

The budget of the European Parliament

and its implementation
in 2005

What is the European Parliament's budget?

What does it represent by comparison with the general budget and with the budgets of the other European Union institutions?

The European Union's 2005 budget was adopted on 16 December 2004, totalling EUR 116.554 bn, of which Parliament's

budget accounted for EUR 1.272 bn. As in 2004, then, it represented just over 1% of the Union's budget and also represen-

ted 20% of the amount set aside for the administrative expenditure of the European Institutions as a whole.

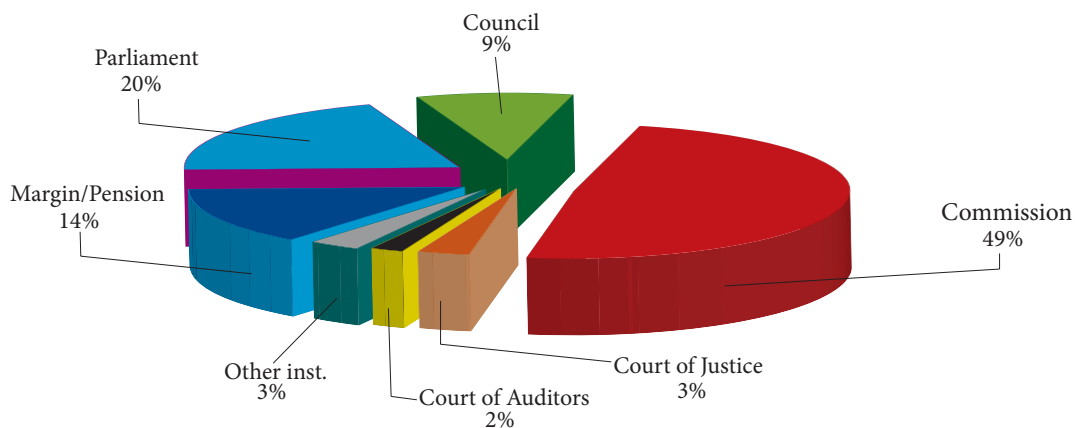
How much does European Parliament spending amount to? How has it changed in recent years?

Parliament spending totalled EUR 1.249 bn in 2005, representing a 3.82% increase over 2004. That increase is markedly less than the rise in 2004 over 2003 - 11.80% - which was accounted for by the impact of enlargement from 15 to 25 Member Sta-

tes. Unused appropriations amounted to no more than 1.17%. The rate has remained especially low because, mainly, of the property policy Parliament has pursued since 1992 - purchasing buildings permanently occupied - which makes it possible

to use appropriations available at year end to make early payments on buildings and thus reduce, in subsequent years' budgets, both the rental burden and the building investment cost burden.

EU administrative expenditure in 2005: EUR 6 360 million



What are the European Parliament's main spending areas?

The spending breakdown does not vary very much over the years. Every year, the **three major spending areas** are - in decreasing order of budgetary significance - staff, buildings and Members. In 2005, these three areas of spending accounted for EUR 1 036.72 m, or **83%** of total expenditure.

Staff expenditure totalled EUR 507 m, or 41% of total spending in 2005. Parliament employs several categories of staff.

Officials and temporary staff continue to form the largest category: **4 836** at the end of 2005 (compared with 4 236 in 2004), 580 of whom were assigned to the political groups. **Contract staff** are recruited to replace or augment permanent staff on a temporary basis. In 2005, they represented the equivalent of **452**

one-year contracts (compared with 660 in 2004).

To meet its considerable language needs, Parliament also uses the services of **freelance interpreters** to supplement teams of interpreter officials at Parliament part-sessions or parliamentary committee and political group meetings. The use of freelance interpreters represents close to half of interpretation activity (**43 967 days** in 2005), which is 57.8% up on 2004 (27 858 days). That increase reflects the overall increase in interpretation in 2005, when Parliament provided interpretation totalling a record 85 340 days.

Parliament also makes use of external service providers for a proportion of **translation work**, in particular the translation of the Verbatim Report of Procee-

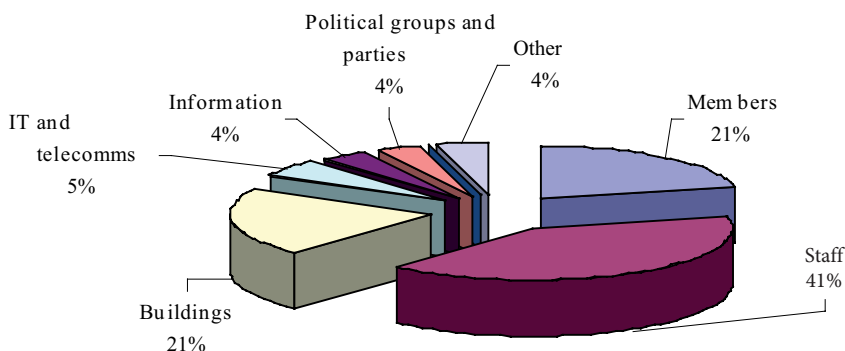
dings of parliamentary sessions (**390 000 pages** out of a total of 1 078 000 pages translated in 2005). It also makes use of external service providers in other areas, chiefly IT, security, building maintenance and upkeep, and catering.

Expenditure relating to Members amounted to EUR 266 m, representing 21% of Parliament's overall budget, and covers all Members' expenses and allowances, including pay for personal assistants.

