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REPORT

on the guidelines for the 2007 budget procedure - Sections II, IV, V, VI, VII, VIII (A) and VIII (B) and on the European Parliament's preliminary draft estimates (Section I) for the 2007 budget procedure (2006/2021(BUD))

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Committee on Budgets

Rapporteur: Louis Grech

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the guidelines for the 2007 budget procedure - Sections II, IV, V, VI, VII, VIII (A) and VIII (B) and on the European Parliament's preliminary draft estimates (Section I) for the 2007 budget procedure (2006/2021(BUD))

The European Parliament,

- having regard to the Treaty establishing the European Community, and in particular Article 272 thereof,
 - 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 Communities²,
 - having regard to the Interinstitutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure³, and in particular point 26 thereof,
 - having regard to the fourth report by the Secretaries-General of the Institutions of May 2005 on the evolution of heading 5,
 - having regard to the general budget of the European Union for the financial year 2006,
 - having regard to the annual report of the Court of Auditors for the 2004 financial year on the implementation of the budget, together with the institutions' replies⁴,
 - having regard to the report of the Committee on Budgets (A6-0058/2006),
- A. whereas the 2007 budget marks the first year of the new financial framework and the negotiations to the new Financial Perspective 2007-2013 and the Interinstitutional Agreement have not, as yet, been concluded,
- B. whereas the 2004 enlargement has to be consolidated and preparations for the next enlargement continued to ensure that everything is in place by 1 January 2007,
- C. whereas, at this stage of the annual procedure the budgetary authority is awaiting the other institutions' draft estimates concerning their administrative needs,

¹ OJ L 253, 7.10.2000, p. 42.

² OJ L 248, 16.9.2002, p. 1.

³ OJ C 172, 18.6.1999, p. 1. Agreement as last amended by Decision 2005/708/EC of the European Parliament and of the Council (OJ L 269, 14.10.2005, p. 24).

⁴ OJ C 301, 30.11.2005, p.1

General Framework

1. Notes that, in the absence of an agreement on a new Interinstitutional Agreement amongst the European Parliament, the Council and the Commission for the period 2007-2013, Article 26 of the current IIA would in principle apply; in the event that any of the Institutions denounce the current IIA, the provisions of the EU Treaty (Art. 272) applies;
2. Expects a detailed report on the developments in heading 5 by the Secretaries-General in March 2006, which should serve as a basis for consideration of the preliminary draft 2007 budget;
3. Underlines that the 2007 draft budget will have to take into account the accession of Romania and Bulgaria as of 1 January 2007;
4. Notes the implementation of Accrual Based Accounting in all institutions commencing with the financial statements for the financial year 2005; considers that this process will ensure a more streamlined and harmonised approach for comparison purposes;
5. Welcomes the implementation by the Council, the European Parliament and the Ombudsman of the new nomenclature; urges all other institutions to adopt, for purposes of clarity and comparability, the same nomenclature; invites the other institutions to indicate whether they consider that any changes or adaptations should be made to the new nomenclature in order to take into account their specific administrative constraints;
6. Regrets the delays in the full recruitment of staff from the 10 new Member States and expects any outstanding recruitment to be finalised at the earliest possible date, and not later than December 2006;
7. Notes that, over the years, staff complements of the various institutions have been increased through the creation of several additional posts; considers that a consolidation of the establishment plans, together with a redeployment exercise, is essential prior to the submission of any request for recruitment not directly linked to the enlargement process; calls on all institutions to harmonise their recruitment policies;
8. Calls on all institutions to submit realistic requests which would have to be based on justified needs taking into account the tight financial situation; encourages the institutions to operate at the lowest cost base possible without compromising standards;
9. Considers that in the smaller institutions substantial savings could be achieved by a rational pooling of administrative and human resources;
10. Reaffirms that the policy of purchasing buildings is one to be pursued by all institutions; invites all institutions to submit medium-term plans for building policy taking into

consideration all financial aspects, as well as statutory regulations, bearing in mind the future requirements of the smaller institutions and the eventual potential pooling of services and resources;

