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Par1

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## REPORT

on the draft general budget of the European Union for the financial year 2012  
as modified by the Council – all sections  
(13110/2011 – C7-0247/2011 – 2011/2020(BUD))

and Letters of amendment Nos 1/2012 (COM(2011)0372 and 2/2012  
(COM(2011)0576) to the draft general budget of the European Union for the  
financial year 2012

Part 1: Motion for a resolution

Committee on Budgets

Rapporteurs: Francesca Balzani, José Manuel Fernandes

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Published separately

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Part 2 – A7-0354/2011

## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**on the draft general budget of the European Union for the financial year 2012 as modified by the Council - all sections (13110/2011 – C7-0247/2011 – 2011/2020(BUD)) and letters of amendment Nos 1/2012 (COM(2011)0372) and 2/2012 (COM(2011)0576) to the draft general budget of the European Union for the financial year 2012**

*The European Parliament,*

- having regard to Article 314 of the Treaty on the Functioning of the European Union and to Article 106a of the Treaty establishing the European Atomic Energy Committee,
- having regard to Council Decision 2007/436/EC, Euratom of 7 June 2007 on the system of the European Communities' own resources<sup>1</sup>,
- 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<sup>2</sup>,
- having regard to the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management<sup>3</sup>,
- having regard to its resolution of 24 March 2011 on general guidelines for the preparation of the 2012 budget<sup>4</sup>,
- having regard to its resolution of 6 April 2011 on the estimates of revenue and expenditure of Parliament for the financial year 2012 - Section I - Parliament<sup>5</sup>,
- having regard to the Draft general budget of the European Union for the financial year 2012, which the Commission presented on 26 May 2011 (COM(2011)0300),
- having regard to its resolution of 23 June 2011 on the mandate for the trilogue on the 2012 Draft Budget<sup>6</sup>,
- having regard to the Position on the Draft general budget of the European Union adopted by the Council on 25 July 2011 (13110/2011 – C7-0247/2011),
- having regard to Letters of Amendment No 1/2012 and 2/2012 to the Draft general Budget of the European Union for the financial year 2011 presented by the Commission on 17 June 2011 and 16 September 2011 respectively,
- having regard to Rule 75b of its Rules of Procedure,

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<sup>1</sup> OJ L 163, 23.6.2007, p.17.

<sup>2</sup> OJ L 248, 16.9.2002, p. 1.

<sup>3</sup> OJ C 139, 14.6.2006, p. 1.

<sup>4</sup> Texts adopted, P7\_TA(2011)0114.

<sup>5</sup> Texts adopted, P7\_TA(2011)0140.

<sup>6</sup> Texts adopted, P7\_TA(2011)0296.

- having regard to the report of the Committee on Budgets and the opinions of the other committees concerned (A7-0000/2011),

### ***SECTION III***

#### ***General considerations***

1. Recalls that the promotion of a smart, sustainable and inclusive economy, which creates jobs and high-quality employment by delivering on the Europe 2020 strategy's seven flagship initiatives is a jointly endorsed goal of the 27 Member States and the EU institutions; recalls that the implementation of this strategy will require a huge amount of future-oriented investment up to 2020, estimated at no less than EUR 1 800 billion by the Commission in its communication entitled 'The EU Budget Review'<sup>1</sup> ; underlines, therefore, that necessary investments - at both EU and Member State level - must be made now and delayed no longer;
2. Recalls that, in order to help Europe recover from the crisis and come out stronger, the Europe 2020 strategy for a smart, sustainable and inclusive growth must be at the centre of the 2012 EU budgetary strategy for 2012;
3. Is deeply concerned, against this background, that the current crisis has resulted in a drop in public investment in some of these areas because of the adjustments that Member States have made to their national budgets; calls for this trend to be reversed and firmly believes that investments need to be guaranteed both at EU and national level if the EU as a whole is to deliver on the EU 2020 strategy; is of the opinion that the EU budget has a significant role to play as a leverage tool for Member States' recovery policies by triggering and supporting national investment to reinforce growth and employment and should be used as such; emphasises that this is fully in line with the dynamics of the European Semester, which, as a new mechanism for enhanced European economic governance, aims at increasing consistency, synergies and complementarities between the EU and the national budgets in delivering on the jointly agreed Europe 2020 goals;
4. Recalls, once more, that the EU budget should in no way be perceived and evaluated as a simple financial item added as a burden to national budgets but, on the contrary, is to be understood as an opportunity to gear up those initiatives and investments that are of interest and of added value to the EU as a whole, most of them co-decided by Parliament and the Council and thus legitimised also at national level;
5. Reiterates the complementary nature of the EU budget to national budgets and the impetus it creates to promote growth and jobs and underlines that given its very nature and limited size it should not be checked and curbed by arbitrary reductions but on the contrary targeted areas need to be reinforced;
6. Points out that the margins stemming from the Multiannual Financial Framework (MFF) do not allow real room for manoeuvre, especially in subheading 1a and heading 4, and reduce the capacity of the EU to react to policy changes and unforeseen needs while maintaining its priorities; points out that the scope of the challenges the EU faces, would require means well beyond the current ceilings of the MFF; recalls, in that respect, that the mobilisation of the

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<sup>1</sup> (COM(2010)0700)

instruments foreseen in the Interinstitutional Agreement (IIA) of 17 May 2006 on budgetary discipline and sound financial management has been rendered unavoidable by the various challenges and new priorities that have arisen, such as the Arab Spring this year and the need to give a strong impetus to the implementation of the EU 2020 strategy as a coordinated way to fight the current economic and social crisis;

### ***Council's position***

7. Regrets Council cuts to Commission's DB by EUR 1.59 billion in commitments (-1,08%) and by EUR 3,65 billion in payments (-2,75%), which lead to overall amounts of EUR 146,25 billion in commitments (or +2,91% as compared to 2011 Budget<sup>1</sup>) and EUR 129,09 billion in payments (+2,02%) - to be compared to respectively +4,03 and +4,91% as per Commission's DB (including Amending Letter No 1/2012).

8. Notes that the Council proposed cuts for several hundreds of budget lines, while proposing no single reinforcement; underlines that these linear cuts are spread over all headings of the MFF, however not to the same extent;

9. Points out at the inconsistencies of some of these cuts compared with the positions taken recently by the Council, such as the cuts it has made in the draft budget 2012 on the budgetary lines of the newly created agencies for financial supervision the creation of which it has pushed for but for which it does not seem willing to provide the necessary financial means to operate satisfactorily;

10. Deplores, against this background and despite previous calls from Parliament, that Council made horizontal cuts in the budget, deciding on the overall level of appropriations a priori, without duly taking into account an accurate assessment of the actual needs for the achievement of the Union's agreed objectives and political commitments, nor the priorities by the Parliament, as presented in its abovementioned resolution of 23 June 2011 on the mandate for the trilogue;

11. Underlines that the sole consideration of past implementation rates, together with the rates of increase as compared to previous year's budget, as a basis for selecting lines and amounts to be cut is a backward-looking approach which does not allow, in the context of multiannual programming, to properly reflect the speeding up of implementation along the years;

12. Notes that the low level of payments proposed by Council would lead to a bigger discrepancy between PA and CA, mechanically resulting in an increase of RALs at year end, particularly in subheadings 1a and 1b; warns in this context of the already extremely large amount of accumulated RAL so close to the end of this MFF;

### ***Parliament's budget proposal***

13. Sets the overall level of appropriations to EUR 147 766,52 and 133 143,18 million in respectively commitment and payment appropriations,

14. Recalls that EU-2020 policies have been identified by Parliament as one of its most

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<sup>1</sup> Including Amending Budgets 1 to 3/2011.

important priorities<sup>1</sup> for the 2012 budget since they are essential and necessary parts of the EU strategy for the economic recovery; emphasises that the proposed increase in appropriations for a selected number of budget items serves both short- and long-term strategies for the future of the EU;

15. Considers that the level of payments proposed by the Commission is a bare minimum for payments, as also mentioned in several statements by President Barroso and Commissioner Lewandowski; is not confident that Council's draft statement No1 on payment appropriations aiming at addressing the issue of possible additional payment needs is may be of any help in this respect, notably in light of early 2011 experience, when Council happened to be reluctant to honour the similar statement it initiated for 2011 Budget; therefore also decides to restore most payment appropriations to DB levels, all the more so because Council cuts in payments also affect areas and budget lines falling under EU 2020 objectives, particularly in Headings 1a and 1b;

#### *On Heading 1a*

16. Recalls that Heading 1a is the key heading of the MFF 2007-2013 in terms of reaching the objectives of the Europe 2020 strategy, thanks to its direct or indirect contribution to the financing of all its five headline targets and the seven flagship initiatives;

17. Regrets that the Commission and the Council do not generally propose to boost – beyond what was originally planned – the support for investments urgently needed to implement the seven flagship initiatives, and notes that they are regrettably inclined to postpone the necessary big leap in terms of common financial effort to the post-2013 MFF; is convinced that this attitude will seriously endanger the achievement of the headline goals by 2020; is therefore proposing some targeted increases over the draft Budget of the Commission in some key areas, namely competitiveness and entrepreneurship, research and innovation, education and life long learning;

18. Recalls that, in order to finance ITER, it will be necessary for the budget authority to agree on a revision of the MFF 2007-2013; takes note of Commission's proposal of 20 April 2011 for financing the missing EUR 1 300 million for ITER in 2012 and 2013 but, in line with Council's exclusion of ITER additional funding from its Budget reading, insists that the negotiations on ITER's additional costs are disconnected from 2012 budgetary procedure; expresses nevertheless its willingness to resolve the issue of the extra financing needed for ITER by the end of 2011 in order to ensure that existing EU structures for fusion do not weaken as a result of no decision being taken;

