



24.9.2015

DRAFT REPORT

on the Council position on the draft general budget of the European Union for the financial year 2016
(11706/2015 – C8-0274/2015 – 2015/2132(BUD))

Part 1: Motion for a resolution

Committee on Budgets

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the Council position on the draft general budget of the European Union for the financial year 2016 (11706/2015 – C8-0274/2015 – 2015/2132(BUD))

The European Parliament,

- having regard to Article 314 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Council Decision 2007/436/EC, Euratom of 7 June 2007 on the system of the European Communities' own resources¹,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002²,
- having regard to Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020³ (MFF Regulation),
- 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 management⁴ (IIA),
- having regard to its resolution of 11 March 2015 on general guidelines for the preparation of the budget, Section III - Commission⁵,
- having regard to its resolution of 29 April 2015 on Parliament's estimates of revenue and expenditure for the financial year 2016⁶,
- having regard to the draft general budget of the European Union for the financial year 2016, which the Commission adopted on 24 June 2015 (COM(2015)0300),
- having regard to its resolution of 8 July 2015 on the mandate for the trilogue on the 2016 draft budget⁷,
- having regard to the position on the draft general budget of the European Union for the financial year 2016, which the Council adopted on 4 September 2015 and forwarded to Parliament on 17 September 2015 (11706/2015 – C8-0274/2015),

¹ OJ L 163, 23.6.2007, p. 17.

² OJ L 298, 26.10.2012, p. 1.

³ OJ L 347, 20.12.2013, p. 884.

⁴ OJ C 373, 20.12.2013, p. 1.

⁵ Texts adopted, P8_TA(2015)0060.

⁶ Texts adopted, P8_TA(2015)0172.

⁷ Texts adopted, P8_TA(2015)0263.

- having regard to the Commission Communication to the European Parliament, the European Council and the Council of 23 September 2015 on managing the refugee crisis: immediate operational, budgetary and legal measures under the European Agenda on Migration (COM(2015)0490),
- having regard to Rule 88 of its Rules of Procedure,
- having regard to the report of the Committee on Budgets and the opinions of the other committees concerned (A8-0000/2015),

Section III

General overview

1. Stresses that Parliament's reading of the 2016 budget fully reflects the political priorities adopted by an overwhelming majority in its abovementioned resolutions of 11 March 2015 on general guidelines and of 8 July 2015 on a mandate for the trilogue; recalls that those consist in internal and external solidarity, in particular an effective tackling of the migration and refugee crisis, as well as in boosting competitiveness through employment, enterprises and entrepreneurship (the “three Es”);
2. Highlights that the Union is currently facing a number of serious emergencies, notably the unprecedented migration and refugee crisis; is convinced that the necessary financial resources need to be deployed in the Union budget, in order to match the political challenges and allow the Union to deliver and effectively respond to those crises, as a matter of utmost urgency and priority; considers that extraordinary times require extraordinary measures and that a strong political commitment is needed to secure fresh appropriations for this purpose;
3. Notes that Parliament has, from the outset, placed a particular focus on migration and refugees in the 2016 budget; recalls its earlier statements that the handling of migration flows lies at the crossroads of internal and external solidarity and that external financing instruments should also be mobilised, in an integrated approach, in order to address the root causes of the problems the Union is faced with;
4. Decides, therefore, to immediately put forward a comprehensive package of amendments increasing the Draft Budget (DB) by EUR 1 161 million both on Heading 3 (Security and Citizenship) and Heading 4 (Global Europe), in order to provide an initial response to the migration crisis; stresses that, as regards the internal dimension of this crisis, Parliament’s amendments already integrate fully and align the two packages on the relocation of asylum-seekers, while proposing additional increases for the Asylum, Migration and Integration Fund (AMIF) and the Union agencies in this field; highlights, as regards the external dimension, a number of additional reinforcements targeting specific programmes in Heading 4, such as the European Neighbourhood Instrument, the Development Cooperation Instrument, Humanitarian Aid and the Instrument for Pre-Accession Assistance;
5. Underlines, however, that those amendments should be considered alongside the Commission’s Letter of Amendment 2/2016, which is expected to include, in addition to the second relocation package, the additional measures set out in the Commission communication of 23 September 2015; stresses that the Parliament fully endorses these new measures and intends to defend their financing through fresh appropriations even to a higher extent than the level proposed in its own position of the 2016 budget;
6. Decides to also take action with regard to the ongoing crisis affecting European farmers, notably in the dairy sector, and to already integrate in its position on the 2016 budget the EUR 500 million support emergency measures announced by the Commission; trusts that the Commission's Letter of Amendment 2/2016 will allow the exact budget lines that will be reinforced in this context to be determined;