11. Requests that, whenever possible, the institutions should present more comprehensive multi-annual plans reflecting future political, human resources and infrastructural needs;
12. Notes that over the years European institutions have failed to convince European citizens that they truly represent their interests and aspirations; insufficient knowledge coupled with a poor perception makes understanding of EU policies difficult; takes the view that the existing information services have to be improved and that an effective strategy, accessible to all European citizens, should be implemented as a matter of priority for all institutions;
13. Invites all European institutions to study the feasibility of setting up a Centre of European Houses in Brussels, utilising existing resources without incurring any significant additional expenditure; in this "European Heart", EU citizens would be able to participate freely in various areas, including cultural and technical events, training seminars and exhibitions on specific topics; in such a scenario a wider segment of European citizens can identify themselves with the intellectual and cultural diversity of all European Member States;

European Parliament

14. Affirms Parliament's commitment to deliver on promises to the EU citizens in an efficient, tangible and accountable manner and in so doing strengthen the image and credibility of the European Institutions;
15. Commits itself to fulfil its responsibilities as the only democratically elected representation of the people of the EU;
16. Considers that, in view of the financial constraints being experienced at the moment, Parliament should reserve its position regarding the self-imposed limit of 20% of the expenditure under heading 5; reiterates that its estimates should reflect the real financial requirements in order to ensure an appropriate and efficient functioning of the institutions;

Budgetary rigour and added value

17. Urges the Administration to make better and more efficient use of resources and avoid duplication of functions and reduce activities which do not add value to the overall objectives; expects more internal control on expenditure;
18. Regrets the unnecessary and exorbitant costs due to the dispersion and duplication of activities in three different workplaces, which contribute to a highly inefficient cost

structure; considers that this should be re-addressed in an effort to minimise costs and invites the Administration to present specific proposals by 30 June 2006;

19. Invites the Administration to compare contracts with standards used in major private companies, in order to ensure the highest cost/benefit ratio for users, with particular reference to telecom providers, computer services, hardware and software providers, catering, sports facilities, car services and travel services;
20. Expects a report on the progress registered in the area of interinstitutional cooperation and asks the Secretary-General to make recommendations on the possibilities and limits for further tangible interinstitutional cooperation;
21. Contends that appropriations should relate to specific activities thus avoiding the cancellation of appropriations at the end of the year; recommends that sufficient funding should be allocated in areas where political decisions necessitate greater financial engagement, as in the case of the WTO; stresses that, wherever possible, amending budgets and transfers should be avoided;
22. Stresses, once again, the importance of applying the principles of sound financial management and underlines the importance of the full implementation of Activity Based Budgeting which should result in having more effective, transparent, rational and analytical estimates;
23. Recalls its decision to make the budget more comprehensive; notes the introduction of the revised nomenclature and requests the Administration to provide its relevant committee for the 2007 budget with a presentation which makes the comparison between the 2006 and 2007 budgets possible;
24. Requests the Administration to identify activities which do not add value to its operations and to increase efficiency by rationalising working methods, thereby ensuring value for money for the European taxpayer;

Enlargement

25. Reiterates that enlargement remains a key political priority and stresses its commitment to make enlargement a real success; acknowledges the efforts made by the Institutions in the last enlargement and calls on them to continue with their efforts to resolve any outstanding administrative issues by the end of 2006;
26. Notes that an amount of EUR 23 526 000 was allocated in the 2006 budget for the pre-enlargement preparations for Romania and Bulgaria; invites the Administration to be prepared to offer adequate training programmes for staff coming from Romania and Bulgaria;

27. Invites the Bureau, in the event of a postponement of the accession of Romania and Bulgaria, to consider whether Bulgarian and Romanian contract agents, already recruited by Parliament, should be given the task of acting as liaison officers, assisting the Bulgarian and Romanian observers in this respect;

Information

28. Agrees with the Secretary-General that the European Parliament requires a strong and effective information strategy that addresses Parliament's objective of bringing Europe closer to its citizens; information tools and strategies which are not delivering the expected results should be discontinued; considers that spending more does not necessarily translate into better results; recommends that all Members, political groups and Administration should be involved and assume responsibility for their respective roles in the fields of information;
29. Considers it extremely urgent that, in tandem with discussions on an enhanced media presence, the structure of debates be examined;
30. Welcomes the new format of the EUROPARL website, which is more user-friendly, especially for non-professionals; nonetheless, a more powerful and structured presentation for internal use should be developed to facilitate the daily work of MEPs and their staff;
31. Points out that a significant percentage of EU citizens do not have access to the Internet and do not necessarily use it to gather information about EU policies, and that therefore the role of Information Offices should be adequately defined and their management coherent when considering Parliament's information tools; attention should be given to ways of avoiding the duplication of information from various institutions;
32. Emphasises that particular attention should be given to any information project, not only for its cost structure, but also for the value of its contents; recommends that all major publications and information-related projects be prepared and constantly monitored by regular meetings with the participation and cooperation of political groups in order to create balanced programmes respecting the pluralism of opinions; the level of success of any project will have to be measured in terms of its positive impact on EU citizens;