19. Reaffirms its strong opposition to any form of redeployment from FP7 like proposed by the Commission as part of the ITER financing package since this would endanger the successful implementation of FP 7 and significantly reduce its contributions to the achievement of the headline goals and the implementation of the flagship initiatives of the Europe 2020 strategy; therefore restores FP7 to financial programming figures by adding the EUR 100 million to the budget lines cut by the Commission; also restores the bulk of payments cuts brought on FP7 lines by the Council (EUR 492 million), as a matter of avoiding any risk of non implementation of existing legal obligations, which could lead to additional costs due to late interests to pay;

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<sup>1</sup> See for instance Parliament's resolution for the mandate of the trilogue, as adopted on 23 June 2011

20. Decides to further increase the level of commitment appropriations for selective lines of the FP 7 (Capacities - Research for the benefit of SMEs, Cooperation - Energy, Ideas, People, Research related to energy); considers that those lines are instrumental in ensuring growth and investments in key areas that are at the heart of the Europe 2020 strategy; believes that the current implementation rate of the FP7 will guarantee that these additional amounts can be effectively integrated in the financial programming of those programmes;

21. Further increases the overall level of commitment appropriations for the Competitiveness and Innovation Framework programme (CIP - Intelligent energy and CIP - Entrepreneurship and Innovation) compared to what was initially foreseen, as a matter of delivering on the flagship initiatives of the Europe 2020 strategy; hopes that this increase will contribute to improving the access of SMEs to this programme and to developing specific programmes and innovative financial mechanisms; recalls, in this context, the key role played by SMEs in boosting the EU economy and supports, in particular, the CIP-EIP programme as an indispensable tool of recovery from the crisis;

22. Decides to introduce an important increase of commitment appropriations for the Lifelong Learning programme, given its high European added value and also because of its strong contribution to the flagship initiatives 'Youth on the Move' and 'Innovation Union'; is convinced that these increases are fully implementable since additional financial allocation for this programme proposed by the European Parliament and adopted by the budgetary authority in the Budget 2011, has been successfully executed to date, leading to a significant increase in the number of its participants; reiterates its strong commitment towards EU programmes in the fields of youth and education since they can contribute to the reduction of youth unemployment; also proposes a further increase in commitment appropriations for the Erasmus Mundus programme;

23. Decides to restore DB payments for the European Globalisation Adjustment Fund (EGF) line and reiterates its call for further improvements in the procedure of mobilising the EGF, in order to accelerate assistance on the ground;

24. Proposes in that regard to the other branch of the budgetary authority the mobilisation of the Flexibility instrument for an amount of EUR 30,75 million under subheading 1a ;

#### *On Heading 1b*

25. Notes that Council's position does not modify Commission's proposal in respect of commitments, and stresses that this position on commitment appropriations is well in line with the allocations set out in the MFF, taking into account the technical adjustment to the financial framework for 2012, as provided for in Point 17 of the IIA of 17 June 2006;

26. Recalls the important role regional and cohesion policies play towards the achievement of the goals of the EU 2020 strategy and economic recovery of European regions; deplores Council's restrictive approach on payments, which were cut by some EUR 1 300 million as compared to Commission's forecasts of payment needs for 2012; notes that only the convergence objective and the technical assistance lines remained untouched by the cuts of Council; reminds that these cuts apply to budget allocations that were already far below Member States' own estimates (EUR 61 billion for 2012 or some 50% above DB) and widely considered as being the bare minimum for honouring upcoming payment claims and be



consistent with the speeding up of implementation at the end of the programming period; is convinced that this attitude of the Council is all the more unacceptable since the European Commission has recently made some concrete proposals to boost payments of structural and cohesion funds in those countries most affected by the current financial and economic crisis; requests an assessment of the implementation of regional and cohesion policy, with concrete proposals on how to reduce RALs;

27. Therefore restores Council's cuts in payment appropriations to the level of DB;

#### *On Heading 2*

28. Generally restores Council's cuts under this Headings to a level EUR 60 457, 76 million, which is 3.07% above 2011 Budget; considers that the Commission's estimates of budgetary needs are more realistic than the Council's proposals, in particular against the current background of great economic uncertainty and of instability in the markets;

29. Points out that the traditional agricultural amending letter to be presented in Autumn 2011 will adjust the current estimates to a more precise assessment of the real needs; against this background, draws attention to the final level of assigned revenue to be available in 2012 (conformity clearance correction, irregularities and milk super levy), which will eventually set the level of fresh appropriations to be adopted in the Budget 2012; estimates that the current margin left (EUR 352,24 million) should be sufficient to cover the needs under this heading in the absence of unforeseen circumstances;

30. Rejects the increase of the so called negative expenditure line (clearance of accounts) which appears as an artificial reduction of the overall level of Heading 2 appropriations; considers however that Member States may be in a better position to evaluate the effectiveness and reliability of their national supervision and control systems in the area of Agricultural policy, which seems to be overestimated;

31. Underlines that the prevention and response mechanisms with relation to crises in the fruit and vegetable sector are clearly insufficient and therefore an immediate solution needs to be found until the new CAP is in place; urges the Commission to present a concrete proposal to the European Parliament and the Council to ensure a sufficient increase of the Union's contribution to the crisis fund within the operational funds for producer organisations; calls for this increase to serve for specific measures for the producers affected by the E. coli crisis and to prevent future crises;

32. Provides for an increased support for the school milk programme and the continued support for programme concerning school fruit;

33. Maintains the budget allocation dedicated to the Food Distribution Programme for the Most Deprived Persons in the EU that supports 18 million people with problems of malnutrition within the Union; welcomes the recent effort of the European Commission (see COM(2011)-634) dated 3.10.2011) to find a political and legal solution to avoid any drastic cuts in the implementation of the programme in 2012 and 2013; strongly calls on the Council to endorse without any delay this proposal, especially in view of the difficult social situation in many Member States following the financial and economic crisis;

34. Provides for a continued support on a commensurate level for the LIFE+ programme,

which gives priority solely to environment and climate action projects; reminds again that environmental problems and their solutions do not recognise national borders, thus dealing with it at EU level is self-evident; calls in this respect on the Member States to significantly improve their implementation of EU environmental legislation;

35. Stresses that the Common Fisheries Policy remains an important political priority and maintains its financing at the proposed DB levels, in view of its upcoming reform; takes the view that the funding of the integrated maritime policy should not come at the expenses of other fisheries actions or programmes under Heading 2; considers effective fisheries' management of crucial importance in order to preserve fish stocks and prevent overfishing; welcomes an additional support for new international fisheries organisations

#### *On Heading 3a*

36. Recalls its strong call for an appropriate and balanced answer to the current challenges in the area of migration and solidarity, with a view to the management of legal migration and prevention and combating of illegal migration; acknowledging the obligation of EU Member States to conform to established EU law, emphasises the need for sufficient funding and support tools to handle emergency situations in a spirit of full respect of internal protection rules and human rights and solidarity amongst all Member States; is accordingly calling for a balanced increase of budget appropriations over the Draft Budget for, on one hand, both Frontex and the European Asylum office, in view of their increasing tasks and, on the other hand, the European Refugee Fund; restores moreover to DB level commitment appropriations for both the European Return Fund and the External Borders Fund; strongly believes that in the view of current developments particularly in the Mediterranean region and challenges posed to the security of the EU external borders and management of migration flows appropriate endowment of those funds is indispensable;

37. Deplores the significant cuts presented by the Council in Frontex, External Borders Fund and European Return Fund; strongly believes that in the view of current developments particularly in the Mediterranean region and challenges posed to the security of the EU external borders and management of migration flows reinforcement of those funds is indispensable;

38. Intends, by restoring the Draft budget appropriations for the prevention of crime and the prevention of terrorism in line with financial programming, to further advance the increasingly needed cooperation in areas such as a European cyber-security strategy, or confiscation of assets of criminal organisations;

39. Deems the Daphne programme to have been underfunded so far and will ensure its appropriate funding to tackle recognized needs in the fight against violence towards women;

#### *On Heading 3b*

40. Reiterates that funding for education-oriented programmes, initiatives and bodies should be increased in view of their contribution to the completion of EU 2020 strategy's flagship initiatives 'Youth on the Move' and 'Innovation Union'; intends in particular to further increase funding for the "Youth in action" programme;

41. Is aware of the importance of involving citizens in the development of civil society and political life with a European perspective, and considers it unfortunate that expenditure related to citizenship should have been scaled down by the Council;

42. Rejects any further cut on the Civil Protection Financial Instrument's funding since the draft budget is already below Financial programming and civil protection is a new competence of the EU; consequently restores the draft budget amounts;

43. In relation to European public spaces, considers that an assessment report and work programme must be presented to the budgetary authority in time to be taken into account in the budgetary procedure; decides to hold in reserve part of Communication appropriations until Commission demonstrates its willingness to improve interinstitutional collaboration in this respect;

44. Sets a number of reserves to receive specific assessment reports and a formal commitment for enhanced inter-institutional cooperation;

45. Welcomes the credits for the Public Health programme which complements and adds value to Member States' actions in the area of health promotion and prevention of illness; supports the Commission's efforts to continue the HELP campaign for a life without tobacco under the Public Health programme;

#### *On Heading 4*

46. Repeats that, this year even more than in the past, Heading 4 of the EU Budget 2012 is underfinanced and the margin available under the same heading is too low to cope with the increased political challenges in our neighbourhood and worldwide;

47. Welcomes the reinforcement of appropriations for the Neighbourhood Instrument, as proposed in Amending Letter n°1/2012, as in line with its support to a clear and consistent EU response to recent political and social developments in Southern Mediterranean and the added value to the external dimension of the EU's home affairs policies and macro-regional strategies; reiterates nevertheless very clearly that such a financial assistance can in no way be detrimental to existing priorities;