7. Acknowledges that a lot more effort needs to be undertaken to address the shortcomings in the Union economy by boosting competitiveness, growth and jobs; emphasises the key role played by small and medium-sized enterprises in this regard; reinforces therefore the COSME programme by EUR 16,5 million; decides also to propose new commitments in 2016 for the continuation of the Youth Employment Initiative (YEI), whose entire financial envelope was frontloaded in the years 2014-2015; acknowledges the significant contribution of this programme to the fight against unemployment and is determined to ensure that the necessary appropriations are made available in order to prevent a funding gap in its implementation; adopts, therefore, a EUR 473,2 million increase for 2016, corresponding to the original instalment that was foreseen for the YEI on a yearly basis;
8. Reiterates its conviction that the Union budget should not finance new initiatives to the detriment of existing Union programmes and policies and disregard political commitments already made; while fully confirming its political and financial support to the launching of European Fund for Strategic Investment (EFSI), intends to deliver on the commitment that it made during the EFSI negotiations, namely to minimise to the maximum the impact on Horizon 2020 and the Connecting Europe Facility (CEF) in the frame of the annual budgetary procedure; proposes, therefore, to fully offset the cuts of these two programmes - due to the provisioning of the EFSI Guarantee Fund - in 2016 (EUR 1 326 million), in order to allow them to fully accomplish the objectives agreed only two years ago with the adoption of their respective legal bases;
9. Stresses the importance of fully respecting the joint statement on a payment plan 2015-2016 agreed between Parliament, Council and Commission, following the shared commitment to reduce the backlog of outstanding payment claims for the 2007-2013 cohesion programmes to around EUR 2 billion by the end of 2016 and to avoid any future build-up of such an unsustainable backlog; considers, for this reason, that the frontloading of EUR 1 billion in 2016 for Greece should be financed by additional appropriations within the MFF payments' ceiling; stresses its long-standing position that payments deriving from commitments mobilised under the Flexibility Instrument are counted over and above that ceiling;
10. Restores all cuts proposed by Council to the DB (EUR 563,6 million in commitments and EUR 1 421,8 million in payments); fails to understand the reasoning behind the proposed cuts, for example those to Horizon 2020 and CEF, two programmes already affected by redeployments to EFSI, and to development and neighbourhood policies, especially in light of recent events; contests, in any event, Council's declared intention to target budget lines with a low execution rate or absorption capacity, as this is not substantiated by the actual implementation figures and ignores the varying implementation patterns of certain programmes;
11. Concludes that, for the purpose of adequately financing these pressing needs, and considering the very tight MFF margins in 2016, all means available in the MFF Regulation in terms of flexibility, including the full mobilisation of the Flexibility Instrument, will need to be deployed; expects that the Council will share this approach and that an agreement will easily be reached in conciliation, allowing the Union to rise to the occasion and effectively respond to the challenges ahead;

12. Sets the overall level of appropriations for 2016 at EUR 157 427,5 million and EUR 146 459,5 million in commitment and payment appropriations respectively;

Subheading 1a – Competitiveness for growth and jobs

13. Notes that, again this year, Heading 1a is severely affected by the Council's cuts with a reduction of EUR 140,9 million in commitments and EUR 435,4 million in payments as compared to the DB; highlights that around half of these cuts are targeted at Horizon 2020, which results in a further reduction for this programme in 2016 after that part of its appropriations have been redeployed to EFSI;
14. Underlines that, for the sake of a coherent approach, several cuts applied by the Council on the ground of a low absorption capacity on many Heading 1a programmes in June 2015 have now to be reversed due the strong acceleration in these programmes' implementation in September 2015; notes that this is a general trend, in line with the life cycle of these programmes; decides therefore to restore the DB level on the lines cut by the Council both in commitments and in payments;
15. In line with its priorities for 2016, Employment, Enterprises, Entrepreneurship, and after careful assessment of their absorption capacity so far, decides to propose, in addition to the full compensation of the EFSI-related cuts for Horizon 2020, and CEF, some selective increases above the level of the DB for COSME, Horizon 2020, EaSI and Erasmus+ programmes;
16. Stresses, in particular, that the frontloading of appropriations for COSME in 2014-2015 has proven to be truly beneficial given the constant increase in the SMEs' demand for support in access to markets and funding in the past few years; opposes, therefore, the decrease of COSME in the DB as compared to 2015 and decides to increase appropriations above the DB for this programme; recalls that the Commission has already pointed to a shortfall in the COSME financial instruments for 2015, 2016 and 2017, which demonstrates the gap between available commitments and expected demand; within COSME, asks for a substantial reinforcement of the appropriations for the Erasmus for Young Entrepreneurs, given that the available resources are not sufficient to cover the substantial demand in participation;
17. Decides to increase above the DB the three supervisory agencies (EBA, EIOPA and ESMA) and ACER to provide them with adequate resources to face their increasing tasks;
18. Confirms its support for the ITER programme and is committed to securing its appropriate financing; is concerned, however, about possible further delays and additional costs of this programme as well as the related potential repercussions on the Union budget; regrets, therefore, that it was unable to assess the level of the 2016 ITER appropriations against the updated payment plan and schedule, which is only due to be presented in the ITER Council in November 2015; expects, however, that this revised plan will provide sufficient evidence that Parliament's recommendations, as set out in the relevant 2013 discharge resolution¹, have been properly taken into account and that financial soundness