Visitors

33. Considers that Parliament's visitors' service is of utmost importance to MEPs; visitors groups are the only efficient way for Members to bring opinion-makers from their

constituencies to the workplaces of the Parliament; regrets, therefore, the high number of complaints concerning the visitors' programme, particularly as regards the non-availability of time-slots and the difference between grants and real costs; stresses that an attractive and high value visitors' programme is one of the top priorities for the year 2007;

34. Regrets that improvements in the visitors' programme are long overdue and considers that they should not be delayed any further; recalls that in 2006 budget EUR 5 million were allocated to increase the number of visitors and to reimburse expenses covering the actual cost of travel expenditure;
35. Calls for a better reception service for visitors in the various places of EP plenary sittings and for an increase in the number of meeting areas furnished with modern communication and information tools; recalls that the visitors' programme is one of the most effective ways of how citizens can participate actively in Parliament's work thereby enhancing the citizens perception of the EP;
36. Considers that direct contact with European citizens through an improved visitors' service will have a multiplier effect that will enhance the perception of the European Parliament in the eyes of the citizens;

Assistance to Members - Raising the Game

37. Acknowledges that the necessary structures for the implementation of the objectives of "Raising the Game" exercise are now in place;
38. Welcomes the proposals by the Secretary-General to consolidate the "Raising the Game" reform of Parliament's Administration so as to improve services to Members;
39. Notes that to date only a limited number of the objectives have been achieved and that Parliament has not yet experienced the full impact of this exercise;
40. Expects that by 2007 the targets of the exercise will have been fully met and the necessary reform implemented, providing Members with a practical and efficient service, especially in legislative matters, research and language facilities;
41. Supports the Secretary-General's intention to undertake an evaluation of the state of implementation of the project;
42. Stresses that it is imperative to give more assistance to Members when it comes to responding to requests from concerned citizens regarding day-to-day issues;
43. Recommends further promotion of the "Correspondence with Citizens Unit" so that Members can make better use of this service;
44. Takes the view that Parliament's increased responsibilities in legislative decision-making require more resources to be allocated in support of this core activity, especially in the areas of research, library and specific expertise;

45. Encourages the Administration to conduct a quality survey on the service and assistance being given to Members and to make the findings of the survey available to all Members by the first reading of the 2007 budget; asks the Secretary General to involve all Members in the survey in order to avoid any misleading results; expects immediate proposals for improvements in response to any major deficiency detected by the survey;
46. Requests that a feasibility study be carried out as regards the possibilities for using free and open sources software and the staff and professional training needed for maintenance and security of such software;

Member's Assistant Statute

47. Underlines the importance of personal assistants for Members' work and reiterates its position in support of the adoption of a real and meaningful statute for Members' assistants; regrets that very little progress has been achieved on the matter; urges the Council to take a decision on the EC Staff Regulation: EP Members' assistant statute (COM(1998)0312), which ideally should come into force by 2009;;

Training and development

48. Notes the lack of immediate availability of training offered to assistants and staff on their arrival in the European Parliament; considers that a more holistic approach to training development and induction should be initiated in order to enable assistants and staff to fulfil their duties in a professional manner and achieve high standards of work, and to develop further the scope of the European Administration School;
49. Suggests that a traineeship programme in favour of persons with disabilities be formulated in order to better facilitate their integration in the European working environment; invites the other institutions to formulate a similar programme;

Property

50. Points out that the policy on the purchasing of properties and buildings has yielded positive and tangible results providing Parliament with a strong asset base as well as generating savings, which in turn allowed it to use these funds for other projects;
51. Calls on the Bureau to ensure that all Parliament's buildings are environmentally friendly as well as user-friendly, especially for persons with disabilities;
52. Urges the Bureau to ensure that a call for offers widely published in local media is an integral part of the acquisition procedure for the purchasing of European Houses and that all offers received are included in the dossier presented to the relevant committee before a final decision is taken;

