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REPORT

on the draft general budget of the European Union for the financial year 2010, Section III – Commission (C7-0127/2009 – 2009/2002(BUD)) and Letter of amendment No 1/2010 (SEC(2009)1133) to the draft general budget of the European Union for the financial year 2010

Part 1: Motion for a resolution

Committee on Budgets

Rapporteur: László Surján

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the draft general budget of the European Union for the financial year 2010, Section III – Commission (C7-0127/2009 – 2009/2002(BUD)) and Letter of amendment No 1/2010 (SEC(2009)1133) to the draft general budget of the European Union for the financial year 2010

The European Parliament,

- having regard to Article 272 of the EC Treaty and Article 177 of the Euratom Treaty,
- 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 Communities (Financial Regulation)²,
- having regard to the Interinstitutional Agreement (IIA) of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management³,
- having regard to its resolution of 10 March 2009 on the Commission's annual policy strategy for the 2010 budget procedure⁴,
- having regard to the preliminary draft general budget of the European Union for the financial year 2010, which the Commission presented on 29 April 2009 (COM(2009)0300),
- having regard to the draft general budget of the European Union for the financial year 2010, which the Council established on 10 July 2009 (C7-0127/2009),
- having regard to Letter of amendment No 1/2010 (SEC(2009)1133) to the preliminary draft general budget of the European Union for the financial year 2010,
- having regard to Rule 75 of and Annex V to its Rules of Procedure,
- having regard to the report of the Committee on Budgets and the opinions of the other committees concerned (A7-0038/2009),

Key issues

1. Recalls that its political priorities and its assessment of the budgetary framework for the year 2010 were set out in its resolution of 10 March 2009, where Parliament was highly critical of the tight margins available in most of the headings of the Multiannual Financial Framework (MFF);

¹ OJ L 253, 7.10.2000, p. 42.

² OJ L 248, 16.9.2002, p. 1.

³ OJ C 139, 14.6.2006, p. 1.

⁴ Texts adopted, P7_TA-PROV(2009)0095.

2. Deplores the fact that, in its draft budget, Council has reduced the Commission's Preliminary draft budget (PDB) even further: commitment appropriations in the draft budget total EUR 137 944 million, which represent a decrease relative to the PDB of EUR 613 million, and payment appropriations of EUR 120 521 million represent a decrease relative to the PDB of EUR 1 795 million; underlines that this has even further increased the disparity between the level of commitments and payments, which is contrary to the principle of sound financial management;
3. Recalls that the key objective of the 2010 budget must be to give special attention to the recent economic crisis; resolves that in this context Parliament will put European citizens first, proving that the European Union is not at the origin of the problem, but can be instrumental in the solution; therefore has amended accordingly the Draft Budget of the Council, with the aim of using the EU budget as a tool to help overcome the current crises, by giving impetus to economic growth, competitiveness, cohesion and job protection;
4. Reaffirms, after having examined the draft budget, that heading 1a does not allow proper financing of the EU's needs on "Competitiveness for growth and employment" where there is a shortfall, particularly for addressing the current economic crisis and limiting its possible consequences; considers that this heading should be examined in depth and, if need be, revised to ensure it fulfils its objectives in future years;
5. Recalls the agreement on the joint declaration, annexed to this resolution, by the Parliament and Council at the first reading conciliation on the 2010 budget of 10 July 2009; has taken it into account in the preparation of its amendments to the draft budget;

On the European Recovery Plan

6. Stresses that the financing of the second phase of the European Economic Recovery Plan is a priority for Parliament; intends to use the tools provided for in the IIA in order to guarantee its financing; recalls, in this context, that the European Council was not able to present its plans in its draft budget; recalls that the financing agreement should not jeopardise the financial envelopes of the co-decided programmes nor the annual budgetary procedure as outlined in the declaration agreed by the budgetary authority on the financing of the European Economic Recovery Plan of 2 April 2009; recalls also its view on the principles and the prudence required when using available margins under a particular heading;

On heading 1a

7. Is astonished by Council's additional cuts on lines supporting the Lisbon strategy, which is based on a European Council decision; points out that this is contrary to what should have been done in order to address the current economic crisis;
8. Is committed to doing its utmost to secure adequate financing for all activities and policies under heading 1a which foster sustainable growth and job creation and deliver solutions to European citizens namely by providing greater energy security, increasing support for research and innovation, particularly on clean energy technologies, promoting small and medium-sized enterprises and reinforcing life-long learning; recalls the importance of optimising the implementation of framework programmes and calls on the Commission to take into account the Parliament's position as adopted in the discharge procedure for

Commission 2007 (P6_TA(2009)0289) Nos. 113 through 123 on those implementation problems.

9. Recalls the revised rules in the Regulation (EC) No 546/2009 of the European Parliament and of the Council of 18 June 2009 amending Regulation (EC) No 1927/2006 on establishing the European Globalisation Adjustment Fund¹ for the benefit of workers who suffer from the consequences of major structural changes in world trade patterns, to assist them with their reintegration into the labour market; stresses the need to have a thorough examination of the EGF in the Midterm Review;

On sub-heading 1b

10. Regrets the cuts introduced by the Council to the PDB in a period when structural and cohesion funds should be used for stimulating economic growth and recovery; proposes systematic increases to payments on the main lines (ERDF, ESF, Cohesion Fund) to boost implementation of structural policy in the Member States, for the benefit of all European citizens;
11. Points out that the current weak implementation of structural and cohesion policy is mainly due to the low flexibility in the system of complicated rules and requirements imposed by the Commission and Member States;
12. Insists that Member States use all the existing tools to accelerate or even revise their operational programmes in order to tackle the consequences of the recent economic and financial crisis more efficiently; calls on the Commission to endorse these modifications in the shortest possible period of time so as not to delay their implementation;
13. Urges the Council to find an agreement on the proposal made by the Commission in July for amending the general provisions of the ERDF, ESF and Cohesion Funds as regards simplification of the provisions relating to financial management;
14. Underlines that numerous important policies and activities aimed at fighting climate change and supporting growth for jobs are financed under this sub-heading, and that more should be done to focus the efforts in order to effectively address those priorities;
15. Reiterates the importance it attaches to the solidarity principle within the Union; intends to make every effort to guarantee sufficient funding for cohesion policy in order to be able to deal with current and future challenges;

On heading 2

16. Is of the opinion that the EU budget in its present format cannot address effectively and realistically the goals that the Union has set for climate change; considers that European citizens need a tangible European initiative to fight climate change, face its consequences and finance the necessary policies;
17. Recalls that, in view of the Copenhagen conference in December 2009, the fight against climate change will remain one of its top priorities for Budget 2010; considers, however, that this priority is not sufficiently reflected in the draft budget and intends, consequently, to put stronger emphasis on this key policy; reminds the Commission to submit a timely and reasonable financing proposal in the aftermath of the climate change conference;

¹ OJ L 167, 29.6.2009, p. 26

18. Emphasises the priority given by its competent committee for aiding milk producers; decides to send a clear message to the Commission and the Council by proposing an amount of EUR 300 million for the creation of a Dairy Fund; urges the Commission to take on board this request when presenting its Amending letter No 2;
19. Decides to finance the broadband internet measures for rural areas of the European Economic Recovery Plan from the margin of heading 2, in line with the relevant declaration agreed by the budgetary authority on the financing on 2 April 2009;
20. Stresses the need to increase the funding of programmes with the potential to promote the consumption of agricultural products (e.g. school milk and school fruit schemes);

On sub-heading 3a

21. Acknowledges European citizens' wish for a safe and secure Europe and welcomes the increases in this sub-heading relative to the 2009 budget; acknowledges that all countries in the Union are facing many challenges in relation to policies covered by this heading; urges Member States to take advantage of the increases in this subheading relative to the 2009 budget to tackle these challenges together;
22. Stresses the importance of further funding being made available via the EU budget to manage legal immigration and integration of third country nationals while in parallel tackling illegal immigration in full respect of human fundamental rights, and strengthening border protection, including the strengthening of the European Return Fund and the European Refugee Fund to facilitate solidarity between the Member States;

On sub-heading 3b

23. Recalls that sub-heading 3b covers vital policies that have a direct impact on the everyday life of European citizens; disagrees with the Council's cuts in this sub-heading and endorses the specialised committees' approach, ensuring that the increase of the appropriations is justified;
24. Recalls that the low turn-out in the European elections has shown once again that information and communication policy has to be improved in the 2010 budget; acknowledges that this represents a common challenge for the Commission, the Member States and Parliament as a necessary part of the democratic process; has therefore tabled several amendments putting in reserve a part of appropriations foreseen for the information and communication policy; calls on the Commission to present to Parliament its plans on how to implement the outcome of the findings of the Interinstitutional Group of Information (IGI);

On heading 4

25. Supports Letter of amendment No 1 to the PDB 2010 adopted by the Commission on 2 September 2009, which provides for an increase on two lines: Palestine and climate change in developing countries, two priorities put forward by the Parliament;
26. Has decided to put the increase on budget line climate change in developing countries into reserve, waiting for the outcome of the Conference on Climate Change in Copenhagen; stresses, however, the need for a new financial instrument to help developing countries to

cope with the effects of climate change, so the Development Cooperation Instrument (DCI) can fulfil its originally assigned tasks in the future;

27. Reiterates its serious concerns about the dangerously narrow margin for manoeuvre resulting from chronic under-financing of a heading constantly under pressure as a result of crises occurring in third countries;
28. Calls on the Commission to present a plan to restore, over the period 2010 to 2013, the financial means that were reallocated from the Instrument for Stability to the Food Facility, in order to ensure that the Union has the full financial means available, under heading 4 of the budget, to fulfil its role on the international stage as expected by the citizens of Europe; calls on the Commission to present a plan for the mobilisation of financial resources for any external emergency assistance facilities or mechanisms that are created outside the Instrument for Stability in a way that would avoid drawing on the funds foreseen for the Instrument for Stability;
29. Calls on the European Council not to make far-reaching political commitments calling for stronger EU financial support without at the same time providing for the requisite budgetary appropriations when there is an obvious contradiction with the funds available under the annual ceilings of the current MFF;
30. Considers securing energy supply an important issue for the Union; therefore welcomes the signature of all participatory countries to the Nabucco project, and expects consistency from all of them when dealing with other projects that might put Nabucco at risk;
31. Continues to count on support for the peace process in Palestine and the reconstruction needs in Gaza Strip; calls on the Commission to communicate which measures it has taken to minimise the risks that projects and programmes financed under this budget line are used or diverted to terrorist organisations or acts of terrorism, or inefficient bureaucracy, and to specify whether part of the aid is aimed at rebuilding premises or infrastructure previously financed by the Union or its Member States and damaged by military action;
32. Stresses the necessity of allocating sufficient funding to the EU Baltic Sea Strategy in order to finance actions that cannot be financed from other budget lines (coordination, information and pilot projects in any of the four pillars of the action plan);

On heading 5

33. Has decided to accept some of the Council's cuts in the administrative expenditure lines, based on a selective approach, striking a balance between the overall budgetary priorities, including new ones, and the needs for implementation of existing policies;
34. Has nevertheless reinstated the appropriations for staff expenditure; points out that the total amount of all types of administrative expenditure financed outside heading 5 has substantially increased in recent years; requests that in future, proposals from the Commission to transfer administrative expenditure to the operational headings be fully justified; acknowledges that operational programmes can not function without the necessary administrative support; is, however, greatly concerned that under the current

MFF part of the overall envelope for multi-annual programmes under headings other than heading 5 is being used for administrative expenditure;

35. Is worried about the current call for tender for a New European Quarter; reiterates its request to be fully informed on the selection process and the need for further information on the Commission's building policy in general;
36. Calls on the Commission to present a calendar for the proposals on the tri-annual Review of the Financial Regulation;

On pilot projects and preparatory actions

37. Recalls that the IIA allows for a total amount for pilot projects of up to EUR 40 million in any budget year and for a total amount for preparatory actions of up to EUR 100 million out of which a maximum of EUR 50 million can be allocated to new preparatory actions;
38. Considers these projects an indispensable tool for Parliament to initiate new policies for European citizens; regrets that for the majority of ongoing pilot projects and preparatory actions the Commission has entered payment appropriations only, which means that no follow-up will be given; has analysed a series of interesting proposals, only some of which could be entered into the 2010 budget due to the constraints of IIA and MFF ceilings;
39. Has given priority to the implementation of pilot projects and preparatory actions in their second or third year; intends to monitor closely the implementation of these and the newly established projects and actions during the financial year 2010;

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40. Instructs its President to forward this resolution, together with the amendments and proposed modifications to Section III of the draft general budget, to the Council and Commission, and also to the other institutions and bodies concerned.

ANNEX 1

STATEMENTS AGREED AT THE CONCILIATION OF 10 JULY 2009 **JOINT DECLARATION FOR ENTRY IN THE COUNCIL MINUTES**

Recruitment in relation with the 2004 and 2007 enlargement

"The European Parliament and the Council stress again the importance of a full recruitment on all posts related to the 2004 and 2007 enlargement, especially for middle and high management level, and insist that all efforts should be made by the institutions and specifically by EPSO to ensure that the necessary action is taken to speed up the whole process of filling up the posts granted by the budgetary authority with officials. The criteria should be as stipulated in Article 27 of the Staff Regulation and to arrive at the broadest possible geographical proportional basis as soon as possible.

The European Parliament and the Council intend to continue to monitor closely the ongoing recruitment process. To this effect, they request each institution and EPSO to provide twice a year, in March and October, an information to the budgetary authority on the state of affairs regarding recruitments in relation with the 2004 and 2007 enlargement."

COUNCIL DECLARATIONS FOR ENTRY IN THE COUNCIL MINUTES

1. Payment appropriations

"The Council asks the Commission to submit an amending budget if the appropriations entered in the 2010 budget are insufficient to cover expenditure under sub-heading 1a (Competitiveness for growth and employment), sub-heading 1b (Cohesion for growth and employment), heading 2 (Preservation and management of natural resources) and heading 4 (EU as a global player)."

2. Heading 4

"The Council, noting the Commission's intention to present a letter of amendment to the 2010 PDB covering at a later stage additional needs in the field of external actions, especially the priorities covered by previous letters of amendment and those referred to in the European Council conclusions of June 2009, has established its draft budget for 2010 with an appropriate margin under heading 4 allowing it to be taken into account."

3. Building policy of EU Institutions and bodies

"The Council recalls its conclusions on the Court of Auditors' special report No. 2/2007 concerning the Institutions' expenditure on buildings and, acknowledging that building costs represent a significant part of the overall administrative expenditure of the EU Institutions, considers that a sound financial management of building expenses is essential.

The Council reiterates the importance of a strong interinstitutional cooperation in this

field. It underlines the need for the Institutions to cooperate to the highest possible extent and to join their forces, both for the rental or purchase of buildings and for connected current expenses. It invites the Institutions to share facilities whenever appropriate in order to limit building expenses to the necessary minimum.

In this context, the Council welcomes the efforts already made by the Institutions to cooperate at interinstitutional level and to harmonise their building management methods. It notes with satisfaction the agreement on common guidelines for defining and measuring building space which was recently reached by interinstitutional working groups set up in Brussels and Luxembourg. The Council asks the Institutions to look into the potential for further interinstitutional cooperation which could include sharing of premises, joint management of premises and the scope for a possible interinstitutional buildings office.

The Council calls on the Institutions to establish long-term building strategies, based on realistic estimates of future staff numbers and ensuring the necessary flexibility by means of an equilibrium between owned and rented buildings, in order to avoid as far as possible any ad-hoc decisions on buildings. It also requests the Institutions to use available space in the most efficient way and to take any possible measures of internal rationalisation. The Council welcomes the work already carried out by the Institutions on alternative financing methods and awaits the coming report from the Commission.

The Council attaches great importance to receive the information required by the relevant provisions of the Financial Regulation as soon as possible. The information should include thorough need assessments and comprehensive cost-benefit analyses, the various alternatives, outlining the options to rent or buy as well as the alternative financing possibilities, and taking all financing costs into account. Well before decisions need to be taken, the information should be made available to both arms of the budgetary authority, so that they can establish their position without time pressure.

Moreover, it reiterates its call on the Secretaries-General of the Institutions to provide information before the presentation of the preliminary draft budget. While recognising each Institution's own specificities and additional particularities characterising each project, the Council asks the Institutions to pursue their work towards harmonising this information through common definitions and indicators to allow comparisons of building space and building costs between the different Institutions, including the common understanding of the method for calculating annual costs of own property spread over the entire period of their utilisation.

The Council encourages the Institutions to continue and to intensify the energy-efficiency and environment measures in their buildings, including the certification according to environmental standards, wherever this is appropriate and feasible with the given resources.

The Council takes note of the excellent cooperation between the Institutions and the administrations of their host Member States, which contribute significantly to the sound management of building issues.

The Council recalls that its observations apply equally to the specific situation of the executive agencies, and where applicable to the decentralised agencies."

UNILATERAL DECLARATION FOR ENTRY IN THE COUNCIL MINUTES

"With regard to the adoption of the Council's position on the draft budget for 2010 and in view of proceedings pending before the Court of First Instance, Germany states that the programme "Food aid for the most deprived persons in the European Union" must be implemented in accordance with Community law. Germany states its view that market purchasing should not be used for this programme. The programme must be implemented in the light of the proceedings before the Court of First Instance."

ANNEX 2

European Parliament declarations issued during the Conciliation of the First reading of the budgetary procedure 2010

Implementation of the 2009 Budget (Budget Forecast Alert)

The European Parliament is concerned about the situation of implementation of the 2009 Budget as described in the most recent Budget Forecast alert, in particular commitments under headings 3a and 3b and payments under headings 1a, 3a, 3b and 5. It stresses the importance of progressing according to the implementing schedule foreseen in the PDB.

The European Parliament asks the Commission to present by 31 August 2009 a report providing more detailed information concerning the reasons (structural, organisational, managerial, procedural) of the delays registered in the implementation of each programme or policy area concerned.

The European Parliament also requests to the Commission to provide justifications for each programme or policy area where implementation diverts from the decisions taken by the budgetary authority in the 2009 Budget.

The simplification and a more targeted use of Structural funds in the context of the economic crisis

The European Parliament recalls the joint declarations of the three institutions on the implementation of the Cohesion policy of November 2008 and April 2009 and underlines the necessity to continue the efforts for accelerating the implementation of structural and cohesion funds. It considers that the progress made in the simplification of assessment, approval and management procedures has been insufficient, which is demonstrated in the low approval rate of Management and Control Systems (MCSs) and Major Projects (MPs). It urges the Commission to continue its efforts to simplify implementing procedures in close cooperation with Member States and in particular, to speed up the approval of MCSs and MPs, and thus accelerate payments while respecting the N+2 rule.

The EP believes that all opportunities provided by the use of Structural Funds including the adaptation or revision of the operational programs could be mobilised for more targeted actions that facilitate overcoming the effects of the economic crisis, particularly those which support growth and competitiveness and limit job losses, and invites Member States to use this possibility. Calls on the Commission to encourage and enable by means of efficient and fast procedures the use of all measures foreseen by the Structural Funds regulations aimed at supporting growth and employment. Moreover EP recalls the importance of full and efficient use of the available appropriations.

Payment appropriations

"The European Parliament asks the Commission to submit an amending budget if the

appropriations entered in the 2010 budget are insufficient to cover expenditure under a specific heading, where necessary."

Heading 4

The European Parliament notes the Commission's intention to present a letter of amendment to the 2010 PDB covering, at a later stage, additional needs in the field of external actions, especially the priorities covered by previous letters of amendment and those referred to in the European Council conclusions of June 2009. The European Parliament recalls that, during the budget conciliation procedure on 21 November 2008, the Commission committed itself to present an assessment of the situation within heading 4 accompanied, if necessary, by relevant proposals. It expects the Commission to accompany the Amending Letter by a multiannual assessment of the needs in this area.

EXPLANATORY STATEMENT

WORKING DOCUMENT NR 1 ON BUDGET 2010: WORKING METHOD AND CALENDAR

I. Context of the 2010 budget procedure

1. In the beginning of the second 50 year of the European Union, its citizens live in apprehension and insecurity. The current problems of economic crisis, energy supply, climate change, illegal immigration, crime, and terrorism show that the EU has to provide clear and determined help: we would like to give more security and safety to the European citizens.
2. Common spending of the European Union needs to focus to the largest possible extent on those areas, where funds bring more safety and security and can be used more efficiently.
3. Every year the European Parliament and the Council, as two arms of the budgetary authority, engage in long and harsh debates on the level of payment appropriations of the EU budget. The European Parliament managed to achieve some increase with regard to this level, however this has been not used effectively, mainly due to the lack of implementation capacity of the Member States, diminish at the same time the efforts and the authority of the European Parliament in the public opinion. Despite of the problematic implementation of these "extra funds", the rapporteur states that compared to the numerous aims of the European Union, common programmes are still underfinanced. There is a need to focus on those areas, that are really in need of additional financial resources and at the same time to help strengthening the European economy and the comfort of the European citizens.
4. In time of a global financial and economic crisis, when the Member States respond with their individual aid measures, it is the role of the European Parliament to point out, that the European Union has important and long time running tools to promote economic growth and creation of jobs as well as cohesion. It would be a bad message if these tools, which also constitute solidarity among Member States, were overshadowed by national solutions.
5. Recent global challenges showed that the EU is not able to act rapidly. At the same time it is struggling to answer these challenges, and so far has responded with solutions like the Economic Recovery Plan, the "food facility", the Globalisation Adjustment Fund or even the Solidarity Fund.
6. The European Parliament has to act among institutional and legal uncertainties in the 2010 budgetary procedure. The 2009 elections, a new commission, the ratification process of the Lisbon Treaty, the mid-term review of the MFF 2007-13 are all special challenges.
7. The situation is difficult, but we can build upon the work of rapporteurs of the first

years of the 2007-13 financial period. James Elles, Kyösti Virrankoski and Jutta Haug felt special responsibility to use budgetary appropriations as a tool to create values (value for money, budget of results). Your rapporteur would like to continue the work done by these outstanding personalities.

8. We have to take a step forward in the direction, where we increase mainly those lines on which we get value for EU money and perhaps decrease those budgetary appropriations, which have no added value or result.

II. Annual Policy Strategy - a Governance tool

9. In 2000, the European Commission acknowledged the need for management focusing more closely on results and decided to switch to the concept of activity-based management (ABM). To that end, the Commission divided up its work into a set of politically meaningful "activities". As the Parliament had asked for, with the introduction of ABM, the 'activities' became the central element of management. It is with respect to these activities that priorities are set, objectives defined, resources allocated and managed and performance monitored and reported on.
10. The Commission's work is planned and reported on in an annual strategic planning and programming and reporting cycle.
11. Concerning Budget year 2010, the cycle started in November/December 2008 (year n-2) with a policy oriented debate. Based on the subsequent proposals of the services, the Commission is currently deciding upon its "Annual Policy Strategy" (APS), which will set out the political priorities for 2010 and orientations for the allocation of human and financial resources. The annual strategy, to be adopted by the Commission on 18 or 25 February 2009, provides the framework for the preliminary draft budget (PDB) and for the Commission's annual work programme. What is important from a budgetary aspect, is that one of the objectives of the APS ¹is to allow the adoption of a budgetary framework, in which the priority initiatives, as identified, receive the necessary resources.
12. The President of the Commission presents the APS to the European Parliament and the Council. The three institutions then engage in a structured dialogue and each Commissioner has a discussion with the relevant parliamentary committee. The result of this dialogue is a stock taking document which is used to prepare the Commission work programme for the following year. The Commission work programme translates policy strategy into a concrete action plan and a set of deliverables.²
13. Taking into account the Multi-annual Financial Framework and the APS, the European Commission then prepares the PDB, and submits it to the Council at the end of April or early May ("on 1st September at the latest", pursuant to article 272, par 3 of the Treaty).

¹ http://ec.europa.eu/budget/budget_detail/deciding_en.htm

² http://ec.europa.eu/atwork/strategicplanning/index_en.htm

14. The APS defines the framework and guidelines for both the budgetary and legislative cycles. Following adoption of the strategy, the cycle moves on to the budgetary procedure on the one hand (beginning with the preparation of the preliminary draft budget) and the inter-institutional dialogue (with Parliament and Council) on the other.¹
15. The committee on Budgets has been active in supporting the priorities that have been identified in Parliament and this is why your Rapporteur favours first, the drafting by the Budgets committee of the budgetary priorities for 2010 and, second, the “early enough” in time adoption before the PDB of this document, so that it contributes effectively to the shaping and concretisation of the priorities.

III. Procedural aspects and calendar

16. Following the decision by the Conference of Presidents based on the proposals of the Working Group on Parliamentary Reform², a strategic debate is foreseen to take place following Commission's presentation of the Annual Policy Strategy, which is to be adopted in February.
17. This debate is strengthened with two resolutions. One resolution by the political groups on "Commission's Annual Policy Strategy" and one on "Guidelines for Budget 2010" prepared by the Committee on Budgets.
- A possible calendar for the resolution on "Guidelines for Budget 2010" could be:
 - 10/11 February: presentation of draft report, followed by a deadline for amendments
 - 23/24 February: vote on the draft report in the Committee.
 - March I Plenary (alternatively March II) Adoption of the resolution.
18. Your Rapporteur wishes to underline the special contribution that EP can bring by its budgetary prerogatives and to do this in due time. The resolution should be adopted in plenary preferably March I, in order to have optimum input for the Commissions PDB, scheduled to be adopted on 29 April.
19. Because of the electoral period, there will be no possibility to have a resolution voted in plenary, which comments the PDB and outlines EP's delegation mandate for the July conciliation. In the past, particularly during electoral years, the mandate report concerning the budget conciliation procedure before the Council's first reading has been voted in the committee on Budgets only, and not by Plenary.

IV. Working method

20. Over the past years the committee on Budgets has put particular emphasis on a continuous and constructive cooperation with the committees with a view to follow

¹ http://ec.europa.eu/budget/budget_detail/deciding_en.htm

² <http://www.sib.ep.parl.union.eu/SIB/htmlDisplay.do?organ=CPG&type=WORKGROUP&noTitle=true>

their priorities for the next annual budgetary procedure. A letter has already been sent to the specialised EP committees inviting them to appoint their budget rapporteurs and to hold regular meetings, the first being proposed for early February, before the presentation of the Annual Policy Strategy by the Commission.

21. This cooperation will be further formalized this year as the Conference of Presidents decided on 18 September 2008¹ that each of the Parliament's committees shall nominate rapporteurs for the budget and legislative planning at the beginning of the year, and the Conference of Committee Chairs should establish a working party of such rapporteurs, in order to identify the links between budgetary and legislative priorities throughout the annual budget and legislative planning cycles.

V. Priorities for 2010

22. The rapporteur invites Members to contribute at the debate in Committee so as to start shaping the priorities that should be embedded in next year's EU budget. Many of the topics addressed in the 2009 budget will be followed-up and further developed in the 2010 budget, also new issues will be addressed:

- "Safety and security for European citizens" which covers many aspects providing an answer to all of the fears and uncertainties of EU citizens.
- Structural funds: simplifying and accelerating implementation as a follow-up to the declaration reached at the conciliation meeting on 21 November 2008
- "Instruments for financial programming" - available margins - mid term review
- State of play and new needs relating to EU's external action
- Screening exercise on Commission staff and building policy

23. The above mentioned points of interest constitute an indicative list of working documents, additional to the "procedural ones" on the PDB, DB and Agencies, which allow deeper examination and discussion.

¹ Decision of the Conference of Presidents on 18 September 2008 on the second interim report:
http://www.sib.ep.parl.union.eu/SIB/download.do?file=/Documents/99_FreeDocuments/02_Cpg/PV_18_09_2008/pv_2008-09-18-extr_en.pdf

I. Introduction

For long years Europe had been considered to be a peaceful, stable place in the World, widely acknowledged by all the global powers. However, through the passing time this stability and prosperity could not avoid being overshadowed by problems such as climate change and globalisation, organised trans-border crime and terrorism. In addition to these challenges the recent financial crisis brought even more ambiguity in the every day life of the European citizens. Europeans feel more and more the consequences of these problems, therefore it is not surprising that the following questions seriously fluster our citizens.

- Will I still have a job next year?
- Will the savings on my bank account be still available?
- Will I be able to heat my home next winter?
- Will the pension rights I have acquired be safe?

The European Union is able to prove its citizens that it can provide answers to these questions and that these problems can be solved at the community level. Such way, the message will be clear for the citizens: The individual weak to solve the global problems. It is worth cooperating.

However in order to act efficiently and so to achieve the expected results, the EU has to find and use the proper means and tools of action and overcome the existing obstacles. It is essential to reshuffle the now existing rigid budgetary system, where urgent questions cannot be answered quickly enough and to overcome the limit of available small amounts of financial tools that currently count only for 1% of the European GNI. These steps forward are unavoidable to make Europe again the place of peace, stability and prosperity.

II. Safety for European Citizens

European integration is one of the greatest achievements in the history of our continent. It not only brought peace, freedom and stability, but also a period of unprecedented prosperity. In the past, the need for peace brought the peoples of Europe together. Nowadays, however, a number of problems that have direct impact on the lives of our citizens - the current financial crisis, the fight against climate change, our ageing societies, as well as terrorism and organized crime - require close cooperation at the European level and a strong and stable Europe in the World.

This working document builds on the recently voted EP resolution "Guidelines for the 2010 Budget procedure"¹ and intends to highlight those EU Budget lines identified as "Key lines" translating these efforts. They are listed in some detail in the Annex to this working document. By means of the Annex, final implementation percentage since 2007 can be followed, including its consequences on the financial programming by the Commission as of

¹ A6-0111/2009

30 January 2009.

1. Responding to the global financial and economic crisis

Recent global challenges showed that the EU is not able to act rapidly. It is struggling to answer the challenges, and so far has responded with solutions like the "food facility", the Globalisation Adjustment Fund and the Solidarity Fund. These programmes were decided on after lengthy and time consuming debates in Council, while the European Parliament continuously urged the Member States to speed up their decision making and compromise seeking. Moreover, transfers of financial support from Globalisation Adjustment Fund and Solidarity Fund to the regions in need are also slow because of unnecessary administrative and procedural burdens.

Member States have recently given answers to the problems, but the capacity to act on European level has still to be proved, as the case of the Economic Recovery Plan that was for long months blocked in the Council showed.

The European Union has important and long time running tools in its Budget to promote economic growth and creation of job as well as cohesion. Those programmes in Heading 1a and 1b aim to stimulate economic growth and can help to overcome the danger of job losses, promote job creation and support SMEs. However, your rapporteur is concerned that the current margin under Heading 1a, estimated at EUR 111 599 000, does not allow the effects of the economic crisis to be appropriately addressed.

CIP Entrepreneurship and innovation, European Social Fund, the European Globalisation Adjustment Fund, the European Social Fund, the European Regional Development Fund are of outmost importance.

a) Lisbon goals

With the establishment of the Lisbon Agenda in 2000, the EU set itself the strategic goal of establishing a competitive, innovative and knowledge-based European economy, capable of sustainable economic growth with more and better jobs and greater social cohesion by 2010. The Budget procedure 2010 is certainly one opportunity to strike a balance.

Although crucial parts of the Lisbon Agenda clearly involve decisions that are of a legislative rather than budgetary nature, and financing at EU level is complementary to national financing, the Community budget can make an important contribution to key areas such as research and innovation, innovative measures for SMEs and life-long learning. In this context your rapporteur recalls that heading 1A is a central part of the Community contribution to Europe's efforts in this field. The 7th Framework Programme for research and development and the CIP programme (line 01 04 04 -see Annex) will have to be looked at in the course of the budgetary procedure.

b) Cohesion policy and economic recovery

Although the measures proposed by the Commission were for long months blocked in the Council, it is important to highlight the intentions of the Commission: the Economic

Recovery Plan and the subsequent measures contain a Community contribution estimated at EUR 30 billion, to be distributed as follows: EUR 5 billion for energy interconnections and high-speed internet through a revision of the 2007-2013 MFF, advanced payments under the Structural and Cohesion Funds, frontloading concerning the EAFRD (EUR 1,5 billion), initiatives in the area of research and innovation such as the European green cars initiative, factories of the future initiative and energy-efficient buildings initiative, an increase in the pre-financing for the most advanced trans-European transport projects as well as for initiatives in favour of SMEs or the Community innovation programme (CIP).

EP should take stock of developments both at national and EU level and aim to prioritise different actions in order that resources are not spread too thinly. In this respect, the Commission must also take its responsibility and clearly point out what choices have been made and on what grounds in its forthcoming PDB.

With a financial envelope of over EUR 347 billion for 2007-2013, cohesion policy provides considerable support to public investment by Member States and regions. However, there is a risk that pressure on national budgets will slow down the rate of planned investment. To give an immediate boost to the economy, the Commission's Economic Recovery Plan proposes to accelerate implementation of the structural funds and to increase its pre-financing of programmes to make up to EUR 4,5 billion available earlier in 2009. It is interesting to note that the Commission committed to propose a number of other measures designed to bring forward the implementation of major investment projects, to facilitate the use of financial engineering funds, to simplify the treatment of advances paid to the beneficiaries and to widen the possibilities for eligible expenditure on a flat rate basis for all the funds. It remains to be seen how this is to be brought in line with the legal requirements of the Financial Regulation and the legal base for structural funds. During the 2008 (Budget 2009) conciliation a joint declaration of The European Parliament, the Council and the Commission had been agreed which reaffirms the importance of coherence and consistency in the area of development assistance, in particular regarding the use of funds.¹

Also the European Investment Bank has a crucial role to play, as cohesion and convergence are one of the six priority objectives for its lending activity, as set out in its business plan. In the current period of tight credit conditions financial operations and mutual cooperation of the EIB is of great significance for the public and private sector. For example, financing of SMEs is critical inside the EU. Also it is now seriously squeezed in the EU neighbourhood regions.

The responsibility of qualitative and cost benefit aspects of the expenditure belongs to the Budgetary Authority. Only a strong legal framework can assure legal security and a budget for results for the citizens. Therefore, the Commission must present a proposal for the next regular revision of the Financial Regulation in the course of the year 2009, including proposals for real simplification. Also the Commission must put pressure on the Council to develop and improve the legal working conditions in OLAF's fight against fraud with regard to the proposals made by Parliament.²

¹ published together with the resolution on Budget 2009:

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P6-TA-20080622+0+DOC+XML+V0//EN&language=EN#BKMD-10>

² reform of "OLAF" Regulation (EC) No 1073/1999.

2. Providing energy and transport security

Your rapporteur recalls that the Community shall contribute to the establishment and development of trans-European networks in the areas of transport, telecommunications and energy infrastructures (Article 154 TEC). The recent gas crisis has reminded that security of energy supply cannot be taken for granted. The European Union is extremely dependent on its external energy supplies, with imports currently accounting for an average 54% of its demand (in some countries even more than 90%). This figure may rise to 70% by 2030 if current trends persist. 77% of EU demand for oil and 51% of EU demand for gas is met from imports and there will be an increased demand from third countries that will compete for the energy resources required by EU Member States. At the same time, EU energy consumption is projected to grow by 22% in the period 1990 to 2020. Furthermore, rising energy prices have a direct and important impact on consumers and on the competitiveness of the European economy. In view of these challenges, the relevance of nuclear power will have to be reassessed.

Your rapporteur underlines that the lack of alternative (renewable) energy sources, alternative energy transport routes, energy source storage capacity and energy transport interconnections among Member States is detrimental to the energy independence of Europe and the well-being of its people; therefore the Union should be better prepared for times of energy shortage as expressed by the EP in its report on Guidelines for Budget 2010.

As part of the EU recovery plan, the European Commission has also presented accompanying proposals to invest in key energy, infrastructure projects. These would deliver strategic goals such as energy security.

The Commission proposal to invest in trans-European energy interconnections that was long months on hold because of a lack of agreement within the Council, contrary to the will of the European Council, as expressed in December 2008.

Furthermore, the European Community has taken legislative action on a number of energy issues like the use of bio-fuels, the promotion of renewable energy sources, demand management measures, the improvement of energy efficiency and the liberalisation of energy markets. Yet, implementation of many of these measures by the Member States is not completed.

The current energy programme "Intelligent Energy - Europe", which is a part of the EU's CIP Programme is the EU's tool for funding action to improve these market conditions in order to take profit of many untapped opportunities to save energy and encourage the use of renewable energy sources and move towards a more energy intelligent Europe. It aims at contributing to the pursuit of the 3 main objectives of European energy policy: security of supply, competitiveness and environmental protection.