¹ European Parliament resolution of 29 April 2015 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget for the Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2013 (Texts adopted, P8_TA(2015)0168).

and spending efficiency will be ensured; intends to raise this matter in the 2016 budgetary conciliation;

19. As a result, increases the level of commitment and payments appropriations for Heading 1a above the DB by EUR 1 405,5 million and EUR 491,5 million respectively (including pilot projects and preparatory actions), thus exceeding the ceiling for commitments by EUR 1 316,9 million, to be financed by all means available as regards flexibility in the MFF Regulation after exhaustion of the available margins;

Subheading 1b – Economic, social and territorial cohesion

20. Disapproves of Council's proposed cuts of EUR 3,1 million in commitments and, more importantly, EUR 220,1 million in payments under subheading 1b, including on completion lines; calls on the Council to explain how these cuts are compatible with the objective, on the one hand, of reducing the backlog of outstanding payment claims for the 2007-2013 cohesion programmes to around EUR 2 billion by the end of 2016 and, on the other hand, of avoiding negative repercussions and unnecessary delays for the implementation of the 2014-2020 programmes;
21. Notes the Commission's preliminary assessment, based on Member States' latest forecasts, that programme implementation in the area of cohesion policy is likely to be delayed in 2016; is alarmed that any significant underspending in the third year of implementation of the new European Structural and Investment Funds cycle, at a time when programmes should be reaching full swing, will not only have a detrimental effect on the timely achievement of results on the ground, but may also lead to serious pressure on payments in subsequent years, possibly reconstituting a backlog of unpaid bills; urges the Member States concerned to make speedy progress in tackling the underlying causes of these delays in implementation, such as through the prompt designation of programme authorities; requests the Commission to closely monitor the situation and make appropriate proposals as needed;
22. Recalls that the Commission has not proposed any commitment appropriations for the Youth Employment Initiative in 2016 as a result of its frontloading in the years 2014-2015; decides, in line with the Regulation on the European Social Fund¹ which foresees the possibility of such a continuation, to provide the Youth Employment Initiative with EUR 473,2 million in commitment appropriations, namely an amount corresponding to the initial annual instalment foreseen for this programme; is convinced that funding for this important programme, which addresses one of the Union's most pressing challenges, should not stop in 2015; underlines that the additional funding should be used to scale up the programme, thus assisting a greater number of young people in their search for a decent and permanent job; urges the Member States to do their utmost to speed up the implementation of the Initiative on the ground, for the direct benefit of young Europeans;
23. Taking account of pilot projects and preparatory actions, increases commitment appropriations for Heading 1b by EUR 482,7 million and payment appropriations by EUR 1 164 million above the DB, thus exceeding the ceiling for commitments by EUR 467,3

¹ Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006 (OJ L 347, 20.12.2013, p. 470).

million available to be financed by any means available as regards flexibility in the MFF Regulation;

Heading 2 – Sustainable growth: natural resources

24. Notes that the Council reduced appropriations also in Heading 2 by EUR 199,9 million in commitments and EUR 251,1 million in payments, including rural development, the European Maritime and Fisheries Fund and the LIFE programme; considers that the Amending Letter on agriculture should remain the basis for any reliable revision of EAGF appropriations; restores the DB levels accordingly;
25. Welcomes the presentation by the Commission of a EUR 500 million comprehensive package of emergency measures to support European farmers, notably in the dairy sector amid falling commodity prices and greater milk production; stresses that the effects are most severe in remote areas where the socio-economic importance of the dairy sector is unquestionable; incorporates this amount in its reading as a show of support for the Commission's announcement, and looks forward to its full inclusion in the course of the conciliation procedure on the basis of the Amending Letter; underlines that this package should add up to the range of measures aimed at addressing the losses and long-term effects on European farmers of the Russian embargo on agricultural products, Russia being thus far the second most important destination for Union agricultural exports;
26. Stresses the increasing tasks assigned to the Union as part of the European Maritime and Fisheries Fund; therefore restores the level of appropriations of the 2015 budget for scientific advice and knowledge in fisheries due to the importance of data collection in decision-making, and reinforces the European Fisheries Control Agency (EFCA) budget to support its role in coordinating and implementing the Common Fisheries Policy;
27. Increases therefore commitment appropriations by EUR 510,6 million and payment appropriations by EUR 520,7 million (including pilot projects and preparatory actions), leaving a margin of EUR 647 million below the ceiling for commitments in Heading 2;

