in information and communication technologies and the European space industry are important ways to ensure Europe remains a key actor in the global commercial marketplace.

ICT is a powerful driver for growth and innovation. It is a motor of change in public services, lowering costs and raising efficiency. It also supports industry and makes services better and more accessible to citizens. Of 900 ICT research projects part-funded by the EU, 30–40 % produced fully validated products, 20 % led to spin-offs, and a third influenced standards.

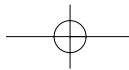
### Smart moves in smartcards

Imagine how convenient it would be to pay bills, buy plane tickets and transfer money securely using your mobile phone. The technology breakthrough achieved by an EU-funded project on smartcard development now makes this possible on the new generation of mobiles.

Smartcards use tiny microprocessor chips embedded in them to hold and process data at phenomenal speeds. But in the past they have been too slow and unsafe for use in mobile phones. Before the breakthrough, which was achieved by a consortium of universities, SMEs and leading service providers, a smartcard chip could only hold and transmit 424 Kb of data per second through a radio frequency interface. However, the 10 partners of the MEDEA+ project for advanced R & D in microelectronics succeeded in achieving 1.7 Mb of data per second on a smartcard chip. This is fast enough to perform transactions requiring high security when connected to the Internet through a wireless interface.

Europe is already well placed to take advantage of the rapidly expanding e-commerce market, which is currently estimated at EUR 20 billion in Europe. Over half the world's smartcards are made on the continent and the latest technological developments pioneered by the EU-funded project will help cement Europe's lead in the field.

BEST PRACTICE



## Giving SMEs a helping hand

The European Union's 23 million small and medium-sized enterprises (SMEs) represent more than 90 % of firms in the EU and account for nearly all net job creation over the last 20 years. However, SMEs face many obstacles, such as excessive red tape, over-burdensome regulations and lack of seed capital.

Making it easier for SMEs to access finance and support services will lead to increases in competitiveness, jobs and GDP. To simplify access to adequate support for SMEs, a new competitiveness and innovation framework programme (CIP) will be established. The CIP will mark a significant step towards simplifying EU instruments to help small businesses. The CIP will, among other things, include the SME Guarantee Facility from which more than 250 000 SMEs have benefited so far. The European Commission aims at increasing this number to more than 300 000 for the period 2007–13 and proposes to add risk capital instruments supporting the start-up, development and expansion of innovative SMEs.

One such support instrument is Jeremie (Joint European Resources for Micro-to-Medium Enterprises), a joint initiative of the European Commission and the European Investment Bank (EIB) Group. It aims at helping Member States transform a part of the aid they receive from the Structural Funds into financial products, such as micro loans, for micro-to-medium enterprises, and facilitate SMEs' access to finance. With its direct experience in SME finance, the European Investment Fund (part of the EIB Group) will play a leading role in Jeremie in assisting and advising numerous partners, including regional banks specialised in micro loans.

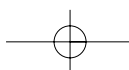
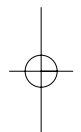
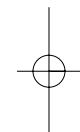
## Packaging growth in Sweden

When packaging giant Tetra Pak arrived in 1992, Sunne — a small Swedish town close to the Norwegian border — grabbed the opportunity to build up a centre of expertise in the graphics and packaging industries. With EU help, the local economy has benefited enormously and today the town is 22nd out of almost 300 in the list of most business friendly Swedish communities.

Central to this success was the construction of the 'Ideum' building in 2001–02, using over EUR 2 million of European Regional Development Fund support. The centre serves as a meeting point, conference centre and research facility promoting R & D and entrepreneurship in the packaging industry. It also houses 25 local firms and a huge sampler machine which creates prototype packages for the biggest industries in the region.

Ideum is steadily becoming a centre for expertise for the growing packaging sector, an incubator for innovation and a kernel for a cluster of hi-tech SMEs. The success of the project can be expressed in concrete terms: the building is already too small and an extension is planned. From just over 125 in 1992, the number of jobs in the packaging and graphics industries in Sunne jumped to 600 in 2003 and over 800 today.

BEST PRACTICE



## Cohesion for growth and employment

The European Union is one of the most prosperous economic zones in the world. But economic and social disparities among Member States and between regions persist and became greater with the 2004 enlargement. Aiming to reduce this gap, the Union devotes over a third of its budget to regional development and social and economic cohesion through the Structural Funds and the Cohesion Fund. In 2005, this amounted to over EUR 38 billion, and this figure excludes EUR 7.5 billion to promote competitiveness for growth and jobs.

Cohesion policy helps people to find work and live better. It means highways, high-speed trains and airports. These bring regions closer to the great centres of economic development. Enterprises are created in backward regions. The environment in old wastelands is improved. The information society takes root in rural areas. Education and recreational services become established in the suburbs.

### Helping the regions prepare EU projects: Jaspers

With the aim to enhance the overall quality of EU projects, the European Commission, the European Investment Bank and the European Bank for Reconstruction and Development launched the Jaspers (joint assistance to support projects in European regions). Through Jaspers, national and local authorities can receive technical assistance to improve their proposals for certain large-scale projects to be financed by the Structural Funds and the Cohesion Fund.

Cohesion policy also directly contributes to creating jobs and stimulating growth, thanks in part to the allocation of European Structural Funds in the fields of employment, ICT, research, energy and transport infrastructure, business development, social inclusion, and sustainable development.

Between 2000 and 2006 alone, the European Regional Development Fund invested, or was set to invest:

- EUR 60 billion to prevent and combat unemployment, develop human resources and foster integration in the labour market;
- EUR 9.6 billion on research, technological development and innovation;
- EUR 21.6 billion on the development of SMEs and EUR 3 billion on SME risk capital financing;
- EUR 6 billion on IT and telecommunications infrastructure;
- EUR 29.3 billion on transport infrastructure.

Structural Funds are now the key financial instrument to achieve the revised Lisbon growth and jobs goals. In future, priority will be given to programmes that focus on increasing investment in R & D and new technologies, promoting entrepreneurship and innovation, attracting investment, improving the adaptability of workers, and providing lifelong education and skills.

However, a key role of the EU's cohesion policy will still be to ensure that those regions lagging behind the European average in terms of their development are given the means to catch up, through investment in infrastructure. The need for more and better roads and railways, water treatment plants and childcare centres in peripheral and less prosperous regions is as great now as it ever was.

**BEST PRACTICE****Managing industrial change in Britain**

In April 2005, UK car company Rover suffered 6 250 redundancies, which led to a further 15 000 jobs being put at risk. An emergency 'job matching scheme' supported by the European Social Fund was quickly put in place to help the unemployed workers find a new job. This initial response was followed up by the development of further ESF-funded re-skilling measures to help the local workforce.

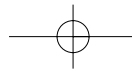
In Wolverhampton, an urban regeneration programme supported by EU regional funds has helped create new jobs to replace those lost in steel and other industries. In five years, the scheme created 1 500 jobs and 75 new SMEs. In addition, EU funds helped finance a new tramway and refurbish the theatre.

**Conclusion**

The European Union's annual budget may be small in comparison with national governments, but it contributes in a big way to meeting the bloc's central goals of creating higher growth and more and better jobs. Recent reforms to the Lisbon strategy and the EU budget should mean that in future an even greater share of funds go to programmes designed to boost competitiveness and generate employment.







## 7. THE EUROPEAN DEVELOPMENT FUND: FUNDING THE EU'S COMMITMENT TO DEVELOPMENT IN AFRICA, THE CARIBBEAN AND THE PACIFIC



Over the years, the EU has funded thousands of development projects across ACP countries.

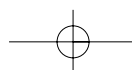
The European Development Fund (EDF) finances cooperation with sub-Saharan Africa, the Caribbean and the Pacific countries under the ACP-EC partnership (Cotonou Agreement), the 20 overseas countries and territories (OCTs) linked constitutionally to Member States, and European Investment Bank (EIB) programmes in ACP States.

The Cotonou Agreement forms the basis of the EU's partnership with ACP countries. EU and ACP member countries signed the agreement in 2000, and agreed to revise it every five years until it expires in 2020. The first such revision was in 2005. A separate decision by the EU's Council of Ministers governs the

partnership between the EU and the OCTs of the Member States.

In addition, some of the Commission's development cooperation programmes in the ACP region are funded from the general EU budget, outside the Cotonou Agreement. These include the Commission's activities in South Africa, thematic budget lines covering food security, democracy and human rights, environment, etc., and support for banana producers under the special framework of assistance. The EIB also funds activities in ACP States from the investment facility and its own resources.

In 2005, the ACP group of countries celebrated its 30th anniversary and welcomed Timor Leste as its 79th member.



## Tackling poverty, strengthening nations

The agreement focuses on poverty reduction as its principal objective, to be achieved through political dialogue, development aid and closer economic and trade cooperation. It shapes a significant part of the European Union's dealings with the rest of the world, and reflects the Union's reach both as the leading international trading partner and the world's main provider of official development assistance, with a European Development Fund of EUR 13.5 billion for the initial five-year period.

The EU's development strategy also focuses on financial and technical assistance to improve the basic physical and social infrastructure and productive potential of ACP nations and to strengthen their administrative and institutional capacity. This support can also help them benefit from international trade opportunities and secure more inward investment to broaden their economic base. These are essential preconditions for integrating into the global economy and achieving sustainable growth.

In 2005, the Council and the representatives of the governments of the Member States meeting within the Council, the European Commission and the European Parliament jointly adopted a policy statement on the European consensus on development <sup>(1)</sup>. This statement reflects the European Union's willingness to make a decisive contribution to the eradication of poverty in the world and to help build a more peaceful and equitable world. It reaffirms EU commitment to poverty eradication, ownership, partnership, delivering more and better aid, and promoting policy coherence for development. It will guide Commu-

nity and Member State development cooperation activities in all developing countries, in a spirit of complementarity.

The European consensus states that the Community's policy is complementary to the bilateral policies of Member States. The European Commission, within the competences conferred to it by the Treaty, provides added value thanks to its global presence and expertise as a delivery agent, its role in promoting policy coherence and best practices, in facilitating coordination and harmonisation, in supporting democracy, human rights, good governance and respect for international law, and in promoting the participation of civil society and north-south solidarity.

## EC-ACP cooperation in 2005

In 2005, the EU remained the biggest donor to ACP countries. It consolidated its support by making important political headway on several fronts.

- The 25 EU Member States and the Commission and 78 ACP countries completed negotiations to revise the Cotonou Agreement. New provisions strengthen political dialogue between the two groups, reaffirm their determination to join forces to fight terrorism and the spread of weapons of mass destruction, and underline the role of the International Criminal Court.
- At year-end, the EU agreed to a 10th European Development Fund (EDF) amounting to EUR 22.7 billion. This will run from 2008 to the end of 2013.
- Lastly, the Commission put forward a new EU strategy for Africa, which the European Council adopted in December. The strategy:
  - restates the EU's belief that Africans should steer Africa's development;

<sup>(1)</sup> Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on the European Union development policy: 'The European consensus' (2006/C 46/01), OJ C 46, 24.2.2006.

- integrates EU Member States' and the Commission's approaches to Africa;
- focuses on growth and governance;
- targets the millennium development goals (MDGs) — education, health and the environment — and the conditions needed to reach them — peace, security, trade and regional integration.

In 2005, the greatest share of EDF resources — 36 % — was allocated to the provision of basic social services that are key to achieving the MDGs: education, health, clean water and basic sanitation. This was followed by budget and balance-of-payment support, and support for transport, communications and energy. These three areas accounted for 84 % of the EDF global commitments.

Sector	Commitments		Payments	
	million EUR	% of total	million EUR	% of total
Education, health, water, basic sanitation	1 252	36 %	711	29 %
Budget and balance-of-payments support <sup>(1)</sup>	858	24 %	628	26 %
Transport, communications, energy	839	24 %	584	24 %
Agriculture, fisheries, trade, industry, tourism	194	6 %	214	9 %
Environment, other cross-cutting issues	164	5 %	72	3 %
Other, including reconstruction relief	205	5 %	248	9 %
Subtotal	3 511	100 %	2 456	100 %
Peace Facility			88	
<b>Total</b>	<b>3 511</b>		<b>2 544</b>	

The Commission also continued to invest in strengthening the conditions necessary for achieving the MDGs — democracy, the rule of law, good governance and economic growth. For example:

- In the Democratic Republic of the Congo, the Commission contributed EUR 60 million towards elections, and sent teams of experts (EUPOL and EUSEC) to help re-organise the police and armed forces.
- In Burundi, the Commission helped fund a referendum on a new constitution, backed overwhelmingly by voters, and subsequent elections, which EU observers judged as free and fair.
- The Commission continued to support peace-keeping in Africa through the Africa Peace Facility. The Commission financed

the African Mission in Sudan (AMIS) to restore peace in Darfur, and continued to support African Union peace-keeping in the Central African Republic.

- EUR 450 million in commitments were secured for the ACP–EU Water and Energy Facilities. For the ACP–EU Water Facility, the Council agreed to allocate a second funding round of EUR 250 million. For the new ACP–EU Energy Facility, the ACP–EU Council agreed to consider investing EUR 220 million. This will co-fund ACP energy projects designed to alleviate poverty.

The two following cases of support from the European Commission help in illustrating the importance and the challenges of continued support to Africa.

<sup>(1)</sup> According to the OECD DAC sector definition, this sector also includes some types of food security and Stabex operations, in addition to budget and balance-of-payments support.

### Investing in infrastructure and expanding trade in central Africa

One of the main aims of the European Commission's development policy is to help ACP economies grow. So the Commission invests heavily in roads, ports and other infrastructure. This allows people and goods to be transported more easily within and between countries, which in turn stimulates regional trade.

In central Africa, the River Ntem winds through the area bordering Gabon, Cameroon and Equatorial Guinea. Until recently, it was a major obstacle to traffic. In response, the Gabonese government and the European Commission agreed to jointly invest EUR 25 million to build:

- a 19 km road linking all three countries;
- one bridge linking Gabon and Cameroon, and another further inside Cameroon.

These were officially opened in November 2005, ahead of schedule. As a result, an estimated 75 000 tonnes more goods will be transported through the region. Traffic is forecast to increase by as much as 3 000 %. The Commission is also helping the three countries simplify their customs procedures and lighten border controls.

### Preventing the spread of HIV/AIDS in Uganda

The Commission has been funding HIV/AIDS treatment and prevention programmes in Uganda since 1988. Recent initiatives have included a EUR 3 million programme to help ensure safe blood supplies for all of Uganda's major hospitals.

Thanks to EC funding, the Uganda blood transfusion service (UBTS) has been able to:

- refurbish and re-equip its central blood bank in the capital, Kampala, and five regional blood collection and screening centres;
- appoint a board, an advisory committee, and a new finance director;
- adopt a national blood transfusion policy, revise staff pay and conditions, and provide extensive training across the service;
- work with the Ugandan Red Cross and other NGOs on national campaigns.

As a result, the UBTS now supplies patients with safe blood transfusions, free of charge, and fully screened for HIV/AIDS and other diseases transmitted by blood. It has exceeded its annual blood collection targets. It has achieved a much lower cost per blood unit (around EUR 30) than similar projects in Africa. And it has developed the expertise it needs to continue its ser-

## Financial performance in 2005

The EC continued to deliver programmes faster in 2005. This was reflected in its strong commitments and payments performance.

### EDF performance figures, 2001–05

*(million EUR, gross)*

	2001	2002	2003	2004	2005
Global commitments	1 927	2 125	3 769	2 648	3 511
Individual commitments	2 488	2 436	3 062	3 038	3 057
Payments	1 779	1 922	2 345	2 464	2 544

The EC achieved a 33 % increase in global commitments in 2005 compared with 2004.

After committing funds for a programme, the EC must then sign contracts (individual commitments) with the entities that will deliver it (government, firms, NGOs, international or-

ganisations). The Commission achieved its second-highest level ever of individual commitments in 2005.

The EC achieved a record level of payments in 2005, EUR 2 544 million.

TABLE 5

ACP countries: EC development aid 2005 <sup>(1)</sup>

(million EUR)

	Total		Budget		EDF	
	Commitments	Payments	Commitments	Payments	Commitments	Payments
<b>AFRICA</b>						
Angola	35.44	56.56	10.18	8.21	25.26	48.35
Benin	59.99	40.66		0.80	59.99	39.86
Botswana	50.26	15.69		0.76	50.26	14.93
Burkina Faso	183.52	79.31	2.00	2.36	181.52	76.95
Burundi	29.80	68.48	20.74	19.85	9.06	48.63
Cameroon	35.43	32.06	3.72	1.82	31.71	30.24
Cape Verde	13.00	12.86	0.50	2.27	12.50	10.59
Central African Republic	7.85	8.26		0.48	7.85	7.78
Chad	131.58	68.34	14.00	13.35	117.58	54.99
Comoros	30.48	2.39	0.03	0.04	30.45	2.36
Congo, Dem. Rep.	199.10	171.85	42.90	48.77	156.20	123.07
Congo, Rep.	85.49	12.80	2.00	2.10	83.49	10.70
Djibouti		2.57				2.57
Equatorial Guinea	1.45	2.04			1.45	2.04
Eritrea	63.77	23.94	10.15	7.85	53.62	16.09
Ethiopia	95.63	134.71	21.12	30.91	74.51	103.80
Gabon	4.03	16.95	0.88	3.00	3.15	13.95
Gambia	47.82	1.58		0.10	47.82	1.47
Ghana	93.50	67.36	0.00	0.56	93.50	66.81
Guinea	1.63	13.91	1.63	4.11		9.80
Guinea-Bissau	13.38	13.08	5.88	3.07	7.51	10.01
Ivory Coast	46.49	18.68	4.50	3.55	42.00	15.13
Kenya	19.03	103.58	2.03	4.03	17.00	99.55
Lesotho	37.50	5.59	1.75	1.58	35.75	4.02
Liberia	43.84	42.64	27.04	24.34	16.80	18.29
Madagascar	134.45	107.65	15.06	14.46	119.39	93.19
Malawi	165.10	60.29	23.70	16.64	141.40	43.65
Mali	138.30	105.16	1.20	3.81	137.10	101.35
Mauritania	4.45	16.39	4.08	4.71	0.37	11.69
Mauritius	13.88	9.25	0.38	0.48	13.50	8.77
Mayotte		0.18				0.18
Mozambique	183.53	120.03	19.58	21.46	163.95	98.57
Namibia	0.02	13.83	0.02	0.98		12.85
Niger	209.27	63.13		5.26	209.27	57.87
Nigeria	43.64	100.72	1.48	1.76	42.16	98.96
Rwanda	46.60	74.22	0.62	1.13	45.98	73.09
Saint Helena		0.02				0.02
São Tomé and Príncipe		4.51		1.12		3.39
Senegal	138.83	35.87	3.00	4.14	135.83	31.73
Seychelles	2.25	1.42	1.55	0.72	0.70	0.70
Sierra Leone	75.26	68.91	2.70	3.73	72.56	65.18
Somalia	10.76	46.10	10.76	15.31		30.79

<sup>(1)</sup> ODA/OA bilateral aid financed on the general Commission budget and on the EDF in 2005.

(million EUR)

	Total		Budget		EDF	
	Commitments	Payments	Commitments	Payments	Commitments	Payments
<b>AFRICA (continued)</b>						
South Africa	154.33	139.10	154.33	139.10		
Sudan	188.01	171.22	54.08	57.14	133.93	114.08
Swaziland	24.29	4.98		0.35	24.29	4.63
Tanzania	146.11	127.60	15.62	15.26	130.49	112.34
Togo	1.98	6.57		0.73	1.98	5.84
Uganda	239.83	66.23	18.41	14.94	221.42	51.29
Zambia	48.50	88.71	2.00	1.59	46.50	87.12
Zimbabwe	49.66	37.50	25.80	22.33	23.86	15.17
South of Sahara unalloc.	290.53	112.00	28.90	24.44	261.63	87.56
Africa unspecified	1.26	0.17	1.26	0.17		
<b>Total Africa</b>	<b>3 640.84</b>	<b>2 597.66</b>	<b>555.55</b>	<b>555.69</b>	<b>3 085.29</b>	<b>2 041.97</b>

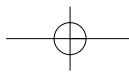
(million EUR)

	Total		Budget		EDF	
	Commitments	Payments	Commitments	Payments	Commitments	Payments
<b>CARIBBEAN</b>						
Anguilla						
Antigua and Barbuda	2.34	0.61			2.34	0.61
Aruba	5.66	0.11			5.66	0.11
Bahamas		0.09		0.04		0.05
Barbados		0.36				0.36
Belize	10.49	1.21	2.49	1.02	8.00	0.18
Cuba	0.26	1.66	0.26	1.66		
Dominica	5.55	2.74	4.51	0.26	1.04	2.48
Dominican Republic	20.80	26.74		1.32	20.80	25.42
Grenada	9.81	9.56	0.50	0.84	9.31	8.72
Guyana	0.70	18.25			0.70	18.25
Haiti	134.80	44.92	14.86	11.71	119.94	33.21
Jamaica	5.25	23.61	4.13	4.30	1.12	19.31
Netherlands Antilles		2.44				2.44
Montserrat		0.78				0.78
Saint Kitts and Nevis		0.41				0.41
Saint Lucia	26.66	1.47	6.18	1.02	20.48	0.46
Saint Vincent and the Grenadines	4.61	0.56	4.53	0.31	0.08	0.25
Suriname	5.01	4.79	1.96	2.22	3.05	2.58
Trinidad and Tobago		2.32				2.32
Turks and Caicos Islands		1.17				1.17
West Indies unalloc.	2.60				2.60	
N. and C. America unalloc.	33.70	54.99	33.70	42.37		12.62
<b>Total Caribbean</b>	<b>268.23</b>	<b>198.80</b>	<b>73.12</b>	<b>67.07</b>	<b>195.12</b>	<b>131.73</b>

(million EUR)

	Total		Budget		EDF	
	Commitments	Payments	Commitments	Payments	Commitments	Payments
<b>OCEANIA</b>						
Cook Islands	0.50	0.00			0.50	0.00
Fiji	1.10	15.92		0.41	1.10	15.52
French Polynesia	10.38	1.03			10.38	1.03
Kiribati	0.10	3.53	0.10			3.53
New Caledonia		12.11				12.11
Marshall Islands	2.30				2.30	
Micronesia	4.08				4.08	
Nauru	1.53				1.53	
Niue	2.40	0.50			2.40	0.50
Palau	1.70				1.70	
Papua New Guinea	50.61	13.21		0.12	50.61	13.09
Western Samoa	19.09	2.48			19.09	2.48
Solomon Islands	1.86	18.38		0.77	1.86	17.61
Tokelau						
Tonga	0.00	2.64			0.00	2.64
Tuvalu	0.50	2.30			0.50	2.30
Vanuatu	0.93	4.86		0.10	0.93	4.76
Wallis and Futuna		0.30				0.30
Oceania unalloc.		8.54		0.35		8.19
<b>Total Oceania</b>	<b>97.09</b>	<b>85.78</b>	<b>0.10</b>	<b>1.75</b>	<b>96.99</b>	<b>84.03</b>
EDF unalloc.	133.71	157.42			133.71	157.42
<b>Total ACP</b>	<b>4 139.87</b>	<b>3 039.67</b>	<b>628.77</b>	<b>624.52</b>	<b>3 511.11</b>	<b>2 415.15</b>





## 8. POLICY AREAS AND ACTIVITIES BY ACTIVITY-BASED BUDGETING (ABB)

Activity-based budgeting (ABB) involves a budget structure, in which budget titles correspond to policy areas and budget chapters to activities. The operational budget is supplemented by the necessary administrative expenditure and staff for each policy area. Activity statements are presented in the budgetary documents to describe and give the reasons for the activity concerned, together with the general objectives and, whenever possible, outputs as measured by relevant indicators.

This chapter of the Financial Report presents the actions of the European Union in 2005, in ABB format, and identifies the appropriations made available for each main operational policy area; 99 % of these appropriations were used up as budgetary commitments. The intention is to give the reader:

- a description, albeit simplified, of activities which make up the main programmes and projects (i.e. what the expenditure was for);
- actual figures of commitments made available in 2005, showing the relative budgetary significance of the activity (i.e. how much was allocated to each);

- specific examples of projects implemented, using EU budgetary and Commission staff resources, within policy areas for the benefit of the EU citizen. (i.e. what it was spent on).

In this presentation:

- Number of staff comprises those in 2005 within the Commission's establishment plan, together with the support staff (temporary, auxiliary and interim staff) and language services staff allocated to the policy area;
- Administrative expenditure comprises the expenditure in 2005 related to staff and external staff, other management expenditure, buildings and related expenditure, and technical and administrative assistance. It is important to note that this expenditure is not solely administrative. Staff-related expenditure is the biggest item in policy areas such as research and competition, and this is due to the large numbers of staff in operational tasks in the policy area.

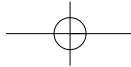
The following table provides an overview of all the main operational policy areas.

TABLE 6

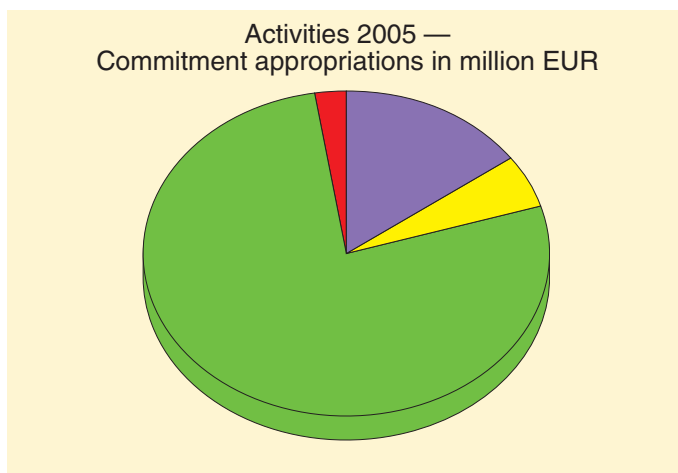
## Overview of policy areas

Policy area	Appropriations 2005	
	Total commitment appropriations (million EUR, rounded)	Human resources
Economic and financial affairs	400	538
Enterprise	381	1 045
Competition	89	867
Employment and social affairs	11 428	909
Agriculture and rural development	53 186	1 243
Energy and transport	1 416	1 161
Environment	326	694
Research	3 308	1 779
Information society	1 375	1 146
Direct research	366	2 655
Fisheries	1 020	366
Internal market	74	584
Regional policy	27 295	692
Taxation and customs union	121	564
Education and culture	944	661
Press and communication	187	959
Health and consumer protection	481	946
Area of freedom, security and justice	600	443
External relations	3 333	2 734
Trade	76	587
Development and relations with ACP countries	1 231	1 943
Enlargement	2 003	570
Humanitarian aid	644	176
Fight against fraud	58	418
Commission's policy coordination and legal advice	213	1 709
Administration	647	4 037
Budget	1 370	657
Audit	11	104
Statistics	131	797
Pensions	900	
Reserves	13	
<b>Total Commission</b>	<b>113 625</b>	<b>30 984</b>





## Economic and financial affairs



**Number of staff: 538**

**Total commitment appropriations**

**EUR 400 million**

Objective

*To foster the success of economic and monetary union both inside and outside the European Union, and the provision of high-quality advice to the Commission and other Community institutions on economic and financial questions.*

**Administrative expenditure**

**EUR 60 million**

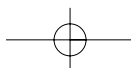
**Economic and monetary union**

**EUR 10 million**

Enhanced economic policy coordination, through multilateral surveillance of Member States' economic policies, preparation of the broad economic policy guidelines and the assessment of national stability and convergence programmes in order to ensure that the Member States achieve and sustain sound and growth-promoting bud-

getary policies. Advice to the Commission and other Community institutions through the conducting of studies and the use of business and consumer surveys.

External communication on the euro and EMU to prepare for the inclusion of new Member States in the euro area.

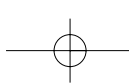


**International economic and financial affairs** **EUR 22 million**

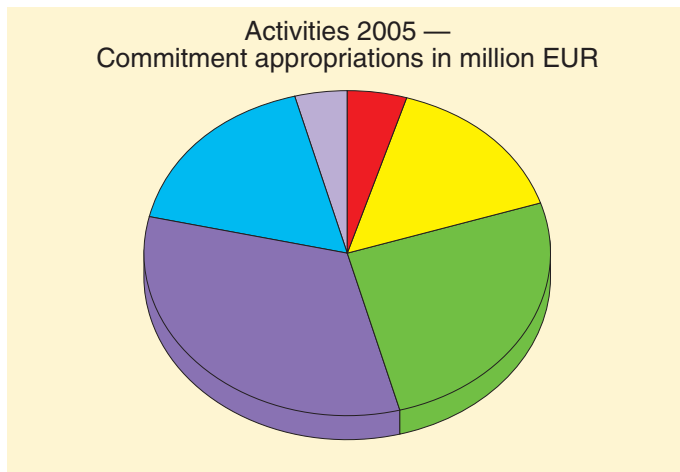
- Implementation of economic and financial aspects of the accession (Bulgaria, Romania) and pre-accession (Croatia, Former Yugoslav Republic of Macedonia, other western Balkans and Turkey) strategies, in preparation for eventual accession and participation in EMU. This has made it possible to contribute to further stabilisation and reforms in the countries and to work towards meeting the Copenhagen economic criteria for accession.
- Implementation of the economic and financial components of the European neighbourhood policy for the countries of eastern Europe and the Mediterranean region.
- Preparation and implementation of macro-financial assistance in the form of grants and/or loans to provide balance-of-payments support and to promote economic reform in the western Balkan countries and the newly independent States (NIS). Two new operations, in Albania and Georgia respectively, were initiated in 2005.

**Financial operations and instruments** **EUR 308 million**

- The Enterprise programme promotes guarantee facilities to increase the volume of loans available to businesses, especially to small and medium-sized enterprises (SMEs).
- The guarantee reserve of EUR 223 million is determined by the financial perspective and is used to guarantee loans to third countries, either directly by the Community (macro-financial assistance, Euratom loans) or by the European Investment Bank.



## Enterprise



Number of staff: 1 045

<b>Total commitment appropriations</b>	<b>EUR 381 million</b>
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Objective

*To make the European Union the most competitive and dynamic knowledge-driven economy by making it more entrepreneurial and by getting still more from the internal market.*

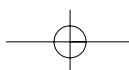
<b>Administrative expenditure</b>	<b>EUR 124 million</b>
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<b>Encouraging entrepreneurship</b>	<b>EUR 58 million</b>
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Improvement of the business environment, mainly through best practice and business support networks by implementing multiannual programmes:

- 'Enterprises and entrepreneurship' (2001–05) aims at promoting entrepreneurship and the business environment

- IDAabc (2005–09) promotes pan-European electronic e-government services to public administrations, enterprises and citizens.



**■ Getting still more from the internal market** **EUR 66 million**

Ensuring the smooth operation of the internal market, with a high level of consumer safety and environmental protection, and guaranteeing market access. European standardisation is also an important tool of this activity which also includes:

- a subsidy for the European Agency for the Evaluation of Medicinal Products;
- the preparatory work linked to the implementation of the new EU regulatory framework for chemicals (REACH).

**■ Research — Promoting innovation and change** **EUR 99 million**

Promotion of technological innovation, the exploitation of research results, the transfer of knowledge and technologies, and the setting-up of technology businesses. The research programme 'Research and innovation' aims to

improve Europe's innovation performance by stimulating better integration between research and innovation and by working towards a more coherent policy and regulatory environment.

**■ Competitiveness and sustainable development** **EUR 18 million**

Developing an industrial competitiveness policy for the European Union by promoting the ongoing adjustment of Community industry to

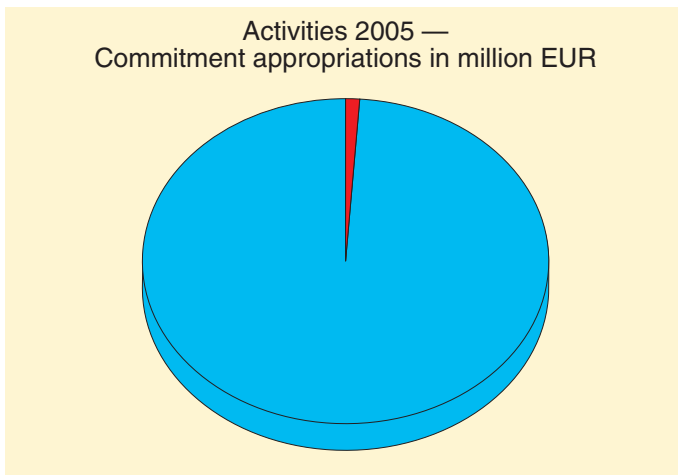
industrial change in an open and competitive market.

**■ Enhancement of the European industrial potential in the field of security research** **EUR 15 million**

Preparatory action to assess how to narrow the rapidly widening technological and industrial gap between Europe and other regions.



## Competition



**Number of staff: 867**

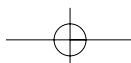
<b>Total commitment appropriations</b>	<b>EUR 89 million</b>
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Competition enforcement is one of the central Treaty obligations and it plays an essential role in economic governance within the single market.

Objectives

*To guarantee uniform and fair conditions for companies in the single market and to safeguard the interests of consumers by ensuring that they receive a fair share of the efficiencies possible in a more integrated market.*

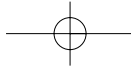
<b>Administrative expenditure</b>	<b>EUR 88 million</b>
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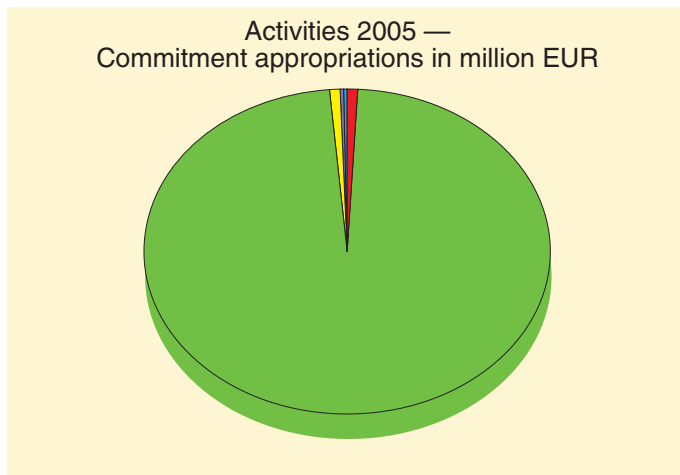


**■ Mergers, antitrust and market liberalisation and cartels** **EUR 1 million**

- On the basis of the Treaty rules, the Commission's Competition DG exercises control over restrictive agreements and practices, mergers and State aids, thereby also contributing to market liberalisation objectives in formerly State-dominated sectors.
- In addition to decisions in individual cases, the service prepares competition policy instruments, such as Commission block exemption regulations and guidelines, and makes proposals for Council regulations.
- In 2005, the Competition DG faced up to the challenge of ensuring that the competition rules would apply with equal effectiveness throughout the enlarged Union, by examining cases in the new Member States within the context of the so-called 'interim mechanism' in order to define the kind of measures that could be accepted as existing State aid.
- Lastly, it is an advocate for competition policy within the Community and in international forums.



## Employment and social affairs



Number of staff: 909

**Total commitment appropriations**

**EUR 11 428 million**

Objective

*To contribute to the development of a modern, innovative and sustainable European social model with more and better jobs in an inclusive society based on equal opportunities.*

**Administrative expenditure**

**EUR 108 million**

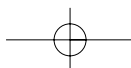
**Employment and European Social Fund (ESF)**

**EUR 11 185 million**

The ESF appropriations are predetermined within the overall framework for the Structural Funds, and mainly implemented by the Member States as a part of decentralised management. The main task of the ESF is to finance:

- development and structural adjustment of less-developed regions;
- the economic and social conversion of areas in structural difficulty;

- adaptation and modernisation of policies and systems for education, training and employment;
- the EQUAL Community initiative, which aids the development of human resources in a context of equal opportunities;
- a contribution to the special peace and reconciliation programme in Northern Ireland/border counties of Ireland;
- the EURES employment service.



**Work organisations and working conditions** **EUR 75 million**

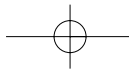
- Financial aid is provided for:
- promoting the sectoral, multi-sectoral and Community aspects of the social dialogue;
  - modernising labour law and industrial relations by drawing up legal instruments;
  - promoting worker mobility throughout the EU, with special emphasis on coordinating national social security schemes;
  - health and safety at work;
  - support for the operation of the European Foundation for the Improvement of Living and Working Conditions.

**Promoting an inclusive society** **EUR 48 million**

- Coordination of national policies combating and preventing social exclusion.
- Implementation of the Community programme for tackling exclusion 2002–06.
- Support for the European Monitoring Centre on Racism and Xenophobia.
- The modernisation of social protection systems by supporting increased cooperation between the Member States in this field.
- Combating and preventing discrimination.
- Free movement of workers, coordination of social security systems, measures for migrants.
- The pilot project European Year of Mobility for Workers: towards a European employment market.

**Equal opportunities for women and men** **EUR 12 million**

Application of the framework strategy on gender equality and the corresponding Community programme to achieve equality between men and women.



### European Social Fund's activities and success stories

As the EU's main source of financial support, the ESF helps to combat unemployment by encouraging people to remain in the labour market and by promoting training. It helps to equip workers and companies with the skills they need to face new, global challenges.

#### Creating better reconciliation of work and family life

The ESF aims to help EU Member States reach the EU targets, which call for access to childcare for at least 33 % of children aged 0 to 3 and 90 % of children aged 3 to mandatory school age.

- In Ireland, for example, over 7 000 new childcare places and 6 000 existing ones have benefited from ESF support in the last three years.
- In the Netherlands, the 'Daily routine measure' challenges welfare organisations, businesses and local authorities to work in partnerships and come up with solutions for reconciling work and family life. Over a period of five years, about 125 local experiments were financed by the ESF. The results of these experiments are feeding into the life/work policies of companies, organisations and public authorities.

#### Promoting active ageing

- In Italy, the ESF funded a project from 2002–04 to help workers over the age of 45 to stay in the labour market; 265 workers took part in this EQUAL train-

ing project called 'Over 45'. As a result, 157 of the participants have re-entered the labour market.

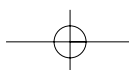
#### Managing change and restructuring

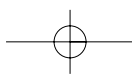
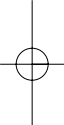
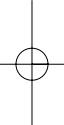
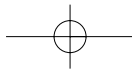
- In April 2005, the UK company Rover suffered 6 250 redundancies, which led to a further 15 000 jobs being put at risk. An 'emergency job-matching scheme' supported by the ESF was quickly put in place to support the redundant workers with a view to helping them find a new job. The EU responded rapidly to the situation and, in cooperation with the UK authorities, examined forms of support. This initial response was followed up by the development of further re-skilling (and 'up-skilling') measures, also supported by the ESF and to be implemented in the longer term.

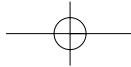
#### Lifelong learning

The EU's political drive to boost investment in human capital is supported by the ESF. In the 2000–06 period, at least EUR 12 billion is earmarked for lifelong learning activities.

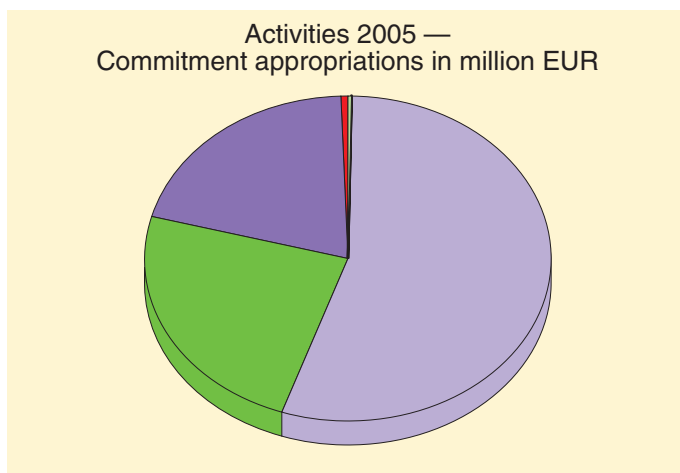
- In Denmark, the ESF funded a project with the municipality of Herlev and local facility company ISS to improve the skills and flexibility of the staff and to train unemployed people with social problems. The project was so successful that it was replicated in other Danish regions.







## Agriculture and rural development



**Number of staff: 1 243**

**Total commitment appropriations**

**EUR 53 186 million**

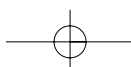
### Objective

*To safeguard the diversity of the landscape created by the wide variety of agricultural structures and farming types in the EU, by investing in the future, promoting environmentally friendly production methods and the effective use of resources, creating new employment possibilities and encouraging rural diversification.*

The common agricultural policy consists of two pillars, namely market support and income support. Market support is the support given to the prices that farmers receive for their goods when they sell them on the EU market. Although this is now much less important than in the past, the CAP manages the market to prevent prices falling below a certain level.

A relatively new form of support is that of income support. This was introduced on an appreciable scale in the 1990s. It consists of financial support paid to farmers from the EU budget. Farmers, however, are obliged to observe a number of rules with regard to the environment, animal health, plant health, public health and animal welfare.

The second pillar of the CAP is that of rural development. All rural areas of the EU are covered by rural development programmes. These are designed by the authorities of the Member States, within an overall framework established at the level of the EU. During the design process, there is wide-ranging consultation with local groups and actors, including the inhabitants themselves. The programmes run for seven years at a time, to coincide with each financial perspective of the EU (for example, 2007–13). They provide funding for measures that will enhance the quality of rural life, improve the management of environmental resources and enable farmers to become more competitive.