By end of March 2009 the Commission will launch a EUR 500 million call for proposal for trans-European transport (TEN-T) projects. This will bring forward existing funds that would have been reallocated by the mid-term review of the multi-annual TEN-T programme in 2010.

3. Reinforcing internal security

Heading 3a has undergone a substantial increase in last years and this trend is bound to continue, as already foreseen in the MFF. This is particularly obvious in areas which deal directly with issues like immigration or the fight against terrorism and organized trans-border crime.

Indeed, according to the financial programming by 30 January 2009, Heading 3a is set for a substantial increase of its funding, from EUR 863,095 million in 2009 to EUR 1 009 million in 2010 (more than 15%). Figures concerning the implementation of the 2008 budget (88% in commitments and 86% in payments) show that the budgetary authority must monitor very closely spending in this area.

The External Borders Fund is foreseen to undergo an increase of EUR 22 million, from EUR 185,5 to 207,5 million (after an increase of 16 million from 2008 to 2009).

Meanwhile, the Commission presented a proposal for the creation of a new agency on this area, the European Asylum Support Office.¹ The financial implications of this new agency have to be properly dealt with, namely in what concerns the application of article 47 of the IIA. It should also be highlighted that the creation of the new agency will also entail a decrease in the envelope of the European Refugee Fund. Another issue to be considered is how this proposal fits in the framework of the current reflection on the future of decentralized agencies, and in particular the work of the Inter-institutional Working Group on Agencies recently set up.

On the other hand Parliament needs to be clearly informed of the foreseen developments concerning EURODAC, VIS and especially SIS II. Concerning the financial programming from 2010 on, the Commission states that the programming specified under article 18 02 05 is covering articles 18 02 04, 18 02 05 and 18 03 11, fudging the financial programming of these three instruments in a sole budgetary article (18 02 05). Detailed information must be provided to Parliament on this.

Further clarification is also required concerning a remark in the APS communication²: the Commission mentions "a reduction of EUR 30 millions due to the lack of legal instruments allowing to launch several mechanisms concerning external border controls (Entry-Exit, Registered traveller systems)", as this does not result from the financial programming.

The financial programming from 30 January 2009 shows also big differences in the evolution of expenses for each of the three main programs of this heading: while

- "Solidarity and Management of Migration Flows" will increase by approximately 7,6%, from 620,572 million to 667,9 million (External borders, visa policy and free movement of people will increase for almost 10%, from 338,475 to 372,5, and Migration Flows- Common immigration and asylum policies will increase by some 4.7%) and

¹ Proposals COM(2009)COM(2009) 67 final, 2009/0026 (COD) for the European Refugee Fund and COM(2009) 66 final 2009/0027 (COD) for the European Asylum Support Office

² COM(2009)0073 of 18.2.2009, page 10

- "Security and Safeguarding Liberties" will more than double its envelope (from 99,370 million to 196,900 million), mainly due to the transformation of EUROPOL in a Community agency and an increase of almost 20% in Prevention and fight against crime,

- "Fundamental Rights and Justice" will suffer a reduction of some 1,5% (from 134,118 million to 132,118 million), mainly due to the reduction in the Chapter Criminal Justice. The civil Protection Financial instrument (Heading 3 B - line 07 04 01) has been significantly reduced by the Commission from 2008 compared to 2009, (EUR 20 mio. to EUR 18,5 mio) and only the intervention by the EP (which restored the PDB amount) helped to impede further cuts by the Council.

The reasons for such disparity will have to be fully scrutinized by EP.

4. Environmental protection and combating climate change

Climate represents a small proportion of the current MFF 2007- 2013. For example, for non-nuclear energy research EUR 2.35 billion are foreseen, and for nuclear research EUR 2.75 billion for 2007-11. There is also small climate commitment in Structural, Cohesion and CAP funds. Concerning the period 2000-2006, estimates indicate that about 13% of Structural/Cohesion funds had been spent on climate friendly investments.

Global financial requirements according to a recent CEPS study¹ are estimated between 0.6% and 1.6% of the world GDP, or about EUR 230 and 614 billion annually (based on the global GDP of 2006).

The costs for the EU at 27 MSs level could be of EUR 60 billion per year, as estimated by the authors of the CEPS study.

It is also worth to mention that the EIB is also active in promoting projects aimed at combating climate change and fostering renewable energy sources.

On the revenue side, it appears that the EU-ETS (European Trading Scheme) is mentioned among the sources with potential to create considerable revenues to the Budget in a near future. There is no joined-up approach in the Budget to issues relating to energy, climate change and foreign policy for the moment. Beside actions covered by the Title 07- Environment, there are the following budget lines linked with "Climate Change" in Budget 2009: Heading 2: 07 03 12 - Climate change actions (new budget line) with appropriations of EUR 20 mio. entered in reserve, 07 03 16 - Pilot project — Development of prevention activities to halt desertification in Europe with appropriations of EUR 1 mio in CA and PA, 07 03 17 - Preparatory Action - Climate of the Carpathian basin appropriations of EUR 2,5 mio. in CA and PA. 17 03 09 - Complex research on Health, Environment, Transport and Climate Change (HETC) - Improvement of indoor and outdoor air quality with appropriations of EUR 4 mio in CA and PA for 2009.

In Heading 1a: Chapter 08 06 - Cooperation - Environment (Including Climate Change) with EUR 216 303 000.

¹http://www.ipolnet.ep.parl.union.eu/ipolnet/webdav/site/myjahiasite/shared/bss/Resources_Climate%20Change_Final_06.03.2008.pdf

III. Conclusions

The global challenges have never been greater since the founding of the European Union - financial crisis, energy supply crisis, climate change, increasing illegal immigration, crime and terrorism. However, it seems so that the resources in the Multi-annual Financial Framework to meet the problems are insufficient.

Your rapporteur is of the opinion that qualitative value for money should be one of the tools to compensate the absence of quantity in budgetary means. The Budget of the European Union is financed by the European tax payers to fund activities which are expected to bring a European added value and are in line with the principles of subsidiarity, proportionality and solidarity. Under a tight MFF with very little room for new actions, time has come to start looking at the quality of European expenditure. The criteria to measure the quality of spending that were set up mainly during the Budgetary procedure 2007 (by rapporteur James Elles) are still valid:

- did a policy achieve the objectives set up by the Budgetary Authority ?
- what is the impact assessment compared to the quantity of funding involved ?
- what part of the funding has been dedicated to administrative expenditure and what part to operational expenditure ?
- were human and financial resources efficiently used ?
- what is the European added value of the programmes / action ?
- how can fraud be impeded?

Your rapporteur is convinced that having an appropriate Budget 2010 will help the European Union to overcome the global crisis successfully. This will then clearly highlight the absolute sense of cooperation for the European citizens. The united Europe gives safety to its citizens. Such a safety cannot be guaranteed by any of the Member States alone.

Proving to European citizens that the European Union can tackle the crises would give a clear message: it is worth co-operating and the existence of the European Union is a necessity.

ANNEX : KEY LINES - Fact Sheets implementation 2007 - 2009 and Financial Programming 2010

The key lines identified and mentioned in the present Working Document are presented since Budget 2007 with final implementation percentage as of end of 2007 and 2008, the final figures of Budget 2009 and the financial programming by the Commission as of 30 January 2009.

			2007 Budget		2008 Budget						2009 Budget		Fin. Prog. 2010
Budget Line	Title	Cat MFF	Final	Implement.	EP 2nd reading		Final figures (incl. trfs & ABs)		Implementation (31.12.2008)		EP 2nd reading (adopted 18.12.2008)		
			c.a.	c.a.	c.a.	p.a.	c.a.	p.a.	c.a.	p.a.	c.a.	p.a.	
Responding to the global financial and economic crisis													
1. Growth, competitiveness, innovation and research programs, SMEs, entrepreneurship													
08 01 04 30	European Research Council Executive Agency (ERCEA)	1a	-	-	19,994	19,994	12,13	12,13	92.54 %	25 ,31%	32,41	32,41	
FP7 (including sixth Research framework programme)													
08 13 01	Capacities — Research for the benefit of small and medium-sized enterprises (SMEs)	1a	120,570	100,00%	147,890	141,302	147,890	141,302	100,00%	99,23%	123,613	180,438	152,744
08 18 01	Capacities — Risk-sharing finance facility	1a	40,000	100,00%	pm	4,000	p.m.	4,000		99,89%	31,500	30,000	30,000
CIP Entrepreneurship and innovation													
01 04 04	Competitiveness and Innovation Framework Programme - Entrepreneurship and Innovation Programme	1a	142,100	100,00%	143,000	113,000	146,900	113,000	100,00%	99,95%	150,150	133,217	170,000

			2007 Budget		2008 Budget						2009 Budget		Fin. Prog. 2010
Budget Line	Title	Cat MFF	Final	Implement.	EP 2nd reading		Final figures (incl. trfs & ABs)		Implementation (31.12.2008)		EP 2nd reading (adopted 18.12.2008)		
			c.a.	c.a.	c.a.	p.a.	c.a.	p.a.	c.a.	p.a.	c.a.	p.a.	
02 01 04 04	CIP Programme — Entrepreneurship and Innovation Programme — Expenditure on administrative management	1a	9,018	79,35%			7,064	7,064	96,60%	38,12%			6,707
02 01 04 30	Executive Agency for Competitiveness and Innovation — Subsidy for the Competitiveness and Innovation Framework Programme — Entrepreneurship and Innovation Programme	1a	3,082				6,936	6,936					7,790
02 02 01	Competitiveness and Innovation Framework Programme — Entrepreneurship and Innovation Programme	1a	111,100	100,00%	114,245	97,900	114,245	97,900	99,48%	86,88%	139,210	125,951	127,300
02 02 03 02	Support for small and middle- sized enterprises (SMEs) in the new financial environment	1a	p.m.		p.m	3,500	p.m	3,500		100,00%	p.m	1,500	
CIP ICT policy support													
09 01 04 03	Competitiveness and Innovation Framework Programme — Information and Communication Technologies policy support — Expenditure on administrative management	1a	0,900	97,32%			1,410	1,410	90,25%	48,33%			

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			c.a.	c.a.	c.a.	p.a.	c.a.	p.a.	c.a.	p.a.	c.a.	p.a.	
09 03 01	Competitiveness and Innovation Framework Programme — Information and Communication Technologies policy support programme	1a	56,485	99,93%	51,000	23,000	51,000	23,000	99,97%	99,53%	110,300	36,000	
Other actions and programmes													
02 02 02 01	Supplementing the work on the industrial competitiveness policy for the European Union	1a	3,060	94,07%	3,100	3,100	1,100	782,000	79,23%	81,86%	3,100	2,991	3,200
02 02 05	Enlargement SMEs	1a			p.m	2,500					p.m	0,740	
02 02 05 01	Enlargement programme for SMEs	1a	p.m.		p.m	0,500	p.m	0,500		30,25%	p.m	0,180	
29 02 04	Modernisation of European Enterprise and Trade Statistics (MEETS)	1a			p.m	p.m	p.m	p.m					
European territorial cooperation objective													
13 03 15	Financial assistance to create a SMEs organisation to improve networking skills	1b	p.m.		p.m	p.m	p.m	p.m					
Industrialised Countries Instrument (ICI)													
19 05 01	Cooperation with industrialised non-member countries	4	22,200	100,00%	24,870	20,000	24,870	20,000	99,97%	79,66%	25,207	18,797	
2. JOB CREATION AND JOB SECURITY (EMPLOYMENT)													
Social policy agenda													
04 03 04	EURES (European Employment Services)	1a	19,050	94,00%	20,050	16,000	20,050	16,000	100,00%	89,95%	19,050	17,154	

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			c.a.	c.a.	c.a.	p.a.	c.a.	p.a.	c.a.	p.a.	c.a.	p.a.	
04 04 01 01	Employment	1a	17,000	89,14%	20,000	12,000	20,000	12,000	80,66%	89,63%	22,120	21,014	32,450
04 04 01 02	Social protection and inclusion	1a	22,900	99,76%	28,030	17,500	28,030	17,500	97,52%	100,00%	30,400	17,500	10,320
Regional competitiveness and employment objective													
04 02 19	European Social Fund (ESF) – Regional competitiveness and employment	1b	3.669,983	100,00%	3,483,764	1,732,666	3,483,764	767,666	100,00%	99,70%	3,477,243	2,018,600	
3. COHESION POLICY (REGIONAL STRUCTURAL FUNDS)													
Convergence objective													
13 03 16	European Regional Development Fund (ERDF) — Convergence	1b	20.676,478	98,47%	21,267,270	10,606,637	21,593,537	9,479,637	100,00%	100,00%	22,417,259	9,588,000	
European territorial cooperation objective													
13 03 17	European Regional Development Fund (ERDF) — PEACE	1b	30,244	100,00%	30,849	13,437	30,849	13,437	100,00%	100,00%	31,466	1,000	
13 03 19	European Regional Development Fund (ERDF) — European Territorial Cooperation	1b	1.055,260	86,00%	1,004,703	559,011	1,053,228	401,011	98,63%	100,00%	1,028,767	85,000	
13 05 03 01	Cross-border cooperation (CBC) — Contribution from Heading 1-b	1b	p.m.	6,84%	45,387	25,000	48,602	25,000	100,00%		49,611	21,282	
19 08 02 02	Cross-border cooperation (CBC) contribution from Heading 1b (Regional Policy)	1b	47,579		81,289	45,000	81,289	45,000	100,00%	100,00%	75,527	45,000	
Cohesion fund													
13 01 04 03	Cohesion Fund (CF) — Expenditure on administrative management	1b	4,950	85,89%	4,207	4,950	4,207	4,207	86,54%	43,35%			

			2007 Budget		2008 Budget						2009 Budget		Fin. Prog. 2010
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			c.a.	c.a.	c.a.	p.a.	c.a.	p.a.	c.a.	p.a.	c.a.	p.a.	
13 04 02	Cohesion Fund	1b	7.121,426	99,91%	8,150,101	4,786,634	8,150,101	3,351,249	99,91%	99,98%	9,291,684	3,385,000	
European Solidarity Fund													
13 01 04 04	European Union Solidarity Fund (EUSF) — Expenditure on administrative management	3b	p.m.		p.m	p.m	p.m	p.m			p.m	p.m	
13 06 01	European Union Solidarity Fund — Member States	3b	196,566	100,00%	p.m	p.m	280,796	280,796	97,29%	97,29%	p.m	p.m	
Providing energy and transport security													
1. ENERGY SUPPLY													
Seventh Research framework programme (including sixth Research framework programme)													
06 06 01 02	Research related to energy — Fuel Cells and Hydrogen Joint Undertaking (FCH)	1a									20,160	19,200	19,200
TENS													
06 03 04	Financial support for projects of common interest in the trans-European energy network	1a	21,200	100,00%	22,260	4,200	22,260	4,200	100,00%	74,79%	26,048	6,000	20,760
Other actions and programmes													
06 04 08	Energy observatory	1a			p.m	p.m							
06 04 09	Investment fund for renewable energy and biorefineries	1a			3,000	3,000	3,000	3,000	100,00%		p.m	0,900	
06 07 04	Security of energy installations and infrastructures	1a	0,500	80,00%	0,400	0,350	0,400	350,000	100,00%		0,250	0,750	0,580

			2007 Budget		2008 Budget						2009 Budget		Fin. Prog. 2010
Budget Line	Title	Cat MFF	Final	Implement.	EP 2nd reading		Final figures (incl. trfs & ABs)		Implementation (31.12.2008)		EP 2nd reading (adopted 18.12.2008)		
			c.a.	c.a.	c.a.	p.a.	c.a.	p.a.	c.a.	p.a.	c.a.	p.a.	
21 04 05	Global Energy Efficiency and Renewable Energy Fund (GEEREF)	4	0,500	100,00%	p.m	p.m	p.m	p.m			p.m	2,200	
Instrument for Preaccession (IPA)													
06 04 11	Energy Community	4									2,940	2,940	
2. TRANSPORT SAFETY													
Seventh Research framework programme (including sixth Research framework programme)													
06 06 02 01	Research related to transport (including Aeronautics)	1a					119,550	134,000			61,550	74,100	59,760
06 06 02 02	Research related to transport (including Aeronautics) — Fuel Cells and Hydrogen Joint Undertaking (FCH)	1a									2,900	2,900	2,900
08 07 01	Cooperation — Transport (including aeronautics)	1a	339,999	100,00%	348,922	196,902	301,992	156,652	99,99%	99,60%	247,339	248,273	229,216
08 07 02	Cooperation — Transport — Clean Sky Joint Undertaking	1a					45,000	38,250	99,98%	98,78%	86,375	86,919	121,139
08 07 03	Cooperation — Transport — Support expenditure for Clean Sky Joint Undertaking	1a					2,000,000	2,000	100,00%	17,42%	3,625	3,625	3,625
08 07 04	Cooperation — Transport — Fuel Cells and Hydrogen Joint Undertaking (FCH)	1a									4,800	4,800	4,800
TENs													
06 01 04 31	Trans-european transport networks — Executive agency	1a	8,617	92,98%	10212,000	8,617	100212,000	10,212	86,45%	78,44%	9,794	10,212	10,000

			2007 Budget		2008 Budget						2009 Budget		Fin. Prog. 2010
Budget Line	Title	Cat MFF	Final	Implement.	EP 2nd reading		Final figures (incl. trfs & ABs)		Implementation (31.12.2008)		EP 2nd reading (adopted 18.12.2008)		
			c.a.	c.a.	c.a.	p.a.	c.a.	p.a.	c.a.	p.a.	c.a.	p.a.	
06 03 03	Financial support for projects of common interest in the trans-European transport network	1a	p.m.	100,00%	955,852	370,000	955,852	370,000	100,00%	100,00%	921,738	613,000	1048,640
Other actions and programmes													
06 02 03	Support activities to the European transport policy and passenger rights	1a	10,000	94,22%	10,500	14,500	16,900	20,725	90,60%	78,79%	17,600	14,500	17,500
06 07 01	Transport security	1a	4,000	55,95%	2,500	3,500	2,500	3,500	87,43%	96,99%	2,750	2,530	2,500
3. SECURITY RESEARCH													
Seventh Research framework programme (including sixth Research framework programme)													
02 04 01 02	Security research	1a		100,00%	98,717	42,000	102,044	45,327	100,00%	82,18%	127,093	50,868	214,100
4. CIP INTELLIGENT ENERGY PROGRAMME													
CIP intelligent energy													
06 01 04 10	Competitiveness and Innovation Framework Programme — 'Intelligent energy — Europe' programme — Expenditure on administrative management	1a	0,840	79,47%	0,800	0,840	0,770	770,000	92,74%	52,47%			1,000
06 01 04 30	Executive Agency for Competitiveness and Innovation - Subsidy from the Competitiveness and Innovation Framework Programme - Intelligent Energy — Europe, programme	1a	5,737	99,98%	6,684	5,737	6,684	5,737	100,00%	91,30%			6,780

			2007 Budget		2008 Budget						2009 Budget		Fin. Prog. 2010
Budget Line	Title	Cat MFF	Final	Implement.	EP 2nd reading		Final figures (incl. trfs & ABs)		Implementation (31.12.2008)		EP 2nd reading (adopted 18.12.2008)		
			c.a.	c.a.	c.a.	p.a.	c.a.	p.a.	c.a.	p.a.	c.a.	p.a.	
06 04 06	Competitiveness and Innovation Framework Programme — 'Intelligent energy — Europe' programme	1a	58,423	100,00%	66,061	19,000	66,061	19,000	100,00%	88,37%	88,741	72,502	101,800
Reinforcing internal security													
1. BORDERS PROTECTION													
Solidarity and management of migration flows													
18 01 04 08	External Borders Fund — Expenditure on administrative management	3a	0,300	99,50%	0,500	0,500	0,500	0,500	99,38%	37,60%	0,500	0,500	
18 02 06	External Borders Fund	3a	170,000	100,00%	169,500	98,500	169,500	98,500	78,44%	100,00%	185,500	116,000	207,500
2. FIGHT AGAINST TERRORISM													
Security and safeguarding liberties													
18 01 04 16	Prevention, preparedness and consequences management of Terrorism — Expenditure on administrative management	3a	0,140	100,00%			180,000	180,000	12,35%	35,70%			
18 02 04	Schengen Information System	3a	15,0	70,6 %	26,62	16,1	28,18	10,34	79,74 %	100%	39,28	23,0	covering 18 02 05 95,0
18 02 05	Visa Information System	3a	32,0	73,33%	18,0	12,0	18,0	13,91 ¹	91,68%	100%	35,6	23,0	
18 02 06	External Border Fund	3a	170,0	100%	169,5	98,5	169,5	117,73	78,44%	100%	185,5	116,0	
18 05 08	Prevention, preparedness and consequence management of Terrorism	3a	12,700	100,00%	15,200	8,900	15,200	8,900	100,00%	55,70%	19,470	12,000	20,3
3. FOOD SAFETY													
Animal and plant health													

			2007 Budget		2008 Budget						2009 Budget		Fin. Prog. 2010
Budget Line	Title	Cat MFF	Final	Implement.	EP 2nd reading		Final figures (incl. trfs & ABs)		Implementation (31.12.2008)		EP 2nd reading (adopted 18.12.2008)		
			c.a.	c.a.	c.a.	p.a.	c.a.	p.a.	c.a.	p.a.	c.a.	p.a.	
17 04 07 01	Feed and food safety and related activities — New measures	2	20,000	84,72%	20,000	15,000	20,000	15,000	95,43%	80,72%	25,000	19,000	
17 04 07 02	Feed and food safety and related activities — Completion of previous measures	2	p.m.								p.m	p.m	
4. FIGHT AGAINST FRAUD													
Other actions and programmes													
07 04 01	Civil Protection financial instrument	3b	14,860	49,06%	20,000	15,000	20,000	15,000	74,47%	57,70%	18,500	14,250	19,150
24 02 01	General measures to combat fraud — Hercule II	1a	p.m.	100,00%	13,800	10,000	13,800	10,000	100,00%	70,00%	14,000	10,500	14,100
24 02 03	Anti-fraud information system (AFIS)	1a	5,750	91,18%	6,500	5,500	6,500	5,500	84,19%	72,89%	5,500	5,000	6,500

I. Tools of the EU Cohesion Policy

1. Cohesion Fund (CF)

The Cohesion Fund¹ is aimed at Member States whose Gross National Income (GNI) per inhabitant is less than 90% of the Community average. It serves to reduce their economic and social shortfall, as well as to stabilise their economy. It supports actions in the framework of the Convergence objective. It is now subject to the same rules of programming, management and monitoring as the ESF and the ERDF.

For the 2007-2013 period the CF concerns Bulgaria, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia. Spain is eligible to a phase-out fund only as its GNI per inhabitant is less than the average of the EU-15.

The Cohesion Fund finances activities under the following categories: trans-European transport networks, notably priority projects of European interest as identified by the Union. Concerning environment the CF can also support projects related to energy or transport, as long as they clearly present a benefit to the environment, like energy efficiency, use of renewable energy, developing rail transport, supporting inter-modality and strengthening of public transport.

The financial assistance of the CF can be suspended by Council decision (taken by qualified majority) if a Member State shows excessive public deficit and if it has not resolved the situation or has not taken the appropriate action to do so.

2. The European regional development fund (ERDF)

The ERDF² aims to strengthen economic and social cohesion in the European Union by correcting imbalances between its regions. The ERDF finances: direct aid to investments in companies (in particular SMEs) to create sustainable jobs; infrastructures linked notably to research and innovation, telecommunications, environment, energy and transport; financial instruments (capital risk funds, local development funds, etc.) to support regional and local development and to foster cooperation between towns and regions; technical assistance measures.

The ERDF can intervene in the three objectives of regional policy: convergence, competitiveness and employment, European territorial cooperation.

Convergence (Formerly Objective 1)

In regions covered by the Convergence objective, ERDF focuses its intervention on modernising and diversifying economic structures as well as safeguarding or creating sustainable jobs, with action in the following areas: research and technological development (RTD); innovation and entrepreneurship; information society; environment; risk prevention;

¹ Legal base is Council regulation No. 1084/2006 of 11 July, OJ L 210 of 31. July 2006, p.79

² Legal base is regulation No. 1080/2006 of European Parliament and Council of 5 July 2006, OJ L210 of 31 July 2006, p.1

tourism; culture; transport; energy; education; health.

Regional Competitiveness and Employment (Formerly Objective 2)

For the Regional Competitiveness and Employment objective, the priorities are based on three sections: innovation and knowledge-based economy: strengthening regional capacities for research and technological development, fostering innovation and entrepreneurship and strengthening financial engineering notably for companies involved in knowledge-based economy; environment and risk prevention: cleaning up polluted areas, boosting energy efficiency, promoting clean public transport within towns and drawing up plans to prevent and limit natural and technological risks; access to transport and telecommunications services of general economic interest.

European Territorial Cooperation (Formerly Objective 3)

For the European Territorial Cooperation objective, the ERDF focuses its aid on three main areas: development of economic and social cross-border activities; establishment and development of transnational cooperation, including bilateral cooperation between maritime regions; increasing the efficiency of regional policy through interregional promotion and cooperation, the networking and exchange of experiences between regional and local authorities.

Specific Territorial Characteristics

The ERDF also gives particular attention to specific territorial characteristics. ERDF action is designed to reduce economic, environmental and social problems in towns. Naturally disadvantaged areas (remote, mountainous or sparsely populated areas) benefit from special treatment. Lastly, the outermost areas also benefit from specific assistance from the ERDF to address possible disadvantages due to their remoteness.

3. The European social fund (ESF)

The ESF¹ sets out to improve employment and job opportunities in the European Union. It intervenes in the framework of the Convergence and Regional Competitiveness and Employment objectives (see above).

The ESF supports actions in Member States in the following areas: adapting workers and enterprises: lifelong learning schemes, designing and spreading innovative working organizations; access to employment for job seekers, the unemployed, women and migrants; social integration of disadvantaged people and combating discrimination in the job market; strengthening human capital by reforming education systems and setting up a network of teaching establishments.

II. Implementation of the Funds 2002 -2008

The Cohesion policy accounts for 35,6 per cent of the financial framework for 2007-2013 – which is EUR 347 billion at current prices.

¹ Legal basis is regulation No. 1081/2006 of the European Parliament and Council of 5 July 2006, OJ L 210 of 31 July 2006, p. 12

The following table¹ resumes the breakdown of Structural Funds and Cohesion Funds for the years 2002 to 2008. The difference between the initial and final budget figures results from the appropriations carried forward from the previous year, amending budgets and transfers decided in the course of the year. The Implementation rates (in percentage) of the initial and final budget compare to the according absolute figures and can therefore be higher than 100 % for the Initial budget.

¹ Source: European Commission document- DG BUDG: "Analysis of the budgetary implementation of the Structural Funds"

Breakdown of Structural Funds (Budget and Implementation) 2002-2008 in € million

2002	Initial Budget		Implementation		Final Budget		Implementation	
	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments	Payments
Objective 1	21.329,6	18.818,0	100,00%	82,00%	21.329,6	18.818,0	100,00%	82,00%
Objective 2	3.729,8	4.360,0	100,00%	48,00%	3.729,8	4.360,0	100,00%	48,00%
Objective 3	3.646,0	3.360,0	100,00%	72,00%	3.646,0	3.360,0	100,00%	72,00%
Other structural operations	168,9	380,0	100,00%	41,00%	168,9	380,0	100,00%	41,00%
Community initiatives	1.860,3	2.327,0	100,00%	25,00%	1.860,3	2.327,0	100,00%	25,00%
Innovative measures & technical assistance	144,3	245,0	98,00%	76,00%	144,3	245,0	98,00%	76,00%
Other specific structural operations	170,0	39,0	100,00%	100,00%	170,0	39,0	100,00%	100,00%
Cohesion Fund	2.789,0	2.600,0	100,00%	100,00%	2.789,0	2.600,0	100,00%	100,00%
TOTAL	33.837,9	32.129,0	100,00%	74,00%	33.837,9	32.129,0	100,00%	74,00%

2003	Initial Budget		Implementation		Final Budget		Implementation	
	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments	Payments
Objective 1	21.577,1	19.366,6	100,00%	98,71%	21.577,1	20.035,7	100,00%	95,00%
Objective 2	3.651,8	4.405,6	100,00%	82,45%	3.651,8	3.950,0	100,00%	91,00%
Objective 3	3.718,9	3.695,8	100,00%	71,32%	3.718,9	3.427,1	100,00%	77,00%
Other structural operations	171,9	506,1	100,00%	34,76%	171,9	293,4	100,00%	60,00%
Community initiatives	1.866,0	2.280,1	99,34%	36,71%	1.866,4	1.685,7	99,00%	50,00%
Innovative measures & technical assistance	143,3	180,0	95,12%	81,06%	144,2	161,5	95,00%	90,00%
Other specific structural operations	12,0	89,0	100,00%	100,00%	12,0	89,0	100,00%	100,00%
Cohesion Fund	2.839,0	2.650,0	100,93%	82,84%	2.870,1	2.195,2	100,00%	100,00%
TOTAL	33.980,0	33.173,2	100,00%	86,90%	34.012,4	31.837,6	100,00%	91,00%

2004	Initial Budget		Implementation		Final Budget		Implementation	
	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments	Payments
Objective 1	21.952,1	18.330,0	115,72%	120,04%	25.473,0	22.155,6	100,00%	99,00%
Objective 2	3.573,8	3.061,2	101,16%	140,82%	3.618,9	4.310,8	100,00%	100,00%
Objective 3	3.793,3	3.134,8	100,22%	93,12%	3.834,8	2.929,7	99,00%	100,00%
Other structural operations	174,9	360,4	98,40%	61,21%	175,3	267,4	98,00%	62,00%
Community initiatives	1.940,2	1.209,2	109,58%	162,48%	2.138,4	1.992,8	99,00%	99,00%
Innovative measures & technical assistance	106,7	155,7	80,88%	62,17%	112,0	123,7	77,00%	78,00%
Other specific structural operations		69,0		57,00%		69,0		57,00%
Cohesion Fund	2.785,0	2.642,1	201,86%	100,03%	5.685,4	2.778,1	99,00%	95,00%
TOTAL	34.326,0	28.962,4	118,94%	118,08%	41.037,8	34.627,1	99,00%	99,00%

2005	Initial Budget		Implementation		Final Budget		Implementation	
	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments	Payments
Objective 1	27.283,1	20.214,8	100,18%	101,80%	27.353,7	19.564,5	100,00%	100,00%
Objective 2	3.544,3	3.951,4	100,10%	98,73%	3.548,0	3.975,1	100,00%	94,00%
Objective 3	3.911,1	3.505,1	100,85%	101,00%	3.944,2	3.400,1	100,00%	100,00%
Other structural operations	180,0	250,1	98,61%	119,67%	180,3	373,1	98,00%	91,00%
Community initiatives	2.258,6	1.273,6	99,59%	165,64%	2.260,0	1.870,3	99,00%	99,00%
Innovative measures & technical assistance	114,6	195,4	90,66%	52,71%	118,8	168,7	90,00%	80,00%
Other specific structural operations								
Cohesion Fund	5.131,9	3.005,5	68,74%	74,16%	5.134,0	3.133,5	69,00%	94,00%
TOTAL	42.423,6	32.395,9	100,16%	101,11%	42.539,0	32.485,3	100,00%	99,00%

2006	Initial Budget		Implementation		Final Budget		Implementation	
	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments	Payments
Objective 1	28.472,0	23.342,4	100,13%	87,48%	28.510,2	20.474,7	100,00%	100,00%
Objective 2	3.405,1	3.187,6	100,00%	97,54%	3.405,1	3.109,1	100,00%	100,00%
Objective 3	3.988,8	3.634,9	100,00%	107,52%	3.988,8	3.908,3	100,00%	100,00%
Other structural operations	185,1	185,2	101,57%	77,27%	190,9	177,5	98,00%	81,00%
Community initiatives	2.371,5	1.621,4	99,70%	103,67%	2.369,9	1.686,7	100,00%	100,00%
Innovative measures & technical assistance	100,5	157,6	75,92%	74,24%	101,4	143,1	75,00%	82,00%
Other specific structural operations		5,0				0,0		
Cohesion Fund	6.032,1	3.505,5	100,00%	85,70%	6.032,1	3.008,8	100,00%	100,00%
TOTAL	44.555,1	35.639,6	100,09%	90,86%	44.598,4	32.508,2	100,00%	100,00%

For the period 2007 -2013, to increase the value added of the cohesion policy, the work of the Structural Funds and of the Cohesion Fund have been concentrated and simplified and the objectives set out in Regulation (EC) No 1260/1999 were redefined: convergence of the Member States and the regions, regional competitiveness and employment and European territorial cooperation. The appropriations have been introduced under the corresponding Policy area (04, 13 and 19).

2007	Initial Budget		Implementation		Final Budget		Implementation	
	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments	Payments
Convergence objective:								
04 02 17– Employment and social affairs	7.416,8	6.245,8	91,26%	102,14%	6.781,8	6.381,1	100,00%	100,00%
13 – Regional policy	20.713,7	15.859,9	101,29%	108,09%	21.306,6	17.142,5	98,00%	100,00%
Regional competitiveness and employment objective								
04 02 19 – Employment and social affairs	3.648,2	5.108,5	102,15%	96,28%	3.726,7	4.925,9	100,00%	100,00%
13 – Regional policy	5.349,8	4.222,6	99,54%	69,08%	5.325,4	2.918,0	100,00%	100,00%
19 08 02 02 –	p.m.	p.m.			47,6	p.m.		

External relations								
European territorial cooperation objective								
13 – Regional policy	1.140,7	1.278,2	80,36%	101,53%	1.085,5	1.304,8	84,00%	99,00%
Technical assistance								
04 – Employment and social affairs	27,7	22,7	75,81%	40,53%	27,3	26,5	77,00%	35,00%
13 – Regional policy	68,2	105,6	56,16%	33,81%	68,0	66,4	56,00%	54,00%
Cohesion Fund	7.121,8	4.946,9	100,04%	86,42%	7.131,5	4.283,3	100,00%	100,00%
TOTAL	45.486,9	37.790,2	98,71%	97,84%	45.500,4	37.048,5	99,00%	100,00%

2008	Initial Budget		Implementation		Final Budget		Implementation	
	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments	Payments
Convergence objective								
04 02 17– Employment and social affairs	7.614,8	6.574,7	92,02%	72,78%	7.007,3	4.889,5	100,00%	98,00%
13 – Regional policy	21.267,3	17.579,6	104,45%	94,51%	22.214,2	16.618,7	100,00%	100,00%
Regional competitiveness and employment objective								
04 02 19 – Employment and social affairs	3.483,8	4.185,9	103,50%	95,22%	3.605,7	4.122,0	100,00%	97,00%
13 – Regional policy	5.108,7	3.926,5	97,65%	86,83%	4.988,6	3.411,6	100,00%	100,00%
European territorial cooperation objective								
13 – Regional policy	1.080,9	1.399,1	115,35%	97,28%	1.262,8	1.377,5	99,00%	99,00%
19 – External relations	81,3	45,0	84,11%	0,89%	68,3	0,4	100,00%	100,00%
Technical assistance								
04 – Employment and social affairs	25,3	41,5	101,19%	71,81%	28,1	49,5	91,00%	60,00%
13 – Regional policy	56,1	66,2	87,70%	117,37%	58,1	91,7	85,00%	85,00%
Cohesion Fund	8.154,3	6.727,6	100,00%	78,64%	8.162,5	5.295,5	100,00%	100,00%
TOTAL	46.872,5	40.546,1	101,04%	87,69%	47.395,6	35.856,4	100,00%	99,00%

The difference between the initial and final budget figures results from reductions of the initial budgets during the course of the years. This highlights significant differences concerning how many million Euros have been in fact spent compared to the original plans of appropriations. (e.g. EUR 8.5 billion Euros have got "lost" with regard the initial payment appropriations for 2006 - 2008).

Stating a 100% implementation with regard the final budgets instead of the initial budgets might therefore not always be accurate.

III. Towards a better implementation

Considering that the implementation in numbers is less than required and the financial crisis in 2008 and the consequent economic crisis require a better functioning Cohesion policy, the EP is urging for significant changes in the procedures and regulations.