Heading 3 – Security and Citizenship

28. Recalls that the DB provided for reinforcements in the area of security and migration, including a EUR 150 million scheme for the relocation of 40 000 persons in need of international protection, leading the Commission to exceed the ceiling for this heading by EUR 124 million and to propose the corresponding mobilisation of the Flexibility Instrument; welcomes the fact that the Council has agreed to the principle of mobilising the Flexibility Instrument for this purpose;
29. Decides, in light of the current, exceptional flows of migrants and refugees to concentrate its reinforcements on strengthening the AMIF; strongly supports in this context the second EUR 780 million package on the relocation of 120 000 persons; decides to incorporate it in its reading, and to align the first relocation package with the second one by adding EUR 20 million to finance transport costs (EUR 500 per migrant to Italy and Greece); approves an additional increase of EUR 79 million for general reinforcements of the AMIF; finally decides to reinforce the agencies with migration-related tasks for a total of EUR 26 million;

30. Welcomes the Commission communication of 23 September 2015 and the corresponding measures reflected in the Letter of Amendment 2/2016, notably EUR 600 million of additional emergency funding for the most affected Member States; is satisfied that the Commission is taking leadership in that area and, in doing so, confirms the approach taken by Parliament in its reading; stands ready to consider further reinforcements in the course of the conciliation;
31. Deplores that the Council decreases commitment appropriations by EUR 25,1 million and payment appropriations by EUR 33,6 million compared to the DB; believes that these reductions jeopardise the proper implementation of programmes and actions under Heading 3; recalls in this context that though some of the proposed cuts may seem minor, one needs to keep in mind the relatively small size of several important and valuable programmes, making them particularly vulnerable to cuts; decides therefore to restore the level of the DB;
32. Furthermore, deems it necessary, given their important role in supporting cultural and creative industries, to increase, by a total of EUR 10,5 million above the DB the culture and media sub-programmes, including the Multimedia Actions, and the Cultural and Creative Sectors Guarantee Facility (CCSGF) planned for 2016 and intended to tackle the critical issue of access to finance for SMEs and organisations in the cultural and creative sectors;
33. Considers it also a priority to reinforce the Europe for Citizens' programme with EUR 1,5 million as well as modifying the budget nomenclature of the Europe for Citizens programme by dedicating a separate line to the implementation of the ECI;
34. Notes that its reading (including pilot projects and preparatory actions) exceeds the ceiling of Heading 3 by EUR 1 055,1 million in commitments, with EUR 931,1 million above the DB, while increasing payment appropriations by EUR 586,5 million; proposes therefore to mobilise any means available in the MFF to finance the package of reinforcements linked to migration;

Heading 4 – Global Europe

35. Points to the fact that, of all headings, Heading 4 bears the biggest cuts by the Council both in commitments (- EUR 163,4 million) and in payments (- EUR 450,4 million); notes with surprise that the European Neighbourhood Instrument (notably poverty and security in the Mediterranean countries), the Development Cooperation Instrument (including the migration and asylum thematic objective) and the Instrument for Pre-accession Assistance (despite candidate countries hosting a considerable number of refugees or being located on major migration routes) are among the most affected; underlines that this approach is in blatant contradiction to the statements of the Council and the European Council on the migration agenda, on the refugee crisis and on cooperation with countries of origin and transit;
36. Against this background, decides to restore the level of appropriations provided for by the DB; notes that the payment situation of Heading 4 is still a matter of particular concern due to the rolling-over of a significant backlog of unpaid bills and the artificial postponing of contractual commitments to face a persistent underbudgeting in payments; reaffirms, therefore, that the increases in payment appropriations proposed by the Commission were

merely necessary, notwithstanding the fact that the unprecedented migration and refugee crisis has meanwhile imposed additional challenges for the Union's external action;

