

P7_TA(2009)0051

Draft general budget 2010 (Section III)

European Parliament resolution of 22 October 2009 on the draft general budget of the European Union for the financial year 2010, Section III – Commission (C7-0127/2009 – 2009/2002(BUD)) and Letter of amendment No 1/2010 (SEC(2009)1133) to the draft general budget of the European Union for the financial year 2010

The European Parliament,

- having regard to Article 272 of the EC Treaty and Article 177 of the Euratom Treaty,
- having regard to Council Decision 2000/597/EC, Euratom of 29 September 2000 on the system of the European Communities' own resources¹,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (Financial Regulation)²,
- having regard to the Interinstitutional Agreement (IIA) of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management³,
- having regard to its resolution of 10 March 2009 on the guidelines for the 2010 budget procedure⁴,
- having regard to the preliminary draft general budget of the European Union for the financial year 2010, which the Commission presented on 29 April 2009 (COM(2009)0300),
- having regard to the draft general budget of the European Union for the financial year 2010, which the Council established on 10 July 2009 (C7-0127/2009),
- having regard to Letter of amendment No 1/2010 (SEC(2009)1133) to the preliminary draft general budget of the European Union for the financial year 2010,
- having regard to Rule 75 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgets and the opinions of the other committees concerned (A7-0038/2009),

Key issues

1. Recalls that its political priorities and its assessment of the budgetary framework for the year 2010 were set out in its resolution of 10 March 2009, where Parliament was highly critical of the tight margins available in most of the headings of the Multiannual Financial

¹ OJ L 253, 7.10.2000, p. 42.

² OJ L 248, 16.9.2002, p. 1.

³ OJ C 139, 14.6.2006, p. 1.

⁴ Texts adopted, P6_TA(2009)0095.

Framework (MFF);

2. Deplores the fact that, in its draft budget, Council has reduced the Commission's Preliminary draft budget (PDB) even further: commitment appropriations in the draft budget total EUR 137 944 million, which represent a decrease relative to the PDB of EUR 613 million, and payment appropriations of EUR 120 521 million represent a decrease relative to the PDB of EUR 1 795 million; underlines that this has even further increased the disparity between the level of commitments and payments, which is contrary to the principle of sound financial management;
3. Recalls that the key objective of the 2010 budget must be to give special attention to the recent economic crisis; resolves that in this context Parliament will put European citizens first, proving that the European Union is not at the origin of the problem, but can be instrumental in the solution; therefore has amended accordingly the draft budget of the Council, with the aim of using the EU budget as a tool to help overcome the current crises, by giving impetus to economic growth, competitiveness, cohesion and job protection;
4. Reaffirms, after having examined the draft budget, that sub-heading 1a does not allow proper financing of the EU's needs on "Competitiveness for growth and employment" where there is a shortfall, particularly for addressing the current economic crisis and limiting its possible consequences; considers that this sub-heading should be examined in depth and, if need be, revised to ensure it fulfils its objectives in future years;
5. Recalls the agreement on the joint declaration, annexed to this resolution, by the Parliament and Council at the first reading conciliation on the 2010 budget of 10 July 2009; has taken it into account in the preparation of its amendments to the draft budget;

On the European Recovery Plan

6. Stresses that the financing of the second phase of the European Economic Recovery Plan is a priority for Parliament; intends to use the tools provided for in the IIA in order to guarantee its financing; recalls, in this context, that the European Council was not able to present its plans in its draft budget; recalls that the financing agreement should not jeopardise the financial envelopes of the co-decided programmes nor the annual budgetary procedure as outlined in the declaration agreed by the budgetary authority on the financing of the European Economic Recovery Plan of 2 April 2009; recalls also its view on the principles and the prudence required when using available margins under a particular heading;

On sub-heading 1a

7. Is astonished by Council's additional cuts on lines supporting the Lisbon strategy, which is based on a European Council decision; points out that this is contrary to what should have been done in order to address the current economic crisis;
8. Is committed to doing its utmost to secure adequate financing for all activities and policies under sub-heading 1a which foster sustainable growth and job creation and deliver solutions to European citizens namely by providing greater energy security, increasing support for research and innovation, particularly on clean energy technologies, promoting small and medium-sized enterprises and reinforcing life-long learning; advocates the enrichment and further development of the Erasmus Programme in order to foster the promotion of first-job creation for young people; recalls the importance of optimising the implementation of

framework programmes and calls on the Commission to take into account the Parliament's position as adopted in the discharge procedure for the Commission 2007¹, in particular paragraphs 113 to 123 on those implementation problems.