Expenditure on buildings amounted to EUR 263 m, representing 21% of total spending, and covers both property investment and building rentals plus all running costs, such as charges for water, gas, electricity, maintenance and security guards. It covers all buildings occupied

by Parliament at its three main places of work - Brussels, Luxembourg and Strasbourg - and in the 25 Member States of the Union, in which Parliament has set up Information Offices or Europe Houses, the latter premises being shared with the European Commission's information services. (In 2005, Parliament purchased the buildings occupied in Copenhagen and The Hague.) In 2005, Parliament occupied some 900 000 m2 of office space and car parks - an area which has increased substantially over the last few years because of enlargement (both the most recent and the prospective enlargement).

The following chart provides an overview of Parliament's main spending areas:



What were the main distinctive features of the budget implementation process in 2005?

2005 was marked by the process of **ratifying the European Constitution** and the initial preparations for the next **enlargement** of the Union to include two new countries, Bulgaria and Romania, and also by the continuing impact of the **last enlargement (EU 10)**.



On 12 January 2005, the European Parliament approved the **Treaty establishing a Constitution for Europe**, which, to come into force, had to be ratified in accordance with each Member State's own constitutional rules. In early 2005, in this context, Parliament launched an information and communication campaign directed at all Member States; it developed a new website on the constitution and carried out various information activities in the Member States, particularly in Spain, France and the Netherlands, whose citizens were to decide on the constitution in referenda in the first half of 2005. Following the 'no' votes in the last two countries, however, Parliament's political authorities decided to suspend the information campaign.

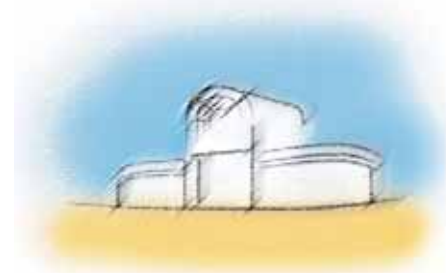
After the accession treaties with **Bulgaria and Romania** were signed on 25 April 2005, the European Parliament invited the two prospective Member States to send national parliamentarians to follow its proceedings as **observers**. The observers - 18 for Bulgaria and 35 for Romania - were welcomed at the sitting of 26 September 2005; accordingly, they can attend meetings of Parliament, its committees and political groups and familiarise themselves with how Parliament operates and with its procedural rules and working methods



In connection with preparations for enlargement to include those two countries, scheduled for 1 January 2007, initial **recruitment of Bulgarian and Romanian staff** has taken place so as to provide support for the observers, in particular in the language area. Seventy contract staff have been recruited, or 30% of projected staffing. The Bulgarian and Romanian observers and additional staff have been accommodated in existing facilities. To set up an **Information Office** in the two countries, a rental agreement was concluded in Bucharest, and in Sofia a further

agreement, with the Commission, was about to be.

Following the **EU 10 enlargement** on 1 May 2004, measures carried out in previous years to recruit **additional staff from the 10 Member States** joining the Union continued in 2005. At the end of 2005, for the 1 029 posts required for Parliament's Secretariat in total, the **recruitment rate** for officials or temporary staff was 73% (with an 80% job offer rate). Between 76% and 90% of posts have been filled, depending on country, with the exception of Malta, for which the rate is lower.



In the **property field** in Brussels, Luxembourg and Strasbourg, work put in hand in previous years to increase the number of offices and meeting rooms, and to fit them out accordingly, continued in 2005. **In Brussels**, more specifically, Parliament rented two floors of the building at 50, rue Wiertz and, on 19 September 2005, signed a long lease conferring a right in rem, with option to purchase, on the Montoyer 75 building. In addition, construction of the D4/D5 buildings is proceeding normally.

Parliament also continued the process of both setting up **Information Offices in the new Member States** and combining its and the Commission's information services in **'Europe Houses'** so as to improve the provision of information on the European Union while limiting running costs. Much was achieved: rental agreements were concluded in Ljubljana, Tallinn and Warsaw; in Valetta and Nicosia, purchasing plans were set in train. In Bucharest and Sofia respectively, as referred to above, one rental agreement was concluded and another, with the Commission, was about to be.

2005 also saw a considerable increase in **language** requirements to be met. Interpretation increased by 42.8% in 2005, totalling 85 340 interpreting days by comparison with 59 751 in 2004. Total interpretation volume in 2005 made the

European Parliament the world's number one user of interpreting services, ahead of the Council of Ministers and the European Commission. Similarly, translation also increased, by 72%, in 2005 (1 078 000 pages translated in 2005 by comparison with 625 450 in 2004). These considerable increases resulted both from legislative and parliamentary activities, which were significant in 2005 but had slowed down in 2004 (because of the start of the new parliamentary term (2004-2009) and the installation of the new Commission) and from greater availability of linguists for the nine new working languages introduced as a result of the EU 10 enlargement. It should be noted that, because of the EU 10 enlargement, the number of official languages of the Union has risen to 20 and the num-

ber of possible language combinations to 380.

Lastly, among the other achievements in 2005, attention is drawn to the modernisation of the **Europarl website**, the new version of which was officially launched on 13 September 2005. The new website aims to provide objective information tailored to users' level of knowledge, allowing navigation between the five sections - 'News', 'Parliament', 'Your MEPs', 'Activities' and 'EP Live' - with daily information updates, and has been welcomed by users.

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