37. Complements the package of amendments on migration and the refugee crisis by adopting targeted reinforcements in commitment appropriations first and foremost within the European Neighbourhood Instrument (+ EUR 178,1 million) but also in the Development Cooperation Instrument (+ EUR 26,6 million), Humanitarian aid (+ EUR 26 million), the Instrument for Pre-accession Assistance (+ EUR 11,2 million), the Instrument contributing to Stability and Peace (+ EUR 12,6 million) and the European Instrument for Democracy and Human Rights (+ EUR 1 million); while supporting, where necessary, reprioritisation within those programmes to focus on the most topical challenges; considers such reinforcements as necessary to finance additional initiatives, on top of the initial objectives of the respective legal bases;
38. Calls for these extra appropriations to be used in particular to increase the funding for the Union Regional Trust Fund in Response to the Syrian Crisis and for the Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa, as well as for immediate assistance via the UNHCR and the World Food Programme; calls on the individual Member States to bring additional contributions to the Trust Funds and to the UN agencies without further delay; notes that the pipeline of projects potentially funded by the Trust Funds further weakens the Council's case for an alleged lack of absorption capacity in Heading 4;
39. Reinforces by EUR 40 million the budget line for support for the peace process and financial assistance to Palestine and to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA); notes that UNRWA plays an effective role in supporting the growing number of Palestinian refugees suffering directly from the Syrian crisis, which poses an additional burden on the agency; is concerned about the funding gaps faced by UNRWA and calls for those additional appropriations to be channelled to its General Fund in support of basic education, social and health services;
40. Approves a symbolic reinforcement of the CFSP budget to support any initiative aimed at making migration a specific component of CSDP civilian missions, while giving full support to the EUNAVFOR Med military mission aimed at fighting human smugglers and traffickers;
41. Decides, together with pilot projects and preparatory actions, to exhaust the margin of EUR 261,3 million left by the DB below the ceiling for Heading 4 in commitments and not to go any further at this stage; increases also payment appropriations by EUR 132,5 million; looks forward to a fruitful conciliation on the basis of these amendments, also taking the Letter of Amendment 2/2016 into account; stresses, however, that this ceiling might be insufficient given that it has been set well before major developments in Ukraine, Syria, Tunisia and more generally throughout the neighbouring countries, the Middle East and Africa; calls, therefore, for a full use of the potential of the Emergency Aid Reserve and remains open to any further mobilisation of the flexibility provisions foreseen in the MFF for addressing the external dimension of the migration and refugee crisis;

Heading 5 - Administration; Other headings - administrative and research support expenditure

42. Notes that Council cuts in this heading amount to EUR 31,2 million, of which EUR 19,3 million concerns the Commission's administrative budget notably for its buildings, equipment, and above all for its staff as a consequence of increasing the standard flat rate abatement to 4,3 %; does not see any justification for Council's reading and recalls that, following constant restraint these past years, Commission's proposed administrative expenditure for 2016 was kept close to the expected level of inflation i.e. stable in real terms and that Commission implements a continued reduction of its staff;
43. Considers moreover these cuts arbitrary in view of the foreseeability of this type of expenditure largely based on contractual obligations, and in view of its very high implementation as reported by the Commission; notes in particular that the occupation of the Commission establishment plan reached a record high on 1 April 2015 with 97,8 % posts actually occupied; regrets that in addition, in headings other than Heading 5, Council cut the administrative and research support expenses by a total of EUR 28 million, despite these being key to ensuring success of the programmes in the different Union policy areas;
44. Decides consequently to restore the DB on all the lines of administrative and research support expenditure in policy areas and on all the lines in Heading 5 decreased by the Council, as well as to approve a limited number of small reinforcements;

Agencies

45. Endorses, as a general rule, the Commission's estimates of the budgetary needs of agencies; notes that the Commission has already considerably reduced the initial requests of most agencies;
46. Considers, therefore, that any further cuts proposed by the Council would endanger the proper functioning of the agencies and would not allow them to fulfil the tasks they have been assigned by the legislative authority;
47. Decides to increase, within the overall package on migration, the appropriations for the main agencies working in this field: the European Asylum Support Office, Frontex, Europol, Eurojust, eu.LISA, Cepol and the Fundamental Rights Agency for a total of EUR 26 million, as these agencies are vital to address the current pressing problem of migratory flows in an effective manner;
48. Decides furthermore to increase the 2016 budget appropriations for the three financial supervisory agencies due to their additional tasks and increased workload; invites the Commission to submit by 2017 a proposal for a fee-based financing concept replacing completely the current contributions from member states, as a means of securing the European authorities' independence from their national member authorities;
49. Decides to also increase the appropriations for the Agency for the Cooperation of Energy Regulators, the European Fisheries Control Agency and the European Monitoring Centre for Drugs and Drug Addiction, in order to better match the available resources with the agencies' tasks;
50. Cannot accept, however, the Commission's and the Council's approach to agencies' staffing, and therefore modifies a substantial number of establishment plans; underlines once more that each agency should cut 5 % of posts over 5 years as agreed in the IIA, but

that new posts that are needed to fulfil additional tasks due to new policy developments and new legislation since 2013 have to be accompanied by additional resources and need to be counted outside the IIA staff reduction target;