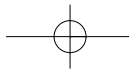




 <b>Administrative expenditure</b>	<b>EUR 150 million</b>
 <b>Policy strategy and coordination</b>	<b>EUR 84 million</b>
 <b>External relations</b>	<b>EUR 6 million</b>
 <b>Plant products</b>	<b>EUR 29 491 million</b>
 <b>Animal products</b>	<b>EUR 12 913 million</b>
 <b>Rural development</b>	<b>EUR 10 847 million</b>
 <b>Audit of agricultural expenditure</b>	<b>EUR – 557 million</b>
 <b>Sapard</b>	<b>EUR 250 million</b>

This measure (special accession programme for agriculture and rural development) provides aid to agriculture and rural development

in Bulgaria and Romania in the pre-accession period.



### Common agricultural policy: state of play

#### Objectives

The objectives of the common agricultural policy are laid down in Article 33 of the Treaty establishing the European Community. They are as follows:

- to increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilisation of the factors of production, in particular labour;
- thus to ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture;
- to stabilise markets;
- to ensure the availability of supplies;
- to ensure that supplies reach consumers at reasonable prices.

#### Results

Broadly speaking, the CAP has been very successful in meeting these objectives and has long played a very important role in providing jobs (in line with the recent growth and jobs agenda). There are some 10 million farmers in the European Union and most of them owe their livelihood, in large part, to the common agricultural policy. If the CAP did not exist, a very large proportion of Europe's farmers would find it difficult to continue in business. This is because Europe would not produce its own food but would come to depend for its food on other countries instead. The CAP provides occupation for 10 million families and keeps them in useful and productive jobs.

The CAP also means that all the citizens of the European Union have a secure supply of food.

Not only do Europeans enjoy a continuous supply of food from their own farmers, but they also have the advantage of reasonable prices. On average, of the amount that they spend on the consumption of all goods and services, food accounts for only 10–20 %.

This is a very small proportion compared with the past and also compared with other parts of the world.

The CAP has also been generally successful in allowing farmers to build up businesses that are technically efficient. This was one of the main aims after the Second World War. From a technical point of view, there has been great progress in European farming. Much more food is produced today than before, using far fewer people. This has enabled the sector, over the past 40 years, to release people to other sectors and thus provide resources for economic growth. In this way, the CAP has long contributed to the growth of the EU economy and has remained consistent with the objectives of the recent growth and jobs agenda.

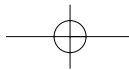
As for the objective of a fair standard of living for farmers, the CAP has made very considerable progress in this area. By supporting the prices that farmers received for their products, the CAP stabilised the incomes of farmers for much of the period since it came into effect in the early 1960s. By stabilising their incomes, it assured farmers of a reasonable standard of living. The CAP prevented the departure of a large number of people from the villages into the towns, which would have occurred if farmers' incomes had not been supported. Whilst there has been a flow of people, over the last 50 years, from farming into the towns and cities of Europe, this has been at a relatively slow and steady rate. Thus, large numbers of people remained in the countryside who might otherwise have moved into the towns and cities, where their lack of necessary work skills would have created an economic burden.

#### Issues

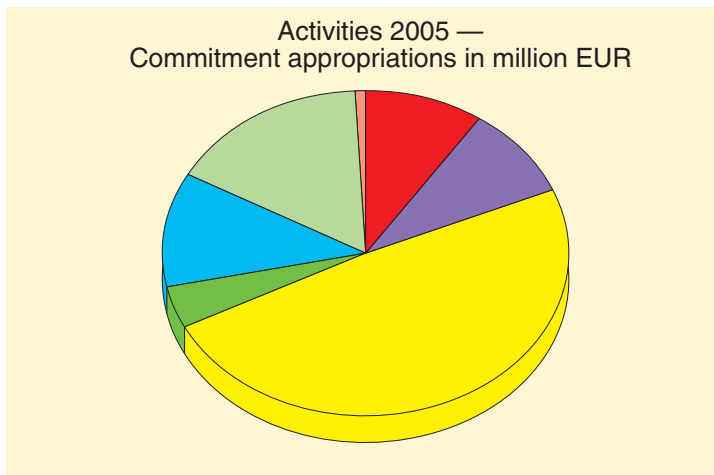
The CAP has been much revised and reformed over the last 20 years. Nevertheless, there are a number of issues that remain outstanding (for instance, in some product sectors farmers are producing more than the domestic market can absorb). The process of revision and reform seems set to continue.







## Energy and transport



**Number of staff: 1 161**

**Total commitment appropriations**

**EUR 1 416 million**

Objective

*To ensure the efficient development of energy and transport systems and services to support economic growth and meet demands from businesses and citizens while mitigating their environmental impact and guaranteeing the required levels of safety and security.*

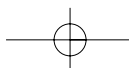
**Administrative expenditure**

**EUR 137 million**

**Inland, air and maritime transport**

**EUR 128 million**

- Transport safety and support for initiatives to protect passengers and improve the operation of the internal market.
- Establishment of the European Railway Safety Agency.
- Operation of the European Aviation Safety Authority and the European Maritime Safety Agency.



**■ Trans-European networks** **EUR 693 million**

Financial support for projects of common interest in the trans-European transport and energy networks.

**■ Conventional and renewable energies** **EUR 61 million**

Rolling out the 'Intelligent energy for Europe' programme, which is intended to promote energy savings, particularly in transport, the de-

velopment of renewable energy and the promotion of these actions in developing countries.

**■ Nuclear energy** **EUR 159 million**

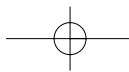
Promoting nuclear safety with the countries of central and eastern Europe and the new independent States, in particular the decommissioning of old nuclear power plants. Ensuring the control of stocks of nuclear material in the EU by on-the-spot safeguard inspections.

**■ Research related to energy and transport** **EUR 230 million**

Implementing the sixth framework programme of research so as to consolidate the position of European industry (Galileo and Sesar), develop innovative systems for all modes of surface transport (rail, road and in-

land waterways), manage energy demand, integrate renewable energy sources on a large scale and promote the use of clean urban transport and replacement fuels.

**■ Safety and protection of energy and transport users** **EUR 9 million**



### The Galileo programme

The Galileo programme, a joint initiative by the European Commission and the European Space Agency, is the first global satellite positioning and navigation system designed specifically for civilian use worldwide. Based on a constellation of 30 satellites orbiting at an altitude of 24 000 km, Galileo will feature full interoperability with the American GPS and Russian Glonass systems, both of a military nature.

#### The benefits of Galileo

Apart from the political objective of providing an alternative to GPS under civil control for users worldwide, Galileo entails technological and commercial challenges. It is designed to satisfy the requirements of a wide range of applications, not only in traditional fields such as location-based services, road transport, maritime transport, aviation, rail, etc. but also in other markets such as land survey, energy, agriculture, scientific research, etc.

The technological lead underpinning Galileo will allow advanced services to be provided, in particular through higher accuracy, guarantee of service, availability in extreme latitudes and urban canyons, robust infrastructure and redundancy in positioning and timing data.

Every area of the economy and all sectors of society will be affected by the development of satellite radio navigation which is undergoing double digit growth: the global market in products and services linked to this technology, which was already worth EUR 60 billion per year in 2005, is growing at an annual rate of 25 % and is due to rise

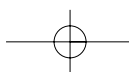
to more than EUR 300 billion in 2020. Some 3 billion satellite navigation receivers should be in service by then.

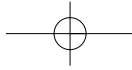
By then, Galileo will become part and parcel of the daily life of European citizens, featuring not only in their cars and portable telephones but also in their banking habits and the civil protection systems which look after their security — all of which confer on the Galileo programme an additional citizens' dimension.

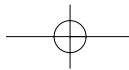
On the industrial level, Galileo will bolster a wide array of professional activities, especially civil engineering and urban development, where it will serve as a powerful surveying tool. It will also present numerous opportunities for improvements in agriculture and fishing, mining and oil and gas exploitation, as well as providing support to emergency and search and rescue services.

Finally, Galileo will bring far-reaching benefits in terms of improved economic opportunities and social welfare, including the emergence of huge new service markets and the creation of more than 100 000 new jobs in Europe alone. It will generate service and equipment contracts estimated at approximately EUR 9 billion per annum. Galileo will be a crucial asset not only to industrialised countries but also to developing countries, in particular in terms of the management of natural resources as well as in trade and agriculture.

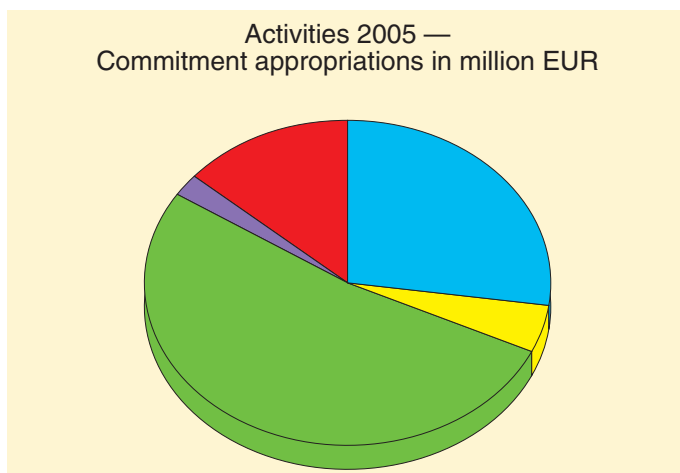
In 2005, EU financing amounted to EUR 76 million from the trans-European networks and to EUR 10 million from the research framework programme.







## Environment



**Number of staff: 694**

<b>Total commitment appropriations</b>	<b>EUR 326 million</b>
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Objective

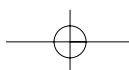
*To ensure a high level of protection of the environment and sustainable development. Continued priority will be granted to climate change, the quality of natural resources and biodiversity, sustainable use of resources, environment and health (air quality and the urban environment) and global environmental issues.*

<b>Administrative expenditure</b>	<b>EUR 89 million</b>
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<b>Global environmental affairs</b>	<b>EUR 15 million</b>
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To promote measures and influence international responses to deal with global and trans-boundary environmental problems, including contributions to international conventions, follow-up actions on the Kyoto and Montreal

Protocols (climate change and protection of the ozone layer), enlargement and regional co-operation, development and the Mediterranean, biodiversity and other international issues.



**■ Environmental programmes and projects** **EUR 170 million**

LIFE III (financial instrument for the environment): LIFE Nature (EUR 68 million) specifically targets the conservation of natural habitats and of species of wild fauna and flora, whereas LIFE Environment (EUR 68 million) is aimed at contributing to the development of innovative and integrated methods to further the development of Community environment policy,

stressing sustainable industrial production and the inclusion of environmental considerations in land use and management.

Action to help NGOs active in environmental protection; civil protection support and promotion of sustainable urban development is also covered.

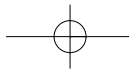
**■ Development of new policy initiatives** **EUR 7 million**

- Awareness-raising and other general actions based on the Community environment action programme.
- The actions taken will target measures to deal with challenges to the environment in

a number of areas. These will include thematic strategies on pesticides and the protection of soils, the protection of the marine environment, air quality, and the prevention and recycling of waste.

**■ Implementation of environment policy** **EUR 44 million**

- Subsidy to the European Environment Agency.
- Supporting and promoting the transposition, implementation and enforcement of environmental legislation *acquis*.
- Geographical informatics system for Natura 2000.
- Greenhouse gas emissions trading scheme (ETS).
- EU eco-management and audit system (EMAS).
- Ecolabel (a voluntary scheme designed to encourage businesses to market more environmentally friendly products and to make it easier for consumers to identify those products via the 'flower' logo).



### Promotion of eco-innovation as part of the Lisbon partnership for growth and jobs

When the European Council in March 2005 endorsed the Commission proposal for a renewed strategy on growth and jobs, the Heads of State or Government clearly indicated that it was to be seen in the wider context of sustainable development and that it should tap into synergies between economic, environmental and social policies. This was reflected in the adoption of 24 integrated guidelines, which provide guidance to the Commission and Member States in targeting their reform programmes. Key aims include the promotion of eco-innovation and better environmental regulation.

Eco-innovation and timely, targeted deployment of environmental technologies will spur economic growth and will contribute to broader employment in a growing sector. EU eco-industries supply about one third of global demand and employ over 2 million people, creating an EU trade surplus of over EUR 600 million in 2003. The sector has grown on average by 5 % a year in the EU since the mid-1990s and that growth continues.

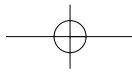
The Member States, in their national reform programmes, have recognised the opportunities provided by investment in eco-innovation. They have supported research and development, focusing on important objec-

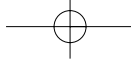
tives such as the promotion of energy efficiency. Using green public procurement, they have aimed to provide a market lead towards wider distribution of environmentally sustainable products.

At the Community level, the actions below have been taken to promote eco-innovation.

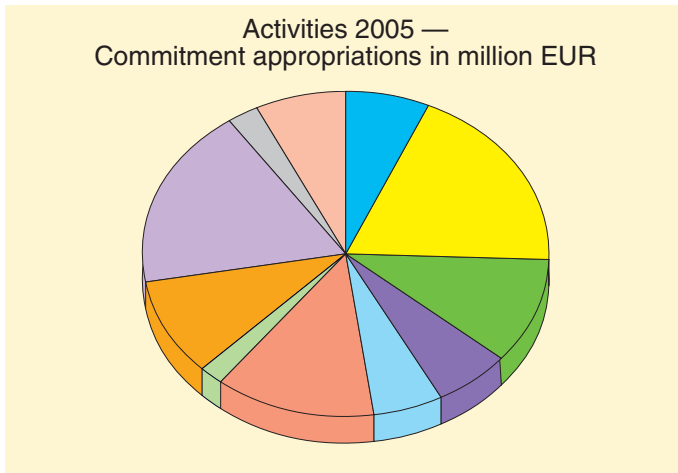
- Implementation of the Community's 2005 environmental technology action plan (budget EUR 0.257 million) to promote environmental technologies and eco-innovation has been a priority, with Member States preparing ETAP 'national roadmaps'. A European panel on environmental technologies will soon be launched to help mobilise key players, increase public visibility and define the next steps for action under ETAP.
- The framework programme for competitiveness and innovation (2007–13) earmarked a significant proportion (indicative budget allocation EUR 520 million) of its proposed budget to support eco-innovation.
- The upcoming seventh framework programme for research and technological development emphasises eco-innovation, as do the new policy guidelines for cohesion in the 2007–13 context.







## Research



**Number of staff: 1 779**

<b>Total commitment appropriations</b>	<b>EUR 3 308 million</b>
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Objective

*To achieve the European research area, a border-free zone for research, in which scientific resources will be better deployed and research and technology efforts improved to remain competitive in an increasingly global economy.*

<b>Administrative expenditure</b>	<b>EUR 225 million</b>
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<b>Genomics and biotechnology for health</b>	<b>EUR 621 million</b>
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To help Europe exploit the results of breakthroughs achieved in decoding the genomes of living organisms for the benefit of public

health and citizens and to increase the competitiveness of the European biotechnology industry.

<b>Nanotechnologies, intelligent materials, new production processes and devices</b>	<b>EUR 353 million</b>
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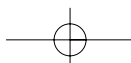
The actions carried out in this area are intended to help achieve the critical mass of capacities needed to develop and exploit leading-edge technologies for knowledge- and intelligence-based products, services and

manufacturing processes, in particular for eco-efficiency and reducing discharges of hazardous substances into the environment, over the years to come.

<b>Aeronautics and space</b>	<b>EUR 204 million</b>
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Consolidate the position of the European aeronautics and space industry in the face of increasingly strong world competition, and to

help exploit the potential of this sector with a view to improving safety and environmental protection.



**Food quality and safety** **EUR 186 million**

Help establish the integrated scientific and technological bases needed to develop an environmentally friendly system of production and distribution of safe and healthy food, and control of food-related risks, as well as health risks associated with environmental changes.

**Sustainable development, global change and ecosystems** **EUR 421 million**

To strengthen the scientific and technological capacities Europe needs in order to be able to implement sustainable development.

**Citizens and governance in a knowledge-based society** **EUR 61 million**

To mobilise research capacities in economic, political, social and human sciences that are necessary to develop an understanding of the knowledge-based society and new forms of relationships between people and institutions.

**Specific measures covering a wider field of research** **EUR 325 million**

To develop research activities in support of Community policies and to have the capability to launch research activities rapidly in response to any unforeseeable scientific and technological needs that arise.

**Structuring the European research area** **EUR 598 million**

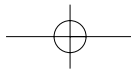
To promote technological innovation, the exploitation of research results, the transfer of knowledge and technologies and the setting-up of technology businesses within the Community and all its regions.

**Strengthening the foundations of the European research area** **EUR 84 million**

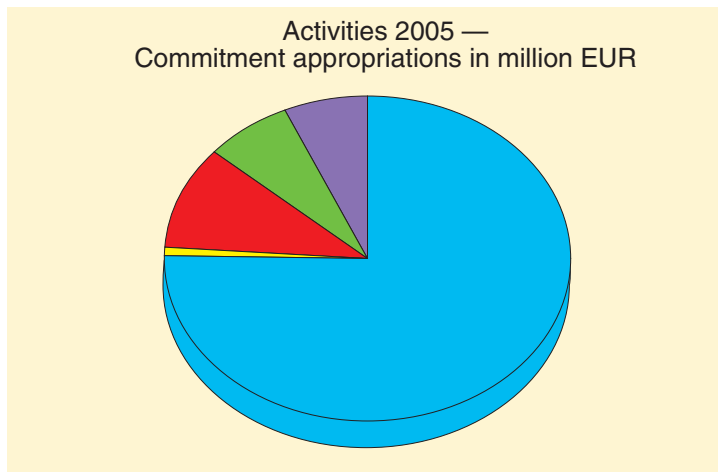
Support for the coordination of activities at national, regional and European levels to develop the knowledge base necessary for the coherent development of policies.

**Research and training under the Euratom Treaty** **EUR 230 million**

- Controlled thermonuclear fusion (fusion energy could contribute to emission-free large-scale production of electricity).
- Radiation protection (for the population and in workplaces).
- Management of radioactive waste (sites, safety).



## Information society



Number of staff: 1 146

<b>Total commitment appropriations</b>	<b>EUR 1 375 million</b>
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Objective

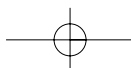
*To make sure that Europe's businesses, governments and citizens continue to play a leading role in shaping and participating in the global knowledge- and information-based economy.*

<b>Administrative expenditure</b>	<b>EUR 143 million</b>
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<b>Electronic communications policy</b>	<b>EUR 3 million</b>
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To facilitate the transition to the information society, particularly as a follow-up to the Lisbon strategy objectives, by enabling and promoting the development of an open and com-

petitive internal market for communications networks and services, in which growth, innovation and efficiency are stimulated.



**■ Research and technological development on information society policy** **EUR 1 044 million**

Community support under the sixth research framework programme for research in information society technologies aims to ensure European leadership in the generic and applied technologies at the heart of the knowl-

edge-based economy. It aims to develop the technologies and skills that are instrumental in improving the Union's growth potential, and ensuring cohesion and the wider participation of citizens in public life.

**■ eEurope** **EUR 97 million**

Main programmes:

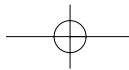
- Modinis (monitoring of the eEurope 2005 action plan, dissemination of good practices and the improvement of network and information security);
- e-Ten — supporting the setting-up of 'public e-services';
- eContent and eContentplus supporting the development of European digital content on global networks;

- the 'Internet action plan' and 'Safer Internet action planplus' addressing a more secure information infrastructure by promoting the safer use of the Internet by combating illegal and harmful content.

This activity also covers the European Agency for Network and Information Security.

**■ Audiovisual media** **EUR 89 million**

MediaPlus and Media Training programmes promote the development of, and vocational training in, the audiovisual industry.



### Commission speeds up GÉANT2, Europe's world-leading networking infrastructure for scientists and students

In June 2005, GÉANT2, Europe's world-class research networking infrastructure, was launched by the Commission. The new network uses pulsed light (photons), rather than electrons, to carry huge volumes of research data faster than ever before. Dark fibre-optic cables offering a performance of up to 320 gigabits per second are lit to process data for advanced applications such as high-energy physics experiments or to connect radiotelescopes worldwide.

Europe's research network will thereby supply unprecedented computing power to an estimated 3 million users from over 3 500 academic institutions in 34 countries across Europe. Compared with similar research networks in the USA or in Asia, GÉANT2 innovates by seamlessly combining dark fibre with more traditional broadband technology, in particular to supply research networking services to schools, via its partner networks.

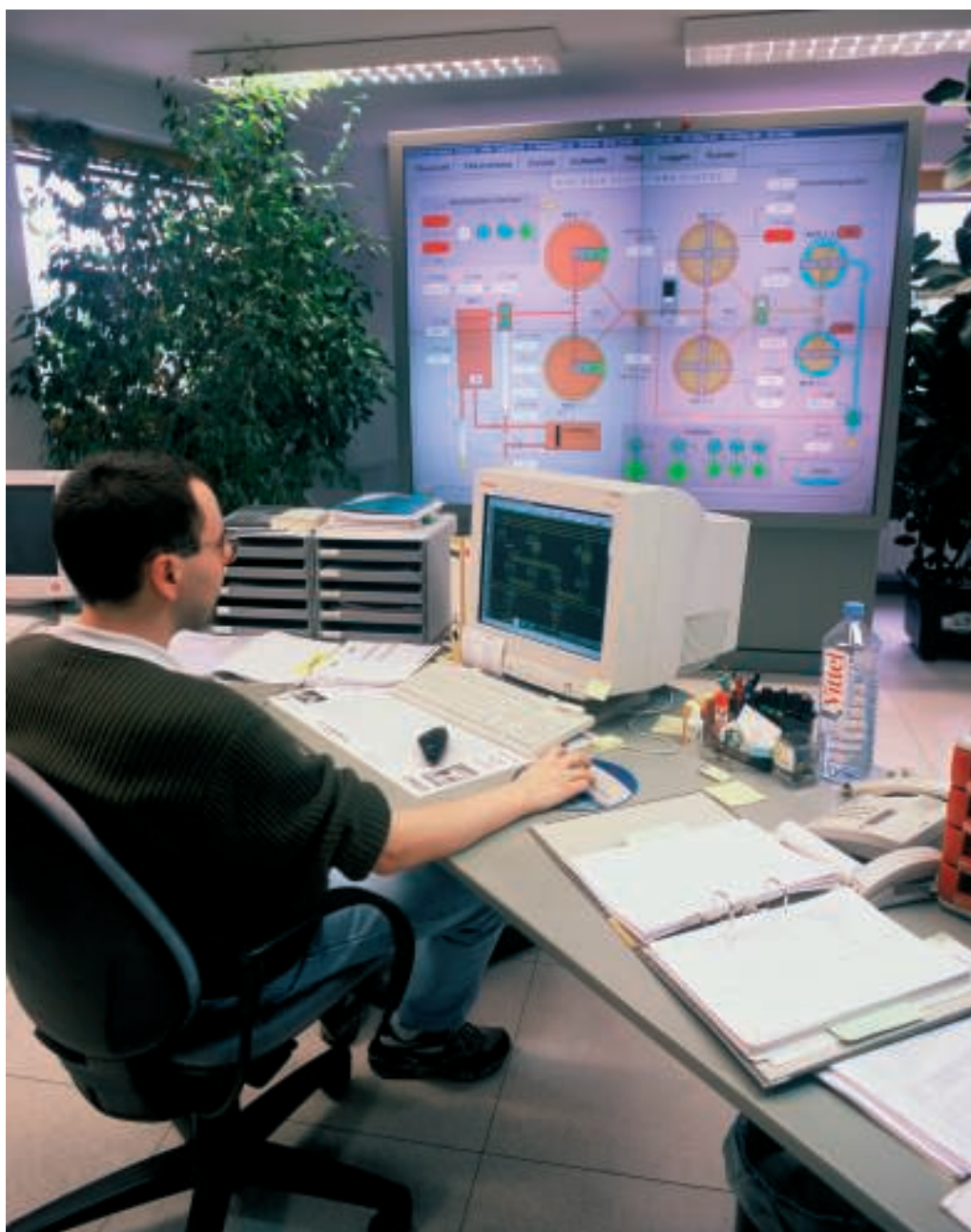
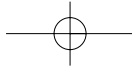
#### Background

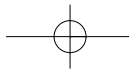
Following a substantial upgrade of the network, GÉANT2 will provide a Europe-wide 'roaming' service that enables scientists to access the network and their home universities' working environments from any location, at any time. In radio astronomy, GÉANT2 provides the ability to observe the universe in real time, by linking up radio telescopes across Europe.

The original GÉANT network was the first pan-European multi-gigabit data communications network to serve research and education needs from Iceland to the Caucasus and beyond. It created the world's largest interconnected community of scientists and academics, enabling them to share research data faster than ever before. This has attracted advanced research work to Europe, ranging from applications exploiting the new Internet protocol version 6 (IPv6) to grid computing. GÉANT also handled petabytes of data from the large hadron collider at CERN.

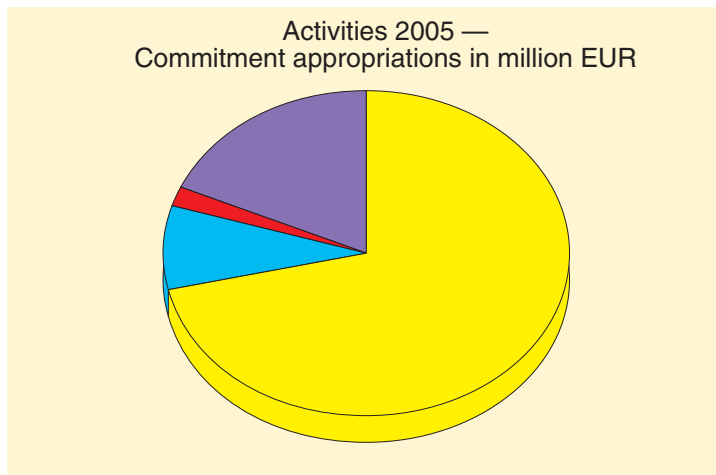
Financially, GEANT2 is the result of joint efforts at European and national level. The European Commission contributes EUR 93 million to this project, which amounts to just under half of the total cost. The rest is funded by national research and education networks. Without EU funding, GÉANT2 would continue as at present, but would lose its innovative, market-leading role.

Promoting high-speed and secure broadband networks offering rich and diverse content is a key focus of the Commission's new strategy 'i2010 — European information society 2010'. The i2010 strategy aims at promoting growth and jobs through the use of information and communication technologies.





## Direct research



**Number of staff: 2 655**

**Total commitment appropriations**

**EUR 366 million**

Objectives

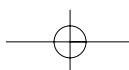
*The mission of the Joint Research Centre (JRC) is to provide customer-driven scientific and technical support for the conception, development, implementation and monitoring of European Union policies. As a service of the European Commission, the JRC functions as a reference centre of science and technology for the Union. Close to the policy-making process, it serves the common interest of the Member States, while being independent of special interests, whether private or national.*

**Administrative expenditure**

**EUR 263 million**

The appropriations cover not only expenditure on operations and staff covered by the Staff Regulations, but also other expenditure on staff, contracting, infrastructure, information

and publications, and any other administrative expenditure arising from research and technological development operations, including exploratory research.





**█ Directly financed research operational appropriations (EC) EUR 30 million**

This activity comprises direct scientific and technical support to Community policies within the sixth framework programme (FP6) on:

- food, chemical products and health (food chain, biotechnology, safety of chemicals and contributions to health);
- environment and sustainability (global change, protection of the European environment and energy) ;

horizontal activities (public security and anti-fraud, technology foresight, and reference materials and measurements).

These tasks are being executed with support from scientific staff covered under 'administrative expenditure'.

**█ Directly financed research operational appropriations (Euratom) EUR 7 million**

- Nuclear safety and security (management of spent fuel and of radioactive waste, safeguards and non-proliferation, reactor and nuclear fuel, radiation monitoring and basic actinide research).

Participation of JRC in indirect actions.

These tasks are being executed with support from scientific staff covered under 'administrative expenditure'

**█ Decommissioning — historical liabilities EUR 67 million**

In addition to the sixth framework programme, financing is provided for an action

programme to dispose of the obsolete nuclear installations and the related waste.

### Examples of achievements in 2005

#### **First *Soil atlas of Europe***

The JRC coordinated the creation of the first ever *Soil atlas of Europe* which consists of high-quality soil maps and easy-to-understand texts supported by unique photographs. It is based on the European soil information system developed by the Joint Research Centre, covering the whole European Union and neighbouring countries. It is a high-quality and informative reference publication, designed to describe and explain the threats to our soil, and to raise awareness of its diversity and importance.

#### **New hydrogen and fuel cell test facilities**

Opened in July 2005, the new facilities support the JRC's mission to provide policy-makers and industry with independent evaluation of the performance of hydrogen and fuel cell technologies in terms of efficiency, safety, environmental impact and reliability, through simulating lifetime operational conditions of fuel cells and hydrogen fuel tanks.

#### **New storage buildings for reference materials**

The JRC is one of the world's largest reference material distributors and offers a large variety of certified reference materials for food and environmental analysis, for biotechnology (GMOs), health related and industrial measurements, and nuclear safeguards. The new 1 550 m<sup>2</sup> building houses over 580 different certified reference materials, in total around 500 000 samples.

#### **Nuclear safeguards research**

To quote some examples, a sample of nuclear material seized in Poland was subject to nuclear forensic analysis by the JRC and Polish experts. A meeting of the International Technical Working Group (ITWG) on Nuclear Smuggling in Prague was organised and sponsored by the JRC, and cooperation with Russia in the framework of a Tacis project resulted in delivering mea-

surement instruments to the Bochvar Institute in Moscow.

#### **Generation IV nuclear reactors**

In 2005, the Council of the EU approved the accession of Euratom to the Generation IV International Forum (GIF) framework agreement. In this process, the JRC has been designated as the 'implementing agent' of the Community. It will coordinate the European contribution to GIF and integrate GIF-related R & D efforts from European research organisations in order to ensure a major role of the Community in this huge international initiative.

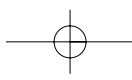
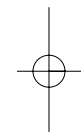
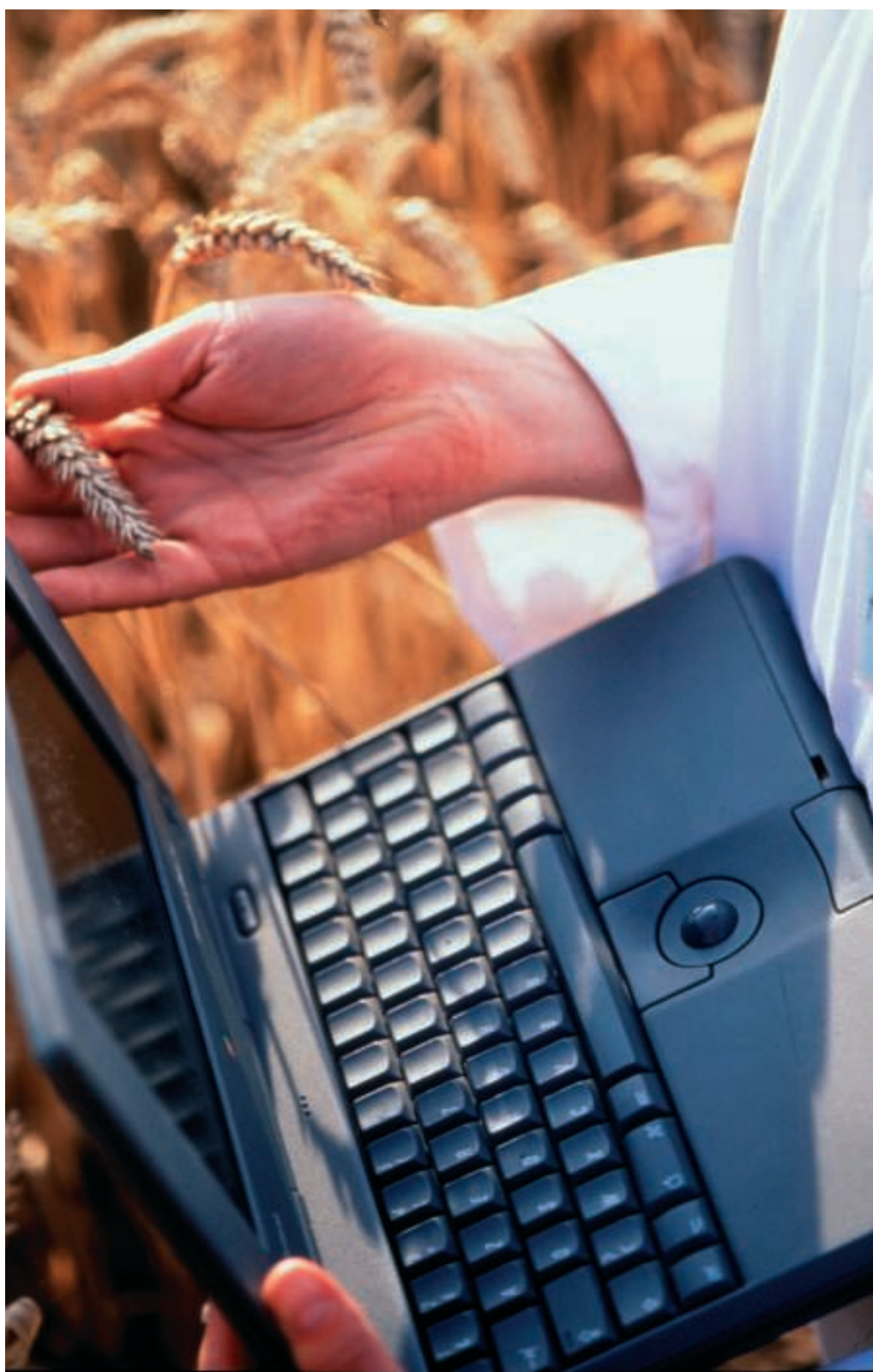
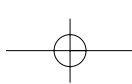
#### **ECVAM and REACH**

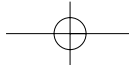
The JRC has been a pioneer in investigating alternatives to animal testing through the work of ECVAM (European Centre for the Validation of Alternative Methods). Over the last five years, ECVAM-validated methods have successfully replaced several animal-testing methods in OECD member countries. In collaboration with the JRC-operated European Chemicals Bureau (ECB), ECVAM has validated methods that reduce acute fish toxicity testing by 60 %. The lives of many hundreds of thousands of fish will thereby be saved in the implementation of REACH.

#### **EU industrial R & D investment scoreboard**

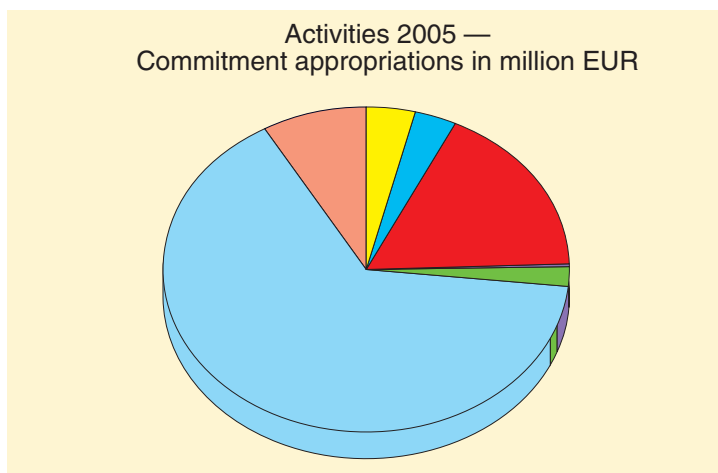
The 2005 scoreboard highlighted, for example, that sectors with the highest rates of growth worldwide in R & D investment are in services, pharmaceuticals and biotechnology. However, EU companies are losing ground vis-à-vis their competitors in sectors with significant R & D investment and growth such as software and computer services, health services, and media and entertainment.

More information at  
<http://www.jrc.cec.eu.int>





## Fisheries



Number of staff: 366

**Total commitment appropriations**

**EUR 1 020 million**

Objective

*To conserve marine resources by managing them responsibly: to conserve fish stocks, protect the marine environment, ensure the economic viability of the European fleets and provide good quality food to consumers.*

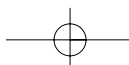
**Administrative expenditure**

**EUR 42 million**

**Fisheries markets**

**EUR 33 million**

Expenditure relating to the common organisation of the market in fishery products.



**International fisheries** **EUR 176 million**

Financing the European Community's active participation in international fisheries organisations responsible for the long-term conservation and sustainable exploitation of marine fisheries resources.

**Governance of the common fisheries policy** **EUR 3 million**

This appropriation is intended to strengthen the involvement of people working in fisheries in the decision-making process of the common fisheries policy so that specific regional characteristics are better taken into account.

**Fisheries research** **EUR 18 million**

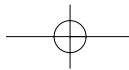
Supporting policies and anticipating scientific and technological needs under the sixth framework programme.

**Structural interventions for fisheries** **EUR 663 million**

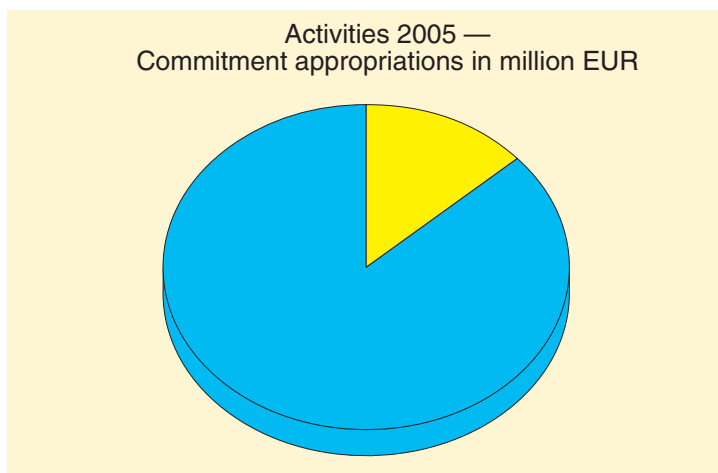
The Financial Instrument for Fisheries Guidance (FIFG) appropriations are predetermined within the overall framework for the Structural Funds. The FIFG is financing development and the structural adjustment of the less-developed regions, in particular the economic diversification of regions affected by a reduction in fishing activity, as well as structural measures in the fisheries in other regions.

**Fisheries conservation, control and enforcement** **EUR 85 million**

Collection of basic data and improvement of scientific advice, inspection and surveillance of fishing activities in Community waters and elsewhere to support the management of fishery resources.



## Internal market





Number of staff: 584

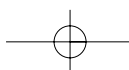
<b>Total commitment appropriation</b>	<b>EUR 74 million</b>
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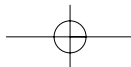
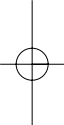
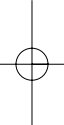
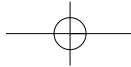
Objective

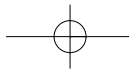
*To ensure the smooth functioning of the European internal market as the driving force behind a new economic dynamic.*

 <b>Administrative expenditure</b>	<b>EUR 64 million</b>
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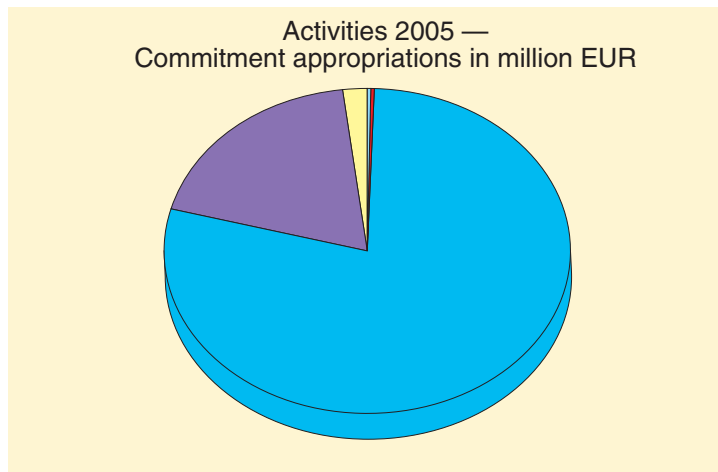
 <b>Policy strategy and coordination</b>	<b>EUR 10 million</b>
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## Regional policy



**Number of staff: 692**

<b>Total commitment appropriations</b>	<b>EUR 27 295 million</b>
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Objective

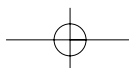
*To strengthen economic and social cohesion by reducing disparities between levels of regional development in the European Union and hence contribute to the overall economic performance of the Union.*

<span style="color: blue;">■</span> <b>Administrative expenditure</b>	<b>EUR 91 million</b>
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<span style="color: red;">■</span> <b>Solidarity Fund</b>	<b>EUR 99 million</b>
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The Member States and the countries negotiating their accession can request aid from the

Solidarity Fund in the event of a major natural disaster.





<b>■ ERDF and other regional interventions</b>	<b>EUR 21 457 million</b>
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Commitment appropriations are predetermined within the overall framework for the Structural Funds, as decided by the Berlin European Council in 1999. The specific level of appropriations for productive investments to create and safeguard sustainable jobs, investment in infrastructure and establishment, and development of trans-European networks derives directly from the programmes negotiated with the Member States. The ERDF is the major player in the financing of:

- Objective 1, to promote the development and structural adjustment of less-developed regions;
- Objective 2, to promote the economic and social conversion of areas in structural difficulty;
- the Interreg Community initiative for the promotion of cross-border, transnational and interregional cooperation;
- the URBAN Community initiative for economic and social regeneration of cities and urban neighbourhoods in crisis, with a view to promoting sustainable urban development;
- the special programme for peace and reconciliation in Northern Ireland and the border counties of Ireland and a contribution to the International Fund for Ireland;
- innovative action programmes and technical assistance projects, which are also eligible.

