

## **P7\_TA-PROV(2014)0450**

### **Estimates of revenue and expenditure for the financial year 2015 – Section I – Parliament**

#### **European Parliament resolution of 17 April 2014 on Parliament's estimates of revenue and expenditure for the financial year 2015 (2014/2003(BUD))**

*The European Parliament,*

- having regard to Article 314 of the Treaty on the Functioning of the European Union,
- having regard to Regulation (EU, Euratom) No 966/2012 of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>1</sup>, and in particular Article 36 thereof,
- having regard to Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020<sup>2</sup>,
- having regard to the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management<sup>3</sup>, and in particular point 27 thereof,
- having regard to Regulation (EU, Euratom) No 1023/2013 of the European Parliament and of the Council of 22 October 2013 amending the Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the European Union<sup>4</sup>,
- having regard to the cooperation agreement of 5 February 2014 between the European Parliament and the European Economic and Social Committee and the Committee of Regions,
- having regard to its resolution of 23 October 2013 on the draft general budget of the European Union for the financial year 2014<sup>5</sup>,
- having regard to the Secretary-General's report to the Bureau on drawing up Parliament's preliminary draft estimates for the financial year 2015,
- having regard to the preliminary draft estimates drawn up by the Bureau on 2 April 2014,
- having regard to its positions of 11 March 2014 on the adjustment of the remuneration and pension of the officials and other servants of the European Union and the correction

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<sup>1</sup> OJ L 298, 26.10.2012, p. 1.

<sup>2</sup> OJ L 347, 20.12.2013, p. 884.

<sup>3</sup> OJ C 373, 20.12.2013, p. 1.

<sup>4</sup> OJ L 287, 29.10.2013, p. 15.

<sup>5</sup> Texts adopted, P7\_TA(2013)0437.

coefficients applied thereto<sup>1</sup>,

- having regard to Rule 79 of its Rules of Procedure,
  - having regard to the report of the Committee on Budgets (A7-0277/2014),
- A. whereas the 2015 budgetary procedure will run during a European election year, when the estimates of the Parliament for the financial year 2015 will be adopted by the current Parliament and the final budget will be approved by the new Parliament in the autumn;
- B. whereas the ceiling of heading V (Administration), set by the new Multiannual Financial Framework for 2014-2020 period, amounts to EUR 9 076 million for the 2015 budget; whereas the sub-ceiling for overall administrative expenditure of the institutions has been set at EUR 7 351 million;
- C. whereas the following three priorities have been proposed by the Secretary-General for the 2015 financial year, namely: to mobilise all necessary resources and support in order to empower the Members of the new Parliament to fulfil their mandate, to consolidate and reinforce structural changes in order to strengthen the Parliament's capacities to comply with all its powers and to assign the necessary means for the implementation of the multiannual projects;
- D. whereas the Secretary-General has proposed to continue and further strengthen the four activity areas adopted after the consultation of the Joint Bureau-Committee on Budgets Working Group in 2014, namely strengthening independent scientific advice and the capacity for scrutiny and improving logistical and local support for Members;
- E. whereas the Parliament will continue to exercise, in a transparent manner, a high degree of budgetary responsibility, control and self-restraint, while at the same time striking a delicate balance between budgetary rigour and structural savings on one hand and a concerted drive for efficiency on the other hand;
- F. whereas despite little room for manoeuvre and the need to counterbalance savings in other areas, certain investments should be considered in order to strengthen the institutional role of the Parliament and to improve the sustainability of the budget;
- G. whereas cooperation between the Bureau and the Committee on Budgets on Parliament's budget has proven its role in the process of structural reforms by identifying efficiency gains and possible savings in the Parliament's budget throughout the annual budget procedures; whereas possible savings, which affect the work of the Parliament and its Members, need to be discussed in the political groups and decided by a vote in plenary in the context of the budget procedure;
- H. whereas the agreement reached on 11 March 2014 on remuneration and pensions adjustments for 2011 and 2012 and its impact on the Parliament's budget for 2015 emerged as a new element of negotiations during the conciliation phase between the Bureau and the Committee on Budgets;

### ***General framework and overall budget***

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<sup>1</sup> Texts adopted, P7\_TA(2014)0186 and P7\_TA(2014)0187.