9. Recalls the revised rules in the Regulation (EC) No 546/2009 of the European Parliament and of the Council of 18 June 2009 amending Regulation (EC) No 1927/2006 on establishing the European Globalisation Adjustment Fund² for the benefit of workers who suffer from the consequences of major structural changes in world trade patterns, to assist them with their reintegration into the labour market; recalls that the above-mentioned revision aimed at widening the application of the fund should take into account the effects of the current economic crisis; stresses the need to have a thorough examination of the EGF in the mid-term review;

On sub-heading 1b

10. Regrets the cuts introduced by the Council to the PDB in a period when structural and cohesion funds should be used for stimulating economic growth and recovery; proposes systematic increases to payments on the main lines (ERDF, ESF, Cohesion Fund) to boost implementation of structural policy in the Member States, for the benefit of all European citizens;
11. Points out that the current weak implementation of structural and cohesion policy is mainly due to the low flexibility in the system of complicated rules and requirements imposed by the Commission and Member States;
12. Insists that Member States use all the existing tools to accelerate or even revise their operational programmes in order to tackle the consequences of the recent economic and financial crisis more efficiently; calls on the Commission to endorse these modifications in the shortest possible period of time so as not to delay their implementation;
13. Urges the Council to find an agreement on the proposal made by the Commission in July 2009 for amending the general provisions of the ERDF, ESF and Cohesion Funds as regards simplification of the provisions relating to financial management;
14. Underlines that numerous important policies and activities aimed at fighting climate change and supporting growth for jobs are financed under this sub-heading, and that more should be done to focus the efforts in order to effectively address those priorities;
15. Reiterates the importance it attaches to the solidarity principle within the Union; intends to make every effort to guarantee more adequate funding for cohesion policy in order to be able to deal with current and future challenges; believes it is now even more necessary to assess the application of the n+2 and n+3 rule with a view to ensuring full execution of the Structural Funds and the Cohesion Fund;

On heading 2

16. Is of the opinion that the EU budget in its present format cannot address effectively and realistically the goals that the Union has set for climate change; considers that European citizens need a tangible European initiative to fight climate change, face its consequences and finance the necessary policies;

¹ OJ L 255, 26.9.2009, p. 36.

² OJ L 167, 29.6.2009, p. 26.

17. Recalls that, in view of the Copenhagen conference in December 2009, the fight against climate change will remain one of its top priorities for Budget 2010; considers, however, that this priority is not sufficiently reflected in the draft budget and intends, consequently, to put stronger emphasis on this key policy; reminds the Commission to submit a timely and reasonable financing proposal in the aftermath of the climate change conference;
18. Emphasises the priority given by its competent committee for aiding milk producers; decides to send a clear message to the Commission and the Council by proposing an amount of EUR 300 million for the creation of a Dairy Fund; urges the Commission to take on board this request when presenting its Amending letter No 2;
19. Decides to finance the broadband internet measures for rural areas of the European Economic Recovery Plan from the margin of heading 2, in line with the relevant declaration agreed by the budgetary authority on the financing on 2 April 2009;
20. Stresses the need to increase the funding of programmes with the potential to promote the consumption of agricultural products (e.g. school milk and school fruit schemes);

On sub-heading 3a

21. Acknowledges European citizens' wish for a safe and secure Europe and welcomes the increases in this sub-heading relative to the 2009 budget; acknowledges that all countries in the Union are facing many challenges in relation to policies covered by this sub-heading; urges Member States to take advantage of the increases in this sub-heading relative to the 2009 budget to tackle these challenges together;
22. Stresses the importance of further funding being made available via the EU budget to manage legal immigration and integration of third country nationals while in parallel tackling illegal immigration in full respect of human fundamental rights, and strengthening border protection, including the strengthening of the European Return Fund and the European Refugee Fund to facilitate solidarity between the Member States;