48. Considers that, in order to facilitate an agreement in conciliation with the other branch of the budgetary authority, decreases in commitment appropriations can be agreed upon on several budget, and especially on Common Foreign and Security Policy; as regards this latter, considers the level of appropriations voted for Budget 2011 as appropriate, and decides to amend Council's position accordingly;

49. Believes that the increased funding for Palestine and UNRWA it proposes is crucial for better ensuring the safety and livelihood of refugees and current efforts to ensure a viable Palestinian state; calls again for a clear strategy for Palestine, linking the European Union's financial assistance to an increased political role for the EU in the peace process in relation to both parties in the conflict;

50. Recalls that increasing needs in respect of cooperation with Asia and Latin America should be acknowledged in 2012 budget;

51. Regrets that all needs and limited priorities carefully identified by its specialised committees could not have been financed within the ceiling of the MFF for the heading 4, and considers its reading as the minimum required for a credible stance of the EU as a global player;

52. Proposes in that regard to the other branch of the budgetary authority the mobilisation of the Flexibility instrument for an amount of EUR 208,67 million under heading 4;

#### *On Heading 5*

53. Rejects Council's general position on heading 5 expenditure, which consists in an overall reduction of some EUR 74 million, among which EUR 33 million for the Commission, resulting from across the board cuts in each institution's budget;

54. Stresses that such a restrictive approach, while resulting in short-term savings for the EU budget and the Member States, endangers the implementation of EU policies and programmes, ultimately to the detriment of citizens and with a deferred negative effect on national budgets; further stresses that the Commission and other institutions should be provided with adequate resources to carry out their tasks, especially after the entry into force of the TFEU;

55. Notes that this decrease was reached through an increase in the so-called standard abatement rate for staff (non financed posts) which prevents some improvement in the occupancy rates of the establishment plans approved by the Budget Authority (through its direct impact on recruitments); wonders in this respect how Council is able to estimate the possible staffing levels in the services of the Commission with more accuracy than the Commission services; also rejects those cuts on items of expenditure for which the Commission already proposed net savings in their draft budgets (e.g.: Publications Office, studies and consultations, equipment and furniture);

56. Acknowledging the great efforts made by the Commission to freeze its administrative expenditure in nominal terms already in its DB proposal, decides to restore all Heading 5 expenditure within Section 3 to that level;

57. Nevertheless sets reserves on certain administrative lines, pending specific actions, follow-up or proposals by the Commission or with a view to obtaining additional information;

#### *On agencies*

58. Endorses, as a general rule, Commission's estimates of agencies' budgetary needs and rejects the principles underlying Council's arbitrary and across the board cuts, as compared to 2011

59. Considers indeed that any cut brought to agencies' budget during the budgetary procedure should be more closely related to the process of agencies' work planning and tasks, unless some precise sources of efficiency gains can be identified; In this respect considers the cuts brought to Frontex, the mandate of which has just been revised, as one typical example of the complete disconnection operated by Council between the tasks and activities of agencies - as enshrined by legal texts and requirements - and the budgetary resources allocated to them;

60. Agrees in general that agencies' surpluses should be taken into account when establishing the draft budget and presented in a clear and transparent manner; however, reiterates that surpluses of partially self-financed agencies, should be exempted from this general rule in order to cover for the unreliability of their income;

61. Further decides to increase the 2012 budget allocation to the three new financial supervision agencies as a matter of utmost importance in the current economic and financial situation and for their build-up procedures;

#### *On pilot projects and preparatory actions*

62. Stresses that pilot projects and preparatory actions, adopted in a limited number, have been thoroughly considered and evaluated, also in the light of the first assessment by the Commission in July 2011, in order to avoid duplication of actions already covered by existing EU programmes; recalls that pilot projects and preparatory actions aim at formulating political priorities and at introducing new initiatives that might turn into future EU activities and programmes;

### ***SECTIONS I, II, IV, V, VI, VII, VIII, IX***

#### ***General Framework***

63. Recalls its position adopted in its abovementioned resolution of 6 April 2011, asking that all institutions should draw up their budgets on the basis of sound and efficient management and looking for savings where possible, in line with Commissioners Lewandowski letter of 3 February 2011 calling on every institution to make all possible efforts towards limiting expenditure increase below 1 % compared to 2011;

64. Recognises the efforts that were made by all institutions which resulted in real cuts on their own budgets; in real terms, the budget growth in all institutions is negative, despite their new competences, new jobs, actions and activities created as a consequence of the entry in force of the Lisbon Treaty;

65. Notes that the administrative and operating expenditure budget from all institutions represents 5,59% of the global EU budget, of which heading V having a margin of EUR 497,9 million;

66. Reaffirms that savings measures cannot jeopardize payment of salaries and pensions, maintenance of buildings and security as institutions must have the minimum and the necessary to operate and that cuts shall be appropriate to the extent of not penalizing institutions which achieved the maximum limit of savings and furthermore that savings shall be legal and retain their effectiveness in 2012;

#### ***Section I - European Parliament***

##### *General framework*

67. Points out that the current voted actualisation of the budget 2012 is 1,44% compared to

2011 (without the Amending Letter Croatia); as the amending letter on Croatia will be dealt with in the conciliation committee with the Council; expects that the necessary expenses for Croatia will be added; expects that the final actualisation of the budget 2012 is therefore 1,9% (including Croatia) after conciliation committee; 1,9% is the lowest actualisation since 12 years; without the expenses for Croatia accession and the 18 new MEPs following the Treaty of Lisbon is only 0,8%; 0,8% is the lowest increase since at least 15 years; in the last 15 years the average increase was XX%; due to the current inflation of XX% there is a real decrease of the budget 2012; despite new competences, new posts, actions and activities, which are the consequences of the Treaty of Lisbon, the Parliament has made real cuts;

68. Points out that the overall level of its 2012 Budget is EUR 1 710,1 million (including 18 MEPs Lisbon Treaty); this represents a net reduction of EUR 14,5 million compared to the Estimates and EUR 25,1 million to the initial budget proposals before conciliation with the Bureau;

69. Points out that the budget for 2012 is a budget of consolidation, in which the Parliament did a maximum effort to do savings without putting in danger the quality of work and the legislative excellence; this budget 2012 and the following budget 2013 are the reference for the next Multi-Annual Financial Framework.

70. Reiterates that the savings expected from the budget lines for translation and interpretation can not harm the principle of multilingualism in the European Parliament and during the dialogues between other institutions; savings will be implemented without jeopardizing the right of any Member to speak during plenary, committees, coordinators meetings and trilogues in his/her own language; Members should also keep their right to write and read in his/her own language;

71. Believes that in times of increasing financial difficulties for numerous Europeans and ongoing austerity policies, Parliament should give an example of restraint by reducing its number of all kind of travels; asks the Bureau to create conditions for making savings of 5% in all kind of travel expenditure including delegations of committees and interparliamentary delegations in full respect of the Statute for Members and its implementing measures; requests that 15% of the travel appropriation be placed in reserve pending a report by the Secretary General of the EP to be delivered to the Bureau and the Committee on Budgets by 31<sup>st</sup> March; calls for such a report to examine the feasibility of measures to ensure the utmost efficiency of Members' travel with a view to making recommendations for potential budgetary savings by considering all proposals and resolutions which the Parliament has already adopted on this question; expects that the appropriations for the travels are reduced in 2012 till the end of the legislature; suggests that savings in the institutional visits have to take into account the primacy of pluralism over the proportionality when defining the delegations composition;

72. Points out that the budget 2012 includes expenditure resulting from additional 18 Members following the entry into force of the Lisbon Treaty (EUR 10,6 million)

73. Maintains its position that, in any event, a policy of identifying savings wherever possible and the continued pursuit of reorganisation and redeployment of existing resources are crucial elements of its budgetary policy, especially in this time of economic crisis; considers therefore that such savings for 2012 Budget should be made in the wider context of structural changes having longer term effects; the cuts which the Parliament has accepted will force to

do structural changes, which will not endanger the legislative excellence of the Parliament. The goal is to concentrate on the core business of the European Parliament; savings in interpretation and translation do not put at risk the principle of multilingualism, however are possible due to innovation, reorganisation of structures and new working methods;

74. Welcomes the good co-operation of the committee on Budgets with the Bureau based on mutual trust and respect; considers that the agreement made in the conciliation on 22th September 2011 and in the context of the estimates (its resolution of 6 April 2011 adopted in plenary by 479 votes in favour) should not be put in question and none of the elements of that agreement should be reopened if no new circumstances have occurred since then;

75. Notes that the general expenditure allowance is frozen at 2011 level; calls on the Bureau not to index Members' allowances to inflation;

76. Reiterates that a number of reserves have been proposed during the Parliament's budgetary negotiations; notwithstanding the conciliation compromise between the Budgets committee and the Bureau, calls for the underlying questions in these reserves regarding the Parliament's budget to be answered and set out transparently, providing clear information on translation and interpretation needs, catering, cleaning and maintenance as well as travel services and facilities, other external services and on price structure or any applicable subsidies for these services;

#### *Human resources*

77. Approves the following changes to the establishment plan:

- conversion of two temporary AST3 posts into two permanent AST1 posts for the Medical Service,
- 30 upgradings of AD5 posts to AD7 in order to take account the results of the internal AD7 competitions;
- conversion of 15 AST posts (five AST3, five AST5 and five AST7) into AD5 posts;

78. Decides to approve the internalisation of the security service, as suggested in the Amending Letter, and, in consequences to create 29 new posts (26 AST1 and 3 AD5) under the establishment plan;

79. Approves, the following measures contained in the Amending Letter, which have been offset by other savings:

- the release of appropriations from the reserve for the new security policy;
- offsetting of the carbon emissions generated by administrative activities;
- increase in the appropriations for contract staff in order to support the implementation of Parliament's property policy;
- increase of the annual grant to the EPA;