1. Stresses that the 2015 budget should be set on a realistic basis and should be in line with the principles of budgetary discipline and sound financial management; notes that 2015 will be a full year for the new Parliament in office;
2. Believes that the Parliament's budget should reflect the current economic situation experienced by citizens across the Union, as well as the fiscal constraints faced by many Member States, some of whom are engaged in serious efforts to bring their budgets onto a more sustainable long-term footing;
3. Stresses that in order to allow the Members of the new Parliament to fulfil their mandate and to empower the Parliament's capacity to comply with all its powers, a sufficient level of resources should be ensured;
4. Welcomes the priorities set for the financial year 2015 and emphasises that they are fully in line with the priorities identified by the Secretary-General and discussed by the Joint Bureau - Committee on Budgets Working Group; stresses that these reforms should continue in order to bring substantial efficiency gains and free up resources, without jeopardising legislative excellence, budgetary powers and powers of scrutiny, the relations with national parliament and the quality of working conditions;
5. Recalls that the level of the preliminary draft estimates for the 2015 budget, as suggested by the Secretary-General's Report, amounted to EUR 1 822 929 112 (20,09 % of heading V); takes into account the rate of increase of 3,83 %, compared with the 2014 budget; notes that 0,67 % of this increase corresponds to the Members' allocation for the end of their mandate, which are statutory and obligatory costs and 1,42 % to long term investments in the construction of the KAD building; notes that the level of the increase for the other expenditure would thus correspond to +1,74 %;
6. Takes note of the Preliminary Draft Estimates of the European Parliament for the financial year 2015 as adopted by the Bureau on 2 April 2014; welcomes the level of preliminary draft estimates, as adopted by the Bureau, which are significantly lower than the initial proposal; regrets however the lengthy and difficult procedure;
7. Approves the draft estimates for the year 2015 at EUR 1 794 929 112, corresponding to an overall rate of increase of 1,8 % over the 2014 budget and agrees furthermore to include in its draft estimates the obligatory extraordinary expenditure of 0,4 % resulting from the new agreement on the coefficient for the adjustment of the remunerations and pensions;
8. Believes that further savings could be achieved by having a critical look at the ICT budget lines, the expenditures on vehicles and the contingency reserve;
9. Believes that the next legislature will have the possibility to reconsider and adapt the budgetary priorities and will take the final decision in October 2014;
10. Invites the Secretary-General to present before the reading of the budget an estimate of the costs of the construction of the KAD building over the coming years in order to foresee the correct amount in the 2015 budget; furthermore invites the Secretary General to evaluate, at the end of the year, the funds not used in the 2014 budget and to commit them to the KAD project;
11. Emphasises, that as statutory and obligatory expenditure, such as rental and energy costs as

well as expenditure for wages, is subject to annual indexations, the level for the other expenditure has been reduced in nominal terms; notes that this was possible due to structural reforms and savings achieved in the previous years;

12. Calls for the potential savings identified by the Joint Bureau and Committee on Budgets Working Group to be explored further in order to generate substantial organisational savings, such as the scope for interinstitutional cooperation arrangements between the Parliament, the European Economic and Social Committee and the Committee of the Regions, which reflects the will to strengthen the institutional, political and legislative role of the Parliament and the two advisory Committees; notes that restructuring the Committees' Translation Service should improve their respective political core work and strengthen the new Research Service for Members; emphasises that according to this organisational reform, the Parliament can become the standard provider for the interpretation of these two Committees; supports the idea of offering interpretation capacities to other institutions during off-peak times;
13. Takes note of the interinstitutional cooperation arrangement between the Parliament, the European Economic and Social Committee and the Committee of the Regions, signed on 5 February 2014; requests detailed information on the financial impact and the progress of the implementation of this agreement to be provided to the Committee on Budgets by early 2015, having regard to the preparation of the estimates for the budget 2016;
14. Welcomes internal measures leading to efficiency savings in the Parliament's budget, such as the development of a system of translation based on Members' demands for committee amendments, a system of on-request interpretation for meetings other than the Plenary, the implementation of a paperless Parliament, proposals for a more efficient structure of the working rhythm of the Parliament and migration from Streamline to Sysper2 system;
15. Underlines that the statutory and compulsory expenditure needed for 2015 must be covered; considers that a final decision can only be taken by the new legislature, in autumn, once the exact amounts will be known;

### *Specific issues*

16. Stresses that structural economic measures undertaken throughout the seventh legislature have led to significant savings in the Parliament's budget, such as EUR 15 million and EUR 10 million annually in the field of interpretation and translation respectively, an additional EUR 4 million in travel expenses and EUR 28 million of savings of interest by pre-financing buildings; notes that further savings are anticipated in 2015, namely EUR 1,9 million from the transfer of the management of the Members' pensions to the Commission and EUR 1,5 million in buildings;
17. Emphasises the fact that institutional self-restraint in the seventh legislature, considering the level of relevant inflation rates, has resulted in a reduction of Parliament's budget in real terms for 2012 and 2014; notes that once exceptional and non-recurrent expenditure, such as Union enlargements or other expenditure linked to the entry in force of the Treaty of Lisbon, European elections and the financing of building projects were taken out, it showed a decrease in five years out of six (2009, 2011, 2012, 2013 and 2014); stresses, furthermore, that the Members' allowances have been frozen since 2011, the travel expenditure for Members and staff have been reduced by 5 % and the staff mission allowances have not been indexed since 2007;