53. Considering the envisaged financial constraints in the coming years, calls on the Bureau to consider a multiannual property investment plan instead of an annual plan and to continue with the policy of accelerated payments;

Employment

54. Invites the Administration to ensure that human resources costs are in line with operational requirements and with the financial situation of the institution and effectively to examine the possibility of redeploying existing staff instead of relying on contract agents;
55. Considers that the long-term quality of legislative work of the House has to be carried out by staff with a long-term commitment to Parliament rather than by utilising contract agents;
56. Instructs the Administration to address the problem of staff shortages in a number of European Houses, including a press officer for each office; an identical request was made by the previous rapporteur but has not been fully implemented;
57. Requests the Administration to identify all anomalous situations related to employment and to take the necessary action to resolve them as quickly as possible;
58. Notes that problems are likely because of staff ageing and the resulting increasing number of individuals leaving the service (with some 180 staff members leaving the service each year from 2009 onwards); asks the Administration to make appropriation preparations for the likely increase in funding requirements;
59. Recalls that the new Streamline software should be in place by the last quarter of 2006; this should result in a decrease in the number of posts in the coming years; maintains that, with the exception of enlargement and an extremely limited recruitment of specialised staff, no new employment should take place, which should result in real savings in the future;

Stocktaking

60. Takes note that in 2007 there will be no new major projects being undertaken by Parliament; therefore considers that now is the opportune time to examine, evaluate and carry out a meaningful stocktaking exercise; encourages the Secretary-General to implement the necessary changes resulting from this exercise;

Reports and information requested before the first reading of Parliament's budget

61. Invites the Secretary-General to provide the following information by the end of June 2006 in order to allow an effective decision-making process:

- A report on "more effective budgeting", which was requested following the 2006 Budget Guidelines and which has not as yet been presented;
- A study of the financial impact of the introduction of the Irish language as the twenty-first working language of the European Parliament;
- A report on the state of preparation for the enlargement to Romania and Bulgaria on a regular basis, and at least in May and September on the evolution of recruitment of staff from Romania and Bulgaria;
- An updated report on the recruitment situation in relation to the 2004 enlargement, in particular reference to the linguistic sector giving a breakdown between officials, temporary and contractual employers;
- Proposals on how to connect Parliament with those EU citizens who are not Internet users or who do not have access to it;
- A comprehensive report on the current situation as regards training and development in the Institution;
- An updated report on the acquisition of property by Parliament in the last two years accompanied by the relevant financial information and the needs in office space in relation to the 2004 and the forthcoming enlargement;
- An updated report on the allocation of running costs between the Commission and Parliament, reflecting the actual expenditure incurred by the two bodies;
- An inventory identifying short and medium term investment needs related to EMAS in order to obtain the best possible results in the long term;

62. Requests by 1 September 2006:

- A report on a mid-term budgetary review on the state of implementation of the current year; this would place Parliament in a better position to properly assess the estimates presented for 2007;
- A presentation of the proposed information projects together with their related costs and benefits as well as any relevant information;
- A report on the stocktaking exercise and in particular:
 - on activities which do not add value to its operations and on increasing efficiency by rationalising working methods, thereby ensuring value for money for the European taxpayer,
 - on the progress registered on the EP Rome report and a comprehensive evaluation, focussing on the real progress registered over the years in the "Raising the Game" exercise including the conclusion of the survey;

- on interinstitutional cooperation and on the possibilities for further tangible interinstitutional cooperation such as in the field of information where a more holistic approach by the institutions could avoid duplication;

Other Institutions

Council

63. Recalls that the gentlemen's agreement only applies to administrative expenditure; consequently, considers that budgetary rigour should also apply to the appropriation allocated to cover expenditure on CFSP;

Court of Justice

64. Recalls that, in December 2005, the budgetary authority authorised Amending Budget No 6/2005 in order to establish the Civil Service Tribunal; it is expected that a significant decrease in the Court's workload will result from this restructuring;

Court of Auditors

65. Welcomes the efforts made by the Court of Auditors to improve the services provided as well as the adoption of Accrual Based Accounting, developed jointly with the Council and the Court of Justice;
66. Considers that an increase in the establishment plan should only be considered in a medium-term perspective and only after ensuring that all possibilities for redeployment of existing staff have been explored;