<b>■ Cohesion Fund</b>	<b>EUR 5 126 million</b>
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The Cohesion Fund provides project finance assistance to the Czech Republic, Estonia, Greece, Spain, Cyprus, Latvia, Lithuania,

Hungary, Malta, Poland, Portugal, Slovenia and Slovakia to implement environmental and transportation infrastructure projects.

<b>■ Pre-accession interventions related to the structural policies</b>	<b>EUR 522 million</b>
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The Instrument for Structural Policies for Pre-Accession (ISPA) helps candidate countries to

develop transport networks and improve environmental infrastructure.

### The Fibre Optic Valley in Hudiksvall (Sweden)

With the help of EU Objective 2 funding, the region of Hudiksvall in Sweden is working with local high-technology businesses to boost its competitiveness in the area of fibre optics.

Long-term growth in the data and telecommunications sector is driven by new applications requiring high-speed data transmission. Fibre optics is one of the leading technologies in this area and offers possibly the greatest potential for future development. Optical transmission capacity is currently several thousand times higher than that of other forms of transmission.

However, fibre optic research and development (R & D) and manufacturing is highly competitive and requires a well-motivated and qualified workforce, as well as state-of-the-art equipment. The region of Hudiksvall is well resourced in both of these areas, thanks to an established local fibre optic industry. Some of the leading companies in the areas of fibre components, fibre optic cable and fibre access are based in the region. These include Ericsson Network Technologies, a leading fibre and cable manufacturer and one of the world's few sea-cable manufacturers, and Acreo Fiber-Lab, one of the leading optical fibre labs in northern Europe.

With the assistance of EU Objective 2 funding, Hudiksvall is now attempting to exploit this potential to develop a region with world-class competencies in the area of fibre optics — the Fibre Optic Valley (FOV). The FOV project involves the development of both infrastructure and fibre optic R & D and education. Project objectives include the establishment of a fibre optic testbed in Hudiksvall and the building of a fibre optic connection between the test-

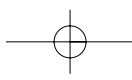
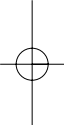
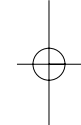
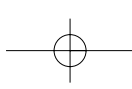
bed and the national testbed node in Kista using a 40 Gbps link.

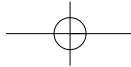
The new network will be capable of delivering a range of services requiring broadband capacity: video conferencing and video distribution, Internet-based TV (highly compressed to HDTV) and telephony, tele-medicine applications, distance working and education, storage area networking, etc. The project also includes fibre optic education and research initiatives, the development of inexpensive access networks and components, and the creation of an innovation system for the development of new products and services. It is also proposed that the new testbed will be used to identify new products and services that will lead to the establishment of new businesses in the region.

#### **Project: The Fibre Optic Valley programme: Objective 2**

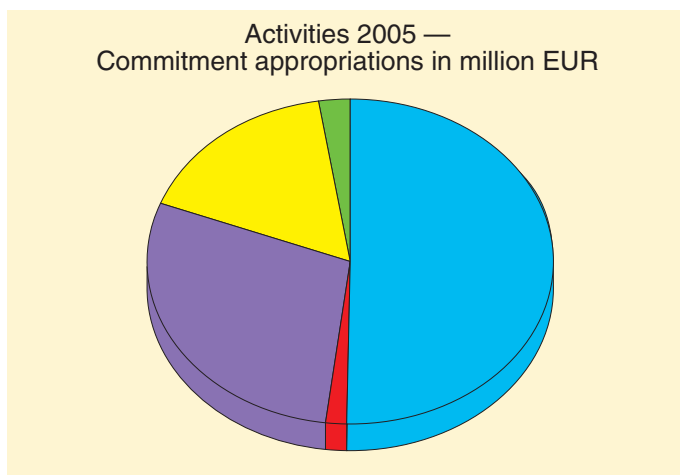
Total cost	EUR 13 859 760
EU contribution	EUR 3 278 535

For the 2000–06 period, Sweden is receiving almost EUR 2.48 billion in aid from European funds for the development of its regions with a very low population density and the reconversion of zones facing structural difficulties. These are grouped into four Objective 2 programmes: Norra, Öarna, Södra and Västra, with a budget of EUR 448 million (commitments at 2004 prices). The actions funded include business development and an improved economic environment to attract investors and encourage the creation of SMEs and jobs. This includes services — especially financial services — to SMEs, transport infrastructures, and access to information technology, research and development, technology transfers, etc.





## Taxation and customs union



Number of staff: 564

<b>Total commitment appropriations</b>	<b>EUR 121 million</b>
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Objective

*To remove harmful tax competition as well as to apply common rules at the external borders of the single market.*

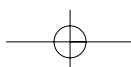
<b>Administrative expenditure</b>	<b>EUR 61 million</b>
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<b>Policy strategy and coordination</b>	<b>EUR 3 million</b>
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<b>International aspects of taxation and customs</b>	<b>EUR 2 million</b>
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Customs cooperation and international assistance (Customs 2007). This appropriation is intended to finance actions to coordinate the training and technical assistance and cooperation actions carried out by the Community

and the Member States with third countries' administrations, to ensure the consistency of Community actions, both external and internal. Special attention is given to practical assistance to candidate countries.



**■ Customs policy** **EUR 35 million**

The Customs 2007 programme has the goal of ensuring that customs authorities apply Community legislation in such a way as to ensure

the smooth operation of the internal market in an enlarged Community, in particular via the financing of joint actions, IT actions and others.

**■ Taxation policy** **EUR 20 million**

New Fiscalis 2007 programme to improve the operation of indirect taxation systems in the internal market by improving cooperation be-

tween the relevant departments and officials in the Member States.

**Customs — State-of-the-art e-learning technology for ‘Car search’ training**

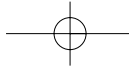
In April 2004, the countries participating in the customs cooperation programme ‘Customs 2007’ decided to develop a common e-learning course on ‘Car search’, designed to train customs officers. This reflected the interest expressed by those countries in pooling resources and putting in place common tools, thus ensuring better training quality and results whilst optimising cost-effectiveness. Focusing on ‘Car search’, the pilot project — in addition to its operational value as a modern training tool — aims to demonstrate the different methods and the potential of e-learning in customs training. Enhanced safety at EU borders, effective car search techniques and well-trained customs officers contribute to the achievement of the Commission’s strategic objectives 2005–09 (COM(2005) 12).

A project group developed the e-learning course in 15 months. The course focuses on visualisation techniques (photographs, animations, symbols, etc.). Text is generally

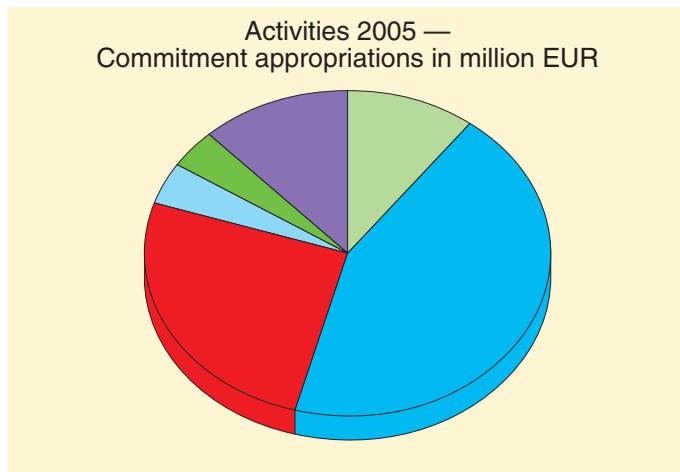
used only for the most important issues. Learners are able to explore the content through exercises and to check their knowledge with quizzes and tests as a part of the learning process. At the end of the course, the learner has to sit a final exam. The average duration of the course is six hours.

It was distributed on DVD to all Customs 2007 participating countries in December 2005 and is available in English, French and German. Countries who want to translate or change the course material will find the necessary information to do this on the DVD.

The course is already implemented in a number of countries, such as Estonia and the UK. Others are working on the translation with a view to implementing it at a later stage. National customs administrations plan to train approximately 2 000 customs officials on the module in 2006 and a further 6 000 officials in 2007/08.



## Education and culture



**Number of staff: 661**

**Total commitment appropriations**

**EUR 944 million**

Objective

*To strengthen the European Union's human dimension by helping to build a 'Europe of knowledge', develop a European cultural area and enlist European citizens in the construction of Europe.*

**Administrative expenditure**

**EUR 98 million**

**Education**

**EUR 415 million**

- Support for activities and bodies active at European level in the field of education (College of Europe, Florence, Maastricht, etc.).
- General and higher education, including the Socrates programme which supports: the transnational mobility of persons in the field of education in Europe, the use of information and communication technolo-

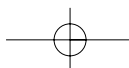
gies in the field of education, the creation of transnational cooperation networks to facilitate the exchange of experience and good practice, the promotion of language skills and understanding of different cultures, innovative pilot projects based on transnational partnerships designed to encourage innovation, and the quality of education.

**Youth**

**EUR 111 million**

The Youth programme's objectives are similar to those of the Socrates programme, but

specifically concern young people and youth policy.



**Vocational training** **EUR 244 million**

The Leonardo da Vinci programme supports the transnational mobility of persons in vocational training, promotes language skills and understanding of different cultures, improves the quality and increases the impact of initial

and continuing possibilities for vocational training. Also covered are contributions to the European Training Foundation and to the European Centre for the Development of Vocational Training.

**Culture and language** **EUR 39 million**

Support for bodies active at European level in the field of culture.

Framework programme in support of culture.

**Dialogue with the citizens** **EUR 36 million**

Community financing for activities and bodies active at European level in the field of active

European citizenship (town-twinning, special annual events and action for civil society).

**Erasmus Mundus: European universities to welcome nearly 1 000 graduates and academics from third countries to study and teach in the EU in 2005/06**

The European Commission has selected 803 third-country students and 133 third-country scholars from all over the world to receive Erasmus Mundus scholarships for the next academic year (2005/06). The students study in Europe for one or two years to obtain a European master's degree from one of the 35 Erasmus Mundus master's courses. They follow their courses in at least two universities in two different countries, giving them the opportunity to familiarise themselves with European lifestyles, cultures and languages. The scholars spend an average of three months in Europe working for one of the Erasmus Mundus master's courses.

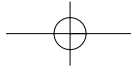
The 35 existing Erasmus Mundus master's courses — which cover a wide range of disciplines — received thousands of applications from students and scholars from all over the world. The university consortia assessed the applications and selected the best ones. This selection was then submitted to the European Commission, which drew up the final list of successful candidates on the basis of a set of eligibility criteria.

Of the 803 students, 455 were selected under the general Erasmus Mundus programme. The re-

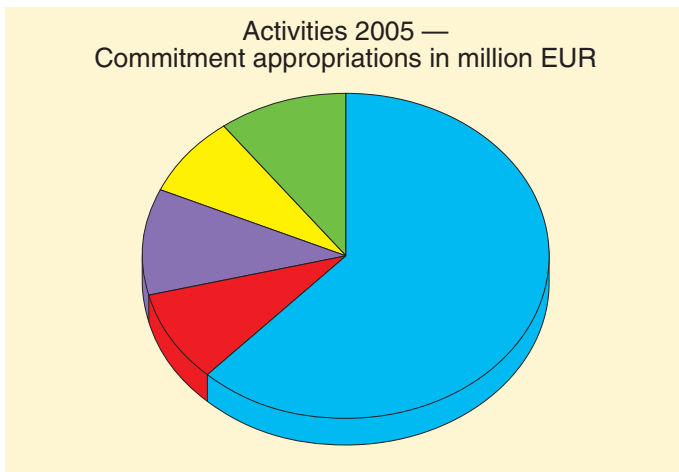
maining 353 fall within the country-specific Asian 'windows' in Erasmus Mundus. As for the scholars, 112 were selected under the general programme and 21 under the China 'window'.

The 455 students selected under the general Erasmus Mundus programme come from 84 different countries, with Brazil (35), Russia (31), Ukraine (23), USA (20), China (18), Mexico (18) and Nigeria (18) ranking in the first places. The 353 students selected under the Asian 'windows' come mainly from India (133), China (67), Pakistan (31), Thailand (28), and Malaysia (23). For scholars, the USA (24) and Brazil (12) are the best-ranked countries (35 in total).

Nearly EUR 30 million (of which EUR 17 million under the general programme and EUR 13 million under the Asian 'windows') will be used to fund the 803 Erasmus Mundus students. More than EUR 1.5 million (of which EUR 270 000 for the China 'window') have been set aside to fund the scholars. The student grant will vary between EUR 21 000 and EUR 42 000, depending on the duration of the courses. Scholars' grants will average EUR 13 000 for a period of three months.



## Press and communication



**Number of staff: 959**

**Total commitment appropriations**

**EUR 187 million**

Objective

*To inform the media and citizens about the activities of the Commission, communicate the objectives of its policies and actions, and to inform the Commission about the evolution of public opinion in Member States.*

**Administrative expenditure**

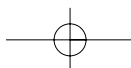
**EUR 116 million**

**Provision of information to the media on the decisions and the policies of the Commission**

**EUR 17 million**

Provision of citizens' information via the media with the aim of providing all Europeans with general information on the work of the Community institutions, on decisions

taken and on the different stages of European integration (Internet, Europe by Satellite, Euronews).





**■ Analysis of public opinion trends and development of general information for the citizens** **EUR 20 million**

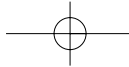
Public opinion analysis (Eurobarometer) and proximity actions (organisation of or participation in European events, public relations campaigns).

**■ Integrated management of means of communication (at central and local level)** **EUR 15 million**

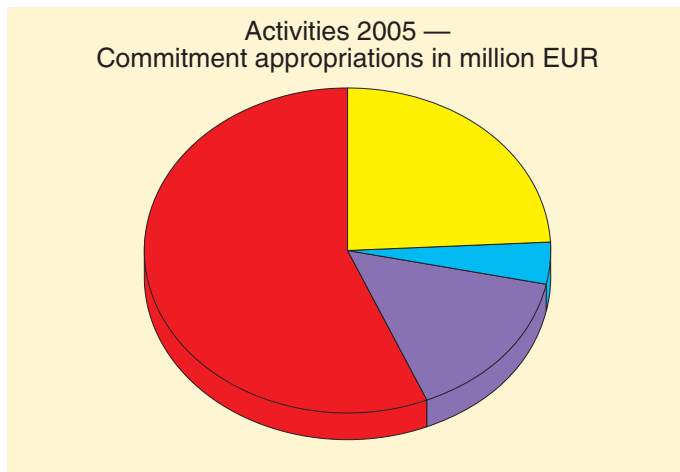
Tools for informing the citizen via production of information, dissemination of brochures, direct communication targeted at the general public and journalists, including the Europa site. Prince (the role, principles and values espoused by the EU on the world stage, and issues such as globalisation and sustainable development).

**■ Coordination of information relays and networks in the European Union** **EUR 19 million**

Financing of information and documentation outlets throughout Europe: Info Points; coordination and animation activities of the network.



## Health and consumer protection



**Number of staff: 946**

**Total commitment appropriations**

**EUR 481 million**

Objective

*Europe working for healthier, safer, more confident citizens.*

**Administrative expenditure**

**EUR 117 million**

**Consumer policy**

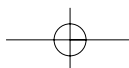
**EUR 19 million**

Community action in consumer protection: the multiannual 2002–06 strategy for consumer protection sets out three objectives:

a high, harmonised level of consumer protection across the EU;

effective enforcement of consumer protection rules;

involvement of consumer organisations in EU policies.



**Public health** **EUR 74 million**

The main objectives of the framework programme of Community action in the field of public health (2003–08) are:

- improving health information and knowledge by developing and operating a comprehensive information system;
- responding rapidly and in a coordinated way to health threats by enhancing the ca-

capacity to tackle communicable diseases and by strengthening the capacity to deal with other health threats;

- addressing health determinants through promotion and disease-prevention measures.

**Food safety, animal health, animal welfare and plant health** **EUR 270 million**

- Animal disease eradication and monitoring of animals that could pose a public health risk.
- Plant health measures.

- Emergency fund for veterinary complaints and other risks to public health.
- Contribution to the European Food Safety Authority.

### Main results in 2005

#### Consumer policy

- The third edition of an educational diary on consumer issues for schoolchildren was prepared. About 1.3 million copies will be distributed in 9 000 European schools in mid-2006 via an online ordering system.
- An interactive online education tool was developed for adults, covering consumer rights and financial services.
- A study to identify undergraduate and graduate courses on consumer education in the EU, and to examine the possibility of developing master's degrees in consumer education, was completed.
- A Eurobarometer survey of consumers' attitudes to consumer protection and to cross-border shopping was prepared. It will be carried out in early 2006.
- The network of European Consumer Centres (ECC-Net), which was extended to seven of the new Member States, helped to keep EU consumers better informed about their rights, and also provided effective assistance in solving cross-border disputes.

#### Public health

- Results of two important 2005 Eurobarometers on health (AIDS prevention and medical errors) are now available. The main objectives of the AIDS barometer were to measure public risk awareness and public knowledge of ways of contracting AIDS and changes in behaviour compared with the 2002 Eurobarometer. The barometer on medical errors was carried out as a follow-up to the recent Luxembourg Declaration on Patient Safety adopted during the Luxembourg Presidency of the Council. The study will demonstrate the extent to which the public feels concerned by

medical errors and how much the issue affects the public, as well as the most frequent types of medical errors they are confronted with. In addition, three other Eurobarometers on nutrition, mental well-being and attitudes to tobacco were launched.

- The Injury Database (IDB), which started under the 'Injury prevention' programme in 1999, became fully operational in 2005. It contains data (harmonised in accordance with European standards) collected in the Member States under the EHLASS programme (European home and leisure accident surveillance system). It is the only data source at EU level that enables reporting and benchmarking for the development of preventive action against the rising number of home and leisure accidents in Europe.
  - There was growing concern about a possible influenza pandemic caused by a 'new' avian influenza virus able to infect humans in 2005. Development of preparedness plans continued in cooperation with other Commission services and in the Member States, with a view to saving lives and minimising economic disruption in the event of a pandemic.
  - The creation of the European Centre for Disease Prevention and Control (ECDC) in Stockholm was a major step towards enhancing the EU's capacity in surveillance and control of communicable diseases.
- #### Food safety, animal health, animal welfare and plant health
- As the highly pathogenic avian influenza (HPAI) virus started to spread westwards from Asia, the Commission and Member States stepped up preventive, surveillance and control measures, including tighter biosecurity measures.

□ The 'Better training for safer food' initiative was launched. The objective is to ensure that controls in the areas of food law, feed law, animal health and animal welfare rules, as well as plant health rules, are carried out in a more uniform, objective and adequate manner in all Member States. The initiative involves setting up a training strategy for 2005–06 with ad hoc training projects taking place. It targets staff working in official monitoring in EU Member States as well as in third countries, especially developing countries, to improve knowledge of EU import requirements.

□ The work of the Food and Veterinary Office continued to ensure effective monitoring and enforcement of the legislation and to evaluate the progress of candidate countries in implementing the *acquis* (223 inspections carried out in the EU, candidate countries and third countries).

#### External relations

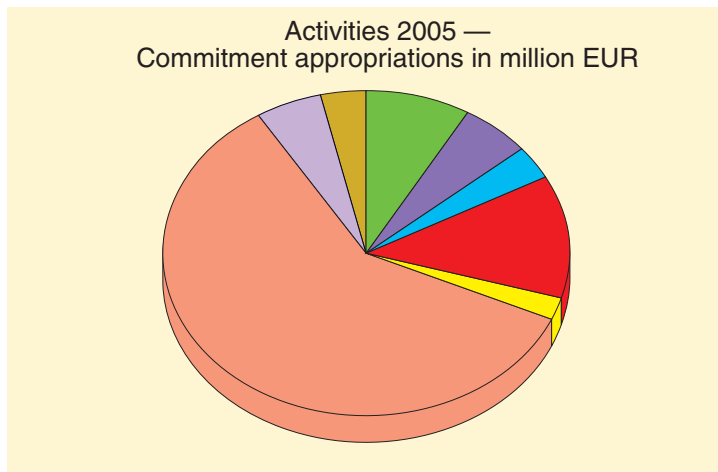
□ The EU ratified the Framework Convention on Tobacco Control (FCTC), the first-ever international treaty on health, committing parties worldwide to act to reduce the toll of death and disease caused by smoking.

□ The year 2005 was also the second year of the European Community's membership of the Codex Alimentarius, which develops food safety standards serving as a reference for international food trade.

#### Communication campaign

□ 'HELP: For a life without tobacco'. A new pan-European multimedia anti-smoking campaign was launched in 2005 with a budget of EUR 72 million over 2005–08 (financed under the Tobacco Fund). The campaign, which mainly targets adolescents and young adults, was devised in close cooperation with health experts and with the support of public relations professionals. It promotes tobacco-free lifestyles, highlights the dangers of passive smoking and supports the trend towards tobacco-free public places. A roadshow in all 25 EU capitals was followed by a TV and cinema advertising campaign. The TV campaign proved successful, with 88 % of the 25 000 citizens surveyed saying they understood the messages and two thirds of young non-smokers declaring that the adverts may deter them from starting to smoke.

## Area of freedom, security and justice



Number of staff: 443

<b>Total commitment appropriations</b>	<b>EUR 600 million</b>
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Objective

*To make the entire European Union territory an 'area of freedom, security and justice'.*

<b>Administrative expenditure</b>	<b>EUR 50 million</b>
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<b>Policy strategy and coordination</b>	<b>EUR 34 million</b>
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<b>Establishing a genuine European area of justice in criminal and civil matters</b>	<b>EUR 19 million</b>
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Judicial cooperation programmes in civil and commercial matters, including support for the operation of Eurojust. The aim of the area of freedom, security and justice is to establish the free movement of European Union citizens and non-EU nationals throughout the

Union within the next five years, while guaranteeing public security, and combating all forms of organised crime (trafficking in human beings, sexual exploitation of children, trafficking of vehicles, arms and drugs, corruption, fraud) and terror.

**Common immigration and asylum policies** **EUR 74 million**

The activity mainly comprises the European Refugee Fund, which involves support for Member States' structural measures for the reception of refugees and displaced persons, their integration and voluntary repatriation. It also covers emergency measures for reception and accommodation, subsistence funds, and medical and other assistance in the event of a sudden in-

flux of refugees or displaced persons. Funding is also provided to the European Migration Monitoring Centre for statistical work on asylum and immigration, and for the funding of preparatory measures for the integration of third-country nationals, as well as for cooperation with third countries in the field of immigration.

**Coordination in the field of drugs** **EUR 12 million**

Support for the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) in Lisbon.

**External borders, visa policy and free movement of people** **EUR 355 million**

Firstly, to help beneficiary Member States between the date of accession and the end of 2006 to finance actions at the new external borders of the European Union for the implementation of the Schengen *acquis* and exter-

nal border controls; secondly, to cover additional costs entailed by the creation of a facilitated transit document for use between mainland Russia and Kaliningrad.

**Law enforcement, cooperation and prevention of and fight against general and organised crime** **EUR 31 million**

AGIS project: judicial cooperation in general and criminal matters including training; cooperation between law enforcement authorities in preventing and fighting crime — or-

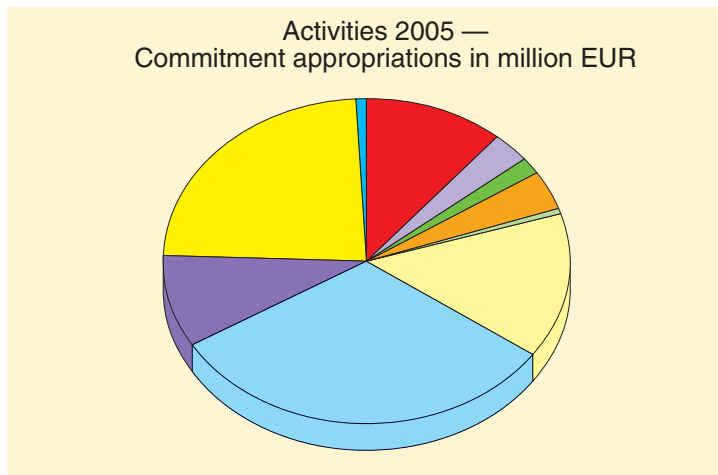
ganised or otherwise; exchange programme for judicial authorities; pilot project for the victims of terrorist acts.

**Citizenship and fundamental rights** **EUR 21 million**

Measures for combating violence against children, adolescents and women (Daphne pro-

gramme); research and evaluation programme on respect for fundamental rights.

## External relations



Number of staff: 2 734

**Total commitment appropriations**

**EUR 3 333 million**

Objective

*To support the objectives of the EU external policy by means of cooperation, development aid, crisis management, conflict prevention and human rights programmes and projects, including promotion of the EU's identity on the international stage.*

**Administrative expenditure**

**EUR 374 million**

**Multilateral relations and general external relations matters**

**EUR 99 million**

Enhancing the Community/EU role in multilateral relations through conflict prevention and crisis management measures, action on anti-personnel mines, rapid reaction mechanism, cooperation with third countries on mi-

gration, participation in certain international organisations and forums and by increasing the visibility of the Community and its activities by communication and information.

**Common foreign and security policy (CFSP)**

**EUR 63 million**

Actions undertaken under the common foreign and security policy, including conflict prevention and resolution, non-proliferation of weapons of mass destruction and disarmament,

support for the peace process and stabilisation (including ESDP civilian crisis management missions), European Union Special Representatives, emergency measures.



**European initiative for democracy and human rights (EIDHR) EUR 128 million**

Four thematic priorities: (1) support to strengthen democratisation, good governance and the rule of law; (2) activities in support of the abolition of the death penalty; (3) support for the fight against torture and impunity and for international tribunals and criminal courts;

(4) combating racism and xenophobia and discrimination against minorities and indigenous peoples.

Funding is also provided for the victims of human rights' abuses, and for the activities of the International Criminal Court.

**Relations with non-EU OECD countries EUR 17 million**

The Commission has acted to increase the visibility of the EU in the United States, Canada, Japan, Korea, Australia and New Zealand and to develop political and economic cooperation with these partner countries. Specific examples of this policy in 2005 include:

- the opening of three new EU centres in Australia and New Zealand. The EU has continued to fund five EU centres in Canada and has consolidated the existing US network of EU centres into 10 EU 'centres of excellence'. The centres promote a better understanding of the EU in the partner countries;
- the participation of 245 European small and medium-sized enterprises in the export promotion programme 'Gateway to Japan';

the participation of 33 European executives in the executive training programme in Japan (18 months) and in Korea (9 months). The programmes are instrumental in promoting EU business activities in these two countries;

- EU support for eight projects aimed at encouraging reflection and debate about EU-US relations organised through 'think tanks', as well as six outreach and public diplomacy projects in Canada. The EU also funded 12 events in the context of the EU-Japan year of people-to-people initiatives. These projects are intended to promote public knowledge of the EU among partner countries.

**Relations with eastern Europe, the Caucasus and central Asian republics EUR 485 million**

Relations with and assistance to east European and central Asian partner States, over and above the programmes with each of the partner countries, multi-country activities at regional level, cross-border cooperation, nuclear safety and the Chernobyl Shelter Fund. The measures cover assistance measures at government, institutional, NGO and private

sector level designed to support transition to a market economy, and to strengthen democracy and the rule of law in these States. For the neighbouring countries with which a European neighbourhood action plan has been agreed (i.e. Moldova and Ukraine), assistance is increasingly focused on support for the implementation of these action plans.

**Relations with the Middle East and southern Mediterranean** **EUR 1 050 million**

The Barcelona process is the Union's main instrument to help promote stability and prosperity among the Union's Mediterranean neighbours. In the MEDA II programme (2000–06) this goal will be attained by enhancing relations with the partners in the Mediterranean region: this includes the development of a free-trade area, enhanced region-

al cooperation, economic dialogue, justice and home affairs, the social dimension, human rights and democracy.

Also covered under this heading are actions to help the Palestinian population of the Occupied Territories, UNRWA, and aid for the rehabilitation and reconstruction of Iraq.

**Relations with Latin America** **EUR 311 million**

The strategic sectors of Community intervention in Latin America are: combating poverty and social exclusion; institutional support, the consolidation of the democratic process and the promotion and protection of human rights;

aid to uprooted people, support for regional integration; the promotion of sustainable development; support for economic reforms and for participation in the world economy and the facilitation of trade.

**Relations with Asia** **EUR 782 million**

The cooperation with Asian developing countries will continue to focus on eradicating poverty, concentrating in particular on aspects of good governance as essential elements of sector-wide approaches, including in social sectors (health, education), sustainable development and environment, to attain the millennium development goals. Respect for human rights and promotion of democracy, good

governance and the rule of law are an essential part of the political dialogue that the European Union conducts with Asia. Post-conflict resolution and reconstruction particularly with Afghanistan and Sri Lanka. Post-disaster rehabilitation and reconstruction is an important feature of the Community's intervention in tsunami-affected countries.

**Policy strategy and coordination** **EUR 25 million**

Comprises evaluation activities and information programmes.

### Nuclear safety strategy

The strategy focuses mainly on Russia and Ukraine which, as the main inheritors of Soviet nuclear reactor technology, present the biggest concentration of problems related to nuclear safety and security. While maintaining this emphasis on assistance to Russia and Ukraine, the scope of EU action is extended to cover assistance to Armenia and Kazakhstan, and to a limited extent to Georgia and Belarus.

Russia plans to expand its nuclear capacity more than twofold by 2020, including a controversial decision to extend the life of their first-generation reactors as well as completing the units under construction and building additional, new-design units. Russia is also the only State of the region that has the capacity to deal with the whole nuclear fuel cycle, including reprocessing. In fact, the Duma has recently passed a new law covering imports of spent fuel and nuclear waste from third countries. Another special case, due to the potential hazards, is the situation of the spent fuel from nuclear submarines in north-west Russia.

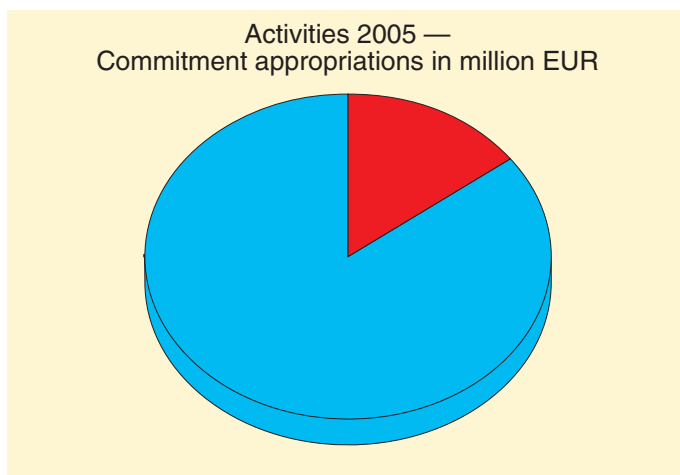
In Ukraine, although there have been no first-generation reactors operating since the definitive shutdown of the Chernobyl plant, the main challenge is to deal with the aftermath of the accident and cope with consequences of the definitive closure of the plant on 15 December 2000. Ukraine also has plans to modernise its operating nuclear plants, as well as to complete the construction of two additional units in Rovno and Khmel'nitsky.

The EU Tacis programme has committed more than EUR 1 200 million over the period 1991–06 to improve nuclear safety, but

much still remains to be done. In view of the need to maintain EU involvement, the Tacis programme will concentrate on supporting the ongoing development of a nuclear safety culture at regulator and operator level, including support for the modernisation of second- and third-generation reactors, and the possibility of granting Euratom loans in Ukraine; assistance with decommissioning the Chernobyl nuclear power plant will be continued, as well as some limited support for improving the safety of the Rovno and Khmel'nitsky units. Other fields of cooperation will include support for spent fuel and waste management in north-west Russia, assistance for safeguards and off-site emergency preparedness. In Kazakhstan, the Aktau nuclear power plant has benefited since 1994 from on-site assistance. At present, this assistance is limited to the preparation of decommissioning, in coordination with other interested parties (IAEA, USA).

The cooperation also covers the multilateral funds in which the European Union participates, such as the Chernobyl Shelter Fund (CSF), the Northern Dimension Environmental Partnership (NDEP) Fund and the potential fund for decommissioning the Medzamor nuclear power plant in Armenia (if an agreement is reached with the Armenian government on a date to shut down the plant). In addition, a chapter is included to cover EU support for the International Science and Technology Centre (ISTC) in Moscow and the Science and Technology Centre in Ukraine (STCU) — two centres devoted to non-proliferation of weapons-related expertise in the former Soviet Union.

## Trade



Number of staff: 587

**Total commitment appropriations**

**EUR 76 million**

Objectives

*To ensure an effective and efficient common commercial policy promoting the economic and political interest of the European Union and to contribute, in the general interest, to the harmonious development of world trade, the gradual removal of restrictions to international trade, and the reduction of customs barriers.*

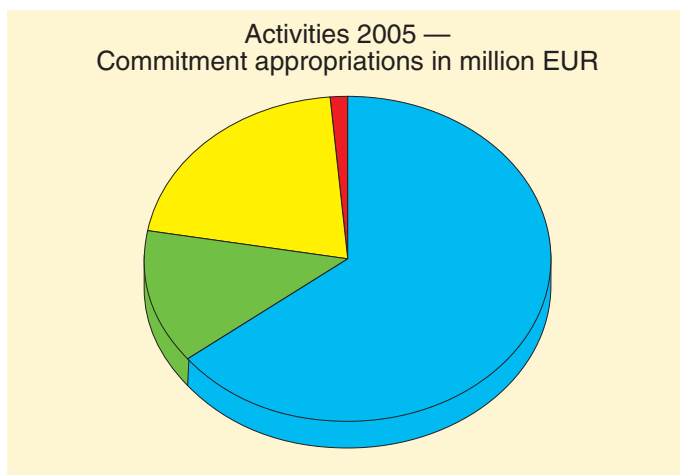
**Administrative expenditure**

**EUR 66 million**

**Trade policy** **EUR 10 million**

- Initiatives connected with conduct of new multilateral and bilateral trade negotiations, in particular the Doha development agenda.
- Legal and other expert assistance required in implementing existing trade agreements (actions to ensure that the Community's trading partners actually adhere to and comply with obligations arising under WTO, and other multilateral and bilateral agreements).
- Trade-related technical assistance/training and capacity-building actions (actions aimed at strengthening the capacity of developing countries to participate in international trade negotiations, to implement international trade agreements, and to participate in the world trading system).
- Market access activities (actions in support of the Community's market access strategy, which aims at removing or lowering barriers to trade, identifying trade restrictions in third countries and, where appropriate, removing obstacles to trade).

## Development and relations with ACP countries



Number of staff: 1 943

<b>Total commitment appropriations</b>	<b>EUR 1 231 million</b>
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### Objectives

*Poverty eradication; sustainable economic and social development; the integration of developing countries into the world economy; contribution to developing and consolidating democracy, the rule of law and the respect for human rights and fundamental freedoms.*

<b>Administrative expenditure</b>	<b>EUR 255 million</b>
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<b>Development cooperation policy and sectoral strategies</b>	<b>EUR 794 million</b>
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Some development challenges require a response strategy at a thematic level, rather than through the traditional country programmes, either for reasons of effectiveness and visibility or because the target groups are civil society rather than established government structures. This expenditure category therefore

groups together, among others, food aid, a programme for NGO co-financing, actions in the environment/tropical forest management sectors, integration of gender issues into development cooperation, and support for the fight against poverty-related diseases.

**■ Relations with sub-Saharan Africa, the Caribbean, Pacific and Indian Oceans and overseas countries and territories** **EUR 166 million**

Within the EU budget, the Commission manages cooperation projects and programmes with South Africa (EPRD) which contribute to that country's integration into the world economy, improving living conditions, and support

for democratisation. A special programme of assistance to the ACP banana producers aims to improve their competitiveness and to help them integrate better into the multilateral trading system.

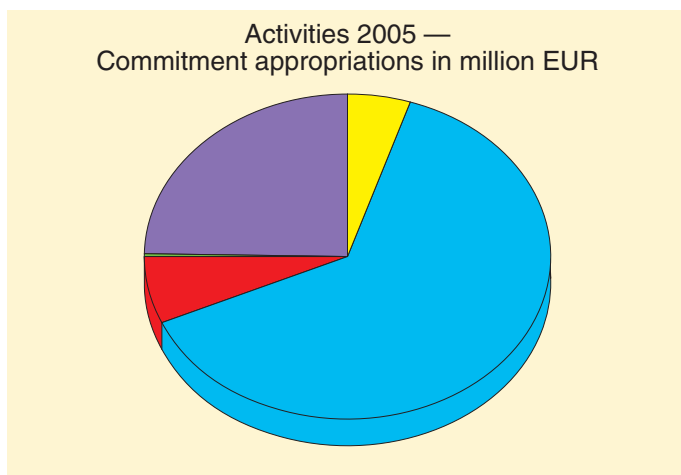
**■ Policy strategy and coordination** **EUR 16 million**

Comprises activities of evaluation, coordination and promotion of awareness of development issues.

In addition to the regular EU budget appropriations, there are funds from the European De-

velopment Fund (EDF) for ACP (African, Caribbean and Pacific) countries managed by the Commission, but outside the budget. In 2005, the Commission committed some EUR 3 511 million for the benefit of the ACP partners.

## Enlargement



**Number of staff: 570**

<b>Total commitment appropriations</b>	<b>EUR 2 003 million</b>
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Objective

*To enlarge the European Union to acceding countries (Bulgaria and Romania), candidate countries (Turkey and Croatia), bring potential candidates closer to the Union (western Balkan countries) and ensure the sound management and completion of pre- and post-accession aid to the new Member States.*

<b>Administrative expenditure</b>	<b>EUR 101 million</b>
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<b>Pre-accession assistance instruments</b>	<b>EUR 1 273 million</b>
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This activity essentially covers completion of the Phare pre-accession assistance for the countries of central and eastern Europe, cross-border cooperation, pre-accession assistance for Bulgaria, Romania, Turkey and Croatia and technical assistance for the approximation of legislation.

The Phare programme focuses on two priority aims: institution building with a focus on reinforcement of administrative and judicial capacity, and investment related to the adoption and application of the *acquis communautaire*.



**■ Transition facility for institution-building measures after accession** **EUR 129 million**

The purpose of the transition facility is to continue to provide assistance to the new Member States in areas where their administrative and institutional capacity is not yet able to deliver on a par with present Member States.

The transition facility is to continue institution-building activities according to the same principles as those funded by Phare during the pre-accession period.

**■ Information and communication strategy** **EUR 8 million**

To cover the funding of priority information measures on Community policies.

**■ Relations with the western Balkans** **EUR 492 million**

The CARDS (Community assistance for reconstruction, development and stabilisation) programme underpins the objectives and mechanisms of the stabilisation and association process, which is the EU policy framework for the western Balkan countries until their eventual accession: Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, and Serbia and Montenegro, in-

cluding Kosovo (under the auspices of the United Nations, pursuant to UN Security Council Resolution 1244 of 10 June 1999). Croatia, which has been granted candidate country status, is expected to benefit from pre-accession financial assistance while remaining eligible for participation in the CARDS regional programme.

### CARDS programme in Bosnia and Herzegovina

Implementation period: 2003–05

Funding: EUR 6 million

Results:

- establishment of a network of regional development agencies (RDAs);
- development of economic development strategies;
- setting-up of a grant scheme to promote economic development.

#### The potential for economic growth

As a result of continuous political problems since the 1990s in Bosnia and Herzegovina, overall economic performance has stagnated or even declined. Consequently, unemployment has remained persistently high, productivity is less than 50 % of that in central European countries, and financial sector reform and privatisation have been slow. Nevertheless, since 2001 there have been signs of a gradual recovery. The improved economic performance is being borne out by signs that preliminary structural reforms are starting to bear fruit in a region which is now considered capable of significant growth. In a concerted effort to capitalise on this potential, the 'European Union regional economic development' (EU RED) project was set up in Bosnia and Herzegovina in March 2003.

#### Working together for success

Working closely with newly created regional development agencies (RDAs), the aim of the project is to improve the economic environment by creating a framework for sustainable economic development in the country. The key stakeholders include new and existing RDAs, local authorities and State governments, the business sector, educational establishments, international bodies and NPOs (non-profit organisations). The project is working closely with all these main actors to revive and strengthen the economy, thereby

preparing Bosnia and Herzegovina for integration into the EU's structural funding scheme and eventual accession.

The project has five main objectives: (1) the creation of five regional development agencies; (2) the development of regional economic strategies; (3) the establishment of a National Regional Development Forum; (4) the management of a grant fund; (5) overall project management.

#### What can the regions offer?

As a first step, regional profiles were developed for the five proposed regions. The north-west — offering high-quality agricultural land, forests and natural resources — can support agro-processing, wood processing and tourism. The south-west — currently experiencing a tense political situation between rival Serbs, Muslims and Croats — is promoting aluminium processing, engineering, agriculture, forestry and textiles. The Central region — previously known as the industrial basin of Bosnia and Herzegovina — is now an area of high unemployment, despite its coal, steel, engineering, wood and leather industries. The Sarajevo region is one of the most developed, with its airport, university, banking, tourism, manufacturing industries and trade. Finally, the north-east is best known for its salt mines and chemical industry, both of which are now in decline: hence the high unemployment rate there.

#### Shared concerns

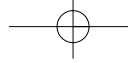
The project will play a leading role in developing integrated regional strategies in cooperation with RDAs, municipalities, business associations and other relevant players. The ultimate aim is to establish a network of RDAs able to interact with the National Regional Development Forum to promote coherent regional economic policy at national level. The National Forum will be made up of

experts whose mission is to influence and promote regional policy at national level, to discuss shared economic concerns of regional and national significance, and to promote more effective and relevant regional policies and actions.