Simplifying the procedures

The EP reiterated on several occasions that Member States are responsible for the proper management of the funds, under the supervision of the European Commission. Most EU funding is not paid directly by the Commission but via national or regional authorities of the Member State concerned. Each Member State has its own National Strategic Reference Frameworks establishing the main priorities for spending.

The national management of the implementation of the funds is in some countries, more than in others, extremely complicated and involves several instances of control and auditing. This creates an overload of administrative burden, which is hindering rapidity and efficiency in the implementation of the credits devoted to the National Operational Programs and their related projects.

The importance to granting management authorities, in the context of simplification, appropriate means for the effective support of project promoters in order, for example, to encourage the expected leverage effects on the economy and employment opportunities from Public and Private Partnership has been also stressed by the Parliament.

Payment delays must be reduced

On several occasion the EP denounced that payment delays related to cohesion policy are far too long: Heading 1b is supposed to be a political priority of the European Union under the financial framework for 2007-2013. Therefore the Parliament considers that delays should be reduced, if necessary also by frontloading funding. The EP also emphasised that the delays recorded in implementation of the payments related to structural policy are due in part to overly restrictive procedures, which must be simplified.

One should recall the statements adopted by the European Parliament at the Conciliation meeting of 21 November 2008 on payments and implementation of the cohesion policy in which the European Parliament reiterated its request that the Member States should adopt all the measures required to ensure that the cohesion policy is properly implemented, i.e. also within the foreseen deadlines.

Criticism has also been expressed by the Parliament aiming to reduce the outstanding commitments (RAL) for the current year and next, notwithstanding the rule N+ 1, N+2 and N+3 which is of application for the Structural Funds.

EP control over the Management and Control Systems.

In November 2008, on the occasion of the Conciliation for the second reading of the budgetary procedure, the European Parliament also adopted a joint declaration with the Commission and the Council on the need to overview the MCS. This brought the Commission to monthly report to the Parliament about the evolution on the systems and their approval.

Interinstitutional engagements in order to improve the functioning of the Cohesion Policy

During the trialogue held on 2 April 2009 between the Parliament, the Council and the Commission, the three Institutions approved a joint declaration on the implementation of the

Cohesion Policy.

In the declaration they "recognise that (...) the economy may benefit from accelerating the implementation of structural and cohesion funds within the ceilings of the agreed multiannual financial framework 2007-2013." They also stated that "under the established control framework, interim payments cannot take place until management and control systems in Member States have been judged to be compliant with the requirements".

Moreover, Member States have been called to "submit the description of their management and control systems and the compliance assessments as soon as possible so as to allow the Commission to rapidly start their analysis". Finally the three institutions noted that "the modifications of the legislation being adopted by the legislative authority will simplify implementation of the structural actions and make interim payments possible for major projects before their formal adoption by the Commission."

On the same occasion the Parliament and the Council called on for the following actions to be undertaken by the Commission and the Member States:

- the Commission to take the necessary measures, within the existing legal framework, to rapidly assess the most critical aspects of the management and control systems (MCS), enabling starting the interim payments before the European Parliament's first reading of the 2010 budget;
- the Member States to rapidly submit their priority major projects and the Commission to accelerate their approval in order to have a stable and agreed framework for their implementation;
- the Commission to report about the Member States' submission of their priority major projects before the European Parliament's first reading of the 2010 budget;
- the Commission to cooperate closely together with the Member States in order to have a rapid agreement on all aspects of compliance of the MCS;
- the Member States to have all actions financed by the EU budget fully operational in 2009 in order to accelerate the economic recovery and to generate a steady flow of interim payments;
- the Commission to present in September 2009 at the latest a report on the implementation for the purpose of the budgetary procedure;

In the same declaration, the Parliament and the Council invite the "Court of Auditors and the discharge authority to take this issue into account, as well as the multiannual character of the Commission's control activity, when assessing the management of EU funds".

IV. Final Conclusions

The Cohesion policy remains a key priority for the European Union to fight the economic and social disparities amongst its regions, since after the enlargement the disparities within the EU have increased significantly. However in order to achieve real changes and real cohesion among the European regions the European Parliament has to urge the simplification and rationalisation of procedures concerning the implementation of the funds. In cooperation with the European Commission the Parliament should monitor which values and results were produced by the Cohesion policy. (i.e.: to what extent has the GDP increased, or to what extent has the unemployment rate in the supported region decreased, and whether the program in fact has achieved the objectives set in the planning phase or not).

We have to make it clear: Cohesion Policy is of utmost importance for the European Union,

however only the real success of programs qualifies for any further increase of the appropriations. Europeans require results for their money.

WORKING DOCUMENT NR 4 ON THE PRELIMINARY DRAFT BUDGET 2010 -
SECTION III - COMMISSION - FIRST ANALYSIS

I. Overview

On 29 April, the Commission presented the preliminary draft budget for 2010¹ with a total of EUR 139,489 billion. According to the European Commission it is Economic recovery that is mainly targeted and the biggest share of funds (45%) goes into growth and employment measures.

Table 1: The global figures are as follows (by financial framework heading): in EUR million

H	2009 Budget		Ceiling MFF	PDB 2010		
	CA	PA		CA	PA	Margin CA
1 A	13.774,797	11.106,386	12.388,000	12.769,410	10.982,271	118,590
1 B	48.426,885	34.963,349	49.394,000	49.382,092	36.382,385	11,908
H' 1 TOTAL TORAT	62.201,682	46.069,734	61.782,000	62.151,502	47.364,656	130,498
2	56.721,437	52.566,130	60.113,000	59.003,698	58.074,906	1.109,302
from which market related expenditure and direct aid	41.127,356	41.079,823	47.146,000	43.744,927	43.626,433	1.001,273
3 A	863,925	617,440	1.025,000	980,187	720,010	44,813
3 B	662,748	690,745	668,000	649,265	639,718	18,735
H' 3 TOTAL	1.526,673	1.308,185	1.693,000	1.629,452	1.359,728	63,548
4	8.103,930	8.324,169	7.893,000	7.921,091	7.664,619	220,791
5	7.694,931	7.694,931	8.008,000	7.857,803	7.858,298	230,197
TOTAL			139.489,000	138.563,547	122.322,206	1.754,335

The overall ceiling MFF for commitment appropriations represents 1,19 % of gross national income (GNI). The ceiling for payment appropriations is EUR 134 155 million, or 1,14 % of GNI.

In commitment appropriations, the total for the preliminary draft budget (PDB) 2010 is **EUR 138.563,547 million**, corresponding to 1,18 % of GNI and plus 1,54 % compared to commitments in the 2009 budget. This leaves a **margin of EUR 1.754,3 million**.

For payment appropriations, the total amounts to **EUR 122 322,2 million**, corresponding to

¹ COM(2009)300

1,04 % of GNI. This is an increase of 5,3 % compared to payments in the 2009 budget.

The part of the budget to receive the biggest boost in spending is Heading 3 A (fight against crime, terrorism and management of migration flows), increasing by 13,5% to almost EUR 1 billion in commitments.

II. Headings in detail

Heading 1 A

Competitiveness for growth and employment: commitments EUR 12.769,410 million, payments EUR 10.982,271 million. This leaves a margin of EUR 118,6 million, which does not take into account the appropriations related to the European Globalisation Adjustment Fund, which foresees Euro 500 million per year on top.

PDB 2010 foresees a decrease both in commitments (7,3%) and payments (1,1%) if compared to 2009, with respectively EUR 12,769 billion in commitments and EUR 10,982 billion in payments. (See Table 1)

Policy areas falling, totally or partly, under sub-heading 1 A are Economic and financial Affairs (01), Enterprise (02), Employment and social affairs (04), Energy and Transport (06), Indirect and Direct Research (08, 10), Information Society and Media (09), Regional Policy (13), Internal Market (12), Education and Culture (15), Fight Against Fraud (24) and Statistics (29). (See Table 2)

The main programmes of this sub-heading are the 7th Framework Programme for research and technological development, the Competitiveness and Innovation Programme (CIP), the Lifelong Learning Programme, the Progress Programme, the Trans-European Networks (TENs), Marco Polo II and Galileo. Other actions contributing to the goals of competitiveness, sustainable growth and employment are internal market, statistics, the fight against fraud, and taxation and the customs union.

An increase of credits, both in commitments and payments, compared to 2009 budget, is foreseen for the following titles of the Budget, Enterprise (+16,9%), Information society (+7,6%), Direct Research (+10,9%), and Statistics (+5,8%). (See Table 2)

As for Energy and Transport, commitments decrease while payments are increased (-40% and + 13% respectively). While for Economic and financial affairs and for Indirect Research, the PDB foresees an increase in commitments and a decrease of payments, (respectively + 1% and -28,8 % for the former and +10% and - 15,3 % for the latter).

Research and technological development

This sector represents the 59,2% of the expenditure for the whole sub-Heading 1 A budget financing. The Commission proposes a global amount of EUR 7.565,703 million.

Three major partnerships between the public and private sectors will be prepared and launched to support research and innovation, i.e.:

– European green cars initiative

- European energy-efficient buildings
- Factories for the future initiative

The Commission also intend to focus on clean energy, energy efficiency as well as energy independence.

In the field of nuclear fusion and fission, research will include ensuring early industry participation in the preparation of demonstration actions for fusion, and the launching of a European Industrial Initiative.

The Commission intends to conduct further actions under FP7 towards the greening of European transport systems, in the development and implementation of a European Knowledge Based Bio-Economy (KBBE).

The Cooperation Programme of FP7 foresees support for five long-term public-private partnerships in the form of Joint Technology Initiatives (JTIs)¹ under article 171 TEC.

Competitiveness and innovation (CIP)

This sector represents 4,1% of the expenditure for the whole sub-Heading 1 A budget financing. In the PDB the Commission proposes a global amount of EUR 524,980 million.

The Competitiveness and Innovation Framework Programme (CIP) comprises three specific programmes: the Entrepreneurship and Innovation Programme (EIP), the Information and Communications Technologies Policy Support programme (ICT-PSP) and the Intelligent Energy-Europe Programme. The initiative on Global Monitoring for Environment and Security (GMES) will continue the gradual move from research to operational services, which has started in 2008.

Promoting sustainable EU networks for transport and energy

This sector represents 16% of the expenditure for the whole sub-Heading 1 A budget financing. In the PDB the Commission proposes a global amount of EUR 2.043,340 million.

Transport - The Trans-European Networks (TEN) for transport will concentrate, between 2007 and 2013, on 30 priority projects giving particular attention to projects on cross-border sections and aiming to eliminate bottlenecks. The other priorities for Community funding within the TEN-T programme will be: European Railway Traffic Management System (ERTMS), River Information Services (RIS), Intelligent Transport Systems (ITS), and a TEN loan guarantee instrument.

In the field of Inland, Air and Maritime Transport, the major issues are the Marco Polo programme, the NAIADES programme, the extension of the work of the European Aviation Safety Agency (EASA), the activities of European Maritime Safety Agency (EMSA) which is in charge of developing the European Long Range Identification and Tracking (LRIT) Data Centre.

¹ Four of these were approved by the Council in December 2007 – Clean Sky Joint Undertaking; Innovative Medicines Initiative (IMI) Joint Undertaking; ARTEMIS Joint Undertaking (Embedded Computing Systems); and ENIAC Joint Undertaking (European Technology Platform on Nanoelectronics). The fifth – Fuel Cells and Hydrogen Joint Undertaking – was approved in May 2008. The SESAR Joint Undertaking, which has become a Community body as from 1 January 2009, is responsible for the SESAR (Single European Sky - Air Traffic Management Research).

The Commission also foresees to continue the implementation of the EU satellite navigation programmes (EGNOS and GALILEO) as set in the financial programming.

Energy Policy - 2010 will see the adoption of a new energy plan for the period 2010-2014 and the further implementation of the new energy policy which aims at combating climate change and boosting the EU's energy security and competitiveness. 2010 will also be the first year of implementation of the Internal Energy Market Package and will be the first year of existence of the new Community regulatory agency (European Agency for the Cooperation of the Energy Regulators - ACER).

At the trialogue meeting of 2 April 2009 the European Parliament, the Council and the Commission agreed on the financing of energy projects as part of the European Economic Recovery Plan. EUR 3 980 million will be made available for the financing of energy projects under heading 1 A of the financial framework, of which EUR 2 000 million in 2009 and EUR 1 980 million in 2010. The financing of the 2010 amount is not yet secured.

Improving the quality of education and training

This sector represents 8,6% of the expenditure for the whole sub-Heading 1 A budget financing. In the PDB the Commission proposes a global amount of EUR 1.102,078 million.

The Lifelong Learning Programme¹ aims to contribute to the development of the European Union as an advanced knowledge society, with sustainable economic development, more and better jobs and greater social cohesion. In 2010, the programme Erasmus Mundus II will finance new categories of individual grants (to doctoral candidates and to European students who attend Erasmus Mundus Master courses). This sector covers also the European Institute of Innovation and Technology (EIT) and its Knowledge and Innovation Communities which will become operational.

Social policy agenda

This sector represents 1,5% of the expenditure for the whole sub-Heading 1 A budget financing. In the PDB the Commission proposes a global amount of EUR 190,170 million.

Under this sector the Commission intends to focus on three main areas: the integrated Programme for Employment and Social Solidarity (PROGRESS) supporting the implementation of the social policy agenda; sustain social dialogue, free movement of workers and studies and special reports in the social field; implement the European Year for Combating Poverty and Social Exclusion 2010.

In this sector of sub-Heading 1 A is included the European Globalisation Adjustment Fund (EGF)². As set out in the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management (IIA), it may not exceed EUR 500 million in any given year.

Other actions and Programmes

Under this voice of the sub-Heading 1 A are included the following actions: the reinforcement

¹ The programme integrates major programmes focusing on specific sectors (Comenius, Erasmus, Leonardo da Vinci, Grundtvig, and Jean Monnet), as well as a transversal programme supporting specific key activities, such as language learning.

² More in particular "i2010 Electronic communications" policy, network security activity, "Multiannual Community programme on protecting children using the internet and other communication technologies (2009 – 2013) and Safer Internet Programme.

of Communications Policy and Network Security¹, the collection of statistics to provide key input for policy making² and the Community Programme to support specific activities in the field of financial services, financial reporting and auditing³.

This sector represents 3,3% of the expenditure for the whole sub-Heading 1 A budget financing. In the PDB the Commission proposes a global amount of EUR 423,840 million.

Table 2: Policy areas falling, totally or partly, under sub-heading 1 A: differences between Budget 2009 and PDB 2010 in commitments and payments in EUR million

TITLE	Budget 2009: CA	Budget 2009: PA	PDB 2010: CA	PDB 2010: PA	PDB difference CA	PDB difference PA
<i>Title 01: Economic and financial affairs</i>	181,150	214,167	183,000	152,445	1%	-28,8%
<i>Title 02: Enterprise</i>	577,891	515,956	690,333	541,424	19,5%	4,9%
<i>Title 04 - Employment and Social Affairs (Sub-Heading 1 A only)⁴</i>	218,526	190,068	229,920	198,080	5,2%	4,2%
<i>Title 06: Energy and Transport</i>	4632,20	2446,725	2777,06	2764,765	-40%	13%
<i>Title 08 Indirect Research</i>	4649,18	4951,64	5156,26	4193,06	10,9%	-15,3%
<i>Title 09 Information Society and Media</i>	1350,97	1206,69	1466,29	1445,64	8,5%	19,8%
<i>Title 10: Direct Research</i>	370,84	365,720	383,32	391,547	3,4%	7,1%
<i>Title 12: Internal Market</i>	9,20	9,14	14,80	12,60	60,9%	37,8%
<i>Title 13 Regional Policy (Sub-heading 1 A only)</i>	15,00	15,00	15,00	15,00	0%	0%
<i>Title 15: Education and Culture (Sub-heading 1 A only)</i>	1803,36	1061,15	1149,19	1116,13	6,1%	5,2%
<i>Title 24: Fight against Fraud</i>	20,50	16,30	21,60	16,40	5,4%	0,6%
<i>Title 29: Statistics</i>	57,57	25,40	65,32	44,90	13,5%	76,8%

Heading 1 B

For this sub-heading ('cohesion for growth and employment') the PDB foresees an increase both in commitments (2%) and payments (4,1%) with respectively a total amount of EUR 49,382 billion in commitments and EUR 36,382 billion in payments.

While structural funds see only a modest increase in commitments (0,2 %), the increase in payments is considerably bigger (6,7%), which reflects the Commission's aim to focus on implementation in 2010, since all the operational programmes and management and control systems should be up and running. The trend is reverse in the Cohesion fund, where commitments are to grow by 9,6%, while payments decrease by 5,9%.

³ The committee on Budgets delivered a positive opinion on the recent Commission proposal on Community programme, providing direct funding from the Community budget to the three EU Committees of Supervisors (Committee of European Security Regulators - CESR, Committee of European Banking Supervisor - CEBS and Committee of European Insurance and Occupational Pension Supervisors CEIOPS) and to key international and European bodies involved in the standard-setting process for financial reporting and auditing.

⁴ 97% of the appropriations are for cohesion measures under the European Social Fund (ESF). They concern chapters 03 Working in Europe - Social Dialogue and Mobility (0,87% increase in commitments) and chapter 04 Employment, social Solidarity and gender equality.

The PDB leaves a modest margin of EUR 12 million under the MFF ceiling of EUR 49,4 billion.

The 2010 budget still contains a bulk of payments for the programming period of 2000-2006 (EUR 5,45 billion, half of them for the Cohesion fund). Some EUR 6 million is even reserved for pre-2000 programmes.

Heading 2

Just as a clarification: consumer policy, human health and food safety ('consumer dimension') fall under heading 3 B.

Heading 2 continues to be the biggest heading with the proposed budget (commitments) of EUR 59 billion (EUR 58 billion in payments).

Commitments for compulsory expenditure increase by 5,7 %, and for **non-compulsory expenditure decrease** by 0,4 %. Payments for compulsory expenditure rise by 5,5 % compared to 2009, those for non-compulsory expenditure increase by 5,2 %.

The Commission proposes a considerable increase in spending on agriculture and rural development (05), environment (07), fisheries and maritime affairs (11) and parts of health and consumer protection (17). The proposed increase reaches 4,0% in terms of commitments and 10,5% in terms of payments compared to budget 2009.

The margin available would be then EUR 1,1 billion.

Agriculture and rural development

For Market related expenditure and direct aids are proposed EUR 43,3 billion, which is an increase of 6,4% compared to budget 2009. Rural development reaches a level of EUR 14 billion in commitments and EUR 13,4 billion in payments, which means that the level of commitments is slightly decreasing compared to budget 2009 (-1,9%) while the payments grow by almost 1/3 (i.e. by EUR 3,2 billion). Due to global market fluctuations, traditional spending on agriculture is increasing again in 2010, which can be seen in especially on budget lines on market interventions and direct aids for milk, butter and cream. The overall increase of direct aids is largely due to phasing-in of direct aids also for the new Member States.

Fisheries

The total proposed expenditure for fisheries policy, including international agreements, is EUR 960 million, of which European Fisheries Fund (EFF) and international fisheries agreements total EUR 930 million. Compared to budget 2009, the commitments for EFF increase by 2 % and for international agreements decrease by 5%. In payments, both areas of spending show a downward trend: EFF -14,3% and 'fisheries governance and international fisheries agreements' - 5,1%, largely due to fact that the budget 2009 contained considerable payment appropriations for the outstanding commitments of the programming period 2000-2006.

Environment

LIFE+ is the only financial instrument designed exclusively for the environment, covering a wide range of activities managed by the Commission and Member States. Several pilot projects and preparatory actions are also ongoing. Compared to budget 2009, the proposed spending is somewhat smaller (commitments EUR 307 million, -3,2%). The reduction of payments is considerable, -37,7%. The Commission justifies these figures by referring to the increase adopted by the budgetary authority to the 2009 budget and the delays of implementation following the late adoption of the programme. In the light of the enormous challenges posed by climate change and many other environmental threats, this downward trend merits further examination.

Nevertheless, line 07 03 12 "Climate change actions" is deleted (20 million).

Plant and animal health

The proposed commitments for plant and animal health measures are 17,4% bigger than in the 2009 budget, totalling EUR 372 million, due to an increase of funding of animal disease eradication and monitoring programmes (+ EUR 52 million).

Heading 3 A

The rapporteur welcomes the increase of 13,5% in commitment appropriations, to an amount of EUR 980,2 million (leaving a margin of EUR 44,8 million), which seems in line with the MFF. Payments also increase by 16,6 %, to EUR 720 million. This increase sends a very positive message to citizens concerning such a sensitive area.

However, there is great disparity between the evolution of the three general programs: while "Solidarity and Management of Migration Flows" will increase by 6,3%, Security and Safeguarding Liberties will increase by 15,5%, Fundamental Rights and Justice will decrease by -5,4%.

Solidarity and Management of Migration Flows (+6,3%)

In "Solidarity and Management of Migration Flows", the External Borders Fund will increase by some 12% (to EUR 207,5 million) and the European Return Fund will increase by more than 24,4% (to EUR 83 million), while the European Refugee Fund (ERF) will decrease by 15,6% (to EUR 82,5 million).

The decrease in the funding of ERF is only partially explained by the creation of the European Asylum Support Office (EASO), as the EASO is granted only EUR 5,35 million in the PDB; Your rapporteur would like to receive from the Commission further explanations for such a huge decrease, as the EP had precisely increased the level of the funding of the ERF by EUR 10 million in the budgetary procedure 2009 and the level of implementation by the end of 2008 reached 99,17%.

There is also an increase in the funding of European Fund for the Integration of Third-Country Nationals (+8,2%)

The decrease in the funding of VIS (from EUR 35,7 million to EUR 21 million) seems explicable by the completion in 2009 of the system. In parallel, the diminution in the funding

of SIS II (from EUR 39,3 million to EUR 35 million), will stay under close scrutiny, as their evolution is far from being clear.

The PDB 2010 maintains the operational financing to FRONTEX at the same level as the one of the budget 2009 (EUR 55 million, after EP added 10% million to the initial amount proposed by the Commission); explanations are required for the fact that payments suffer a decrease of almost 50% (from EUR 55 million to EUR 22 million).

Security and Safeguarding Liberties (+15,5%)

Your rapporteur welcomes the increases in Prevention, Preparedness and Consequence Management of Terrorism (+5%) and Prevention of and Fight against Crime (more 19%) and also the integration of EUROPOL in the budget of the EU consecutive to its transformation into a decentralised agency of the EU and notes its important funding (EUR 79,7 million for 2010); affirms its intention of exercising an adequate scrutiny over the funding and of this agency as well as over its budgetary and administrative management

Fundamental Rights and Justice (-5,4%)

The decrease in the funding of this policy area (line 18 06 06) is mainly due to the decrease in the funding of the program Criminal Justice (EUR 26 million in commitments, which means EUR 4,9 million less), which matches the financial programming and corresponds to the reduction of needs concerning some of the technical aspects of the program that were meanwhile achieved.

The programs Fundamental Rights and Citizenship (line 18 04 06) (-2,8% in commitments) and Daphne (line 18 04 07) (-1% in commitments) also suffer decreases compared to 2009's budget.

The increase in the funding of EUROJUST (+34% to a total of EUR 30,2 million) seems to be due to a increasing in the role of coordination of the agency in the cooperation between Member States; the implementation of this reinforced financing will be closely monitored

Heading 3 B

Covering issues of key concern to the citizens, heading 3 B includes part of public health and consumer protection (17), educational and cultural programmes (15) the civil protection instrument and parts of the policy area communication (16).

The PDB 2010 has decreased heading 3 B both in commitment and payment appropriations by 2% in CA and 7,4% in PA comparing to the 2009 budget figures.

It foresees respectively EUR 649,26 million in commitments and EUR 639,76 million in payments, which correspond to 0,47% of the total budget (PDB 2010 figures) in commitments and to 0,52% in payments, which leaves a **margin** of EUR 18,735 million under the MFF ceiling of EUR 668 million for 2010.

According to the PDB 2010, the five key expenditure items under this sub-heading will be distributed in the following way:

- Fostering European culture and diversity: EUR 221,564 million, which includes Culture, Youth in Action, Europe for Citizens and Media 2007 multiannual programmes, certain Information Society and Media strands and Sports.
- Communicating European policy and better connecting with citizens: EUR 93,350 million
- Ensuring access to basic goods and services: EUR 73,390 million, which includes Public Health Programme and partly the Consumer Protection policy area
- Civil Protection Instrument: EUR 18,550 million
- Solidarity Instrument: European Union Solidarity Instrument (EUSF) which is a financial mechanism intending to allow financial assistance in the event of major disasters occurred on the territory of a Member State or a candidate country. Up to EUR 1 Billion is available annually. This amount is not included in the ceilings of the financial framework nor in the PDB and is mobilised if necessary through an amending budget during the year.
- Decentralised Agencies: European Centre for Disease Prevention and Control (ECDC) and European Food Safety Authority (EFSA): EUR 125,296 million

- Heading 3 B covers the following **multiannual programmes** (2007-2013): Public Health, Consumer Protection, Culture 2007, Youth, Media 2007, Citizen and Civil protection Financial Instrument. Only two of these programmes have been increased both in commitments and payments by the PDB 2010: Culture 2007 (+3,7% in CA and +4,9% in PA) and Media 2007 (+4,2% in CA and +15,1% in PA) .

Other programmes (compared to the budget 2009):

- o Youth in Action: 0% in CA and +5,2% in PA
- o Europe for Citizens programme: +0,1% in CA and -16% in PA
- o Programme of Community action in field of consumer policy: -2,6% in CA and +13%
- o Programme of Community action in field of health (2008-2013): -2,8% in CA and +60% in PA
- o Civil Protection Financial Instrument - 2,7% in CA and -15,8% in PA.

Your Rapporteur wishes to point out the following:

- Within heading 3 B, all policy areas have been decreased, except "Information Society", which rises by 3,8% in commitments and 8,4% in payments. Note: the greatest part of this policy area is funded under the heading 1 A of the MFF, also increased by the PDB.

- Important decreases in **payments** for Environment, Communication, and Health and Consumer protection policy areas (respectively by: -18,6%, -11% and -10,9% compared to 2009 figures)

- As of 2010 the *Support for the running costs of the Platform of European Social Non-Governmental Organisations* will be provided from the budget line 15 06 66 (Europe for Citizens programme), instead of 04 04 09 as it was the case in 2008 and 2009 budgets. The Commission states that this change complies with the specific objectives of the 'Europe for Citizens' programme, supporting the development of civil society at the EU level, including the attribution of structural support to designated organisations.

In 2008 and 2009 EUR 0,68 million were attributed to the European Social Platform from the well implemented budget line 04 04 09; when the PDB 2010 only slightly increased the budget line 15 06 66 in commitments by 0,1% and decreased it by -16% in payments.

Heading 4

General aspects

- Commitments appropriations are proposed at EUR 7,92 billion, compared to 8,10 billion in 2009; this represents a decrease of 2.3%. Payments are budgeted at EUR 7,66 billion, a decrease of EUR 0,66 billion (-7.9%).

This peculiar situation has to be understood in the light of the financing of the Food facility instrument, adopted in December 2008, but whose appropriations will be mainly financed on 2009 Budget (57% of commitments will be engaged during current year). As a reminder, the budgetary authority decided to allocate an envelope of EUR 1 billion to the financing of this instrument.

Therefore, for the sake of comparison between 2009 Budget (including amending Budgets) and PDB 2010, one can consider that, when excluding the financing of the Food facility, PDB 2010 proposes an increase of 1,8% in commitments appropriations. The payments would still decrease by 7,1% compared to 2009 budget due to the ending of several completion budget lines.

- MFF providing a ceiling of EUR 7,89 billion for 2010, 2010 PDB has a margin of EUR 220,8 million (Emergency Aid Reserve of EUR 248.9 million not being taken into account, as provided for by the IIA of 17 may . The rapporteur wishes to stress that this relatively limited margin (about 2,9% of the Heading) will be put under high pressure since the Commission announced that proposed appropriations for Palestine will be increased in the course of the budgetary procedure (Amending Letter to be expected in September 2009), and that Georgia, Kosovo, Cuba reunification process in Cyprus and climate change are outstanding issues that need to be addressed via the use of the margin. As a reminder, pilot projects and preparatory actions under heading 4 will also be financed within this margin.

Policies and instruments

- **CFSP** budget (Chapter 19 03) is significantly increased in PDB 2010 (+ EUR 39 million, for a total amount of EUR 281,5 million, which represents an increase of 15,9% in commitments) in order to finance EU Monitoring Mission in Georgia (19 03 01) which is expected to be prolonged in 2010.

- **For European Neighbourhood Policy** and cooperation with Russia EUR 1,55 billion are proposed, a drop of EUR 67 million (- 4,2%). Your rapporteur wishes nevertheless to highlight that:

- ENPI East sees a substantial increase of EUR 55 million (+ 13,5%) in commitments appropriations, mainly due to EU political priorities towards Georgia and the Eastern Partnership

- ENPI Palestine is proposed, as every year, an unrealistic financial envelope of EUR 175 million (to be compared with EUR 300 million in 2009 Budget); even though the Commission mentioned that it will likely request adapted and more realistic appropriations in the course of the 2010 budgetary procedure; your rapporteur points out that such a two-steps approach does not help comprehensive and global assessment of the real needs in heading 4 and deeply regrets that the Commission reiterates is on a yearly basis. This net decrease in

appropriations for Palestine leads to the global mentioned decrease of ENPI envelope.

- ENPI South is slightly increased (+ EUR 3 million)

- in 2009 Budget, European Parliament created a new budget line on Aid for rehabilitation and reconstruction of **Georgia** (line 19 08 01 07) in order to identify clearly European budgetary and financial support to this country in the aftermath of the August 2008 conflict in the region; your rapporteur is deeply unsatisfied to note the reluctance of the Commission to insert appropriations on this specific line (p.m.) despite the clear political impetus given by the Parliament.

- Following agreement during November 2008 conciliation, **Instrument for Stability** has been redeployed to finance Food facility by EUR 240 million. In order to mitigate the consequences of this redeployment and keep an increase in appropriations for IfS, the Commission proposes that an amount of EUR 100 million is pre-financed by back-loading spending of other envelopes (DCI, IPA and ENPI); these contributions will be compensated back in 2011-2013 from IfS.

- For the **Instrument for Pre-accession Assistance** the PDB allocates an overall envelope of EUR 1,593 billion, an increase of 4,9% in commitments (whereas the payments decrease by more than 22%), half of them being programmed for Transition and Institution Building Assistance.

- **Three new budget lines** (19 09 03, 19 10 04 and 21 06 06) are created to reflect the proposal included in the framework of the mid term review of financial instruments for external actions presented by the Commission on 21 April 2009: the Instrument for Cooperation with Industrialised Countries (ICI) will be amended in order to allow the financing of actions other than development assistance in countries covered by the DCI. This action has a proposed financial envelope of EUR 176 million for the period 2010-2013 (partly redeployed from DCI), and EUR 34,5 million in commitments budgeted in 2010 PDB on the top of the EUR 23,9 million already programmed funds.

- As far as the **Development Cooperation Instrument** is concerned, a slight increase has been proposed by the Commission (+ 1,7%, for a total amount of EUR 2,414 billion); in the PDB, two of the several priorities under DCI have been identified for potential further fine-tuning in commitments in the course of the budgetary procedure: EU assistance to Afghanistan and Pakistan, and supporting measures in main ACP banana exporting countries. Your rapporteur warmly supports the Commission's intention to reassess the needs for assistance to Afghanistan.

- As agreed during November 2008 conciliation, the bulk of appropriations for **Food facility** was committed in 2009 (EUR 262 million in 2008, EUR 568 million in 2009, and EUR 170 million in 2010). Line 21 02 03 is allocated with EUR 162,7 million (operational spending) and line 21 01 04 05 with EUR 7,3 million (administrative expenditure).

- European Instrument for Democracy and Human Rights is decreased by 1,2% in commitments (to EUR 155,5 million), but increases in payments appropriations (+6,7%, for a total of EUR 157,8 million).

- The Commission proposes a clear increase of 8,1% (from EUR 99 million to EUR 107

million) for Macro Financial Assistance partly due to finance potential actions of the EU to mitigate the effects of the financial and economic crisis in eligible third countries, and an increase of 3% of commitments appropriations for Humanitarian Aid (from EUR 777 million to EUR 800,5 million) for the provision of first assistance to countries affected by the consequences of natural disasters.

Heading 5

The evaluation of the appropriations needed for 2010 is based on all the Institutions' individual "draft statement of estimates".

Commitments and payments for **Administrative Expenditure** increase by 2,1 %, with commitments at EUR 7.857,8 million and payments at EUR 7.858,3 million leaving a margin of EUR 230,197 million. The Commission puts emphasis on the fact that its share of the administrative budget only increases by 0,9 %.

The Commission states that the margin of EUR 230,197 million is expected to be sufficient to cover the expressed needs in 2010. However, the Commission cannot foresee, for example, what the final budget of the Parliament or the other Institutions might be. There is always some uncertainty as to the margin calculations.

In heading 5, a sufficient margin is normally considered important in order to cater for variations of the annual salaries and pension adaptations (inflation) which may risk to be higher than the fixed 2 % deflator applied to the ceiling of heading 5.

Human resources

In the 'screening' of human resources in early 2007, the Commission committed to meeting all staffing needs up to 2013 under **constant resources** once the last enlargement posts for Bulgaria and Romania have been phased in.

As the last new posts related to the latest enlargement to Bulgaria and Romania were authorised in the 2009 budget, the 2010 Preliminary Draft Budget is in line with this commitment: it contains no request for new posts.

However, as the last 250 new posts for the Commission in 2009 are now budgeted for a full year, there will still be an increase in the amount of salaries compared to this year.

The Commission states that an **unprecedented effort of internal redeployment** will take place, notably to reinforce the services in charge of the management and follow up of the financial and economic crisis and the implementation of the European Economic Recovery Plan (EERP). **The EP could look at this process more in detail later in the procedure.**

Finally, your rapporteur would request more information as concerns ever increasing costs for:

- security costs in delegations.
- increasing cost of energy and maintenance of the buildings
- the works for a second childcare facility in Brussels
- increase of expenditure for IT services.
- an increase of costs for EPSO by 14% , from EUR 27 million to EUR 31 million.

WORKING DOCUMENT NR 5 ON BUDGETARY PROCEDURE 2010 – FIRST COMMISSION REPORT ON THE IMPLEMENTATION OF PILOT PROJECTS AND PREPARATORY ACTIONS 2009

1. General remarks

1. Pilot Projects and Preparatory Actions (PP/PA) are traditionally parliamentary initiatives. The European Parliament first tried using pilot projects and preparatory actions in 1975.¹ Today they provide the Parliament with the possibility of paving the way for new policies and activities that enrich the Union's actions and which might lead to adoption of legal acts setting out new EU activities and programmes.
2. Your rapporteurs for Budget 2009 and 2010 stress that it remains the prerogative of Parliament to adopt, within the limits of the IIA, any PP / PA it considers an added-value for the European citizens, and that, despite possible reservations, the Commission is obliged to do everything in its power to successfully implement the projects / actions adopted by the budgetary authority. A clear picture of the desired nature of the PP / PA followed by a profound discussion between the institutions on possible obstacles for the execution and how they could be overcome would be in the interest of all actors.

PP/PAs in the Financial Regulation (FR)

3. The legal base for PP/PA is Article 49, paragraph 6 of the Financial Regulation² and Article 32 of the Implementing rules³. They describe the exceptions to the rule (Article 49 par. 1 FR) that appropriations can only be entered in the EU budget if a basic legal act has been adopted previously. For PP/PA, a budgetary decision comes first and may only in a second step lead to a corresponding legislative decision (Article 49, par. 6 FR).
4. According to the Financial Regulation, pilot schemes (or Pilot "projects") are "*of an experimental nature designed to test the feasibility of an action and its usefulness. The relevant commitment appropriations may be entered in the budget for not more than two successive financial years.*"
5. Preparatory actions are defined as "*designed to prepare proposals with a view to the adoption of future actions. The preparatory actions are to follow a coherent approach and may take various forms. The relevant commitment appropriations may be entered in the budget for not more than three successive financial years. The legislative procedure must be concluded before the end of the third financial year.*"

PP / PA in the Interinstitutional Agreement

¹ A brief history, as well as statistics on numbers and policy areas is given by the IG IPOL study on the follow-up of Pilot Projects and Preparatory actions of April 2009:
http://www.ipolnet.ep.parl.union.eu/ipolnet/webdav/site/myjahiasite/shared/bss/studies/internal/Final%20study%20PPAs_07042009.pdf

² Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 as amended by Council Regulation No 1995/2006 of 13 December 2006.