Committee of the Regions

67. Acknowledging the fact that the Committee of Regions had to face a difficult situation in the linguistic service; recommends that the Committee seek a better balance in the staff available between support and political functions;
68. Recognises the efforts made by the Committee of the Regions in the field of information and its cooperation with the Commission, in particular DG PRESS and DG REGIO, as well as with existing regional networks such as Circom Regional; invites the Committee of the Regions to share its experience in the communication field with other institutions;

European Economic and Social Committee

69. Takes note of the renewal of the cooperation agreement between the Committee and the Commission; welcomes the initiative taken by the Committee to evaluate, in qualitative terms, the opinions it provides for the Commission; suggests that the Committee explore the possibility of reaching a similar cooperation agreement with Parliament;

Synergy between the European Economic and Social Committee and the Committee of the Regions

70. Considers that the creation of the joint service has been beneficial for both Committees; Considers this joint service as an effective and dynamic way of avoiding duplication, reducing costs and developing team spirit without reducing the quality and efficiency of the service provided; invites the two Committees to assess which other services could be shared in the same manner; expects both parties to submit a detailed joint report on this matter before the first reading of the 2007 budget, incorporating specific recommendations;
71. Takes note of the needs both Institutions are facing during their plenary meetings; invites the two Committees to evaluate their medium-term requirements for large meeting facilities with the aim of a better utilisation of Parliament's facilities; these requirements shall be presented to Parliament for its consideration at the earliest;

European Ombudsman

72. Notes that the recruitment of additional staff was approved in the 2006 budget; expects therefore that no further requests for additional recruitment will be made and that a consolidation exercise of its establishment plan will be submitted for the 2007 budget;
73. Invites the European Ombudsman to present its medium-term priorities, together with their financial implications, in order to enable Parliament to take them into consideration in the estimates for 2007;

European Data Protection Supervisor

74. Notes that the administrative agreement for cooperation between the Secretaries-General of the European Parliament and the Commission, the Deputy Secretary-General of the Council and the Data Protection Supervisor will expire on 16 January 2007; considers that this administrative support is particularly to be welcomed in a situation of budgetary rigour; points out that this cooperation could be further strengthened in particular by facilitating access to computer facilities hosted in different buildings; invites the institutions involved to set up before the end of the year the framework for the next agreement which should be for a longer period;
75. Invites the European Data Protection Supervisor to present to Parliament its medium-term priorities, including all the financial implications, in order to enable Parliament to evaluate these priorities, especially if they happen to be in areas where support is needed in terms of buildings and logistics;

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76. 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 and the European Data Protection Supervisor.

PROCEDURE

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| Title | Guidelines for the 2007 budget procedure, Section I – European Parliament, Section II – Council, Section IV – Court of Justice, Section V – Court of Auditors, Section VI – Economic and Social Committee, Section VII – Committee of the Regions, Section VIII(A) – European Ombudsman, Section VIII(B) – European Data Protection Supervisor and the European Parliament's preliminary draft estimates (Section I) for the 2007 budget procedure |
| Procedure number | 2006/2021(BUD) |
| Legal basis | Article 272 EC |
| Committee responsible | BUDG |
| Committee(s) asked for opinion(s) | ALL |
| Rapporteur Date appointed | Louis Grech 11.1.2006 |
| Previous rapporteur | Valdis Dombrovskis |
| Date of decision to draw up report | 3.2.2006 |
| Discussed in committee | 20.2.2006 6.3.2006 |
| Date adopted | 6.3.2006 |
| Result of final vote | for: 27 against: 0 abstentions: 0 |
| Members present for the final vote | Reimer Böge, Herbert Bösch, Simon Busuttil, Paulo Casaca, Brigitte Douay, Bárbara Dührkop Dührkop, James Elles, Szabolcs Fazakas, Salvador Garriga Polledo, Neena Gill, Ingeborg Gräßle, Louis Grech, Catherine Guy-Quint, Ville Itälä, Anne E. Jensen, Wiesław Stefan Kuc, Janusz Lewandowski, Vladimír Maňka, Jan Mulder, Gérard Onesta, Wojciech Roszkowski, Antonis Samaras, Nina Škottová, László Surján, Ralf Walter |
| Substitutes present for the final vote | José Albino Silva Peneda, Margarita Starkevičiūtė |
| Substitutes under Rule 178(2) present for the final vote | |
| Date tabled – A6 | 8.3.2006 A6-0058/2006 |
| Comments | ... |