On sub-heading 3b

23. Recalls that sub-heading 3b covers vital policies that have a direct impact on the everyday life of European citizens; disagrees with the Council's cuts in this sub-heading and endorses the specialised committees' approach, ensuring that the increase of the appropriations is justified;
24. Recalls that the low turn-out in the European elections has shown once again that information and communication policy has to be improved in the 2010 budget; acknowledges that this represents a common challenge for the Commission, the Member States and Parliament as a necessary part of the democratic process; has therefore tabled amendments putting in reserve a part of appropriations foreseen for the information and communication policy; calls on the Commission to present to Parliament its plans on how to implement the outcome of the findings of the Interinstitutional Group of Information (IGI);

On heading 4

25. Supports Letter of amendment No 1 to the PDB 2010 adopted by the Commission on 2

September 2009, which provides for an increase on two lines: Palestine and climate change in developing countries, two priorities put forward by the Parliament;

26. Has decided to increase budget line climate change in developing countries, while waiting for the outcome of the conference on climate change in Copenhagen; stresses, however, the need for a new financial instrument to help developing countries to cope with the effects of climate change, so the Development Cooperation Instrument (DCI) can fulfil its originally assigned tasks in the future;
27. Reiterates its serious concerns about the dangerously narrow margin for manoeuvre resulting from chronic under-financing of a heading constantly under pressure as a result of crises occurring in third countries;
28. Calls on the Commission to present a plan to restore, over the period 2010 to 2013, the financial means that were reallocated from the Instrument for Stability to the Food Facility, in order to ensure that the Union has the full financial means available, under heading 4 of the budget, to fulfil its role on the international stage as expected by the citizens of Europe; calls on the Commission to present a plan for the mobilisation of financial resources for any external emergency assistance facilities or mechanisms that are created outside the Instrument for Stability in a way that would avoid drawing on the funds foreseen for the Instrument for Stability;
29. Calls on the European Council not to make far-reaching political commitments calling for stronger EU financial support without at the same time providing for the requisite budgetary appropriations when there is an obvious contradiction with the funds available under the annual ceilings of the current MFF;
30. Considers securing energy supply an important issue for the Union; therefore welcomes the signature of all participatory countries to the Nabucco project, and expects consistency from all of them when dealing with other projects that might put Nabucco at risk;
31. Continues to count on support for the peace process in Palestine and the reconstruction needs in the Gaza Strip; calls on the Commission to communicate which measures it has taken to minimise the risks that projects and programmes financed under this budget line are used or diverted to terrorist organisations or acts of terrorism, or inefficient bureaucracy, and to specify whether part of the aid is aimed at rebuilding premises or infrastructure previously financed by the Union or its Member States and damaged by military action;
32. Stresses the necessity of allocating sufficient funding to the EU Baltic Sea Strategy in order to finance actions that cannot be financed from other budget lines (coordination, information and pilot projects in any of the four pillars of the action plan);

On heading 5

33. Has decided to accept some of the Council's cuts in the administrative expenditure lines, based on a selective approach, striking a balance between the overall budgetary priorities, including new ones, and the needs for implementation of existing policies;
34. Has nevertheless reinstated the appropriations for staff expenditure; points out that the total amount of all types of administrative expenditure financed outside heading 5 has substantially increased in recent years; requests that in future, proposals from the Commission to transfer administrative expenditure to the operational headings be fully

justified; acknowledges that operational programmes can not function without the necessary administrative support; is, however, greatly concerned that under the current MFF part of the overall envelope for multi-annual programmes under headings other than heading 5 is being used for administrative expenditure;

35. Is worried about the current call for tender for a New European Quarter; reiterates its request to be fully informed on the selection process and the need for further information on the Commission's building policy in general;
36. Calls on the Commission to present a calendar for the proposals on the tri-annual Review of the Financial Regulation;