³ Commission regulation (EC, Euratom) No 2342/2002 of 23 December 2002 as amended

6. Apart from the Financial Regulation, the second important text in connection with PP / PAs is the Interinstitutional Agreement of 17 May 2006 which further defines the framework.
7. Point D of Annex II of the IIA stipulates that *"in order for the Commission to be able to assess in due time the implementability of amendments envisaged by the budgetary authority which create new preparatory actions/pilot projects or prolong existing ones, both arms of the budgetary authority will inform the Commission by mid-June of their intentions in this regards, so that a first discussion may already take place at the conciliation meeting of the Council's first reading."*
8. The IIA also includes some clear budgetary ceilings for PP/PA: *Furthermore, the institutions agree to limit the total amount of appropriations for pilot schemes to EUR 40 million in any budget year. They also agree to limit to EUR 50 million the total amount of appropriations for new preparatory actions in any budgetary year, and to EUR 100 million the total amount of appropriations actually committed for preparatory actions.*
9. Your rapporteur for the year 2010 is fully aware of this obligation and regrets that it was not possible to respect this provision by the IIA, due to the elections of a new Parliament on 7 June. A list with PP/PA should be communicated as soon as possible after the constituent meeting in September 2009.

2. Existing (in Budget 2009) PP/PAs

10. In PDB 2010, as PDB 2009, most existing Pilot Projects and Preparatory Actions have no commitment appropriations. Therefore, the majority of ongoing Pilot Projects and Preparatory Actions have only payment appropriations.
11. The European Commission in its PDB 2010 has attributed only to three Preparatory Actions commitment appropriations:

02 02 11 - GMES operational services (EUR 5 mio.)

11 09 01 - Maritime Policy (EUR 4,1 mio.)

15 06 11 - Preparatory Action in the Field of Sport (EUR 1,5 mio.)

12. The European Commission has not attributed to any single Pilot Project commitment appropriations in the PDB 2010.

Furthermore, four ongoing Pilot Projects and Preparatory Actions do not even have payment appropriations:

13 03 22 Pilot Project - Erasmus for elected local and regional representatives

07 03 16 Pilot Project - Development of prevention activities to halt desertification in Europe

17 02 03 Preparatory Action - Monitoring measures in the field of consumer policy

19 06 07 Pilot Project - Support for surveillance and protection measure for Community vessels sailing through areas where piracy is a threat".

13. The details of the figures can be consulted in the attached table. The total amount

currently as proposed for "existing" Pilot Projects is EUR 0.- in CA and EUR 28,23 mio in PA, for "ongoing" Preparatory actions it is EUR 12,6 mio. in CA and EUR 62,444 mio. in PA. As PP/PAs are a prerogative of the EP, the Commission does not propose any new Pilot projects.

3. Conclusions

14. Ultimately, it is the overall ceilings of the MFF 2007 - 2013 that constitute the framework within which all PP / PA have to fit. At some stage, Parliament might not be able to adopt PP / PA up to the maximum level of financing permitted by Annex II, point D of the IIA (EUR 40m for PP, EUR 100m for PA, per annum) simply because there will not be an equivalent margin left under the relevant MFF heading.
15. All EU activities newly introduced into the budget **will decrease the available margins under the MFF**. Your 2010 Budget rapporteur will therefore have to evaluate whether the margins left under the different headings will allow Parliament's priorities to be sufficiently financed at all.
16. Your 2009 and 2010 rapporteurs would like to draw the attention to the fact that the availability of funds for new PP and PA is directly linked to EP's wishes to continue financing of existing PP and PA. It is therefore of the utmost importance, at an early stage in the preparations for the budgetary procedure 2010, to become aware of any projects / actions that might not deserve continuation in 2010.
17. The success of Parliament concerning Pilot Projects and Preparatory Actions should not be measured in the number of PP / PA that become adopted in plenary. Your rapporteurs would rather advise to concentrate on the quality, executability and added value of the PP / PA proposed which might be increased if the resources available for each project / action do not reach a critical amount.
18. Your rapporteurs hope that the Committee on Budgets, in close cooperation with the other EP committees, will be able to arrive at a list of Pilot Projects and Preparatory Actions for the budgetary procedure 2010 as soon as possible.

Budget Line and Title	2008	Status		2009 Budget	2010 Preliminary Draft Budget		
		2009	2010				
PILOT PROJECTS							
1a: Competitiveness for growth and employment							
02 02 03 01 Consolidation of the internal market — Pilot project for cooperation and cluster-building among small and medium-sized enterprises (SMEs)	CPP	CPP	CPP	p.m.	p.m.	p.m.	p.m.
02 02 03 03 Pilot project — Transfer of expertise through mentoring in small and medium-sized enterprises (SMEs)	CPP	CPP	CPP	p.m.	750.000	p.m.	p.m.
02 02 03 04 Erasmus for Young Entrepreneurs	PP2	CPP	CPP	p.m.	1.000.000	p.m.	850.000
02 02 05 01 Enlargement programme for small and middle-sized enterprises (SMEs)	CPP	CPP	CPP	p.m.	180.000	p.m.	p.m.
02 02 05 05 Pilot project — Measures to promote cooperation and partnerships between micro, small and medium-sized enterprises	PP2	CPP	CPP	p.m.	560.000	p.m.	p.m.
02 02 06 Pilot project — Regions of knowledge	CPP	CPP	CPP	p.m.	131.000	p.m.	p.m.
02 02 10 Pilot project — Technology transfer			xx/??	p.m.	p.m.	p.m.	p.m.
02 02 12 Pilot project — Facilitating access to insurance by self-employed builders and small building firms so as to stimulate innovation and the promotion of eco-technologies in the European Union	PP1	PP2	CPP	p.m.	250.000	p.m.	p.m.
04 03 09 Pilot project — Working and living conditions of posted workers		PP1	PP2	1.000.000	1.000.000	p.m.	700.000
04 04 05 Pilot project — Mainstreaming of disability actions: follow-up initiative to the European Year of People with			xx/??	-	p.m.	-	-
04 04 10	PP1	PP2	CPP	p.m.	500.000	p.m.	500.000
RR\428278EN.doc	59/161		PE428.278v03-00				

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Pilot project — Accompanying workers during industrial change

04 04 11	<i>Pilot project — Preventing elder abuse</i>	PP1	PP2	1.000.000	1.000.000	p.m.	500.000
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Budget Line and Title	2008	Status 2009	2010	2009 Budget	2010 Preliminary Draft Budget		
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06 04 07	PP2	CPP	CPP	p.m.	1.500.000	p.m.	1.500.000
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Pilot project — Energy security — Biofuels

06 04 12	PP1	PP2	CPP	p.m.	600.000	p.m.	450.000
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Pilot project — European Framework programme for the development and exchange of experience on sustainable urban development

06 07 02	CPP	CPP	CPP	-	1.655.500	-	570.000
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Pilot project — Security on the trans-European road

15 02 02 06	CPP	CPP	CPP	-	p.m.	-	-
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Pilot project — Individual mobility of upper-secondary

15 02 28			xx/??	-	p.m.	-	-
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Pilot project — European Neighbourhood Policy scholarships at the College of Europe

15 02 29	PP2	CPP	CPP	-	400.000	-	1.200.000
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Pilot project — Cooperation between European Institutes of Technology

15 02 30	PP1	PP2	CPP	p.m.	p.m.	p.m.	p.m.
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Pilot project — European Neighbourhood Policy — Enhance education through scholarships and exchanges

17 03 08	PP1	PP2	CPP	1.000.000	1.500.000	p.m.	600.000
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Pilot project — New employment situation in the health sector: best practices for improving professional training and qualifications of healthcare workers and their remuneration

Total Category 1a				3.000.000	11.026.500	0	6.870.000
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1b: Cohesion for growth and employment

13 03 21	PP1	PP2		5.000.000	5.000.000	p.m.	2.500.000
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Pilot project — Pan-European coordination of Roma

integration methods

13 03 22	PP1	PP2	2.000.000	2.000.000	p.m.	p.m.
<i>Pilot Project — Erasmus for elected local and regional representatives</i>						

Budget Line and Title	2008	Status 2009	2010	2009 Budget	2010 Preliminary Draft Budget	
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13 03 23	PP1	PP2	2.000.000	2.000.000	p.m.	1.000.000
<i>Pilot Project — Enhancing regional and local cooperation through the promotion of EU regional policy on a global scale</i>						

Total Category 1b **9.000.000** **9.000.000** **0** **3.500.000**

Budget Line and Title	2008	2009	Status 2010	2009 Budget	2010 Preliminary Draft Budget	
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PILOT PROJECTS

2: Preservation and management of natural resources

05 01 04 08	PP2	CPP	CPP	p.m.	p.m.	p.m.	p.m.
<i>Sustainable agriculture and soil conservation through simplified cultivation techniques</i>							

05 08 10	PP1	PP2	1.500.000	1.500.000	p.m.	p.m.
<i>Pilot project — Assessing end-user costs of compliance with EU legislation in the fields of environment, animal welfare and food safety</i>						

07 03 11	PP2	CPP	CPP	-	p.m.	-	900.000
<i>Pilot project — Forest protection and conservation</i>							

07 03 15	PP1	PP2	CPP	2.000.000	2.300.000	p.m.	960.000
<i>Pilot project — Sulphur dioxide and nitrogen oxide emission trading in the Baltic Sea</i>							

07 03 16	PP1	PP2	1.000.000	1.000.000	p.m.	p.m.
<i>Pilot Project — Development of prevention activities to halt desertification in Europe</i>						

11 09 02	PP1	PP2	CPP	2.000.000	2.000.000	-	2.400.000
<i>Pilot project — Networking and best practices in maritime policy</i>							

17 01 04 04		xx/??	p.m.	p.m.	p.m.	p.m.
<i>Pilot study — risk financing model for livestock epidemics — Expenditure on administrative management</i>						

17 01 04 06 <i>Pilot project — Improved methods for animal-friendly production</i>	PP1	PP2	CPP	p.m.	p.m.	p.m.	p.m.
17 03 09 <i>Complex research on Health, Environment, Transport and climate change (HETC) - improvement of indoor and outdoor air quality</i>		PP1	PP2	4.000.000	4.000.000	p.m.	1.000.000
Total Category 2				10.500.000	10.800.000	0	5.260.000
3a: Freedom, security and justice							
18 04 09 <i>European-level introduction of a rapid alert mechanism for child abductions or disappearances</i>	PP1	PP2	CPP	p.m.	250.000	p.m.	p.m.
18 05 06 <i>Completion of fight against terrorism</i>	CPP	CPP	CPP	p.m.	2.500.000	p.m.	1.000.000

Budget Line and Title	Status			2009 Budget	2010 Preliminary Draft Budget
	2008	2009	2010		

PILOT PROJECTS

3a: Freedom, security and justice							
18 06 08 <i>Pilot project — Impact assessment of legislative measures in contract law</i>	PP1	PP2	CPP	p.m.	250.000	-	-
Total Category 3a				0	3.000.000	0	1.000.000
3b: Citizenship							
07 04 02 <i>Pilot project — Cross-border cooperation in the fight against natural disasters</i>	CPP	CPP	CPP	-	1.400.000	-	500.000
07 04 04 <i>Pilot project — Step up cooperation between Member States on combating forest fires</i>	PP1	PP2	CPP	p.m.	800.000	p.m.	1.750.000
15 04 45 <i>Pilot project for artist mobility</i>	PP1	PP2	CPP	1.500.000	1.500.000	p.m.	100.000

15 06 01 <i>Pilot project in favour of citizenship</i>	CPP	CPP	CPP	-	p.m.	-	p.m.
16 03 05 02 <i>Completion of pilot project EuroGlobe</i>	PP2	CPP	CPP	p.m.	590.000	p.m.	1.000.000
16 03 06 <i>Pilot project — Pilot information networks (PINs)</i>	PP2	CPP	CPP	-	1.050.000	p.m.	p.m.
Total Category 3b				1.500.000	5.340.000	0	3.350.000

4: The EU as a global partner

07 02 03 <i>Pilot project — Environmental monitoring of the Black Sea Basin and a common European framework programme for the development of the Black Sea region</i>	PP1	PP2	CPP	1.000.000	500.000	p.m.	800.000
19 04 02 <i>Pilot project — European emergency judicial assistance</i>			xx/??	p.m.	p.m.	p.m.	p.m.
19 05 03 <i>Pilot project — Transatlantic methods for handling global challenges</i>	PP2	CPP	CPP	3.000.000	2.500.000	p.m.	750.000
19 06 07 <i>Pilot project — Support for surveillance and protection measures for Community vessels sailing through areas where piracy is a threat</i>		PP1	PP2	1.000.000	1.000.000	p.m.	p.m.

Budget Line and Title	2008	Status 2009	2010	2009 Budget	2010 Preliminary Draft Budget
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PILOT PROJECTS

4: The EU as a global partner

19 08 01 04 <i>Pilot project — Preventive and recovery actions for the Baltic seabed</i>	PP1	PP2	CPP	1.000.000	500.000	p.m.	1.500.000
19 08 01 08 <i>Pilot project — ENP Funding — Preparing staff for the EU-ENP-related jobs</i>		PP1	PP2	2.000.000	2.000.000	p.m.	500.000
21 02 04 <i>Pilot project — Finance for agricultural production</i>		PA1	PA2	2.000.000	2.000.000	p.m.	1.500.000
21 05 01 05 <i>Pilot project — Qualitative and quantitative monitoring of health and education expenditure</i>	PP1	PP2	CPP	p.m.	200.000	p.m.	200.000
22 02 08	PP1	PP2	CPP	3.000.000	1.200.000	p.m.	2.250.000

Pilot project for preserving and restoring cultural heritage in conflict areas

Total Category 4	13.000.000	9.900.000	0	7.500.000
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5: Administration

15 06 07

xx/??

-

p.m.

-

p.m.

Pilot project — European political foundations

26 03 02

PP1

PP2

CPP

1.000.000

1.000.000

-

750.000

Erasmus public administration

Total Category 5

1.000.000

1.000.000

0

750.000

Total Pilot Projects

38.000.000

50.066.500

0

28.230.000

Budget Line and Title	Status			2009 Budget	2010 Preliminary Draft Budget
	2008	2009	2010		

PREPARATORY ACTIONS

1a: Competitiveness for growth and employment

02 02 03 02

CPA

CPA

CPA

p.m.

1.500.000

p.m.

p.m.

Support for small and medium-sized enterprises (SMEs) in the new financial environment

02 02 03 05

PA1

PA2

5.000.000

2.100.000

p.m.

3.600.000

Preparatory action — Erasmus for Young Entrepreneurs

02 02 03 06

PA1

PA2

2.000.000

2.000.000

p.m.

400.000

Preparatory action — Harmonised e-business processes and standards between European SMEs of interrelated industry sectors

02 02 08 01

PA1

PA2

PA3

2.500.000

2.500.000

p.m.

1.300.000

Preparatory action — European Destinations of Excellence

02 02 08 02

PA1

PA2

300.000

300.000

p.m.

200.000

Preparatory action — Sustainable tourism

02 02 08 03

PA1

PA2

1.000.000

1.000.000

p.m.

520.000

Preparatory action — Social tourism in Europe

02 02 09

PA2

PA3

CPA

p.m.

1.200.000

p.m.

1.450.000

Preparatory action — The European Union assuming its role in a globalised world

02 02 11

PA1

PA2

PA3

3.000.000

1.000.000

5.000.000

2.100.000

Preparatory action — GMES operational services

02 02 13

PA1

PA2

1.500.000

1.500.000

p.m.

1.000.000

Preparatory action — Opportunities for internationalisation of SMEs

02 04 02	CPA	CPA	CPA	p.m.	3.000.000	p.m.	1.400.000
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Preparatory action — Enhancement of European security research

04 03 06	PA3	CPA	CPA	-	500.000	-	500.000
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ENEA preparatory action on active ageing and mobility of elderly people

06 04 09	PA1	PA2	PA3	p.m.	900.000	p.m.	1.500.000
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Investment fund for renewable energy and bio-refineries

06 04 13	PA1	PA2	PA3	p.m.	p.m.	p.m.	500.000
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Preparatory action — European islands for a common energy policy

06 07 05	PA1	PA2	PA3	-	2.450.000	-	440.000
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Preparatory action — Facilitation of cross-border traffic at the EU north-east external border-crossing points (from a traffic safety and security aspect)

Budget Line and Title	2008	Status 2009	2010	2009 Budget		2010 Preliminary Draft Budget
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PREPARATORY ACTIONS

1a: Competitiveness for growth and employment

09 03 03	PA3	CPA	CPA	p.m.	1.900.000	-	1.077.000
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Preparatory action for the creation of an Internet-based system for better legislation and for public participation

15 02 23	PA1	PA2	PA3	p.m. 1.000.000	210.000 790.000	-	300.000
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Preparatory action — Erasmus-style programme for apprentices

Total Category 1a				16.300.000	22.850.000	5.000.000	16.287.000
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1b: Cohesion for growth and employment

13 03 24	PA1	PA2	PA3	4.000.000	2.000.000	p.m.	2.000.000
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Preparatory action — Promoting a more favourable environment for micro-credit in Europe

Total Category 1b				4.000.000	2.000.000	0	2.000.000
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2: Preservation and management of natural resources

05 04 03 01	CPA	CPA	CPA	p.m.	p.m.	p.m.	p.m.
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Forestry (outside the EAGF and the EAFRD)

07 03 10 <i>Preparatory action — Natura 2000</i>	PA3	CPA	CPA	p.m.	1.500.000	-	400.000
07 03 13 <i>Preparatory action — An integrated coastal communication and risk management system</i>	PA1	PA2	PA3	p.m.	500.000	-	220.000
07 03 17 <i>Preparatory action — Climate of the Carpathian basin</i>		PA1	PA2	2.500.000	2.500.000	p.m.	p.m.
07 04 05 <i>Preparatory action — EU rapid response capability</i>	PA1	PA2	PA3	7.500.000	7.000.000	p.m.	600.000
11 02 01 03 <i>Preparatory action — Monitoring centre for fisheries market prices</i>		PA1	PA2	4.000.000	4.000.000	-	2.000.000
11 09 01 <i>Preparatory action — Maritime policy</i>	PA1	PA2	PA3	4.100.000	4.100.000	4.100.000	5.300.000
17 04 03 03 <i>Preparatory action — Control posts (resting points) in relation to transport of animals</i>	PA1	PA2	PA3	4.000.000	4.000.000	p.m.	2.000.000

Total Category 2

22.100.000

23.600.000

4.100.000

10.520.000

	Status						
Budget Line and Title	2008	2009	2010	2009 Budget		2010 Preliminary Draft Budget	

PREPARATORY ACTIONS

3a: Freedom, security and justice

18 02 08 <i>Completion of return management in the area of migration</i>	CPA	CPA	CPA	p.m.	1.000.000	p.m.	1.000.000
18 02 10 <i>Preparatory action — Migration management — Solidarity in action</i>	PA2	PA3	CPA	p.m.	1.000.000	p.m.	1.000.000
18 03 06 <i>Completion of Integration of nationals of non-member countries</i>	CPA	CPA	CPA	p.m.	1.000.000	p.m.	774.000
18 04 04 <i>Completion of preparatory action to support civil society in the new Member States</i>	CPA	CPA	CPA	p.m.	270.000	p.m.	150.000
18 04 08 <i>European Cooperation between national and international authorities with responsibility for children's rights and civil society promoting and defending children's rights</i>	PA1	PA2	PA3	p.m.	250.000	p.m.	p.m.
18 04 10 <i>Preparatory action — Standardisation of national</i>	PA1	PA2	PA3	-	500.000	p.m.	1.000.000

legislation on gender violence and violence against

18 05 01 03

Completion of Erasmus for judges (exchange programme for judicial authorities)

PA3	CPA	CPA	p.m.	500.000	p.m.	p.m.
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18 05 04

Completion of preparatory actions for the victims of terrorist acts

PA3	CPA	CPA	p.m.	600.000	p.m.	p.m.
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Total Category 3a

0	5.120.000	0	3.924.000
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3b: Citizenship

15 05 10

Amicus — Association of Member States Implementing a Community Universal Service

PA1	PA2	PA3	p.m.	540.000	-	1.060.000
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15 05 11

Preparatory action in the field of sport

PA1	PA2	6.000.000	6.000.000	1.500.000	1.500.000
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15 06 11

Preparatory action — European Year of Volunteering 2011

PA1	0	0	2.000.000	1.200.000
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16 03 05 01

Preparatory action — EuroGlobe

PA1	PA2	1.500.000	1.500.000	p.m.	p.m.
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Budget Line and Title

2008	Status 2009	2010
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2009 Budget

2010 Preliminary Draft Budget

PREPARATORY ACTIONS

3b: Citizenship

17 02 03

Preparatory action — Monitoring measures in the field of consumer policy

PP1	PA1	PA2	2.000.000	2.000.000	p.m.	p.m.
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17 03 04

Preparatory action — Public Health

xx/??	p.m.	p.m.	p.m.	p.m.
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22 02 05 05

Completion of preparatory actions concerning the impact of enlargement in EU border regions

CPA	CPA	CPA	-	p.m.	-	p.m.
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22 02 05 06

Completion of preparatory action on demining activities in Cyprus

PA2	PA3	CPA	-	p.m.	-	p.m.
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Total Category 3b

9.500.000	10.040.000	3.500.000	3.760.000
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4: The EU as a global partner

09 06 01 02

Preparatory action on the implementation of the MEDIA 2007 programmes in third countries

PA1	PA2	PA3	5.000.000	5.000.000	p.m.	780.000
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19 04 04 <i>Preparatory action — Establish a conflict-prevention</i>	PA3	CPA	CPA	p.m.	1.023.000	p.m.	400.000
19 06 02 02 <i>Preparatory action — Reduce nuclear, biological and chemical weapons and small arms</i>	PA3	CPA	CPA	p.m.	150.000	p.m.	p.m.
19 08 01 05 <i>Minorities in Russia - developing culture, media and civil society</i>	PA1	PA2	PA3	2.500.000	2.500.000	p.m.	2.100.000
19 09 02 <i>Preparatory action — Cooperation with middle income group countries in Latin America</i>	PA1	PA2	PA3	2.000.000	3.000.000	p.m.	3.000.000
19 10 01 03 <i>Preparatory action — Business and scientific exchanges with India</i>	PA2	PA3	CPA	5.000.000	5.000.000	-	4.500.000
19 10 01 04 <i>Preparatory action — Business and scientific exchanges with China</i>	PA2	PA3	CPA	5.000.000	4.000.000	-	4.500.000
19 10 01 05 <i>Preparatory action — Cooperation with middle income group countries in Asia</i>	PA1	PA2	PA3	2.000.000	2.000.000	p.m.	1.300.000
Budget Line and Title	2008	Status 2009	2010	2009 Budget		2010 Preliminary Draft Budget	

PREPARATORY ACTIONS

4: The EU as a global partner

21 04 05 <i>Global Energy Efficiency and Renewable energy Fund (GEEREF)</i>	PA2	PA3	CPA	p.m.	2.200.000	p.m.	1.500.000
21 04 06 <i>Preparatory action — Water management in developing countries</i>	PP2	PA1	PA2	3.000.000	3.000.000	p.m.	3.300.000
21 05 01 06 <i>Preparatory action — Pharmaceutical-related transfer of technology in favour of developing countries</i>	PA1	PA2	PA3	5.000.000	3.000.000	p.m.	2.073.000
21 05 01 07 <i>Preparatory action — Research and development on poverty-related, tropical and neglected diseases</i>	PA1	PA2	PA3	5.000.000	3.000.000	p.m.	2.500.000
Total Category 4				34.500.000	33.873.000	0	25.953.000

Total Preparatory Actions	86.400.000	97.483.000	12.600.000	62.444.000
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WORKING DOCUMENT NR 6 ON HEADING 4 "THE EU AS A GLOBAL PLAYER"

I. *State of play*

- Over the last three budgetary years and even the last financial framework, Heading 4 has been a highly problematic topic, forcing the EU to constantly juggle with reduced margins and accounting tools, with constant jeopardising of existing priorities. It has become complicated for the EU to react properly and efficiently to various crisis that arise in third countries.
- According to Multiannual Financial Framework, Heading 4 has a ceiling, for the year 2010, of EUR 7,893 billion.

Financial programming	2010	2011	2012	2013
Financial framework ceiling	7893	8430	8997	9595
Heading 4	7773	8254	8821	9419
Margin	120	176	176	176

(EUR million)

- The financing of Food Facility is a clear example of this constrained choice between existing priorities and endless negotiations between the two branches of the budgetary authority on its financing despite the clear and unanimous political will to create such a facility: the EUR 1 billion envelope was only made available thanks to recourse to redeployment from Instrument for Stability (detrimental to existing priorities under this programme), to a one-off increase in the amount of the Emergency Aid Reserve (which is not supposed to finance such instruments), and to the extensive use of the Flexibility Instrument.

Overview of Heading 4, by programmes, in commitments appropriations (EUR million)

Pgm	EUROPEAN UNION AS A GLOBAL PLAYER	Budget + ABs 2009	PDB 2010	Diff B2009 / PDB 2010	DB 2010	Diff B2009/ DB 2010
DCI	Development Cooperation Instrument	2375,09	2414,93	1,68%	2403,93	1,21%
IPA	Instrument for Pre-Accession	1518,10	1592,70	4,91%	1543,00	1,64%
ENPI	European Neighbourhood and Partnership Instrument	1617,95	1550,67	-4,16%	1548,87	-4,27%
HUMA	Humanitarian Aid	777,05	800,52	3,02%	800,52	3,02%
CFSP	Common Foreign and Security Policy	242,90	281,54	15,91%	281,54	15,91%
IFS	Instrument for Stability	188,08	219,56	16,74%	219,56	16,74%
FF	Food Facility Instrument	490,00	170,00	-65,31%	170,00	-65,31%
EIDHR	European Instrument for Democracy and Human Rights	157,36	155,54	-1,16%	155,54	-1,16%
MACRO	Macro Financial Assistance	99,00	106,99	8,07%	98,98	-0,02%
LOAN	Loan Guarantee Reserve	92,46	93,81	1,46%	93,81	1,46%
INSC	Instrument for Nuclear Safety	73,97	70,45	-4,76%	70,45	-4,76%

	Cooperation					
ICI	Cooperation with industrialised and other high income countries and territories	25,29	58,39	130,88%	50,24	98,66%
OTH	Other actions and programmes	187,90	138,84	-26,11%	128,38	-31,68%
DAG	Decentralised agencies	14,77	18,28	23,76%	18,28	23,76%
EAR	Emergency Aid Reserve	244,00	248,88	2,00%	248,88	2,00%
	TOTAL HEADING 4	8103,93	7921,09	-2,26%	7831,98	-3,36%
	FINANCIAL FRAMEWORK CEILING	7440,00	7893,00	6,09%		
	MARGIN (1)	-419,93	220,79		309,9	
(1)	The margin for Heading 4 does not take into account the appropriations related to the Emergency Aid Reserve					

A. Preliminary Draft Budget 2010

4. The Commission is clearly aware of the chronic inability of the EU to finance appropriately heading 4, and the inadequacy of its PDB for year 2010 which does not provide with sufficient financing means to fulfil the role of a global player.
5. PDB 2010 perpetuates the continuity of annual financial frames which are far too limited and of artificial margins.
6. Actually, PDB 2010 provides with a global envelope of EUR 7,672 billion in commitments which means, as usual for these matters, taking this heading to the limit of what the MFF allows (EUR 7,893 billion). The margin is therefore EUR 220,8 million. Emergency Aid Reserve is budgeted at EUR 248,9 million¹.
7. Commitments appropriations have to be compared with the level of EUR 8,104 billion adopted in 2009; this represents a decrease of 2,3%. Payments are budgeted at EUR 7,667 billion, a decrease of EUR 657 million (-7,9%)².
8. As far as the margin of EUR 220,8 million is concerned, it does only represent a limited 2,8% of the whole heading; the figure is not even the final one since the Commission has already announced that important topics are, so far, not sufficiently financed in PDB 2010: Palestine, and also possibly Georgia, Kosovo, Cuba, reunification process in Cyprus and climate change are outstanding issues that will be addressed in Amending Letter n°1 (foreseen in beginning of September). Margin will

¹ As foreseen in the IIA of 17 May 2006, Emergency Aid Reserve is included in the overall amounts but does not count when calculating the margin (i.e. it is financed outside the ceiling).

² One should nevertheless understand this peculiar situation in the light of the financing of the Food facility instrument whose appropriations will be mainly financed on 2009 Budget (57% of commitments to be engaged during current year).

therefore be all the more reduced.

9. As several times recalled, such a yearly reiterated two-steps approach does not help global assessment of the real needs in heading 4. Failing that it leads to a comprehensive evaluation of the needs, it explains the net decrease in commitments appropriations for ENPI: after Amending Letter n°1, CA are likely to show a rise compared to 2009 budget.
10. This limited margin is likely to continue shrinking in the last three years of the MFF (2011, 2012 and 2013), since financial programming foresees only EUR 153 million each year, which represent, at the moment, 1,85 % of financial ceiling in 2011, 1,73% in 2012, and 1,63% in 2013.

B. *Draft Budget 2010*

11. In its First reading on 10 July 2009, Council has, as a matter of routine, decreased appropriations in both payments and commitments despite shared analysis of deeply worrying under financing of this heading. Furthermore, while in 2009 Council increased appropriations on a very limited number of lines, 2010 Draft Budget on the contrary do not foresee any increase that could alleviate the sharp decrease of appropriations under heading 4.
12. Whereas Draft Budget reduces whole PDB by 0,44% in commitments and 1,47 % in payments, it decreases Heading 4 by 1,12 % in commitments and payments by 6,63%. In absolute figures, the level of commitments is reduced by an amount of EUR 89 million, and by an amount of EUR 508 million in payments. Hence, the DB 2010 proposes, compared to Budget 2009, a sharp decrease of 3,4 % in commitments and 14 % in payments.
13. In its presentation of DB 2010, the Council underlines that past and current budget implementation and realistic absorption capacities have motivated the reduction of appropriations on specific budget lines.
14. Surprisingly enough, some of the lines drastically reduced by the Council show on the contrary improved implementation figures in 2009. As a matter of example, DB 2010 reduces payments for EIDHR (line 19 04 01) by EUR 29,3 million (a drop of 31,8 %), whereas implementation is 25% as of 29 June 2009. At the same date last year, implementation was only 2 %, but DB 2009 did not reduce appropriations for this instrument.
15. As far as Micro financial assistance is concerned (01 03 02), DB 2010 proposes a net decrease of 7,5 % in commitments and 18,9 % in payments; this situation is all the more worrying as such an instrument would help mitigating the consequences of the financial and economic crisis in third countries; besides, PDB 2010 proposes a clear increase of 8,1 % in commitments for MFA.
16. Council's Draft Budget therefore puzzles your rapporteur who cannot find out whether the logic behind the reducing of some lines is purely a random choice, an unconfessed

political statement, or a tool for creating an artificial margin to accommodate pre-announced new needs.

17. As a direct effect of these reductions, the margin available under heading 4 in DB 2010 has been raised to EUR 309,9 million (EUR 220,8 million in PDB 2010); this margin is increased to face the coming additional requirements of the Commission in its Amending Letter n°1, as explained in the unilateral declaration n°2 by the Council of 10 July 2009.
18. Your rapporteur, with the unanimous support of the EP delegation to conciliation, expressed his absolute opposition to such a declaration which stresses the Council permanent refusal to tackle the unbearable under financing of the heading; on the contrary, EP delegation has adopted its own declaration on heading 4, which underlines the absolute necessity of a multiannual assessment of the needs, and which is in line with all EP declarations adopted during last years' conciliations.

II. Instruments

19. Development Cooperation Instrument (DCI) is proposed a slight increase of 1,7 % in PDB and 1,2 % increase in DB, for a total amount of EUR 2,414 billion in CA in PDB and EUR 2,403 billion in DB, representing 30,5 % of the whole financing of Heading 4. As programmed, regional assistance programmes account for more than 50 % of the whole instrument. Two priorities which could necessitate further fine-tuning in commitments in the course of the budgetary procedure have already been identified: EU assistance to Afghanistan and Pakistan, and supporting measures in main ACP banana exporting countries.
20. Instrument for Pre-accession assistance (IPA) is allocated an overall envelope of EUR 1,592 billion in PDB, and EUR 1,543 billion in DB, half of commitments being programmed for Transition and Institution Building Assistance. The EU is expected to enter in 2010 in a key period for accession negotiations.
21. European Neighbourhood and Partnership Instrument (ENPI) is budgeted EUR 1,551 billion, a drop of EUR 67 million (-4,14 %). As already mentioned, appropriations for Palestine will be fine-tuned at a later stage, which will likely lead to a net increase of ENPI envelope compared to 2009. DB slightly reduces appropriations for ENPI (decrease of EUR 1,8 million for the whole instrument), and 51% of the appropriations are intended to Mediterranean countries, as programmed. As far as ENPI Eastern Europe is concerned, the PDB increase (+13,38 %) is confirmed by the Council.
22. As far as Aid for rehabilitation and reconstruction of Georgia is concerned (new line 19 08 01 07), the Commission shows the same reluctance as in 2009 to identify clearly European budgetary and financial support to this country in the aftermath of the August 2008 conflict.
23. The three new budget lines (19 09 03, 19 10 04 and 21 06 06) proposed by the Commission are created to reflect the proposal included in the framework of the mid-

term review of financial instruments for external actions: the Instrument for Cooperation with Industrialised Countries (ICI) will be amended in order to allow the financing of actions other than development assistance in countries covered by the DCI. This action is therefore a legislative follow-up of three preparatory actions and other actions financed under DCI.

24. Common Foreign and Security Policy budget (Chapter 19 03) is significantly increased in PDB 2010 (+ EUR 39 million, for a total amount of EUR 281,5 million, which represents an increase of 15,9 % in commitments). This substantial increase, foreseen by financial programming, is welcome since EU Monitoring Mission in Georgia is expected to be prolonged in 2010.
25. In its March 2009 conclusions, the Council stresses that CFSP has a constantly growing role and should therefore continue to be adequately funded. Your rapporteur could not agree more with such an approach, but wishes to recall that CFSP is mainly funded from EU budget. Nevertheless, and despite good cooperation and fruitful exchange of views between the two branches of the budgetary authority in the framework of the regular meetings with the PSC Presidency¹, the Parliament has expressed its concerns about the relative lack of forward-looking and prospective approach during these meetings; furthermore, it regrets that the Council does not intend to communicate more on the financing of ESDP actions, despite the provisions of the IIA of 17 May 2006. Your rapporteur firmly believes that an improved exchange of information in this matter would strengthen common reflexion on ESDP and more generally on CFSP which is financed under EU budget.
26. Following agreement during November 2008 conciliation, Instrument for Stability (IfS) has been redeployed to finance Food facility by EUR 240 million, and the mitigation of the consequences of this redeployment on IfS is secured via a pre-financing of EUR 100 million by back-loading spending of other envelopes (DCI, IPA and ENPI); these contributions will be compensated back in 2011-2013 from IfS. The need for such an accounting operation, supported by the rapporteur in order to keep net increases for all concerned programmes over the years 2010-2013 and avoid decreases in appropriations for IfS, highlights, once more, the extreme tension and low margin of manoeuvre in this heading.

III. Conclusive remarks and mid-term perspective

27. Given the current situation in third countries where the EU has a role to play, given the cuts by the Council, and given the likelihood of forth coming crisis, your rapporteur is of the opinion that the margin in heading 4 will be used as much as possible.
28. Since this might not even suffice to meet the challenges faced by a global player, it is not unlikely that your rapporteur, in order to secure the proper financing of this heading, could propose to resort to every means and instruments as foreseen in the IIA of 17 may 2006.

