

EUROPEAN PARLIAMENT

1999



2004

Session document

13 December 1999

FINAL
A5-0100/1999

REPORT

on the supplementary estimates to Parliament's budget estimates for 2000

Committee on Budgets

Rapporteur: Kyösti Tapio Virrankoski

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Procedural page

On 16 July 1999 the Council established the draft budget and forwarded it to the European Parliament by letter of 14 September 1999.

At its meeting of 28 July 1999 the Committee on Budgets appointed Mr Kyösti Tapio Virrankoski rapporteur.

Parliament adopted its first reading of the draft budget on 28 October 1999.

The Council adopted its second reading of the draft budget on 26 November 1999.

On 2 December 1999, Parliament's Bureau adopted the supplementary preliminary draft estimates to the draft budget and referred them on that date to the Committee on Budgets.

The Committee on Budgets considered the supplementary preliminary draft estimates and the draft report at its meetings of 7 December and 13 December 1999.

At the latter meeting it adopted the motion for a resolution unanimously.

The following were present for the vote: Terence Wynn, chairman; Kyösti Tapio Virrankoski, rapporteur; Ioannis Averoff, Jean-Louis Bourlanges, Carlos Costa Neves, Gérard M.J. Deprez (for Den Dover), Juan Manuel Fabra Vallés (for James E.M. Elles), Göran Färm, Salvador Garriga Polledo, Neena Gill, Catherine Guy-Quint, Wolfgang Ilgenfritz, Anne Elisabet Jensen, Armin Laschet, John Joseph McCartin, Jan Mulder, Juan Andréas Naranjo Escobar, Bartho Pronk (for Markus Ferber), Heide Rühle, Per Stenmarck, Ioannis Souladakis (for Joan Colom i Naval), Ralf Walter and Francis Wurtz.

The report was tabled on 13 December 1999.

The deadline for tabling amendments is 5:00 p.m. on 14 December 1999.

MOTION FOR A RESOLUTION

Resolution of the European Parliament on the supplementary estimates to Parliament's budget estimates for 2000

The European Parliament,

- having regard to Article 272 of the EC Treaty,
- 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 procedure¹,
- having regard to its resolution of 23 March 1999 on the guidelines for the 2000 budgetary procedure: Section I – European Parliament, Ombudsman Annex; Section II – Council; Section IV – Court of Justice; Section V – Court of Auditors; Section VI – Economic and Social Committee and Committee of the Regions²,
- having regard to its resolution of 5 May 1999 on the estimates of revenue and expenditure of the European Parliament and the estimates of revenue and expenditure of the Ombudsman for the financial year 2000³,
- having regard to the preliminary draft budget for the financial year 2000 (COM(1999)0200),
- having regard to the draft general budget for the financial year 2000 (C5-0300/1999),
- having regard to Article 199 of the EC Treaty, Article 25 of the ECSC Treaty and Article 112 of the EAEC Treaty,
- having regard to Rule 183 of and Annex VI(II) to its Rules of Procedure⁴,
- having regard to the supplementary preliminary draft estimates for the 2000 budget adopted by Parliament's Bureau on 2 December 1999,
- having regard to the report of the Committee on Budgets (A5-0100/1999),

¹ OJ C 172, 18.6.1999, p. 1.

² OJ C 177, 22.6.1999, p. 44.

³ OJ C 279, 1.10.1999, p. 227.

⁴ Adopted by decision of Parliament of 19 May 1983 in accordance with Rule 150 and amended by its decisions of 25 July 1984, 21 January 1987, 26 July 1989, 15 January 1992, 21 July 1994, 15 January 1997 and 15 April 1999.

1. Adopts unamended the supplementary estimates to the estimates for Parliament's budget for 2000;
2. Stresses, however, that in the event that the final decision of the Court of First Instance in Case T-222/99 cancels the Court's decision of 25 November 1999 the posts will become vacant, and then remain so, and the upgrading will be cancelled;
3. Instructs its President to forward these supplementary estimates to the Commission and the Council.

EXPLANATORY STATEMENT

1. Background

On 25 November 1999 the Court of First Instance ruled in Case T-222/99, brought by Mr Jean-Claude Martinez and Mr Charles de Gaulle against the European Parliament, that the TDI Group has the right to be a political group and thereby cancelled the decision of the European Parliament of 14 September 1999. The Court referred in particular to Article 29 of Parliament's Rules of Procedure on the formation of political groups.

