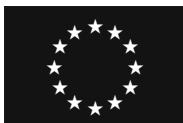


EUROPEAN PARLIAMENT

2004



2009

Committee on Budgets

2009/2003(BUD)

17.6.2009

DRAFT MANDATE

for the 2010 budget conciliation procedure before the Council's first reading
(2009/2003(BUD))

Committee on Budgets

Rapporteur: László Surján

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MANDATE FOR THE 2010 BUDGET CONCILIATION PROCEDURE

Mandate for the 2010 budget conciliation procedure before the Council's first reading budget procedure (2009/2003(BUD))

The Committee on Budgets,

- having regard to the Preliminary draft budget (PDB) for the Financial Year 2010 (COM(2009)0300),
 - having regard to the European Parliament resolution of 10 March 2009 on the guidelines for the 2010 budget procedure, Section III - Commission¹,
- A. whereas the European Elections took place between 4th and 7th June 2009, the 7th Parliamentary term shall run from 14th July 2009 and the Trialogue will take place on 7th July 2009 and the conciliation on 10th July 2009, and whereas therefore there will be no opportunity to present a report to Plenary;

General aspects

1. Considers that the institutions should clarify now under which rules the 2010 budget procedure, started under the current Treaty, shall be carried out, if the Treaty of Lisbon should enter into force on 1 November 2009, and that Parliament should recommend continuing the procedure which has been started under the current Nice Treaty;
2. Points out that Parliament has set as a key objective of Budget 2010 to put European citizens first and provide them with greater safety, which requires special attention to be given to the recent financial and economic crisis and its impact on growth and competitiveness but also to enhancing energy supply and transport safety, internal security, combating climate change, environmental protection, social cohesion and the strengthening of the role of the Union in the world;
3. Considers a clear and comprehensive presentation of the Union's budget to be necessary; intends to follow up closely the financial programming and the modifications brought by recent major budgetary agreements; will take into account all elements so as to allow the most appropriate budgetary decisions to be taken; welcomes the Commission's improved presentation of its financial programming documents; calls for further clarification in the allocation between operational and administrative expenditure; notes that an already substantial amount of what is, in reality, administrative expenditure is financed from operational allocations;

Financial framework

4. Underlines that the technical adjustment of the financial perspective for 2010 have

¹ Texts Adopted, P6_TA(2009)0095.

resulted in a significant reduction in the margins of headings 1a and 3b, of EUR 118 500 000 and 18 700 000 respectively;

5. Endorses the agreement of 2 April 2009 on the European Recovery Plan with an amount of EUR 5 billion (EUR 5 000 000 000) of which EUR 2,6 billion are still to be financed; reiterates its request not to jeopardise existing multiannual programmes and recalls its approach to supply fresh money for new needs;

Heading 1a

6. Deplores the overall decrease both in commitments (-7,3 %) and payments (-1,1 %) as compared to 2009, with EUR 12 769 000 000 in commitments and EUR 10 982 000 000 in payments respectively, to the detriment of European competitiveness at a time of worldwide financial crisis; will mobilise the appropriations required for the financing of the European Economic Recovery Plan; recalls that, as agreed by the budgetary authority, these additional amounts should not hinder the ongoing programmes;

Heading 1b

7. Welcomes the increases in both commitments and payments; notes that the narrow margin of EUR 11 900 000 follows the initial financial programming;
8. Points out that the current weak implementation of cohesion policy is leading to an even lower executed budget, mainly due to the system of complicated rules and requirements imposed by the Commission and/or Member States and to the weak implementation capacity of Member States;
9. Recalls the joint declaration of Parliament, Council and Commission declaration on "Implementation of the Cohesion policy" of 21 November 2008 as attached to Parliament's resolution of 18 December 2008 on the draft general budget of the European Union for the financial year 2009 as modified by the Council¹ where the three institutions:
 - took the view that the economy may benefit from accelerating the implementation of structural and cohesion funds within the ceilings of the agreed multiannual financial framework 2007-2013,
 - recognised that, under the established control framework, interim payments cannot take place until management and control systems in Member States have been judged to be compliant with the requirements and, as concerns major projects, until such projects have been adopted by the Commission,
 - encouraged the Member states to submit the description of their management and control systems and the compliance assessments as soon as possible so as to allow the Commission to rapidly start their analysis;

¹ Texts Adopted, P6_TA(2008)0622.

