

**Guidelines for the 2012 budget - sections I, II and IV to X**

**European Parliament resolution of 9 March 2011 on the guidelines for the 2012 budget procedure, Section I – European Parliament, Section II – Council, Section IV – Court of Justice, Section V – Court of Auditors, Section VI – European Economic and Social Committee, Section VII – Committee of the Regions, Section VIII – European Ombudsman, Section IX – European Data Protection Supervisor, Section X - European External Action Service (2011/2017(BUD))**

*The European Parliament,*

- having regard to Article 314 of the Treaty on the Functioning of the European Union,
  - having regard to the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management<sup>1</sup>,
  - having regard to Council Decision 2007/436/EC, Euratom of 7 June 2007 on the system of the European Communities' own resources<sup>2</sup>,
  - 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<sup>3</sup>,
  - having regard to the Annual Report of the Court of Auditors on the implementation of the budget for the financial year 2009, together with the audited institutions' replies<sup>4</sup>,
  - having regard to Rules 23(7) and 79 of its Rules of Procedure,
  - having regard to the report of the Committee on Budgets (A7-0049/2011),
- A. whereas the current financial, economic and social situation of the EU obliges the institutions to respond with the quality and efficiency that is required and to employ strict management procedures so that savings may be achieved,
- B. whereas the institutions should be provided with sufficient resources, although in the current economic context those resources should be managed with rigour and efficiency,
- C. whereas at this stage of the annual procedure, Parliament is awaiting the other institutions' estimates and its own Bureau's proposals for the 2012 budget,
- D. whereas it is particularly desirable for the Committee on Budgets and the Bureau to continue with the enhanced cooperation between the two bodies for the fourth year in 2012, throughout the budget procedure,

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<sup>1</sup> OJ C 139, 14.6.2006, p. 1.

<sup>2</sup> OJ L 163, 23.6.2007, p. 17.

<sup>3</sup> OJ L 248, 16.9.2002, p. 1.

<sup>4</sup> OJ C 303, 9.11.2010, p. 1.

- E. whereas, under Rule 23 of Parliament's Rules of Procedure, the Bureau is responsible for taking financial, organisational and administrative decisions concerning the internal organisation of Parliament and the Committee on Budgets is responsible for establishing Parliament's draft budget estimates in the context of the annual procedure,
- F. whereas the impact of the entry into force of the Lisbon Treaty on heading 5 should stabilise in 2012, although, for instance, the EEAS will have an impact which is still difficult to quantify at this moment,
- G. whereas, with Croatia's accession scheduled for 2013, enlargement will have an impact on the budget for 2012, particularly as regards resources for the new Members and staff recruitment,
- H. whereas in past years the budgetary authority has agreed to take a prudent approach on administrative expenditure, thus leaving significant margins under the heading 5 ceiling,
- I. whereas the ceiling for heading 5 of the multiannual financial framework (MFF) for the EU's budget in 2012 is EUR 8 754 million (representing an increase of EUR 340 million, or 4%, compared to 2011, including 2% for inflation),
- J. whereas in its capacity as colegislator Parliament has decided to find a reasonable match between its human resources and its new competences following the entry into force of the Lisbon Treaty (19.67% of the heading 5 total in 2009, 19.99% in 2010 and 20.03% in 2011),
- K. whereas it is essential to monitor movements in heading 5 spending throughout 2011, in order to develop an appropriate forecast for the forthcoming budgets,
- L. whereas by decision of 24 March 2010 the Bureau adopted Parliament's medium-term buildings strategy, which sets out some key parameters for its future property policy; whereas as part of that strategy Parliament has decided to continue to give priority to the purchase of buildings (where reasonable), focusing on geographical concentration in its places of work; whereas early payment, with a view to reducing financing costs, remains one of the key priorities for the future,

### ***General framework and priorities for the 2012 budget***

1. Underlines the difficult situation with respect to the heading 5 expenditure ceiling for 2012, and is fully aware of the fact that the institutions may encounter problems in meeting all financing requirements while maintaining budgetary discipline and self-restraint in order to comply with the multiannual financial framework;
2. Sets the principle of legislative excellence, as a priority, to ensure an appropriate response to the current political challenges, which requires the consolidation of the resources needed to address the new institutional framework resulting from the entry into force of the Lisbon Treaty; takes the view that the budget of Parliament and the other institutions for 2012 should be a budget of consolidation, not least because it may also serve as a reference for the next multiannual financial framework;
3. Points out that this consolidation effort should not prevent investments (e.g. in technology) which would result in future long-term savings;