¹ as foreseen in point 43 of the IIA of 17 May 2006

29. As already stressed¹, the unforeseen needs in heading 4 can only be financed under this heading and the proposal to finance them from available margins of other headings is both inappropriate and confusing.
30. In that respect, your rapporteur wishes to recall that Parliament has in numerous occasions called for a thorough evaluation to increase the amounts available under this heading on a permanent basis, and has proposed to the other branch of the budgetary authority to review the ceilings for heading 4 during mid-term review process of the Multiannual Financial Framework².
31. Contrary to the Council which states that adequacy of means to Union's ambitions implies sufficient margins in this heading³, your rapporteur is of the firm opinion that Union's ambitions cannot be fulfilled with such a tight budget and that available margins should be used to respond to EU's priorities. As a way of consequence, the EU has to reconsider the financing of its policies and instruments as a global player to allow flexible, effective and swift reply to unexpected needs without jeopardising existing priorities.

¹ Opinion of the Committee on Budgets for the Committee on Development on the proposal for a regulation establishing a facility for rapid response to soaring food prices in developing countries (2008/0149(COD))

² In that respect, your rapporteur regrets that the report of the Commission on the evaluation of the situation within heading 4, as foreseen by unilateral declarations by the European Parliament and by the Commission at November 2008 conciliation, was not ready at the time this Working Document was made.

³ Council conclusions on the budget guidelines for 2010

I. General comments

1. In its First reading after the traditional conciliation with EP the Council adopted the Draft Budget on 10 July 2009.¹ The rapporteur stresses that the priorities of the EP, as stated in the guidelines² and the recommendations of the mandate³ were not taken into consideration and he deplores that the Council has, once again, made linear cuts on the PDB and left unsolved the outstanding issues.

It is recalled that the recommendation of the Mandate were the following:

- financing of the second step of the European Recovery Plan and monitoring on the implementation of the first step; state of play on Commission's latest proposals (employment and financial supervision).
 - follow-up to the European Economic Recovery Plan (research, SMEs, TEN-T and E, European Globalisation Adjustment Fund) including EIB activities
 - security of energy supply
 - financing of climate change measures (at EU level and externally)
 - implementation of structural funds
 - implementation of new lines created by the Budgetary Authority in Budget 2009 and follow-up in Budget 2010
 - efficiency of implementation of communication policy
2. The rapporteur notes also that such an approach would not be in line with the perspective of the new budgetary procedure to be established by the Treaty of Lisbon: Should it enter into force, the Council will need to carry out a more constructive vote already in its sole reading.
 3. Even when comparing the PDB in both commitments and payments with budget 2009, the results were unsatisfactory: The Council sets the global level of commitment appropriations for the Budget at EUR 137,9 billion. This represents a reduction of EUR 612,9 mio compared to PDB (- 0,44%), although a global increase of EUR 1,5 billion (+ 1,09%) compared to Budget 2009.

¹ Council document 11620/09 of 6 July 2009

² European Parliament resolution of 10 March 2009 on the guidelines for the 2010 budget procedure, Section III – Commission (2009/2005(BUD))

³ 23 June 2009

4. This would result in an overall margin of EUR 2,37 billion, compared to the margin left by the PDB 2010 of EUR 1,76 billion.

Table 1 shows the commitments summary by heading:

Commitments, in million €							
	Ceiling	2009 Budget	2010 PDB	2010 DB	Diff DB-PDB	Diff DB-PDB %	Diff DB-B'2009 %
1: Sustainable Growth	61.782	62.201,68	62.151,50	62.051,68	-99,82	-0,16%	-0,24%
<i>Margin</i>			130,50	230,32			
1 A Competitiveness for growth and employment	12.388	13.774,79	12.769,41	12.669,59	-99,82	-0,78%	-8,72%
1.B: Cohesion for growth and employment	49.394	48.426,88	49.382,09	49.382,09	0		+1,93%
2: Preservation and Management of Natural Resources	60.113	56.721,43	59.003,70	58.640,33	-363,37	-0,62%	+3,27%
3: Citizenship, Freedom, Security and Justice	1.693	1.526,67	1.629,45	1.608,40	-21,05	-1,29%	+5,08%
3.A: Freedom, security and justice	1.025	863,93	980,19	974,27	-5,92	-0,60%	+11,33%
3.B: Citizenship	668	662,75	649,27	634,13	-15,14	-2,33%	-4,51%
4: The EU as a Global Partner	7.893	8.103,93	7.921,09	7.831,99	-89,11	-1,12%	-3,47%
5: Administration	8.008	7.694,93	7.851,40	7.811,85	-39,56	-0,50%	+1,50%
TOTAL:	139.489	136.248,65	138.557,14	137.944,24	-612,90	-0,44%	+1,24%

5. The Council justifies its position for linear cuts "on the basis of past and current budgetary implementation and realistic absorption capacities." The proposed cuts on payments are not an incentive for the Commission to optimise implementation, nor are they a positive signal towards the European citizens and they limit the possibility to develop EU policies.

II. Analysis Heading by Heading

6. Heading 1A

The Council sets the global level of commitment appropriations for the sub-heading at EUR 12.169,58. This represents a reduction of EUR 99,82 mio compared to PDB and a decrease of 8,72% compared to budget 2009.

7. Heading 1B

The Council maintains the PDB as regards commitment appropriations, i.e. EUR 49.382 billion.

The DB foresees payments of EUR 36.089 billion, which is 0,8% less than PDB, totalling EUR 293,10 million. These reductions affect the European Regional Development Fund, the European Social Fund and the completion of the programmes of the previous programming period (2000-2006). Compared to the 2009 budget, the payment appropriations would grow +3,12%, which is a bit more than the growth of commitments in Heading 1b (+1,97%).

Available margin in Heading 1B: EUR 11,91 million.

8. Heading 2

The DB foresees commitment appropriations of EUR 58,64 billion, which is EUR 363,37 million (-0,6%) less than in the PDB. The decrease consists of a reduction of

EUR 118,77 million to 'Interventions in agricultural markets', reductions to 'Clearance of accounts' and smaller cuts to fisheries policy (- EUR 10,44 million). Compared to Budget 2009, DB shows an increase to CA of +3,27%.

Available margin in Heading 2: EUR 1.472,67 million.

The DB foresees payment appropriations of EUR 57,583 billion, which is EUR 491,48 million (-0,8%) less than in the PDB. Moreover, the Council **reduces** PA for Rural development by EUR 98 million, fisheries policy area by EUR 11,04 million and the environment policy area by EUR 26,715 million, notably the payments of LIFE+ (- EUR 25,05 million, -15% compared to PDB and -44,8% compared to Budget 2009). Compared to Budget 2009, DB shows an increase to PA of +8,71%.

9. Heading 3 A

The Council makes limited cuts in the amounts proposed by the Commission in the PDB for Heading 3A: these cuts amount to EUR 5,917 millions (-0,6%) and EUR 27,897 mio (-3,87%) in payments. The overall amounts of this heading would then be EUR 974,27 mio. in commitments and EUR 692,113 mio. in payments.

Available margin in Heading 3A: EUR 50,729 millions.

11. Heading 3B

Within the heading 3B, the Council has reduced the level of appropriations both, in commitments and payments (EUR -15,14 mio in CA and EUR - 26,19 mio in PA). DB figure would be then EUR 634,13 mio in commitments and EUR 613,53 mio in payments. This represents a decrease of 2,33% in commitments and 4,09% in payments compared to the PDB 2010 figures; and to - 4,51 % in commitments and -12,59 % in payments, compared to the budget 2009. Thus, the available margin would be EUR 33.872 mio (2010 MFF ceiling: EUR 668 mio).

When comparing to the PDB 2010 figures, **the main cuts** concern communications and information policy area (-10,4% in CA and -7,8% in PA), Civil Protection Financial Instrument (-6% in CA 17% in PA) and Health and consumer protection (-0,7% in CA and -13,4 in PA) and Education and Culture (-2% in CA and PA).

12. Heading 4

Already the PDB reduced CA to EUR 7,92 billion, compared to EUR 8,10 billion in 2009; this represents a decrease of 2,3%. The DB decreases further the CA by EUR 89,1 mio. which represents - 3,52 %. Also Payments are budgeted at EUR 7,16 billion, a decrease of EUR 508,348 mio compared to PDB 2010 (-16,32% compared to budget 2009).

The margin then available is created by these cuts and the Council is putting forward an amount of EUR 309,9 million.

CFSP budget (Chapter 19 03), significantly increased in PDB 2010 (+ EUR 39 million, for a total amount of EUR 281,5 million, which represents an increase of 15,9% in commitments) is excluded from the cuts by the Council.

13 Heading 5

The Commission's PDB amounts to EUR 7.851,40 mio, including pensions for all the institutions. This represents an increase on Budget 2009 by 1,5 % (excluding pensions).

Council has proposed a reduction of EUR 40 mio. compared to the PDB (a small detail in the overall picture) DB figure being EUR 7.811,85.

14. The overall figures for Commitments and Payments, as well as the differences compared to PDB 2010 and Budget 2009, are detailed in Annex 1 (Summary by Category and Policy Area).

15. Other institutions

Significant cuts (from 2 to 10%) were also brought by the Council to the other institutions' budgets.¹ With the exception of Parliament's budget in accordance with 1970 Gentleman's agreement, the cuts mainly concern staff expenditure (remuneration and allowances, as well as other staff), multilingualism and publications.

Expenditure in Heading 5 is being dealt with in a separate Working Document n° 8.

III. Outcome of the conciliation EP/Council

16. The conciliation preceding Council First reading took place on 10 July. EP delegation was still representing the Sixth European Parliament. Based on a "mandate report" it became clear that the committee on Budgets had a critical view towards the Councils attitude to make linear cuts to the Commissions PDB. It underlined:

- that it would have expected from Council to have a more rationalised approach especially taking into account the financial crisis and a possible entry into force of the Lisbon Treaty and the new budgetary procedure.
- the unrealistic approach of the Council towards Heading 4, chronically underfinanced
- that no strategy was presented to finance the remaining amount (EUR 2,4 bio.) of the Recovery Plan.

17. The most striking examples for cuts which seem not justified under the present circumstances are (concerning commitments):

- 01 03 02 macro-economic assistance (- EUR 8 Mio.),
- 02 01 04 04 - CIP programme (- EUR 2,9 Mio),
- 05 02 15 06 specific aid for bee-keeping (- EUR 1,5 Mio.),
- 06 02 03 support activities to the European transport policy and passenger rights (- 2 Mio.),

18. Level of payments

The most striking examples for cuts which seem unjustified under the present circumstances are:

- 07 03 07 LIFE + (- EUR 25 Mio.),
- 08 04 01 FP 7 cooperation, nanosciences (-EUR 25 Mio),
- 08 07 01 FP 7 cooperation, Transport (- EUR 19 Mio.),

¹ Council document 11621/09 of 6 July 2009

- 08 10 01 FP 7 Ideas (- EUR 30 Mio.),
- 08 11 01 FP 7 People (- EUR 20 Mio.),
- 15 02 22 Lifelong Learning programme (- EUR 20 Mio.),
- 18 03 03 European Refugee fund (- EUR 1 Mio),
- 18 03 10 European Return fund (- EUR 2 Mio).

19. Your rapporteur recalls that now the newly constituted EP will take position on Council's amendments and proceed to its First reading in line with its priorities laid down in the guidelines and the mandate report, as well as tackle the issues it considers of mayor importance. The deadlines for committees and political groups are 9 September and 16 September: The committee on Budgets will vote during its meeting of 28 - 30 September 2009.

Annex I

Draft budget 2010 - summary by Category and Policy Area

Heading Title and Ceiling		2009 Budget		2010 PDB		2010 Draft Budget		Difference (DB:PDB)			
1: Sustainable Growth		62.201.681.669	46.069.734.302	62.151.502.345	47.364.656.303	62.051.681.345	46.663.225.303	-99.821.000	-0,16%	-701.431.000	-1,48%
	61.782.000.000		Margin*	130.497.655		230.318.655					
1.1: Competitiveness for growth and employment		13.774.797.000	11.106.385.513	12.769.410.253	10.982.271.303	12.669.589.253	10.573.940.303	-99.821.000	-0,78%	-408.331.000	-3,72%
	12.388.000.000		Margin*	218.410.747							
01 - Economic and Financial Affairs		181.150.000	214.167.500	183.000.000	152.445.000	181.500.000	147.445.000	-1.500.000	-0,82%	-5.000.000	-3,28%
02 - Enterprise		577.891.600	515.956.600	690.333.100	541.424.800	674.956.100	518.777.800	-15.377.000	-2,23%	-22.647.000	-4,18%
03 - Competition		0	0	0	0	0	0	0		0	
04 - Employment and Social Affairs		218.526.000	190.068.125	229.920.593	198.080.593	226.675.593	179.985.593	-3.245.000	-1,41%	-18.095.000	-9,14%
06 - Energy and Transport		4.632.207.400	2.446.725.738	2.777.063.360	2.764.765.710	2.764.740.360	2.683.242.710	-12.323.000	-0,44%	-81.523.000	-2,95%
08 - Indirect Research		4.649.188.000	4.951.640.350	5.156.268.000	4.193.063.000	5.110.968.000	3.979.313.000	-45.300.000	-0,88%	-213.750.000	-5,10%
09 - Information Society		1.350.976.000	1.206.699.000	1.466.292.200	1.445.641.200	1.461.056.200	1.425.405.200	-5.236.000	-0,36%	-20.236.000	-1,40%
10 - Direct Research		370.840.000	365.720.000	383.321.000	391.547.000	371.071.000	376.557.000	-12.250.000	-3,20%	-14.990.000	-3,83%
12 - Internal Market		9.200.000	9.146.200	14.800.000	12.600.000	14.100.000	11.100.000	-700.000	-4,73%	-1.500.000	-11,90%
13 - Regional Policy		15.000.000	15.000.000	15.000.000	15.000.000	15.000.000	15.000.000	0		0	
14 - Taxation and Customs Union		74.675.000	49.477.000	78.090.000	50.572.000	77.550.000	46.232.000	-540.000	-0,69%	-4.340.000	-8,58%
15 - Education and Culture		1.083.368.000	1.061.155.000	1.149.198.000	1.116.132.000	1.148.098.000	1.095.032.000	-1.100.000	-0,10%	-21.100.000	-1,89%
17 - Health and Consumer Protection		1.000.000	1.500.000	0	600.000	0	600.000	0		0	
20 - Trade		30.000	0	0	0	0	0	0		0	
24 - Fight against Fraud		20.500.000	16.300.000	21.600.000	16.400.000	20.500.000	12.400.000	-1.100.000	-5,09%	-4.000.000	-24,39%
26 - Administration		32.700.000	37.400.000	39.200.000	39.100.000	38.200.000	38.100.000	-1.000.000	-2,55%	-1.000.000	-2,56%
27 - Budget		0	0	0	0	0	0	0		0	
29 - Statistics		57.575.000	25.400.000	65.324.000	44.900.000	65.174.000	44.750.000	-150.000	-0,23%	-150.000	-0,33%
40 - Reserves		500.000.000	0	500.000.000	0	500.000.000	0	0		0	
1.2: Cohesion for growth and employment		48.426.884.669	34.963.348.789	49.382.092.092	36.382.385.000	49.382.092.092	36.089.285.000	0		-293.100.000	-0,81%
	49.394.000.000		Margin	11.907.908		11.907.908					
04 - Employment and Social Affairs		10.809.647.498	10.862.900.000	10.844.464.982	8.232.900.000	10.844.464.982	8.108.232.000	0		-124.668.000	-1,51%
13 - Regional Policy		37.528.381.832	24.055.448.789	38.446.994.664	28.086.385.000	38.446.994.664	27.917.953.000	0		-168.432.000	-0,60%
19 - External Relations		88.855.339	45.000.000	90.632.446	63.100.000	90.632.446	63.100.000	0		0	
2: Preservation and Management of Natural Resources		56.721.437.011	52.566.129.680	59.003.698.302	58.074.905.809	58.640.332.302	57.583.424.809	-363.366.000	-0,62%	-491.481.000	-0,85%
	60.113.000.000		Margin	1.109.301.698		1.472.667.698					
05 - Agriculture and Rural Development		55.034.299.534	51.011.679.530	57.318.684.633	56.774.802.586	56.966.783.633	56.324.101.586	-351.901.000	-0,61%	-450.701.000	-0,79%
07 - Environment		384.710.000	395.872.150	342.113.000	254.318.000	342.113.000	227.603.000	0		-26.715.000	-10,50%
11 - Fisheries		977.752.477	883.503.000	970.990.669	789.075.223	960.550.669	778.035.223	-10.440.000	-1,08%	-11.040.000	-1,40%

17 - Health and Consumer Protection		324.675.000	275.075.000	371.910.000	256.710.000	370.885.000	253.685.000	-1.025.000	-0,28%	-3.025.000	-1,18%
3: Citizenship, Freedom, Security and Justice	1.693.000.000	1.526.673.377	1.308.185.377	1.629.452.370	1.359.727.870	1.608.398.370	1.305.643.870	-21.054.000	-1,29%	-54.084.000	-3,98%
			<i>Margin</i>	<i>63.547.630</i>		<i>84.601.630</i>					
3.1: Freedom, security and justice	1.025.000.000	863.925.000	617.440.000	980.187.370	720.010.370	974.270.370	692.113.370	-5.917.000	-0,60%	-27.897.000	-3,87%
			<i>Margin</i>	<i>44.812.630</i>		<i>50.729.630</i>					
18 - Justice and Home Affairs		863.925.000	617.440.000	980.187.370	720.010.370	974.270.370	692.113.370	-5.917.000	-0,60%	-27.897.000	-3,87%

Heading Title and Ceiling		2009 Budget		2010 PDB		2010 Draft Budget		Difference (DB:PDB)			
3.2: Citizenship	668.000.000	662.748.377	690.745.377	649.265.000	639.717.500	634.128.000	613.530.500	-15.137.000	-2,33%	-26.187.000	-4,09%
			<i>Margin</i>	<i>18.735.000</i>		<i>33.872.000</i>					
04 - Employment and Social Affairs		680.000	680.000	0	150.000	0	150.000	0		0	
07 - Environment		19.090.000	18.190.000	18.550.000	14.800.000	17.450.000	12.700.000	-1.100.000	-5,93%	-2.100.000	-14,19%
09 - Information Society		107.940.000	95.610.000	112.005.000	103.676.500	111.945.000	103.616.500	-60.000	-0,05%	-60.000	-0,06%
13 - Regional Policy		11.785.377	11.785.377	0	0	0	0	0		0	
15 - Education and Culture		229.583.000	216.471.000	226.674.000	205.887.000	226.004.000	200.217.000	-670.000	-0,30%	-5.670.000	-2,75%
16 - Press and Communication		98.000.000	95.290.000	93.350.000	84.800.000	83.700.000	78.300.000	-9.650.000	-10,34%	-6.500.000	-7,67%
17 - Health and Consumer Protection		195.670.000	202.517.000	198.686.000	180.504.000	195.029.000	168.647.000	-3.657.000	-1,84%	-11.857.000	-6,57%
22 - Enlargement		0	50.202.000	0	49.900.000	0	49.900.000	0		0	
4: The EU as a Global Partner	7.893.000.000	8.103.930.360	8.324.169.158	7.921.091.270	7.664.618.753	7.831.985.270	7.156.270.753	-89.106.000	-1,12%	-508.348.000	-6,63%
			<i>Margin*</i>	<i>220.790.730</i>		<i>309.896.730</i>					
01 - Economic and Financial Affairs		191.460.000	203.472.500	200.795.000	204.810.000	192.795.000	183.810.000	-8.000.000	-3,98%	-21.000.000	-10,25%
04 - Employment and Social Affairs		78.800.000	68.790.250	89.175.000	31.510.000	78.875.000	17.010.000	-10.300.000	-11,55%	-14.500.000	-46,02%
05 - Agriculture and Rural Development		127.960.000	347.285.000	176.275.322	137.975.322	160.275.322	137.975.322	-16.000.000	-9,08%	0	
06 - Energy and Transport		2.940.000	5.240.000	3.188.250	4.188.250	3.188.250	4.188.250	0		0	
07 - Environment		4.250.000	6.750.000	3.300.000	5.355.000	3.300.000	5.355.000	0		0	
09 - Information Society		5.000.000	5.000.000	0	780.000	0	780.000	0		0	
13 - Regional Policy		291.610.765	421.795.000	364.733.079	599.225.000	346.133.079	585.025.000	-18.600.000	-5,10%	-14.200.000	-2,37%
14 - Taxation and Customs Union		1.700.000	2.000.000	1.200.000	1.200.000	1.200.000	1.200.000	0		0	
15 - Education and Culture		23.569.000	21.727.000	26.994.000	24.194.000	23.994.000	22.334.000	-3.000.000	-11,11%	-1.860.000	-7,69%
17 - Health and Consumer Protection		276.000	276.000	400.000	400.000	400.000	400.000	0		0	
19 - External Relations		3.671.701.160	3.222.966.429	3.704.447.009	3.164.557.031	3.679.041.009	3.099.251.031	-25.406.000	-0,69%	-65.306.000	-2,06%
20 - Trade	14.437.000	12.900.000	13.930.000	16.930.000	13.930.000	16.930.000	0	0		0	
21 - Development and Relation with A.C.P. Countries		1.636.123.200	1.422.077.250	1.316.649.939	1.322.252.000	1.313.649.939	1.317.052.000	-3.000.000	-0,23%	-5.200.000	-0,39%
22 - Enlargement		1.033.052.235	1.562.838.729	970.603.671	1.101.842.150	965.803.671	964.442.150	-4.800.000	-0,49%	-137.400.000	-12,47%
23 - Humanitarian Aid		777.051.000	777.051.000	800.518.000	800.518.000	800.518.000	800.518.000	0		0	
40 - Reserves		244.000.000	244.000.000	248.882.000	248.882.000	248.882.000	0	0		-248.882.000	-100%
5: Administration	8.008.000.000	7.694.930.901	7.694.930.901	7.851.402.677	7.851.897.677	7.811.846.585	7.812.341.585	-39.556.092	-0,50%	-39.556.092	-0,50%
			<i>Margin*</i>	<i>236.597.323</i>		<i>276.153.415</i>					

01 - Economic and Financial Affairs	69.293.310	69.293.310	71.875.013	71.875.013	71.625.422	71.625.422	-249.591	-0,35%	-249.591	-0,35%
02 - Enterprise	86.348.378	86.348.378	85.929.424	85.929.424	85.593.364	85.593.364	-336.060	-0,39%	-336.060	-0,39%
03 - Competition	90.429.058	90.429.058	90.807.891	90.807.891	90.450.799	90.450.799	-357.092	-0,39%	-357.092	-0,39%
04 - Employment and Social Affairs	79.184.770	79.184.770	79.008.954	79.008.954	78.704.210	78.704.210	-304.744	-0,39%	-304.744	-0,39%
05 - Agriculture and Rural Development	119.373.045	119.373.045	118.948.707	118.948.707	118.475.232	118.475.232	-473.475	-0,40%	-473.475	-0,40%
06 - Energy and Transport	104.805.249	104.805.249	110.850.619	110.850.619	110.398.179	110.398.179	-452.440	-0,41%	-452.440	-0,41%
07 - Environment	74.942.146	74.942.146	74.993.402	74.993.402	74.704.549	74.704.549	-288.853	-0,39%	-288.853	-0,39%
08 - Indirect Research	10.960.827	10.960.827	10.304.485	10.304.485	10.260.550	10.260.550	-43.935	-0,43%	-43.935	-0,43%
09 - Information Society	48.335.141	48.335.141	48.917.082	48.917.082	48.715.634	48.715.634	-201.448	-0,41%	-201.448	-0,41%
11 - Fisheries	35.383.520	35.383.520	35.843.563	35.843.563	35.704.278	35.704.278	-139.285	-0,39%	-139.285	-0,39%
12 - Internal Market	56.863.786	56.863.786	58.481.734	58.481.734	58.261.123	58.261.123	-220.611	-0,38%	-220.611	-0,38%
13 - Regional Policy	66.447.808	66.447.808	67.021.225	67.021.225	66.740.786	66.740.786	-280.439	-0,42%	-280.439	-0,42%
14 - Taxation and Customs Union	54.991.297	54.991.297	55.128.901	55.128.901	54.920.908	54.920.908	-207.993	-0,38%	-207.993	-0,38%

Heading Title and Ceiling	2009 Budget		2010 PDB		2010 Draft Budget		Difference (DB:PDB)			
15 - Education and Culture	69.944.311	69.944.311	74.027.894	74.027.894	73.776.433	73.776.433	-251.461	-0,34%	-251.461	-0,34%
16 - Press and Communication	116.732.004	116.732.004	119.452.376	119.197.376	119.192.503	118.937.503	-259.873	-0,22%	-259.873	-0,22%
17 - Health and Consumer Protection	102.171.318	102.171.318	100.297.114	100.297.114	99.945.631	99.945.631	-351.483	-0,35%	-351.483	-0,35%
18 - Justice and Home Affairs	60.216.044	60.216.044	59.618.231	59.618.231	59.380.792	59.380.792	-237.439	-0,40%	-237.439	-0,40%
19 - External Relations	311.207.972	311.207.972	313.027.855	313.027.855	311.882.254	311.882.254	-1.145.601	-0,37%	-1.145.601	-0,37%
20 - Trade 65.749.531	65.749.531	65.113.060	65.113.060	64.863.705	64.863.705	-249.355	-0,38%	-249.355	-0,38%	
21 - Development and Relation with A.C.P. Countries	257.903.446	257.903.446	261.114.102	261.114.102	260.173.819	260.173.819	-940.283	-0,36%	-940.283	-0,36%
22 - Enlargement	47.696.207	47.696.207	48.868.407	48.868.407	48.690.641	48.690.641	-177.766	-0,36%	-177.766	-0,36%
23 - Humanitarian Aid	19.897.000	19.897.000	19.889.181	19.889.181	19.812.060	19.812.060	-77.121	-0,39%	-77.121	-0,39%
24 - Fight against Fraud	57.851.000	57.851.000	57.145.000	57.145.000	57.145.000	57.145.000	0		0	
25 - Commission's Policy Co-ordination & Legal Advice	187.325.100	187.325.100	186.897.970	186.897.970	186.242.211	186.242.211	-655.759	-0,35%	-655.759	-0,35%
27 - Budget	69.139.735	69.139.735	68.247.319	68.247.319	68.051.947	68.051.947	-195.372	-0,29%	-195.372	-0,29%
28 - Audit 10.683.371	10.683.371	10.616.423	10.616.423	10.575.759	10.575.759	-40.664	-0,38%	-40.664	-0,38%	
29 - Statistics	75.776.692	75.776.692	75.743.971	75.743.971	75.445.303	75.445.303	-298.668	-0,39%	-298.668	-0,39%
30 - Pensions	1.159.931.000	1.159.931.000	1.214.092.000	1.214.092.000	1.214.092.000	1.214.092.000	0		0	
31 - Language Services	388.773.640	388.773.640	386.916.993	386.916.993	385.421.315	385.421.315	-1.495.678	-0,39%	-1.495.678	-0,39%
40 - Reserves	0	0	0	0	0	0	0		0	
S1 - PARLIAMENT	1.529.970.930	1.529.970.930	1.590.012.726	1.590.012.726	1.590.012.726	1.590.012.726	0		0	
S2 - COUNCIL	602.852.000	602.852.000	615.152.000	615.152.000	610.052.000	610.052.000	-5.100.000	-0,83%	-5.100.000	-0,83%
S4 - COURT OF JUSTICE	314.954.433	314.954.433	329.240.000	329.240.000	322.869.003	322.869.003	-6.370.997	-1,94%	-6.370.997	-1,94%
S5 - COURT OF AUDITORS	187.644.296	187.644.296	151.146.000	151.146.000	146.292.216	146.292.216	-4.853.784	-3,21%	-4.853.784	-3,21%
S6 - ECONOMIC AND SOCIAL COMMITTEE	120.710.809	120.710.809	124.744.413	124.744.413	122.284.695	122.284.695	-2.459.718	-1,97%	-2.459.718	-1,97%
S7 - COMMITTEE OF THE REGIONS	76.451.720	76.451.720	82.398.133	82.398.133	77.986.675	77.986.675	-4.411.458	-5,35%	-4.411.458	-5,35%
S8 - OMBUDSMAN	8.906.880	8.906.880	9.543.000	9.543.000	8.907.275	8.907.275	-635.725	-6,66%	-635.725	-6,66%

S9 - DATA PROTECTION SUPERVISOR		6.663.026	6.663.026	7.383.361	7.383.361	6.684.351	6.684.351	-699.010	-9,47%	-699.010	-9,47%
6: Compensations		209.112.912	209.112.912	0	0	0	0	0		0	
	0		Margin	0		0					
27 - Budget		209.112.912	209.112.912	0	0	0	0	0		0	
Total Budget		136.457.766.230	116.172.262.330	138.557.146.964	122.315.806.412	137.944.243.872	120.520.906.320	-612.903.092	-0,44%	-1.794.900.092	-1,47%
<i>Global MFF Ceiling:</i>	131.487.000.000		Global Margin	1.760.735.036		2.373.638.128					

* NOTE on Margins:

- The margin in heading 1 (sub-heading 1.1) does not take into account appropriations related to the Globalisation Adjustment fund (€ 500m)
- The margin in heading 2 includes the transfer from modulation to Rural Development, and from cotton and wine for restructuring in the respective regions (€ 2 399,8m)
- The margin for heading 4 does not take into account the appropriations related to the Emergency Aid Reserve (€ 248,9 m)
- The margin for heading 5 takes account of the footnote of the MFF 2007-2013 for an amount of € 80m for staff contributions to the pension scheme

3.9.2009

OPINION OF THE COMMITTEE ON FOREIGN AFFAIRS

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2010, Section III –
Commission
(C7-0127/2009 - 2009/2002(BUD))

Draftsperson: Annemie Neyts-Uyttebroeck

SUGGESTIONS

The Committee on Foreign Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Reiterates that, in order to allow the European Union to play an active role in the world, sufficient funds need to be ensured in the EU budget; with that end in mind, regrets that Heading 4, 'The EU as a Global Player', continues to be seriously underfunded and expresses its serious concern over the consequences of this under-financing on the EU's ability to conduct a credible and proactive foreign policy;
2. States its general satisfaction with spending under the Instrument for Pre-Accession (IPA) but points out that further efforts must be made to strengthen regional cooperation in South-East Europe, in particular in fields such as transport and energy, education, regional parliamentary cooperation, reconciliation measures and trade, and to further promote sustainable economic development in the region;
3. Considers that education and vocational training must be pillars of the new sustainable economic and social model promoted abroad by the EU;
4. Reaffirms its support for the implementation of a deepened and differentiated European Neighbourhood Policy, based on its two pillars, namely the recently launched Eastern Partnerships and the Union for the Mediterranean within the Barcelona Process; points out that the additional funds provided for in the PDB 2010 will not be sufficient to achieve the objective of significantly strengthening the EU's relations with its eastern neighbours; underlines the importance of further strengthening regional cooperation initiatives in the neighbourhood area such as the Black Sea Synergy and calls for a proper allocation of funds for its efficient implementation and continuous development;
5. Calls on the EU to develop long-term strategic thinking to clarify external and security

policy priorities; urges the EU to establish a sound system of analysis linked to existing European agencies such as the EU institute for Security Studies (EUISS) in order to identify long-term trends from an EU perspective;

6. Calls for a clear strategy for Palestine, linking the European Union's financial assistance to an increased role for the EU in the peace process; to this end, points out that the proposed cut in financial assistance to Palestine is unrealistic and does not reflect the political importance which the Middle East has for the European Union; calls on the Commission to swiftly present the spending proposals arising from the donors' conference held in Sharm el-Sheikh in March 2009;
7. Recalls its resolution on transatlantic relations of 26 March 2009, which underlines that the EU-US relationship is the most important strategic partnership for the EU; emphasises the importance of enhancing awareness and understanding of European issues and perspectives in the United States; urges that the 2010 EU budget contribute to strengthening ties between the transatlantic partners' civil societies, for instance through student exchanges;
8. Reminds the Commission and the Council that the European Instrument for Democracy and Human Rights (EIDHR) is a political priority for Parliament, deplores the proposed cuts in the PDB and calls on the Commission to continue its efforts to adequately utilise the EIDHR in a flexible, innovative and targeted way, including in the European neighbourhood space where there is still a strong need to make full use of EIDHR in order to promote genuine respect for human rights, as well as consolidation of the rule of law, civil society and local democracy;
9. Draws the attention of the Council and the Commission to the ongoing UN-led negotiations seeking a comprehensive solution to the Cyprus problem, which, if successful, could lead to effective integration of the whole island; points out the need for continued financial assistance to the Turkish Cypriot community;
10. Notes that the Lisbon Treaty will have substantial implications on the Common Foreign and Security Policy (CFSP) by reorganising administrative responsibilities and introducing new policy fields; points out that, since the institutional set-up is not yet determined, the necessary budgetary appropriations should be made available gradually as the scope and role of the new organisational structures become clearer; calls on the Commission and the Council to ensure that the economies of scale in terms of support structures lead to a reduction in administrative costs;
11. Underlines that neither the institutional changes nor the new CFSP/CSDP provisions should impose any further strain on the current level of commitment appropriations under the already chronically underfinanced Heading 4 and consequently expects the upcoming mid-term review of the Multiannual Financial Framework to ensure additional resources;
12. Calls on the Commission not to use the Emergency Aid Reserve for programmable long-term activities and expresses its disappointment over the proposed limited margin under Heading 4, which does not equip the European Union with the necessary financial means for a consistent and adequate response to unplanned global challenges.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	2.9.2009
Result of final vote	+: 53 -: 6 0: 4
Members present for the final vote	Gabriele Albertini, Robert Atkins, Johannes Cornelis van Baalen, Dominique Baudis, Bastiaan Belder, Frieda Brepoels, Arnaud Danjean, Mário David, Michael Gahler, Marietta Giannakou, Andrzej Grzyb, Takis Hatzigeorgiou, Heidi Hautala, Jelko Kacin, Ioannis Kasoulides, Tunne Kelam, Nicole Kiil-Nielsen, Maria Eleni Koppa, Wolfgang Kreissl-Dörfler, Eduard Kukan, Alexander Graf Lambsdorff, Vytautas Landsbergis, Ryszard Antoni Legutko, Krzysztof Lisek, Sabine Lösing, Ulrike Lunacek, Barry Madlener, Mario Mauro, Kyriakos Mavronikolas, Willy Meyer, Francisco José Millán Mon, Aleksandrs Mirskis, María Paloma Muñiz De Urquiza, Annemie Neyts-Uyttebroeck, Raimon Obiols, Justas Vincas Paleckis, Pier Antonio Panzeri, Ioan Mircea Pașcu, Vincent Peillon, Alojz Peterle, Athanasios Plevris, Bernd Posselt, Hans-Gert Pöttering, Cristian Dan Preda, Libor Rouček, José Ignacio Salafranca Sánchez-Neyra, Jacek Saryusz-Wolski, Werner Schulz, Ernst Strasser, Charles Tannock, Inese Vaidere, Geoffrey Van Orden, Kristian Vigenin, Graham Watson, Boris Zala
Substitute(s) present for the final vote	Tokia Saïfi, Potito Salatto, Marietje Schaake, György Schöpflin, Indrek Tarand, Dominique Vlasto, Luis Yañez-Barnuevo García
Substitute(s) under Rule 178(2) present for the final vote	Andrey Kovatchev

6.10.2009

OPINION OF THE COMMITTEE ON DEVELOPMENT

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2010, Section III - Commission
(C7-0127/2009 – 2009/2002(BUD))

Rapporteur: Gay Mitchell

SUGGESTIONS

The Committee on Development calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Is extremely concerned about the global economic downturn and its multiple repercussions for developing countries, including declines in flows of private investment and migrants' remittances; points out that the financial crisis will have its greatest consequences in developing countries, compounding the challenges of food price volatility and environmental threats; calls for a legislative initiative to address the most urgent needs arising from the financial and economic crisis in countries which are beneficiaries of the Financing Instrument for Development Cooperation in line with the ad hoc Vulnerability Flex Mechanism for ACP countries financed by the European Development Fund; insists that this be accompanied by proposals for other, innovative solutions for development finance to mitigate the impact in the medium term;
2. Stresses that the greatest challenges of mitigation of and adaptation to climate change will be faced by developing countries, and that a significant contribution by the EU will be essential in order to address these additional needs; recalls in this respect that Parliament's resolution of 11 March 2009 said that the collective contribution by the EU towards developing countries' mitigation efforts and adaptation needs should not be less than EUR 30 000 million per annum by 2020; calls on the Commission to play a leadership role in responding to the challenge, by coordinating donor responses and by providing adequate additional resources; considers that a new budget line has to be created in view of obligations towards developing countries that will arise as a result of

the climate change agreement expected to be concluded at the United Nations Climate Change Conference to be held in Copenhagen in December 2009;