51. Emphasises therefore again its opposition to the concept of a redeployment pool amongst agencies, but reaffirms its openness to free posts by means of achieving efficiency gains between agencies through increased administrative cooperation or even mergers where appropriate and through pooling certain functions with either the Commission or an agency;
52. Underlines once more that that posts financed from industry should not be subject to staff reduction at all, but that it should be left to the discretion of the agency concerned to balance fluctuating workload by not filling all posts at their disposal;
43. Modifies therefore a number of establishment plans of agencies in line with the priorities described above to align staffing with additional tasks, modifies others to bring them more in line with a real 5 % cut over 5 years and to treat fee-financed posts differently;

Pilot projects and preparatory actions (PP-PAs)

54. Having carried out a careful analysis of the pilot projects and preparatory actions submitted – as regards the rate of success of the on-going ones and excluding initiatives already covered by existing legal bases, and taking fully into account the Commission's assessment of the projects' implementability, decides to adopt a compromise package made up of a limited number of PP-PAs, also in view of the limited margins available;

Payments

55. Recalls that, ahead of the budgetary procedure, Parliament, the Council and the Commission have agreed, in a joint statement on a payment plan 2015-2016, to phase out the abnormal backlog of unpaid bills from the past programming period while committing to avoiding the future build-up of an unsustainable backlog and fully respecting and implementing the agreements reached as part of the MFF and of the annual budgetary procedures; notes that the three institutions agreed to cooperate fully in view of authorising a level of payment appropriations in the 2016 budget which allows reaching such a goal, and that payment appropriations requested for 2016 were calculated by the Commission accordingly;
56. Deplores that, despite the resulting moderate increases and comfortable margins proposed by the Commission, the Council decided to cut down payment appropriations by EUR 1,4 billion, targeting both completion lines and programmes reaching full swing, thus jeopardising the phasing out of the abnormal backlog; recalls that, for programmes under direct management, shortages of payment appropriations are not only reflected in the evolution of the backlog but also in artificial delays in the implementation of programmes, for example delaying calls for proposals and/or the signature of new contracts;
57. Decides to restore the DB in payments on all lines cut by the Council, on the assumption that the payment levels proposed by the Commission in its DB are the ones needed to achieve the objectives of the payment plan;

58. Reinforces, by an appropriate ratio, payment appropriations on all those lines which are amended in commitment appropriations, taking into account areas with a fast disbursement profile or a high degree of urgency namely Erasmus+, the two relocation schemes, UNRWA and humanitarian aid; increases payment appropriations by a further EUR 1 billion to fully cover by fresh appropriations the frontloading of payments for Greece; also decides, in view of past implementation, to increase payments for the European Globalisation Adjustment Fund;

Other sections

Section I – European Parliament

59. Recalls that the Parliament's estimates for 2016 were set at EUR 1 823 648 600, which corresponds to a 1,6% increase over the 2015 budget; recalls, in addition, that EUR 15 million has been earmarked for urgent investments in security and cybersecurity, setting the overall level of its 2016 budget at EUR 1 838 648 600;
60. Points out that as of 15 June 2015, after the Parliament's estimates for 2016 were adopted, a new political group has been created and that, due to these changes in the organisation of the Parliament, supplementary appropriations are needed to ensure that all political groups are treated equally;
61. Notes the Bureau conclusions of 7 September 2015 in view of the parliamentary reading on the 2016 budget, which proposes to transpose its recent decisions and technical adjustments into the budget; approves these limited technical changes proposed by the Bureau, which involve budget-neutral adjustments to appropriations and to the establishment plan, and updates to certain aspects of the budgetary nomenclature;
62. Decides to incorporate into its budget the following adjustments, requested by the political groups:
- the creation of 43 temporary posts in the establishment plan and the upgrading of one temporary post from AD10 to AD14, for the new political group;
 - a corresponding increase of EUR 3 234 500 in appropriations, for financing the temporary staff of this new group;
 - an increase of EUR 3 500 000 in appropriations, to ensure the stable employment of contract staff of all political groups;
63. Fully compensates these reinforcements by reducing the appropriations in the budget lines for contingency reserve, the general Members' allowance, further training, fitting out of premises, energy consumption, computing and telecommunications - investment in projects and furniture;
64. Maintains therefore unchanged the overall level of its budget for 2016, as adopted by the plenary on 29 April 2015, at EUR 1 838 648 600;