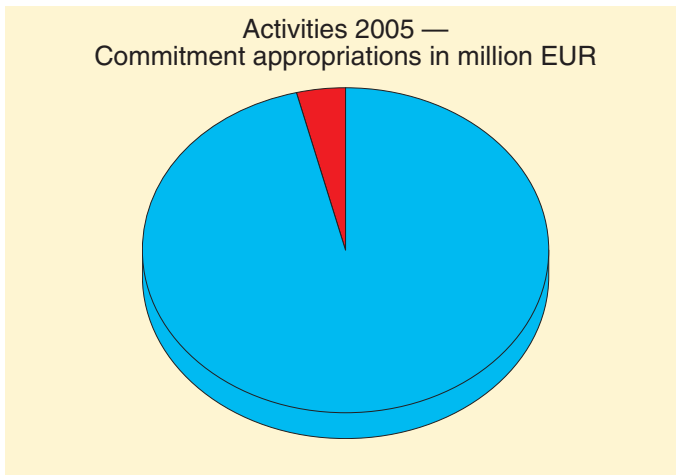
One of the main components of the project is to set up and run a fund to provide targeted grant support for regional development projects. Priority areas include: creating the right economic conditions for small and medium-sized enterprises (SMEs) to develop; supporting export-related opportunities; and mobilis-

ing labour supply and skills training. Examples of the type of projects suitable for funding include the setting-up of business centre incubators and technology parks; advising SMEs; developing regional branding for agriculture and horticulture; devising trade and investment promotion schemes; and establishing vocational training services.

These grants, as well as the technical assistance to RDAs and local development agencies (LDAs), are crucial in supporting and accelerating the process of social and economic reform in a region which badly needs it.



## Humanitarian aid

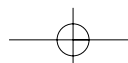



**Number of staff: 176**


<b>Total commitment appropriations</b>	<b>EUR 644 million</b>
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Objective

*To provide relief to the victims of humanitarian disasters worldwide.*

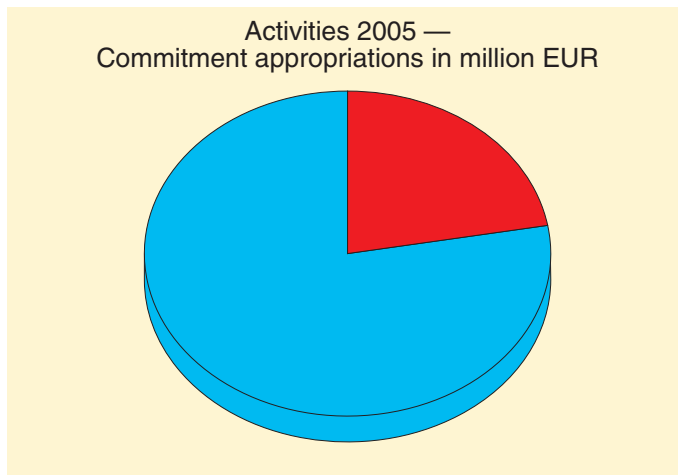


 **Administrative expenditure** **EUR 25 million**

 **Humanitarian aid** **EUR 619 million**

- To cover the financing of assistance, relief, protection and emergency food aid for victims of humanitarian crises, whether natural or man-made, in countries outside the EU (developing countries, including African, Caribbean and Pacific States and countries in Asia and Latin America, as well as other third countries where there are significant needs to be met).
- The aid is needs-based and is granted to victims without discrimination on the grounds of race, ethnic origin, religion, disability, sex, age, nationality or political affiliation.

## Fight against fraud



**Number of staff: 418**

**Total commitment appropriations**

**EUR 58 million**

Objective

*The mission of the European Anti-fraud Office (OLAF) is to help protect the interests of the European Union and to fight fraud, corruption and any other illegal activity, including misconduct within the European institutions.*

**Administrative expenditure**

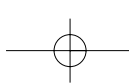
**EUR 46 million**

**Fight against fraud**

**EUR 12 million**

The core activities are:

- collection and analysis of information and intelligence (including all related support activities with the Member States and with third countries);
- investigations (including all operational support and coordination activities) particularly through on-the-spot checks;
- follow-up to investigations (including judicial and financial follow-up);
- legislative initiatives and evaluation of legislation;
- financing the Pericles programme for training, exchange and assistance for the protection of the euro against counterfeiting and the Hercule programme for promoting activities in the field of the protection of the Community's financial interests;
- development of the anti-fraud informatics system (AFIS).



## 9. THE FIGHT AGAINST FRAUD

The mission of the European Anti-Fraud Office (OLAF) is to protect the interests of the European Union, to fight fraud, corruption and any other irregular activity, including misconduct within the European institutions. In pursuing this mission in an accountable, transparent and cost-effective manner, OLAF aims to provide a quality service to the citizens of Europe.

OLAF carries out its mission by conducting internal and external investigations in full independence. It also organises close and regular cooperation between the competent authorities of the Member States and the candidate countries in order to coordinate their activities. OLAF supplies Member States with the necessary support and technical know-how to help them in their anti-fraud activities. It contributes to the design of the anti-fraud strategy and methods of the European Union and takes the necessary initiatives to strengthen the relevant legislation. OLAF activities are carried out with integrity, impartiality and professionalism, and will, at all times, respect the rights and freedoms of individuals and be fully consistent with the law.



### Impact of OLAF's investigations

In 2005, the Office received information about 857 alleged instances of fraud, irregularity and corruption. The volume of information received has increased by almost 20 % in each of the last two calendar years.

TABLE 7  
Information received — New cases recorded in 2005

2000	2001	2002	2003	2004	2005	Total
367	735	571	602	720	857	3 852

OLAF follows two procedures for assessing information. The first is a simplified procedure — so called 'prima facie non-case' — and it is followed when the initial information contains allegations which clearly and unequivocally do not fall within the competence of OLAF. The second is the ordinary procedure, which involves the intervention of the Executive Board. In 2005, OLAF completed 774 initial assessments, of which 517 resulted in 'non-cases'. Some of these assessments were based on information received before 2005. On these 517

non-cases, 274 were decided following the ordinary procedure and 243 following the simplified procedure ('prima facie non-cases'); 257 cases were opened in 2005, of which 215 were operational cases, i.e. investigation, criminal assistance and coordination, and 42 were monitoring cases, i.e. cases where OLAF would be competent to conduct an external investigation, but a Member State or other authority was in a better position to do so, and OLAF would only carry out a follow-up of these cases.

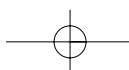


TABLE 8  
Opening decisions taken in 2005 by sector <sup>(1)</sup>

Major sectors	Coordination cases	Criminal assistance cases	External investigation cases	Internal investigation cases	Total	Monitoring	Non-cases
Agriculture	16	0	19	0	35	6	39
Anti-corruption	0	1	1	34	36	2	28
Cigarettes	3	1	0	0	4	0	2
Customs	12	0	10	0	22	2	14
Direct expenditure	0	4	23	0	27	2	41
ESTAT	0	0	8	6	14	0	15
External aid	0	2	36	0	38	12	48
Multi-agency	0	0	3	0	3	1	2
Precursors	0	0	0	0	0	0	4
Structural Funds	1	6	24	0	31	17	74
VAT	2	3	0	0	5	0	7
<b>Grand total</b>	<b>34</b>	<b>17</b>	<b>124</b>	<b>40</b>	<b>215</b>	<b>42</b>	<b>274</b>

<sup>(1)</sup> See OLAF's Annual activity report 2004 for a definition of the different types of cases (<http://europa.int/comm/anti-fraud/reports/olaf/2004/en.pdf>)

In 2005, 233 cases were closed at the end of the investigation stage, of which 133 required further measures, mainly financial recovery and judicial follow-up.

At the end of the reporting period, 224 case records registered in OLAF's case management system (CMS) were at the assessment stage, 452 cases were active (i.e. internal/external investigations, assistance or coordination cases) and 715 were in follow-up.

### Internal investigations

OLAF maintained its policy of 'zero tolerance' concerning wrongdoing within the European institutions. It examined all allegations received in this connection and opened an investigation each time this was considered necessary. During the reporting period, 40 new internal investigations opened. A total number of 81 investigations were in progress at 31 December 2005. The majority of the European Community institutions were covered by these investigations.

### Task Force Recovery in the EAGGF Guarantee Section

The Task Force Recovery (TFR), a joint OLAF/Agriculture and Rural Development DG initiative chaired by OLAF, continued its activities in 2005 in order to solve the backlog of all non-recovered amounts in cases of irregularity communicated before 1999.

In 2005, with the assistance of the TFR, the formal bilateral meetings in the clearance of account procedures with all nine Member States involved were completed in order to define the financial liability for the non-recovery for a total financial impact of approx. EUR 765 million. The TFR also processed the information on 32 'missing' cases exceeding EUR 500 000, none of which had been previously audited. The Agriculture and Rural Development DG sent 'Article 8 letters' with the proposal on financial liability for EUR 92 million to all Member States involved.

The 'SAGE' (*système automatisé de gestion et évaluation*) application for a total of around 3 250 remaining 'smaller' cases (each under EUR 500 000) from before 1999 and a non-recovered amount of around EUR 200 million



was completed by all Member States and returned to the TFR (electronic datasets and hardcopy checklists).

### **Other OLAF activities**

Community legislation requires the Member States to notify fraud and other irregularities detrimental to the Community's financial interests in all areas of its activity. As a result of the analysis of the Structural Funds audit, Regulations (EC) Nos 1681/94 (Structural Funds) and 1831/94 (Cohesion Funds) on the communication of irregularities were amended in order to ensure harmonised implementation and simplified reporting. The harmonisation will continue with amendments to the regulation on the communication of irregularities in agricultural matters.

The 'fraud-proofing' mechanism, in place since 2003, aims to use OLAF's operational experience to improve administrative practices in the European institutions and the regulatory framework. In 2005, 17 legislative and non-legislative proposals, and one standard contract (grant agreement for an action with

multiple beneficiaries), were submitted to OLAF under the fraud-proofing procedure (upstream of the inter-service consultations).

Formal customs mutual administrative assistance arrangements were concluded with Mexico and China. The Third European Union Conference of Fraud Prosecutors, organised by OLAF in Brussels on 17/18 November, was designed to keep participants informed about OLAF's proceedings and to further streamline the investigative work of the Office with a view to judicial follow-up measures. The conference highlighted two main areas: firstly, fraud affecting trade, both agricultural and commercial and, secondly, VAT fraud.

A new permanent technical infrastructure was established within the premises of OLAF to support Member States' joint customs operations. This new infrastructure will allow flexibility in the timing of operations in the future and a reduction in costs. The first joint customs operation which took place within the new infrastructure was the anti-counterfeiting operation 'FAKE', which took place in May 2005 and ended with very satisfactory results.

## 10. BORROWING AND LENDING ACTIVITIES IN 2005



### 1. BORROWING

The focus is on borrowing and lending operations included in the EU's financial balance sheet since, in addition to the measures financed by the general budget, a number of Community operations are carried out using borrowed funds. The European Communities (EC, Euratom) have developed a number of instruments which give them access to capital markets and which are used to finance various categories of loans. In addition to these loans from borrowed funds, a smaller number of loans are granted from budget appropriations.

For macro-financial assistance, one borrowing transaction of EUR 15 million was concluded in 2005; for Euratom activities outside the EU, three borrowing transactions for a total of EUR 215 million were concluded in 2005.

The funds borrowed by the Communities would be repaid from the general budget in case of default by the recipient of a loan granted by the Communities. In addition, some of the loans granted by the European In-

vestment Bank (EIB) <sup>(1)</sup> from its own resources for projects are backed by a guarantee from the general budget.

In case of default on a loan outside the EU which is granted or guaranteed by the Communities, the Guarantee Fund set up by the Council regulation of 31 October 1994, as amended, for the purpose of providing a liquidity cushion for such cases <sup>(2)</sup>, would be activated.

### 2. LENDING IN THIRD COUNTRIES

#### 2.1. Overview

Where third countries have concluded cooperation agreements with the Community, financial support takes a variety of forms depending on the geographical areas concerned and the objectives pursued.

In cases where the Community helps to restore the macroeconomic equilibrium in a particular country, this generally involves Community loans (macro-financial or balance-of-payments support). In other cases, it may involve ordinary loans in the form of either direct financing for individual projects or global loans to banking institutions, which allocate them to smaller local projects.

The Commission administers macro-financial or balance-of-payments support in accordance with the relevant Council decisions. In addition, Euratom loans are provided to Member States and certain non-member States.

<sup>(1)</sup> Details of EIB activities can be found on its website ([www.eib.org](http://www.eib.org)) and in the Bank's annual report.

<sup>(2)</sup> Under the new financial perspectives, the Commission proposed to review the provisioning mechanism of the fund (COM(2005) 130).

EIB loans supporting individual projects or global loans are administered by the EIB on its usual terms; very often, these loans are covered by a guarantee from the Community budget.

## 2.2. The Community's macro-financial assistance

This particular assistance in the form of loans is, by its very nature, exceptional and forms part of the efforts of the international community, in conjunction with the Bretton Woods institutions, to provide balance-of-payments support to certain countries grappling with transitional difficulties.

EU assistance is targeted on neighbouring regions, such as central and eastern Europe, the western Balkans, the new independent States of the former USSR and the countries of the southern Mediterranean. Disbursements are linked to the beneficiary countries meeting objectives in terms of macroeconomic stabilisation and structural reforms. The number of operations conducted each year in these circumstances is limited, and it is difficult to make valid comparisons of the assistance given from one year to the next.

As the majority of applicant countries became Member States in 2004, and as other third countries make considerable progress in terms of macroeconomic adjustment, macro-financial assistance might decrease in future.

The Balkans region currently receives macro-financial assistance from the Community, which includes a large grant element.

- *Macro-financial assistance*

No new Council decision was taken in 2005.

- *Disbursements*

Disbursements of macro-financial assistance totalled EUR 66.5 million, of which EUR

51.5 million was exclusively in the form of grants:

- assistance in the form of outright grants included EUR 3 million for Albania, EUR 1.5 million for Armenia, EUR 15 million for Bosnia and Herzegovina, EUR 25 million for Serbia and Montenegro, and EUR 7 million for Tajikistan;
- assistance in the form of loans amounted to EUR 15 million in 2005 to Serbia and Montenegro.

## 2.3. Euratom loans

Under two Council decisions, the Commission is authorised to decide on Euratom loans to Member States (1977) and to non-member States (1994). However, several of the non-member States included in the 1994 decision have since become Member States. The Commission therefore decided in 2002 to propose that the Council adopt new, consolidated rules for Euratom loans. The Council has not yet taken a decision on this proposal.

Euratom loan projects for non-member States must give priority to projects improving the level of safety and efficiency of nuclear power stations and installations in the nuclear fuel cycle which are in service or under construction. Projects may also relate to the decommissioning of installations. In 2005, one tranche of EUR 25 million was disbursed for a project in Bulgaria for which an EUR 212.5 million Euratom loan was approved in 2000; two further tranches of EUR 100 million and EUR 90 million were disbursed for a project in Romania for which an EUR 223.5 million Euratom loan was approved in 2004.

The Euratom loan for Khmel'nitsky unit 2 and Rovno unit 4 in Ukraine of the EUR equivalent of USD 83 million is expected to start to be disbursed in 2006 as are the last tranches for the Bulgarian and Romanian projects.

## 2.4. EIB loans

In 1999, the Council decided on a general renewal of the Community guarantee for EIB loans outside the EU for a period of seven years. Council Decision 2005/47/EC of 22 December 2004 amended this general mandate, taking account of the accession of 10 new Member States and the results of the mid-term review. The ceilings for each area, including amendments, are now as follows:

- south-eastern neighbours:  
EUR 9 185 million
- Mediterranean countries:  
EUR 6 520 million
- Latin America and Asia:  
EUR 2 480 million
- Republic of South Africa:  
EUR 825 million
- Turkey (Customs Union): EUR 450 million.

The overall ceiling for the guarantee is EUR 19 460 million and the Commission budget covers 65 % of that amount. The decision calls on the EIB to pursue increased risk-sharing by seeking other sources of (commercial) guarantee from its financial intermediaries where possible and sets a target rate of 30 % of the ceiling. In these cases, the Community guarantee only covers defined types of political risk, the remaining risk being covered by the EIB. This guarantee mandate will expire on 31 January 2007; it may be automatically extended by six months if the loan ceiling has

not been reached. The Community budget also covers 65 % of a maximum amount of EUR 600 million to Turkey (TERRA).

During 2006, the Commission will submit a proposal for a new EIB external lending mandate to the Parliament and Council which will cover the period of the next financial perspectives 2007–13.

The Community budget also covers 100 % of a maximum amount of EUR 100 million for certain environmental projects in the Baltic Sea basin of Russia (Northern Dimension mandate). Furthermore, Council Decision 2005/48/EC of 22 December 2004 granted a 100 % guarantee of a maximum amount of EUR 500 million to the EIB for losses on loans for certain projects in Russia, Ukraine, Moldova and Belarus. To date, following Commission Decision C(2005)1499, only Russia and Ukraine have been confirmed to have fulfilled the appropriate conditionality making them eligible under this Council decision.

During the sixth year of the general mandate, the EIB signed loan agreements for a total of EUR 2 673 million, bringing the total amount in the new mandate to EUR 17 238 million, corresponding to 89 % of the ceiling.

For the special guarantee programme TERRA, the total amount of signed loan agreements is EUR 600 million.

For the Northern Dimension mandate, the total amount of signed loan agreements at end-2005 was EUR 85 million.

TABLE 9  
EU-guaranteed mandates at 31 December 2005

(million EUR)

Mandate	Lending ceiling	Total loan signed
South-eastern neighbours	9 185	7 817
MED	6 520	6 272
ALA	2 480	1 942
RSA	825	757
Turkey SAP	450	450
TERRA	600	600
<b>Guaranteed at 65 %</b>	<b>20 060</b>	<b>17 838</b>
Northern Dimension	100	85
Russia, Ukraine, Moldova and Belarus	500	0
<b>Guaranteed at 100 %</b>	<b>600</b>	<b>85</b>

## 11. TREASURY REPORT

The treasury keeps accounts with national treasuries, central banks and commercial banks.

The treasury accounts are kept in accordance with the own resources Regulation (EC) No 1150/2000 as amended by Regulation (EC) No 2028/2004, either by the treasury (Ministry of Finance) itself, or by the central bank, and receive own resources based on value added tax (VAT) and gross national income (GNI) and traditional own resources (customs duties, agricultural duties and sugar levies).

Most of the Commission's payments for the European Agricultural Guidance and Guarantee Fund (EAGGF) and some other payments to government entities are made through these accounts.

For other payments and receipts, commercial bank accounts are used, which are selected by public tenders (at least one euro account in most of the Member States, and additional accounts in non-euro Member State currencies in some cases). In 2005, one public tender was launched. New contracts are for a maximum of four years.

Almost all payments are denominated in euro, even if paid to beneficiaries outside the European Union.

Exchange operations between the euro and other Member State currencies are, in most cases, carried out by central banks or by the treasuries (Ministry of Finance).

Commission funds which are not currently being used for payments have to be kept on the interest-free accounts with Member States' treasuries or central banks.

Once a month, transfers between the Commission's treasury and central bank accounts in different Member States are executed in order to make sure that on these accounts there is a spread of funds proportional to the Member States' contributions to the budget.

Bank accounts may not run into debit.

For its payments, the Commission uses the SWIFT network. The Commission has a SWIFT code of its own, like a bank. All payments and transfers between the Commission's accounts are sent electronically through SWIFT.

In 2005, 1.45 million payments were executed.

The balance on the treasury's accounts depends on payments and receipts, which are not spread equally over the year. This is particularly due to high EAGGF payments to Member States in January and February (more than 50 % of the respective budget). In order to have sufficient funds for these payments, the Commission is entitled to make additional calls on Member States for advances on own resources, which then have to be regularised later in the year.

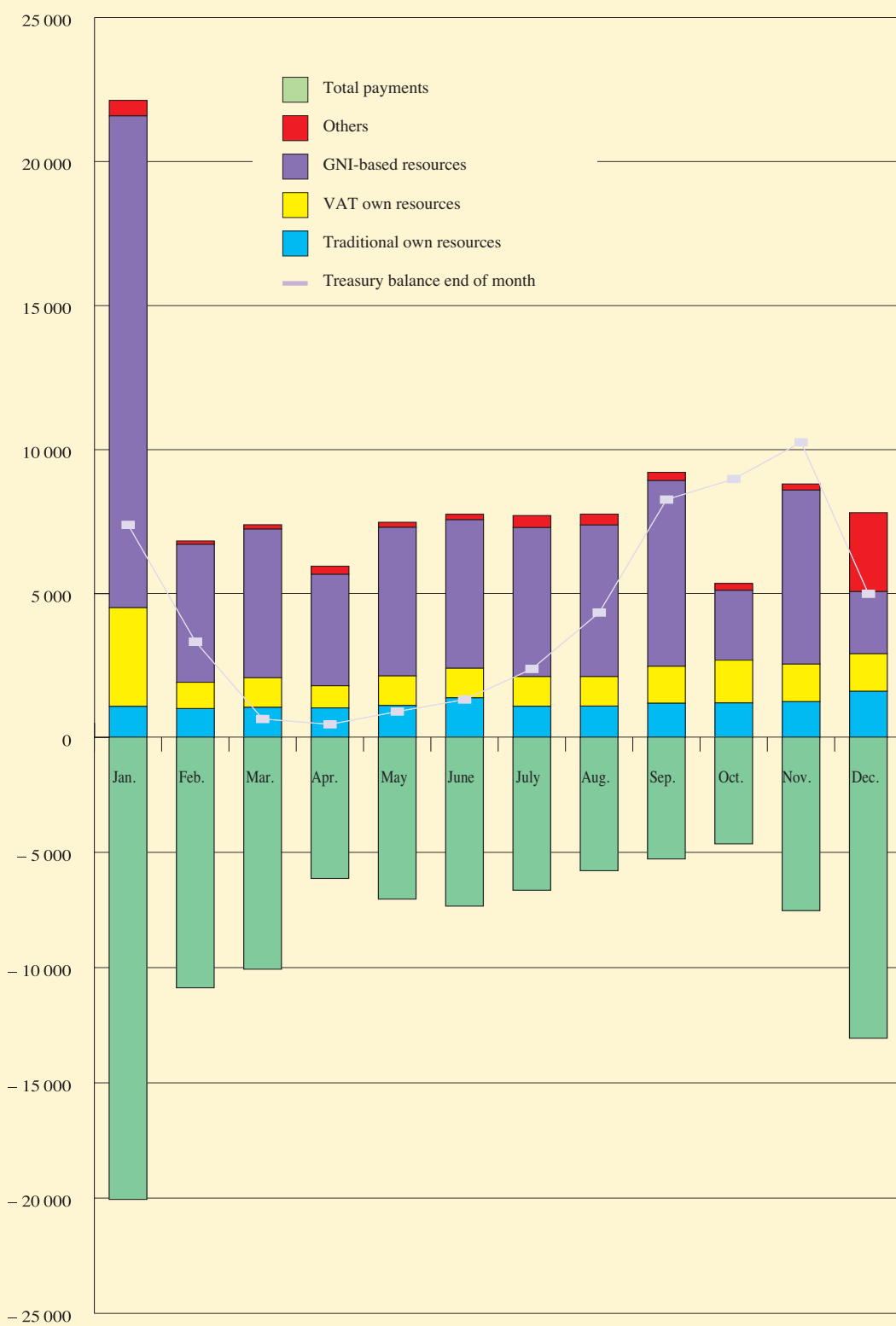
A call for advances on own resources was made in 2005 as well as in 2006.

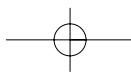
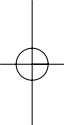
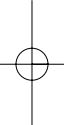
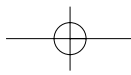
The final result of the year 2004 (EUR 2.74 billion) was refunded to Member States by way of an amending budget in 2005, reducing the own resources call-up.

Each month the treasury establishes the cash flow of the Commission, together with a forecast for the remaining months of the year.

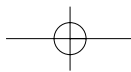
The Commission has opened special interest-bearing accounts on which it provisionally deposits fines imposed for breaches of competition regulations, which companies pay but then challenge at the European Court of Justice. Companies may choose to pay the fine immediately or to provide a bank guarantee until the Court or Court of First Instance has given its verdict. The amount deposited on these accounts at the end of 2005 totalled EUR 2 251 million.

**FIGURE 5**  
**Income, payments and treasury balance in 2005** *(per month – million EUR)*









# **ANNEX I**

## **THE BUDGET OF THE EUROPEAN UNION**

**Historical tables  
(1958–2005)**

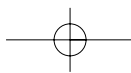
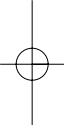
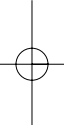


TABLE 10

## Implementation of commitments and payments as at 31st December 2005

## Provisional data

Heading	Commitments										
	Initial budget	Current reserve	Carried forward & reconstituted appropriations	Amending budget	Transfers	Earmarked revenue	Authorised appropriations without current reserve	Implementation as at date of report		Implementation as at 31.12.2004	
								Amount	%	Amount	%
	(1)	(2)	(3)	(4)	(5)	(7)	(8)=(1+3+4+5+7)	(9)	(9)/(8)	(13)	(14)
<b>1. AGRICULTURE</b>											
0501 Administrative expenditure of policy area	4.8					4.8	3.2	67%	1.9	42%	
0502 Plant products	29 134.6				356.4	29 491.0	29 469.3	100%	26 669.9	99%	
0503 Animal products	13 683.8			-446.0	-324.4	12 913.4	12 888.5	100%	11 692.4	95%	
0507 Clearance of accounts	-374.9			-169.0	-14.0	-557.9	-584.5	105%	-502.5		
0508 Policy strategy and coordination of policy area 'Agriculture'	66.0				-18.0	0.0	48.0	36.5	76%	32.9	72%
1102 Fisheries markets	33.2					33.2	28.5	86%	23.9	72%	
1701 Administrative expenditure of policy area 'Health and consumer protection'	5.2		0.5			5.7	3.7	65%			
1703 Vocational training	14.4					14.4	14.3	99%	14.3	99%	
1704 Food safety, animal health, animal welfare and plant health	268.4			-35.0		0.3	233.7	223.1	95%	346.0	99%
0504 Rural development	6 841.0		49.0			6 890.0	6 845.8	99%	6 481.9	98%	
<b>TOTAL AGRICULTURE</b>	<b>49 676.5</b>		<b>49.5</b>	<b>-650.0</b>	<b>0.0</b>	<b>0.3</b>	<b>49 076.3</b>	<b>48 928.3</b>	<b>100%</b>	<b>44 760.6</b>	<b>97%</b>
<b>2. STRUCTURAL OPERATIONS</b>											
<b>Objective 1</b>											
0402 Employment & European Social Fund	6 350.5		48.7			6 294.7	6 294.6	100%	5 765.6	99%	
0504 Rural development	3 524.7		21.5		0.0	3 621.8	3 601.8	99%	3 320.3	99%	
1106 Structural intervention for fisheries	498.6		0.3			481.4	481.4	100%	451.8	100%	
1303 European Regional Development Fund	16 909.2					16 955.8	16 955.8	100%	15 865.1	100%	
<b>Sub-total</b>	<b>27 283.1</b>		<b>70.5</b>			<b>0.0</b>	<b>27 353.7</b>	<b>27 333.6</b>	<b>100%</b>	<b>25 402.8</b>	<b>100%</b>
<b>Objective 2</b>											
0402 Employment & European Social Fund	398.6		0.5			354.0	354.0	100%	349.2	100%	
0504 Rural development											
1303 European Regional Development Fund	3 145.7		3.2			3 194.0	3 194.0	100%	3 266.0	100%	
<b>Sub-total</b>	<b>3 544.3</b>		<b>3.7</b>			<b>3 548.0</b>	<b>3 548.0</b>	<b>100%</b>	<b>3 615.2</b>	<b>100%</b>	
<b>Objective 3</b>											
0402 Employment & European Social Fund	3 911.1		33.2			3 944.2	3 944.2	100%	3 801.7	99%	
<b>Sub-total</b>	<b>3 911.1</b>		<b>33.2</b>			<b>3 944.2</b>	<b>3 944.2</b>	<b>100%</b>	<b>3 801.7</b>	<b>99%</b>	
<b>Other structural operations (outside Objective 1 regions)</b>											
0504 Rural development									0.3	100%	
1106 Structural intervention for fisheries	180.0		0.4		0.0	180.3	177.5	98%	171.8	98%	
<b>Sub-total</b>	<b>180.0</b>		<b>0.4</b>		<b>0.0</b>	<b>180.3</b>	<b>177.5</b>	<b>98%</b>	<b>172.1</b>	<b>98%</b>	
<b>Community initiatives</b>											
0402 Employment & European Social Fund	615.0		0.3			615.2	609.6	99%	572.0	99%	
0504 Rural development	401.7		1.3			403.0	398.0	99%	355.4	99%	
1106 Structural intervention for fisheries											
1303 European Regional Development Fund	1 241.9					1 241.9	1 241.9	100%	1 198.8	100%	
<b>Sub-total</b>	<b>2 258.6</b>		<b>1.5</b>			<b>2 260.0</b>	<b>2 249.4</b>	<b>100%</b>	<b>2 126.1</b>	<b>99%</b>	
<b>Innovative measures and technical assistance</b>											
0401 Administrative expenditure of policy area	13.2			-2.0		11.2	9.1	81%	7.7	59%	
0402 Employment & European Social Fund	28.6				0.4	29.1	28.7	98%	34.0	87%	
0449 Expenditure on admin. management											
0501 Administrative expenditure of policy area	3.6			-1.2		2.4	2.4	99%	1.7	70%	
0504 Rural development	0.3					0.3			0.1	100%	
0549 Expenditure on admin. management											
1101 Administrative expenditure of policy area	0.4				0.1	0.6	0.6	100%	0.9	80%	
1106 Structural intervention for fisheries	1.8				-0.1	1.7	1.1	63%	0.6	27%	
1149 Expenditure on admin. management											
1301 Administrative expenditure of policy area	13.1					13.1	11.9	91%	2.8	88%	

(million EUR)

Payments																
	Initial budget	Current reserve	Carried forward & reconstituted appropriations	Amending budget	Transfers	Earmarked revenue	Authorised appropriations without current reserve	Implementation as at date of report		Implementation as at 31.12.2004		Stock of RAL		Payments		Cumulative commitments on RAL of 1.1.2005
								Amount	%	Amount	%	As at 1.1.2005	As at date of report	On RAL prior to 2005	On 2004 commitments	
	(15)	(16)	(17)	(18)	(19)	(21)	(22)=(15+17+18+19+21)	(23)	(23)/(22)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
	4.8		1.4				6.2	1.6	26%	1.0	19%	1.4	2.7	1.0	0.6	-0.3
	29 134.6		1.6		356.4		29 492.7	29 469.7	100%	26 668.2	99%	1.6	1.2	0.4	29 469.3	
	13 683.8			-446.0	-324.4		12 913.4	12 888.5	100%	11 692.4	95%				12 888.5	
	-374.9		3.2	-169.0	-14.0		-554.7	-584.1		-505.3		3.2	2.8	2.8	-586.9	0.0
	66.0		4.3		-18.0	0.0	52.3	34.9	67%	31.5	62%	4.3	5.0	3.0	31.9	-0.9
	33.2		0.2				33.4	28.7	86%	23.8	72%	0.2	0.1	0.2	28.4	
	5.2		0.5				5.7	0.2	3%				3.6		0.2	
	14.4		13.5				27.9	13.3	48%	7.9	36%	13.5	14.5	13.1	0.2	
	268.4		323.9	-35.0		0.3	557.5	283.7	51%	282.2	45%	323.9	259.0	275.4	8.4	-4.2
	6 279.4		49.0				6 373.6	6 329.3	99%	5 377.8	97%	1 104.1	1 620.5	1 098.3	5 231.0	
	<b>49 114.9</b>		<b>397.6</b>	<b>-650.0</b>	<b>0.0</b>	<b>0.3</b>	<b>48 908.0</b>	<b>48 465.7</b>	<b>99%</b>	<b>43 579.4</b>	<b>96%</b>	<b>1 452.2</b>	<b>1 909.4</b>	<b>1 394.2</b>	<b>47 071.5</b>	<b>-5.4</b>
	4 391.1			400.2			4 945.4	4 944.7	100%	5 041.5	99%	8 831.7	10 089.5	4 419.3	525.4	-92.1
	2 641.1			475.1	89.9	0.0	2 986.0	2 986.0	100%	2 959.1	100%	5 469.4	6 035.1	2 826.0	160.0	-50.1
	332.0		37.9				407.9	406.3	100%	342.7	70%	770.4	830.1	393.5	12.8	-15.4
	12 850.6			-170.8			12 236.5	12 236.5	100%	13 660.9	100%	25 686.5	30 238.7	11 738.5	498.0	-167.2
	<b>20 214.8</b>		<b>37.9</b>	<b>704.5</b>	<b>89.9</b>	<b>0.0</b>	<b>20 575.8</b>	<b>20 573.4</b>	<b>100%</b>	<b>22 004.2</b>	<b>99%</b>	<b>40 758.0</b>	<b>47 193.4</b>	<b>19 377.3</b>	<b>1 196.2</b>	<b>-324.7</b>
	486.8			-20.0			408.8	408.8	100%	567.9	100%	1 104.1	947.8	407.7	1.0	-101.6
	10.8						17.5	17.5	100%	53.6	100%	82.1	39.9	17.5		-24.7
	3 453.8			-8.0			3 475.1	3 475.1	100%	3 689.2	100%	6 996.5	6 535.5	3 428.4	46.7	-180.0
	<b>3 951.4</b>			<b>-28.0</b>			<b>3 901.4</b>	<b>3 901.3</b>	<b>100%</b>	<b>4 310.7</b>	<b>100%</b>	<b>8 182.7</b>	<b>7 523.1</b>	<b>3 853.6</b>	<b>47.8</b>	<b>-306.3</b>
	3 505.1			127.4	200.0		3 540.3	3 540.2	100%	2 919.1	100%	8 027.6	8 318.8	3 404.7	135.5	-112.8
	<b>3 505.1</b>			<b>127.4</b>	<b>200.0</b>		<b>3 540.3</b>	<b>3 540.2</b>	<b>100%</b>	<b>2 919.1</b>	<b>100%</b>	<b>8 027.6</b>	<b>8 318.8</b>	<b>3 404.7</b>	<b>135.5</b>	<b>-112.8</b>
	30.0			30.2			190.3	190.2	100%	67.7	67%	310.4	100.9	190.2		-19.3
	220.1						139.2	109.1	78%	152.9	60%	488.9	514.4	108.2	0.9	-42.9
	<b>250.1</b>			<b>30.2</b>			<b>329.4</b>	<b>299.3</b>	<b>91%</b>	<b>220.6</b>	<b>62%</b>	<b>799.3</b>	<b>615.2</b>	<b>298.4</b>	<b>0.9</b>	<b>-62.2</b>
	366.8			20.0			588.8	586.0	100%	519.2	99%	1 393.8	1 390.7	585.3	0.7	-26.9
	214.5			93.5			395.1	392.8	99%	345.5	99%	955.3	911.6	391.5	1.4	-48.9
			5.3				5.3	0.6	12%	0.6	9%	19.7	15.8	0.6		-3.2
	692.4		5.7				1 133.1	1 130.2	100%	1 099.4	99%	3 093.4	2 932.3	1 128.4	1.8	-272.7
	<b>1 273.6</b>		<b>10.9</b>	<b>113.5</b>			<b>2 122.2</b>	<b>2 109.6</b>	<b>99%</b>	<b>1 964.7</b>	<b>99%</b>	<b>5 462.2</b>	<b>5 250.3</b>	<b>2 105.7</b>	<b>3.9</b>	<b>-351.7</b>
	13.2		2.2	-2.0			13.4	7.1	53%	5.5	42%	2.2	4.0	1.4	5.7	-0.2
	36.9			0.2		0.4	31.6	29.3	93%	24.4	74%	66.3	59.5	23.5	5.8	-6.1
			1.9				1.9	0.3	17%	1.2	32%	1.9	0.6	0.3		-1.0
	3.6		1.1	-1.2			3.5	1.6	45%	0.6	23%	1.1	1.9	0.7	0.9	
	0.1						0.1	0.0	17%	0.6	34%	0.7		0.0		-0.7
					0.2		0.2	0.1	87%	0.3	53%	0.3	0.0	0.1		-0.1
	0.4		0.6		0.1		1.2	0.7	60%	0.3	25%	0.6	0.4	0.4	0.3	-0.1
	3.9			-0.8	-0.1		2.9	0.8	28%	1.5	79%	1.8	2.0	0.8	0.1	-0.1
	0.2						0.2	0.0	6%	1.0	81%	0.2		0.0		-0.2
	13.1		0.7				13.8	5.2	38%	2.1	66%	0.7	7.3	0.7	4.6	-0.1

TABLE 10 (continued)

Heading	Commitments											
	Initial budget	Current reserve	Carried forward & reconstituted appropriations	Amending budget	Transfers	Earmarked revenue	Authorised appropriations without current reserve	Implementation as at date of report		Implementation as at 31.12.2004		
								Amount	%	Amount	%	
(1)	(2)	(3)	(4)	(5)	(7)	(8)=(1+3+4+5+7)	(9)	(9)/(8)	(13)	(14)		
1302 Policy strategy & coordination			4.1				57.6	50.7	88 %	12.8	80 %	
1303 European Regional Development Fund	53.5									25.6	73 %	
1349 Expenditure on admin. management												
<b>Sub-total</b>	<b>114.6</b>		<b>4.1</b>	<b>- 3.2</b>		<b>0.4</b>	<b>116.0</b>	<b>104.3</b>	<b>90 %</b>	<b>86.3</b>	<b>77 %</b>	
<b>Other specific structural operations</b>												
1106 Structural intervention for fisheries												
<b>Sub-total</b>												
<b>Cohesion Fund</b>												
1301 Administrative expenditure of policy area	5.5						5.5	5.0	90 %	1.2	72 %	
1304 Cohesion Fund	5 126.4		2.1				5 128.5	5 128.5	100 %	5 628.1	99 %	
<b>Sub-total</b>	<b>5 131.9</b>		<b>2.1</b>				<b>5 134.0</b>	<b>5 133.5</b>	<b>100 %</b>	<b>5 629.3</b>	<b>99 %</b>	
<b>TOTAL STRUCTURAL OPERATIONS</b>	<b>42 423.5</b>		<b>115.5</b>	<b>- 3.2</b>		<b>0.4</b>	<b>42 536.2</b>	<b>42 490.5</b>	<b>100 %</b>	<b>40 833.5</b>	<b>99 %</b>	
<b>3. INTERNAL POLICIES</b>												
<b>Other agricultural operations</b>												
0501 Administrative expenditure of policy area	0.2						0.2	0.0	9 %			
0504 Rural development	3.8						0.6	4.4	86 %	0.5	17 %	
0507 Audit of agricultural expenditure	0.8						0.2	1.0	15 %	15.7	96 %	
0508 Policy strategy & coordination of policy area	36.3		1.2				0.1	37.7	97 %	29.6	89 %	
0549 Expenditure on admin. management												
1704 Food safety, animal & plant health, animal welfare and plant health							0.0	0.0				
<b>Sub-total</b>	<b>41.1</b>		<b>1.2</b>			<b>0.9</b>	<b>43.3</b>	<b>40.4</b>	<b>93 %</b>	<b>45.7</b>	<b>87 %</b>	
<b>Other regional operations</b>												
1303 European Regional Development Fund	15.0						0.0	15.0	100 %	15.0	100 %	
<b>Sub-total</b>	<b>15.0</b>					<b>0.0</b>	<b>15.0</b>	<b>15.0</b>	<b>100 %</b>	<b>15.0</b>	<b>100 %</b>	
<b>Transport</b>												
0601 Administrative expenditure of policy area	1.9						1.9	1.1	57 %	0.9	61 %	
0602 Inland, air & maritime transport	127.0		0.7		0.8	1.8	130.2	115.4	89 %	75.6	90 %	
0607 Safety and protection of energy and transport users	4.1		0.1				4.2	3.4	82 %			
0649 Expenditure on admin. management												
<b>Sub-total</b>	<b>132.9</b>		<b>0.8</b>		<b>0.8</b>	<b>1.8</b>	<b>136.3</b>	<b>119.8</b>	<b>88 %</b>	<b>76.4</b>	<b>89 %</b>	
<b>Other measures concerning fisheries and the sea</b>												
1101 Administrative expenditure of policy area	0.4						0.4	0.4	97 %	0.3	85 %	
1104 Governance of the common fisheries policy	3.3						0.0	3.3	85 %	2.1	92 %	
1107 Fisheries conservation, control & enforcement	83.7					1.0	84.7	70.0	83 %	68.0	88 %	
1149 Expenditure on admin. management												
<b>Sub-total</b>	<b>87.4</b>					<b>1.0</b>	<b>0.0</b>	<b>88.4</b>	<b>73.1</b>	<b>83 %</b>	<b>70.3</b>	<b>88 %</b>
<b>Education, vocational training and youth</b>												
1501 Administrative expenditure of policy area	9.8					-1.8	5.3	26.1	18.2	70 %	20.4	81 %
1502 Education	391.6					1.1	91.5	484.2	443.9	92 %	382.5	92 %
1503 Vocational training	223.5					2.5	73.7	299.7	270.0	90 %	246.1	90 %
1504 Culture & language							0.2	0.2				
1505 Audiovisual policy & sport							0.0	0.0		8.1	96 %	
1507 Youth	106.7					0.3	23.8	130.8	120.4	92 %	103.6	91 %
1549 Expenditure on admin. management												
<b>Sub-total</b>	<b>731.6</b>					<b>2.0</b>	<b>194.5</b>	<b>940.9</b>	<b>852.5</b>	<b>91 %</b>	<b>760.7</b>	<b>91 %</b>
<b>Culture and audiovisual media</b>												
0901 Administrative expenditure of policy area				6.8	0.9	0.2	8.0	7.0	88 %			
0905 Audiovisual policy				87.9	0.7	22.9	111.6	106.4	95 %			
0949 Expenditure on admin. management												
1501 Administrative expenditure of policy area	26.4			-6.8	-2.4	1.5	5.1	3.6	70 %	7.9	95 %	
1504 Culture & language	31.9				1.0	5.4	38.3	36.5	95 %	37.4	92 %	
1505 Audiovisual policy & sport	87.9			-87.9						99.8	84 %	
1549 Expenditure on admin. management												
<b>Sub-total</b>	<b>146.2</b>				<b>0.2</b>	<b>30.1</b>	<b>163.0</b>	<b>153.4</b>	<b>94 %</b>	<b>145.1</b>	<b>87 %</b>	
<b>Information and communication</b>												
0102 Economic & monetary union	4.0						0.0	4.0	95 %	2.8	46 %	
1501 Administrative expenditure of policy area	1.3					-0.3	0.1	1.9	74 %	1.1	70 %	