4. Views as another priority the principles of good management (Article 27 of the Financial Regulation), namely economy, efficiency and effectiveness; takes the view that these principles should be clearly reflected, in the spirit of accountability in the budgets of Parliament and the other institutions, as well as in their organisational cultures; believes, accordingly, that in the implementation of the various policies the results achieved must be taken into account and that variable expenses should, whenever possible and when their scale so demands, be made subject to regular cost-benefit evaluations;
5. Believes that, as a result of implementation of these principles, institutions should submit cost cutting plans; takes the view, in this connection, that thought should be given to the advantages of centralisation, so as to generate economies of scale (e.g.: centralised procurement, shared services between the institutions), as well as to what should remain, or be, decentralised;
6. Believes that accuracy, simplicity, clarity and transparency must be the result of the implementation of the principles of good management; requests, in this connection, the submission of an organisation chart for each institution, together with the respective cost of each constituent unit; requests, moreover, that each expense be clearly specified and justified, with a clear distinction between fixed and variable expenses in order to fulfil the principles of a zero-based budget;
7. Considers that, at the latest starting from the next multiannual financial framework, Parliament's budget and the budgets of the other institutions should be the result of multiannual planning covering the duration of that framework;
8. Points out that the necessary preparations should be made at interinstitutional level in order to accommodate staff from Croatia with a view to a possible enlargement of the EU;
9. Takes the view that Parliament and the other institutions should submit biannual reports on the implementation of their own budgets, giving details of the implementation of each budget line;
10. Takes the view that environmental policy and EMAS<sup>1</sup> should be part of Parliament's and the other institutions' cultures and that, for that purpose, measures for the reduction of paper consumption, energy, water and emissions should be submitted;
11. Reiterates that interinstitutional cooperation, whenever possible and appropriate, is essential in order to exchange best practices that favour effectiveness and allow for savings; considers that interinstitutional cooperation should be improved as regards translation, interpretation, recruitment (EPSO) and EMAS and should be extended to other areas; requests that there should be a thorough review of freelance translation and the role of the translation centre;
12. Recalls the need for a fully integrated knowledge management system; welcomes the information provided by the Administration regarding the knowledge management system; calls for a progress report on the multitude of information sources/systems available to Members; calls for a clear timetable to be established for the design of a prototype; stresses

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<sup>1</sup> Regulation (EC) No 761/2001 of the European Parliament and of the Council of 19 March 2001 allowing voluntary participation by organisations in a Community eco-management and audit scheme (EMAS) (OJ L 114, 24.4.2001, p. 1).

the need for speedy implementation of a classification and indexing policy; requests information on how this system can be made easily accessible to European citizens;

13. Stresses that it is important for the European Parliament and the other institutions to adopt an ambitious and far-reaching digital strategy with regard to the Web 2.0 tools and social networks in particular, to strengthen the link between Europe and its citizens; further considers that Parliament and the other institutions should develop an electronic governance strategy; calls for teleworking to be used where appropriate; calls on the Bureau to consider the introduction of a cloud computing system to reduce the operating costs of the computer system, improve its performance and bring greater mobility to Parliament's work;
14. Stresses that financial statements and similar types of cost analyses are of the highest importance for decision-making within the institution; insists that these should be used systematically and should identify the recurrent and one-off costs (i.e. fixed costs and variable costs) directly linked to each specific measure;
15. Asks for use to be made of staff redeployment and of retraining in order to enhance mobility; recommends that new staff only be recruited after internal redeployment and training procedures have failed and where the option of buying in external services is not appropriate;
16. Takes the view that a joint and coordinated strategy for budgetary implementation should be agreed between all the institutions affected by the accession of Croatia; requests an estimate to be made of the implications for heading 5;
17. Believes that all the institutions should have active non-discrimination policies and should adapt their buildings and human resources policies to ensure easier access for people with disabilities;
18. Emphasises that in a context of economic crisis, the heavy burden of public debt and restraint in times of ongoing national budgetary consolidation efforts, the European Parliament and the other institutions should show budgetary responsibility and self-restraint;

### ***Parliament***

19. Takes the view that Parliament's goal should be to develop legislative excellence and that all the necessary resources should be available for this purpose, while respecting budgetary constraints;
20. Believes that Parliament should show budgetary responsibility and self-restraint by staying around the inflation rate; following the interinstitutional line, enlargement-related needs are to be integrated either by an amending letter or amending budget; the needs for the 18 new MEPs following the Lisbon Treaty will be also integrated by an amending letter or amending budget;
21. Considers that the additional staffing resources allocated to Parliament's Administration to face the new challenges arising from the Lisbon Treaty should now enter a consolidation phase; insists that organisational structures should be such that they foster the creation of synergies by drawing on the respective expertise of existing specialised units;
22. Points out that Parliament's budget for 2011 amounts to EUR 1 685 m., representing

20.03% of heading 5;