18. Considers the note of the Secretary-General of November 2013 on the Implementation of the Staff Regulations and the reform and revision of the rules and procedures deriving from them; insists that the rules on parental leave are implemented correctly;
19. With reference to its abovementioned resolution of 23 October 2013 on the draft general budget of the European Union for the financial year 2014, notes that in order to comply with the 1 % annual staffing level reduction, the General Secretariat of the Parliament will decrease its number of staff and that any new tasks will be met through available human resources and redeployment;
20. Reiterates Parliaments' responsibility to act in a sustainable way; welcomes the efforts made in order to achieve a paperless environment and the on-going valuable work realised through the EMAS approach; believes that the EMAS process needs continued support;
21. Takes into consideration the conclusions of the Joint Bureau - Committee on Budgets Working Group on the Parliament budget to pursue structural and organisational reforms; notes, in that regard, that the provision of independent scientific advice and the capacity to exercise scrutiny, as well as support to the Members, should be further improved to strengthen Parliament's work as an institution vested with legislative and democratic scrutiny powers; stresses that these objectives shall be implemented in a financially responsible manner and that the Secretary-General should set out clearly a detailed plan, to be presented to the Committee on Budgets, on how these objectives will be met and the budgetary impact they will have before the Parliament's reading of the budget for 2015;
22. Regrets the freezing of allocations for political groups; political groups are indispensable contributors when it comes to Parliament's legislative and non-legislative work and its exercise of scrutiny;
23. Stresses that in order to address the development of these four areas of activities in a financially responsible manner, the Joint Working Group has identified seven areas where Parliament can improve its efficiency:
  - (i) Develop a system of translation on demand by Members of committee amendments,
  - (ii) Explore possibilities for interinstitutional cooperation with the Committee of the Regions and the European Economic and Social Committee,
  - (iii) Explore the offer of interpretation capacities to other institutions during off-peak times,
  - (iv) Migration from the present human resources management system, Streamline, to Sysper2,
  - (v) Prepare for the more efficient structure of the working rhythm of the Parliament,
  - (vi) Prepare for a paperless Parliament, wherever possible, through best practice and the full implementation of the e-meetings project,
  - (vii) Develop a system of on-request interpretation for meetings other than the Plenary;
24. Admitting the importance of efficiency and cost-effectiveness in the field of interpretation,

- recalls that these aspects must not erode the availability of live and accessible information across the Union, considering that multilingualism and interpretation for web-streaming and Parliament transparency are of key importance for the public and thus for the Members of the Parliament;
25. Believes that some of the ICT expenditure benefitting Members directly could be financed through the Members' general expenditure allowance;
  26. Reiterates that long-term investments, such as Parliament's building projects, need to be handled prudently and transparently; insists on strict cost management, project planning and supervision; reiterates its call for a transparent decision-making process in the field of buildings policy, based on early information; calls for a detailed analysis and update of the Parliament's property policy adopted by the Bureau in March 2010 and an overview of the investments made per year and per building under the 2009-2014 legislature to be presented to the Committee on Budgets by August 2014 at the latest, reiterates its request for precise information on the progress of buildings projects and its financial implication to be provided every six months;
  27. Takes note of the fact that the opening of the European House of History is foreseen at the end of 2015; awaits the updated information on the state-of-play of the project from the Secretary-General and the Bureau to be presented in due time before the Parliament's reading in autumn 2014; reiterates the commitment that the final cost outturn should not exceed the figures set out in its business plan;
  28. Recalls that on 10 June 2013, the Bureau endorsed the Secretary-General's proposals for immediate and phase-in measures in order to modernise the Parliament's 2014-2019 catering policy; calls, therefore, on the Bureau to present to the Committee on Budgets a clear evaluation of possible budgetary implications of this reform for the 2015 budget and beyond in due time for the preparation of the Parliament's reading of the budget for 2015;
  29. Calls on the Secretary-General to report to the Committee on Budgets on the implementation and the financial impact of the new global security concept by spring 2015; requests detailed information on the financial consequences of the creation of the new Directorate-General for Security in 2013; calls for information on the financial consequences of the interinstitutional administrative cooperation arrangements in the field of security;
  30. Takes note of the creation of the new Directorate-General for Parliamentary Research Services on 1 November 2013; recalls that it was created in a budgetary neutral way by redeployments from DGs PRES and IPOL and that the new Directorate-General will not require new human or financial resources in 2015; calls for information on the number of posts in the new Directorate in August/September 2014, including the planned transfer of posts from the two European Advisory Committees, as compared to the situation in January 2014 and asks for a breakdown of how its external expertise resources are to be used, which should be presented to the Committee on Budgets in due time for the preparation of the Parliament's reading of the budget for 2015;

### ***Final considerations***

31. Adopts the draft estimates for the financial year 2015;

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32. Instructs its President to forward this resolution and the estimates to the Council and the Commission.