(million EUR)

Payments												Stock of RAL		Payments		Cumulative commitments on RAL of 1.1.2005
Initial budget	Current reserve	Carried forward & reconstituted appropriations	Amending budget	Transfers	Earmarked revenue	Authorised appropriations without current reserve	Implementation as at date of report		Implementation as at 31.12.2004		As at 1.1.2005	As at date of report	On RAL prior to 2005	On 2004 commitments		
							Amount	%	Amount	%						
(15)	(16)	(17)	(18)	(19)	(21)	(22)=(15+17+18+19+21)	(23)	(23)/(22)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	
124.0			-43.8			59.3	57.9	98%	11.1	82%	215.1	201.8	54.9	3.0	-6.1	
<b>195.4</b>		<b>6.5</b>	<b>-47.6</b>	<b>0.2</b>	<b>0.4</b>	<b>128.0</b>	<b>103.1</b>	<b>81%</b>	<b>96.8</b>	<b>78%</b>	<b>291.0</b>	<b>277.5</b>	<b>82.9</b>	<b>20.2</b>	<b>-14.6</b>	
									39.6	57%	29.4	29.4				
									<b>39.6</b>	<b>57%</b>	<b>29.4</b>	<b>29.4</b>				
5.5		0.5				6.0	1.6	27%	0.7	42%	0.5	3.6	0.3	1.3	-0.2	
3 000.0		133.1	-900.0	-5.7	7.4	2 234.9	2 234.7	100%	2 642.1	95%	9 734.3	12 496.3	2 060.8	173.9	-131.8	
<b>3 005.5</b>		<b>133.6</b>	<b>-900.0</b>	<b>-5.7</b>	<b>7.4</b>	<b>2 240.9</b>	<b>2 236.3</b>	<b>100%</b>	<b>2 642.8</b>	<b>95%</b>	<b>9 734.8</b>	<b>12 499.9</b>	<b>2 061.1</b>	<b>175.2</b>	<b>-132.1</b>	
<b>32 396.0</b>		<b>189.0</b>	<b>0.0</b>	<b>284.3</b>	<b>7.8</b>	<b>32 837.9</b>	<b>32 763.2</b>	<b>100%</b>	<b>34 198.3</b>	<b>98%</b>	<b>73 284.9</b>	<b>81 707.7</b>	<b>31 183.6</b>	<b>1 579.6</b>	<b>-1 304.5</b>	
0.2						0.2						0.0				
18.2				-3.5	0.6	9.4	8.0	85%	11.4	94%	14.0	6.9	7.7	0.3	-2.9	
12.1				-0.1	0.2	12.2	12.0	99%	14.6	91%	12.7	0.8	11.9	0.1	-0.1	
36.4				-2.5	0.1	34.0	28.2	83%	23.5	90%	25.6	31.7	12.8	15.5	-2.2	
1.7					0.0	1.8			0.1	3%	1.4	1.4				
<b>68.7</b>				<b>-6.1</b>	<b>0.9</b>	<b>57.5</b>	<b>48.2</b>	<b>84%</b>	<b>49.6</b>	<b>88%</b>	<b>53.7</b>	<b>40.7</b>	<b>32.4</b>	<b>15.8</b>	<b>-5.2</b>	
6.0					9.0	0.0	15.0	100%	15.0	38%	15.0	15.0	15.0			
<b>6.0</b>					<b>9.0</b>	<b>0.0</b>	<b>15.0</b>	<b>100%</b>	<b>15.0</b>	<b>38%</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>			
1.9		0.7				2.6	1.0	37%	0.1	9%	0.7	0.7	0.6	0.4	-0.1	
105.3				-6.9	1.5	99.9	65.5	66%	41.4	75%	76.1	122.2	21.9	43.5	-3.8	
3.7				-0.5		3.2	2.4	76%			2.9	3.9	1.8	0.6		
<b>110.8</b>		<b>0.7</b>		<b>-7.4</b>	<b>1.5</b>	<b>105.7</b>	<b>68.8</b>	<b>65%</b>	<b>42.0</b>	<b>73%</b>	<b>79.7</b>	<b>126.7</b>	<b>24.3</b>	<b>44.5</b>	<b>-4.0</b>	
0.4		0.1				0.4	0.2	43%	0.2	65%	0.1	0.3	0.1	0.2		
3.3				-0.5	0.0	2.8	1.5	52%	1.4	63%	1.4	2.4	0.7	0.8	-0.4	
88.3				-18.7		69.6	37.9	54%	36.7	64%	150.7	170.5	23.4	14.6	-12.2	
<b>92.0</b>		<b>0.1</b>		<b>-19.2</b>	<b>0.0</b>	<b>72.9</b>	<b>39.6</b>	<b>54%</b>	<b>38.3</b>	<b>64%</b>	<b>152.2</b>	<b>173.2</b>	<b>24.1</b>	<b>15.5</b>	<b>-12.6</b>	
9.8		13.1		-1.8	6.6	40.5	18.6	46%	7.2	27%	14.5	13.7	10.8	7.8	-0.4	
358.0				26.1	98.5	482.0	430.0	89%	363.0	88%	173.2	178.2	65.1	364.9	-8.9	
203.3				21.0	75.1	299.4	260.4	87%	246.8	88%	256.0	202.9	96.9	163.5	-62.6	
0.1					0.2	0.2			0.0	4%	0.4	0.4		0.0		
4.7				-1.7	0.1	3.1	2.2	69%	6.6	89%	4.7	2.4	2.2		-0.2	
91.9				4.1	30.3	126.2	105.7	84%	94.2	84%	80.7	92.0	30.1	75.6	-3.4	
1.1					0.0	1.1	0.8	71%	9.4	86%	3.9	2.7	0.8		-0.5	
<b>668.7</b>		<b>13.1</b>		<b>47.6</b>	<b>210.8</b>	<b>952.4</b>	<b>817.6</b>	<b>86%</b>	<b>727.3</b>	<b>86%</b>	<b>533.4</b>	<b>492.3</b>	<b>205.8</b>	<b>611.9</b>	<b>-76.1</b>	
		3.3	6.8	0.9	0.4	11.5	9.5	83%			3.6	1.1	3.2	6.3		
			84.2	-17.6	39.9	106.6	98.3	92%			121.5	122.8	64.1	34.2	-6.8	
			0.2			0.2	0.1	87%			0.7	0.6	0.1			
26.4		0.6	-6.8	-2.4	1.7	5.9	1.6	27%	3.8	44%	0.8	2.8	0.5	1.1	-0.1	
26.4				4.0	7.1	36.9	32.1	87%	40.7	87%	39.0	38.8	11.8	20.3	-4.5	
84.2			-84.2						78.8	69%						
0.2			-0.2			0.1	0.0	40%	3.3	89%	0.4	0.2	0.0		-0.2	
<b>137.2</b>		<b>3.9</b>	<b>0.0</b>	<b>-15.1</b>	<b>49.1</b>	<b>161.0</b>	<b>141.7</b>	<b>88%</b>	<b>126.6</b>	<b>73%</b>	<b>166.1</b>	<b>166.3</b>	<b>79.7</b>	<b>61.9</b>	<b>-11.6</b>	
2.0					1.0	0.0	3.0	85%	1.7	40%	1.9	2.6	1.3	1.3	-0.5	
1.3		0.4		-0.3	0.1	2.3	1.0	45%	0.7	46%	0.4	0.7	0.3	0.7	-0.1	

TABLE 10 (continued)

Heading	Commitments										
	Initial budget	Current reserve	Carried forward & reconstituted appropriations	Amending budget	Transfers	Earmarked revenue	Authorised appropriations without current reserve	Implementation as at date of report		Implementation as at 31.12.2004	
								Amount	%	Amount	%
(1)	(2)	(3)	(4)	(5)	(7)	(8)=(1+3+4+5+7)	(9)	(9)/(8)	(13)	(14)	
1502 Education	3.6					0.2	3.8	3.6	94%	3.1	78%
1506 Dialogue with the citizens	11.6				0.3	0.2	12.1	9.4	78%	5.1	89%
1549 Expenditure on admin. management											
1601 Administrative expenditure of policy area	4.5						4.5	3.1	69%	2.1	48%
1602 Provision of information to the media	11.6					0.0	11.6	11.1	95%	11.0	86%
1603 Analysis of public opinion trends	16.7				1.0	0.1	17.8	15.8	89%	12.4	74%
1604 Integrated management of means of communication	15.4					0.0	15.4	12.3	80%	12.8	71%
1605 Coordination of information relays and networks	19.6				-1.0	0.0	18.6	17.8	95%	9.0	52%
1649 Expenditure on admin. management											
1808 Policy strategy & coordination	5.0						5.0	3.6	72%	3.0	100%
1911 Policy strategy & coordination	2.8				1.2		4.0	3.6	90%		
2204 Information & communication strategy	5.6				2.4	0.1	8.1	8.0	99%	15.5	93%
2503 Governance & institutional development	9.0						9.0	7.0	77%	4.3	96%
<b>Sub-total</b>	<b>110.7</b>				<b>3.6</b>	<b>0.9</b>	<b>115.8</b>	<b>100.4</b>	<b>87%</b>	<b>82.3</b>	<b>74%</b>
<b>Social dimension and employment</b>											
0401 Administrative expenditure of policy area	3.4					0.0	3.4	3.0	88%	2.0	62%
0402 Employment & European Social Fund	17.0					1.0	18.0	16.2	90%	16.3	91%
0403 Work organisations & working conditions	73.7					2.2	76.0	72.8	96%	66.6	95%
0404 Promoting an inclusive society	26.7		0.2			1.7	28.5	26.6	93%	27.0	92%
0405 Equal opportunities for women & men	11.0					1.9	12.9	10.5	82%	10.9	87%
0449 Expenditure on admin. management											
1701 Administrative expenditure of policy area	7.6				-4.0	0.2	3.7	3.5	94%	3.7	89%
1703 Public health	56.1				4.0	6.8	66.9	58.7	88%	57.2	94%
1704 Food safety, animal & plant health, animal welfare and plant health	36.7					2.0	38.7	36.7	95%	29.1	99%
1749 Expenditure on admin. management											
2601 Administrative expenditure of policy area											
<b>Sub-total</b>	<b>232.1</b>		<b>0.2</b>			<b>15.7</b>	<b>248.0</b>	<b>228.0</b>	<b>92%</b>	<b>212.9</b>	<b>94%</b>
<b>Contributions to European political parties</b>											
2502 Relations with civil society, openness & information											
<b>Sub-total</b>											
<b>Energy</b>											
0601 Administrative expenditure of policy area	5.8				-1.0	0.1	4.9	3.9	79%	1.3	40%
0604 Conventional & renewable energies	54.9				1.0	3.8	59.7	57.0	96%	64.0	96%
0605 Nuclear energy	139.0						139.0	139.0	100%	138.0	100%
0649 Expenditure on admin. management											
<b>Sub-total</b>	<b>199.7</b>					<b>3.9</b>	<b>203.6</b>	<b>199.9</b>	<b>98%</b>	<b>203.3</b>	<b>93%</b>
<b>Euratom nuclear safeguards</b>											
0601 Administrative expenditure of policy area	0.7						0.7	0.1	19%	0.0	10%
0605 Nuclear energy	19.6					0.1	19.7	19.1	97%	16.0	70%
0607 Safety and protection of energy and transport users	4.1						4.1	1.3	31%		
0649 Expenditure on admin. management											
<b>Sub-total</b>	<b>24.4</b>					<b>0.1</b>	<b>24.4</b>	<b>20.5</b>	<b>84%</b>	<b>16.0</b>	<b>69%</b>
<b>Environment</b>											
0601 Administrative expenditure of policy area	0.3						0.3	0.0	13%	0.0	7%
0605 Nuclear energy										0.3	42%
0607 Safety and protection of energy and transport users	1.1						1.1	0.1	5%		
0701 Administrative expenditure of policy area	13.7					0.4	14.1	12.0	85%	12.3	89%
0703 Environmental programmes & projects	168.0	0.4			2.0	8.9	178.9	172.9	97%	198.6	96%
0704 Implementation of environment policy	44.4					8.1	52.5	50.6	96%	40.8	92%
0705 Development of new policy initiatives	7.0					0.2	7.2	5.9	81%	6.6	78%
0749 Expenditure on admin. management											
1005 Historical liabilities resulting from nuclear activities	66.9					0.1	67.0	47.9	72%	15.9	99%
<b>Sub-total</b>	<b>301.4</b>	<b>0.4</b>			<b>2.0</b>	<b>17.6</b>	<b>321.1</b>	<b>289.4</b>	<b>90%</b>	<b>274.5</b>	<b>94%</b>
<b>Consumer policy and consumer health protection</b>											
1701 Administrative expenditure of policy area	1.1					0.0	1.2	1.1	97%	1.0	85%
1702 Consumer policy	19.1		0.8			0.9	20.8	19.8	95%	17.5	89%
1749 Expenditure on admin. management											
<b>Sub-total</b>	<b>20.2</b>		<b>0.8</b>			<b>0.9</b>	<b>22.0</b>	<b>20.9</b>	<b>95%</b>	<b>18.5</b>	<b>89%</b>

(million EUR)

Payments																
	Initial budget	Current reserve	Carried forward & reconstituted appropriations	Amending budget	Transfers	Earmarked revenue	Authorised appropriations without current reserve	Implementation as at date of report		Implementation as at 31.12.2004		Stock of RAL		Payments		Cumulative commitments on RAL of 1.1.2005
								Amount	%	Amount	%	As at 1.1.2005	As at date of report	On RAL prior to 2005	On 2004 commitments	
(15)	(16)	(17)	(18)	(19)	(21)	(22)=(15+17+18+19+21)	(23)	(23)/(22)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	
	3.2					0.2	4.4	3.7	83%	3.8	97%	3.9	3.7	0.9	2.8	0.0
	8.4				0.3	0.2	9.0	7.2	80%	6.0	82%	4.4	6.0	1.5	5.7	-0.6
	0.1						0.1	0.0	80%	0.4	80%	0.2	0.2	0.0	0.0	
	4.5		1.8				6.3	2.4	38%	0.3	7%	1.8	2.4	1.6	0.8	-0.1
	11.2				6.7	0.0	17.9	12.7	71%	9.9	89%	14.0	11.0	8.0	4.7	-1.3
	14.5				1.4	0.0	15.9	12.6	79%	13.5	95%	6.1	7.8	3.8	8.7	-1.5
	12.8				-1.4	0.0	11.5	9.4	82%	9.1	70%	6.6	9.2	5.3	4.2	-0.3
	15.7				-2.2	0.0	13.5	9.3	69%	8.3	69%	4.8	13.1	1.0	8.3	-0.1
											56%	0.0				0.0
	5.0				-1.4		3.6	2.3	64%	2.8	79%	1.7	2.6	0.8	1.6	-0.3
	1.8				0.5		2.3	1.8	81%			3.3	5.0	1.7	0.2	0.0
	11.1				4.9	0.1	16.1	15.4	96%	8.5	62%	23.6	15.0	15.2	0.2	-1.2
	7.2		3.6		-1.5		9.3	7.2	77%	5.9	59%	3.9	3.3	2.9	4.3	-0.4
	<b>98.6</b>		<b>5.8</b>		<b>8.0</b>	<b>0.7</b>	<b>115.1</b>	<b>87.7</b>	<b>76%</b>	<b>72.4</b>	<b>71%</b>	<b>76.6</b>	<b>82.9</b>	<b>44.4</b>	<b>43.4</b>	<b>-6.4</b>
	3.4		1.2			0.0	4.7	2.0	42%	0.7	22%	1.3	2.2	0.9	1.1	-0.1
	14.4					0.9	15.3	12.1	79%	15.3	92%	12.2	10.1	4.8	7.3	-6.2
	71.7				-5.0	2.3	69.0	65.4	95%	55.0	82%	36.4	35.8	13.8	51.6	-8.0
	29.2					2.4	31.1	28.3	91%	15.0	76%	37.0	33.2	19.6	8.7	-2.1
	11.0					1.7	12.7	10.3	81%	7.8	77%	16.1	15.1	6.8	3.4	-1.3
			0.8				0.8	0.5	61%	1.2	54%	0.8	0.1	0.5		-0.2
	7.6		2.9		-4.0	0.2	6.7	3.0	45%	0.7	17%	3.0	3.5	2.4	0.5	
	56.7				-13.3	8.8	52.2	38.6	74%	26.2	60%	114.4	125.7	31.3	7.4	-8.8
	35.9					2.0	37.9	31.3	83%	22.6	99%	9.3	14.2		31.3	-0.5
	0.1						0.1	0.1	57%	0.7	24%	0.8	0.3	0.1		-0.4
	<b>229.9</b>		<b>5.0</b>		<b>-22.3</b>	<b>18.1</b>	<b>230.4</b>	<b>191.5</b>	<b>83%</b>	<b>145.2</b>	<b>73%</b>	<b>231.2</b>	<b>240.1</b>	<b>80.3</b>	<b>111.3</b>	<b>-27.5</b>
	5.8		0.6		-1.0	0.1	5.5	3.7	66%	0.6	19%	0.6	0.7	0.4	3.2	-0.1
	35.5				-12.7	5.9	28.9	22.0	76%	17.3	69%	135.1	168.1	20.5	1.5	-2.1
	139.1				-87.5		51.6	51.4	100%	51.3	37%	87.3	175.0	4.1	47.3	
	0.1						0.1	0.1	90%	0.3	71%	0.1		0.1		
	<b>180.6</b>		<b>0.6</b>		<b>-101.2</b>	<b>6.0</b>	<b>86.1</b>	<b>77.1</b>	<b>90%</b>	<b>69.5</b>	<b>64%</b>	<b>223.2</b>	<b>343.7</b>	<b>25.1</b>	<b>52.0</b>	<b>-2.2</b>
	0.7		0.0				0.7	0.0	3%			0.0	0.1		0.0	0.0
	20.0				-6.5	0.1	13.6	11.6	85%	10.9	54%	16.6	19.0	6.4	5.2	-5.1
	1.9				-0.4		1.5	1.2	77%			2.2	2.3	1.0	0.1	
	<b>22.6</b>		<b>0.0</b>		<b>-6.9</b>	<b>0.1</b>	<b>15.8</b>	<b>12.8</b>	<b>81%</b>	<b>11.0</b>	<b>53%</b>	<b>18.8</b>	<b>21.4</b>	<b>7.4</b>	<b>5.4</b>	<b>-5.2</b>
	0.3		0.0				0.3	0.0	6%			0.0	0.0	0.0		0.0
	0.7				-0.5		0.2	0.1	35%			0.3	0.2	0.1		-0.1
	13.7		8.7			0.3	22.8	10.9	48%	3.5	25%	8.8	9.1	7.8	3.1	-0.8
	158.5	0.2	14.9		-26.7	13.0	159.7	128.0	80%	118.4	65%	358.0	382.8	73.7	54.2	-20.3
	42.4		0.4		-3.2	8.1	47.7	44.1	92%	38.0	93%	17.8	22.9	11.3	32.7	-1.4
	9.0					0.2	9.2	5.2	57%	5.2	89%	11.4	11.9	4.7	0.5	-0.1
	6.2				-4.1		2.1	1.5	73%	8.6	97%	2.4	0.4	1.5		-0.5
	30.2				-9.8	0.0	20.4	17.9	88%	12.3	94%	20.1	48.8	9.2	8.7	-1.3
	<b>261.0</b>	<b>0.2</b>	<b>24.0</b>		<b>-44.3</b>	<b>21.6</b>	<b>262.4</b>	<b>207.7</b>	<b>79%</b>	<b>186.1</b>	<b>70%</b>	<b>418.8</b>	<b>476.0</b>	<b>108.4</b>	<b>99.3</b>	<b>-24.5</b>
	1.1		0.9			0.0	2.0	0.9	43%	0.1	10%	0.9	1.1	0.7	0.2	
	20.0					0.9	20.9	19.8	95%	15.5	81%	27.5	27.0	17.4	2.5	-0.5
	0.2						0.1	0.0	57%	0.6	93%	0.1	0.0	0.0		
	<b>21.3</b>		<b>0.9</b>			<b>0.9</b>	<b>23.0</b>	<b>20.7</b>	<b>90%</b>	<b>16.2</b>	<b>77%</b>	<b>28.5</b>	<b>28.1</b>	<b>18.1</b>	<b>2.7</b>	<b>-0.5</b>





(million EUR)

Payments															Stock of RAL		Payments		Cumulative commitments on RAL of 1.1.2005
Initial budget	Current reserve	Carried forward & reconstituted appropriations	Amending budget	Transfers	Earmarked revenue	Authorised appropriations without current reserve	Implementation as at date of report		Implementation as at 31.12.2004		As at 1.1.2005	As at date of report	On RAL prior to 2005	On 2004 commitments	(33)				
							Amount	%	Amount	%									
(15)	(16)	(17)	(18)	(19)	(21)	(22)=(15+17+18+19+21)	(23)	(23)/(22)	(27)	(28)	(29)	(30)	(31)	(32)	(33)				
0.2						0.2	0.2	100%	0.3	100%				0.2					
<b>0.2</b>						<b>0.2</b>	<b>0.2</b>	<b>100%</b>	<b>0.3</b>	<b>100%</b>				<b>0.2</b>					
2.7		2.0				4.7	1.6	34%	0.1	5%	2.0	2.4	1.1	0.5	0.0				
					0.0	0.0					0.4	0.1			-0.3				
65.0				-8.0	9.3	66.2	53.2	80%	47.3	78%	37.8	37.6	12.6	40.6	-5.4				
15.5				-7.0	0.3	8.8	6.0	69%	4.6	69%	4.7	4.4	2.9	3.1	-0.4				
			8.0		0.1	8.1	7.6	94%			5.6	13.3	2.4	5.2					
0.9					0.9	0.9	0.2	18%	2.0	84%	0.3	0.0	0.2		-0.1				
0.8					0.0	0.8	0.2	19%	0.2	24%	0.3	0.7	0.1	0.1					
8.0			-8.0						9.4	94%									
0.9		0.3		0.9	0.0	2.2	0.6	27%	0.5	48%	0.3	0.9	0.2	0.3	0.0				
3.2				-0.9	2.3	1.8	1.8	80%	2.7	78%	2.5	3.2	1.1	0.7	-0.3				
34.1	6.5				3.2	37.3	29.8	80%	26.5	75%	57.1	67.0	24.4	5.4	-0.5				
									0.1	20%	0.1	0.1			0.0				
2.1		0.9			0.1	3.1	0.7	23%			1.0	1.8	0.7	0.1	0.0				
9.4				-4.8	0.2	4.7	4.5	95%	2.7	36%	7.4	8.1	4.0	0.6	-0.4				
				0.2		0.2	0.2	100%	0.7	45%	0.5	0.1	0.2		-0.2				
0.3		0.0			0.0	0.3	0.0	4%			0.0	0.0	0.0						
3.5				-1.9	1.6	1.1	1.1	70%	0.5	30%	1.9	2.1	1.0	0.1					
29.8				-8.0	0.6	22.4	18.8	84%	19.0	80%	28.2	28.2	14.8	4.0	-4.7				
18.9				-4.9	0.3	14.2	11.6	82%	9.0	81%	16.6	21.9	7.1	4.6	-2.4				
									0.0	44%	0.1				-0.1				
1.4				-0.2	1.2	0.7	0.7	56%	0.7	49%	1.1	1.2	0.6	0.1	-0.1				
17.0				-2.5	14.5	7.0	17.3	96%	17.3	96%	14.4	10.0	7.0		-1.4				
34.0				-1.2	2.3	35.1	25.4	72%	20.9	92%	16.2	9.9	14.8	10.6	-0.4				
<b>247.3</b>	<b>6.5</b>	<b>3.3</b>		<b>-38.4</b>	<b>16.2</b>	<b>228.4</b>	<b>170.9</b>	<b>75%</b>	<b>164.1</b>	<b>77%</b>	<b>198.5</b>	<b>212.9</b>	<b>95.1</b>	<b>75.9</b>	<b>-16.7</b>				
					52.2	52.2	47.4	91%	39.4	79%	79.3	89.3	25.2	22.1					
					<b>52.2</b>	<b>52.2</b>	<b>47.4</b>	<b>91%</b>	<b>41.5</b>	<b>80%</b>	<b>79.4</b>	<b>89.3</b>	<b>25.2</b>	<b>22.1</b>	<b>-0.1</b>				
76.8				5.0	7.0	88.7	88.5	100%	79.9	96%	232.8	226.3	85.8	2.7	-8.0				
7.1		2.7			2.7	12.5	6.2	50%	3.9	44%	3.3	4.4	1.7	4.6	-0.1				
36.8				-5.0	9.6	41.4	25.4	61%	22.1	61%	37.9	38.9	17.3	8.2	-1.4				
0.5					0.0	0.5	0.1	27%	1.2	60%	0.8	0.6	0.1		-0.1				
2.0		0.7			0.1	2.8	1.3	47%	0.6	33%	0.7	1.2	0.6	0.8	-0.1				
14.0				-1.4	1.4	14.0	8.9	63%	7.4	40%	12.8	14.9	6.3	2.6	-1.4				
		0.4			0.4	0.4	0.4	100%	1.2	72%	0.8		0.4		-0.4				
<b>137.2</b>		<b>3.8</b>		<b>-1.4</b>	<b>20.8</b>	<b>160.3</b>	<b>130.9</b>	<b>82%</b>	<b>116.1</b>	<b>76%</b>	<b>289.0</b>	<b>286.1</b>	<b>112.1</b>	<b>18.8</b>	<b>-11.4</b>				
0.3						0.7	0.6	97%			0.7	0.0	0.6						
4.1		0.8			0.1	5.0	2.4	49%	2.3	63%	0.8	2.0	0.2	2.3					
33.8					6.4	40.2	25.6	64%	20.7	67%	40.9	46.8	22.0	3.6	-2.2				
									0.2	69%	0.1	0.1							
<b>38.2</b>		<b>0.8</b>			<b>6.4</b>	<b>45.8</b>	<b>28.7</b>	<b>63%</b>	<b>23.2</b>	<b>66%</b>	<b>42.4</b>	<b>48.9</b>	<b>22.8</b>	<b>5.9</b>	<b>-2.2</b>				
0.8		0.3			0.4	1.4	0.2	17%	0.2	16%	0.3	0.4	0.2	0.1	-0.1				
29.0				-4.0	2.2	27.2	20.6	76%	19.7	71%	30.2	22.0	20.6		-0.9				
									0.3	49%	0.2	0.1			-0.1				
4.1		3.0			7.1	3.3	46%	9%	0.4	9%	3.0	3.0	2.7	0.6	-0.1				
692.1				65.2	0.0	757.3	757.0	100%	594.3	95%	1 305.0	1 214.6	544.3	212.7	-29.5				
1.0				-0.4	0.7	0.5	0.5	83%	2.5	87%	0.6	0.0	0.5		0.0				



(million EUR)

Payments												Stock of RAL		Payments		Cumulative commitments on RAL of 1.1.2005
Initial budget	Current reserve	Carried forward & reconstituted appropriations	Amending budget	Transfers	Earmarked revenue	Authorised appropriations without current reserve	Implementation as at date of report		Implementation as at 31.12.2004		As at 1.1.2005	As at date of report	On RAL prior to 2005	On 2004 commitments		
							Amount	%	Amount	%						
(15)	(16)	(17)	(18)	(19)	(21)	(22)=(15+17+18+19+21)	(23)	(23)/(22)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	
0.6		0.1				0.7	0.5	61%	0.4	62%	0.1	0.3	0.0	0.4	0.0	
36.5				-6.0	0.4	30.9	29.0	94%	24.4	76%	90.0	105.7	28.9	0.1	-0.8	
									0.2	53%	0.0	0.0			0.0	
0.6		0.1			0.1	0.8	0.1	18%	0.0	3%	0.1	0.5	0.1	0.1		
10.2				-1.9	0.2	8.4	5.2	61%	5.9	75%	9.8	9.8	4.7	0.5	-0.7	
									0.0	12%	0.1	0.1				
<b>774.8</b>		<b>3.5</b>		<b>52.9</b>	<b>3.2</b>	<b>834.5</b>	<b>816.4</b>	<b>98%</b>	<b>648.2</b>	<b>92%</b>	<b>1 439.4</b>	<b>1 356.5</b>	<b>601.9</b>	<b>214.5</b>	<b>-32.2</b>	
1.2		0.5			0.0	1.7	0.7	38%	0.2	14%	0.5	0.9	0.5	0.2	0.0	
29.3			-8.2	-1.6	1.7	21.1	18.6	88%	24.9	79%	19.3	18.8	11.2	7.4	-2.1	
		0.1				0.1	0.0	44%	0.5	84%	0.2	0.0	0.0		-0.1	
		0.0		0.2		0.2	0.0	9%	0.1	35%	0.0	0.2			0.0	
5.6	1.9			-2.0	0.1	3.7	3.6	98%	7.3	82%	12.6	18.0	3.4	0.2	-0.6	
									0.4	83%	0.0	0.0			0.0	
2.2	0.2	0.5			0.0	2.8	0.8	29%	0.4	20%	0.5	1.5	0.2	0.6		
13.0				6.2		19.2	11.2	58%	6.5	100%	6.5	13.6		11.2		
75.2				-15.0	2.3	62.4	12.7	20%	37.1	49%	101.3	150.6	12.7		-13.9	
14.6			8.2	-1.0	0.2	22.0	14.9	68%	2.8	25%	19.0	24.2	6.5	8.4	-0.5	
26.4	3.0	2.0			0.5	28.8	11.9	41%	7.5	34%	23.3	37.2	6.2	5.7	-2.8	
18.9					1.3	20.2	16.7	83%	11.3	78%	6.2	7.8	2.7	14.0	-0.7	
12.0		0.3			3.0	15.3	12.1	79%	11.9	85%	0.3	0.2	0.1	12.0		
7.3	1.5	8.2		3.9	0.1	19.4	4.6	24%	0.8	8%	20.6	44.8	4.5	0.1	-0.3	
0.5						0.5	0.2	36%	0.7	56%	0.7	0.1	0.2		-0.5	
8.1				-4.4		3.7	3.7	100%	4.7	47%	14.4	17.7	3.7			
2.6		0.0			0.1	2.7	0.9	32%	0.6	75%	0.0	0.5	0.0	0.9		
				1.2		2.1	2.1	100%	1.5	100%	1.0	0.4	0.8	1.4		
18.6				-8.0		10.6	7.4	70%	0.0	0%	14.2	14.8	5.0	2.4		
<b>235.3</b>	<b>6.6</b>	<b>11.6</b>	<b>0.0</b>	<b>-20.6</b>	<b>9.3</b>	<b>236.4</b>	<b>121.9</b>	<b>52%</b>	<b>119.1</b>	<b>55%</b>	<b>240.5</b>	<b>351.1</b>	<b>57.6</b>	<b>64.3</b>	<b>-21.6</b>	
8.5				3.4		11.9	9.3	78%	5.4	50%	10.8	11.1	6.1	3.2	-1.4	
<b>8.5</b>				<b>3.4</b>		<b>11.9</b>	<b>9.3</b>	<b>78%</b>	<b>5.4</b>	<b>50%</b>	<b>10.8</b>	<b>11.1</b>	<b>6.1</b>	<b>3.2</b>	<b>-1.4</b>	
2.0						2.0										
73.0						73.0	50.1	69%			189.6	259.5	43.8	6.4		
<b>75.0</b>						<b>75.0</b>	<b>50.1</b>	<b>67%</b>			<b>189.6</b>	<b>259.5</b>	<b>43.8</b>	<b>6.4</b>		
336.0						336.0	335.9	100%	316.2	100%				335.9		
<b>336.0</b>						<b>336.0</b>	<b>335.9</b>	<b>100%</b>	<b>316.2</b>	<b>100%</b>				<b>335.9</b>		
				92.9	5.7	98.6	5.7	6%	77.2	58%				5.7		
				<b>92.9</b>	<b>5.7</b>	<b>98.6</b>	<b>5.7</b>	<b>6%</b>	<b>77.2</b>	<b>58%</b>				<b>5.7</b>		

TABLE 10 (continued)

Heading	Commitments										
	Initial budget	Current reserve	Carried forward & reconstituted appropriations	Amending budget	Transfers	Earmarked revenue	Authorised appropriations without current reserve	Implementation as at date of report		Implementation as at 31.12.2004	
								Amount	%	Amount	%
(1)	(2)	(3)	(4)	(5)	(7)	(8)=(1+3+4+5+7)	(9)	(9)/(8)	(13)	(14)	
<b>Research and technological development</b>											
0201 Administrative expenditure of policy area	6.2			3.8	-0.5	0.2	9.6	8.5	88 %	5.7	98 %
0203 Research — promoting innovation & change	69.4		0.5	36.6	0.5	11.6	111.1	103.4	93 %	61.3	86 %
0249 Expenditure on admin. management											
0601 Administrative expenditure of policy area	13.3				-1.9	0.2	11.7	11.2	96 %	10.9	97 %
0606 Research related to energy & transport	229.0		13.4		1.9	37.2	280.2	250.4	89 %	234.8	86 %
0649 Expenditure on admin. management											
0801 Administrative expenditure of policy area	189.5			-3.8	-8.9	3.3	180.1	179.9	100 %	181.8	100 %
0802 Genomics & biotechnology for health	621.4					13.1	634.5	634.5	100 %	634.9	100 %
0803 Nanotechnologies, intelligent materials, new production processes & devices	353.3					7.5	360.8	360.8	100 %	344.9	100 %
0804 Aeronautics & space	240.5			-36.6		4.3	208.2	208.2	100 %	228.5	100 %
0805 Food quality & safety	186.2					3.9	190.1	190.1	100 %	181.5	100 %
0806 Sustainable dev. global change & ecosystem	421.0					8.9	429.9	429.9	100 %	409.9	100 %
0807 Citizens & governance in a knowledge-based society	61.1					1.3	62.4	62.4	100 %	59.7	100 %
0808 Specific measures covering a wider field of research	324.6					7.8	332.4	331.5	100 %	322.1	100 %
0809 Strengthening the foundations of the European research area	83.1					1.8	85.9	85.9	100 %	77.1	100 %
0810 Structuring the European research area	582.4				8.9	12.7	610.5	610.4	100 %	565.3	100 %
0811 Research & training actions under the Euratom Treaty	229.8						229.8	229.8	100 %	221.0	100 %
0812 Completion of previous framework programmes						344.6	344.6	212.9	62 %	168.7	55 %
0849 Expenditure on admin. management											
0901 Administrative expenditure of policy area	79.5				-3.5	1.6	77.6	76.3	98 %	72.2	99 %
0904 Research & technological development	1 040.0				3.5	159.9	1 203.4	1 154.7	96 %	1 032.5	93 %
0949 Expenditure on admin. management											
1001 Administrative expenditure of policy area	262.4					28.9	291.3	287.7	99 %	258.8	99 %
1002 Sixth framework prog. — EC	29.5					69.2	98.7	39.3	40 %	34.7	44 %
1003 Sixth framework prog. — Euratom	7.0					9.2	16.2	9.0	56 %	7.8	69 %
1004 Completion of previous framework programmes						149.0	149.0	8.8	6 %	10.8	7 %
1049 Expenditure on admin. management											
1101 Administrative expenditure of policy area	1.5					0.0	1.5	1.2	77 %	1.4	77 %
1105 Fisheries research	16.3					3.3	20.8	18.9	91 %	12.1	85 %
1149 Expenditure on admin. management											
<b>Sub-total</b>	<b>5 047.0</b>		<b>13.9</b>			<b>879.5</b>	<b>5 940.3</b>	<b>5 505.8</b>	<b>93 %</b>	<b>5 138.3</b>	<b>92 %</b>
<b>TOTAL INTERNAL POLICIES</b>	<b>8 980.8</b>	<b>3.6</b>	<b>35.4</b>	<b>98.6</b>	<b>67.7</b>	<b>1 254.7</b>	<b>10 437.0</b>	<b>9 548.2</b>	<b>91 %</b>	<b>9 009.3</b>	<b>92 %</b>
<b>4. EXTERNAL ACTION</b>											
<b>Food aid and support operations</b>											
2101 Administrative expenditure of policy area	19.7				-1.0	2.7	21.4	14.9	70 %	11.1	75 %
2102 Development cooperation policy & sectoral strategies	392.9					11.5	404.5	390.6	97 %	409.2	99 %
2149 Expenditure on admin. management										0.2	7 %
<b>Sub-total</b>	<b>412.7</b>				<b>-1.0</b>	<b>14.2</b>	<b>425.9</b>	<b>405.6</b>	<b>95 %</b>	<b>420.5</b>	<b>98 %</b>
<b>Humanitarian aid</b>											
2301 Administrative expenditure of policy area	6.5						6.5	6.5	100 %	6.3	99 %
2302 Humanitarian aid	489.0				130.0	5.2	624.2	623.4	100 %	511.8	100 %
2349 Expenditure on admin. management											
<b>Sub-total</b>	<b>495.5</b>				<b>130.0</b>	<b>5.2</b>	<b>630.7</b>	<b>629.9</b>	<b>100 %</b>	<b>518.1</b>	<b>100 %</b>
<b>Cooperation with Asian developing countries</b>											
1901 Administrative expenditure of policy area	24.9					0.2	25.2	24.6	98 %	20.8	88 %
1910 Relations with Asia	634.0			15.0	133.0	38.7	820.7	809.9	99 %	590.4	96 %
1949 Expenditure on admin. management											
<b>Sub-total</b>	<b>658.9</b>			<b>15.0</b>	<b>133.0</b>	<b>38.9</b>	<b>845.9</b>	<b>834.4</b>	<b>99 %</b>	<b>611.1</b>	<b>96 %</b>
<b>Cooperation with Latin American developing countries</b>											
1901 Administrative expenditure of policy area	19.1				-3.0	0.2	16.3	13.6	83 %	15.2	98 %
1909 Relations with Latin America	310.6					18.9	329.5	315.0	96 %	297.0	96 %
1949 Expenditure on admin. management											
<b>Sub-total</b>	<b>329.7</b>				<b>-3.0</b>	<b>19.0</b>	<b>345.7</b>	<b>328.5</b>	<b>95 %</b>	<b>312.2</b>	<b>96 %</b>

(million EUR)