65. Underlines that the activities of the political groups do not correspond to administrative work; confirms that, for this reason, the total level of staff in political groups shall be exempted from the 5 % staff reduction target in line with the decisions taken by it in respect of the financial years 2014¹, 2015² and the estimates for 2016³;
66. Recalls that political groups have had a recruitment freeze in place since 2012 and that their needs were only partially covered in the preceding budgetary years;
67. Reiterates its commitment to implement point 27 of the IIA and to reduce its staff by 1 %;

Changes to the establishment plan

68. Reduces the establishment plan of its General Secretariat for 2016 by 57 posts (1% staff reduction target) as follows: 4 AD14, 13 AD13, 2 AD12, 1 AD9, 2 AD8, 1 AD5, 2 AST11, 1 AST10, 3 AST9, 8 AST8, 7 AST7, 4 AST6, 3 AST5, 2 AST4, 1 AST3, 1 AST1 permanent posts and 2 temporary AST4 posts; recalls that the budgetary impact of this measure was already taken into account in the estimates;
69. Transforms, in accordance with the new Staff Regulations, 80 AST permanent posts (25 AST 11, 10 AST 10, 5 AST 8, 15 AST 7, 5 AST 6, 5 AST 5, 5 AST 4, 5 AST 3 and 5 AST 2) into 80 AST/SC1 posts;
70. Proceeds to the following technical corrections: deletes three AST7 posts and three AST6 posts and adds six AST5 posts and deletes the footnote n°1 to the establishment plan, given that the relevant procedure has not been used in the recent past;
71. Authorises the creation of 43 new temporary posts (2AD7, 19 AD5, 5 AST5, 5 AST3 and 12 AST1) and the upgrading of one temporary post AD 10 to an AD 14 for the supplementary needs relating to the creation of the new political group;

5 % staff reduction

72. Recalls that the Parliament is implementing the 5 % staff reduction target for the third consecutive year with a due respect for the letter and spirit of the IIA; underlines that, to this end, 171 permanent posts have been removed from its establishment plan since 2014⁴; stresses that, in order to fully comply with the 5 % staff reduction target, two further annual reductions of 57 posts⁵ should be made by 2018;
73. Underlines that, in accordance with point 27 of the IIA, the 5 % reduction target is a compensation in terms of staff, related to the increase in the working hours from 37,5 to 40 a week as compared to the establishment plan of 1 January 2013; considers that this

¹ European Parliament resolution of 23 October 2013 on the Council position on the draft general budget of the European Union for the financial year 2014 (Texts adopted, P7_TA(2013)0437).

² European Parliament resolution of 22 October 2014 on the Council position on the draft general budget of the European Union for the financial year 2015 on (Texts adopted, P8_TA(2014)0036).

³ European Parliament resolution of 29 April 2015 on Parliament's estimates of revenue and expenditure for the financial year 2015 (Texts adopted, P8_TA(2015)0172).

⁴ -67 posts in 2014, -47 posts in 2015 and -57 posts in 2016

⁵ Since a political decision on excluding the political groups from this calculation has been taken, this reduction is being applied to the Secretariat-General's part of the establishment plan (reference number of posts (1%): -57)

reduction must apply to a constant workload and that, consequently, new responsibilities and missions must be exempted from this calculation;

74. Notes that, in line with the strengthening of its prerogatives and new tasks the Parliament has undergone since 2013, important structural changes, such as internalisation processes which have been staffed as far as possible by internal redeployments, new posts were only created when strictly necessary; decides to exclude these additional posts from the effort to reduce staff numbers by 5 %;
75. Urges the Commission, when monitoring the implementation of the staff reduction target by the Parliament, to take account of the new additional considerations such as the constant workload, exemption of political groups, internalisations offset by reductions in external services budget lines, and new prerogatives and tasks;
76. Stresses that the implementation of the 5 % staff reduction should not jeopardise the proper functioning of the Parliament and the exercise by the Parliament of its core powers, nor alter its legislative excellence or the quality of the working conditions for Members and staff;
77. Recalls that no agreement can deprive the European Parliament and the Council of its sovereign freedom of evaluation and of its power to decide every year on the content of the budget;

KAD

78. Notes that since 2014 no appropriations have been provided for investment in the construction of the Konrad Adenauer building (KAD) in Luxembourg; recalls that the 2016 estimates included only appropriations to cover works and services to be paid directly by the Parliament, principally for the project management, technical expertise and consultancy; invites the Secretary General to evaluate, before the end of this year, the funds not used in the 2015 budget and to commit them to the KAD project, via a transfer request at year-end 2015, in order to avoid future building-related interest payments as far as possible ;