3. Underlines the importance of rapid mobilisation of humanitarian aid in the event of natural or man-made disasters; opposes any budgetary measure which may delay the mobilisation of such resources;
4. Points out that the serious overstretching of Heading 4 resources risks compromising the capacity of the EU to respond appropriately to global challenges, as a result of the large number of newly arising needs unforeseen at the time the Financial Perspectives were established; calls for a revision of the Multiannual Financial Framework to remedy this unsustainable situation;
5. Objects strongly to the Commission's practice of only providing partial information on the proposed use of Heading 4 appropriations at the stage of the Preliminary Draft Budget (PDB), providing full details only when the budgetary procedure is underway; points out that this does not allow Parliament to play its full role; insists that in future years full proposals be made in the PDB.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	6.10.2009
Result of final vote	+ : 19 - : 0 0 : 0
Members present for the final vote	Thijs Berman, Leonidas Donskis, Charles Goerens, Catherine Greze, Enrique Guerrero Salom, András Gyürk, Eva Joly, Filip Kaczmarek, Franziska Keller, Gay Mitchell, Norbert Neuser, David-Maria Sassoli, Michèle Striffler, Alf Svensson, Eleni Theoharous, Patrice Tirolien, Ivo Vajgl, Iva Zanicchi, Gabriele Zimmer
Substitute(s) present for the final vote	
Substitute(s) under Rule 178(2) present for the final vote	

3.9.2009

OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2010, Section III - Commission
(C7-0127/2009 – 2009/2002(BUD))

Rapporteur: Peter Šťastný

SUGGESTIONS

The Committee on International Trade calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Underlines the need for Parliament, as budgetary authority, to monitor the use of the EU budget to fulfil the Commission's commitments, *inter alia* regarding macro-financial assistance (MFA), Industrialised Countries Instrument (ICI), trade-related assistance and in particular Aid for Trade;
2. Reiterates that MFA should be subject to strict monitoring and conditionality as the EU does not control the ways in which beneficiary countries spend the EU's general un-earmarked funds entering their general budget; regrets that MFA lacks a proper legal basis and continues to be based on *ad hoc* Council decisions for each operation; reiterates the need for a co-decided framework regulation on MFA that enhances transparency, accountability, monitoring and reporting systems;
3. Requests the Commission to supply Parliament in due course with information concerning MFA programming and the expected timetable for the Commission's MFA-related proposals; insists that the Council invite Parliament to deliver its opinion on the Commission's MFA-related proposals by way of the "urgency procedure" only when absolutely necessary and after due justification;
4. Calls on the Commission to present, in advance of Parliament's second reading, detailed information (including figures) on the budget lines which are used for financing the ICI (in addition to the administrative budget line 19 01 04 08);
5. Calls on the Commission to present, in advance of Parliament's second reading, detailed information (including figures) on the budget lines which are used for financing trade-

related assistance and Aid for Trade (in addition to the administrative budget line 20 02 03), and the complete figures for all Aid for Trade financing coming from the EU budget;

6. Asks the Commission to inform Parliament of the use of European Development Fund (EDF) funds to promote trade-related assistance and Aid for Trade, as the EDF is still not included in the EU budget despite repeated demands by Parliament;
7. Expresses its concern regarding the lack of clarity about the way Economic Partnership Agreements (EPAs) will be financed; calls on the Commission to provide detailed information regarding the financial assistance it will provide to ACP countries to adapt to the economic changes following the signing of EPAs;
8. Asks the Commission to submit to Parliament and the Council as soon as possible after each financial year an annual report assessing implementation in the Aid for Trade area, and containing specific information on the history of the measures financed, the involvement of the relevant partners, and the implementation of the pledges, budget commitments and payments, broken down by country, region and category of assistance; requests that the report also assess progress made in mainstreaming trade into aid programming and the results achieved with the assistance, using, as far as possible; specific and measurable indicators of its role in meeting the Aid for Trade objectives;
9. Points out that it is necessary to maintain funding, by way of both payments and commitments, at the 2009 level, and to concentrate financial support on concrete actions, for pharmaceutical related technology transfer and capacity-building for developing countries and local production of pharmaceuticals in all developing countries, especially least developed countries (LDCs), in discharging the obligations laid down in Article 66 (2) of the Agreement on Trade-Related aspects of Intellectual Property Rights (TRIPS);
10. Points out that it is necessary to maintain funding, by way of both payments and commitments, at the 2009 level, and to concentrate financial support on concrete actions, for research and development in the field of poverty related, tropical and neglected diseases with the participation of public-private partnerships and other possible funding ventures, and to support research institutes willing to cooperate in public health initiatives dedicated to these efforts and pursuing research into and development of medicines of special relevance to developing countries.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	1.9.2009
Result of final vote	+: 18 -: 0 0: 4
Members present for the final vote	Daniel Caspary, Godelieve Quisthoudt-Rowohl, Peter Šťastný, Iuliu Winkler, Pablo Zalba Bidegain, Kader Arif, Bernd Lange, David Martin, Emilio Menéndez del Valle, Gianluca Susta, Marielle De Sarnez, Metin Kazak, Niccolò Rinaldi, Yannick Jadot, Caroline Lucas, Robert Sturdy, Joe Higgins, Helmut Scholz, George Becali
Substitute(s) present for the final vote	Mário David, Elisabeth Köstinger, Georgios Papastamkos, George Sabin Cutaş, Jörg Leichtfried, Libor Rouček, Catherine Bearder,
Substitute(s) under Rule 178(2) present for the final vote	Sylvie Guillaume

1.10.2009

OPINION OF THE COMMITTEE ON BUDGETARY CONTROL

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2010, Section III - Commission
(C7-0127/2009 - 2009/2002(BUD))

Rapporteur: Jean-Pierre Audy

SHORT JUSTIFICATION

The rapporteur's aim in this report has been to ensure that the budget takes into account the principles and recommendations adopted by Parliament on sound financial management and transparency in the management of EU funds, particularly as regards the cost-effectiveness of the various EU policies.

Budgetary management

1. In its resolution of 23 April 2009 with observations forming an integral part of the Decision on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Parliament criticised the poor quality of the data supplied on correction measures applied at Member State level in respect of cohesion policies and the agriculture sector, where the Court of Auditors had doubts as to the reliability of the information supplied.
2. It pointed to the importance of the final decisions and corrective measures taken with the aim of removing expenditure which had not been disbursed in conformity with Community legislation from Community funding, and restated its call for the precise budget heading to which recoveries relate to be specified, as is already standard practice in the agriculture sector.
3. It considered, moreover, that the Commission should show in the budget, by creating a specific heading for this purpose, the amounts paid per year in error by the European Union to the Member States.
4. It pointed out that Article 83 of Regulation (EEC, Euratom, ECSC) No 259/68 stipulates that pensions are charged to the budget and that the Member States must jointly guarantee payment of such benefits in accordance with the scale laid down for financing such

expenditure; it considered that the aforesaid reference to the joint guarantee means the guarantee may take effect should one or more Member States default, but does not imply that the Communities do not have a claim against the Member States which entered into that commitment; it mentioned, furthermore, that staff pay back to the general budget 10.25% of their salaries as their contribution to the funding of the pension scheme.

Annual accounts

5. It considered it abnormal for the annual accounts to show a negative net asset figure of EUR 58 600 000 000 and wondered whether the amounts to be called from Member States should not be entered as assets, given that the estimated EUR 33 500 000 000 in staff pensions was clearly a commitment.

National management declarations

6. It noted that, according to information forwarded by the Commission, only a small number of Member States had so far taken the step of approving the adoption of a national declaration on the management of Community funding and it was of the opinion that the Commission should use its right of initiative to propose a Council decision to make national declarations compulsory.
7. It felt that the Council should, during the forthcoming presidencies, take the measures needed to remedy this failure to act and it called for the committee responsible to take note of this failure to act in the budgetary procedure for 2010.
8. It restated, in this respect, the importance of working together with national audit bodies.

Annual summaries and the principle of cost-effective controls

9. It reminded the Commission of its commitment to improving the quality of Member States' annual summaries so that they might become a useful means of reducing the likelihood of errors in the years to come.
10. It reiterated the importance too, in this context, of Action 10 of the Action Plan towards an Integrated Internal Control Framework, which proposes making an 'analysis of the costs of controls' in view of the 'need to reach an appropriate balance between the costs and benefits of controls'.
11. It considered in addition that the Commission, on the basis of the annual summaries received, should analyse the strengths and weaknesses of each Member State's national system for administering and controlling Community funds, and include in this analysis an estimate of the cost of the national systems controlling Community funds.
12. It took the view that the Commission should produce specific proposals on improving the management and control of Community spending and even, for some aspects, a degree of harmonisation, so that a positive DAS could eventually be arrived at.

Research policy

13. It deplored the persistence of some problems in research policy that arose in previous years (cost reimbursement errors, complexity of the rules applied and lack of an effective

penalising mechanism) and called on the Commission to continue its efforts to simplify, and further clarify, the proportionality rules applicable to shared-cost programmes.

14. It considered that the Commission should continue to exploit the reimbursement possibilities offered by the 7th Framework Programme, in particular by further analysing the appropriateness of the programme's rules on flat-rate payment procedures, and should be involved in simplifying the rules for beneficiaries and the necessary improvements to the system.

External actions

15. It felt that, in the interests of transparency, the names of NGOs in receipt of EU funds should be clearly stated in the EU budget; it viewed it as unacceptable, furthermore, that the Commission was not prepared to give EU taxpayers such information, in advance, in an exhaustive, responsible and transparent manner.

SUGGESTIONS

The Committee on Budgetary Control calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Calls on the Commission to create a specific budget heading in the EU budget showing the amounts paid in error by the European Union to the Member States per year;
2. Calls on the Commission to create in the budget, in accordance with the principle of activity-based budgeting (ABB), a budget heading showing the cost of control systems per expenditure field;
3. Proposes that the Commission allocate the resources needed to conduct a study based on all the annual summaries received; the study should analyse the strengths and weaknesses together with the added value of each and every Member State's national system for administering and controlling Community funds and produce as its outcome an estimated figure for the cost of the national systems controlling Community funds, together with possible savings that could be achieved through a reduction in checks in situ resulting from the introduction of national management declarations;
4. Calls on the Commission to take all measures necessary to implement the Seventh Framework Programme in a swift and user-focused way;
5. Reiterates, as a requirement for legal certainty, its request that the Commission refrain from re-calculating the financial statements for projects under the Sixth Framework Programme, which it has already approved and settled, by applying new interpretations to the eligibility criteria for costs established in the General Conditions (Annex II) of the FP6 model contract;
6. Calls on the Commission to carry out the review of the Financial Regulation early in 2010 and to incorporate simplification measures for all beneficiaries; calls, furthermore, for the European Union to be better prepared for external policy challenges and for it to be possible, under that policy field, for the Commission to manage multi-donor trust funds;

7. Expects the Commission to continue its annual staff review and to draw conclusions from the fact that a large number of its staff work on administrative tasks; calls for the number of staff supervising the implementation of EU law in Member States to be increased and expects to find all the information required by Parliament in the next report on this matter;
8. Calls for an external assessment of the language system and its productivity per language in order to meet the increasing demand for translation in Member States' national parliaments and to develop various standard payment models for translations for these parliaments; considers that all this must be achieved without prejudice to ensuring that all EU documents relevant for the European Parliament's work are made as accessible as possible to the public in each and every EU official language;
9. Calls for the Commission to guarantee in the EU budget the resources needed to implement a programme of ex post checks on the various non-governmental organisations with which it works in the external policy field and to give precise details on where each project is located and on the names of the contractors;
10. Calls on the Commission to organise as soon as possible a conference with all EU and external stakeholders, particularly those countries covered by the European Neighbourhood Policy, with a view to pooling the mechanisms necessary to make the management and control of the EU's external funds and programmes more efficient;
11. Is disappointed by the lack of anti-fraud measures and the lack of action by the Commission to continue the reform of Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF)¹; calls on the Commission to strengthen OLAF so that it may carry out its role within the European Union and meet needs which arise outside the European Union;
12. Calls on the Commission and Member States, in spending Community funds, to ensure that the result has been achieved or the measure taken in line with the intended purpose of the Community funds and that the result achieved or measure taken are suitably documented;
13. Calls on the Commission and Member States to ensure that Community funds are used in the Member States not only properly but also efficiently and in particular to make the payment of Community funds subject to a cost-benefit analysis;
14. Proposes that consideration should be given to establishing a Community pension fund in order to externalise these financial commitments vis-à-vis staff; calls for the claims against Member States in respect of staff pensions, estimated at EUR 36.9 billion at 31 December 2008, to be both entered in the accounts as an asset and included in the 2010 budget and for the accounts and the budget to be corrected, following negotiations with the Member States, to take account of these claims;
15. Calls for examination of the possibility of including provisions in the budget for major maintenance and refurbishment work on the European Communities' buildings stock,

¹ OJ L 136, 31.5.1999, p. 1.

given the lack of a building depreciation schedule broken down by specific component and setting out the main tangible fixed assets to be replaced at regular intervals; takes the view that such provisions for major maintenance or refurbishment works should be backed by multiannual upkeep programmes designed to keep buildings in a good state of repair without extending their life;

16. Calls, pursuant to Article 248(3) of the EC Treaty, as regards shared-management controls, for cooperation to be stepped up between national audit bodies and the European Court of Auditors; proposes examining the possibility that said institutions, in their capacity as independent external auditors, and with due regard for international audit standards, might issue national audit certificates for the management of Community funds and programmes, which would be submitted to Member State governments with a view to being produced during the discharge process in accordance with an appropriate interinstitutional procedure to be established;
17. Expresses its concern about the Seventh Framework Programme rules, which deviate from the common nationally and internationally acknowledged and certified accounting and calculation methods, thus being incompatible with general business practices, and asks the Commission to remedy this state of affairs by adopting practices that allow for calculation and charging of average hourly rates per cost centre;
18. Urges the Commission to establish and to apply the necessary criteria, which should be comprehensive and comprehensible, for approving certificates using a methodology which calculates both personnel and indirect costs;
19. Calls on the Commission to refrain, for the sake of legal certainty, from re-calculating the financial statements of projects under the Sixth Framework Programme that it has already approved and settled, thus observing the rule of law;
20. Calls on the Commission, having regard to the seriousness of the discharge situation, to quickly organise an interinstitutional conference involving all stakeholders in Community fund management and control (representatives of the Member States in the Council at the highest level, of the Commission, of the European Court of Auditors, of national audit bodies, of national parliaments with responsibility for oversight over Member State governments, of the European Parliament and all other relevant actors in the discharge process) so as to embark on a comprehensive debate on the current discharge procedure system, on which the statement of assurance (DAS) has been negative for 14 years, and to give thought to the reforms needed in order to obtain a positive DAS as soon as possible;
21. Takes the view that the said interinstitutional conference should culminate in specific proposals with regard to improving the management and control of Community spending and even, for some aspects, a degree of harmonisation, and proposes that, during the forthcoming budgetary procedure, the Parliament should give the Commission the resources needed to conduct the study and arrange the conference.

PROCEDURE

Date adopted	1.10.2009
Result of final vote	<div>for: 25</div> <div>against: 1</div> <div>abstentions: 0</div>
Members present for the final vote	Marta Andreasen, Jean-Pierre Audy, Inés Ayala Sender, Zigmantas Balčytis, Andrea Češková, Jorgo Chatzimarkakis, Ryszard Czarnecki, Luigi de Magistris, Tamás Deutsch, Martin Ehrenhauser, Jens Geier, Gerben-Jan Gerbrandy, Ville Itälä, Cătălin Sorin Ivan, Iliana Ivanova, Elisabeth Köstinger, Bogusław Liberadzki, Monica Luisa Macovei, Jan Olbrycht, Christel Schaldemose, Theodoros Skylakakis, Søren Bo Søndergaard, Bart Staes
Substitutes present for the final vote	Zuzana Brzobohatá, Derk Jan Eppink, Christofer Fjellner, Marian-Jean Marinescu, Véronique Mathieu, Derek Vaughan
Substitutes under Rule 178(2) present for the final vote	

3.9.2009

OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2010, Section III - Commission
(C7-0127/2009 - 2009/2002(BUD))

Rapporteur: Pervenche Berès

JUSTIFICATION

This draft opinion takes as its reference point the draft budget for the financial year 2010 (DB) adopted by the Council on 10 July 2010.

General remarks

The main focus of the Draft Budget (DB) 2010 is to stimulate economic activity in Europe. At the presentation of the PDB 2010 on 29 April 2009, the Commission stressed that the biggest share of the budget amount – i.e. 45 % or EUR 62,2 billion – will be channelled into growth and employment measures to help restore competitiveness across the Union.

As a response to the financial crisis, the Commission proposed in November 2008 a *European Economic Recovery Plan that was endorsed by the European Council*. Your drafts person deplores the fact that out of the EUR 5 billion put forward by the Commission in its recovery plan, only EUR 2,6 billion have been budgeted for 2009, which leaves EUR 2,4 billion to be financed through the 2010 budget, which will require a revision of the 2007-2013 financial perspectives as regards the 2010 ceilings.

Furthermore, on 3 June 2009, the Commission issued a Communication on a *Shared Commitment for Employment*, announcing a simplification of access to certain EU funds in order to support the European economy and to tackle its social consequences.

On ECON issues in the DB

The European Union must ensure that the EU budgetary resources genuinely address the urgent need to implement policies and actions that ensure a rapid delivery of the stimulus for the European economy:

- Commitments for Competitiveness for Growth and Employment (sub-heading 1a)
equal EUR 12 669 million, leaving a margin of EUR 218,4 million; this represents a decrease of 8% compared to 2009. The apparent reduction in appropriations for this heading must be seen in the context of the inclusion in the 2009 budget of EUR 2 billion

for the energy projects to aid economic recovery, while the 2010 *tranche* is not yet budgeted. If this element is excluded, commitment appropriations increase above 8%.

- **For Cohesion for Growth and Employment (sub-heading 1b)**, there is an increase of 2% to a total of EUR 49 382 million, leaving a margin of EUR 11,9 million only. Your draftsperson expresses concern over the slow pace of payments and calls for efforts to be made in this area. Your draftsperson welcomes the European Commission's proposal for a European Microfinance facility for employment and social inclusion, but questions the funding of this facility from the existing Progress fund.

As regards more specifically the ECON committee policy areas:

On Title 1: Economic and Financial Affairs

Concerning the Economic and Monetary Union (budget heading 01 02), your draftsperson notes that the budget is slightly increased (4,17%), which is insufficient, particularly in view of the increasing number of excessive deficit procedures. There is also a need for more resources for analysis of comparative economic performance of the EU Member States. The increase in the tasks conferred on the EIB and the EBRD poses significant questions with regard to the democratic scrutiny of the projects, when funds from the EU budget are at stake. In line with the European Parliament's resolution of 25 March 2009, the EIB's supervision arrangements should be revised.

On Title 2: Enterprise

With regard to the administrative expenditure of Enterprise (budget heading 02 01), your draftsperson is concerned with the important reduction (11 posts) of human resources, in a context where the budget resources are globally increased by 16,8%. A decrease of 8,6% in the commitments towards Competitiveness, industrial policy, innovation and entrepreneurship (budget article 02 02 01) sends the wrong signal for such a broad and important chapter, particularly as regards SMEs, and seems to be at odds with the objectives of the Small Business Act initiative.

On Title 3: Competition

The increase of staff will ensure an appropriate treatment of the substantial (an unforeseen) increase of State Aid cases as a result of the financial and economic crisis.

On Title 12: Internal market

Your draftsperson welcomes the inclusion of a new budget heading 12.04 (Corporate environment, accounting and auditing) to provide financial support for the activities of certain bodies (three level 3 committees and EFRAG, IASCF and PIOB), to ensure the effectiveness of Community policies in the areas of supervision, financial reporting and statutory audit. This follows a reiterated call from the European Parliament to set aside sufficient funding for a financial contribution to the functioning of these bodies. Your draftsperson draws your attention, however, to the fact that the amount earmarked in the PB 2010 (EUR 5,3 million) is substantially lower than the amount that, as a result of the adoption of the financing decision should be made available in 2010, namely EUR 8,5 million.

Your draftsperson welcomes the Commission's Communication on financial supervision in Europe (COM(2009)252) adopted on 27 May 2009 and asks the Commission to provide the Parliament, before its first reading of the Budget 2010, with information on the budgetary impact on the Budget 2010 of these proposals, particularly in respect of the financing of the European Systemic Risk Council (ESRC) and the European System of Financial Supervisors (ESFS) which should both be put in place in 2010.

On Title 14: Taxation and customs union

Your draftsperson is concerned about the important decrease (-16, 6%) of budget heading 14 02 which is a crucial area for the good functioning of the internal market. There seems to be no reason justifying the dramatic reduction (-21, 4%) of budget heading 14 03 (International aspects of taxation and customs), bearing in mind that all major economic fora are calling for a global good governance in tax matters.

On Title 29: Statistics

The slight decrease in human resources could have a negative impact in the quality of European statistics.

SUGGESTIONS

The Committee on Economic and Monetary Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Considers that there is a need for independent resources to be allocated to the functioning of the Eurogroup;
2. Notes with concern that budget heading 01.02 (economic and monetary union) is insufficient to cope with the increasing number of excessive deficit procedures and with the need to devote more resources for analysis of comparative economic performance of the Member States;
3. Expresses its concern with regard to the reduction of human resources under budget heading 02 (enterprise), while budget resources are globally increased by 16,8 %;
4. Considers that a decrease of 8,6 % in commitments in favour of budget heading 02.02.01 (competitiveness, industrial policy, innovation and entrepreneurship) sends the wrong signal and appears to be at odds with the objectives of the Small Business Act initiative and support for economic recovery;
5. Welcomes the increase in staff under administrative expenditure of the competition policy area, which must ensure an appropriate treatment of the substantial (unforeseen) increase of State aid cases as a result of the financial and economic crisis;
6. Welcomes the inclusion of a new budget heading 12.04 (corporate environment, accounting and auditing) to provide financial support for the activities of certain bodies (the three level 3 committees, EFRAG, IASCF and PIOB), to ensure the effectiveness of

Community policies in the areas of supervision, financial reporting and statutory audit, but warns that insufficient funding is made available for the 2010 budgetary year; recalls that such funding must amount to at least EUR 8,5 million, in line with the political agreement reached with the Council;

7. Welcomes the Commission's Communication of 27 May 2009 on European financial supervision (COM (2009)0252); asks the Commission to provide Parliament, before its first reading of the Budget 2010, with information on the budgetary impact on the Budget 2010 of those proposals, particularly in respect of the financing of the European Systemic Risk Council and the European System of Financial Supervisors, which are both to be put in place in 2010;
8. Deplores the significant reduction of budgetary resources for taxation policy, and calls for more resources devoted to matters relating to good governance in taxation;
9. Takes the view that the decrease in human resources could have a negative impact on the quality of European statistics;
10. Calls for preparatory actions 02.02.03.05 (Erasmus for young entrepreneurs) and 13.03.24 (microcredit) to be continued within the framework of the 2010 Budget.

PROCEDURE

Date adopted	2.9.2009
Result of final vote	<div>for: 37</div> <div>against: 0</div> <div>abstentions: 0</div>
Members present for the final vote	Pascal Canfin, Nikolaos Chountis, George Sabin Cutaş, Diogo Feio, José Manuel García-Margallo y Marfil, Jean-Paul Gauzès, Sven Giegold, Sylvie Goulard, Enikő Győri, Liem Hoang Ngoc, Othmar Karas, Wolf Klinz, Jürgen Klute, Rodi Kratsa-Tsagaropoulou, Werner Langen, Astrid Lulling, Hans-Peter Martin, Íñigo Méndez de Vigo, Ivari Padar, Rolandas Paksas, Alfredo Pallone, Giorgos Papakonstantinou, Antolín Sánchez Presedo, Edward Scicluna, Peter Skinner, Theodor Dumitru Stolojan, Ivo Strejček, Kay Swinburne, Marianne Thyssen, Ramon Tremosa i Balcells
Substitutes present for the final vote	Pervenche Berès, Sophie Briard Auconie, David Casa, Sari Essayah, Danuta Maria Hübner, Danuta Jazłowiecka, Philippe Lamberts
Substitutes under Rule 178(2) present for the final vote	

8.9.2009

OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2010, Section III - Commission
(C7-0127/2009 - 2009/2002(BUD))

Rapporteur: Csaba Öry

SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. whereas the efforts to mitigate the consequences of the financial and economic crisis for European citizens should be the top priority for the EU budget 2010 procedure,
- B. whereas the Global Plan for Recovery and Reform of the G20 London summit¹ states that those affected by the crisis should be supported by creating employment opportunities and income support measures and that labour markets should be fair and family friendly for both women and men,
- C. whereas the 2010 European Year for Combating Poverty and Social Exclusion will help to underline the EU's commitment to eradicating poverty and fighting social exclusion,
 - 1. Is surprised that the Council has reduced the payments of EMPL budget lines despite the current financial and economic crisis; considers that such payments are necessary to promote employment, in particular at this time;
 - 2. Supports the proposal of the Commission to increase the appropriations of heading 1a – Competitiveness for growth and employment – compared to the 2009 budget by 8.4% (excluding the EERP) to enhance the key initiatives contributing to the European Economic Recovery Plan, the Lisbon Strategy and the Lifelong Learning Programme; regrets the fact that the Council did not maintain this approach in the first reading;

¹ <http://www.londonsummit.gov.uk/en/media-centre/latest-news/?view=News&id=15766937>, point 26

3. Calls upon the Commission to work closely with the International Labour Organization to ensure that actions taken and those required for the future are in line with the Decent Work Agenda;

European Social Fund (ESF)

4. Underlines the importance of the ESF as a European tool for improving employment and job opportunities in all Member States in this time of financial and economic crisis which entails economic and social changes;
5. Reinforces, therefore, the ESF budget line 04 02 19 "Regional competitiveness" which should lead to higher investment in human capital to mitigate the impact of the crisis with regard to innovation, the development of the knowledge society as well as of the low carbon economy, and welcomes the increase of commitment and payment appropriations on the ESF budget line 04 02 17 "Convergence";
6. Calls on the Member States to comply with the joint declaration on the implementation of the Cohesion Policy of 2 April 2009¹ and to have all actions financed by the EU budget fully operational in 2009 in order to accelerate the economic recovery and to generate a steady flow of interim payments;

Vocational training and professional qualification

7. Emphasises that the time of unemployment should be devoted to obtaining further qualifications with a view to enhancing employability and thus to minimising the impact of economic and social changes or of a crisis on individual workers; points out that the unemployed must, in every case, receive social support enabling them to maintain a decent standard of living while they are seeking employment with rights;
8. Recalls the Commission Communication on "New skills for new jobs: Anticipating and matching labour market and skills needs" as well as the "Common Principles of Flexicurity", and their focus on fostering the continuous adaptability and employability of workers through better learning opportunities at all levels and through skills development strategies;
9. Calls, therefore, on the Member States to make use of the budget available at European level for supporting vocational training and professional qualification measures and to profit from the synergies of trans-border cooperation, for example in the form of best practice exchange;
10. Calls on the Commission to propose in good time the temporary doubling of the financial envelope of the European Globalisation Adjustment Fund , in order to be able to provide a special vocational qualification perspective for employees who will lose their jobs due to the global financial crisis;

Employment policies

11. Underlines the importance of the employment pillar of the PROGRESS programme for the coordination of employment policies at European level, in particular at this time of

¹ Council doc. 8430/09, annex II, p. 4.

crisis, and, consequently, calls for increases in the payments of budget line 04 04 01 01 to enhance socially responsible management of change, for example concerning the necessary restructuring of the European car industry and other industries;

12. Draws attention to a possible change in the budget lines given the present discussion in Parliament on the Commission's proposal to introduce the PROGRESS Microfinance Facility and on its impact on the 2010 budget;

Inclusive social policies

13. Draws attention to Recommendation 92/441/EEC which recognises the individual's fundamental right to sufficient resources and assistance to live in human dignity as well as Recommendation 2008/867/EC on the active inclusion strategy based on three pillars, namely adequate income support, inclusive labour markets and access to quality services;
14. Welcomes, consequently, the proposal of the Commission to support the measures of the Member States undertaken in this respect and to increase considerably the payments of the Social Protection and Inclusion pillar of the PROGRESS programme (budget line 04 04 01 02);
15. Urges the Commission to apply gender mainstreaming principles when implementing programmes and the EU budget and particularly in the area of social inclusion, since a higher percentage of women than men suffer from poverty because of exclusion from the labour market and because of the gender pay gap, a situation that will worsen due to the financial and economic crisis;
16. Urges the Commission to set special protection of the most vulnerable social groups as a priority when implementing ESF programmes in the area of social inclusion, with special focus on people living in deep poverty, long-term unemployed and social groups that are disadvantaged in many ways, such as Roma people;

Innovative and facts-based decision making

17. Takes the view that findings, knowledge and advice from independent and comparative research is essential for the high quality of decision making;
18. Proposes, therefore, to raise the budgets of the specialised agencies in its remit to at least the level of 2009 to enable the agencies to contribute to the planning and establishment of better living and working conditions, to better monitoring and to the management of restructuring processes in Europe, to help and to develop vocational education and training in the Union, to improve the protection of the health and safety of employees and to bring together and share the Union's vast pool of knowledge and information;

Pilot Projects

19. Asks the Commission to continue the Pilot Projects on Preventing Elder Abuse (Budget line 04 04 11) and on Working and living conditions of posted workers (Budget line 04 03 09) in 2010;

20. Moreover, underlines the importance of other employment-related pilot projects such as the Pan-European Coordination of Integration Methods for the Roma (13 03 21);
21. Proposes a new Pilot Project to explore the possibilities of how the free movement of workers who are in a vulnerable employment and social situation can be enhanced with a view to helping them to develop their potential and to better integrate into the labour market and society.
22. Proposes a new pilot project – ‘Measures for employment maintenance’ – to explore the possibilities for maintaining effectively the jobs that are at risk due to the financial and economic crisis in order to help alleviate the employment and social consequences of the crisis.
23. Expects the Commission to create within the framework of the PROGRESS Programme a project for employment of People on the Autistic Spectrum, so as to fund initiatives which help develop policies for employment and social integration of people suffering from autism; calls on the Commission to support innovative and integrated projects, addressing multiple disadvantages faced by people on the autistic spectrum and promoting their inclusion in the labour market and in social and economic activities.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	3.9.2009
Result of final vote	+: 39 -: 0 0: 4
Members present for the final vote	Elena Băsescu, Regina Bastos, Pervenche Berès, Milan Cabrnoch, Alejandro Cercas, Ole Christensen, Sergio Gaetano Cofferati, Tadeusz Cymański, Marije Cornelissen, Frederic Daerden, Karima Delli, Frank Engel, Sari Essayah, Richard Falbr, Ilda Figueiredo, Pascale Gruny, Thomas Händel, Marian Harkin, Nadja Hirsch, Stephen Hughes, Martin Kastler, Liisa Jaakonsaari, Danuta Jazłowiecka, Jean Lambert, Veronica Lope Fontagné, Elizabeth Lynne, Thomas Mann, Elisabeth Morin-Chartier, Csaba Őry, Rovana Plumb, Konstantinos Poupakis, Sylvana Rapti, Licia Ronzulli, Elisabeth Schroedter, Joanna Katarzyna Skrzydlewska, Jutta Steinruck, Traian Ungureanu,
Substitute(s) present for the final vote	Georges Bach, Enikő Győri, Roger Helmer, Sidonia Elżbieta Jędrzejewska, Dieter-Lebrecht Koch, Emilie Turunen,
Substitute(s) under Rule 178(2) present for the final vote	

1.10.2009

OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2010 - Section III -
Commission
(C7-0127/2009 - 2009/2002(BUD))

Rapporteur: Jutta Haug

SHORT JUSTIFICATION

General Background

The general budget of the European Union is the instrument which sets out and authorises the total amount of revenue and expenditure deemed necessary for the European Community and the European Atomic Energy Community for each year.

On 29 April, the Commission presented the preliminary draft budget (PDB) for 2010 with a total of EUR 138.563,547 million in commitment appropriations, corresponding to 1,18 % of GNI and plus 1,54 % compared to commitments in the 2009 budget. This leaves a margin of EUR 1.754,3 million on the overall annual ceiling set by the Multiannual Financial Framework (MFF 2007 - 2013).

For payment appropriations, the total amounts to EUR 122.322,2 million, corresponding to 1,04 % of GNI. This is an increase of 5,3 % compared to payments in the 2009 budget.

According to the Commission the economic recovery is at the heart of next year's spending and the proposal channels the biggest share of funds (45%) into growth and employment measures to help restore competitiveness across the Union. Funds for major programmes linked to research and energy will increase by more than 12% and cash for cohesion policy will grow too, with the EU-12 set to receive 52% of cohesion and Structural Funds.

PDB 2010 by heading

COMMITMENT APPROPRIATIONS BY HEADING	Billion €	% of total budget	% change from 2009*
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1. Sustainable growth:	62.2	44.9	+3.2
<i>Competitiveness</i>	12.8	9.2	+8.4
<i>Cohesion</i>	49.4	35.6	+2.0
2. Preservation and management of natural resources:	59.0	42.6	+5.1
<i>Direct payments & market related expenditure</i>	43.8	31.6	+6.4
<i>Rural development, environment, fisheries</i>	15.2	11.0	+2.1
3. Citizenship, freedom, security and justice:	1.6	1.2	+7.6
<i>Freedom, Security and Justice</i>	1.0	0.7	+13.5
<i>Citizenship</i>	0.6	0.5	-0.3
4. The EU as a global player	7.9	5.7	+1.8
5. Administrative expenditure (for all EU institutions):	7.9	5.7	+2.1
<i>of which Commission</i>	3.6	2.6	+0.9
Total commitments	€ 138.6	100.0	+3.8
In % of EU-27 GNI	1.18		

* Excluding extraordinary measures taken in 2009: Economic Recovery Plan, Solidarity Fund, Food Facility

Individual budgets under the competence of the Committee on Environment, Public Health and Food Safety

For environmental activities under Title 7 'Environment', the 2010 PDB foresees an overall amount of operational expenditure of EUR 363,963 million. Taking into account the funds foreseen under Title 19 06 for civil protection interventions in Third countries, the overall funds to be managed under DG ENV's responsibility amount to EUR 371,96 million. The decrease by 10,6 % in comparison to the voted 2009 budget can be explained by a significant increase in commitment appropriations voted by the budgetary authority in 2009 for the LIFE + programme.

For activities under chapter 17 03 'Public Health' and chapter 17 04 'Food and Feed Safety' a total of EUR 405 million is foreseen to implement European measures which complement actions on national level.

LIFE +

The **LIFE + programme**, which came into force in June 2007, will be in 2010 in its fourth year of implementation and is the only financial instrument designed exclusively for the environment, covering a wide range of activities managed by the Commission and Member States.

The Commission's 2010 budget proposal for appropriations follows fully the financial programming and foresees an operational budget (07 03 07) of EUR 291.855 million which represents an increase of 7,8 % compared to the 2009 PDB. The administrative management expenditure (07 01 04 01) shows a decrease of 12.5 % from 2009 and is proposed at EUR 15 million. In order to respect the co-decided amount for the instrument, EUR 2.4 million initially programmed under the technical assistance budget line were added to operational line 07 03 07.

According to the Commission over 78% of the total appropriations will be dedicated to funding of projects with European added value through a call for proposals to be organised by the European Commission, of which at least 120 M€ will be dedicated to Nature and Biodiversity projects. The Commission expects further an increase in projects relating to strategic approaches to policy development and implementation in the areas of climate change, and sustainable production and consumption. Although the Commission registered a slight decrease in the number of proposals for projects last year, possibly due to the economic crisis and cofinancing cuts by Member States' administrations, it will continue and complement its efforts to improve the quality of proposals and the visibility of the programme. In the light of the enormous challenges posed by climate change and many other environmental threats, this downward trend merits further examination. Around EUR 50 million aim at supporting measures at EU level for the implementation and development of Environment legislation, as well as awareness-raising measures and association of stakeholders to this process through support to NGOs that are primarily active in protecting and enhancing the environment at European level.