On pilot projects and preparatory actions

37. Recalls that the IIA allows for a total amount for pilot projects of up to EUR 40 million in any budget year and for a total amount for preparatory actions of up to EUR 100 million out of which a maximum of EUR 50 million can be allocated to new preparatory actions;
38. Considers these projects an indispensable tool for Parliament to initiate new policies for European citizens; notes that for all but four pilot projects and preparatory actions the Commission has entered payment appropriations only, which has enabled Parliament to fully scrutinise whether or not a follow-up was needed and whether or not new commitments should be voted; moreover has analysed a series of new interesting proposals, only some of which could be entered into the 2010 budget due to the constraints of IIA and MFF ceilings;
39. Has given priority to the implementation of pilot projects and preparatory actions in their second or third year; intends to monitor closely the implementation of these and the newly established projects and actions during the financial year 2010;

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40. Instructs its President to forward this resolution, together with the amendments and proposed modifications to Section III of the draft general budget, to the Council and Commission, and also to the other institutions and bodies concerned.

ANNEX 1

STATEMENTS AGREED AT THE CONCILIATION OF 10 JULY 2009

JOINT DECLARATION FOR ENTRY IN THE COUNCIL MINUTES

Recruitment in relation with the 2004 and 2007 enlargement

"The European Parliament and the Council stress again the importance of a full recruitment on all posts related to the 2004 and 2007 enlargement, especially for middle and high management level, and insist that all efforts should be made by the institutions and specifically by EPSO to ensure that the necessary action is taken to speed up the whole process of filling up the posts granted by the budgetary authority with officials. The criteria should be as stipulated in Article 27 of the Staff Regulation and to arrive at the broadest possible geographical proportional basis as soon as possible.

The European Parliament and the Council intend to continue to monitor closely the ongoing recruitment process. To this effect, they request each institution and EPSO to provide twice a year, in March and October, an information to the budgetary authority on the state of affairs regarding recruitments in relation with the 2004 and 2007 enlargement."

COUNCIL DECLARATIONS FOR ENTRY IN THE COUNCIL MINUTES

1. Payment appropriations

"The Council asks the Commission to submit an amending budget if the appropriations entered in the 2010 budget are insufficient to cover expenditure under sub-heading 1a (Competitiveness for growth and employment), sub-heading 1b (Cohesion for growth and employment), heading 2 (Preservation and management of natural resources) and heading 4 (EU as a global player)."

2. Heading 4

"The Council, noting the Commission's intention to present a letter of amendment to the 2010 PDB covering at a later stage additional needs in the field of external actions, especially the priorities covered by previous letters of amendment and those referred to in the European Council conclusions of June 2009, has established its draft budget for 2010 with an appropriate margin under heading 4 allowing it to be taken into account."

3. Building policy of EU Institutions and bodies

"The Council recalls its conclusions on the Court of Auditors' special report No. 2/2007 concerning the Institutions' expenditure on buildings and, acknowledging that building costs represent a significant part of the overall administrative expenditure of the EU Institutions, considers that a sound financial management of building expenses is essential.

The Council reiterates the importance of a strong interinstitutional cooperation in this

field. It underlines the need for the Institutions to cooperate to the highest possible extent and to join their forces, both for the rental or purchase of buildings and for connected current expenses. It invites the Institutions to share facilities whenever appropriate in order to limit building expenses to the necessary minimum.

In this context, the Council welcomes the efforts already made by the Institutions to cooperate at interinstitutional level and to harmonise their building management methods. It notes with satisfaction the agreement on common guidelines for defining and measuring building space which was recently reached by interinstitutional working groups set up in Brussels and Luxembourg. The Council asks the Institutions to look into the potential for further interinstitutional cooperation which could include sharing of premises, joint management of premises and the scope for a possible interinstitutional buildings office.

The Council calls on the Institutions to establish long-term building strategies, based on realistic estimates of future staff numbers and ensuring the necessary flexibility by means of an equilibrium between owned and rented buildings, in order to avoid as far as possible any ad-hoc decisions on buildings. It also requests the Institutions to use available space in the most efficient way and to take any possible measures of internal rationalisation. The Council welcomes the work already carried out by the Institutions on alternative financing methods and awaits the coming report from the Commission.