Payments															Cumulative commitments on RAL of 1.1.2005	
	Initial budget	Current reserve	Carried forward & reconstituted appropriations	Amending budget	Transfers	Earmarked revenue	Authorised appropriations without current reserve (22)=(15+17+18+19+21)	Implementation as at date of report		Implementation as at 31.12.2004		Stock of RAL		Payments		
								Amount	%	Amount	%	As at 1.1.2005	As at date of report	On RAL prior to 2005		On 2004 commitments
(15)	(16)	(17)	(18)	(19)	(21)	(22)	(23)	(23)/(22)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	
	6.2		1.6	3.8	-0.5	0.2	11.2	4.9	43%	3.3	57%	1.6	5.2	0.8	4.1	0.0
	86.4			33.0	-2.6	13.6	117.4	74.2	63%	50.6	66%	200.6	226.1	57.9	16.3	-3.8
	0.8					0.0	0.8	0.2	23%	0.8	56%	1.2	0.9	0.2		-0.2
	13.3		2.8		-1.9	0.2	14.5	9.9	69%	7.5	66%	2.9	3.5	1.6	8.3	-0.7
	208.2				-40.5	62.3	230.0	160.5	70%	180.9	66%	564.0	634.9	138.1	22.4	-19.0
	0.5				-0.5					1.5	87%	0.2				-0.2
	189.5		31.2	-3.8	-8.9	3.3	211.4	170.3	81%	144.7	79%	31.9	39.7	19.9	150.4	-1.8
	255.0				-0.2	5.4	260.2	260.2	100%	275.1	100%	805.0	1 179.3	116.2	144.0	0.0
	227.0				17.4	5.2	249.6	249.6	100%	148.3	100%	451.6	562.5	118.1	131.5	-0.4
	100.0			-33.0	55.1	2.6	124.6	124.6	100%	101.0	100%	251.4	334.1	60.9	63.7	-0.9
	49.0				35.5	1.8	86.3	86.3	100%	57.6	100%	262.9	366.8	61.9	24.4	
	209.8				33.0	5.1	248.0	247.9	100%	145.0	100%	551.9	733.5	145.8	102.1	-0.4
	26.6				-2.0	0.5	25.2	25.2	100%	22.2	100%	90.8	128.0	18.9	6.3	
	194.0				16.2	5.4	217.1	216.2	100%	206.3	99%	350.6	465.3	104.4	111.8	-0.6
	55.7				5.4	1.3	62.3	62.3	100%	27.8	99%	85.3	108.3	25.6	36.7	-0.6
	232.0				61.4	6.3	303.7	303.7	100%	235.2	100%	779.2	1 084.2	188.6	115.0	-1.8
	142.5				-15.0		127.5	127.5	100%	63.5	100%	254.4	356.7	72.5	55.0	0.0
	834.1				26.5	616.4	1 491.3	1 046.4	70%	1 076.4	72%	2 382.2	1 470.6	981.1	65.3	-78.1
										16.1	98%	3.7	1.7			-2.0
	79.5		7.4		-3.5	1.6	85.0	68.8	81%	61.1	84%	7.6	14.8	6.3	62.5	-0.3
	873.7				-5.3	226.4	1 094.9	928.8	85%	1 073.9	87%	1 733.6	1 933.0	585.0	343.8	-26.5
										7.0	77%	0.3	0.1			-0.2
	262.4		36.1			29.6	328.1	278.5	85%	223.0	85%	35.7	42.1	29.5	249.1	-2.7
	32.3		1.2			61.2	94.7	32.6	34%	25.7	38%	31.6	37.0	20.3	12.3	-1.4
	7.5					5.7	13.2	7.8	59%	7.3	82%	5.1	6.2	4.1	3.7	-0.2
	3.0		4.5			124.1	131.5	15.5	12%	28.5	19%	27.6	17.2	12.9	2.6	-3.8
	12.4			-5.8		0.1	6.7	2.8	42%	23.1	94%	7.4	2.1	2.8		-2.5
	1.5		0.2			0.0	1.7	1.0	61%	1.0	55%	0.2	0.3	0.1	0.9	-0.1
	28.6					4.9	26.6	20.7	78%	29.9	77%	42.6	40.1	12.5	8.3	-0.7
											55%	0.0				0.0
	<b>4 131.4</b>		<b>85.0</b>		<b>163.8</b>	<b>1 183.3</b>	<b>5 563.4</b>	<b>4 526.3</b>	<b>81%</b>	<b>4 244.1</b>	<b>81%</b>	<b>8 963.0</b>	<b>9 793.9</b>	<b>2 785.8</b>	<b>1 740.5</b>	<b>-148.8</b>
	<b>7 881.2</b>	<b>13.3</b>	<b>162.1</b>	<b>92.9</b>	<b>7.7</b>	<b>1 601.3</b>	<b>9 740.1</b>	<b>7 972.1</b>	<b>82%</b>	<b>7 254.6</b>	<b>80%</b>	<b>13 449.7</b>	<b>14 615.8</b>	<b>4 415.3</b>	<b>3 556.9</b>	<b>-409.8</b>
	19.7		5.1		-1.0	2.7	26.5	10.7	40%	5.7	39%	5.1	9.0	1.9	8.8	-0.3
	430.5					15.1	487.4	481.6	99%	407.1	98%	960.0	846.3	315.3	166.3	-22.7
	4.0					0.2	4.0	1.9	47%	6.7	65%	9.0	5.2	1.9		-2.0
	<b>454.2</b>		<b>5.1</b>		<b>-1.0</b>	<b>18.0</b>	<b>517.9</b>	<b>494.2</b>	<b>95%</b>	<b>419.5</b>	<b>95%</b>	<b>974.1</b>	<b>860.4</b>	<b>319.1</b>	<b>175.1</b>	<b>-25.0</b>
	6.5		3.2			9.7	6.0	61%	3.1	48%	3.2	3.6	2.9	3.1		-0.1
	490.5				100.0	5.7	596.2	570.9	96%	491.6	97%	380.8	394.5	215.2	355.7	-38.7
	0.9					0.9	0.9	0.9	99%	2.6	87%	1.3	0.2	0.9		-0.2
	<b>497.9</b>		<b>3.2</b>		<b>100.0</b>	<b>5.7</b>	<b>606.8</b>	<b>577.7</b>	<b>95%</b>	<b>497.2</b>	<b>96%</b>	<b>385.3</b>	<b>398.4</b>	<b>218.9</b>	<b>358.8</b>	<b>-39.0</b>
	24.9		5.4			0.2	30.6	20.7	68%	14.3	61%	5.4	8.9	2.7	18.0	-0.3
	623.2					38.7	661.8	659.3	100%	505.2	95%	1 939.6	1 998.9	499.5	159.8	-91.3
	3.5					3.5	1.5	44%	6.6	85%	18.9	14.1	1.5			-3.2
	<b>651.5</b>		<b>5.4</b>			<b>38.9</b>	<b>695.9</b>	<b>681.5</b>	<b>98%</b>	<b>526.1</b>	<b>94%</b>	<b>1 963.9</b>	<b>2 022.0</b>	<b>503.7</b>	<b>177.8</b>	<b>-94.9</b>
	19.1		4.5		-3.0	0.2	20.8	12.5	60%	9.6	62%	4.5	5.5	2.9	9.6	-0.1
	442.1				-82.0	18.9	378.9	361.2	95%	299.4	96%	1 268.7	1 194.6	354.8	6.4	-27.9
	3.5					3.5	2.3	66%	4.9	88%	7.6	3.4	2.3			-1.9
	<b>464.7</b>		<b>4.5</b>		<b>-85.0</b>	<b>19.0</b>	<b>403.2</b>	<b>376.1</b>	<b>93%</b>	<b>313.8</b>	<b>94%</b>	<b>1 280.8</b>	<b>1 203.4</b>	<b>360.0</b>	<b>16.1</b>	<b>-29.9</b>

TABLE 10 (continued)

Heading	Commitments													
	Initial budget	Current reserve	Carried forward & reconstituted appropriations	Amending budget	Transfers	Earmarked revenue	Authorised appropriations without current reserve	Implementation as at date of report		Implementation as at 31.12.2004				
								Amount	%	Amount		%		
(1)	(2)	(3)	(4)	(5)	(7)	(8)=(1+3+4+5+7)	(9)	(9)/(8)	(13)	(14)				
<b>Cooperation with countries of southern Africa and South Africa</b>														
2101	Administrative expenditure of policy area	2.5				0.2	2.7	2.2	82%	2.4	94%			
2103	Relations with Sub-Saharan Africa, the Caribbean, Pacific and Indian Ocean and overseas countries	131.5				26.3	157.8	153.0	97%	132.7	85%			
2149	Expenditure on admin. management													
	<b>Sub-total</b>	<b>134.0</b>				<b>26.5</b>	<b>160.5</b>	<b>155.2</b>	<b>97%</b>	<b>135.0</b>	<b>85%</b>			
<b>Cooperation with the Mediterranean third countries and the Middle East</b>														
1901	Administrative expenditure of policy area	21.3				-2.6	0.8	19.5	18.7	96%	13.3	98%		
1908	Relations with the Middle East & southern Mediterranean	1 047.7				2.6	12.6	1 062.9	1 055.9	99%	990.0	99%		
1949	Expenditure on admin. management													
	<b>Sub-total</b>	<b>1 069.0</b>					<b>13.4</b>	<b>1 082.4</b>	<b>1 074.6</b>	<b>99%</b>	<b>1 003.3</b>	<b>99%</b>		
<b>European Bank for Reconstruction and Development</b>														
0103	International economic & financial questions													
	<b>Sub-total</b>													
<b>Assistance to partner countries in eastern Europe and central Asia</b>														
0103	International economic & financial questions	24.2				-20.0	22.1	8.7	39%	20.6	84%			
1901	Administrative expenditure of policy area	27.0				-3.2	0.3	24.1	23.8	99%	20.8	79%		
1906	Relations with eastern Europe, the Caucasus & central Asian republics	483.6				1.2	16.4	501.1	490.8	98%	483.6	98%		
1949	Expenditure on admin. management													
	<b>Sub-total</b>	<b>534.8</b>				<b>-22.0</b>	<b>16.6</b>	<b>547.2</b>	<b>523.3</b>	<b>96%</b>	<b>525.0</b>	<b>97%</b>		
<b>Cooperation with the western Balkans countries</b>														
0103	International economic & financial questions	58.0				-39.8	0.4	0.2	43%	61.0	100%			
1901	Administrative expenditure of policy area	14.5				-14.5				14.4	82%			
1907	Relations with the western Balkans	466.5				-466.5				648.9	97%			
1949	Expenditure on admin. management													
2201	Assistance for the countries of western Balkans – Expenditure on administrative management					14.5	0.0	14.5	14.1	97%				
2205	Assistance for the countries of western Balkans					466.5	25.0	38.1	529.6	505.1	95%			
2249	Assistance for the countries of western Balkans – Expenditure on administrative management													
	<b>Sub-total</b>	<b>539.0</b>				<b>-14.8</b>	<b>38.2</b>	<b>544.5</b>	<b>519.4</b>	<b>95%</b>	<b>724.3</b>	<b>97%</b>		
<b>Other cooperation measures</b>														
1503	Vocational training	16.0					0.4	16.4	16.0	98%	15.1	97%		
1901	Administrative expenditure of policy area	3.6					0.1	3.7	3.6	98%	2.8	66%		
1902	Multilateral relations & general external relations matters	97.4					3.9	101.3	96.0	95%	77.1	92%		
1905	Relations with non-EU OECD countries	16.0				1.0	0.5	17.5	17.1	98%	17.3	95%		
1911	Policy strategy & coordination	13.6	1.1				0.1	14.8	14.7	99%	11.4	90%		
1949	Expenditure on admin. management													
2101	Administrative expenditure of policy area	18.7				-2.0	0.2	16.9	16.1	95%	8.7	72%		
2102	Development cooperation policy & sectoral strategies	397.8					8.5	406.2	400.8	99%	366.2	99%		
2103	Relations with Sub-Saharan Africa, the Caribbean, Pacific and Indian Ocean and overseas countries						0.4	0.4	0.2	39%	0.1	29%		
2104	Policy strategy & coordination	16.2	2.2				0.3	18.7	18.4	98%	9.8	80%		
2149	Expenditure on admin. management													
	<b>Sub-total</b>	<b>579.2</b>	<b>3.3</b>			<b>-1.0</b>	<b>14.4</b>	<b>596.0</b>	<b>582.9</b>	<b>98%</b>	<b>508.4</b>	<b>96%</b>		
<b>European initiative for democracy and human rights</b>														
1901	Administrative expenditure of policy area	8.5					0.0	8.5	8.1	95%	6.6	94%		
1904	EIDHR					119.6	2.6	122.2	119.6	98%	121.0	99%		
1949	Expenditure on admin. management													
	<b>Sub-total</b>	<b>8.5</b>						<b>119.6</b>	<b>2.6</b>	<b>130.8</b>	<b>127.7</b>	<b>98%</b>	<b>127.6</b>	<b>99%</b>
<b>International fisheries agreements</b>														
1101	Administrative expenditure of policy area	1.9						1.9	1.6	82%	1.4	84%		
1103	International fisheries	171.6	0.0	1.1		4.5	0.9	178.1	174.7	98%	173.6	98%		
1149	Expenditure on admin. management													
	<b>Sub-total</b>	<b>173.5</b>	<b>0.0</b>	<b>1.1</b>		<b>4.5</b>	<b>0.9</b>	<b>180.0</b>	<b>176.3</b>	<b>98%</b>	<b>175.0</b>	<b>98%</b>		

(million EUR)

Payments																	
	Initial budget	Current reserve	Carried forward & reconstituted appropriations	Amending budget	Transfers	Earmarked revenue	Authorised appropriations without current reserve	Implementation as at date of report		Implementation as at 31.12.2004		Stock of RAL		Payments		Cumulative commitments on RAL of 1.1.2005	
								Amount	%	Amount	%	As at 1.1.2005	As at date of report	On RAL prior to 2005	On 2004 commitments		
																	(23)
(15)	(16)	(17)	(18)	(19)	(21)	(22)=(15+17+18+19+21)	(23)	(23)/(22)	(27)	(28)	(29)	(30)	(31)	(32)	(33)		
	2.5		0.4			0.2	3.1	1.8	57%	1.8	74%	0.4	0.9	0.2	1.6		
	161.0				-51.0	26.8	136.8	136.2	100%	114.2	77%	434.6	422.9	118.2	18.1	-28.5	
	0.4						0.4			0.5	82%	0.4	0.4			0.0	
	<b>163.9</b>		<b>0.4</b>		<b>-51.0</b>	<b>27.0</b>	<b>140.3</b>	<b>138.0</b>	<b>98%</b>	<b>116.5</b>	<b>77%</b>	<b>435.4</b>	<b>424.1</b>	<b>118.3</b>	<b>19.7</b>	<b>-28.5</b>	
	21.3		2.2		-2.6	0.8	21.7	16.8	77%	10.2	76%	2.2	3.7	1.2	15.6	-0.5	
	921.3				174.8	7.8	1 103.8	1 102.2	100%	1 100.7	100%	2 726.5	2 599.0	631.6	470.6	-81.1	
	6.0				-2.0		4.0	3.3	83%	13.7	90%	18.7	14.1	3.3		-1.3	
	<b>948.6</b>		<b>2.2</b>		<b>170.2</b>	<b>8.5</b>	<b>1 129.5</b>	<b>1 122.2</b>	<b>99%</b>	<b>1 124.6</b>	<b>99%</b>	<b>2 747.3</b>	<b>2 616.8</b>	<b>636.0</b>	<b>486.2</b>	<b>-82.9</b>	
	8.4						8.4	8.4	100%	8.4	100%	18.6	10.1	8.4			
	<b>8.4</b>						<b>8.4</b>	<b>8.4</b>	<b>100%</b>	<b>8.4</b>	<b>100%</b>	<b>18.6</b>	<b>10.1</b>	<b>8.4</b>			
	24.2				-8.7		15.6	8.5	55%	12.1	61%	15.5	7.2	7.0	1.5	-8.5	
	27.0		6.4		-3.2	0.3	30.5	18.6	61%	13.6	51%	6.4	11.6	3.3	15.3		
	563.7				-158.3	16.3	421.7	410.6	97%	338.6	78%	1 570.0	1 608.3	400.5	10.1	-41.9	
	13.8				-8.6		5.0	2.6	52%	7.0	89%	21.9	17.7	2.6		-1.6	
	<b>628.7</b>		<b>6.4</b>		<b>-178.7</b>	<b>16.6</b>	<b>472.8</b>	<b>440.3</b>	<b>93%</b>	<b>371.2</b>	<b>76%</b>	<b>1 613.8</b>	<b>1 644.7</b>	<b>413.5</b>	<b>26.9</b>	<b>-52.1</b>	
	64.0		5.0		-25.7		43.3	43.0	99%	10.0	22%	76.0	33.1	43.0	0.0		
	14.5				-14.5					7.8	44%						
	489.0				-489.0					497.9	87%						
	6.9				-6.9					3.9	89%	1.2				-1.2	
			4.8		14.5	0.0	19.4	10.1	52%			4.8	8.8	2.0	8.1		
					489.0	40.4	479.4	334.1	70%			1 147.6	1 316.6	273.2	60.9	-2.0	
			6.9		-1.0		5.9	1.1	18%			8.7	7.6	1.1			
	<b>574.4</b>		<b>9.8</b>		<b>0.0</b>	<b>-76.7</b>	<b>40.5</b>	<b>548.0</b>	<b>388.3</b>	<b>71%</b>	<b>519.7</b>	<b>81%</b>	<b>1 238.3</b>	<b>1 366.2</b>	<b>319.3</b>	<b>69.0</b>	<b>-3.2</b>
	16.0					0.4	16.4	16.0	98%	15.1	97%	4.7	4.7		16.0		
	3.6		2.5			0.1	6.1	1.9	31%	0.3	7%	2.5	4.1	1.9		-0.1	
	84.0				-22.3	3.8	65.4	51.5	79%	44.2	66%	109.9	153.4	28.5	23.0	-0.9	
	17.0				-2.0	0.5	15.5	13.1	84%	15.9	92%	28.5	30.2	10.6	2.5	-2.4	
	12.2					0.1	12.5	11.6	93%	14.6	99%	12.5	13.7	7.8	3.9	-2.0	
	0.3						0.6	0.3	49%	1.1	65%	3.0	2.7	0.3		-0.1	
	18.7		5.5		-2.0	0.2	22.4	8.3	37%	2.8	24%	5.5	13.3	2.7	5.6	-0.1	
	400.4				-99.9	9.2	267.9	261.1	97%	227.3	90%	863.9	996.0	200.8	60.3	-7.6	
	3.5					0.5	4.0	1.4	35%	0.6	24%	7.3	5.8	1.3	0.1	-0.2	
	14.6				-1.0	0.3	13.8	9.3	67%	9.2	65%	12.4	19.1	5.8	3.5	-2.4	
	1.2						1.4	0.9	66%	2.0	90%	2.7	1.6	0.9		-0.3	
	<b>571.3</b>		<b>8.0</b>		<b>-127.2</b>	<b>15.1</b>	<b>426.0</b>	<b>375.3</b>	<b>88%</b>	<b>333.1</b>	<b>83%</b>	<b>1 052.9</b>	<b>1 244.4</b>	<b>260.5</b>	<b>114.8</b>	<b>-16.1</b>	
	8.5		2.2			0.0	10.8	6.7	62%	4.2	60%	2.2	3.6	0.8	5.9	0.0	
	129.9				-17.7	5.4	117.6	110.9	94%	85.7	81%	252.9	256.1	82.4	28.5	-5.5	
	1.2						1.2	0.2	18%	1.1	71%	2.0	1.1	0.2		-0.7	
	<b>139.6</b>		<b>2.2</b>		<b>-17.7</b>	<b>5.4</b>	<b>129.5</b>	<b>117.8</b>	<b>91%</b>	<b>91.1</b>	<b>79%</b>	<b>257.1</b>	<b>260.8</b>	<b>83.4</b>	<b>34.4</b>	<b>-6.2</b>	
	1.9		0.5				2.4	1.1	46%	0.8	51%	0.5	0.9	0.4	0.7	-0.1	
	176.4		1.1		6.8	0.9	185.2	171.5	93%	175.7	96%	8.7	11.8	3.7	167.8	-0.1	
	0.0						0.0	0.0	50%	0.2	66%	0.1	0.0	0.0		0.0	
	<b>178.4</b>		<b>1.6</b>		<b>6.8</b>	<b>0.9</b>	<b>187.7</b>	<b>172.7</b>	<b>92%</b>	<b>176.7</b>	<b>96%</b>	<b>9.3</b>	<b>12.7</b>	<b>4.1</b>	<b>168.5</b>	<b>-0.2</b>	

TABLE 10 (continued)

Heading	Commitments										Implementation as at date of report	Implementation as at 31.12.2004	
	Initial budget	Current reserve	Carried forward & reconstituted appropriations	Amending budget	Transfers	Earmarked revenue	Authorised appropriations without current reserve	Implementation as at date of report		Implementation as at 31.12.2004			
								Amount	%	Amount			%
	(1)	(2)	(3)	(4)	(5)	(7)	(8)=(1+3+4+5+7)	(9)	(9)/(8)	(13)	(14)		
<b>External aspects of certain Community policies</b>													
0506 External relations	5.3	0.7					5.3	4.8	91%	4.0	77%		
0601 Administrative expenditure of policy area	0.1						0.1	0.0	25%	0.0	44%		
0604 Conventional & renewable energies	4.9		4.5			0.1	9.6	7.5	78%	0.4	8%		
0701 Administrative expenditure of policy area	1.0						1.0	0.6	58%	0.5	53%		
0702 Global environmental affairs	15.0						1.0	16.0	93%	13.2	80%		
0749 Expenditure on admin. management													
1103 International fisheries				0.2			0.2	0.1	65%				
1401 Administrative expenditure of policy area													
1403 International aspects of taxation & customs	1.7						0.3	2.0	40%	1.3	67%		
1449 Expenditure on admin. management													
1502 Education	3.0					0.4	3.4	3.2	94%	2.9	94%		
1901 Administrative expenditure of policy area	0.1					0.6	0.6						
1902 Multilateral relations & general external relations matters	0.2			-0.2		3.1	3.1			0.1	4%		
1911 Policy strategy & coordination	7.0					0.1	7.1	6.8	96%	5.4	98%		
1949 Expenditure on admin. management													
2001 Administrative expenditure of policy area	0.5						0.5	0.4	96%	0.4	96%		
2002 Trade policy	10.3				-1.3	0.2	9.2	7.9	86%	5.8	60%		
2049 Expenditure on admin. management													
2102 Development cooperation policy & sectorial strategies	3.4						3.4	2.9	85%	3.1	94%		
2103 Relations with Sub-Saharan Africa, the Caribbean, Pacific and Indian Ocean and overseas countries	34.5					0.0	34.5	34.5	100%	37.3	93%		
<b>Sub-total</b>	<b>86.9</b>	<b>0.7</b>	<b>4.5</b>	<b>-1.3</b>		<b>5.8</b>	<b>95.9</b>	<b>84.4</b>	<b>88%</b>	<b>74.4</b>	<b>78%</b>		
<b>Common foreign and security policy</b>													
1901 Administrative expenditure of policy area	0.4				-0.4								
1903 Common foreign & security policy	62.2				0.4	10.6	73.2	73.2	100%	63.4	100%		
<b>Sub-total</b>	<b>62.6</b>					<b>10.6</b>	<b>73.2</b>	<b>73.2</b>	<b>100%</b>	<b>63.4</b>	<b>100%</b>		
<b>Mediterranean countries pre-accession strategy (B7-04)</b>													
2202 Pre-accession assistance instruments						1.0	1.0	0.8	85%	0.1	44%		
2249 Expenditure on admin. management													
<b>Sub-total</b>						<b>1.0</b>	<b>1.0</b>	<b>0.8</b>	<b>85%</b>	<b>0.1</b>	<b>44%</b>		
<b>Performance facility</b>													
0750 Performance facility for heading 4													
1150 Performance facility for heading 4													
2050 Performance facility for heading 4													
<b>Sub-total</b>													
<b>TOTAL EXTERNAL ACTIONS</b>	<b>5 084.3</b>	<b>0.7</b>	<b>8.9</b>	<b>15.0</b>	<b>344.1</b>	<b>207.4</b>	<b>5 659.6</b>	<b>5 516.1</b>	<b>97%</b>	<b>5 198.4</b>	<b>97%</b>		
<b>5. ADMINISTRATION</b>													
<b>Commission</b>													
0101 Administrative expenditure of policy area	59.8	0.0		-1.6	1.3	2.1	61.6	60.7	99%	59.9	98%		
0102 Economic & monetary union	6.0		0.2			0.0	6.2	6.1	98%	5.4	96%		
0201 Administrative expenditure of policy area	104.8	0.0		-1.9	1.5	5.3	109.8	107.4	98%	99.9	98%		
0301 Administrative expenditure of policy area	89.0	0.0		-1.0	0.3	3.8	92.1	90.9	99%	83.5	98%		
0401 Administrative expenditure of policy area	89.4	0.0		-1.4	2.0	5.4	95.5	92.6	97%	85.2	97%		
0403 Work organisations & working conditions	1.2						1.2	0.7	59%	0.7	61%		
0404 Promoting an inclusive society													
0405 Equal opportunities for women & men	1.1						1.1	1.1	99%	1.2	100%		
0501 Administrative expenditure of policy area	141.6	0.4		-1.8	2.1	8.7	150.6	147.6	98%	138.1	97%		
0601 Administrative expenditure of policy area	112.5	0.0		-1.7	2.9	5.0	118.6	116.7	98%	108.4	98%		
0701 Administrative expenditure of policy area	74.0	0.0		-0.8	1.1	3.7	77.9	77.0	99%	72.7	98%		
0801 Administrative expenditure of policy area	49.0	0.0		-1.8	0.5	2.1	49.8	48.7	98%	44.7	97%		
0901 Administrative expenditure of policy area	52.0	0.0		3.8	0.7	2.3	58.9	57.7	98%	49.3	98%		
1001 Administrative expenditure of policy area	0.6			0.0		0.1	0.7	0.7	101%	0.8	92%		
1101 Administrative expenditure of policy area	36.9	0.0		-0.1	1.1	1.9	39.7	39.1	99%	35.3	98%		
1201 Administrative expenditure of policy area	61.2	0.0		0.1	0.2	2.8	64.3	63.2	98%	59.0	98%		
1301 Administrative expenditure of policy area	68.7	0.0		-1.0	1.1	2.9	71.8	70.1	98%	67.8	98%		
1401 Administrative expenditure of policy area	60.6	0.0		-0.7	0.8	4.1	64.8	63.4	98%	57.9	97%		



(million EUR)

Payments														Stock of RAL	Payments		Cumulative commitments on RAL of 1.1.2005
Initial budget	Current reserve	Carried forward & reconstituted appropriations	Amending budget	Transfers	Earmarked revenue	Authorised appropriations without current reserve	Implementation as at date of report		Implementation as at 31.12.2004		As at 1.1.2005	As at date of report	On RAL prior to 2005		On 2004 commitments		
							Amount	%	Amount	%							
(15)	(16)	(17)	(18)	(19)	(21)	(22)=(15+17+ 18+19+21)	(23)	(23)/(22)	(27)	(28)	(29)	(30)	(31)	(32)	(33)		
5.3				-0.1		5.2	4.8	92%	3.5	69%	0.4	0.4	0.4	4.4	0.0		
0.1		0.0				0.1	0.0	9%	0.0	11%	0.0	0.0	0.0	0.0	0.0		
1.2					0.0	1.1	1.1	96%			2.4	8.3	0.3	0.8	-0.5		
1.0		0.2				1.2	0.3	26%	0.3	32%	0.2	0.5	0.2	0.1			
15.2				-0.5	0.7	15.4	10.7	69%	11.6	86%	19.0	20.8	5.0	5.7	-2.3		
0.1			0.2			0.1	0.1	86%	0.2	76%	0.1		0.1				
						0.2	0.1	65%			0.0	0.0		0.1			
2.1				-1.2	0.3	1.2	0.4	37%	0.7	41%	1.7	1.6	0.3	0.1	-0.4		
2.7					0.4	2.9	1.2	42%	2.9	83%	5.0	6.3	0.8	0.4	-0.7		
0.1					0.6	0.6											
3.1			-0.2	-1.9	3.1	4.1	0.6	16%	0.3	5%	18.4	3.6	0.6		-14.2		
6.5				-0.3	0.1	6.1	5.4	89%	4.4	83%	5.8	6.1	2.9	2.6	-1.2		
0.5		0.3				0.7	0.3	38%	0.2	38%	0.3	0.4	0.2	0.1	0.0		
11.3				-2.3	0.2	9.2	7.1	77%	6.1	70%	9.2	9.5	5.4	1.7	-0.6		
0.0						0.0			0.1	30%							
3.4						3.4	2.9	85%	3.3	82%				2.9			
38.0				-15.0	0.0	23.0	10.1	44%	6.8	49%	178.2	202.6	10.1				
<b>90.4</b>		<b>0.5</b>		<b>-21.2</b>	<b>5.5</b>	<b>74.5</b>	<b>45.1</b>	<b>61%</b>	<b>40.3</b>	<b>63%</b>	<b>240.6</b>	<b>260.0</b>	<b>26.3</b>	<b>18.8</b>	<b>-19.9</b>		
0.4				-0.4													
53.6				12.4	12.6	78.6	64.5	82%	45.9	78%	59.0	61.0	23.0	41.5	-6.7		
<b>54.0</b>				<b>12.0</b>	<b>12.6</b>	<b>78.6</b>	<b>64.5</b>	<b>82%</b>	<b>45.9</b>	<b>78%</b>	<b>59.0</b>	<b>61.0</b>	<b>23.0</b>	<b>41.5</b>	<b>-6.7</b>		
24.2				-8.0	1.0	16.2	10.7	66%	21.1	97%	35.9	25.5	10.7	0.0	-0.5		
1.2				-0.9		0.3	0.2	96%	0.6	98%	0.6	0.3	0.2		-0.1		
<b>25.3</b>				<b>-8.9</b>	<b>1.0</b>	<b>16.5</b>	<b>11.0</b>	<b>67%</b>	<b>21.8</b>	<b>97%</b>	<b>36.5</b>	<b>25.8</b>	<b>11.0</b>	<b>0.0</b>	<b>-0.6</b>		
<b>5 451.2</b>		<b>49.4</b>	<b>0.0</b>	<b>-278.4</b>	<b>214.6</b>	<b>5 435.5</b>	<b>5 013.1</b>	<b>92%</b>	<b>4 605.8</b>	<b>90%</b>	<b>12 312.9</b>	<b>12 410.8</b>	<b>3 305.6</b>	<b>1 707.5</b>	<b>-405.1</b>		
59.8	0.0	5.8	-1.6	1.3	2.2	67.5	60.0	89%	54.0	89%	5.9	6.0	4.9	55.1	-0.6		
6.0					0.0	6.0	5.4	90%	0.4	8%	5.0	5.5	4.5	1.0	-0.2		
104.8	0.0	9.8	-1.9	1.5	5.3	119.5	105.1	88%	90.4	88%	10.0	11.8	7.4	97.6	-0.5		
89.0	0.0	6.5	-1.0	0.3	3.8	98.6	89.5	91%	77.0	90%	6.5	7.8	5.9	83.6	-0.1		
89.4	0.0	8.9	-1.4	2.0	5.4	104.3	89.3	86%	76.3	87%	8.9	12.1	6.6	82.7	-0.2		
1.2						1.2	0.7	55%	0.3	29%	0.4	0.4	0.1	0.5			
1.1						1.1	1.0	86%	0.8	69%	0.4	0.5	0.2	0.8			
141.6	0.4	11.9	-1.8	2.1	8.7	162.5	143.9	89%	126.4	89%	11.9	15.5	9.5	134.3	-0.2		
112.5	0.0	10.1	-1.7	2.9	5.0	128.6	114.2	89%	98.5	89%	10.1	10.7	8.1	106.1	-1.8		
74.0	0.0	6.4	-0.8	1.1	3.6	84.3	75.1	89%	66.2	89%	6.6	8.3	5.9	69.3	-0.3		
49.0		6.4	-1.8	0.5	2.1	56.2	48.1	85%	38.0	83%	6.4	7.0	6.0	42.0	-0.1		
52.0	0.0	5.6	3.8	0.7	2.3	64.5	56.4	87%	43.7	87%	5.6	6.9	4.9	51.5	-0.1		
0.6		0.1	0.0		0.1	0.7	0.7	95%	0.8	85%	0.1	0.1	0.1	0.6			
36.9	0.0	2.6	-0.1	1.1	1.9	42.3	38.3	90%	32.7	91%	2.6	3.3	2.1	36.1	-0.1		
61.2	0.0	6.0	0.1	0.2	2.8	70.3	61.3	87%	53.0	88%	6.0	7.7	4.5	56.8	-0.2		
68.7	0.0	4.4	-1.0	1.1	2.9	76.2	69.3	91%	63.4	91%	4.4	4.7	3.9	65.4	-0.5		
60.6	0.0	5.8	-0.7	0.8	4.1	70.5	62.1	88%	52.1	88%	5.8	7.0	5.2	56.9	-0.1		

TABLE 10 (continued)

Heading	Commitments										Implementation as at date of report		Implementation as at 31.12.2004	
	Initial budget	Current reserve	Carried forward & reconstituted appropriations	Amending budget	Transfers	Earmarked revenue	Authorised appropriations without current reserve	Implementation as at date of report	Implementation as at 31.12.2004	Amount	%	Amount	%	
														(1)
1501 Administrative expenditure of policy area	81.3	0.0		-11.5	1.6	6.5	78.0	74.1	95%	81.7	95%			
1502 Education	15.9					0.3	16.2	15.8	98%	13.4	95%			
1504 Culture & language	6.2					0.0	6.2	6.0	96%	6.3	85%			
1506 Dialogue with the citizens	23.8					0.5	24.3	22.7	93%	22.7	89%			
1507 Youth	4.5					0.2	4.7	4.5	97%	3.9	99%			
1601 Administrative expenditure of policy area	109.4	0.0		-0.1	2.4	5.1	116.8	113.3	97%	99.5	97%			
1602 Provision of information to the media	5.6					5.6	5.6	5.6	100%	6.4	100%			
1603 Analysis of public opinion trends	2.4					2.4	2.4	2.4	100%	2.4	100%			
1701 Administrative expenditure of policy area	106.6	0.5		-1.6	1.7	6.0	112.7	111.2	99%	102.5	98%			
1801 Administrative expenditure of policy area	46.7	0.0		-0.4	1.4	2.0	49.6	48.9	98%	42.1	98%			
1803 Common immigration & asylum policies	0.5					0.5	0.5	0.5	100%	0.5	100%			
1806 Establishing a genuine European area of justice	0.3					0.3	0.3	0.3	100%	0.3	100%			
1901 Administrative expenditure of policy area	298.2	0.0		-19.1	-1.2	8.6	286.5	282.8	99%	294.7	98%			
1902 Multilateral relations & general external relations matters	1.2					0.0	1.3	1.2	98%	1.6	95%			
1904 EIDHR	1.8					1.8	1.8	1.8	100%	1.7	100%			
2001 Administrative expenditure of policy area	64.7	0.0		-0.5	1.1	2.8	68.0	67.3	99%	64.5	99%			
2101 Administrative expenditure of policy area	218.4	0.0		-0.4	-1.3	5.8	222.5	219.2	99%	215.6	98%			
2201 Administrative expenditure of policy area	25.2			21.3	0.0	1.2	47.7	47.1	99%	32.0	98%			
2202 Pre-accession assistance instruments	0.3					0.3	0.3	0.3	100%	0.4	97%			
2301 Administrative expenditure of policy area	17.9			-0.3	0.7	0.6	18.9	18.6	99%	18.1	99%			
2401 Administrative expenditure of policy area	49.8			-0.5	-3.4	0.1	46.0	45.9	100%	39.9	93%			
2402 Fight against fraud	0.4					0.4	0.4	0.4	100%	0.4	97%			
2501 Administrative expenditure of policy area	193.3	0.0		2.1	3.9	7.4	206.6	203.4	98%	189.8	97%			
2502 Relations with civil society, openness & information	4.8					1.6	6.4	4.3	67%	4.6	77%			
2503 Governance & Institutional development														
2601 Administrative expenditure of policy area	616.2	0.0	0.1	-2.5	0.3	45.9	660.0	627.0	95%	669.6	96%			
2701 Administrative expenditure of policy area	80.4	0.0		0.3	-16.0	2.1	66.8	64.2	96%	61.7	95%			
2801 Administrative expenditure of policy area	10.3			0.3	0.1	0.3	11.1	10.7	97%	9.3	97%			
2901 Administrative expenditure of policy area	78.4	0.0		-1.0	0.0	2.7	80.1	78.9	99%	75.0	97%			
3001 Administrative expenditure of policy area	49.0			-0.7			44.7	44.6	100%	33.4	100%			
3101 Administrative expenditure of policy area														
<b>Sub-total</b>	<b>3 121.6</b>	<b>1.3</b>	<b>0.4</b>	<b>-24.5</b>	<b>6.9</b>	<b>149.6</b>	<b>3 250.4</b>	<b>3 166.1</b>	<b>97%</b>	<b>3 063.0</b>	<b>97%</b>			
<b>Pensions (all institutions)</b>														
3001 Administrative expenditure of policy area	865.9			-14.5			855.0	853.4	100%	808.3	100%			
<b>Sub-total</b>	<b>865.9</b>			<b>-14.5</b>			<b>855.0</b>	<b>853.4</b>	<b>100%</b>	<b>808.3</b>	<b>100%</b>			
<b>Other institutions</b>														
<b>Sub-total</b>	<b>2 355.5</b>		<b>2.1</b>	<b>-19.8</b>		<b>106.3</b>	<b>2 444.1</b>	<b>2 335.4</b>	<b>96%</b>	<b>2 255.3</b>	<b>94%</b>			
<b>TOTAL ADMINISTRATION</b>	<b>6 343.1</b>	<b>1.3</b>	<b>2.5</b>	<b>-58.8</b>	<b>6.9</b>	<b>255.9</b>	<b>6 549.6</b>	<b>6 354.9</b>	<b>97%</b>	<b>6 126.6</b>	<b>96%</b>			
<b>6. RESERVES</b>														
0104 Financial operations and instruments (reserve for loans & loans guarantees to & in non-member countries+payments to the Guarantee Fund)	223.0						223.0	140.1	63%	181.9	82%			
3102 Reserves for financial interventions (emergency aid)	223.0					-210.0	13.0							
<b>TOTAL RESERVE</b>	<b>446.0</b>					<b>-210.0</b>	<b>236.0</b>	<b>140.1</b>	<b>59%</b>	<b>181.9</b>	<b>41%</b>			
<b>7. PRE-ACCESSION AID</b>														
<b>Sapard pre-accession instrument</b>														
0501 Administrative expenditure of policy area	1.5				-1.5									
0505 Special accession programme	248.8		1.5		1.5		251.8	251.8	100%	229.1	99%			
0549 Expenditure on admin. management														
<b>Sub-total</b>	<b>250.3</b>		<b>1.5</b>				<b>251.8</b>	<b>251.8</b>	<b>100%</b>	<b>229.1</b>	<b>99%</b>			
<b>ISPA Pre-accession instrument</b>														
1301 Administrative expenditure of policy area	3.8					0.0	3.8	3.3	86%	1.9	90%			
1305 Pre-accession interventions related to structural policies	522.0						522.0	522.0	100%	451.0	100%			
1349 Expenditure on admin. management														
<b>Sub-total</b>	<b>525.7</b>					<b>0.0</b>	<b>525.7</b>	<b>525.2</b>	<b>100%</b>	<b>452.8</b>	<b>100%</b>			
<b>PHARE Pre-accession instrument</b>														
1503 Vocational training	2.5					0.3	2.8	2.5	89%	2.5	89%			
2201 Administrative expenditure of policy area	26.7					0.3	27.0	25.2	94%	30.3	77%			
2202 Pre-accession assistance instruments	869.6					47.3	916.9	903.4	99%	759.2	89%			
2249 Expenditure on admin. management										0.3	100%			
<b>Sub-total</b>	<b>898.8</b>					<b>47.9</b>	<b>946.7</b>	<b>931.2</b>	<b>98%</b>	<b>792.4</b>	<b>89%</b>			

(million EUR)