Section IV - Court of Justice

79. Deplores that, despite the continued increase in the volume of judicial activity and the planned reform of the General Court, the Commission has reduced staffing by 20 posts, thereby risking creating bottlenecks and jeopardising the proper functioning and prompt dispensation of justice; decides therefore to reinstate the 20 posts initially requested by the Court;
80. Regrets that Council has raised the standard abatement rate applied to the appropriations for staff remuneration from 2,5 % to 3,2 % which is equivalent to a reduction of EUR 1,55 million and contradicts the extremely high rate of occupation of posts of the Court (98 % at the end of 2014) and the high budget implementation rate (99 % in 2014); therefore readjusts the standard abatement rate to the level of the draft budget and cancels the related reduction in appropriations in order to ensure that the Court can deal adequately with the substantial increase in the number of cases and make full use of the posts granted to it;

81. Decides furthermore to reinstate the seven posts originally requested by the Court in order for it to meet the twofold requirement of strengthening the Safety and Security section of the Court to better protect staff, visitors and documents, and at the same time implementing the new Article 105 of the Rules of Procedure of the General Court which requires a highly secure system to be set up in order to enable parties involved in certain cases to provide information and material pertaining to the security of the Union, the Member States or to the conduct of their international relations;
82. Underlines in the same context the need for resources for security and surveillance of the Court's buildings and decides therefore to restore the cuts proposed by Council in this area back to the level of the draft budget;
83. Removes the existing reserve regarding missions and replaces it with a new one, to be released when the Court publishes information on the external activities of Judges, as requested by Parliament in its 2013 discharge resolution related to the Court¹;

Section V - Court of Auditors

84. Readjusts the standard abatement rate to its initial level of 2,76 % in order to allow the Court of Auditors to meet its needs in respect of the establishment plan;
85. Restores all other lines cut by Council for the Court of Auditors to implement its work programme and deliver the planned Audit Reports;

Section VI - European Economic and Social Committee

86. Readjusts the standard abatement rate to its initial level of 4,5 % in order to allow the Committee to meet its needs and cope with the continued reduction of staff in the context of the cooperation agreement between the Parliament and the Committee;
87. Decides further to restore the draft budget regarding travel and subsistence allowances;

Section VII - Committee of the Regions

88. Reduces on the one hand the remuneration and allowances by an amount corresponding to 66 upgrades and four additional posts not already accounted for in the draft budget to reflect the transfer of those posts to the Parliament;
89. Increases on the other hand a number of lines (outsourcing of translation, third parties, communication, representation expenses, communication of political groups, missions and cleaning and maintenance) more in line with the Committee's own estimates in order for the Committee to carry out its political work and fulfil its obligations;
90. Finally, restores the cuts by Council regarding security and surveillance of the Committee's buildings to ensure sufficient financing for security measures in the event of increased security threat level ("yellow") during 2016;

¹ European Parliament resolution of 29 April 2015 with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2013, Section IV – Court of Justice (Texts adopted, P8_TA(2015)0124).

Section VIII - European Ombudsman

91. Notes with regret that the Council has decreased the draft budget of the Ombudsman by EUR 135 000; underlines that this reduction would impose a disproportionate burden on the very limited budget of the Ombudsman and would have a major impact on the institution's capacity to serve European citizens effectively; therefore restores all the budget lines cut by Council in order to enable the Ombudsman to fulfil her mandate and commitments;

Section IX - European Data Protection Supervisor

92. Notes with regret that the Council has decreased the draft budget of the European Data Protection Supervisor by EUR 135 000; underlines that this reduction would impose a disproportionate burden on the Data Protection Supervisor's very limited budget and would have major impact on the institution's capacity to serve the Union institutions effectively; therefore restores all the budget lines cut by Council in order to enable the Data Protection Supervisor to fulfil his obligations and commitments;

Section X- European External Action Service

93. Restores the draft budget on all lines and deletes the reserves adopted by Council related to the fluctuation of the Euro exchange rate;

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94. Is convinced that the Union budget can contribute to addressing effectively not only the consequences but also the root causes of the crises that the Union is currently facing; takes the view, however, that unforeseen events with an Union-wide dimension should be tackled by pooling efforts and putting additional means at Union level rather than by calling past commitments into question or reverting to the illusion of purely national solutions; stresses, therefore, that flexibility provisions are there to enable such a joint and speedy response and should be used to the full in order to make up for the tight constraints of the MFF ceilings;
95. Instructs its President to forward this resolution, together with the amendments to the draft general budget, to the Council, the Commission, the other institutions and bodies concerned and the national parliaments.