The level of payment appropriations requested for 2010 (EUR 167 million) reflects the actual payment needs for LIFE + taking into account the normal disbursement rate and payment schedule of financed projects and measures.

Civil Protection

The Civil Protection Financial Instrument in Third Countries was adopted in March 2007, and the recast of the EU Civil protection mechanism was adopted in November 2007. The instrument for third countries intends to cover expenditure related to the mobilization of experts to assess assistance needs and facilitate European assistance in third countries and the EU mechanism in Member States in case of disasters and to transportation of European civil protection assistance in the event of a disaster as well as associated logistics. For 2010 the PDB foresees EUR 8 million for this instrument on budget line 19 06 05. Approximately EUR 3,7 million are devoted for such interventions within the EU by the Community Mechanism in case of emergency under budget line 07 04 01.

The Commission recalls that the actual use of the part of the budget resources devoted to response to major emergencies, which are by their nature unpredictable, is fully dependent upon the occurrence of disasters.

Global environmental affairs

Since 2007, external action in the area of environment is covered by the Development Cooperation Instrument (DCI, Title 21 'Development'), and in particular with the thematic programme for the environment and sustainable management of natural resources including energy (ENRTP) which addresses the environmental dimension of development and other external policies as well as to help promote the European Union's environmental and energy policies abroad.

The only appropriations remaining under Title 07 'Environment' are those dedicated to payments of obligatory contributions to around Multilateral Environmental Agreements to which the Community is a party, such as the United Nations Framework Convention on

Climate Change & Kyoto Protocol, the Convention on Biological Diversity (CBD), the Convention on the Protection of the Ozone Layer & Montreal Protocol etc. The proposed budgetary allocation for 2010 remains unchanged from 2009 level at an amount of EUR 3 million.

In its Annual Policy Strategy (APS) 2010 the European Commission indicated that one of the new priorities identified for the 2010 budget is the successful conclusion of the United Nations climate change conference in Copenhagen in December 2009, which will define the new international climate change regime post-2012. In this context, and in the light of developments on the negotiation process, the Commission has announced to propose additional amounts under the thematic programme 'Environment and sustainable management of natural resources, including energy' under the DCI instrument (budget line 21 04 01) in autumn 2009 to the budget authority via an Amending Letter to the PDB 2010. These additional funds are considered to be necessary to invest in the capacity building to define and implement low carbon development strategies (LCDS) and to reinforce actions under the Global Climate Change Alliance (GCCA) in developing countries.

Public Health Programme

The second Public Health Programme covers the period 2008-2013. The main objectives of the programme are to improve information on and knowledge of health in Europe, to strengthen the collection, analysis, exchange and dissemination of health-related information, to improve the capacity to react rapidly to health threats, to protect citizens against health threats and to promote good health and prevent disease through action on health determinants. Actions on community level complement and add value to Member State's measures.

The PDB 2010 does fully correspond with the financial programming and anticipates an amount of EUR 45,7 million in commitment appropriations. In 2010 Commission's action are focused on the reduction of health inequalities in Europe, actions against cancer, cross-border aspects of childhood immunisation and recommendations on seasonal flu vaccination.

The level of payment appropriations requested for 2010 (EUR 24 million) reflects the actual payment needs for the programme. The average duration of projects is three years. As 2010 is the third year of implementation, payment obligations are needed as proposed by the PDB.

The main part of the Health Action Programme is managed by the Executive Agency for Health and Consumers (EAHC) which as come to its cruising speed. In 2010, a share of EUR 7,11 million from the overall programme envelope is dedicated to administrative tasks.

Tobacco Fund

The Community Tobacco Fund does support projects on improving public awareness of the harmful effects of tobacco consumption through education and information. The appropriations are made available by the tobacco aid. According to article 110m of Council Regulation (EC) 470/2008 transfers from the tobacco aid line to the Tobacco Fund have been extended for the years 2008 and 2009. The amounts equal 5% for the respective calendar year of the tobacco aid.

The PDB 2010 anticipates an amount of EUR 16,9 million withhold from the 2009 tobacco

aid as the general rule for direct aids foresees contributions to be paid the year after their eligibility.

The situation is, however, worrying since the financial support for the Tobacco Fund and its campaigns comes to an end. A policy which is in clear contradiction to the various EU anti-smoking campaigns has to be avoided. Tobacco is the single largest cause of avoidable death in the European Union accounting for over half a million deaths each year and over a million deaths in Europe as a whole. It is estimated that 25% of all cancer deaths and 15% of all deaths in the Union could be attributed to smoking.

Food and feed safety

The main objective under Chapter 17 04 is to minimise the harmful impact on human and animal health and markets and to reduce risks all along the food chain through preventive actions and the management of crises.

The food chain sector is completely harmonised at EU level and EU actions aim at bringing further improvements all along the food chain. An increase by EUR 1 million has been foreseen in this respect to support measures relating to training on feed and food control, activities of the Community laboratories and the development of a Community strategy for safer food to a total amount of EUR 26 million in commitment appropriations.

Outbreaks of serious animal and plant diseases can rapidly spread between Member States and may cause major direct losses to agriculture and potentially enormous indirect losses to the European economy. The Community's financial assistance helps accelerate the eradication by vaccination programmes or control of animal diseases by providing funds to supplement national financial resources and contributes to harmonising measures at Community level. The increase of budget line 17 04 01 01 'Animal disease eradication' by EUR 52 million compared to budget 2009 is mainly due to the request by Member States. It is envisaged to strengthen the surveillance and eradication programme for bluetongue and salmonella.

Pilot Projects / Preparatory Actions

Pilot Projects and Preparatory Actions (PP/PA) are traditionally parliamentary initiatives. They provide today the Parliament with the possibility of paving the way for new policies and activities that enrich the Union's actions and which might lead to adoption of legal acts setting out new EU activities and programmes. Under article 49, point 6, the Financial Regulation defines those actions:

"(a) appropriations for pilot schemes of an experimental nature designed to test the feasibility of an action and its usefulness. The relevant commitment appropriations may be entered in the budget for not more than two successive financial years;

(b) appropriations for preparatory actions (...) designed to prepare proposals with a view to the adoption of future actions. The preparatory actions are to follow a coherent approach and may take various forms. The relevant commitment appropriations may be entered in the budget for not more than three successive financial years. The legislative procedure must be concluded before the end of the third financial year."

The annual ceiling for commitments is fixed at EUR 40 million for Pilot Projects, and EUR 100 million for Preparatory Actions of which EUR 50 million for new ones. The appropriations are deducted from the margins available under the respective heading.

In 2009 the Budgetary Authority has voted 15 PP/PA which are implemented by DG ENV and DG SANCO and which have a total of commitment appropriations for PP of EUR 9 million and for PA of EUR 16 million.

Pilot Projects

PDB 2010 Nomenclature	Hd	Title	2008 c.a.	2008 p.a.	2009 c.a.	2009 p.a.	2010 c.a.	2010 p.a.	DG Resp.
17 03 08	1a	New employment situation in the health sector: Best practice for improving professional training and qualifications of health care workers and their remuneration	1.000.000	1.000.000	1.000.000	1.500.000	p.m.	600.00 0	SANCO
07 03 11	2	Forest protection and conservation	p.m.	1.200.000	-	p.m.	-	900.00 0	ENV
07 03 15	2	Sulphur dioxide and nitrogen oxide emission trading in the Baltic Sea	1.000.000	1.000.000	2.000.000	2.300.000	p.m.	960.00 0	ENV
07 03 16	2	Development of prevention activities to halt desertification in Europe			1.000.000	1.000.000	p.m.	p.m.	ENV
17 01 04 06	2	Improved methods for animal-friendly production	1.000.000	1.000.000	p.m.	p.m.	p.m.	p.m.	SANCO
17 03 09	2	Complex research on Health, Environment, Transport and Climate Change (HETC) - Improvement of indoor and outdoor air quality			4.000.000	4.000.000	p.m.	1.000.0 00	SANCO
07 04 02	3b	Cross-border cooperation in the fight against natural disasters	-	1.200.000	-	1.400.000	-	500.00 0	ENV
07 04 04	3b	Step up cooperation between member States on combating forest fires	3.500.000	2.000.000	p.m.	800.000	p.m.	1.750.0 00	ENV
07 02 03	4	Environmental monitoring of the Black Sea Basin and a common European framework programme for the development of the Black Sea region	1.000.000	1.000.000	1.000.000	500.000	p.m.	800.00 0	ENV

Preparatory Actions

PDB 2010 Nomenclat	Hd	Title	2008 c.a.	2008 p.a.	2009 c.a.	2009 p.a.	2010 c.a.	2010 p.a.	DG Responsib le
07 03 10	2	NATURA 2000	1.000.000	1.600.000	p.m.	1.500.000	-	400.00 0	ENV
07 03 13	2	An integrated coastal communication and risk management system	1.000.000	1.000.000	p.m.	500.000	-	220.00 0	ENV
07 03 17	2	Climate of the Carpathian basin			2.500.000	2.500.000	p.m.	p.m.	ENV
07 04 05	2	EU rapid response capability	4.000.000	4.000.000	7.500.000	7.000.000	p.m.	600.00 0	ENV
17 04 03 03	2	Control posts (resting points) in relation to transport of animals	4.000.000	4.000.000	4.000.000	4.000.000	p.m.	2.000.0 00	SANCO
17 02 03	3b	Monitoring measures in the field of Consumer policy	1.000.000	1.000.000	2.000.000	2.000.000	p.m.	p.m.	SANCO

(Working Document Part IV accompanying the PDB 2010)

Concerning commitment appropriations on PP and PA in the PDB 2010, Commission justifies its p.m. entry with preserving the prerogatives of the budgetary authority for the continuation or creation of PP and PA.

Regarding the implementation of newly voted projects in 2009 the Commission has not experienced any preliminary results due to the early stage of implementation.

Decentralised Agencies: EMEA, ECHA, EEA, ECDC and EFSA

The Community law does not have a legal definition of a decentralised agency. However, an agency is a body set up by the Communities with legal personality. Decentralised agencies are 'created' by the European legislator for a variety of reasons such as the provision of certain services, the employment of special expertise, the carrying-out of regulatory and monitoring tasks.

The PDB 2010 includes appropriations for 28 decentralised agencies for a total Community subsidy of EUR 660,666 million of which already EUR 79 million are foreseen for the inclusion of EUROPOL, previously financed on an intergovernmental basis. The amount dedicated to decentralised agencies represents 0.47 % of the total PDB 2010 (EUR 139,489 billion).

Concerning posts, the total number of posts for decentralised agencies foreseen in the PDB reaches 5.027, plus 833 contract agents and plus 301,5 seconded national experts (total 6.211,5). The newly integrated EUROPOL alone would represent 453 of these new posts.

The Committee on Environment, Public Health and Food Safety has been assigned responsible for the European Medicines Agency, the European Chemicals Agency, the European Environment Agency, the European Centre for Disease Prevention and Control and the European Food Safety Authority.

The **European Medicines Agency** (EMA) provides the Member States and the institutions of the Community with the best possible scientific advice on any question relating to the evaluation of the quality, the safety, and the efficacy of medicinal products for human and veterinary use. Furthermore, the agency contributes to the creation of an environment that stimulates innovation; fostering openness, communication and provision of information; strengthening the European medicines network and increasing the agency's contribution to medicine regulation activities at the international level.

The PDB 2010 anticipates a European contribution of EUR 37,112 million of which EUR 10.265 are assigned revenues. This represents a reduction of -11.4% of community contribution compared to 2009 and even a reduction of -35.9% compared to the PDB 2009.

In 2010 EMA will face the full effect of the implementation of the advanced therapies regulation and has to cope with all activities related to the Commission Regulation 1234/2008¹ which is applicable from 1 January 2010. Therefore, EMA has requested 37 additional posts for 2010.

The implementation of budget line 02 03 02 03 'Special Contribution for Orphan Medical Products' is also in responsibility of EMA. The PDB 2010 foresees EUR 4.5 million

¹ Commission Regulation (EC) No 1234/2008 of 24 November 2008 concerning the examination of variations to the terms of marketing authorisations for medicinal products for human use and veterinary medicinal products.

compared to EUR 5 million in 2009.

The **European Chemicals Agency** (ECHA), established on 1 June 2007, is assigned to manage the registration, evaluation, authorisation and restriction processes for chemical substances as well the classification and labelling of substances and mixtures to ensure consistency across the European Union. These REACH processes are designed to provide additional information on chemicals, to ensure their safe use, and to ensure competitiveness of the European industry.

It is estimated that the income from fees of ECHA will mostly be cashed at the very end of 2010 and early 2011, which subsequently will create a cash-flow problem. Due to the increasing workload such as the expected high number of submitted dossiers on high volume chemicals the agency has requested an increase of posts. The PDB 2010 foresees additional 102 temporary agents and 18 contract agents. However, the PDB 2010 foresees for this agency in its start-up phase only a community contribution of EUR 30 million and EUR 8.7 million out of 'assigned revenues'. Compared to 2009 the amount has been decreased by - 41.8%.

The **European Environmental Agency** (EEA) is responsible to provide sound and independent information on the environment to Member States and the European institutions and other stakeholders in order to help making informed decisions about improving the environment, integrating environmental considerations into economic policies and moving towards sustainability.

The PDB 2010 takes into consideration the 2% annual deflator thus the foreseen community subsidy amounts to EUR 35,258 million.

The number of staff in the establishment plan of the EEA for 2010 remains at 133 which is the same staffing as in 2009.

Identifying, assessing and communicating current and emerging threats to human health posed by infectious diseases are the missions of the **European Centre for Disease Prevention and Control** (ECDC) in Stockholm. The main development challenge for ECDC in 2010 is to assure coverage in expertise for all of the 55 disease fields for which ECDC has responsibility and which is currently not yet the case. Therefore, the PDB 2010 foresees EUR 56.4 million for the centre which represents an increase by 13.5% compared to the budget 2009.

The draft establishment table proposes to increase the internal staffing capacity by 30 temporary agents and 15 contract agents which would amount to a total of 315 posts in the centre in 2010.

In 2010 the **European Food Safety Authority** (EFSA) is at full cruising speed to give independent scientific advice on all matters with direct or indirect impact on food safety including animal health and welfare and plant protection to strengthening the European food and feed safety system.

An amount of EUR 72,996 million is foreseen in the PDB 2010 which is nearly the same amount as voted by the budgetary authority in 2009.

A total of 85 contractual staff is foreseen to strengthen EFSA's ability to conduct its operational activities and fulfil its mission. The Authority has asked further for an increase of 5 staff members for 2010 which has not been accepted by the Commission because the total staff of the Authority has already considerably increased in comparison with the initial financial statement.

SUGGESTIONS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Draws attention to the role of EU environmental policy in attaining the global objective of sustainable development in the long run; supports the Commission's dedication to achieving a successful conclusion of the United Nations climate change conference in Copenhagen in December 2009 by concluding a new international climate agreement for the period after 2012; recalls Parliament's resolution of 11 March 2009 on an EU strategy for a comprehensive climate change agreement in Copenhagen and the adequate provision of financing for climate change policy¹ and reiterates that the European Union should contribute its fair share to additional and new financing for mitigation and adaptation in developing countries; therefore requests the Commission to present a new financial instrument to fight climate change in developing countries immediately after the Copenhagen Conference; will not pre-empt any budgetary decision on the proposal to dedicate additional funds under the thematic programme 'Environment and sustainable management of natural resources, including energy' and the Development Cooperation Instrument;
2. Emphasises that the challenges relating to sustainable energy and the fight against climate change must be reflected in the EU's budget priorities; notes that those priorities will require additional budgetary resources; takes note in this context of the difficulties the Commission faces in implementing budget line "Climate Change Actions" (07 03 12) as there is no legal base; encourages the Commission to explore further possible options that would allow for the implementation of the voted commitment appropriations of EUR 20 million under existing legal bases or instruments; requests an adequate budgetary consideration of climate change issues in the next Multiannual Financial Framework proposal which the Commission envisages to adopt before 1 July 2011;
3. Calls for the Global Climate Change Alliance to support the already-finalised Nationally Appropriate Mitigation Action plans and National Adaptation Programmes of Action and to fund early mitigation and adaptation action in developing countries prior to 2012;
4. Points out the importance of the LIFE+ Programme as the coherent financial instrument for a streamlined and simplified approach to support environmental policy development and implementation; acknowledges the necessity of the whole amount of payments appropriations as provided for in the PDB 2010 at an amount of EUR 167 million to follow the payment regime based on the requirements of the legal base; urges the Council

¹ Texts adopted, P6_TA(2009)0121.

to reconsider its approach to this cut; stresses the importance of the Rural Development Programmes in strengthening rural communities, particularly in the aftermath of natural disasters, , and in better mitigating against the effects of climate change;

5. Welcomes the implementation of the Public Health Programme 2008 - 2013; recognises the need for the full amount of payment appropriations as provided for in the PDB 2010 to honour contracted financial obligations; reminds the Commission of the need to ensure a cost-effective implementation of the available appropriations by the Executive Agency on Health and Consumers;
6. Stresses again the need to raise public awareness of the harmful effects of tobacco consumption, including passive smoking, and expresses its concern that the Community Tobacco Fund, which grants financial support to information and education projects, will come to an end in 2010; requests the Commission to present follow-up initiatives as soon as possible;
7. Stresses once more the need for the decentralised agencies to have proper financing in order to carry out their assigned tasks but without reducing the funds available for other Community activities; welcomes the Commission's decision to follow the requests of the budgetary authority to take assigned revenues into account when drawing up the PDB 2010 for decentralised agencies; in this context, reminds the Commission of paragraph 42 of Parliament's resolution of 18 December 2008 on the draft general budget of the European Union for the financial year 2009 as modified by the Council (all sections)¹ which states 'that those agencies', e.g. the European Medicines Agency and European Chemicals Agency, 'depending to a large extent on revenue generated by fees should still be able to use the instrument of assigned revenues to give them the budgetary flexibility they need';
8. Takes note of the Commission's effort to comply with Article 45 of Regulation (EC) No 178/2002², which asks for a report on the feasibility and advisability of European legislation on fees payable to the European Food Safety Authority (EFSA), to be published by the Commission by March 2005; is concerned that the Commission is considering presenting a final report to Parliament and Council only in the third quarter of 2010; reminds the Commission in this context that the revenue from fees can unburden the EU budget, making it possible to support other priorities without endangering EFSA's independence and scientific advice.

¹ Texts adopted, P6_TA(2008)0622.

² Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety (OJ L 31, 1.2.2002, p. 1).

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	30.9.2009
Result of final vote	+: 47 -: 1 0: 0
Members present for the final vote	János Áder, Kriton Arsenis, Paolo Bartolozzi, Sergio Berlato, Nessa Childers, Chris Davies, Bairbre de Brún, Anne Delvaux, Bas Eickhout, Edite Estrela, Karl-Heinz Florenz, Gerben-Jan Gerbrandy, Julie Girling, Nick Griffin, Françoise Grossetête, Satu Hassi, Jolanta Emilia Hibner, Dan Jørgensen, Esther de Lange, Jo Leinen, Corinne Lepage, Peter Liese, Linda McAvan, Paul Nuttall, Miroslav Ouzký, Andres Perello Rodriguez, Frédérique Ries, Anna Rosbach, Dagmar Roth-Behrendt, Daciana Octavia Sârbu, Carl Schlyter, Horst Schnellhardt, Richard Seeber, Theodoros Skylakakis, Bogusław Sonik, Anja Weisgerber, Sabine Wils
Substitute(s) present for the final vote	Zoltán Balczó, Tadeusz Cymański, João Ferreira, Christofer Fjellner, Matthias Groote, Jutta Haug, Romana Jordan Cizelj, Bart Staes, Eleni Theocharous, Thomas Ulmer, Kathleen Van Brempt
Substitute(s) under Rule 187(2) present for the final vote	

30.9.2009

OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2010, Section III - Commission
(C7-0127/2009 - 2009/2002(BUD))

Rapporteur: Lena Ek

SUGGESTIONS

The Committee on Industry, Research and Energy calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Points to the important challenges the Union is facing in the field of energy, information technology, research and innovation, notably to ensure security of energy supply, to combat climate change, to stimulate the evolution of an eco-efficient economy, to prevent a digital divide and to drive innovation in the aftermath of the financial crisis and economic downturn; believes that cuts to budget lines which implement policies to tackle these challenges are detrimental to the EU's sustainable economic recovery, regional development and job creation;
2. Regrets in particular the cuts proposed by the Council to the Seventh Framework Programme for research, technological development and demonstration activities (2007-2013)¹ (Seventh Framework Programme) of about 6% in payments appropriations, and of up to 59% for some specific budget lines (budget line 08 01 05 03), which undermine the objectives of the Lisbon Strategy; calls for appropriate funding of research policies, thereby putting a special emphasis on encouraging women's participation in research and on enhancing understanding of gender issues in order to facilitate gender equality;
3. Welcomes the energy-efficient buildings, factories for the future and European Green Cars initiatives as promising public-private partnerships to be financed by the Seventh

¹ OJ L 412, 30.12.2006, p. 1.

Framework Programme in order to support industry in the development of more sustainable road transport, new technologies and new eco-efficient materials;

4. Stresses the need to stimulate the production of renewable energy, energy efficiency and low carbon technology, including Carbon Capturing and Storage (CCS), which contribute to job creation, sustainable regional development and progress towards an eco-efficient economy;
5. Considers that more emphasis must be put on investment in energy infrastructure, development and upgrading of transmission networks and building of interconnectors, with a view in particular to overcoming the isolation of areas not sufficiently connected to European energy networks, so-called "energy islands"; calls therefore for the provision of funding adequate for the implementation of the European Energy Recovery Programme (budget line 06 01 04 13);
6. Calls for appropriate funding to ensure the highest level of safety of nuclear installations, including during the dismantling of such installations;
7. Calls for adequate financing in support of small and medium sized enterprises (SMEs), in particular in the aftermath of the economic downturn, since SMEs are crucial for job creation and for stimulating regional development; underlines in this context the importance of the support schemes of the European Investment Bank for SMEs, since SMEs are hit hardest by the difficulty in obtaining credit following the financial crisis;
8. Believes that investments in information and communications technologies will foster growth and innovation, thereby contributing to the goals of the Lisbon Strategy; calls, in this context, for more support for research activities in the field of information technologies such as the Competitiveness and Innovation Framework Programme.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	29.9.2009
Result of final vote	+: 43 -: 0 0: 6
Members present for the final vote	Jean-Pierre Audy, Zigmantas Balčytis, Ivo Belet, Bendt Bendtsen, Jan Březina, Kathleen Van Brempt, Maria Da Graça Carvalho, Pilar del Castillo Vera, Jorgo Chatzimarkakis, Giles Chichester, Ioan Enciu, Adam Gierak, Fiona Hall, Jacky Hénin, Romana Jordan Cizelj, Lena Barbara Kolarska-Bobińska, Arturs Krišjānis Kariņš, Bogdan Kazimierz Marcinkiewicz, Philippe Lamberts, Marisa Matias, Judith A. Merkies, Aldo Patriciello, Anni Podimata, Herbert Reul, Teresa Riera Madurell, Jens Rohde, Paul Rübig, Francisco Sosa Wagner, Patrizia Toia, Evžen Tošenovský, Marita Ulvskog, Alejo Vidal-Quadras
Substitute(s) present for the final vote	Antonio Cancian, Francesco De Angelis, Matthias Groote, Andrzej Grzyb, Cristina Gutiérrez-Cortines, Satu Hassi, Jolanta Emilia Hibner, Yannick Jadot, Oriol Junqueras Vies, Werner Langen, Marian-Jean Marinescu, Tiziano Motti, Lambert van Nistelrooij, Theodoros Skylakakis, Hannes Swoboda, Silvia-Adriana Țicău, Hermann Winkler

9.3.2009

OPINION OF THE COMMITTEE ON THE INTERNAL MARKET AND CONSUMER PROTECTION

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2010, Section III - Commission
(C7-0127/2009 - 2009/2002(BUD))

Rapporteur: Cristian Silviu Buşoi

SUGGESTIONS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Notes that the responsibility of the Committee on the Internal Market and Consumer Protection in the budget procedure covers titles 2 (Enterprise), 12 (Internal market), 14 (Taxation and customs union) and 17 (Health and consumer protection);
2. Underlines the importance of the budgetary allocation in chapter 02 03 of the Preliminary Draft Budget in the belief that a better functioning of the internal market in goods through new legislative and non-legislative measures and better enforcement of Community law will help businesses; is furthermore of the opinion that these measures will facilitate the operation and competitiveness of enterprises, while providing European citizens with higher levels of health and safety and environmental and consumer protection;
3. Welcomes the slight increase in chapters 12 01 and 12 02, which it deems necessary due to the benefits of the single market for the EU economy as a whole, in particular during the economic downturn; calls therefore on the Commission to bring forward proposals on how to remove the remaining barriers to the single market in order to increase such benefits; emphasises the importance of the services sector for the single market and deems therefore the implementation of the Services Directive¹ a key priority; encourages the Commission to strengthen its efforts towards an evidence-based policy based on sound market knowledge, economic analysis and the choice of appropriate instruments; asks the Commission in addition to cooperate closely with the Member States and to develop an administrative culture of simpler regulation and

¹ Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market (OJ L 376, 27.12.2006, p. 36).

effective problem solving; stresses the need to put administrative procedures relating to the implementation of directives online and to simplify administrative formalities in the implementation of essential measures, and not merely in the ex post evaluation thereof; points out in this context the importance of workshops, exchange of officials and other training activities to assist officials and judges in correctly transposing, applying and enforcing single market rules, encouraging the simplification thereof and avoiding the creation of new barriers;

4. Welcomes the creation of a separate budget line for the SOLVIT network in the 2009 Budget and asks for its further strengthening in the 2010 Budget; calls on Member States to increase the human and financial resources allocated to this network, which constitutes an effective free-of-charge out-of-court dispute settlement mechanism; asks the Commission to strengthen its efforts to finance training and promotion activities of the SOLVIT network in all Member States; encourages the Commission also to accelerate the streamlining of the different services providing information and advice regarding the single market; strongly supports, therefore, the concept of Single Market Assistance Services through the creation of a single-entry webpage;
5. Considers the increase in the amount, allocated in chapter 14 04, for the 2013 Customs Programme to be justified and appropriate to achieve the goals in this policy area, such as reinforcing security and protection of the now-extended external borders, supporting the fight against illicit trafficking and fraud and improving the efficiency of customs systems; emphasises the fact that the Programme contributes to the achievement of these goals by improving coordination and cooperation between Member States, promoting the exchange of best practices and know-how and monitoring the correct application of Community legislation;
6. Points out the role of consumer policy in chapter 17 02 in the development of an internal market with safe products and services, equal rights for all consumers and a level playing field for companies; emphasises the importance of close cooperation between the Community, Member States and third countries, including the United States and China, on more effective enforcement mechanisms in order to achieve greater consumer confidence, in particular during the economic downturn; urges the Commission to develop a knowledge base, as well as training programmes, in the area of market surveillance which will strengthen the existing cooperation structures between the competent authorities; calls on the Commission to propose further Community action to reinforce the European Consumer Centres; considers common efforts in the area of consumer education, in particular regarding financial literacy, independently of the age and the level of education of consumers, a priority;
7. Recognises the importance of monitoring consumer markets through the consolidation of a scoreboard and related market studies based on the collection of data on consumer behaviour and the functioning of those markets; calls therefore for a further preparatory action entitled 'Monitoring measures in the field of consumer policy' which would allow for the continuation of existing surveys and studies and the financing of further market studies, thus improving the quality of the Consumer Markets Scoreboard.

PROCEDURE

Date adopted	2.9.2009
Result of final vote	+: 32 -: 1 0: 0
Members present for the final vote	Pablo Arias Echeverría, Cristian Silviu Buşoi, Lara Comi, Anna Maria Corazza Bildt, António Fernando Correia De Campos, Christian Engström, Evelyne Gebhardt, Louis Grech, Małgorzata Handzlik, Iliana Ivanova, Philippe Juvin, Alan Kelly, Eija-Riitta Korhola, Kurt Lechner, Hans-Peter Mayer, Gianni Pittella, Mitro Repo, Robert Rochefort, Zuzana Roithová, Heide Rühle, Christel Schaldemose, Andreas Schwab, Laurence J.A.J. Stassen, Róza Thun Und Hohenstein, Kyriacos Triantaphyllides, Emilie Turunen, Bernadette Vergnaud, Barbara Weiler
Substitute(s) present for the final vote	Frank Engel, Cornelis de Jong, Morten Løkkegaard, Morten Messerschmidt, Konstantinos Poupakis, Sylvana Rapti, Rafał Kazimierz Trzaskowski
Substitute(s) under Rule 178(2) present for the final vote	

3.9.2009

OPINION OF THE COMMITTEE ON TRANSPORT AND TOURISM

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2010, Section III - Commission
(C7-0127/2009 - 2009/2002(BUD))

Rapporteur: Jaromír Kohlíček

SHORT JUSTIFICATION

Introduction

This budget year is the fourth year in which the Financial Framework period 2007-2011 applies. The Preliminary Draft Budget proposes an increase in commitment and payment appropriations to Trans European Network-Transport: an increase of 9.7% in commitment appropriations for the total of all other transport lines, but a decrease of 8.3% in payment appropriations for these in 2010. However preliminary, informal indications suggest that the Council in its draft budget will operate overall cuts in the transport area on virtually every transport related line, including Trans European Transport Networks, Marco Polo II, and all Agencies. For Marco Polo II the reduction could be of the order of 10%.

Your draftsman must stress that across the board reductions applied to almost all transport programmes are unacceptable, not least because they are indiscriminate, unsupported by argument and wholly detrimental to the implementation of transport policy and legislation. He reserves the right to restore every Council reduction to Preliminary Draft Budget levels. What follows should be read in that light.

Trans European Networks -Transport

The Preliminary Draft Budget (PDB) prepared by the Commission proposes an increase in both commitment and payment appropriations for this key budget line.

Commitment appropriations are to rise by 8.4% (comparing the 2009 Budget to the PDB) to EUR 998 846 000 and payment appropriations by 18.3% to EUR 725 000 000. This increase, which is in the line with the programme of investment agreed in the Financial Perspective for the period 2007-2013, is to be welcomed. Indeed it is vital that this level of investment is

maintained, not only to deliver a modern and sustainable transport infrastructure on Europe's key routes but also because investment on this scale provides an economic impetus and creates jobs in a period of recession.

It is nevertheless disappointing that same priority projects state of preparedness does not allow expenditure to take place in 2010, notably Project 07 (multimodal axis Spain/Portugal-Europe) 13 (multimodal Ireland/Benelux road access) 14 (multimodal west coast main line) 21 (motorways of the sea) and 25 (motorway axis Gdansk/Brno/Bratislava-Vienna).

Marco Polo II

There is a significant reduction in the payment appropriations proposed for the Marco Polo II in the PDB when the latter is compared with the 2009 Budget. Payment appropriations fall from EUR 54 182 875 to EUR 30 000 000 or by 44.6%. However, EUR 30 000 000 represent a threefold increase when compared to the actual out turn of expenditure in 2008. It would seem that not all payment appropriations for Marco Polo II included in the 2009 Budget can be absorbed and used effectively. A mid-term evaluation of Marco Polo II will begin in 2010.

European Maritime Safety Agency

The amounts proposed in the 2010 PDB for the European Maritime Safety Agency (EMSA) represent an overall increase in commitment appropriations of 8.5%, up to EUR 52 449 366, but a decrease of 8.3% in payment appropriations, which fall to EUR 48 884 480. The reduction in payment appropriations is attributable to reduction in sums for anti-pollution measures of EUR 4 600 000. The Agency considers this amount in payment appropriations to be adequate because the final contracts for standby oil recovery tasks are expected to be completed in the second or third quarter of 2010, thus engendering a requirement for payment appropriations in 2011. Commitment appropriations for anti pollution measures increase by 8.5%. The agency's total establishment rises from 234 to 242.

The mid-term review by the Agency of its anti-pollution activities, due in 2010, will address how best to use appropriations remaining in the multi-annual envelope.

European Aviation Safety Agency

Commitment and payment appropriations for the European Aviation Safety Agency (EASA) rise from EUR 31 540 000 to EUR 33 497 000, an increase of 6.3 %. Subsidy from the EU budget represents approximately 27% of the Agency's income. When the overall budget is considered the biggest area of increase is in certification activities where expenditure will be 46%, or almost EUR 8 000 000 higher than in 2009. The Agency's establishment plan also grows from 506 to 570. Both of these increases reflect the Agency's new responsibilities although the schedule for the effective implementation of recently adopted legislation means that the financial impact of those responsibilities will be felt more fully in 2011.

European Railway Safety Agency

The European Union subsidy to the European Railway Safety Agency (ERSA) will rise from EUR 21 000 000 to EUR 23 474 000 in 2010, in both commitment and payment appropriations. For the first time the Agency will derive income from third country

contributions. Operational expenditures will almost double while current administrative expenditure; and spend on meetings and missions will fall. 15 new posts are proposed including for ERTMS, safety and cross-acceptance work. This will bring total staff to 139 in 2010.

Trans-European Networks-Transport Executive Agency

There is no proposed increase in the Agency's budget in 2010. It remains at EUR 9 794 000 in both commitment and payment appropriations in 2010. However, as EUR 305 000 is effectively in reserve for 2009, there will be a modest increase in real expenditure. The Agency should reach its full staffing complement in 2010.

Current Pilot Projects and Preparatory Actions

Pilot projects and preparatory actions have a cycle to completion and do not continue in the same way as other budgetary lines. The pilot project on security in the Trans-European road network is now in its completion phase and as a result the amount proposed for 2010 is substantially reduced, by 65.6%, a reduction in payment appropriations to EUR 570 000. Expenditure has been aimed at informing users of the availability and quality of rest points for lorries. The preparatory action on cross border traffic at the EU north-east external border crossing points is also drawing to a close in 2010, with a Commission evaluation due in 2011.

Similarly the pilot projects for European Destinations of Excellence, Sustainable Tourism and Social Tourism are in their second or third year and both commitment and payment appropriations are substantially reduced.

Suggestions

The committee on Transport and Tourism calls on the committee on Budgets, as the committee responsible to incorporate the following suggestions in its motion for a resolution:

1. Considers that the Preliminary Draft Budget as proposed by the Commission represents the minimum necessary to sustain momentum in the implementation of European Union policy and law in the fields of transport and tourism. Requests the Commission to present as soon as possible the results and new proposals resulting from the pilot projects on road safety and the preparatory actions on tourism in order to prepare the necessary support measures already.
2. Welcomes in particular its proposals for sustained investment in the Trans European Transport Network (TEN-T). Regrets however that a number of TEN-T projects will nevertheless not benefit from investment from the EU budget in 2010 and insists that at no point must a perceived lack of EU funding act as a break on the implementation of those projects. Insists on the importance of ensuring the financing of the 30 TEN-T projects following the recommendations made in its resolution of 11 March 2009 on a European Economic Recovery Plan¹.

¹ P6_TA-PROV(2009)0123.