According to the internal rules of Parliament¹ the TDI group is entitled to receive secretarial allowances and to have a number of temporary posts. Taking the size of the TDI group, and the number of languages the group uses, into account, it is entitled to 14 temporary posts. The remaining non-attached Members are entitled to eight posts; but only 20 temporary posts are available, and there is a shortfall of two posts (C5). Moreover, each group is expected to have at least one official of A3 rank. Therefore, the supplementary estimates provide for two additional C5 posts and the upgrading of one A6 post to an A3 post.

2. Appraisal

Parliament has to implement the decision of the Court of First Instance immediately. The secretarial allowances to the group have been made available under Transfer C 10 (supplementary), which was approved by the Committee on Budgets at its meeting of 7 December 1999. The posts, however, have to be made available by amending Parliament's establishment plan for 2000.

Although the budget procedure for 2000 is already well advanced, Article 14 of the Financial Regulation allows for letters of amendment to the preliminary draft budget, even at a very late stage in the procedure, but there must be '*very exceptional circumstances*'. Your rapporteur is of the opinion that a decision of the Court of First Instance constitutes a very exceptional circumstance.

The rapporteur would have appreciated it if a solution to the case had been found through redeployment of the available staff of the political groups within Parliament's establishment plan for 2000. He understands that this presents insuperable difficulties and regards the proposed supplementary estimates as the next-best solution, as it is detrimental to pursuit of budgetary rigour - a policy the Parliament is so much in favour of. In future, the solution now proposed should be avoided at all costs. The rapporteur observes that, if Activity-Based Budgeting had been used, this problem would have been easier to resolve.

It should be noted that the Court decision is not yet final. Creation of the two temporary C5 posts and the upgrading would be cancelled if the Court of First Instance ultimately concludes that Parliament's decision of 14 September 1999 was correct.

3. Conclusions

- (a) The rapporteur agrees with the proposals laid down in the supplementary estimates.

¹ Decision of the Bureau of 6 February 1997.

- (b) In the future, problems similar to those raised by the supplementary estimates should be resolved through redeployment of the available human resources.
- (c) In the event that the final Court decision confirms the correctness of Parliament's decision of 14 September 1999, the two C5 posts created should become vacant, and then remain so, and the upgrading should be cancelled.

Annex: Supplementary preliminary draft estimates

submitted by the Bureau to the Committee on Budgets
(pursuant to Rule 183 of Parliament's Rules of Procedure)

EXPLANATORY STATEMENT

1. The order of 25 November 1999 by the President of the Court of First Instance in Case T 222/99R, *Martinez-de Gaulle v. European Parliament*, leads Parliament to regard the 'Technical Group of Independent Members (TDI) - mixed group' as a political group to be treated in the same way as the other political groups.
2. At its meeting of 1 December 1999 the Bureau considered the implications of this new situation, in particular as regards the funding and establishment plan resources to be made available to the TDI Group.

With regard to funding, the appropriations which can be allocated to the TDI Group under Item 3707 (Secretarial expenses, administrative expenditure and expenditure relating to the political activities of the political groups and of the non-attached Members) will have to be provided as the 2000 budget is implemented.

With regard to establishment plan resources, the TDI Group comprises 18 MEPs using three languages, thus producing a secretariat of 14 posts (one A2, one A3, one A6, three A7, one B2, three B5¹, two C3 and two C5). The eight Non-attached Members will have at their disposal a secretariat totalling eight posts (one A5, three B5, one C2, one C3 and two C5).

3. The draft list of posts annexed to Parliament's draft budget for the financial year 2000 does not contain the resources to meet these needs. The number and grading of temporary posts for the political groups is not commensurate: there is a shortfall of two C5 posts and one A3 grade post, thus preventing Parliament from carrying out the above order.
4. These new factors within the meaning of Article 14 of the Financial Regulation prompt Parliament to request a letter of amendment to its draft budget for the financial year 2000 with a view to:
 - creating two temporary posts in category C, grade 5, in order to allocate to the TDI Group the number of posts commensurate with the criteria applicable;
 - upgrading one temporary A6 post to A3 so that, as for all the other groups, the TDI Group has at least one A3 post;

¹ Including one 'under-occupied' at grade C3.

The appropriations for these measures will be provided as Parliament's 2000 budget is implemented.

5. *Summary*

- *Requests for appropriations for the financial year 2000 to remain unchanged;*
- *The list of posts to be amended by adding two temporary C5 posts and by upgrading one temporary A6 post to A3.*