#### *Buildings and communication and information policy*

80. Believes that the Parliament's building policy requires careful analysis and that the administration should continue to develop buildings policy in cooperation with the committee on Budgets; requests therefore to be kept informed on a regular basis on new developments for building projects with a significant financial implications for the budget, such as e.g. the

KAD building; the House of European History and building/acquisition projects at the Parliament's places of work; asks to be kept informed about the creation of any new posts relating to DG INLO's three year plan before they are approved by the administration; asks the administration to establish a service agreement for cost sharing with the Commission of the running costs and any other institution that may wish to use the facilities of the House of European History; calls upon the European institutions to better coordinate their visitors' programs with a view to exploiting synergies, increasing visitor satisfaction and sharing cost; asks the Administration to improve the governance of interinstitutional projects;

81. Believes that the project of the House of European History requires an active cooperation and financial contribution of other institutions; welcomes the commitment of the President of the European Commission expressed in his letter of 28 September 2011 to contribute substantially to the project and ensure support to the functioning of the House of European History; recalls its resolution of 6 April asking for a business plan setting out the long-term business strategy of the House of European History and notes that the administration has provided the requested information; reiterates that decisions relating to the project should be subject to an open debate and a fruitful dialogue and should ensure a transparent decision making process; requests to be informed as soon as possible on the building project according to Article 179(3) of the Financial Regulation; calls on the Bureau to ensure that the cost plan contained in the business plan will be strictly adhered to;

82. Believes that, in view of making long-term savings, making the organisation more modern and efficient, the budget of the European Parliament should be subject to a comparative study with the budgets of a representative sample of Member States and with the budget of the United States Congress;

#### *Environment-related matters*

83. Welcomes the putting into place of concrete incentives to make more use of less polluting means of transport by introducing the 50 % Jobcard system in Brussels; points out that the reserve on the different lines for travel costs depends also on the result of a report requested from the Bureau examining the feasibility of measures to ensure the utmost efficiency of travel costs and making recommendations for budgetary savings;

84. Calls for further measures to be taken to reduce energy, water and paper consumption in view of making savings in Parliament's budget;

#### ***Section IV - Court of Justice***

85. Points out that the cuts made by the Council would place the Court in a position of not being able to properly carry out its core duties in the context of an increasing judicial workload; has therefore decided to partly restore the DB notably concerning the Members, personnel and IT appropriations;

#### ***Section V - Court of Auditors***

86. Notes that the Court is making significant efforts to redeploy staff from support services to audit activities to meet the increasing demands upon the institution, as well as finding substantial economies in its administrative expenditure; notes that the Council has cut appropriations for salaries on the basis of low implementation in 2010; is expecting the



implementation for 2011 to perform better and has therefore decided to partially re-establish the DB;

#### ***Section VI - European Economic and Social Committee***

87. Points out that some of the reductions introduced by the Council would jeopardize the EESC's core functions and call into question its ability to meet its legal obligations towards its staff; decides therefore to restore the DB for appropriations available to EESC Members to carry out the institution's core activity of enabling civil society organisations from the Member States to express their views at European level, which at the level of prudent estimates for inflation effectively means a freeze in real terms, to partly restore the DB for staff remuneration and allowances to enable the EESC to meet its obligations towards its staff and to partly restore the DB for interpretation to bring the level back to execution in 2009, which would still, given increased rates for interpretation, mean a decrease in real terms;

#### ***Section VII - Committee of the Regions***

88. Rejects partly the reductions introduced by Council; increases most of the concerned items because the Council has reduced the appropriations considerably below the 2010 and 2011 execution; decides therefore to restore the DB in order to allow the institution to preserve the level of political activities of 2011;

#### ***Section VIII - European Ombudsman***

89. Takes the view that appropriations for this institution have already been reduced significantly over the last 2 years; re-establishes therefore the DB on most of the lines;

#### ***Section IX - European Data Protection Supervisor***

90. Has taken a different view of the Council and accepted the creation of two additional permanent posts (1 AD 9 and 1 AD 6) in the EDPS' establishment plan because of the new tasks for this institution conferred to it by Article 16 TFEU as it is the task of the EDPS to monitor and ensure that these rights are respected (all EU institutions and bodies are bound by the fundamental rights to privacy and protection of personal data); accepts in order to comply with legal obligations the upgrading of its director from AD 14 to AD 15, although the total staff of the EDPS is 43 posts;

91. For the same reason has decided to restore the other lines back to DB;

#### ***Section X - European External Action Service***

92. Notes nevertheless that the EEAS as a new organisation which represents a major European ambition needs to be endowed with sufficient means; in this regard, appropriations for staff remunerations in 2012 need to take into account the actual vacancy rates in the autumn of 2011; calls on the EEAS to exert restraint when it comes to the future creation of high-ranking posts; believes that one way of achieving this could be to replace progressively Seconded National experts posts by permanent posts for Member States' civil servants; notes that Seconded National Experts (SNE) are not counted in the one third of EEAS staff at AD level; nevertheless, recalls the Council decision establishing the organisation and functioning

of the EEAS which states that "by the expiry of the contract of an SNE transferred to the EEAS under article 7, the function will be converted into a temporary agent post in cases where the function performed by the SNE corresponds to a function normally carried out by staff at AD level, provided that the necessary post is available under the establishment plan"; moreover, stresses that operational requirements for establishing the EEAS with its own information technology systems in a new building need to be funded;

93. Takes into account the clarifications received from the EEAS in the letter sent to the Committee on Budgets chair on 30 September 2011 concerning the share of EU officials in the establishment plan, in line with the commitment taken by HR/VP;

94. Is concerned by the Council's position to cut the EEAS' draft budget for 2012 to +2.25%; has also taken a prudent approach on increases in view of the overall financial context and accepts only partly the EEAS' requests;

95. Accepts the requested amendments to the EEAS establishment plan, notably with a view to reinforcing delegations; will however continue exercising vigilance as regards the composition of the EEAS staff and compliance with the statutory obligation that EU officials represent at least 60% of the EEAS AD staff; demands that the EEAS provides regular reports on this matter; remarks that the increase in budgetary needs of the EEAS is a result of a reallocation of competences previously carried out by the Council and the Commission, and the development of underestimated needs such as start-up costs, new obligations and tasks currently undertaken by Council and Commission;

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96. Instructs its President to forward this resolution to the Council and the Commission and to the other institutions and bodies concerned.

13.9.2011

## **OPINION OF THE COMMITTEE ON FOREIGN AFFAIRS**

for the Committee on Budgets

on Parliament's position on the 2012 Draft Budget as modified by the Council – all sections (2011/2020(BUD))

Rapporteur: María Muñoz De Urquiza

### **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. Insists that sufficient appropriations must be provided for to ensure that the EU can fulfil its role as a global player with responsibility for promoting peace and stability, fighting poverty, supporting economic development and upholding respect for fundamental values and human rights throughout the world; underlines, however, the importance of effective use of existing resources;
2. Reiterates the argument that Heading IV of the EU Budget 2012 is underfinanced and the margin available under the same heading is too low to cope with the increased political challenges in our neighbourhood and worldwide; calls, therefore, for recourse to the flexibility mechanisms foreseen in the IIA currently under review in order to provide the necessary financial resources;
3. Stresses that in light of the latest developments, in particular in Libya, adequate support for the neighbouring southern Mediterranean countries is crucial in order to help the transition to democracy and build democratic institutions, and that these developments should be reflected in the final budgetary vote; stresses that this support for the southern dimension of the ENP should not be at the expense of the Union's commitment to adequate support for the eastern dimension of the ENP/ENPI; calls on the High Representative/Vice-President (HR/VP) to implement the EU Concept on Strengthening EU Mediation and Dialogue Capacities adopted in 2009 without any further delay, to allocate sufficient resources to it and to review the Concept in the light, inter alia, of recent developments in the Arab world;

4. Believes that the proposed cuts for the peace process in Palestine are unacceptable as they would undermine the safety and livelihood of refugees and current efforts to ensure a viable Palestinian state; warns that such cuts could eventually lead to a most dangerous point of no return; calls again for a clear strategy for Palestine, linking the European Union's financial assistance to an increased political role for the EU in the peace process in relation to both parties in the conflict;
5. Is in favour of maintaining at least the same level of funding as in 2011 for the EIDHR, including the electoral observation missions, as well as for the Development Cooperation Instruments (DCI), the Industrialised Countries Instrument Plus (ICI +) and the Instrument for Stability (IfS); is in favour of supporting the relevant UN bodies in charge of protecting women and children from violence and armed conflicts;
6. Recalls that the IfS is the Union's only tool for providing funds in situations of crisis or emerging crises, when timely financial help cannot be provided from other EU sources; considers that the proposed reduction of the IfS appropriations for 2012 and 2013 is disproportionate and inconsistent with the Union's political priorities, and that it ignores the fragile political climate in many regions in our neighbourhood and beyond;
7. Recalls the need to implement the Common Foreign and Security Policy whilst ensuring policy coherence for development, duly respecting previous engagements so that unspent allocations already earmarked to fight poverty in certain regions are reallocated in the countries of those same regions where major needs in terms of fighting poverty still exist and where absorption capacity is proven;
8. Recalls the resolutions on a EU approach towards Iran of 10 March 2011<sup>1</sup>, on EU relations with the Gulf Cooperation Council of 24 March 2011<sup>2</sup> as well as on a new strategy for Afghanistan of 16 December 2010<sup>3</sup> and the need to provide a concrete follow-up in budgetary terms to the provisions therein adopted;
9. Supports the draft budget proposed by the Commission for assisting candidate countries with a view to enlargement;
10. Underlines the need to equip the European External Action Service (EEAS) with the budgetary means needed to allow it to assist the HR/VP in conducting EU foreign policy and in ensuring coherence of EU external action; points, in particular, to the need to strengthen political staff in EU Delegations; is therefore of the view that the Commission Draft Budget for Section X should be restored; insists, however, on full implementation of commitments given to Parliament by the HR/VP during the process of the establishment of the EEAS, so as to enhance the democratic legitimacy of EU foreign policy;
11. Is concerned that the proposed change to the EEAS establishment plan might disproportionately inflate the service's management, in particular at AD 13 and AD 14 levels; calls therefore on the HR/VP to set forth the EEAS's staffing policy in a transparent manner to the Budgetary Authority; stresses that without such information it is not prepared to approve the modified establishment plan; believes that Member States

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<sup>1</sup> Texts adopted, P7\_TA(2011)0096.