Payments														Stock of RAL	Payments		Cumulative commitments on RAL of 1.1.2005
Initial budget	Current reserve	Carried forward & reconstituted appropriations	Amending budget	Transfers	Earmarked revenue	Authorised appropriations without current reserve	Implementation as at date of report		Implementation as at 31.12.2004		As at 1.1.2005	As at date of report	On RAL prior to 2005		On 2004 commitments		
							Amount	%	Amount	%							
(15)	(16)	(17)	(18)	(19)	(21)	(22)=(15+17+18+19+21)	(23)	(23)/(22)	(27)	(28)	(29)	(30)	(31)	(32)	(33)		
81.3	0.0	7.9	-11.5	1.6	7.7	87.0	72.9	84%	74.0	85%	9.2	10.1	6.4	66.5	-0.3		
15.9					0.3	16.0	15.0	93%	11.6	82%	1.8	2.6	1.4	13.5	0.0		
6.2					0.0	6.8	5.7	84%	3.8	87%	2.5	2.7	2.0	3.7	-0.1		
23.8					0.5	24.1	22.2	92%	11.3	79%	11.4	9.9	8.5	13.7	-2.0		
4.5					0.1	4.6	4.3	92%	3.3	95%	0.6	0.9	0.5	3.8			
109.4	0.0	12.0	-0.1	2.4	5.1	128.8	105.5	82%	89.2	84%	12.0	18.0	7.8	97.7	-1.7		
5.6				0.3	5.9	5.9	5.2	88%	4.1	63%	2.3	2.7	2.3	2.9			
2.4				-0.3	2.1	2.1	1.9	89%	0.8	32%	1.6	2.1	1.4	0.5	-0.1		
106.6	0.5	11.7	-1.6	1.7	5.9	124.4	107.9	87%	90.8	87%	11.7	14.9	9.8	98.2	-0.1		
46.7	0.0	4.3	-0.4	1.4	2.0	53.9	46.8	87%	37.8	88%	4.3	6.3	3.6	43.2	-0.1		
0.5					0.5	0.5	0.5	98%	0.2	51%	0.2	0.2	0.2	0.3			
0.3					0.3	0.3	0.3	97%	0.2	73%	0.1	0.0	0.0	0.3	-0.1		
298.2	0.0	35.3	-19.1	-1.2	8.6	321.8	278.0	86%	259.2	87%	35.3	38.6	22.6	255.3	-1.6		
1.2				0.1	0.0	1.3	1.3	99%	1.2	87%	0.4	0.3	0.3	1.0	0.0		
1.8				0.0	1.8	1.8	1.7	97%	0.9	100%	0.9	0.9	0.8	0.9			
64.7	0.0	5.7	-0.5	1.1	2.8	73.7	66.5	90%	58.8	90%	5.7	6.3	5.0	61.5	-0.1		
218.4	0.0	27.7	-0.4	-1.3	5.8	250.1	214.0	86%	187.8	86%	27.7	31.5	17.1	196.9	-1.4		
25.2		2.7	21.3	0.0	1.2	50.4	44.4	88%	29.3	89%	2.7	5.3	1.9	42.5	-0.1		
0.3				-0.3	0.6	20.1	18.4	91%	16.9	92%	1.2	1.4	1.1	17.2	0.0		
17.9		1.2	-0.3	0.7	0.1	50.6	43.6	86%	38.0	82%	4.6	5.8	3.3	40.3	-1.0		
49.8		4.6	-0.5	-3.4	0.1	0.4	0.2	50%	0.2	45%	0.2	0.3	0.0	0.2	-0.1		
0.4					7.4	220.3	199.0	90%	177.2	90%	13.7	17.0	11.4	187.6	-1.1		
193.3	0.0	13.7	2.1	3.9	1.7	6.5	3.8	59%	2.4	39%	2.3	2.2	1.8	2.1	-0.4		
4.8					45.9	764.3	623.1	82%	780.5	81%	104.3	89.1	77.7	545.5	-19.1		
616.2	0.0	104.5	-2.5	0.3	2.2	78.2	66.1	85%	50.7	78%	11.5	9.5	10.9	55.2	-0.1		
80.4	0.0	11.5	0.3	-16.0	0.3	11.7	10.5	89%	8.6	90%	0.7	0.8	0.5	10.0	-0.1		
10.3		0.7	0.3	0.1	2.7	86.9	77.8	90%	68.1	88%	6.9	7.9	5.6	72.2	-0.1		
78.4	0.0	6.9	-1.0	0.0	44.7	44.1	44.1	99%	33.0	99%	0.5	0.5	0.5	44.1			
49.0			-0.7														
<b>3 121.6</b>	<b>1.3</b>	<b>340.5</b>	<b>-24.5</b>	<b>6.7</b>	<b>150.8</b>	<b>3 591.8</b>	<b>3 100.6</b>	<b>86%</b>	<b>2 913.5</b>	<b>85%</b>	<b>372.3</b>	<b>403.0</b>	<b>283.6</b>	<b>2 817.0</b>	<b>-34.7</b>		
865.9			-14.5			855.0	851.1	100%	807.2	100%		2.3		851.1			
<b>865.9</b>			<b>-14.5</b>			<b>855.0</b>	<b>851.1</b>	<b>100%</b>	<b>807.2</b>	<b>100%</b>		<b>2.3</b>		<b>851.1</b>			
<b>2 355.5</b>		<b>411.1</b>	<b>-19.8</b>		<b>106.3</b>	<b>2 853.1</b>	<b>2 239.7</b>	<b>79%</b>	<b>2 134.5</b>	<b>79%</b>	<b>435.4</b>	<b>485.3</b>	<b>389.5</b>	<b>1 850.2</b>			
<b>6 343.1</b>	<b>1.3</b>	<b>751.6</b>	<b>-58.8</b>	<b>6.7</b>	<b>257.1</b>	<b>7 299.9</b>	<b>6 191.3</b>	<b>85%</b>	<b>5 855.2</b>	<b>85%</b>	<b>807.6</b>	<b>890.6</b>	<b>673.1</b>	<b>5 518.3</b>	<b>-34.7</b>		
223.0						223.0	140.1	0.6	181.9	82%				140.1			
223.0				-100.0		123.0	140.1	0.4	181.9	41%				140.1			
<b>446.0</b>				<b>-100.0</b>		<b>346.0</b>	<b>140.1</b>	<b>0.4</b>	<b>181.9</b>	<b>41%</b>				<b>140.1</b>			
1.5				-1.5		884.6	811.9	92%	573.5	100%	1 421.0	860.9	811.9				
577.5				307.1					0.0	7%	0.0	0.0					
<b>579.0</b>				<b>305.6</b>		<b>884.6</b>	<b>811.9</b>	<b>92%</b>	<b>573.5</b>	<b>100%</b>	<b>1 421.0</b>	<b>860.9</b>	<b>811.9</b>				
3.8		0.2			0.0	4.0	1.4	36%	1.7	81%	0.2	2.0	0.0	1.4	-0.1		
700.0				100.0		800.0	749.8	94%	565.8	99%	3 221.1	2 992.2	749.8	0.0	-1.0		
<b>703.8</b>		<b>0.2</b>		<b>100.0</b>	<b>0.0</b>	<b>804.0</b>	<b>751.2</b>	<b>93%</b>	<b>567.7</b>	<b>98%</b>	<b>3 225.8</b>	<b>2 994.2</b>	<b>749.8</b>	<b>1.4</b>	<b>-5.6</b>		
2.5					0.3	2.8	2.5	89%	2.5	89%	0.5	0.5		2.5			
26.7		7.0			0.3	34.0	16.7	49%	22.4	57%	7.0	15.6	3.7	13.0			
1 583.2			-241.0		108.0	1 450.2	1 152.7	79%	1 684.1	93%	3 346.7	2 977.1	1 143.6	9.1	-120.4		
42.5			-17.0		25.5	25.5	5.8	23%	23.8	62%	45.1	33.0	5.8		-6.4		
<b>1 654.9</b>		<b>7.0</b>	<b>-258.0</b>	<b>108.6</b>	<b>1 512.5</b>	<b>1 177.7</b>	<b>1 177.7</b>	<b>78%</b>	<b>1 732.8</b>	<b>92%</b>	<b>3 399.3</b>	<b>3 026.1</b>	<b>1 153.0</b>	<b>24.6</b>	<b>-126.8</b>		

TABLE 10 (continued)

Heading	Commitments										
	Initial budget	Current reserve	Carried forward & reconstituted appropriations	Amending budget	Transfers	Earmarked revenue	Authorised appropriations without current reserve	Implementation as at date of report		Implementation as at 31.12.2004	
								Amount	%	Amount	%
(1)	(2)	(3)	(4)	(5)	(7)	(8)=(1+3+4+5+7)	(9)	(9)/(8)	(13)	(14)	
<b>Pre-accession assistance for Turkey</b>											
2201 Administrative expenditure of policy area	8.5					0.0	8.5	8.5	100 %	6.6	95 %
2202 Pre-accession assistance instruments	277.7					0.3	278.0	277.7	100 %	235.6	100 %
2249 Expenditure on admin. management											
<b>Sub-total</b>	<b>286.2</b>					<b>0.4</b>	<b>286.6</b>	<b>286.2</b>	<b>100 %</b>	<b>242.3</b>	<b>100 %</b>
<b>EU Solidarity Fund</b>											
1306 Solidarity Fund – management										1.0	100 %
<b>Sub-total</b>										<b>1.0</b>	<b>100 %</b>
<b>Financial assistance to encourage the economic development of the Turkish Cypriot community</b>											
2201 Financial assistance to encourage the economic development of the Turkish Cypriot community – Expenditure on administrative management											
2202 Financial assistance to encourage the economic development of the Turkish Cypriot community						120.0	120.0				
<b>Sub-total</b>						<b>120.0</b>	<b>120.0</b>				
<b>TOTAL PRE-ACCESSION AID</b>	<b>1 961.0</b>		<b>1.5</b>		<b>120.0</b>	<b>48.2</b>	<b>2 130.7</b>	<b>1 994.4</b>	<b>94 %</b>	<b>1 717.5</b>	<b>94 %</b>
<b>27 02 TEMPORARY AND LUMP-SUM COMPENSATION NEW MEMBER STATES</b>	<b>1 305.0</b>						<b>1 305.0</b>	<b>1 305.0</b>	<b>100 %</b>	<b>1 409.6</b>	<b>100 %</b>
<b>TOTAL</b>	<b>116 219.9</b>	<b>5.5</b>	<b>213.3</b>	<b>- 598.5</b>	<b>328.7</b>	<b>1 766.9</b>	<b>117 930.4</b>	<b>116 277.9</b>	<b>99 %</b>	<b>109 237.4</b>	<b>98 %</b>

(million EUR)

Payments												Stock of RAL		Payments		Cumulative commitments on RAL of 1.1.2005
Initial budget	Current reserve	Carried forward & reconstituted appropriations	Amending budget	Transfers	Earmarked revenue	Authorised appropriations without current reserve	Implementation as at date of report		Implementation as at 31.12.2004		As at 1.1.2005	As at date of report	On RAL prior to 2005	On 2004 commitments		
							Amount	%	Amount	%						
(15)	(16)	(17)	(18)	(19)	(21)	(22)=(15+17+ 18+19+21)	(23)	(23)/(22)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	
8.5		2.5			0.0	11.0	7.0	64 %	4.0	57 %	2.5	4.0	1.0	6.0		
311.0				-4.0	0.2	307.2	236.8	77 %	172.9	98 %	790.3	831.1	236.7	0.0	-0.2	
3.0				-2.6		0.4	0.1	28 %	1.2	66 %	0.8	0.2	0.1		-0.5	
<b>322.5</b>		<b>2.5</b>		<b>-6.6</b>	<b>0.2</b>	<b>318.6</b>	<b>243.9</b>	<b>77 %</b>	<b>178.0</b>	<b>96 %</b>	<b>793.5</b>	<b>835.3</b>	<b>237.9</b>	<b>6.0</b>	<b>-0.7</b>	
									1.0	100 %						
									1.0	100 %						
3 260.2		9.7		167.8	108.8	3 546.5	2 984.7	84 %	3 052.9	95 %	8 839.7	7 716.4	2 952.6	32.0	- 133.0	
1 305.0						1 305.0	1 305.0	100 %	1 409.6	100 %				1 305.0		
<b>106 197.2</b>	<b>14.5</b>	<b>1 559.8</b>	<b>- 616.0</b>	<b>88.2</b>	<b>2 190.2</b>	<b>109 419.5</b>	<b>104 835.2</b>	<b>96 %</b>	<b>100 137.8</b>	<b>95 %</b>	<b>110 146.9</b>	<b>119 250.8</b>	<b>43 924.4</b>	<b>60 910.7</b>	<b>- 2 292.6</b>	

TABLE 11

## Community expenditure from 1958 to 2005 (Outturn in payments)

Heading	1958		1959		1960		1961		
	mio A.U.	%	mio A.U.	%	mio A.U.	%	mio A.U.	%	
	<b>General budget</b>								
EAGGF Guarantee Section							8.6	11.1 %	
Structural Funds, of which:									
-EAGGF Guidance Section									
-ERDF									
-ESF									
Research									
External Action									
Administration	7.3	9.0 %	18.1	37.4 %	21.2	36.2 %	25.4	32.8 %	
Other									
<b>Total payments</b>	<b>7.3</b>	<b>9.0 %</b>	<b>18.1</b>	<b>37.4 %</b>	<b>21.2</b>	<b>36.2 %</b>	<b>34.0</b>	<b>43.9 %</b>	
In % of MS general government expenditure						0.1 %		0.1 %	
In % Community GNI						0.0 %		0.0 %	
<b>EDF</b>					<b>3.4</b>	<b>5.8 %</b>	<b>15.8</b>	<b>20.4 %</b>	
<b>ECSC</b>	<b>70.3</b>	<b>86.5 %</b>	<b>21.8</b>	<b>45.0 %</b>	<b>28.2</b>	<b>48.1 %</b>	<b>20.8</b>	<b>26.8 %</b>	
<b>Euratom*</b>	<b>3.7</b>	<b>4.6 %</b>	<b>8.5</b>	<b>17.6 %</b>	<b>5.8</b>	<b>9.9 %</b>	<b>6.9</b>	<b>8.9 %</b>	
<b>Grand total</b>	<b>81.3</b>	<b>100.0 %</b>	<b>48.4</b>	<b>100.0 %</b>	<b>58.6</b>	<b>100.0 %</b>	<b>77.5</b>	<b>100.0 %</b>	

Heading	EU - 6								
	1969		1970		1971		1972		
	mio A.U.	%	mio A.U.	%	mio A.U.	%	mio A.U.	%	
<b>General budget</b>									
EAGGF Guarantee Section	1 668.6	80.8 %	3 108.1	86.9 %	1 755.6	72.8 %	2 485.6	75.2 %	
Structural Funds, of which:	70.8	3.4 %	95.4	2.7 %	118.0	4.9 %	136.9	4.1 %	
-EAGGF Guidance Section	51.3	2.5 %	58.4	1.6 %	61.5	2.6 %	53.2	1.6 %	
-ERDF									
-ESF	19.5	0.9 %	37.0	1.0 %	56.5	2.3 %	83.7	2.5 %	
Research	59.2	2.9 %	63.4	1.8 %	64.9	2.7 %	76.3	2.3 %	
External Action	1.0	0.0 %	1.4	0.0 %	0.4	0.0 %	71.8	2.2 %	
Administration	104.3	5.0 %	115.3	3.2 %	137.8	5.7 %	173.6	5.3 %	
Other	0.9	0.0 %	1.6	0.0 %	130.4	5.4 %	178.1	5.4 %	
<b>Total payments</b>	<b>1 904.8</b>	<b>92.2 %</b>	<b>3 385.2</b>	<b>94.7 %</b>	<b>2 207.1</b>	<b>91.5 %</b>	<b>3 122.3</b>	<b>94.5 %</b>	
In % of MS general government expenditure		1.3 %		2.0 %		1.2 %		1.4 %	
In % Community GNI		0.5 %		0.7 %		0.4 %		0.5 %	
<b>EDF</b>	<b>115.0</b>	<b>5.6 %</b>	<b>145.6</b>	<b>4.1 %</b>	<b>154.4</b>	<b>6.4 %</b>	<b>131.5</b>	<b>4.0 %</b>	
<b>ECSC</b>	<b>45.7</b>	<b>2.2 %</b>	<b>45.6</b>	<b>1.3 %</b>	<b>49.8</b>	<b>2.1 %</b>	<b>51.0</b>	<b>1.5 %</b>	
<b>Grand total</b>	<b>2 065.0</b>	<b>100.0 %</b>	<b>3 516.4</b>	<b>100.0 %</b>	<b>2 411.3</b>	<b>100.0 %</b>	<b>3 304.8</b>	<b>100.0 %</b>	

(\*) \* The Euratom budget was incorporated in the general budget in 1968.

(million EUR)

EU - 6													
1962		1963		1964		1965		1966		1967		1968	
mio A.U.	%	mio A.U.	%	mio A.U.	%	mio A.U.	%	mio A.U.	%	mio A.U.	%	mio A.U.	%
						28.7	8.5 %	50.7	12.9 %	340.0	45.5 %	1 259.7	77.4 %
11.3	6.6 %	4.6	2.2 %	7.2	2.8 %	4.6	1.4 %	22.1	5.6 %	81.1	10.8 %	58.5	3.6 %
												34.0	2.1 %
												24.5	1.5 %
								0.9	0.2 %	0.8	0.1 %	1.0	0.1 %
30.2	17.6 %	35.2	16.6 %	39.6	15.3 %	43.3	12.8 %	50.9	12.9 %	53.7	7.2 %	94.7	5.8 %
								0.6		0.5	0.1 %	0.6	0.0 %
<b>41.5</b>	<b>24.1 %</b>	<b>39.8</b>	<b>18.7 %</b>	<b>46.8</b>	<b>18.0 %</b>	<b>76.6</b>	<b>22.6 %</b>	<b>125.2</b>	<b>31.8 %</b>	<b>476.1</b>	<b>63.7 %</b>	<b>1 487.9</b>	<b>91.5 %</b>
	0.2 %		0.2 %		0.3 %		0.3 %		0.3 %		0.6 %		1.1 %
	0.1 %		0.1 %		0.1 %		0.1 %		0.1 %		0.2 %		0.4 %
<b>53.3</b>	<b>31.0 %</b>	<b>65.3</b>	<b>30.7 %</b>	<b>83.4</b>	<b>32.2 %</b>	<b>106.7</b>	<b>31.5 %</b>	<b>108.3</b>	<b>27.5 %</b>	<b>104.6</b>	<b>14.0 %</b>	<b>106.5</b>	<b>6.5 %</b>
<b>22.3</b>	<b>13.0 %</b>	<b>22.6</b>	<b>10.6 %</b>	<b>29.1</b>	<b>11.2 %</b>	<b>35.7</b>	<b>10.5 %</b>	<b>31.0</b>	<b>7.9 %</b>	<b>37.7</b>	<b>5.0 %</b>	<b>32.4</b>	<b>2.0 %</b>
<b>54.8</b>	<b>31.9 %</b>	<b>84.7</b>	<b>39.9 %</b>	<b>100.1</b>	<b>38.6 %</b>	<b>120.0</b>	<b>35.4 %</b>	<b>129.2</b>	<b>32.8 %</b>	<b>129.5</b>	<b>17.3 %</b>		
<b>171.9</b>	<b>100.0 %</b>	<b>212.4</b>	<b>100.0 %</b>	<b>259.4</b>	<b>100.0 %</b>	<b>339.0</b>	<b>100.0 %</b>	<b>393.7</b>	<b>100.0 %</b>	<b>747.9</b>	<b>100.0 %</b>	<b>1 626.8</b>	<b>100.0 %</b>

EU - 9													
1973		1974		1975		1976		1977		1978		1979	
mio A.U.	%	mio A.U.	%	mio A.U.	%	mio A.U.	%	mio A.U.	%	mio A.U.	%	mio A.U.	%
3 614.4	76.8 %	3 459.8	68.4 %	4 327.7	70.9 %	5 636.7	71.4 %	6 587.1	72.6 %	8 679.3	69.4 %	10 387.1	70.3 %
259.1	5.5 %	281.8	5.6 %	375.3	6.2 %	623.8	7.9 %	685.5	7.6 %	1 388.7	11.1 %	1 515.5	10.3 %
10.8	0.2 %	37.8	0.7 %	76.7	1.3 %	112.1	1.4 %	113.0	1.2 %	325.6	2.6 %	286.5	1.9 %
				150.0	2.5 %	300.0	3.8 %	400.0	4.4 %	525.0	4.2 %	699.0	4.7 %
248.3	5.3 %	244.0	4.8 %	148.6	2.4 %	211.7	2.7 %	172.5	1.9 %	538.1	4.3 %	530.0	3.6 %
70.1	1.5 %	110.3	2.2 %	115.9	1.9 %	127.2	1.6 %	180.8	2.0 %	266.9	2.1 %	267.6	1.8 %
63.3	1.3 %	358.5	7.1 %	250.9	4.1 %	202.8	2.6 %	194.1	2.1 %	313.2	2.5 %	443.7	3.0 %
245.3	5.2 %	306.2	6.1 %	364.0	6.0 %	430.7	5.5 %	501.6	5.5 %	686.6	5.5 %	775.6	5.2 %
253.0	5.4 %	309.8	6.1 %	383.1	6.3 %	541.6	6.9 %	586.8	6.5 %	707.1	5.7 %	831.2	5.6 %
<b>4 505.2</b>	<b>95.8 %</b>	<b>4 826.4</b>	<b>95.5 %</b>	<b>5 816.9</b>	<b>95.3 %</b>	<b>7 562.8</b>	<b>95.8 %</b>	<b>8 735.9</b>	<b>96.3 %</b>	<b>12 041.8</b>	<b>96.3 %</b>	<b>14 220.7</b>	<b>96.3 %</b>
	1.3 %		1.2 %		1.2 %		1.3 %		1.4 %		1.7 %		1.8 %
	0.5 %		0.5 %		0.5 %		0.6 %		0.6 %		0.8 %		0.8 %
<b>157.8</b>	<b>3.4 %</b>	<b>172.0</b>	<b>3.4 %</b>	<b>208.5</b>	<b>3.4 %</b>	<b>248.6</b>	<b>3.1 %</b>	<b>244.7</b>	<b>2.7 %</b>	<b>401.0</b>	<b>3.2 %</b>	<b>465.3</b>	<b>3.1 %</b>
<b>40.5</b>	<b>0.9 %</b>	<b>58.0</b>	<b>1.1 %</b>	<b>76.0</b>	<b>1.2 %</b>	<b>84.2</b>	<b>1.1 %</b>	<b>95.5</b>	<b>1.1 %</b>	<b>67.3</b>	<b>0.5 %</b>	<b>87.5</b>	<b>0.6 %</b>
<b>4 703.5</b>	<b>100.0 %</b>	<b>5 056.4</b>	<b>100.0 %</b>	<b>6 101.4</b>	<b>100.0 %</b>	<b>7 895.6</b>	<b>100.0 %</b>	<b>9 076.1</b>	<b>100.0 %</b>	<b>12 510.1</b>	<b>100.0 %</b>	<b>14 773.5</b>	<b>100.0 %</b>

TABLE 11 (continued)

Heading	EU - 9		EU - 10					
	1980		1981		1982		1983	
	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%
<b>General budget</b>								
EAGGF Guarantee Section	11 291.9	68.6 %	11 063.7	59.7 %	12 259.8	57.6 %	15 785.8	62.1 %
Structural Funds, of which:	1 808.5	11.0 %	3 566.8	19.2 %	4 570.1	21.5 %	4 081.3	16.0 %
-EAGGF Guidance Section	314.6	1.9 %	539.9	2.9 %	650.8	3.1 %	575.3	2.3 %
-ERDF	793.4	4.8 %	2 406.5	13.0 %	2 905.4	13.6 %	2 306.6	9.1 %
-ESF	700.5	4.3 %	620.4	3.3 %	1 013.9	4.8 %	1 199.4	4.7 %
Research	364.2	2.2 %	311.6	1.7 %	437.3	2.1 %	1 345.5	5.3 %
External Action	603.9	3.7 %	738.4	4.0 %	891.2	4.2 %	901.3	3.5 %
Administration	829.9	5.0 %	941.8	5.1 %	1 048.2	4.9 %	1 108.2	4.4 %
Other	958.9	5.8 %	1 103.7	6.0 %	1 263.0	5.9 %	1 283.9	5.0 %
<b>Total payments</b>	<b>15 857.3</b>	<b>96.4 %</b>	<b>17 726.0</b>	<b>95.7 %</b>	<b>20 469.6</b>	<b>96.1 %</b>	<b>24 506.0</b>	<b>96.4 %</b>
In % of MS general government expenditure		1.7 %		1.6 %		1.7 %		1.9 %
In % Community GNI		0.8 %		0.8 %		0.9 %		0.9 %
<b>EDF</b>	<b>481.9</b>	<b>2.9 %</b>	<b>663.7</b>	<b>3.6 %</b>	<b>647.2</b>	<b>3.0 %</b>	<b>718.8</b>	<b>2.8 %</b>
<b>ECSC</b>	<b>115.6</b>	<b>0.7 %</b>	<b>139.7</b>	<b>0.8 %</b>	<b>184.0</b>	<b>0.9 %</b>	<b>207.7</b>	<b>0.8 %</b>
<b>Grand total</b>	<b>16 454.8</b>	<b>100.0 %</b>	<b>18 529.4</b>	<b>100.0 %</b>	<b>21 300.8</b>	<b>100.0 %</b>	<b>25 432.5</b>	<b>100.0 %</b>

Heading	DELORS I PACKAGE (1988 - 1992)							
	EU - 12 (including former east-German Länder as of 1991)							
	1991		1992		1993		1994	
mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%	
<b>General budget</b>								
EAGGF Guarantee Section	31 103.2	56.5 %	31 254.5	51.4 %	34 935.8	52.4 %	32 952.8	53.6 %
Structural Funds, of which:	13 971.0	25.4 %	18 378.3	30.2 %	20 478.5	30.7 %	15 872.1	25.8 %
-EAGGF Guidance Section	2 085.4	3.8 %	2 857.9	4.7 %	2 914.2	4.4 %	2 476.5	4.0 %
-ERDF	6 306.8	11.5 %	8 564.8	14.1 %	9 545.6	14.3 %	6 331.2	10.3 %
-ESF	4 030.0	7.3 %	4 321.1	7.1 %	5 382.6	8.1 %	4 315.4	7.0 %
-Cohesion fund					795.0	1.2 %	851.6	1.4 %
-FIFG							395.0	0.6 %
Research	1 706.3	3.1 %	1 903.2	3.1 %	2 232.5	3.3 %	2 480.8	4.0 %
External Action	2 209.6	4.0 %	2 140.6	3.5 %	2 857.5	4.3 %	3 055.2	5.0 %
Administration	2 618.7	4.8 %	2 877.6	4.7 %	3 319.1	5.0 %	3 541.7	5.8 %
Other	1 901.8	3.5 %	1 935.9	3.2 %	960.1	1.4 %	1 370.5	2.2 %
<b>Total payments</b>	<b>53 510.6</b>	<b>97.3 %</b>	<b>58 490.2</b>	<b>96.1 %</b>	<b>64 783.4</b>	<b>97.1 %</b>	<b>59 273.1</b>	<b>96.4 %</b>
In % of MS general government expenditure		2.1 %		2.2 %		2.3 %		2.1 %
In % Community GNI		1.1 %		1.1 %		1.2 %		1.1 %
<b>EDF</b>	<b>1 191.3</b>	<b>2.2 %</b>	<b>1 941.7</b>	<b>3.2 %</b>	<b>1 353.6</b>	<b>2.0 %</b>	<b>1 859.9</b>	<b>2.9 %</b>
<b>ECSC</b>	<b>314.3</b>	<b>0.6 %</b>	<b>412.2</b>	<b>0.7 %</b>	<b>596.4</b>	<b>0.9 %</b>	<b>424.0</b>	<b>0.7 %</b>
<b>Grand total</b>	<b>55 016.2</b>	<b>100.0 %</b>	<b>60 844.1</b>	<b>100.0 %</b>	<b>66 733.4</b>	<b>100.0 %</b>	<b>61 557.0</b>	<b>100.0 %</b>



(million EUR)

DELORS I PACKAGE (1988 - 1992)													
EU - 12													
1984		1985		1986		1987		1988		1989		1990	
mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%
18 330.4	65.4 %	19 727.8	68.4 %	22 118.1	61.7 %	22 950.1	63.3 %	26 395.2	62.1 %	24 401.4	57.7 %	25 604.6	56.1 %
3 220.0	11.5 %	3 702.9	12.8 %	5 664.7	15.8 %	5 859.6	16.2 %	6 419.3	15.1 %	7 945.1	18.8 %	9 591.4	21.0 %
595.6	2.1 %	685.5	2.4 %	771.2	2.2 %	789.5	2.2 %	1 140.9	2.7 %	1 349.0	3.2 %	1 825.3	4.0 %
1 412.5	5.0 %	1 610.0	5.6 %	2 456.7	6.9 %	2 560.1	7.1 %	2 979.8	7.0 %	3 920.0	9.3 %	4 554.1	10.0 %
1 211.9	4.3 %	1 407.4	4.9 %	2 436.8	6.8 %	2 510.0	6.9 %	2 298.6	5.4 %	2 676.1	6.3 %	3 212.0	7.0 %
1 660.0	5.9 %	677.9	2.4 %	775.4	2.2 %	964.4	2.7 %	1 129.5	2.7 %	1 517.5	3.6 %	1 790.3	3.9 %
996.5	3.6 %	963.8	3.3 %	1 057.3	3.0 %	809.2	2.2 %	768.1	1.8 %	1 044.3	2.5 %	1 430.6	3.1 %
1 212.9	4.3 %	1 304.8	4.5 %	1 533.9	4.3 %	1 696.9	4.7 %	1 906.1	4.5 %	2 069.8	4.9 %	2 332.9	5.1 %
1 681.6	5.9 %	1 490.1	5.2 %	3 526.0	9.8 %	2 807.8	7.7 %	4 403.6	10.4 %	3 779.0	8.9 %	3 313.1	7.3 %
<b>27 081.4</b>	<b>96.6 %</b>	<b>27 867.3</b>	<b>96.7 %</b>	<b>34 675.4</b>	<b>96.8 %</b>	<b>35 088.0</b>	<b>96.8 %</b>	<b>41 021.7</b>	<b>96.5 %</b>	<b>40 757.1</b>	<b>96.4 %</b>	<b>44 062.9</b>	<b>96.6 %</b>
	1.9 %		1.8 %		2.0 %		2.0 %		2.2 %		2.0 %		2.0 %
	1.0 %		0.9 %		1.0 %		1.0 %		1.0 %		1.0 %		1.0 %
<b>703.0</b>	<b>2.5 %</b>	<b>698.0</b>	<b>2.4 %</b>	<b>846.7</b>	<b>2.4 %</b>	<b>837.9</b>	<b>2.3 %</b>	<b>1 196.3</b>	<b>2.8 %</b>	<b>1 297.1</b>	<b>3.1 %</b>	<b>1 256.5</b>	<b>2.8 %</b>
<b>255.2</b>	<b>0.9 %</b>	<b>267.9</b>	<b>0.9 %</b>	<b>298.1</b>	<b>0.8 %</b>	<b>308.9</b>	<b>0.9 %</b>	<b>277.2</b>	<b>0.7 %</b>	<b>229.9</b>	<b>0.5 %</b>	<b>288.6</b>	<b>0.6 %</b>
<b>28 039.6</b>	<b>100.0 %</b>	<b>28 833.2</b>	<b>100.0 %</b>	<b>35 820.2</b>	<b>100.0 %</b>	<b>36 234.8</b>	<b>100.0 %</b>	<b>42 495.2</b>	<b>100.0 %</b>	<b>42 284.1</b>	<b>100.0 %</b>	<b>45 608.0</b>	<b>100.0 %</b>

DELORS II PACKAGE (1993 - 1999)									
EU - 15									
1995		1996		1997		1998		1999	
mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%
34 490.4	50.4 %	39 324.2	50.0 %	40 423.0	49.6 %	39 068.0	47.3 %	39 468.6	46.5 %
19 223.3	28.1 %	24 624.1	31.3 %	26 285.1	32.3 %	28 624.1	34.7 %	30 377.4	35.8 %
2 530.6	3.7 %	3 360.3	4.3 %	3 580.0	4.4 %	3 521.5	4.3 %	3 774.0	4.4 %
8 373.6	12.2 %	10 610.3	13.5 %	11 521.4	14.1 %	11 779.2	14.3 %	14 006.5	16.5 %
4 546.9	6.6 %	6 031.6	7.7 %	6 143.4	7.5 %	7 602.8	9.2 %	7 245.8	8.5 %
1 699.3	2.5 %	1 872.2	2.4 %	2 323.0	2.9 %	2 336.0	2.9 %	2 731.7	3.2 %
248.1	0.4 %	421.6	0.5 %	486.9	0.6 %	407.7	0.5 %	571.9	0.7 %
2 477.9	3.6 %	2 878.7	3.7 %	2 981.6	3.7 %	2 968.7	3.6 %	2 629.2	3.1 %
3 406.2	5.0 %	3 855.0	4.9 %	3 822.6	4.7 %	4 159.7	5.1 %	4 729.5	5.6 %
3 870.3	5.7 %	4 011.1	5.1 %	4 195.5	5.1 %	4 171.3	5.1 %	4 111.4	4.8 %
3 079.3	4.5 %	2 339.0	3.0 %	2 111.3	2.6 %	1 886.4	2.3 %	2 175.6	2.6 %
<b>66 547.4</b>	<b>97.3 %</b>	<b>77 032.2</b>	<b>98.0 %</b>	<b>79 819.1</b>	<b>97.9 %</b>	<b>80 878.1</b>	<b>98.0 %</b>	<b>83 491.6</b>	<b>98.3 %</b>
	2.1 %		2.3 %		2.3 %		2.3 %		2.2 %
	1.1 %		1.2 %		1.1 %		1.1 %		1.1 %
<b>1 758.1</b>	<b>2.3 %</b>	<b>1 508.8</b>	<b>1.7 %</b>	<b>1 382.3</b>	<b>1.5 %</b>	<b>1 595.4</b>	<b>1.7 %</b>	<b>1 352.3</b>	<b>1.5 %</b>
<b>297.5</b>	<b>0.4 %</b>	<b>255.3</b>	<b>0.3 %</b>	<b>459.8</b>	<b>0.6 %</b>	<b>184.9</b>	<b>0.2 %</b>	<b>184.6</b>	<b>0.2 %</b>
<b>68 603.0</b>	<b>100.0 %</b>	<b>78 796.3</b>	<b>100.0 %</b>	<b>81 661.2</b>	<b>100.0 %</b>	<b>82 658.5</b>	<b>100.0 %</b>	<b>85 028.5</b>	<b>100.0 %</b>

TABLE 11 (continued)

Heading	AGENDA 2000 (2000 - 2006)							
	EU - 15							
	2000		2001		2002		2003	
	mio EUR	%	mio EUR	%	mio EUR	%	mio EUR	%
<b>General budget</b>								
EAGGF Guarantee Section	40 437.3	49.2 %	42 131.2	51.1 %	43 178.0	49.2 %	44 414.3	48.4 %
Structural Funds, of which:	25 524.3	31.1 %	22 618.8	27.4 %	25 597.7	29.1 %	27 407.1	29.9 %
-EAGGF Guidance Section	1 390.7	1.7 %	1 343.1	1.6 %	1 553.9	1.8 %	2 289.8	2.5 %
-ERDF	2 751.4	3.3 %	8 496.7	10.3 %	10 199.4	11.6 %	13 081.9	14.3 %
-ESF	2 340.0	2.8 %	4 222.4	5.1 %	6 646.7	7.6 %	6 341.0	6.9 %
-Cohesion fund	1 682.2	2.0 %	1 983.4	2.4 %	3 148.0	3.6 %	2 195.1	2.4 %
-FIFG	335.3	0.4 %	201.1	0.2 %	317.3	0.4 %	494.1	0.5 %
-Completion of earlier programmes	14 638.0	17.8 %	4 372.6	5.3 %	2 076.0	2.4 %	1 860.8	2.0 %
Research	3 151.2	3.8 %	3 141.0	3.8 %	3 596.5	4.1 %	3 348.0	3.7 %
External Action	3 725.8	4.5 %	4 242.9	5.1 %	4 349.5	5.0 %	4 285.2	4.7 %
Administration	4 484.4	5.5 %	4 835.8	5.9 %	5 048.2	5.7 %	5 334.1	5.8 %
Pre-accession	1 164.0	1.4 %	1 406.0	1.7 %	1 723.5	2.0 %	2 239.6	2.4 %
Other: (Internal Policies without Research, Reserves, ...)	1 961.9	2.4 %	2 182.0	2.6 %	2 272.5	2.6 %	2 349.1	2.6 %
<b>Total payments</b>	<b>80 448.9</b>	<b>97.9 %</b>	<b>80 557.7</b>	<b>97.6 %</b>	<b>85 765.8</b>	<b>97.7 %</b>	<b>89 377.4</b>	<b>97.4 %</b>
In % of MS general government expenditure		2.0 %		2.0 %		2.0 %		2.0 %
In % Community GNI		1.0 %		0.9 %		1.0 %		1.0 %
<b>EDF</b>	<b>1 640.4</b>	<b>1.9 %</b>	<b>1 779.5</b>	<b>2.2 %</b>	<b>1 922.1</b>	<b>2.2 %</b>	<b>2 345.0</b>	<b>2.6 %</b>
<b>ECSC</b>	<b>135.0</b>	<b>0.2 %</b>	<b>189.6</b>	<b>0.2 %</b>	<b>130.8</b>	<b>0.1 %</b>		
<b>Grand total</b>	<b>82 224.3</b>	<b>100.0 %</b>	<b>82 526.8</b>	<b>100.0 %</b>	<b>87 818.7</b>	<b>100.0 %</b>	<b>91 722.4</b>	<b>100.0 %</b>

*(million EUR)*

EU - 25				
2004		2005		
mio EUR	%	mio EUR	%	
43 612.0	42.6 %	48 406.3	45.4 %	
34 498.7	33.7 %	32 750.3	30.7 %	
2 742.9	2.7 %	2 943.3	2.8 %	
16 070.1	15.7 %	15 512.3	14.5 %	
7 160.8	7.0 %	8 639.8	8.1 %	
2 775.9	2.7 %	2 095.5	2.0 %	
517.7	0.5 %	472.3	0.4 %	
2 824.8	2.8 %	594.1	0.6 %	
4 135.1	4.0 %	4 469.5	4.2 %	
4 532.6	4.4 %	4 849.9	4.5 %	
5 847.7	5.7 %	6 205.1	5.8 %	
4 391.9	4.3 %	4 196.5	3.9 %	
2 916.1	2.8 %	3 296.6	3.1 %	
<b>99 934.2</b>	<b>97.6 %</b>	<b>104 174.2</b>	<b>97.6 %</b>	
	2.1 %		2.2 %	
	1.0 %		1.0 %	
<b>2 464.2</b>	<b>2.4 %</b>	<b>2 544.2</b>	<b>2.4 %</b>	
<b>102 398.4</b>	<b>100.0 %</b>	<b>106 718.4</b>	<b>100.0 %</b>	

TABLE 12

## Community revenue 1970 to 2005

Type of revenue	EU-6						EU-9															
	1970		1971		1972		1973		1974		1975		1976		1977		1978		1979			
	mio A.U.	%	mio A.U.	%	mio A.U.	%	mio A.U.	%	mio A.U.	%	mio A.U.	%	mio A.U.	%	mio A.U.	%	mio ECU	%	mio ECU	%		
(1) VAT-based own resource	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
(2) GNP/GNI-based own resource	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
(3) UK correction (*)	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
(4) Other payments from/to Member States (**)	3 913.4	99.7%	2 525.6	72.4%	1 695.3	55.9%	2 534.3	57.6%	1 659.4	38.3%	2 375.7	39.4%	2 328.6	33.5%	3 330.8	34.5%	5 345.3	46.4%	15.9	0.1%	7 039.8	50.7%
(5) Total 'national contributions' = (1) + (2) + (3) + (4)	3 913.4	99.7%	2 525.6	72.4%	1 695.3	55.9%	2 534.3	57.6%	1 659.4	38.3%	2 375.7	39.4%	2 328.6	33.5%	3 330.8	34.5%	5 345.3	46.4%	7 055.7	50.8%	7 055.7	50.8%
(6) Traditional own resources	---	---	935.8	26.8%	1 304.8	43.0%	1 834.5	41.7%	2 633.8	60.8%	3 363.0	55.8%	4 371.7	62.9%	6 073.3	62.8%	6 012.1	52.2%	6 606.0	47.6%	6 606.0	47.6%
<i>of which Agricultural duties</i>	---	---	446.2	12.8%	441.7	14.6%	438.2	10.0%	223.8	5.2%	410.5	6.8%	786.4	11.3%	1 669.2	17.3%	1 686.9	14.6%	1 512.2	10.9%	1 512.2	10.9%
<i>Sugar levies</i>	---	---	87.5	2.5%	152.8	5.0%	86.2	2.0%	76.3	1.8%	65.5	1.1%	101.5	1.5%	210.7	2.2%	369.9	3.2%	418.9	3.0%	418.9	3.0%
<i>Customs duties</i>	---	---	402.1	11.5%	710.3	23.4%	1 310.1	29.8%	2 333.7	53.9%	2 887.0	47.9%	3 483.7	50.1%	4 193.4	43.4%	3 955.3	34.3%	4 674.9	33.7%	4 674.9	33.7%
(7) Total Member State payments = (5) + (6)	3 913.4	99.7%	3 461.4	99.3%	3 000.1	98.9%	4 368.8	99.3%	4 293.3	99.1%	5 738.7	95.2%	6 700.3	96.4%	9 404.1	97.3%	11 357.4	98.6%	13 661.7	98.5%	13 661.7	98.5%
% GNI	0.78%	0.78%	0.62%	0.62%	0.48%	0.48%	0.48%	0.48%	0.41%	0.41%	0.49%	0.49%	0.50%	0.63%	0.63%	0.69%	0.69%	0.73%	0.73%	0.73%	0.73%	
(8) Surplus from previous year	---	---	---	---	---	---	---	---	---	---	---	---	---	40.5	0.4%	deficit	deficit	deficit	41.6	0.3%	41.6	0.3%
(9) Other revenue, excl. surplus	11.2	0.3%	26.0	0.7%	32.0	1.1%	31.6	0.7%	37.5	0.9%	289.5	4.8%	251.3	3.6%	221.9	2.3%	162.1	1.4%	172.7	1.2%	172.7	1.2%
(10) TOTAL REVENUE = (7) + (8) + (9)	3 924.6	100%	3 487.4	100%	3 032.1	100%	4 400.4	100%	4 330.7	100%	6 028.2	100%	6 951.6	100%	9 666.5	100%	11 519.6	100%	13 876.1	100%	13 876.1	100%
% GNI	0.78%	0.78%	0.63%	0.63%	0.49%	0.49%	0.48%	0.48%	0.42%	0.42%	0.52%	0.52%	0.52%	0.65%	0.65%	0.70%	0.70%	0.73%	0.73%	0.73%	0.73%	

Type of revenue	EU-12 (including former East-German länder as of 1991)																					
	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995			
	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%		
(1) VAT-based own resource	22 781.5	69.6%	23 313.9	66.6%	24 978.4	60.3%	26 935.1	58.7%	29 159.6	62.8%	31 589.0	56.2%	34 763.2	58.2%	34 689.3	52.8%	33 217.9	50.3%	39 127.3	52.1%	39 127.3	52.1%
(2) GNP/GNI-based own resource	---	---	---	---	4 241.1	10.2%	4 369.5	9.5%	189.7	0.4%	7 316.0	13.0%	8 168.0	13.7%	16 414.4	25.0%	17 674.5	26.8%	14 172.6	18.9%	14 172.6	18.9%
(3) UK correction (*)	29.2	0.1%	0.9	0.0%	-251.2	-0.6%	313.9	0.7%	-96.9	-0.2%	-30.4	-0.1%	50.4	0.1%	-96.0	-0.1%	69.5	0.1%	78.1	0.1%	78.1	0.1%
(4) Other payments from/to Member States (**)	---	---	---	---	---	---	---	---	---	---	---	---	---	---	-19.9	0.0%	-25.2	0.0%	-3.6	0.0%	-3.6	0.0%
(5) Total 'national contributions' = (1) + (2) + (3) + (4)	22 810.7	69.7%	23 314.8	66.6%	28 968.3	70.0%	31 618.5	68.9%	29 252.4	63.0%	38 874.5	69.1%	42 981.5	72.0%	50 987.9	77.6%	50 936.7	77.2%	53 374.4	71.1%	53 374.4	71.1%
(6) Traditional own resources	9 539.6	29.1%	11 246.4	32.1%	11 472.3	27.7%	12 710.8	27.7%	12 160.7	26.2%	13 962.0	24.8%	13 280.2	22.2%	12 985.5	19.8%	13 252.2	20.1%	14 453.2	19.3%	14 453.2	19.3%
<i>of which Agricultural duties</i>	1 072.1	3.3%	1 519.6	4.3%	1 303.7	3.1%	1 154.5	2.5%	1 056.1	2.3%	1 459.1	2.6%	1 086.0	1.8%	926.2	1.4%	830.3	1.3%	759.9	1.0%	759.9	1.0%
<i>Sugar levies</i>	1 013.7	3.1%	1 375.4	3.9%	1 205.1	2.9%	1 243.4	2.7%	819.6	1.8%	1 027.6	1.8%	902.1	1.5%	1 003.7	1.5%	1 243.9	1.9%	1 184.7	1.6%	1 184.7	1.6%
<i>Customs duties</i>	7 453.8	22.8%	8 351.4	23.9%	8 963.5	21.7%	10 312.9	22.5%	10 285.1	22.1%	11 475.4	20.4%	11 292.1	18.9%	11 055.6	16.8%	11 178.0	16.9%	12 508.6	16.7%	12 508.6	16.7%
(7) Total Member State payments = (5) + (6)	32 350.3	98.8%	34 561.2	98.8%	40 440.6	97.7%	44 329.3	96.6%	41 413.1	89.1%	52 836.5	93.9%	56 261.7	94.2%	63 973.4	97.4%	64 188.8	97.3%	67 827.6	90.3%	67 827.6	90.3%
% GNI	0.88%	0.88%	0.90%	0.90%	0.97%	0.97%	0.97%	0.97%	0.84%	0.84%	0.98%	0.98%	1.00%	1.12%	1.12%	1.07%	1.07%	1.02%	1.02%	1.02%	1.02%	
(8) Surplus from previous year	53.9	0.2%	deficit	deficit	500.0	1.2%	1 161.6	2.5%	4 464.2	9.6%	2 841.6	5.1%	2 762.6	4.6%	1 004.0	1.5%	971.1	1.5%	6 540.5	8.7%	6 540.5	8.7%
(9) Other revenue, excl. surplus	342.6	1.0%	434.2	1.2%	460.1	1.1%	408.8	0.9%	591.9	1.3%	571.3	1.0%	687.5	1.2%	695.3	1.1%	842.2	1.3%	709.0	0.9%	709.0	0.9%
(10) TOTAL REVENUE = (7) + (8) + (9)	32 746.8	100%	34 995.5	100%	41 400.7	100%	45 899.8	100%	46 469.2	100%	56 249.4	100%	59 711.8	100%	65 672.7	100%	66 002.2	100%	75 077.1	100%	75 077.1	100%
% GNI	0.90%	0.90%	0.91%	0.91%	0.99%	0.99%	1.01%	1.01%	0.95%	0.95%	1.04%	1.04%	1.06%	1.15%	1.15%	1.10%	1.10%	1.13%	1.13%	1.13%	1.13%	

(million EUR)

	EU-10											
	1980		1981		1982		1983		1984		1985	
	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%
	7 354.5	48.7%	9 884.2	56.0%	12 121.1	59.1%	13 729.9	57.6%	14 482.9	58.1%	15 570.2	56.1%
	---	---	---	---	---	---	---	---	---	---	---	---
	---	---	---	---	---	---	---	---	---	---	21.4	---
	17.8	0.1%	19.4	0.1%	---	---	---	---	593.5	2.4%	2 378.7	8.6%
	7 372.4	48.8%	9 903.5	56.1%	12 121.1	59.1%	13 729.9	57.6%	15 076.3	60.4%	17 970.3	64.7%
	7 116.9	47.1%	7 332.8	41.6%	8 133.8	39.6%	8 361.8	35.1%	9 287.3	37.2%	9 438.3	34.0%
	1 381.8	9.1%	1 139.5	6.5%	1 369.0	6.7%	1 213.3	5.1%	1 125.5	4.5%	1 009.3	3.6%
	420.2	2.8%	434.7	2.5%	634.8	3.1%	853.8	3.6%	1 050.8	4.2%	951.5	3.4%
	5 314.9	35.2%	5 758.6	32.6%	6 130.0	29.9%	6 294.7	26.4%	7 111.0	28.5%	7 477.5	26.9%
	14 489.3	95.9%	17 236.4	97.7%	20 254.9	98.7%	22 091.7	92.7%	24 363.6	97.7%	27 408.6	98.6%
	0.69%		0.74%		0.79%		0.80%		0.82%		0.86%	
	458.6	3.0%	246.1	1.4%	recorded in 1983		1 486.7	6.2%	307.1	1.2%	deficit	
	164.4	1.1%	159.6	0.9%	263.2	1.3%	265.2	1.1%	271.8	1.1%	353.5	1.3%
	<b>15 112.3</b>	<b>100%</b>	<b>17 642.1</b>	<b>100%</b>	<b>20 518.1</b>	<b>100%</b>	<b>23 843.6</b>	<b>100%</b>	<b>24 942.5</b>	<b>100%</b>	<b>27 762.2</b>	<b>100%</b>
	0.72%		0.75%		0.80%		0.86%		0.84%		0.87%	

(\*) The fact that 'UK correction payments' do not add up to zero is due to exchange rate differences.