10. Within this framework, invites the Commission to take the necessary measures, within the existing legal framework, to rapidly assess the most critical aspects of the management and control systems (MCS), enabling the interim payments to start;
11. Invites the Commission to accelerate the examination of applications for major projects so as to facilitate their start and related interim payments, and to cooperate closely together with the Member States in order to have a rapid agreement of all aspects of compliance of the MCS;
12. Recalls that Member States can 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 effectively; calls on the Commission to endorse these modifications in the shortest possible period of time so as not to delay their implementation;

Heading 2

13. Notes the current fluctuations in the world markets for agricultural products, especially in the dairy sector and underlines its intention to re-introduce the Dairy Fund on line 05 02 12 09; notes the increase for the school fruit scheme in line 05 02 08 12; reminds that this was a priority of Parliament and asks for adequate funding for it; expects the Council and subsequently the Commission's Letter of Amendment to reflect Parliament's priorities in the agricultural sector;

Heading 3a

14. Welcomes the increase of 13,5 % in commitment appropriations, to an amount of EUR 980 200 000 (leaving thus a margin of EUR 44 800 000); notes that payments also increase by 16,6 %, to EUR 720 000 000. Stresses that this increase gives a very positive message to citizens seeking more security;
15. Welcomes the maintaining of the operational financing to FRONTEX at the same level as in Budget 2009 (EUR 55 000 000, after Parliament added 10% to the initial amount proposed by the Commission); recalls that Parliament had welcomed its extended missions; requests however explanations for the fact that payments have suffered a decrease of almost 50 % (from EUR 55 000 000 to EUR 22 000 000);
16. Welcomes the establishment of a new Asylum Support Office and subsequent decrease of the European Refugee Fund corresponding to the transfer activities; nevertheless expects the overall operational envelope not to be diminished by increased administrative expenditure;

Financing of heading 3b

17. Reiterates that heading 3b covers issues of key concern to the citizens of Europe, including public health, consumer protection, educational and cultural programmes and the civil protection instrument;
18. Regrets that the PDB 2010 has decreased heading 3b both in commitment and payment appropriations by 2% in commitments and 7,4 % in payments as compared to the 2009 budget figures;
19. Disagrees with the important decreases in payments for environment, communication, and health and consumer protection policy areas (respectively by: -18,6 %, -11 % and -10,9 % as compared to 2009 figures);

Heading 4

20. Notes that, following agreement during the November 2008 conciliation on the financing of the Food facility, the Commission has already, in January 2009, revised the financial programming 2010-2013 of the various concerned instruments: Instrument for Stability (IfS), Instrument for Pre-Accession Assistance (IPA), European Neighbourhood and Partnership Instrument (ENPI) and Development Cooperation Instrument (DCI); confirms its support to the proposed "compensation mechanism" between these instruments over the four years in order to avoid a net decrease in appropriations for the Instrument for Stability;
21. Is nevertheless deeply worried about the ever decreasing margins available under heading 4 until the end of the Multiannual Financial Framework (MFF), reduced to a limited ceiling of EUR 153 000 000 for the years 2011, 2012 and 2013; stresses that such a margin does not allow a proper and consistent EU response to upcoming challenges in third countries without jeopardising already existing priorities; therefore firmly condemns, once more, the chronic under-financing of this heading and calls on the Council and the Commission to address this issue in the framework of the MFF mid-term review;
22. Recalls the unilateral declarations adopted during November 2008 conciliation on the necessary assessment of the consequences of such a constrained margin of manoeuvre in respect of the EU's ambition as a global player;
23. Welcomes the various increases proposed by the Commission in the field of CFSP and ENPI East to address EU priorities in the concerned regions; supports the Commission's intention to eventually provide additional funding to Afghanistan in the framework of the mid-term review of the country strategy paper in order to accelerate the stabilisation process;
24. Strongly disagrees with the Commission's recurring habit of a two-step proposal on financial needs for Palestine during budgetary procedure, i.e. claimed underestimated needs in the PDB followed by adjusted and increased requests in the course of the procedure by means of Amending Letters;

25. Is astonished and worried by the Commission's reluctance to load the budget line on Aid for rehabilitation and reconstruction of Georgia despite strong and unequivocal political impetus by the Parliament during the 2009 budget procedure; recalls that Parliament has expressed, on several occasions, its wish for a clear and comprehensive identification of the whole EU financial and budgetary assistance to that country;
26. Without prejudice to the co-decision procedures on proposals for review of EU external actions instruments, supports the creation of three new budget lines for the financing of actions other than development assistance in countries covered by the DCI;

Agencies

27. Welcomes the creation of an interinstitutional working group on agencies and intends to follow its progress closely; intends to examine the proportion of operational to administrative expenditure;

Financing of heading 5

28. Notes that commitments and payments for administrative expenditure increase by 2,1%, with commitments at EUR 7 857 800 000 and payments at EUR 7 858 300 000 leaving a margin of EUR 230 197 000;
29. Acknowledges the Commission's effort to limit the increase of its share of the administrative budget to 0,9 %;
30. Welcomes the authorisation of the last new posts related to the enlargement to Bulgaria and Romania in the 2009 budget and the fact that the 2010 PDB is in line with this commitment and consequently no new posts are requested;
31. Expects further information on the following points:
 - increasing costs for security costs in delegations
 - increasing cost of energy and maintenance of the buildings
 - increase of expenditure for IT services
 - an increase of costs for EPSO by 14 % , from EUR 27 000 000 to EUR 31 000 000;

Conclusions and mandate for the Conciliation

32. Considers the following points to be of specific interest for the budget conciliation procedure due to take place on 10th July 2009:
 - rules governing the budget procedure 2010
 - adequate level of payments
 - financing of the second step of the European Recovery Plan
 - security of energy supply

- implementation of structural funds.