<sup>2</sup> Texts adopted, P7\_TA(2011)0109.

<sup>3</sup> Texts adopted, P7\_TA(2010)0490.

could contribute to a more balanced staffing structure and lower staff-related expenditure by sending to the EEAS a more balanced set of diplomats, including diplomats at lower grades;

12. Reiterates that, for the sake of budgetary transparency and parliamentary scrutiny, each Common Security and Defence Policy mission should in future be based on an individual budget line;

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	12.9.2011
<b>Result of final vote</b>	+: 48 -: 5 0: 1
<b>Members present for the final vote</b>	Bastiaan Belder, Franziska Katharina Brantner, Arnaud Danjean, Michael Gahler, Ana Gomes, Andrzej Grzyb, Anna Ibrisagic, Anneli Jäätteenmäki, Jelko Kacin, Othmar Karas, Ioannis Kasoulides, Tunne Kelam, Nicole Kiil-Nielsen, Andrey Kovatchev, Wolfgang Kreissl-Dörfler, Eduard Kukan, Vytautas Landsbergis, Krzysztof Lisek, Sabine Lösing, Ulrike Lunacek, Barry Madlener, Mario Mauro, Kyriakos Mavronikolas, Francisco José Millán Mon, Alexander Mirsky, María Muñoz De Urquiza, Annemie Neyts-Uyttebroeck, Raimon Obiols, Pier Antonio Panzeri, Ioan Mircea Pașcu, Hans-Gert Pötering, Cristian Dan Preda, José Ignacio Salafranca Sánchez-Neyra, Jacek Saryusz-Wolski, Werner Schulz, Hannes Swoboda, Inese Vaidere, Kristian Vigenin, Sir Graham Watson
<b>Substitute(s) present for the final vote</b>	Laima Liucija Andrikienė, Charalampos Angourakis, Véronique De Keyser, Tanja Fajon, Roberto Gualtieri, Jaromír Kohlíček, Agnès Le Brun, Barbara Lochbihler, Monica Luisa Macovei, Carmen Romero López, Marietje Schaake, Helmut Scholz, György Schöpflin, Indrek Tarand, Paweł Zalewski

## **OPINION OF THE COMMITTEE ON DEVELOPMENT**

for the Committee on Budgets

on Parliament's position on the 2012 Draft Budget as modified by the Council- all sections (2011/2020(BUD))

Rapporteur: Charles Goerens

### **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. Recalls that heading 4 of the Union budget is chronically underfunded and points out that, without new funding sources, Member States will not be able to meet their commitments regarding the Millennium Development Goals;
2. Insists that any spending to address new political challenges, whether climate change or the 'Arab spring', must be funded with additional resources and not by reallocating existing development funds;
3. Stresses that development budgets must target poverty reduction; insists that all cooperation with developing countries which does not meet the criteria of the OECD development assistance committee must be funded through other instruments than those foreseen for development cooperation;
4. Calls for the establishment of a specific cooperation instrument for the overseas countries and territories – separate from the European Development Fund – bearing in mind that the aim of their association with the European Union, as provided for by Article 198 of the Treaty on the Functioning of the European Union, is not to combat poverty but to promote economic and social development and establish close economic relations between the territories concerned and the Union as a whole;
5. Is firmly opposed to the Council's proposed EUR 70 million cut to the financing instrument for development cooperation;
6. Supports the creation of a tax on financial transactions at the global level to fund global public goods, including poverty eradication, and stresses that innovative financing should be additional to, and not as a substitute for, existing development aid;

7. Points out that, of all the Millennium Development Goals, the health-related goals are the most off-target, and is therefore opposed to the Council's proposed cuts to health budget lines;
8. Notes that work financed through the Global Fund to fight AIDS, Tuberculosis and Malaria have produced encouraging and rapid results and wishes to restore its funding through the Union budget to the level of the previous year;
9. Regrets the Council's proposed 33% cut in the budget line for European Neighbourhood and Partnership financial assistance to Palestine, the peace process and UNRWA and calls for an increase so as not to jeopardise UNRWA's ability to pay its large numbers of staff working in health, education and social sectors;
10. Rejects the Council's planned cuts to the budget for food security and humanitarian aid at a time when the world is facing extremely serious food and humanitarian crises;
11. Insists on restoring budget lines for administrative spending, since they are necessary for the Union to uphold its external policy commitments and for its multiannual programmes to be fully and effectively implemented.



## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	22.9.2011
<b>Result of final vote</b>	+: 19 -: 1 0: 0
<b>Members present for the final vote</b>	Thijs Berman, Michael Cashman, Corina Crețu, Véronique De Keyser, Charles Goerens, Catherine Grèze, András Gyürk, Filip Kaczmarek, Franziska Keller, Maurice Ponga, Birgit Schnieber-Jastram, Michèle Striffler, Alf Svensson, Eleni Theoharous
<b>Substitute(s) present for the final vote</b>	Santiago Fisas Aixela, Martin Kastler, Cristian Dan Preda, Judith Sargentini
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	María Irigoyen Pérez, Wolfgang Kreissl-Dörfler

## **OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE**

for the Committee on Budgets

on Parliament's position on the 2012 Draft Budget as modified by the Council - all sections (2011/2020(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. Recalls that Parliament has enhanced powers in the field of common commercial policy based on the Lisbon Treaty; urges the Council and the Commission to fully respect Parliament's new prerogatives, particularly regarding transparency and the flow of information;
2. Stresses the need for Parliament to monitor the use of the EU budget to fulfil the Commission's commitments, inter alia regarding Macro-Financial Assistance (MFA), the Industrialised Countries Instrument (ICI) and Trade-related Assistance, in particular Aid for Trade;
3. Regrets that there is no agreement between Parliament and Council on the Commission proposal on the ICI+ and reiterates Parliament's 2<sup>nd</sup> reading position that ICI has to be financed with a specific budget line, without diverting development funds, and that appropriations programmed for use under Regulation (EC) No 1905/2006 may not be used for financing ICI measures; reiterates the need for a framework regulation on MFA; stresses the need to ensure additional funds for the adequate financing of Banana Accompanying Measures (BAM), with the worst affected countries being prioritised as a consequence of the new tariff concessions included in the FTAs with Central America, Colombia and Peru a few months after the signature of the so-called Geneva Agreement;
4. Supports financing for programmes for banana-producing countries with strict priority for the poorest LDCs;
5. Points out that the proper functioning of the external business centres (Beijing, four locations in India and the ASEAN Trade Centre in Thailand) must be secured; to this end, supports the proposed preparatory action for launching a cost-effective coordination

platform that aims to help European businesses, and SMEs in particular, gain market access in fast growing third countries;

6. Stresses the importance of the parliamentary dimension of the WTO, embodied by the Parliamentary Conference on the WTO; is determined to ensure sufficient appropriations for LDCs in this regard, including covering the defrayal of the travel and subsistence expenses of six representatives from ACP countries to meetings of its bodies;
7. Strongly insists that sufficient appropriations must be secured to enable Parliament to fulfil its obligations arising from the Lisbon Treaty in respect of the common commercial policy.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	31.8.2011
<b>Result of final vote</b>	+: 23 -: 0 0: 5
<b>Members present for the final vote</b>	William (The Earl of) Dartmouth, Kader Arif, David Campbell Bannerman, Daniel Caspary, Harlem Désir, Yannick Jadot, Metin Kazak, Bernd Lange, David Martin, Vital Moreira, Paul Murphy, Franck Proust, Godelieve Quisthoudt-Rowohl, Niccolò Rinaldi, Helmut Scholz, Peter Šťastný, Robert Sturdy, Gianluca Susta, Keith Taylor, Paweł Zalewski
<b>Substitute(s) present for the final vote</b>	Catherine Bearder, George Sabin Cutaş, Mário David, Albert Deß, Salvatore Iacolino, Maria Eleni Koppa, Elisabeth Köstinger, Marietje Schaake
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Roger Helmer, Werner Kuhn

31.8.2011

## OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS

for the Committee on Budgets

on Parliament's position on the 2012 Draft Budget as modified by the Council – all sections (2011/2020(BUD))

Rapporteur: Olle Ludvigsson

### EXPLANATORY STATEMENT

The work on the 2012 EU budget is carried out in the context of a fragile economic recovery, weak national public finances, poor investment levels across most of Europe and continued turbulence in the eurozone. In line with what was concluded by the June European Council, the EU budget should under these circumstances be used as an effective tool to restore financial and fiscal stability as well as to support national efforts in 'unlocking Europe's full potential for economic growth and job creation'. From the perspective of the Committee on Economic and Monetary Affairs, your rapporteur has identified a number of measures to be taken within four broad priority areas:

1. **Stimulating short-term recovery.** Although Europe's SMEs are now starting to consistently recover from the crisis, a large number of them still face major problems in getting reasonable access to financing. A sharp increase in payments for the CIP-EIP programme – aimed at improving the financing situation of these enterprises – would therefore be an important step in the right direction. Given that the present Commission budgetary request is based on provisional figures, there should be a preparedness to further raise these payments if the final prognosis turns out to be better than expected.
2. **Enhancing long-term sustainable growth.** There are some positive signals from the Commission when it comes to making better use of heading 1a to strengthen European competitiveness by promoting research, innovation and forward-looking investments. However, even more active EU measures in these fields are needed for the Europe 2020 strategy to be able to successfully create jobs and sustainable growth. A promising way of enhancing growth by tying university and corporate environments more closely together is to create 'Knowledge Partnerships' involving business schools and real-world enterprises. The interesting pilot project on this theme should therefore be more actively supported.