The Council attaches great importance to receive the information required by the relevant provisions of the Financial Regulation as soon as possible. The information should include thorough need assessments and comprehensive cost-benefit analyses, the various alternatives, outlining the options to rent or buy as well as the alternative financing possibilities, and taking all financing costs into account. Well before decisions need to be taken, the information should be made available to both arms of the budgetary authority, so that they can establish their position without time pressure.

Moreover, it reiterates its call on the Secretaries-General of the Institutions to provide information before the presentation of the preliminary draft budget. While recognising each Institution's own specificities and additional particularities characterising each project, the Council asks the Institutions to pursue their work towards harmonising this information through common definitions and indicators to allow comparisons of building space and building costs between the different Institutions, including the common understanding of the method for calculating annual costs of own property spread over the entire period of their utilisation.

The Council encourages the Institutions to continue and to intensify the energy-efficiency and environment measures in their buildings, including the certification according to environmental standards, wherever this is appropriate and feasible with the given resources.

The Council takes note of the excellent cooperation between the Institutions and the administrations of their host Member States, which contribute significantly to the sound management of building issues.

The Council recalls that its observations apply equally to the specific situation of the

executive agencies, and where applicable to the decentralised agencies."

UNILATERAL DECLARATION FOR ENTRY IN THE COUNCIL MINUTES

"With regard to the adoption of the Council's position on the draft budget for 2010 and in view of proceedings pending before the Court of First Instance, Germany states that the programme "Food aid for the most deprived persons in the European Union" must be implemented in accordance with Community law. Germany states its view that market purchasing should not be used for this programme. The programme must be implemented in the light of the proceedings before the Court of First Instance."

ANNEX 2

European Parliament declarations issued during the Conciliation of the First reading of the budgetary procedure 2010

Implementation of the 2009 Budget (Budget Forecast Alert)

The European Parliament is concerned about the situation of implementation of the 2009 Budget as described in the most recent Budget Forecast alert, in particular commitments under sub-headings 3a and 3b and payments under sub-headings 1a, 3a and 3b and heading 5. It stresses the importance of progressing according to the implementing schedule foreseen in the PDB.

The European Parliament asks the Commission to present by 31 August 2009 a report providing more detailed information concerning the reasons (structural, organisational, managerial, procedural) of the delays registered in the implementation of each programme or policy area concerned.

The European Parliament also requests to the Commission to provide justifications for each programme or policy area where implementation diverts from the decisions taken by the budgetary authority in the 2009 Budget.

The simplification and a more targeted use of Structural funds in the context of the economic crisis

The European Parliament recalls the joint declarations of the three institutions on the implementation of the Cohesion policy of November 2008 and April 2009 and underlines the necessity to continue the efforts for accelerating the implementation of structural and cohesion funds. It considers that the progress made in the simplification of assessment, approval and management procedures has been insufficient, which is demonstrated in the low approval rate of Management and Control Systems (MCSs) and Major Projects (MPs). It urges the Commission to continue its efforts to simplify implementing procedures in close cooperation with Member States and in particular, to speed up the approval of MCSs and MPs, and thus accelerate payments while respecting the N+2 rule.

The EP believes that all opportunities provided by the use of Structural Funds including the adaptation or revision of the operational programs could be mobilised for more targeted actions that facilitate overcoming the effects of the economic crisis, particularly those which support growth and competitiveness and limit job losses, and invites Member States to use this possibility. Calls on the Commission to encourage and enable by means of efficient and fast procedures the use of all measures foreseen by the Structural Funds regulations aimed at supporting growth and employment. Moreover EP recalls the importance of full and efficient use of the available appropriations.

Payment appropriations

"The European Parliament asks the Commission to submit an amending budget if the appropriations entered in the 2010 budget are insufficient to cover expenditure under a specific

heading, where necessary."

Heading 4

The European Parliament notes the Commission's intention to present a letter of amendment to the 2010 PDB covering, at a later stage, additional needs in the field of external actions, especially the priorities covered by previous letters of amendment and those referred to in the European Council conclusions of June 2009. The European Parliament recalls that, during the budget conciliation procedure on 21 November 2008, the Commission committed itself to present an assessment of the situation within heading 4 accompanied, if necessary, by relevant proposals. It expects the Commission to accompany the Amending Letter by a multiannual assessment of the needs in this area.