3. Notes the increase in commitment appropriations for the European Maritime Safety Agency and expects with some concern that this will be matched in due course by an increase in payment appropriations available for anti pollution measures.
4. Welcomes the increase in appropriations for the European Aviation Safety Agency but insists that at all times the Agency's funding should run in tandem with its responsibilities.
5. Welcomes the work undertaken to make the Marco Polo II programme increasingly efficient, and insists on providing the necessary funds to enable it to meet demands.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	2.9.2009
Result of final vote	+: 40 -: 0 0: 0
Members present for the final vote	Inés Ayala Sender, Georges Bach, Izaskun Bilbao Barandica, Antonio Cancian, Michael Cramer, Peter van Dalen, Christine De Veyrac, Saïd El Khadraoui, Ismail Ertug, Carlo Fidanza, Knut Fleckenstein, Jacqueline Foster, Luis de Grandes Pascual, Mathieu Grosch, Jim Higgins, Dieter-Lebrecht Koch, Jaromír Kohlíček, Georgios Koumoutsakos, Werner Kuhn, Bogusław Liberadzki, Eva Lichtenberger, Marian-Jean Marinescu, Gesine Meissner, Hella Ranner, Vilja Savisaar, Olga Sehnalová, Debora Serracchiani, Brian Simpson, Dirk Sterckx, Silvia-Adriana Țicău, Gionmarrina Uggias, Thomas Ulmer, Dominique Vlasto, Artur Zasada, Roberts Zīle
Substitute(s) present for the final vote	Jean-Paul Besset, Derk Jan Eppink, Tanja Fajon, Petra Kammerevert, Joachim Zeller
Substitute(s) under Rule 178(2) present for the final vote	

3.9.2009

OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2010, Section III - Commission
(C7-0127/2009 - 2009/2002(BUD))

Rapporteur: Danuta Maria Hübner

SHORT JUSTIFICATION

As the committee has consistently pointed out, in making its budgetary provisions the European Commission assesses budgetary needs taking into account the decisions of the European Council, the IIA, the amounts due under projects closing down under previous programming periods, current payment obligations and the likely calls for advance payments for the current period. Thus overall payments increase by 4.1% comprising on the one hand interim payments and outstanding commitments for the 2000-6 programming period. Interim payments account for the vast majority of payments in 2010 as the operational programmes get into stride and the simplification of procedures introduced by the legislative modifications begins to take effect.

The Commission tells us that the Cohesion policy 2010 budget is designed to accelerate implementation to aid full recovery from the economic crisis. Increased use of financial instruments such as JASPERS to facilitate launching of major projects and necessary reprogramming to support investments in energy efficiency, low-carbon and renewable energy technologies and measure to combat climate change are therefore envisaged. Furthermore in line with the accelerator principle, payment appropriations amount to 30.928.2 million EUR (including the Cohesion Fund) entirely dedicated to interim payments.

In 2009, at the initiative of the Committee on Regional Policy, Parliament requested the setting-up of three pilot projects covering the integration of the ROMA communities, the promotion of EU regional policy on a global scale, and an ERASMUS programme for elected local and regional representatives. At this early stage of the parliamentary term, and in the interest of ensuring sound financial management, your rapporteur considers that before proposing any new pilot projects, the committee be informed in as much detail as possible, of the actions taken to implement the projects financed under the 2009 budget.

Lastly, at a time when European Economic recovery is still at an embryonic stage and is highly dependent on large scale government spending and despite the mechanistic manner in

which Cohesion policy allocations are managed, it appears somewhat paradoxical that ERDF commitments for the Regional competitiveness and employment objective are reduced by 372.536.823 EUR compared with 2009. It is therefore legitimate to ask if this reduction is consistent with the need to stimulate the economy and create jobs in the advanced economies of Europe in order to maintain and increase competitiveness at the global level.

SUGGESTIONS

The Committee on Regional Development calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Takes the view that the amounts for regional policy entered in the preliminary draft budget correspond to the needs of the Union in its efforts to reduce regional disparities and meet the Lisbon and Gothenburg objectives; therefore calls for all PDB budget lines to be maintained or, where necessary, restored;
2. Encourages the Commission in its efforts to promote the use of non-grant innovative forms of finance and financial engineering instruments to enhance access to finance for the 2007-13 programmes and in particular those instruments facilitating access to risk capital and micro-credits for small and medium-sized enterprises (SMEs); in this context, asks the Commission to inform Parliament of the functioning of the preparatory action it has run since 2008 and financed under budget line 13.03.24 as well as information concerning the follow-up to this action in the future;
3. Together with the Commission and the Council, shares the belief that the legislative changes made in the context of the European Economic Recovery plan will contribute to making the structural funds a valuable instrument for the recovery of the European economy in 2010; in this context, calls on Member States to ensure that optimal use is made of the new facilities and simplified procedures so as to accelerate implementation, making every effort to ensure the execution on time of the allocations for the national operational programmes and the corresponding projects, as well as maximising their multiplier effect in stimulating economic activity, which is of vital importance in regions heavily dependent on public investment, such as the most remote regions; furthermore, requires Member States to make sure that simplification of procedures is accompanied by efficient management and control systems aimed at optimising the capacity for implementing the Funds while preventing their abusive use;
4. Notes that the Erasmus pilot project was allocated EUR 2 million in 2009, that the full amount was paid out in 2009 and that no credits or payments are foreseen in 2010; asks the Commission to inform Parliament of the actions undertaken in the context of the three pilot projects implemented at Parliament's request;
5. Notes that the 2010 commitment appropriations for the regional competitiveness and employment objective are reduced by EUR 372 536 823 compared to 2009 and asks if this reduction is consistent with the need to stimulate the economy and create jobs in the advanced economies of Europe in order to maintain and increase competitiveness at the global level.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	2.9.2009
Result of final vote	+: 37 -: 2 0: 5
Members present for the final vote	François Alfonsi, Luís Paulo Alves, Raffaele Baldassarre, Catherine Bearder, Victor Boştinaru, Sophie Briard Auconie, Zuzana Brzobohatá, John Bufton, Alain Cadec, Salvatore Caronna, Ricardo Cortés Lastra, Francesco De Angelis, Tamás Deutsch, Elie Hoarau, Danuta Maria Hübner, Ian Hudghton, Seán Kelly, Evgeni Kirilov, Constanze Angela Krehl, Petru Constantin Luhan, Ramona Nicole Mănescu, Riikka Manner, Iosif Matula, Erminia Mazzoni, Miroslav Mikolášik, Franz Obermayr, Jan Olbrycht, Wojciech Michał Olejniczak, Athanasios Pafilis, Markus Pieper, Monika Smolková, Georgios Stavrakakis, Csanád Szegedi, Nuno Teixeira, Michael Theurer, Oldřich Vlasák, Kerstin Westphal, Joachim Zeller
Substitute(s) present for the final vote	Jan Březina, Ivars Godmanis, Catherine Greze, Veronica Lope Fontagné, Richard Seeber, Hermann Winkler
Substitute(s) under Rule 178(2) present for the final vote	Jean-Paul Basset

OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2010, Section III - Commission
(C7-0127/2009 - 2009/2002(BUD))

Rapporteur: Elisabeth Jeggle

SUGGESTIONS

The Committee on Agriculture and Rural Development calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Notes with great concern that agriculture in the European Union has been one of the sectors most severely affected by the economic and financial crisis; calls on the Commission to immediately implement measures to alleviate the situation and to put forward a clear, long-term strategy for a sustainable and competitive Common Agricultural Policy (CAP);
2. Recalls that the primary goal of the CAP is to guarantee market stabilisation, provide security and ensure reasonable prices for consumers and producers, and therefore calls on the Commission to provide in the 2010 budget for the necessary means to address the new needs arising from the current economic crisis;
3. Does not consider that the Preliminary Draft Budget adequately reflects the particular needs arising from the worsening conditions on agricultural markets and expects this to be rectified in the Commission's Letter of Amendment in the autumn;
4. Expresses its concern about the situation in the dairy market and the strong decline in producer prices; urges the Commission to put in place the emergency measures needed to alleviate the current decline in producer prices; supports the increases in budgetary terms provided for in the dairy sector (export refunds, intervention, private storage), but insists that more funding be put in place to support struggling dairy farmers;
5. Repeats its demand, made in the 2009 budget procedure, for the creation of a dairy restructuring fund of EUR 600 million to support farming investment, modernisation, diversification or area-based measures and to provide support for marketing activities and

accurate nutritional information for dairy products;

6. Calls for the creation of a price and margin observational tool for gathering information about the farmers' price-share along the food retail chain to ensure that prices paid by consumers are in line with the prices paid to farmers;
7. Reminds the Commission of the study on margins for the various links in the food production chain, which, on the initiative of Parliament, was launched within the framework of the budget for 2009; strongly emphasises that Parliament expects to see results of this study by the end of the year;
8. Urges the Commission to put forward a proposal for an early retirement scheme with harmonised standards, in particular for the dairy sector, in order to avoid market distortions;
9. Stresses the need for an expansion of, and increased financial resources for, programmes that can boost the consumption of dairy products, such as the School Milk scheme; considers that the reintroduction of skimmed-milk powder for animal feed could be an effective way of balancing the market; calls, further, for the extension of the programme of butter for pastry and ice cream;
10. Calls for increased appropriations for the School Fruit scheme and for the accelerated implementation of this programme;
11. Expresses its great concern at the overall level of the margin available for 2010, which is significantly smaller than in 2009, with only EUR 1.109 million for 2010, compared to EUR 3.517 million in 2009; considers the level of the expected margin to be very limited already and that it should not be reduced, as further market interventions throughout the budget year could trigger the application of budgetary discipline;
12. Stresses that the margin for agricultural expenditure should be used stringently and only for purposes in the agricultural sector;
13. Stresses that the financing of the European Economic Recovery Plan (EERP) envisaged for 2010 is not yet included in the Preliminary Draft Budget 2010, thus the current margin is going to be further reduced by EUR 420 million;
14. Recalls that Parliament increased the budgetary line for rural development by EUR 249.840 million in the 2009 budgetary procedure, and that this amount was made available for activities financed under the European Agricultural Fund for Rural Development in the EERP; considers that this would have eased the problem of financing the EUR 2 400 million needed for the EERP in 2010;
15. Urges the Council and Commission to increase the budget for young farmers as this group is facing considerable new challenges (e.g. combating climate change and maintaining food production in the European Union), for instance by increasing the funds available for education, training networks and exchange programmes for young farmers or by strengthening the policy tools for young farmers in the Rural Development programme;

16. Supports the Commission's and the European Food Safety Authority's recent undertakings in relation to identifying the causes for an alarming decline in bee numbers (colony collapse disorder) and stresses the importance of increasing appropriations to improve the production and marketing of honey in order to help tackle this problem, which is crucial to maintaining sufficient pollination in the Union; reiterates its calls for the costs of combating bee diseases to be assumed within the framework of veterinary policy;
17. Stresses the need to ensure that the Committee on Agriculture and Rural Development is represented by the appropriate committee members in the conciliation committee meetings; stresses also the need to ensure coordination between the Committee on Budgets and specialised committees on budgetary aspects of their legislative activities given their impact on the multiannual financial framework and the annual budgetary procedure.

PROCEDURAL PAGE

Date de l'adoption	30.9.2009
Résultat du vote final	+: 40 -: - 0: 1
Membres présents au moment du vote final	John Stuart Agnew, Richard Ashworth, Christophe Béchu, José Bové, Luis Manuel Capoulas Santos, Vasilica Viorica Dăncilă, Michel Dantin, Paolo De Castro, Albert Deß, Herbert Dorfmann, Hynek Fajmon, Lorenzo Fontana, Martin Häusling, Esther Herranz Garcia, Peter Jahr, Elisabeth Jeggle, Elisabeth Köstinger, Giovanni La Via, Stéphane Le Foll, George Lyon, Gabriel Mato Adrover, Krisztina Morvai, Mariya Nedelcheva, James Nicholson, Rareş-Lucian Niculescu, Wojciech Michał Olejniczak, Marit Paulsen, Alfreds Rubiks, Giancarlo Scotta', Czesław Adam Siekierski, Marc Tarabella
Suppléant(s) présent(s) au moment du vote final	Luís Paulo Alves, Salvatore Caronna, Ricardo Cortés Lastra, Jean-Paul Gauzès, Vincenzo Iovine, Alan Kelly, Véronique Mathieu, Christel Schaldemose, Brian Simpson, Milan Zver
Suppléant(s) (art. 187, par. 2) présent(s) au moment du vote final	Theodoros Skylakakis

2.9.2009

OPINION OF THE COMMITTEE ON FISHERIES

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2010, Section III – Commission
(C7-0127/2009 – 2009/2002(BUD))

Rapporteur: Carmen Fraga Estévez

SHORT JUSTIFICATION

In the area of the Common Fisheries Policy (CFP), efforts will be devoted to the preparation of reform proposals to be adopted by the Commission following completion of the consultation launched by the Reform Green Paper in 2009. This work will take place against the background of the first year of full implementation of the new control framework for fisheries.

The Regulation against Illegal, Unregulated and Unreported (IUU) Fishing will also apply from 1 January 2010. From January 2010, compliance with conservation and management rules will govern the external trade with fishery products under the IUU Regulation. This will be a major change compared to the current situation.

Within chapter 11 02 'Fisheries markets' the same measures will be financed under the Common Market Organisation (CMO) and for the outermost regions as in previous years not taking into account their specific characteristics. The decrease of payment appropriations for the CMO reflects the actual level of implementation.

2010 will be the half way point for the European Fisheries Fund (EFF) under chapter 11 06. For the EFF, the Commission proposes EUR 643.18 million in commitment appropriations. Commitment appropriations will increase marginally, whereas payment appropriations for the chapter will decrease more substantially. The decrease in payment appropriations relates exclusively to payments for the former Financial Instrument for Fisheries Guidance (FIFG) 2000-2006 where few payments are expected in 2010.

SUGGESTIONS

The Committee on Fisheries calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes the proposals for the Fisheries and Maritime Policy Budget in 2010 despite the fact that the resources decided on under the Financial Perspective for 2007-2013 are insufficient to meet the needs of the fisheries sector at a time of profound and continued crisis in the fishing industry, characterised by increased costs, smaller catches, and lower income;
2. Welcomes the continuation of the Preparatory Actions on Maritime Policy and on the Monitoring Centre for Fisheries Market Prices, thus ensuring that these initiatives will not be blocked in 2010;
3. Welcomes the increase in commitment appropriations proposed for the control and enforcement of the Common Fisheries Policy (CFP) relating to the Community contribution to the Community Fisheries Control Agency (CFCA) which will become operational in 2010, but considers that this increase insufficient to co-finance control measures carried out by the Member States; considers that the CFP can be duly implemented only on the basis of full compliance by the Member States with fisheries controls;
4. Considers that the entry into force of the IUU regulation¹ and the new control regulation, both probably in 2010, will require sufficient financial and other resources from the Commission and the Member States; agrees with the Commission that considerable savings may be made by improvements to the control regulation; urges the Community to provide support to third countries that require it in order to meet the provisions of the IUU regulation;
5. Expresses its concern over the proposed reduction in the resources available under chapter 11 04 'Governance of the Common Fisheries Policy'; given the importance of Regional Advisory Councils (RACs), it considers that an appropriate level of funding is indispensable for better governance of the CFP; considers, in addition, that the Commission should introduce greater flexibility and transparency in the rules governing the financial activities of the RACs, which are currently subject to an excess of interpretative criteria on the Commission's part, with a view to ensuring that existing rigidities no longer prevent the RACs from spending the entirety of the limited budget allocated to them;
6. Believes there should be an increase in support for the most remote regions, specifically in the context of the compensation regime for additional costs relating to the disposal of certain fisheries products of the Azores, Madeira, the Canary Islands and the French departments of Guiana and Réunion and in line with Parliament's resolution of 26 April

¹ Council Regulation (EC) No 1005/2008 of 29 September 2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing, amending Regulations (EEC) No 2847/93, (EC) No 1936/2001 and (EC) No 601/2004 and repealing Regulations (EC) No 1093/94 and (EC) No 1447/1999, L 286 29.10.2008, p. 0001.

2007¹;

7. Expresses its concern that a new European Union maritime policy could develop to detriment of the existing priority areas of the CFP in so far as their budgetary funding is concerned; the funds proposed are not sufficient to cover all aspects of the launch of a new European Union maritime policy; in future, such a policy will require adequate financing under more than one budget line;
8. Expresses its concern over the competitiveness and position of Community producers on the Community market, and suggests the inclusion of specific budgetary measures to aid the preservation of sustainable fisheries, the proper balancing of supply and demand and the full exploitation of products on the market;
9. Welcomes, in the context of the external dimension of the CFP, the continued inclusion of specific budget measures aimed at reinforcing and developing the Community's participation and presence in both fisheries partnership agreements with third countries and regional fisheries management organisations.

¹ OJ C 74 E, 20.3.2008, p. 735.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	1.9.2009
Result of final vote	+ : 18 - : 1 0 : 0
Members present for the final vote	Carmen Fraga Estévez, Carlos José Iturgaiz Angulo, Maria do Céu Patrão Neves, Jarosław Leszek Wałęsa, Josefa Andres Barea, Guido Milana, Ulrike Rodust, Pat the Cope Gallagher, Carl Haglund, Isabella Lövin, Marek Józef Gróbarczyk, Struan Stevenson, João Ferreira
Substitute(s) present for the final vote	Alain Cadec, Werner Kuhn, Gabriel Mato Adrover, Ioannis Tsoukalas, Ole Christensen, Estelle Grelier, Antolín Sánchez Presedo, Izaskun Bilbao Barandica, Jean-Paul Besset, Raül Romeva i Rueda
Substitute(s) under Rule 178(2) present for the final vote	

6.10.2009

OPINION OF THE COMMITTEE ON CULTURE AND EDUCATION

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2010, Section III - Commission
(C7-0127/2009 - 2009/2002(BUD))

Rapporteur: Helga Trüpel

SUGGESTIONS

The Committee on Culture and Education calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. is determined to restore the figures presented by the Commission in its Preliminary Draft Budget in the areas of media, culture, citizenship, education, communication, youth and sport policy which the Council decided to lower;
2. regrets in particular the Council cutting funds under heading 3b, as such funds cover many of the EU's activities that directly affect citizens, in particular young people, thereby making the EU more visible and bringing it closer to citizens through international mobility and the voluntary sector;
3. expresses its concern about the constant decline in overall voter turnout at the most recent European Parliament elections, considers that part of the responsibility lies with the national governments and emphasises the need for joint, coordinated and sustained efforts, in particular in the area of communication policy, to counter this trend; calls on the Commission to provide further information on how it intends to use the additional requested funds in the area of communication policy in order to achieve European cohesion;
4. calls for a thorough discussion on the best way of using the funds made available under the PRINCE budget lines with the aim of improving the EU's communication policy by linking this funding in a more coherent way to the EU's communication priorities;
5. insists that the Commission organise a pilot project for European research grants for journalists to be managed by an independent team of journalists and aimed at facilitating and developing serious cross-border journalistic research at EU level;

6. supports the Commission in its efforts to improve cooperation between the EU and the United States of America and Canada in the area of education and vocational training and considers budget cuts in this area to be the wrong political signal to send to its transatlantic partners;
7. supports the EU's international cooperation in the audiovisual industry and recognises the need to continue the funding of the preparatory action in this area until the multiannual programme comes into force in 2011;
8. supports the development of the Lifelong Learning Programme, and suggests that the Leonardo da Vinci section, which focuses on education and vocational training, should be regarded as more of a priority ;
9. calls on the Commission to continue the preparatory action in the field of sport with the same level of ambition, in order to guarantee a smooth follow-up in the planned future sports programme; emphasises that sport is of particular importance in creating a European identity and developing a sense of EU citizenship; is of the opinion that sport is a powerful force for social integration; is, furthermore, of the opinion that, in view of the entry into force of the Lisbon Treaty, hopefully in the near future, cutting resources in the 2010 budget cannot be justified, but rather the preparatory action must continue unabated so that the new tasks in the field of sports can be tackled; therefore encourages interinstitutional cooperation in the field of sport policies, including the related preparatory action ;
10. supports the Commission's efforts towards the European Year of Volunteering 2011, taking into account the thousands of organisations and volunteers who called on the EU institutions to support voluntary work, stressing its important social and economic role.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	6.10.2009
Result of final vote	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="margin-right: 10px;">+:</div> <div>25</div> </div> <div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="margin-right: 10px;">-:</div> <div>0</div> </div> <div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="margin-right: 10px;">0:</div> <div>0</div> </div>
Members present for the final vote	Malika Benarab-Attou, Piotr Borys, Silvia Costa, Santiago Fisas Aixela, Mary Honeyball, Cătălin Sorin Ivan, Petra Kammerevert, Morten Løkkegaard, Doris Pack, Chrysoula Paliadeli, Marie-Thérèse Sanchez-Schmid, Marco Scurria, Joanna Senyszyn, Timo Soini, Emil Stoyanov, Hannu Takkula, Helga Trüpel, Marie-Christine Vergiat, Sabine Verheyen, Milan Zver
Substitute(s) present for the final vote	Liam Aylward, Ivo Belet, Knut Fleckenstein, Nadja Hirsch, Hans-Peter Martin
Substitute(s) under Rule 187(2) present for the final vote	

1.10.2009

OPINION OF THE COMMITTEE ON CIVIL LIBERTIES, JUSTICE AND HOME AFFAIRS

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2010, Section III - Commission
(C7-0127/2009 - 2009/2002(BUD))

Rapporteur: Juan Fernando López Aguilar

SUGGESTIONS

The Committee on Civil Liberties, Justice and Home Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes the fact that the general envelope of title 18 as proposed in the Preliminary Draft Budget increases in commitment appropriations in comparison with 2009 by 13.5% from EUR 863.9 million to EUR 980.2 million;¹ deplores the cuts made by the Council for an area which is of extreme importance for Union citizens and the Member States;
2. Welcomes the proposal for the setting-up of the European Asylum Support Office (EASO) which will be entrusted with a series of tasks currently developed within the framework of the European Refugee Fund, and underlines the importance of granting adequate resources to that Office while closely monitoring its functioning;
3. Welcomes the increase of the budget of the Integration Fund in order to support the efforts of Member States to enable and facilitate third country nationals' integration into European societies, in accordance with Parliament's resolution of 6 July 2006 on

¹ Preliminary Draft General Budget of the European Communities for the financial year 2010, Volume 0, General Introduction (COM(2009)0300), p. 34.

strategies and means for the integration of immigrants in the European Union¹;

4. Considers that, as has already been the case over the past years, Parliament should retain the political leadership on funding for the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (Frontex) in order to ensure that sufficient financial resources are made available in the 2010 budget to meet its political objectives with regard to this agency, notably its demands for permanent Frontex missions and the agency's role in enhancing external border security through greater operational coordination and cooperation among Member States; emphasises the importance of protecting individual rights and responding to humanitarian concerns namely through closer cooperation with the United Nations High Commissioner for Refugees (UNHCR) that would give it full access to relevant information (including results of risk analysis activities) and involvement in operational activities where necessary;
5. Recalls and reiterates its position on the draft general budget of the European Union for the financial year 2009, Section III - Commission on the necessity for Parliament to be informed in a reliable, precise, detailed and timely manner of the implementation of large- scale IT information systems, such as the second generation Schengen Information System (SIS II), the Visa Information System (VIS) and EURODAC; moreover ,will closely follow the budgetary implications of the Commission's proposal for a Regulation of the European Parliament and of the Council establishing an Agency for the operational management of large-scale IT systems in the area of freedom security and justice (COM(2009)0293);
6. Welcomes the integration of the European Police Office (Europol) into the Community budget and emphasises the need for adequate and strong scrutiny over the funding of that Office;
7. Recalls that in its resolution of 18 June 2008 on Missing Persons in Cyprus - Follow-up to the European Parliament resolution of 15 March 2007² Parliament supported the allocation of further financial support to the Committee on Missing Persons (CMP) for the years 2009 onwards; calls on the Council to agree to this further financial assistance for 2010 in order to increase capacity, to hire more scientists and to fund more equipment;
8. Welcomes the Presidency Conclusions of the European Council of 18-19 June 2009 which call for the coordination of voluntary measures for internal reallocation of beneficiaries of international protection present in the Member States exposed to specific and disproportionate pressures and highly vulnerable persons as well as the Commission's intention to take initiatives in this respect starting with a pilot project; calls for timely and adequate funding to be provided for the establishment of this pilot project;
9. Stresses the need that in the 'Prevention of and fight against crime' 2010 Annual Work Programme of the Commission special attention be paid to proposals (targeted and

¹ OJ C 303 E, 13.12.2006, p. 845.

² Texts Adopted, P6_TA(2008)0292.

general) or to existing legislative provisions and initiatives set up by Member States which intend to tackle confiscation of criminal assets, to a thorough analysis by means of studies and proposal as regards drug-trafficking and money-laundering as well as to educational activities designed to combat racketeering and extortion.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	30.9.2009
Result of final vote	+: 39 -: 3 0: 5
Members present for the final vote	Jan Philipp Albrecht, Sonia Alfano, Vilija Blinkevičiūtė, Louis Bontes, Simon Busuttil, Wim van de Camp, Philip Claeys, Agustín Díaz de Mera García Consuegra, Monika Flašíková Beňová, Hélène Flautre, Kinga Gál, Kinga Göncz, Sylvie Guillaume, Ágnes Hankiss, Anna Hedh, Jeanine Hennis-Plasschaert, Salvatore Iacolino, Sophia in 't Veld, Livia Járóka, Cornelis de Jong, Juan Fernando López Aguilar, Sarah Ludford, Monica Luisa Macovei, Clemente Mastella, Véronique Mathieu, Claude Moraes, Antigoni Papadopoulou, Jacek Protasiewicz, Carmen Romero López, Birgit Sippel, Csaba Sógor, Renate Sommer, Rui Tavares, Axel Voss, Tatjana Ždanoka
Substitute(s) present for the final vote	Magdi Cristiano Allam, Edit Bauer, Nadja Hirsch, Stanimir Ilchev, Ramon Jauregui Atondo, Franziska Keller, Petru Constantin Luhan, Mariya Nedelcheva, Kyriacos Triantaphyllides, Cecilia Wikström
Substitute(s) under Rule 187(2) present for the final vote	Judith A. Merkies, Ashley Fox

2.9.2009

OPINION OF THE COMMITTEE ON CONSTITUTIONAL AFFAIRS

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2010, Section III - Commission
(C7-0127/2009 – 2009/2002(BUD))

Rapporteur: György Schöpflin

SUGGESTIONS

The Committee on Constitutional Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. whereas the 2009 European elections confirmed the general trend of a regular decrease in the overall turnout observed since the European Parliament was first elected in 1979, the turnout being the lowest in countries which joined the European Union within the framework of the most recent enlargement,
- B. whereas the possible entry into force of the Lisbon Treaty would require the development of a communications campaign aiming to explain to citizens the changes that would be introduced by the Treaty, notably the new powers of the European Parliament and of national Parliaments, as well as the introduction of the citizens' initiative, which would provide citizens with a new tool with which to influence European policies,
- C. whereas Parliament, in its resolution of 10 March 2009 on the Guidelines for the 2010 budget procedure¹, drew "attention to the need for sufficient funding to be made available for communication policy, notably that it be in alignment with the objectives set out in the common Declaration on Communicating Europe in Partnership adopted by Parliament, the Council and the Commission in October 2008",
 - 1. Underlines the need for developing a wide-ranging communications policy so as to raise awareness of the benefits that are linked to European integration and to provide a basis for real dialogue with European citizens; hence stresses that these activities need further financial support;

¹ Texts Adopted, P6_TA(2009)0095.

2. Notes that, although the overall Draft Budget for 2010 provides for an increase in commitment appropriations compared to the 2009 budget, the amount under heading 3.2 (Citizenship) is to decrease; considers that such a decrease in this crucial policy area is regrettable and stresses, therefore, that the amounts must be increased and optimally used;
3. Believes that the information outlets and EU representations have a potentially pivotal role to play in this communications strategy, as they represent a means of reaching the citizens and bringing the European Union closer to them, and therefore stresses the need for supporting their activities and enhancing their impact;
4. Considers the emergence of real pan-European parties to be desirable, notably in view of future European elections, in order to increase turnout; believes that such a goal could be achieved notably through increased financing of political foundations and parties at EU level;
5. Recalls the importance of the initiative Communicating Europe in Partnership, which will notably help in reinforcing both the coherence and efficiency of the European communication strategy; recommends that the funds to be allocated in 2010 take into account the supplementary challenges that are likely to follow the possible institutional reforms linked to the Lisbon Treaty;
6. Points out that failure to take specific initiatives with measurable outcomes so that European citizens learn the extent and far-reaching nature of building Europe and realise the benefits which have accrued and continue to accrue for the prosperity of the peoples of Europe would be a very grave strategic error with incalculable repercussions.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	1.9.2009
Result of final vote	+ : 18 - : 5 0 : 0
Members present for the final vote	Michel Barnier, Andrew Henry William Brons, Carlo Casini, Andrew Duff, Ashley Fox, Roberto Gualtieri, Gerald Häfner, Stanimir Ilchev, Ramon Jauregui Atondo, Syed Kamall, Morten Messerschmidt, Paulo Rangel, Potito Salatto, Algirdas Saudargas, György Schöpflin, Søren Bo Søndergaard, Indrek Tarand, Rafał Kazimierz Trzaskowski, Luis Yañez-Barnuevo García
Substitute(s) present for the final vote	Marietta Giannakou, Enrique Guerrero Salom, Monica Luisa Macovei, Íñigo Méndez de Vigo, Andreas Mölzer, Alexandra Thein
Substitute(s) under Rule 178(2) present for the final vote	

3.9.2009

OPINION OF THE COMMITTEE ON WOMEN'S RIGHTS AND GENDER EQUALITY

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2010, Section III - Commission
(C7-0127/2009 - 2009/2002(BUD))

Rapporteure: Edit Bauer

SUGGESTIONS

The Committee on Women's Rights and Gender Equality calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Stresses that the principle of gender mainstreaming, as enshrined in the Amsterdam Treaty, should be accepted in the economic and social recovery plans announced by the Commission, meaning not only that a gender equality perspective should apply to measures designed specifically to promote equal opportunities, but also that it should be incorporated in all policies and at all levels of the budgetary process by means of gender budgeting;
2. Calls on the Commission to set up a gender budgeting working group within its Directorate-General for Budget; also calls on the Commission to carry out a separate annual gender impact assessment of the EU budget to be presented as an annexed document; suggests that such an annex serve as a gender mainstreaming monitoring document, on which Parliament's Committee for Women's Rights and Gender Equality should deliver a report;
3. With a view to the mid-term evaluation of many multiannual programmes foreseen for 2010, asks the Commission to develop a monitoring and evaluation system that shows the effect on men and women of various budget lines in terms of the implementation of the principle of gender equality;
4. While still awaiting the study on the feasibility of gender budgeting, reiterates the call for the use of the gender budgeting approach in assessing and restructuring all relevant budget programmes, measures and policies, in determining to what extent resources are

allocated in gender equal or unequal ways and ultimately in achieving gender neutrality, whereby equal consideration is given regardless of gender;

5. Calls for more financial resources to be made available to combat all forms of discrimination against women, in particular inequalities regarding pay;
6. Regrets that the communications budget has no instruments enabling DG Communications to give a general budgetary focus to gender questions; stresses the importance and role of EU communications policy in increasing awareness of gender issues and calls for adequate financial resources to be made available for measures of this kind;
7. Calls for greater emphasis to be placed on the reconciliation of family and working life in the preparation of the preliminary draft budget with a view to facing demographic challenges and meeting the Lisbon targets on employment of women, to enable them to fully enjoy all their rights and, in particular, to combat wage discrimination;
8. Points out that the gender aspect of the economic downturn cannot be excluded any longer, demands that the Council and the Commission assess all projects and programmes concerning the credit crunch and the economic crisis, in particular the European Economic Recovery Plan, in terms of their separate effects on women and men, including legislation, policies and programmes, in all areas and at all levels, so that women and men benefit equally and inequality is not perpetuated;
9. Stresses the need to launch pilot projects in fields such as inter-generational solidarity, recognising the economic value of work done by carers, who are mainly women, the contribution made by men to child-rearing, the reconciliation of family and working life, etc.;
10. Calls for greater financial resources to be allocated to the combating of violence against women and stresses the need for effective measures to safeguard human rights and promote high-quality public services and employment rights, so as to combat social inequalities and the poverty which mainly affects women and children;
11. Considers that special attention should be paid to trafficking in human beings, in particular women, adolescents and children, when examining strengthening of internal and international security, and reaffirms the need to provide greater support for the victims of this practice;
12. Calls for the maintenance of budget lines to develop policies to assist persons suffering from 'DYS' problems (dysphasia, dyspraxia, dyslexia, dyscalculia, attention deficit disorder, etc.) and people with disabilities, particularly as regards better support for parents whose children suffer from disabilities and 'DYS' problems, and to assist the transition from school to working life for persons with 'DYS' problems and disabilities;
13. Calls on the Commission to urge the Member States to make greater use of structural funds, within the framework of the European Social Fund, as a way of promoting equality between men and women;
14. Welcomes the Commission's intention to continue to provide aid in particular to Kosovo,

the Middle East, with special emphasis on Palestine, Afghanistan and Georgia; asks the Commission, however, to take into account the necessity of women's participation in establishing and maintaining peace and in securing democracy; stresses, therefore, the importance of ensuring the reinsertion and participation of women in the restoration of social, economic and political life in those areas;

15. Demands that the European Commission Humanitarian Aid (ECHO) prioritise aid and financial assistance for women victims of gender-based violence perpetrated during conflicts;
16. Calls on the Commission to launch a multi-annual European media campaign on the subject 'Do you know where your child is now?', in close cooperation with civil society organisations, so as to promote greater awareness as regards parental responsibility, greater protection of children against all forms of violence and combating trafficking in children more effectively;
17. Ask the Commission to promote and monitor Member States' best practices in the field of carers and to communicate those best practices to all Member States, in order to show that carers play a central role in the field of intergenerational solidarity and to encourage the implementation of strategy relating to carers in all Member States;
18. Urges the Commission, as part of the European Year for Combating Poverty and Social Exclusion 2010, to give priority to funding projects which place the emphasis on genuine partnerships with the poorest, in particular on the role of the poorest women (drawing on the extensive experience of the International Movement ATD Fourth World, which has received political and financial support from the Commission and the Economic and Social Committee), to support the activities organised to mark the International Day for the Eradication of Poverty on 17 October and to give priority to funding projects seeking to promote the right to education, particularly for girls;
19. Calls on the European Union to strive determinedly to eliminate all forms of discrimination against girls and to allocate adequate resources to combat the inequalities deriving there from;
20. Calls on the Commission to earmark budget appropriations for studies into the development of measures designed to highlight the value of invisible work in the field of inter-generational solidarity and the contribution it makes to the Union's GDP;
21. Calls on the Commission to earmark appropriations for specific initiatives to validate the skills acquired in carrying out educational tasks, caring for dependent persons and household management so that these skills are taken into consideration upon re-entry into the labour market; points out that soft skill assessment is central to skill assessment according to the best traditions of national experimentation with systems to make demand for labour intersect with the labour supply.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	1.9.2009
Result of final vote	+: 26 -: 1 0: 1
Members present for the final vote	Regina Bastos, Edit Bauer, Emine Bozkurt, Marije Cornelissen, Silvia Costa, Tadeusz Cymański, Edite Estrela, Ilda Figueiredo, Iratxe García Pérez, Mary Honeyball, Teresa Jimenez-Becerril Barrio, Philippe Juvin, Rodi Kratsa-Tsagaropoulou, Astrid Lulling, Barbara Matera, Siiri Oviir, Antonyia Parvanova, Raúl Romeva i Rueda, Nicole Sinclair, Eva-Britt Svensson, Britta Thomsen, Marina Yannakoudakis, Anna Záborská
Substitute(s) present for the final vote	Izaskun Bilbao Barandica, Sylvie Guillaume, Nicole Kiil-Nielsen, Doris Pack, Joanna Senyszyn
Substitute(s) under Rule 178(2) present for the final vote	Danuta Jazłowiecka

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	8.10.2009
Result of final vote	+: 39 -: 1 0:
Members present for the final vote	Damien Abad, Francesca Balzani, Reimer Böge, Lajos Bokros, Daniel Cohn-Bendit, Andrea Cozzolino, Jean-Luc Dehaene, Isabelle Durant, James Elles, Göran Färm, José Manuel Fernandes, Salvador Garriga Polledo, Jens Geier, Ingeborg Gräßle, Carl Haglund, Edit Herczog, Monika Hohlmeier, Sidonia Elżbieta Jędrzejewska, Anne E. Jensen, Ivaylo Kalfin, Sergej Kozlík, Alain Lamassoure, Vladimír Maňka, Barbara Matera, María Paloma Muñoz De Urquiza, Miguel Portas, Sergio Paolo Francesco Silvestris, László Surján, Helga Trüpel, Angelika Werthmann
Substitute(s) present for the final vote	Bastiaan Belder, Maria Da Graça Carvalho, Frederic Daerden, Hynek Fajmon, Louis Grech, Giovanni La Via, Riikka Manner, Paul Rübig, Georgios Stavrakakis, Derek Vaughan
Substitute(s) under Rule 187(2) present for the final vote	