3. **Promoting financial market stability.** As for financial sector reform, two issues should be highlighted in the debate on next year's budget. First, there is a need to keep a very close eye on the build-up procedures of the new European Supervisory Authorities. As has been pointed out by the Presidency and the responsible Commissioner in recent months, these authorities must continuously get the financial and human resources necessary to fulfil their mandates of safeguarding the stability of the financial sector in Europe. Second, as underscored by the Finance Watch initiative, more should be done to promote non-industry stakeholder involvement in EU policy-making in the field of financial and economic affairs. The pilot project idea of setting up an expert centre to support these stakeholders in the legislative process is therefore a good one.
4. **Reinforcing economic governance structures.** In order to ensure that the reforms aimed at strengthening the economic governance in the EU are implemented in an effective way, the human resources situation at DG ECFIN and Eurostat must be upgraded so that it matches all the extended and new responsibilities. Furthermore, the reforms should be guided by a broad, vital and permanent political debate involving citizens, local and regional authorities, national parliaments, social partners and other relevant stakeholders. In a related field, DG TAXUD must be adequately staffed to be able to maintain a high level of ambition in the crucial fight against tax fraud and evasion.

## 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. Supports the enhanced commitments and the sharp increase in payments proposed by the Commission for the CIP-EIP programme as a crucial reaction – fully in line with the priorities of the Europe 2020 strategy – to the positive trend of SMEs recovering from the crisis; regrets, therefore, the Council proposal to set payments for this programme at a very low level;
2. Notes that the crisis has clearly highlighted the importance for the strength of government finances of having effective and fraud-proof tax collection systems; stresses that the fight against tax fraud and evasion must be highly prioritised and that the appropriations for Fiscalis must enable the programme to respond to this ambition; regrets that the appropriation levels proposed by the Commission and the Council are not high enough in this regard; underlines that the international dimension of the work in this field should be promoted by maintaining the budget line on 'Good Governance in the Area of Tax' with appropriate funding;
3. Welcomes the budget increases proposed by the Commission for all three European Supervisory Authorities as logical and crucial steps in their build-up procedures; notes, however, that these increases do not fully meet the needs for 2012; stresses that new tasks entrusted to these authorities must be swiftly accompanied by additional resources; emphasises, inter alia, that the new responsibilities planned for the European Securities and Markets Authority (ESMA) in the areas of short-selling and derivatives must be quickly reflected in the 2012 budget process once the legal bases are in place;
4. Calls on the Commission – in order to strengthen the independence, integrity and effectiveness of the European Supervisory Authorities – to initiate a dialogue on changing their funding so that the share covered by the EU budget is, as a first step, increased from 40% to 60%; underlines that the option of partly financing their activities via fees paid by market actors should be given more attention; stresses that, as soon as the authorities are running at full speed, the issue of whether they are sufficiently staffed to safeguard stability and ensure coherent implementation of regulatory reform should be thoroughly dealt with;
5. Underlines that Eurostat needs to be reinforced in order to be capable of managing new tasks in the updated economic governance framework; points out that the resources of Eurostat must continuously match the expanding workload and the enhanced quality demands in the key field of economic and financial statistics; is concerned about the proposals made by the Commission and the Council for a reduction in the Union Statistical Programme and for a very limited increase in staff expenditure in the 'Statistics' policy area; is also more generally concerned about the cuts proposed by the Council in administrative expenditure in this area;
6. Stresses the importance for the stability of the European economy of making certain that the economic governance reforms are implemented in an effective way; welcomes the

reinforcement of DG ECFIN made so far in order to enable national economies to be monitored more closely, but underlines that this DG might need to be further strengthened so as to enable it to cope with the expanded and new responsibilities included in the reform package;

7. Supports the proposal for a new pilot project to facilitate non-industry stakeholder involvement in EU policy-making in the area of financial services; stresses that additional resources should be allocated to the 'Knowledge Partnerships' pilot project in order to facilitate dialogue between business education institutions and real-world enterprises, while maintaining the integrity of academic research;



## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	31.8.2011
<b>Result of final vote</b>	+: 36 -: 3 0: 1
<b>Members present for the final vote</b>	Burkhard Balz, Sharon Bowles, Udo Bullmann, Pascal Canfin, Nikolaos Chountis, Rachida Dati, Leonardo Domenici, Diogo Feio, Markus Ferber, Ildikó Gáll-Pelcz, José Manuel García-Margallo y Marfil, Jean-Paul Gauzès, Sven Giegold, Liem Hoang Ngoc, Jürgen Klute, Philippe Lamberts, Astrid Lulling, Arlene McCarthy, Sławomir Witold Nitras, Ivari Padar, Alfredo Pallone, Antolín Sánchez Presedo, Olle Schmidt, Edward Scicluna, Theodor Dumitru Stolojan, Ivo Strejček, Marianne Thyssen, Corien Wortmann-Kool
<b>Substitute(s) present for the final vote</b>	Sophie Auconie, Pervenche Berès, Herbert Dorfmann, Sari Essayah, Vicky Ford, Ashley Fox, Olle Ludvigsson, Thomas Mann, Sirpa Pietikäinen, Andreas Schwab, Theodoros Skylakakis, Catherine Stihler
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Kriton Arsenis (S&D), Knut Fleckenstein (S&D), Bill Newton Dunn (ALDE)

9.9.2011

## **OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS**

for the Committee on Budgets

on Parliament's position on the 2012 Draft Budget as modified by the Council - all sections (2011/2020(BUD))

Rapporteur: Pervenche Berès

### **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:

1. Welcomes the increase in commitment appropriations for the 'Youth on the Move' and 'European Platform against Poverty and Social Exclusion' flagship initiatives; points out that the crisis is far from over yet, and opposes the real reduction of the 'Employment and social affairs' chapter and the 'New Skills for New Jobs' flagship initiative;
2. Calls for more efficient management of the European Social Fund; is of the view that the problem of ESF underspending must be addressed;
3. Calls on the Member States to use resources available in the European Social Fund to support projects targeting young people and their access to the labour market and education, as part of the response to the alarming level of youth unemployment and the incidents of social unrest in many countries;
4. Welcomes the strengthening of the capacities of the social partners in the context of the flagship initiative on new skills, and would like the budget to acknowledge their role in industrial policy; stresses that EURES has a key role in advising mobile workers and job-seekers on their rights, which helps to deliver a true internal market, and underlines the important role of the social partners in supplying advice for workers in cross-border partnerships; stresses that EURES, as a best practice for promoting fair mobility, needs to be given the necessary resources in the budget to respond to the challenges of the European labour market and to support the important work of the social partners in border regions;

5. Draws attention to the agreement on the microfinancing facility relating to Progress and calls, therefore, for an additional EUR 7 million in commitments;
6. Proposes that financing be provided under the Progress programme for a fourth European forum on social services of general interest;
7. Points to the need to continue the studies and actions concerning the living conditions of posted workers, bearing in mind the current upward migration trend;
8. Calls for more substantial support to be allocated under Progress to national labour inspectorates to enable them to implement European legislation and combat instances of circumvention and abuse, for example by 'letter-box' companies;
9. Stresses that the European Globalisation Adjustment Fund was designed to ensure that workers are qualified and employable; calls for payment appropriations for the EGAF budget heading to speed up the relevant procedures;
10. Draws attention to the agreement on the European year for Active Ageing and Intergenerational Solidarity, and supports the creation of a budget heading for the EUR 2.7 million anticipated cost of measures under its aegis;
11. Proposes an increase in commitment appropriations for the European Training Foundation in order to support partner countries in the Mediterranean region in reforming their labour markets and vocational training systems and promoting social dialogue; calls, however, for more synergies between these activities at EU and national levels;
12. Proposes two pilot projects to promote the health and safety of older workers and help ensure young people are successfully integrated into the labour market;
13. Calls for adequate financing for the preparatory action on 'Your first EURES job' for 2012 and welcomes and echoes the initiative of the Commission to create a legal base and a separate budget line for this action by 2013 as a concrete measure to tackle youth unemployment.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	8.9.2011
<b>Result of final vote</b>	+: 36 -: 0 0: 2
<b>Members present for the final vote</b>	Heinz K. Becker, Jean-Luc Bennahmias, Pervenche Berès, Philippe Boulland, Milan Cabrnock, David Casa, Alejandro Cercas, Ole Christensen, Sergio Gaetano Cofferati, Frédéric Daerden, Karima Delli, Proinsias De Rossa, Sari Essayah, Richard Falbr, Ilda Figueiredo, Thomas Händel, Marian Harkin, Roger Helmer, Nadja Hirsch, Stephen Hughes, Liisa Jaakonsaari, Danuta Jazłowiecka, Ádám Kósa, Jean Lambert, Olle Ludvigsson, Elizabeth Lynne, Thomas Mann, Elisabeth Morin-Chartier, Csaba Öry, Sylvana Rapti, Licia Ronzulli, Joanna Katarzyna Skrzydlewska, Traian Ungureanu
<b>Substitute(s) present for the final vote</b>	Raffaele Baldassarre, Evelyn Regner, Birgit Sippel, Cecilia Wikström
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Jacek Włosowicz