23. Expects the Bureau to submit realistic requests when presenting the estimates; is ready to examine its proposals on a fully needs-based and prudent basis in order to ensure appropriate and efficient functioning of the institution; stresses that the purpose of the amending letter presented by the Bureau to the Committee on Budgets in September is to take into account needs unforeseen at the time the estimates were drawn up, and stresses that it should not be seen as an opportunity to renew estimates previously agreed; following the interinstitutional line, the enlargement-related needs shall be integrated either in an amending letter or amending budget; the needs for the 18 new MEPs following the Lisbon Treaty will be also integrated by an amending letter or amending budget;
24. Requests a detailed and clear overview of those budget lines that were under-implemented in 2010 and looks forward to analysing the reasons for this; also wishes to receive an account of all carry-overs and their use in 2010, as well as an update on the final assigned revenues compared to the amounts that were budgeted;
25. Considers that Members must be given access to quality services in order to be able to perform their duties on an equal footing; stresses, therefore, the importance of equal treatment of Members of all nationalities and languages in terms of possibility for them to carry out the duties and political activity incumbent upon them in their own language if they so choose; finds, for instance, the absence of interpretation in committee meetings to be unacceptable; believes that the principle of sound financial management needs to apply to interpretation and translation as well;
26. Is also of the opinion that all means must be sought to increase the flexibility of interpretation as a crucial step in ensuring good working practices and notes that, in many instances, problems and financial wastage could be avoided if there were a possibility to swap languages at short notice depending on the actual attendance at meetings rather than the planned attendance;
27. Urges that a thorough review should be implemented as to whether the right of freedom of access for European citizens to meet with their European representatives could be more effectively matched with the urgent need to provide security for those who work in the institutions; asks the Secretary-General to submit such a report by 30 June 2011;
28. Takes the view that, as already decided, a fully functioning wifi service must be implemented so as to enable the goal of reducing the use of paper to be met; considers that the use of videoconferencing for meetings should be encouraged, as should the use of new environmentally friendly technologies; requests a cost-benefit analysis of such measures;
29. Points out, as regards buildings policy, that Parliament is striving to rationalise the allocation of its existing space and to realise cost savings and economies of scale; points out that the KAD extension project currently under way, the cost of which is estimated at about EUR 549.6 million (at 2016 prices), will allow the geographical concentration of Parliament's Administration in Luxembourg, and that all other buildings currently rented in Luxembourg will be gradually vacated, thus enabling substantial savings to be made once the project is completed; draws attention to the fact that the financing of this building project might require the setting up of specialised legal structures (a special-purpose vehicle), as the Financial Regulation prohibits direct borrowing, and that cost savings could be achieved if this project were to be financed directly from the budget or by means of a

direct loan, which clearly shows the need for adjustments to be made to the Financial Regulation in order to guarantee more transparent and more direct implementation of future building projects;

30. Welcomes the decisions taken by the Bureau on 24 March 2010; reiterates its call for the development of a medium- and long-term buildings strategy; takes the view that this strategy should seek to find the best solution, taking into account the principles of good management and the need to assess various options and alternative financing possibilities; draws attention to the proposal in the abovementioned decision to use assigned revenues from the Belgian government to invest in infrastructure for new office space for MEPs' assistants; requests additional information regarding the use of these assigned revenues for such a purpose, and detailed information on alternative options before any decision is taken;
31. Underlines the need for further information regarding the House of European History; in particular, calls for a detailed business plan to be submitted to the Committee on Budgets; reiterates the need to receive information concerning the global cost of this project as well as the future financial and legal implications for the EP and requests further information regarding the architectural design competition which has been ongoing since 2009; stresses that all decisions relating to the project are subject to standard parliamentary procedure;
32. Believes that, as is the case for all big organisations, an independent external viewpoint on how resources are used and how work is organised is sometimes necessary and can only be beneficial if handled correctly; while stressing that a political European institution such as Parliament is unique in character, considers that, in the long term, consideration should be given to carrying out such an external analysis of its organisation and management; believes that in 2012 some specific sector(s) could be identified and examined in this way;
33. Points out that Parliament's information and communication policy is important and should reach all European citizens and improve citizens' ability to interact directly with Parliament, and therefore requests that the results attained with this policy be evaluated;
34. Supports all efforts to modernise Parliament's financial application software systems;
35. Gives its full support to all efforts to pursue a more effective and professional staff policy, including redeployment of staff within and between directorates-general;
36. Considers follow-up action to be important in relation to a number of policies with financial implications, such as EMAS, public procurement and action taken in response to budget discharge recommendations; emphasises the need for continuous follow-up and analysis of Parliament's budget implementation in general;
37. Is concerned about the proposal to create a European Added Value Assessment Unit to measure the cost of non-Europe; questions whether such an office is necessary; requests more detailed information regarding the creation of this office;

### ***Other institutions***

38. Calls for realistic and cost-based budget requests from the other institutions which take full account of the need to manage scarce resources in an optimal way; welcomes the establishment of a new Section X in the EU budget for the European External Action

Service, with an allocation of EUR 464 m., and is ready to examine the EEAS's needs as regards both real estate and personnel and determined to closely monitor its impact on heading 5, as its creation was intended to be budget-neutral; is not prepared to jeopardise the needs of the existing institutions;

39. Believes that the establishment of a new Section X in the EU budget for the European External Action Service responds to the need to provide the European Union with an institutional framework which, together with the new CFSP/CSDP provisions, can support the EU's ambitions in foreign policy;

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40. Instructs its President to forward this resolution to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Economic and Social Committee, the Committee of the Regions, the European Ombudsman, the European Data Protection Supervisor and the EEAS.