(\*\*) 'Other payments from/to Member States' include: 1970-81 financial contributions (corresponding to the pre-own resources system), 1984-85 reimbursable and non-reimbursable advances, 1993-2001 restitutions to Greece, Spain and Portugal, the recalculation of the SAB 1/95 budgeted in 1996 and since 2003 the JHA adjustment.

(million EUR)

	EU-15														EU-25					
	1996		1997		1998		1999		2000		2001		2002		2003		2004		2005	
	mio EUR	%	mio EUR	%	mio EUR	%	mio EUR	%	mio EUR	%	mio EUR	%	mio EUR	%	mio EUR	%	mio EUR	%	mio EUR	%
	36 535.0	45.0%	34 351.5	42.6%	33 086.5	39.1%	31 331.2	36.1%	35 192.5	38.0%	31 320.3	33.2%	22 388.2	23.5%	21 260.1	22.7%	13 912.2	13.4%	16 018.0	15.0%
	21 058.0	25.9%	26 891.7	33.4%	35 026.1	41.4%	37 511.2	43.2%	37 580.5	40.5%	34 878.8	37.0%	45 947.6	48.1%	51 235.2	54.8%	68 982.0	66.6%	70 860.6	66.2%
	-81.0	-0.1%	-114.9	-0.1%	55.4	0.1%	-169.3	-0.2%	-70.9	-0.1%	-70.3	-0.1%	148.2	0.2%	280.1	0.3%	-148.0	-0.1%	-130.7	-0.1%
	3.1	0.0%	-7.6	0.0%	-29.4	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	---	---	-0.1	0.0%	0.0	0.0%	0.0	0.0%
	57 515.1	70.8%	61 120.7	75.9%	68 138.5	80.6%	68 673.2	79.0%	72 702.0	78.4%	66 128.8	70.1%	68 484.0	71.8%	72 775.3	77.9%	82 746.2	79.9%	86 748.0	81.0%
	13 583.6	16.7%	14 172.3	17.6%	14 110.7	16.7%	13 857.6	15.9%	15 267.1	16.5%	14 589.2	15.5%	9 214.0	9.7%	10 857.2	11.6%	12 307.1	11.9%	14 063.1	13.1%
	729.1	0.9%	922.7	1.1%	992.0	1.2%	1 068.5	1.2%	1 078.6	1.2%	1 019.6	1.1%	726.8	0.8%	1 011.8	1.1%	1 313.4	1.3%	1 350.8	1.3%
	1 092.3	1.3%	1 002.6	1.2%	963.1	1.1%	1 083.2	1.2%	1 077.1	1.2%	756.0	0.8%	532.6	0.6%	383.2	0.4%	401.6	0.4%	695.1	0.6%
	11 762.2	14.5%	12 247.0	15.2%	12 155.6	14.4%	11 705.9	13.5%	13 111.5	14.1%	12 813.6	13.6%	7 954.6	8.3%	9 462.1	10.1%	10 592.1	10.2%	12 017.2	11.2%
	71 098.7	87.5%	75 293.0	93.5%	82 249.2	97.3%	82 530.8	95.0%	87 969.2	94.9%	80 718.1	85.6%	77 698.0	81.4%	83 632.5	89.5%	95 053.3	91.8%	100 811.1	94.1%
	1.02%		1.02%		1.07%		1.02%		1.02%		0.90%		0.84%		0.89%		0.92%		0.94%	
	9 215.2	11.3%	4 384.0	5.4%	916.0	1.1%	2 944.2	3.4%	3 209.1	3.5%	11 612.7	12.3%	15 002.5	15.7%	7 413.5	7.9%	5 469.8	5.3%	2 736.7	2.6%
	961.2	1.2%	870.7	1.1%	1 364.6	1.6%	1 428.5	1.6%	1 546.1	1.7%	1 958.5	2.1%	2 733.9	2.9%	2 422.6	2.6%	2 988.8	2.9%	3 542.8	3.3%
	81 275.1	100%	80 547.7	100%	84 529.7	100%	86 903.5	100%	92 724.4	100%	94 289.3	100%	95 434.4	100%	93 468.6	100%	103 512.0	100%	107 090.6	100%
	1.16%		1.09%		1.10%		1.07%		1.07%		1.05%		1.03%		0.99%		1.00%		1.00%	

TABLE 13

National contributions ('NC') (\*) and traditional own resources payments (TOR)  
by Member State 1970–2005

	EU-6										EU-9										EU-9		
	1970		1971		1972		1973		1974		1975		1976		1977		1978		1979			1980	
	mio A.U.	%	mio A.U.	%	mio A.U.	%	mio A.U.	%	mio A.U.	%	mio A.U.	%	mio A.U.	%	mio A.U.	%	mio ECU	%	mio ECU	%		mio ECU	%
BE	337.9	8.6%	193.2	7.6%	135.7	8.0%	169.0	6.7%	107.2	6.5%	162.7	6.8%	117.8	5.1%	128.7	3.9%	241.0	4.5%	330.8	4.7%	327.1	4.4%	
DK	---	---	---	---	---	---	52.9	2.1%	16.9	1.0%	42.9	1.8%	32.6	1.4%	92.3	2.8%	141.3	2.6%	187.1	2.7%	193.3	2.6%	
DE	1 080.9	27.6%	778.9	30.8%	468.0	27.6%	572.0	22.6%	470.2	28.3%	718.0	30.2%	808.5	34.7%	1 416.7	42.5%	1 718.7	32.2%	2 248.3	31.9%	2 372.4	32.2%	
EL	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
FR	1 060.4	27.1%	778.9	30.8%	550.7	32.5%	701.1	27.7%	566.7	34.1%	777.6	32.7%	847.4	36.4%	1 228.0	36.9%	1 277.4	23.9%	1 722.4	24.4%	1 778.8	24.1%	
IE	---	---	---	---	---	---	28.5	1.1%	24.0	1.4%	16.4	0.7%	18.5	0.8%	27.0	0.8%	33.4	0.6%	42.8	0.6%	64.8	0.9%	
IT	965.1	24.7%	550.8	21.8%	423.8	25.0%	434.9	17.2%	340.4	20.5%	488.9	20.6%	386.2	16.6%	329.1	9.9%	704.8	13.2%	752.3	10.7%	864.1	11.7%	
LU	6.0	0.2%	5.5	0.2%	3.7	0.2%	5.5	0.2%	4.0	0.2%	5.5	0.2%	8.5	0.4%	11.9	0.4%	9.6	0.2%	15.0	0.2%	15.3	0.2%	
NL	463.1	11.8%	218.3	8.6%	113.3	6.7%	145.1	5.7%	110.5	6.7%	175.7	7.4%	95.2	4.1%	138.9	4.2%	320.9	6.0%	454.0	6.4%	462.0	6.3%	
UK	---	---	---	---	---	---	425.3	16.8%	19.5	1.2%	-12.0	-0.5%	13.8	0.6%	-41.9	-1.3%	898.1	16.8%	1 302.9	18.5%	1 294.5	17.6%	
NC'	3 913.4	100%	2 525.6	100%	1 695.3	100%	2 534.3	100%	1 659.4	100%	2 375.7	100%	2 328.6	100%	3 330.8	100%	5 345.3	100%	7 055.7	100%	7 372.4	100%	
BE	---	---	87.5	9.3%	111.3	8.5%	151.3	8.2%	194.7	7.4%	240.6	7.2%	305.5	7.0%	439.2	7.2%	451.3	7.5%	537.4	8.1%	551.3	7.7%	
DK	---	---	---	---	---	---	0.0	0.0%	42.3	1.6%	59.0	1.8%	97.8	2.2%	127.2	2.1%	123.4	2.1%	138.5	2.1%	141.1	2.0%	
DE	---	---	346.3	37.0%	459.1	35.2%	660.4	36.0%	772.7	29.3%	885.5	26.3%	1 042.1	23.8%	1 171.1	19.3%	1 631.1	27.1%	1 799.1	27.2%	1 940.8	27.3%	
EL	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	
FR	---	---	190.9	20.4%	277.4	21.3%	394.1	21.5%	507.5	19.3%	529.8	15.8%	636.3	14.6%	771.8	12.7%	818.4	13.6%	904.2	13.7%	1 035.8	14.6%	
IE	---	---	---	---	---	---	0.0	0.0%	11.9	0.5%	24.1	0.7%	31.8	0.7%	52.5	0.9%	50.0	0.8%	58.9	0.9%	68.0	1.0%	
IT	---	---	154.8	16.5%	279.0	21.4%	370.7	20.2%	456.5	17.3%	512.0	15.2%	759.9	17.4%	1 258.1	20.7%	858.8	14.3%	857.4	13.0%	963.9	13.5%	
LU	---	---	1.4	0.2%	2.0	0.2%	2.6	0.1%	3.7	0.1%	3.6	0.1%	3.2	0.1%	2.9	0.0%	3.4	0.1%	3.5	0.1%	3.9	0.1%	
NL	---	---	154.9	16.6%	175.9	13.5%	255.3	13.9%	267.0	10.1%	345.9	10.3%	486.7	11.1%	623.2	10.3%	786.3	13.1%	751.7	11.4%	728.1	10.2%	
UK	---	---	---	---	---	---	0.0	0.0%	377.6	14.3%	762.6	22.7%	1 008.5	23.1%	1 627.2	26.8%	1 289.4	21.4%	1 555.2	23.5%	1 683.9	23.7%	
TOR	---	---	935.8	100%	1 304.8	100%	1 834.5	100%	2 633.8	100%	3 363.0	100%	4 371.7	100%	6 073.3	100%	6 012.1	100%	6 606.0	100%	7 116.9	100%	

	EU-12 (including former East-German Länder as of 1991)																					
	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%
BE	736.7	3.2%	782.6	3.4%	1 063.9	3.7%	969.1	3.1%	938.0	3.2%	1 278.3	3.3%	1 352.0	3.1%	1 521.3	3.0%	1 863.6	3.7%	1 676.6	3.1%	1 765.1	3.1%
DK	512.9	2.2%	576.3	2.5%	706.0	2.4%	618.3	2.0%	528.0	1.8%	755.6	1.9%	762.0	1.8%	946.0	1.9%	1 020.5	2.0%	1 009.0	1.9%	1 103.3	1.9%
DE	5 869.1	25.7%	6 217.5	26.7%	8 361.9	28.9%	7 725.4	24.4%	6 933.3	23.7%	11 317.2	29.1%	13 068.5	30.4%	15 182.4	29.8%	17 493.7	34.3%	17 444.1	32.7%	17 242.4	30.0%
EL	507.1	2.2%	216.5	0.9%	298.3	1.0%	396.4	1.3%	393.8	1.3%	564.8	1.5%	555.3	1.3%	834.6	1.6%	842.0	1.7%	833.0	1.6%	956.1	1.7%
ES	2 104.1	9.2%	1 195.1	5.1%	2 039.5	7.0%	2 939.7	9.3%	3 037.3	10.4%	3 794.8	9.8%	4 052.9	9.4%	4 574.9	9.0%	4 125.4	8.1%	2 918.1	5.5%	3 924.6	6.8%
FR	5 248.5	23.0%	5 556.5	23.8%	7 367.6	25.4%	6 828.2	21.6%	6 351.8	21.7%	8 773.1	22.6%	8 813.0	20.5%	9 850.3	19.3%	10 867.9	21.3%	10 165.4	19.0%	10 880.7	18.9%
IE	213.3	0.9%	207.7	0.9%	190.0	0.7%	205.6	0.7%	221.7	0.8%	300.9	0.8%	306.1	0.7%	381.4	0.7%	419.9	0.8%	436.7	0.8%	474.8	0.8%
IT	3 518.7	15.4%	3 738.0	16.0%	4 030.4	13.9%	6 172.2	19.5%	4 789.1	16.4%	7 187.4	18.5%	6 961.8	16.2%	9 130.6	17.9%	6 604.4	13.0%	5 227.7	9.8%	7 957.1	13.8%
LU	59.2	0.3%	66.0	0.3%	74.2	0.3%	63.8	0.2%	64.9	0.2%	92.1	0.2%	108.3	0.3%	151.8	0.3%	147.3	0.3%	147.7	0.3%	142.3	0.2%
NL	1 230.0	5.4%	1 326.0	5.7%	1 745.5	6.0%	1 543.0	4.9%	1 476.8	5.0%	2 040.4	5.2%	2 078.8	4.8%	2 559.9	5.0%	2 699.0	5.3%	2 685.9	5.0%	2 826.2	4.9%
AT	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
PT	210.1	0.9%	206.2	0.9%	267.7	0.9%	310.0	1.0%	350.0	1.2%	501.3	1.3%	628.7	1.5%	721.4	1.4%	1 012.8	2.0%	659.1	1.2%	716.1	1.2%
FI	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
SE	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
UK	2 601.2	11.4%	3 226.4	13.8%	2 823.3	9.7%	3 846.9	12.2%	4 167.6	14.2%	2 268.6	5.8%	4 294.1	10.0%	5 133.4	10.1%	3 840.2	7.5%	6 572.8	12.3%	5 518.3	9.6%
NC'	22 810.7	100%	23 314.8	100%	28 968.3	100%	31 618.5	100%	29 252.4	100%	38 874.5	100%	42 981.5	100%	50 987.9	100%	50 936.7	100%	53 374.4	100%	57 515.1	100%
BE	648.1	6.8%	857.0	7.6%	734.2	6.4%	838.2	6.6%	825.6	6.8%	939.1	6.7%	887.1	6.7%	873.7	6.7%	958.5	7.2%	1 003.5	6.9%	985.9	7.3%
DK	254.1	2.7%	250.5	2.2%	239.6	2.1%	252.7	2.0%	247.0	2.0%	277.9	2.0%	272.9	2.1%	260.5	2.0%	275.7	2.1%	286.4	2.0%	265.6	2.0%
DE	2 611.5	27.4%	2 955.6	26.3%	3 054.1	26.6%	3 385.0	26.6%	3 424.2	28.2%	4 077.1	29.2%	3 928.9	29.6%	3 894.0	30.0%	3 872.7	29.2%	3 879.9	26.8%	3 500.2	25.8%
EL	114.9	1.2%	115.2	1.0%	126.7	1.1%	169.9	1.3%	169.8	1.4%	197.3	1.4%	173.4	1.3%	176.5	1.4%	150.3	1.1%	152.2	1.1%	149.8	1.1%
ES	197.5	2.1%	484.4	4.3%	622.1	5.4%	635.4	5.0%	634.1	5.2%	785.4	5.6%	775.1	5.8%	597.7	4.6%	592.7	4.5%	727.1	5.0%	622.6	4.6%
FR	1 497.2	15.7%	1 656.5	14.7%	1 662.1	14.5%	1 794.6	14.1%	1 737.3	14.3%	1 828.8	13.1%	1 680.4	12.7%	1 695.2	13.1%	1 683.0	12.7%	1 711.4	11.8%	1 542.6	11.4%
IE	118.7	1.2%	121.5	1.1%	133.5	1.2%	165.3	1.3%	146.8	1.2%	151.5	1.1%	156.2	1.2%	186.0	1.4%	219.0	1.7%	228.1	1.6%	206.7	1.5%
IT	1 092.2	11.4%	1 359.1	12.1%	1 343.3	11.7%	1 433.7	11.3%	1 308.7	10.8%	1 512.4	10.8%	1 318.1	9.9%	1 134.4	8.7%	1 155.2	8.7%	1 186.0	8.2%	1 047.5	7.7%
LU	6.0	0.1%	7.0	0.1%	7.1	0.1%	9.0	0.1%	9.6	0.1%	16.7	0.1%	15.2	0.1%	15.2	0.1%	18.1	0.1%	19.9	0.1%	18.3	0.1%
NL	912.7	9.6%	971.4	8.6%	1 011.4	8.8%	1 157.5	9.1%	1 138.4	9.4%	1 497.3	10.7%	1 455.1	11.0%	1 470.8	11.3%	1 546.9	11.7%	1 663.7	11.5%	1 609.3	11.8%
AT	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
PT	62.9	0.7%	127.1	1.1%	127.4	1.1%	148.2	1.2%	152.4	1.3%	210.7	1.5%	209.4	1.6%	188.2	1.4%	202.8	1.5%	205.8	1.4%	135.6	1.0%
FI	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
SE	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
UK	2 023.9	21.2%	2 341.1	20.8%	2 410.8	21.0%	2 721.2	21.4%	2 366.7	19.5%	2 467.7	17.7%	2 408.3	18.1%	2 493.2	19.2%	2 577.2	19.4%	2 678.8	18.5%	2 700.2	19.9%
TOR	9 539.6	100%	11 246.4	100%	11 472.3	100%	12 710.8	100%	12 160.7	100%	13 962.0	100%	13 280.2	100%	12 985.5	100%	13 252.2	100%	14 453.2	100%	13 583.6	100%

EU-10									
1981		1982		1983		1984		1985	
mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%	mio ECU	%
377.5	3.8%	461.6	3.8%	432.5	3.1%	473.4	3.1%	626.5	3.5%
194.1	2.0%	226.8	1.9%	274.2	2.0%	309.6	2.1%	398.7	2.2%
2 809.6	28.4%	3 340.0	27.6%	4 038.9	29.4%	4 524.6	30.0%	5 229.8	29.1%
151.4	1.5%	196.3	1.6%	215.7	1.6%	220.3	1.5%	307.3	1.7%
2 258.2	22.8%	2 872.8	23.7%	3 082.1	22.4%	3 431.6	22.8%	4 162.8	23.2%
69.3	0.7%	107.7	0.9%	150.6	1.1%	135.9	0.9%	164.2	0.9%
1 589.0	16.0%	1 457.7	12.0%	1 923.3	14.0%	2 319.9	15.4%	2 856.7	15.9%
22.7	0.2%	25.7	0.2%	39.2	0.3%	47.8	0.3%	49.7	0.3%
500.3	5.1%	649.8	5.4%	713.7	5.2%	788.7	5.2%	968.2	5.4%
1 931.3	19.5%	2 782.7	23.0%	2 859.7	20.8%	2 824.4	18.7%	3 206.6	17.8%
<b>9 903.5</b>	<b>100%</b>	<b>12 121.1</b>	<b>100%</b>	<b>13 729.9</b>	<b>100%</b>	<b>15 076.3</b>	<b>100%</b>	<b>17 970.3</b>	<b>100%</b>
552.7	7.4%	618.4	7.6%	705.8	8.4%	682.9	7.4%	688.5	7.3%
148.3	2.0%	157.8	1.9%	185.3	2.2%	217.2	2.3%	235.4	2.5%
2 025.2	27.6%	2 121.5	26.1%	2 191.4	26.2%	2 516.0	27.1%	2 558.3	27.1%
94.1	1.3%	167.0	2.1%	145.4	1.7%	120.7	1.3%	113.7	1.2%
1 111.9	15.2%	1 218.4	15.0%	1 281.9	15.3%	1 430.9	15.4%	1 436.9	15.2%
82.0	1.1%	90.6	1.1%	107.4	1.3%	134.4	1.4%	142.3	1.5%
848.2	11.6%	926.9	11.4%	969.4	11.6%	1 006.0	10.8%	1 086.8	11.5%
4.2	0.1%	4.0	0.0%	4.2	0.0%	5.3	0.1%	5.6	0.1%
710.0	9.7%	732.7	9.0%	767.9	9.2%	848.4	9.1%	915.6	9.7%
1 756.2	23.9%	2 096.5	25.8%	2 003.2	24.0%	2 325.5	25.0%	2 255.3	23.9%
<b>7 332.8</b>	<b>100%</b>	<b>8 133.8</b>	<b>100%</b>	<b>8 361.8</b>	<b>100%</b>	<b>9 287.3</b>	<b>100%</b>	<b>9 438.3</b>	<b>100%</b>

(\*) 'National contributions' include all own resources payments (i.e. own resources payments based on VAT, GNP/GNI, UK correction payments, advances, financial contributions, restitutions, etc.) except TOR payments.

(\*\*) The 10 Member States which joined the EU on 1 May 2004 thus contributed during 2/3 of the year only to the 2004 budget.

EU-25				
	2004 (**)		2005	
	mio EUR	%	mio EUR	%
BE	2 570.1	3.1%	2 650.6	3.1%
CZ	504.8	0.6%	844.1	1.0%
DK	1 682.6	2.0%	1 690.8	1.9%
DE	17 823.3	21.5%	17 411.9	20.1%
EE	48.3	0.1%	83.7	0.1%
EL	1 545.8	1.9%	1 601.9	1.8%
ES	7 428.9	9.0%	8 377.1	9.7%
FR	14 878.6	18.0%	15 516.8	17.9%
IE	1 122.1	1.4%	1 260.2	1.5%
IT	12 549.5	15.2%	12 204.8	14.1%
CY	76.0	0.1%	114.8	0.1%
LV	59.6	0.1%	109.4	0.1%
LT	104.9	0.1%	172.9	0.2%
LU	218.7	0.3%	211.2	0.2%
HU	482.8	0.6%	719.9	0.8%
MT	27.9	0.0%	38.2	0.0%
NL	3 891.8	4.7%	4 462.7	5.1%
AT	1 870.5	2.3%	1 955.5	2.3%
PL	1 198.0	1.4%	2 055.2	2.4%
PT	1 210.6	1.5%	1 419.0	1.6%
SI	158.1	0.2%	246.6	0.3%
SK	200.4	0.2%	314.9	0.4%
FI	1 348.7	1.6%	1 352.2	1.6%
SE	2 365.4	2.9%	2 303.2	2.7%
UK	9 378.9	11.3%	9 630.2	11.1%
NC	<b>82 746.2</b>	<b>100%</b>	<b>86 748.0</b>	<b>100%</b>
BE	1 278.9	10.4%	1 373.2	9.8%
CZ	60.4	0.5%	146.1	1.0%
DK	257.5	2.1%	296.2	2.1%
DE	2 406.5	19.6%	2 724.4	19.4%
EE	7.1	0.1%	16.0	0.1%
EL	1 965.5	1.6%	1 999.6	1.4%
ES	954.7	7.8%	1 097.8	7.8%
FR	1 134.9	9.2%	1 337.3	9.5%
IE	128.4	1.0%	182.2	1.3%
IT	1 236.6	10.0%	1 341.9	9.5%
CY	19.0	0.2%	35.2	0.3%
LV	7.8	0.1%	20.4	0.1%
LT	14.4	0.1%	34.1	0.2%
LU	12.6	0.1%	15.8	0.1%
HU	54.3	0.4%	113.3	0.8%
MT	5.1	0.0%	11.9	0.1%
NL	1 377.0	11.2%	1 484.3	10.6%
AT	1 760.0	1.4%	1 885.5	1.3%
PL	1 122.8	0.9%	2 720.0	1.9%
PT	121.7	1.0%	108.0	0.8%
SI	12.3	0.1%	28.1	0.2%
SK	19.1	0.2%	44.1	0.3%
FI	94.6	0.8%	112.7	0.8%
SE	315.2	2.6%	351.0	2.5%
UK	2 303.6	18.7%	2 526.8	18.0%
TOR	12 307.1	100%	14 063.1	100%

EU-15													
1997		1998		1999		2000		2001		2002		2003	
mio ECU	%	mio ECU	%	mio EUR	%	mio EUR	%	mio EUR	%	mio EUR	%	mio EUR	%
1 922.5	3.1%	1 989.5	2.9%	2 093.2	3.0%	2 161.9	3.0%	2 284.5	3.5%	2 129.4	3.1%	2 322.3	3.2%
1 217.2	2.0%	1 399.7	2.1%	1 359.8	2.0%	1 368.2	1.9%	1 486.8	2.2%	1 507.5	2.2%	1 559.8	2.1%
17 784.7	29.1%	17 372.7	25.5%	17 880.9	26.0%	18 423.1	25.3%	16 578.5	25.1%	15 617.6	22.8%	16 915.4	23.2%
1 014.7	1.7%	1 146.4	1.7%	1 161.0	1.7%	1 132.1	1.6%	1 168.0	1.8%	1 215.9	1.8%	1 378.4	1.9%
4 736.0	7.7%	5 015.9	7.4%	5 412.5	7.9%	5 527.5	7.6%	5 686.9	8.6%	5 965.9	8.7%	6 676.2	9.2%
11 635.1	19.0%	12 082.4	17.7%	12 507.6	18.2%	12 866.0	17.7%	12 961.9	19.6%	13 202.7	19.3%	14 113.8	19.4%
462.3	0.8%	787.7	1.2%	884.9	1.3%	875.2	1.2%	1 051.2	1.6%	933.8	1.4%	1 023.0	1.4%
7 546.7	12.3%	9 313.7	13.7%	9 487.3	13.8%	9 515.9	13.1%	10 213.6	15.4%	10 411.3	15.2%	10 639.9	14.6%
148.7	0.2%	194.7	0.3%	173.8	0.3%	161.4	0.2%	236.5	0.4%	173.7	0.3%	192.1	0.3%
3 109.2	5.1%	3 414.0	5.0%	3 479.3	5.1%	3 749.1	5.2%	3 771.3	5.7%	3 506.3	5.1%	3 635.9	5.0%
1 856.0	3.0%	1 844.2	2.7%	1 809.1	2.6%	1 823.6	2.5%	1 862.3	2.8%	1 658.2	2.4%	1 769.2	2.4%
922.7	1.5%	926.7	1.4%	1 043.0	1.5%	1 071.9	1.5%	1 100.4	1.7%	1 101.8	1.6%	1 195.1	1.6%
917.6	1.5%	1 006.0	1.5%	1 082.5	1.6%	1 100.2	1.5%	1 114.8	1.7%	1 120.3	1.6%	1 261.8	1.7%
1 963.1	3.2%	1 999.4	2.9%	1 993.2	2.9%	2 243.3	3.1%	1 977.6	3.0%	1 853.9	2.7%	2 220.4	3.1%
5 884.2	9.6%	9 645.5	14.2%	8 305.2	12.1%	10 682.6	14.7%	4 634.4	7.0%	8 085.7	11.8%	7 872.1	10.8%
<b>61 120.7</b>	<b>100%</b>	<b>68 138.5</b>	<b>100%</b>	<b>68 673.2</b>	<b>100%</b>	<b>72 702.0</b>	<b>100%</b>	<b>66 128.8</b>	<b>100%</b>	<b>68 484.0</b>	<b>100%</b>	<b>72 775.3</b>	<b>100%</b>
1 048.9	7.4%	1 141.4	8.1%	1 103.0	8.0%	1 226.8	8.0%	1 247.1	8.5%	888.5	9.6%	1 163.8	10.7%
288.6	2.0%	295.1	2.1%	296.4	2.1%	316.7	2.1%	290.9	2.0%	180.4	2.0%	216.0	2.0%
3 432.5	24.2%	3 260.2	23.1%	3 188.0	23.0%	3 351.8	22.0%	3 148.7	21.6%	1 964.6	21.3%	2 287.7	21.1%
163.7	1.2%	163.9	1.2%	187.8	1.4%	201.7	1.3%	182.0	1.2%	121.6	1.3%	155.4	1.4%
631.7	4.5%	736.5	5.2%	818.8	5.9%	917.8	6.0%	904.6	6.2%	585.3	6.4%	753.3	6.9%
1 550.8	10.9%	1 501.9	10.6%	1 486.3	10.7%	1 644.9	10.8%	1 509.4	10.3%	949.6	10.3%	1 040.3	9.6%
224.7	1.6%	197.0	1.4%	174.9	1.3%	199.2	1.3%	160.1	1.1%	85.1	0.9%	104.5	1.0%
1 120.4	7.9%	1 267.8	9.0%	1 278.5	9.2%	1 484.1	9.7%	1 398.9	9.6%	868.1	9.4%	1 118.9	10.3%
22.0	0.2%	22.1	0.2%	20.3	0.1%	24.1	0.2%	20.0	0.1%	10.1	0.1%	12.5	0.1%
1 728.5	12.2%	1 690.5	12.0%	1 612.2	11.6%	1 747.6	11.4%	1 745.7	12.0%	961.1	10.4%	1 283.7	11.8%
254.4	1.8%	241.6	1.7%	244.6	1.8%	270.0	1.8%	228.7	1.6%	150.5	1.6%	166.8	1.5%
155.1	1.1%	177.9	1.3%	184.7	1.3%	183.1	1.2%	165.6	1.1%	85.5	0.9%	97.8	0.9%
144.3	1.0%	139.8	1.0%	128.2	0.9%	125.5	0.8%	118.3	0.8%	64.2	0.7%	76.2	0.7%
362.9	2.6%	383.3	2.7%	355.6	2.6%	389.6	2.6%	360.2	2.5%	232.3	2.5%	280.9	2.6%
3 043.9	21.5%	2 891.7	20.5%	2 778.3	20.0%	3 184.3	20.9%	3 109.0	21.3%	2 067.1	22.4%	2 099.5	19.3%
<b>14 172.3</b>	<b>100%</b>	<b>14 110.7</b>	<b>100%</b>	<b>13 857.6</b>	<b>100%</b>	<b>15 267.1</b>	<b>100%</b>	<b>14 589.2</b>	<b>100%</b>	<b>9 214.0</b>	<b>100%</b>	<b>10 857.2</b>	<b>100%</b>

TABLE 14

## Staff of the Community institutions from 1970 to 2004

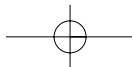
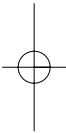
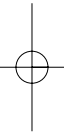
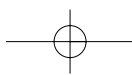
	1970	1971	1972	1973	1974	1975	1976
Parliament	532	589	787	1 096	1 172	1 206	1 404
Council	618	628	980	1 218	1 330	1 481	1 501
Commission	7 801	8 025	8 239	9 247	9 573	9 987	10 641
of which: Administrative budget	5 201	5 455	5 827	6 799	7 194	7 605	7 777
Research budget	2 501	2 450	2 277	2 277	2 198	2 184	2 658
Publications Office	99	120	135	171	181	198	206
Other bodies							
Court of Justice	114	126	138	223	254	261	264
Court of Auditors	26	29	30	35	35	35	35
Economic and Social Committee and Committee of the Regions	144	156	192	252	284	292	302
<b>Total</b>	<b>9 235</b>	<b>9 553</b>	<b>10 366</b>	<b>12 071</b>	<b>12 648</b>	<b>13 262</b>	<b>14 147</b>

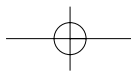
	1988	1989	1990	1991	1992	1993	1994
Parliament	3 405	3 405	3 482	3 565	3 686	3 790	3 790
European Ombudsman							
European data protection supervisor							
Council	2 130	2 165	2 184	2 205	2 225	2 256	2 304
Commission	15 905	16 309	16 720	17 175	17 946	18 576	19 027
of which : Administrative budget	12 328	12 611	12 887	13 157	13 975	14 540	14 918
Research budget	3 073	3 176	3 285	3 462	3 409	3 430	3 497
Publications Office	396	406	424	428	428	463	465
OLAF							
Other bodies	108	116	124	128	134	143	147
Court of Justice	672	733	752	794	800	825	837
Court of Auditors	375	377	379	384	394	402	427
Economic and Social Committee and Committee of the Regions	485	494	501	506	510	510	599
<b>Total</b>	<b>22 972</b>	<b>23 483</b>	<b>24 018</b>	<b>24 629</b>	<b>25 561</b>	<b>26 359</b>	<b>26 984</b>



	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
	1 537	1 709	2 112	2 573	2 927	2 931	2 941	2 966	2 998	3 277	3 360
	1 508	1 517	1 547	1 599	1 700	1 755	1 798	1 792	1 888	2 016	2 066
	11 068	11 418	11 649	11 947	12 283	12 675	12 998	13 280	13 703	14 262	15 161
	8 048	8 378	8 580	8 885	9 173	9 565	9 852	10 037	10 369	10 881	11 622
	2 806	2 816	2 771	2 736	2 753	2 747	2 779	2 851	2 922	2 939	3 053
	214	224	237	265	284	288	292	312	331	350	380
			61	61	73	75	75	80	81	92	106
	275	288	315	363	452	474	478	480	480	571	646
	35	164	214	259	284	294	303	303	307	345	366
	305	315	325	339	374	378	391	400	405	448	471
	<b>14 728</b>	<b>15 411</b>	<b>16 162</b>	<b>17 080</b>	<b>18 020</b>	<b>18 507</b>	<b>18 909</b>	<b>19 221</b>	<b>19 781</b>	<b>20 919</b>	<b>22 070</b>

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
	4 091	4 105	4 109	4 110	4 181	4 199	4 264	4 338	4 960	5 399	5 597
								27	31	38	51
								15			19
	2 464	2 529	2 529	2 534	2 621	2 659	2 703	2 701	2 919	3 184	3 280
	20 383	21 464	22 006	22 509	22 661	23 076	24 087	24 080	24 315	25 393	26 651
	15 836	16 449	16 789	17 094	17 082	17 087	17 587	17 906	16 743	17 412	17 957
	3 497	3 694	3 712	3 712	3 712	3 704	3 731	3 556	3 606	3 672	3 755
	525	525	525	525	525	522	522	520	519	536	635
					149	224	300	300	300	329	347
	525	796	980	1 178	1 193	1 539	1 947	1 798	3 147	3 444	3 957
	950	953	953	953	961	1 010	1 075	1 077	1 140	1 641	1 717
	503	503	528	553	552	552	552	575	605	736	777
	716	727	739	739	737	751	757	764	777	1 026	1 064
	<b>29 107</b>	<b>30 281</b>	<b>30 864</b>	<b>31 398</b>	<b>31 713</b>	<b>32 247</b>	<b>33 438</b>	<b>33 577</b>	<b>34 747</b>	<b>37 417</b>	<b>39 156</b>

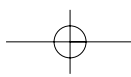
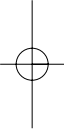
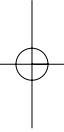




## ANNEX II

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### BASIC CONCEPTS



## TYPES OF APPROPRIATIONS

### Structure of the budgetary accounts

Only the Commission budget contains administrative appropriations and operating appropriations. The other institutions have only administrative appropriations.

The budget distinguishes between two types of appropriation: non-differentiated appropriations and differentiated appropriations. Non-differentiated appropriations are used to finance operations of an annual nature (which comply with the principle of annuality). Differentiated appropriations were introduced in order to reconcile the principle of annuality with the need to manage multiannual operations.

(a) **Non-differentiated appropriations** cover:

- all the administrative sections of the budget (Chapter 1 of the Commission section and the whole of every other section);
- EAGGF Guarantee appropriations of an annual nature; and
- certain technical appropriations (repayments, borrowing and lending guarantees, etc.).

In the case of non-differentiated appropriations, the amount of commitment appropriations is the same as that of payment appropriations.

(b) **Differentiated appropriations** are intended to cover multiannual operations and comprise the appropriations in all chapters except Chapter 1 of the Commission section (not including EAGGF).

These differentiated appropriations break down into commitment appropriations and payment appropriations:

o **commitment appropriations**: cover the total cost of the legal obligations entered into for the current financial year for operations extending over a number of years <sup>(1)</sup>. However, budgetary commitments for actions extending over more than one financial year may, in accordance with Article 76(3) of the financial regulation, be broken down over several years into annual instalments where the basic act so provides. For the differentiated appropriations, budget commitments not yet made for future years are shown as a contingent liability in the off balance sheet (under point 6).

o **payment appropriations**: cover expenditure arising from commitments entered into in the current financial year and/or earlier financial years <sup>(2)</sup>.

With the introduction of differentiated appropriations, a gap developed between commitments entered into and payments made: this gap, corresponding to **outstanding commitments**, represents the time-lag between when the commitments are entered into and when the corresponding payments are made.

### Composition of appropriations available

**Final budget appropriations** = initial budget appropriations + amending budget appropriations + transfers.

**Additional appropriations** = earmarked revenue (refunds, EFTA appropriations, revenue from third parties, work for third parties, appropriations made available again as a result of repayment of payments on account) + appropriations carried over from previous year or made available again (appropriations carried over automatically or by decision of the

<sup>(1)</sup> Appropriations for commitment = commitment appropriations + non-differentiated appropriations.

<sup>(2)</sup> Appropriations for payment = payment appropriations + non-differentiated appropriations.

institutions + appropriations carried over by decision of the institutions).

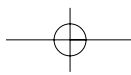
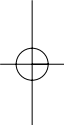
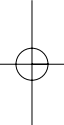
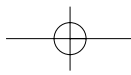
**Total appropriations authorised** = final budget appropriations + additional appropriations.

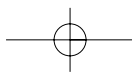
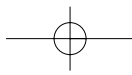
**Appropriations for the year** (as used to calculate the budgetary result) = final budget appropriations + earmarked revenue.

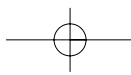
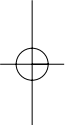
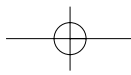
### Budget outturn 2005

(million EUR)

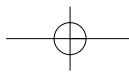
Revenue 2005	106 976
Payments from 2005 appropriations	- 103 439
Carryover to 2006	- 2 687
Unused carryovers from 2004 which lapsed	1 519
Exchange rate differences	41
<b>Budget outturn</b>	<b>2 410</b>











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