9.9.2011

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

for the Committee on Budgets

on Parliament's position on the 2012 Draft Budget as modified by the Council – all sections  
(2011/2020(BUD))

Rapporteur: Jutta Haug

### **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. Fully supports the principle that EU funding should lead to an improvement in the general state of the European environment and of public health in order to contribute to achieving the goals of the Europe 2020 strategy; welcomes the fact that the promotion of a more sustainable, resource-efficient and ecological economy is addressed in the EU 2020 strategy as a priority policy area and stresses the need for this to be reflected in an improved legislative framework and with additional funding;
2. Notes, therefore, that the 2012 Draft Budget shows for Title 07 'Environment and Climate Action' an overall amount for operational expenditure of EUR 401.792 million, which represents an increase of 2.60 % in commitment appropriations as compared with the adopted 2011 budget, and further observes an increase of 2.4 % in the operational appropriations proposed for public health policy as compared to the 2011 amount of EUR 206.106 million;
3. Welcomes the fact that high priority is given to the Environment and Climate Action in the 2012 draft budget; is convinced that the increase in the overall level of appropriations for the successful LIFE + programme to EUR 354.755 million needs to be accompanied by a commensurate level of payment appropriations;
4. Notes that the Commission estimates the annual cost of managing the Natura 2000 network at EUR 5.8 billion;

5. Is generally concerned at the Council's cuts in payment appropriations with the aim of increasing payment margins artificially; is convinced that at any rate the funds need to be made available due to the successful running of programmes and measures on the environment, public health and food safety;
6. Calls on the Member States to significantly improve their implementation of EU environmental Ex AM 7 and public health protection legislation; calls on the Commission to strengthen their infringement procedures in a consistent way, either by giving extra support to the respective units or by defining case rates and by making more frequent use of Article 260 TFEU proceedings; calls for corresponding databases, which should be made publicly available;
7. Takes the view that one of the keys to public health is a balanced diet comprising varied and healthy foods; notes that the European Court of Justice (ECJ) ruled in April 2011 on a partial annulment of Commission Regulation (EC) No 983/2008<sup>1</sup> on the distribution of food from intervention stocks for the benefit of the most deprived persons; is worried about the European Commission's announcement of drastic cuts to the respective budget allocations for the EU Food Distribution Programme for the Most Deprived Persons of the Community (MDP), especially in view of the difficult social situation in many Member States following the financial and economic crisis; calls on the Commission and the Council to find a way of continuing the MDP scheme in a form that cannot be contested by the Court, so that the appropriations for food distribution to the most needy can be maintained at the necessary level;
8. Reaffirms the need to raise public awareness of the harmful effects of tobacco consumption, including passive smoking; supports the Commission's efforts to continue the HELP campaign for a life without tobacco by earmarking EUR 10 million under the Public Health programme;
9. Underlines again that decentralised agencies need adequate funding and staffing in order to fulfil their existing and new-tasks assigned by the EU legislator and the Commission; again disapproves of the use of assigned revenue to reduce the EU budget contribution to fee-dependent agencies such as the European Medicines Agency (EMA);
10. Notes the necessity to revise the financial statement on the pharmacovigilance legislation on the basis of the Commission's initial legislative proposal showing 23 additional staff; acknowledges the newly-added tasks of the EMA and asks the Commission to present the revised financial statement and the fee regulation well before the legislation comes into force on 1 July 2012; reaffirms its commitment to EMA in the context of the orphan medicines legislation;
11. Notes that some of the additional requirements related to the climate and energy package requested by Member States and the Commission (such as work on CO<sub>2</sub> and cars) could be carried out by the European Environment Agency (EEA); acknowledges that the execution of this new task is not entirely possible through reprioritisations and redeployment of staff, and therefore welcomes the EEA Draft Budget;

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<sup>1</sup> 3 October 2008, adopting the plan allocating to the Member States resources to be charged to the 2009 budget year for the supply of food from intervention stocks for the benefit of the most deprived persons in the Community.

12. Recognises the need to commence the new tasks assigned to the European Chemicals Agency (ECHA) such as processing authorisation applications, and preparing scientific opinions, for the Commission as a basis for EU decisions on granting or not granting authorisation and to undertake the tasks deriving from the coordination and decision-making of chemical substance evaluations undertaken by Member State authorities; acknowledges the ECHA's request for 10 new posts in this area which are budgetary neutral;
13. Calls on the ECHA to increase compliance checks on registration dossiers in the light of the very high rate of deficient dossiers amongst those checked so far, since the high failure rate, if continued, would seriously undermine REACH as a whole;
14. Stresses further the need to revise the financial statement of the biocides legislation in light of the significantly enhanced role for the ECHA envisaged by the co-legislators when the final legislative agreement is sealed, and to make adequate funds available as soon as the biocides legislation has entered into force, in order to enable the ECHA to prepare the IT system in time to deal with the new tasks once they become applicable; calls for the financial statement of the legislation on export and import of dangerous chemicals to be revised, if necessary, based on the final legislative agreement; asks, in this regard, the Commission to present fully the corresponding savings (budget and staff) in the respective Commission DGs when the above-mentioned tasks are to be implemented within the ECHA;

## **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 20 April, the Commission presented the Draft Budget (DB) for 2012 with a total of EUR 147.435,442 million in commitment appropriations (c.a.), corresponding to 1,12 % of GNI. This leaves a global margin of EUR 1.603,5 million on the overall annual ceiling set by the Multiannual Financial Framework (MFF 2007 - 2013). For payment appropriations (p.a.), the total amounts to EUR 132.738,713 million, corresponding to 1.01 % of GNI.

According to the Commission the DB is taking into account the ongoing fiscal consolidation efforts in Member States and the related difficulties. The proposed increase in the overall level of appropriations represents a valuable contribution to European economic recovery and growth, and is a necessary consequence of the Union's contractual obligation to honour the growing level of outstanding commitments of current and previous years, now that all major programmes are running at cruising speed. An orderly evolution of the payment appropriations is also necessary to avoid a further increase in the level of outstanding commitments.

On 7 July, the COREPER adopted its position on the Draft Budget 2012. In commitment appropriations EUR 146.245,338 million should be made available and EUR 129.088,042 million in payment appropriations.

This position is based upon the principle to work within the framework of the budget guidelines established for the 2012 budget in the Council conclusions adopted in February 2011, to follow an approach leading to a budget complying with budgetary discipline and sound financial management, as well as taking duly into account the economic and budgetary constraints in Member States; to provide adequate funding for the European Union's various priorities and to keep payment appropriations firmly under control under all headings and sub-headings of the multiannual financial framework.

After completion of a written procedure the Council will adopt its position on the EU budget 2012 in 25 July 2011.

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

#### **Life +**

The Draft Budget 2012 is giving high priority to Environment and Climate Action which is translated into the level of appropriations proposed under the LIFE + programme and corresponding budget lines.

The Commission is proposing to increase the overall level of appropriations of the LIFE + programme to EUR 354,755 million, i.e. an increase of 4,3 % compared to 2011 budget levels (EUR 340,2 million). This is in line with the financial programming.

This increase is intended to finance projects in all policy areas, including climate, to support measures undertaken by the Commission in support of Climate policy and legislation and to give support to NGOs, policy support measures as well as taking into account the increased requirements as regards administrative support to selection, monitoring & dissemination of project results and evaluation requirements.

As regards budget line 07 01 04 05 (administrative support to Climate Action policy), an increase is requested to address new needs in terms of publications (including audiovisual productions) on Climate action, as well as to fund the maintenance and hosting of the Community Independent Transaction log and Registries (following the developments required by the Directive) and other critical IT systems (Ozone Depleting Substances).



The COREPER has proposed severe cuts in commitment and payment appropriations on all relevant budget lines.

### **Global environmental affairs**

Since 2007, external actions in the area of environment is covered by external actions instruments under policy area 21 (Development), and in particular through the ENRTP (Thematic programme on environment and sustainable management of natural resources including energy, Chapter 21 04 of the DB). However, it should be noted that the Commission is proposing a substantial increase in the resources for this budget line (EUR 200.7 million in c.a./ EUR 170.0 million in p.a.). In line with the pledge made under the Copenhagen accord, an amount of EUR 50 million is to cover mitigation and adaptation actions in developing countries.

The Council has proposed cuts on this budget line by EUR 1.5 million in c.a. and EUR 30.5 million in p.a.

The only appropriations remaining under Title 07 are those dedicated to payment of obligatory contributions to 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), etc. The proposed budgetary allocation for 2012 remains similar to 2011 levels (EUR 3.1 million).

It should be noted that the COREPER has also cut funds foreseen for EU's international contributions.

### **Public Health**

The credits for the Public Health programme are increased by an amount of EUR 1,240 million, in line with the overall envelope for the programme for 2008 - 2013. Although the main responsibility in Public Health lies with the Member States and the Public Health programme has in essence an indirect impact on the health of the EU population, the EU has a fundamental role to play as a catalyst for action and reform within Member States especially in areas where cooperation at EU level is indispensable and where EU legislation needs to be enforced, updated or created. The actions that are carried out in the framework of the Public Health programme complement and add value to Member States' actions in the area of health promotion and prevention of illness.

Until 2010, the HELP campaign for a life without tobacco was financed with credits deducted from the aid granted to tobacco producers (5% as defined in art. 110 of regulation 1782/2003), i.e. credits from Heading 2 Agricultural expenditure (EUR16 million per year) have been transferred. As the subventions for Tobacco producers ended in 2009, 2010 was the last year in which credits were received from Heading 2. Since 2011, the anti-smoking campaign is financed under the Public Health programme. In 2012, EUR 10 million are earmarked for the campaign.

### **Veterinary measures**

The DB had foreseen a decrease of EUR 17,050 million for veterinary measures proposing a total amount of EUR 333 million for 2012. The decrease is related to the expected slow

down of the vaccination and other measures against the blue tongue disease as well to the credits foreseen for the emergency funds measures as a result of the uncertainty of the execution, as it depends on diseases outbreaks. The Commission confirmed that additional credits will be allocated to the emergency fund, if necessary.

An increase of EUR 2 million has been agreed for the Plant health measures in order to finance additional measures against outbreaks of pinewood nematode, for control of two types of beetles and the red palm weevil.

A further increase of EUR 2 million has been agreed for the new measures in the area of Feed and Food control to finance the changes in the activities of the EU Reference Laboratories and the creation of an additional laboratory for bee health (Commission Regulation No 208/2011).

The COREPER has proposed cuts to the respective budget lines regarding veterinary measures.

### **Pilot Projects and Preparatory Actions**

8 Pilot Projects and Preparatory Actions were voted under Title 07 in the 2011 budget and are in the implementation process by either DG ENV or DG CLIMA.

Under the 2012 Draft Budget the Commission is proposing the continuation for a second year of the Preparatory Action ‘mainstreaming Climate Action and Adaptation’ (budget line 07 03 13).

### **Decentralised Agencies**

The Draft Budget 2012 as presented by the Commission allocates EUR 741.5 million to decentralised agencies for operational and administrative tasks. This amount represents 0.5% of the total EU Draft Budget 2012. The establishment plans foresee 4854 posts in decentralised agencies (not including contract agents).

The COREPER has taken following approach:

- Agencies ‘cruising speed’: no increase, no new posts
- Agencies ‘with new tasks’: increase limited to 1.5 % maximum + 1/3 of the posts requested  
+ auto-financed posts accepted
- Agencies ‘start-up’: increase limited to 3/4 of Titles 1 and 2 + 3/4 of the posts requested.

#### **• European Environment Agency**

The Agency has to implement additional tasks related to monitoring and reporting provisions in EU Environment (Air Quality) and Climate legislation as well as some of the additional requirements related to the climate and energy package requested by Member States and the Commission (such as work on CO<sub>2</sub> and cars).

Therefore the Commission has proposed an increase of 2.82 % in budget resources (taking into account assigned revenue stemming from surpluses from previous two years) and two additional posts.

- **European Chemicals Agency**

The Draft Budget does not foresee any financial contributions for the Agency in 2012 as such.

However, it needs to be taken into consideration new tasks deriving from legislation in the area of biocides and export and import of dangerous chemicals ('Prior Informed Consent – 'PIC'). In the case of Biocides (budget lines 07 03 60 01 and 07 03 60 02), the tasks of ECHA for biocidal products envisaged by the Legislative Authority have been extended considerably since the original Commission proposal (COM(2009)267), and are expected in the Council's Common Position. At this stage, the amounts requested for 2012 in the draft budget reflect the estimates as included in the original legislative financial statement submitted by the Commission in 2009. After the adoption of the Common Position of the Council, and depending on the scope of the tasks in the field of biocides which will finally be assigned to the agency, the Commission needs present a Communication on the Common Position accompanied by a revised legislative financial statement to reflect as necessary the additional responsibilities and expected quantified outputs. The Commission should therefore adjust accordingly the resources required for the 2012 budget in terms of ECHA's staff and contribution from the EU budget, in due course of the annual budget procedure. In the case of the export and import of dangerous chemicals, the Commission proposal for a revised Regulation (EC) No 698/2008 aims to align it with legislation on classification, labelling and packaging of chemicals and will lead to the involvement of the European Chemicals Agency in the implementation of the so-called 'Prior Informed Consent' activities. The Commission proposal is expected to be made during the second quarter of 2011 (budget lines 07 03 70 01 and 07 03 70 02).

- **European Centre for Disease Prevention and Control**

The EU subsidy as adopted by the Commission amounts to EUR 57.3 million, which is EUR 1.4 million lower than requested by ECDC, but corresponds to the application of the Commission rule. ECDC did not request any staff increase.

- **European Food Safety Authority**

The EU subsidy as adopted by the Commission amounts to EUR 77.121 million (including assigned revenues from previous years). This represents an overall increase of 2% compared to 2011, however a reduction of EUR 0.37 million compared to EFSA's request. EFSA did not request any staff increase.

- **European Medicines Agency**

The 2012 total draft budget requested by EMA amounted to EUR 238,4 million, including fees revenue of EUR 171,2 million. Thus, the EU contribution requested by EMA amounted to EUR 57,1 million including assigned revenues of EUR 9,8 million. Out of these amount EUR 17,8 million have been foreseen for the new needs regarding the pharmacovigilance regulation. Additional posts for the implementation need to be foreseen. However, due to changes in the tasks to be performed, these estimations for pharmacovigilance do not

correspond to the initial financial statement approved by the Commission, which showed 23 additional staff members. It was also foreseen to cover the extra costs by fees. These fees will not enter into force on 1 July 2012, and therefore the costs need to be covered by the EU. However, the Commission decided that it was not possible to increase EMA's contribution for pharmacovigilance without a revised financial statement adopted by the Commission and approved by the Parliament and Council. When this new financial statement is approved, the Commission will propose to adapt the 2012 budget. Therefore, the draft Budget adopted by the Commission increases the establishment plan of EMA by 23 staff, as planned in the initial financial statement.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	8.9.2011
<b>Result of final vote</b>	+: 41 -: 5 0: 3
<b>Members present for the final vote</b>	Elena Oana Antonescu, Kriton Arsenis, Sophie Auconie, Sandrine Bélier, Nessa Childers, Esther de Lange, Anne Delvaux, Edite Estrela, Karl-Heinz Florenz, Elisabetta Gardini, Gerben-Jan Gerbrandy, Julie Girling, Cristina Gutiérrez-Cortines, Jolanta Emilia Hibner, Dan Jørgensen, Karin Kadenbach, Christa Kläß, Jo Leinen, Corinne Lepage, Peter Liese, Kartika Tamara Liotard, Radvilė Morkūnaitė-Mikulėnienė, Vladko Todorov Panayotov, Gilles Pargneaux, Sirpa Pietikäinen, Mario Pirillo, Frédérique Ries, Oreste Rossi, Carl Schlyter, Richard Seeber, Claudiu Ciprian Tănăsescu, Sabine Wils
<b>Substitute(s) present for the final vote</b>	Tadeusz Cymański, Jutta Haug, Romana Jordan Cizelj, Riikka Manner, Marisa Matias, Judith A. Merkies, Alojz Peterle, Britta Reimers, Kathleen Van Brempt
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Antonio Cancian, Isabelle Durant, Isabella Lövin, Emma McClarkin, Charles Tannock, Giommara Uggias, Derek Vaughan, Csaba Óry

27.9.2011

## **OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY**

for the Committee on Budgets

on Parliament's position on the 2012 Draft Budget as modified by the Council - all sections (2011/2020(BUD))

Rapporteur: Reinhard Bütikofer

### **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. Welcomes the European Semester process, which is intended to achieve stronger economic governance; believes that successful implementation of the Europe 2020 strategy requires substantial, coordinated, transparent and appropriate financial commitments to be made to meeting its priorities at both EU and Member State levels and that any limitation of the relevant Union budget appropriations would undermine its achievement;
2. Calls on the Commission and Member States to ensure basic broadband coverage for all Union citizens by 2013; points out that, with a view to speeding up the roll-out of high-speed internet and reaping the benefits of a digital single market for households and firms in line with the Europe 2020 Digital Agenda flagship initiative, the financing of broadband infrastructure investments and infrastructure programmes should be better coordinated via improved planning at national, regional and local levels and the Union should liaise more closely with regions to help them take up structural and rural development funding available for these purposes;
3. Welcomes the Commission's intention to focus the objectives of the 2012 draft budget on the Europe 2020 strategy; is deeply concerned, nevertheless, about the mismatch between the political priorities for the Union budget and actual financial allocations – in particular in the energy policy area, which represents only 0.5% of the Union budget and in which budget allocations are actually set to decrease in 2012; regrets, furthermore, the fact that support for sustainable energy priorities still accounts for only a very minor share of the Research, Development and Innovation (R&D&I) programmes;

4. Highlights the importance of the Risk Sharing Financial Facility (RSFF) under the Seventh Framework Programme (FP7) and of the Entrepreneurship and Innovation Programme (EIP) under the Competitiveness and Innovation Framework Programme (CIP), which serve as models for European innovative financial instruments pooling Union budget funds and European Investment Bank (EIB) financial resources in support of business development and of the goals of the Europe 2020 Innovation Union flagship initiative; calls on the Commission to enhance these instruments in the fields of research, innovation and energy;
5. Recalls that investment in R&D&I is a long-term process of essential importance to achieving the goals of the Europe 2020 strategy; believes that the Union should concentrate its spending on areas, such as R&D&I, that stimulate economic growth, competitiveness and sustainability and help address major societal challenges of our time; points, in this context, to the need to improve the conditions for R&D&I; stresses that R&D in renewable and sustainable energy, energy efficiency and energy storage technologies and resource efficiency is of particular interest in view of the Union's energy and climate objectives; calls for an evaluation to be made of the feasibility and effectiveness of sustainability criteria in the Union's R&D&I programmes and project selection procedures;
6. Recalls the importance of integrated EU energy infrastructure to energy security and a common EU energy market; stresses that, although for the Trans-European Energy Network (TEN-Energy) programme provision has been made for a significant increase in the 2007-2013 budget compared to the initial envelope, the draft budget provides for a 12.5% decrease in funding for this programme and the planned sum of EUR 22 million is still very limited compared to the challenges arising and to the Trans-European Transport Network (TEN-Transport) programme; calls for more budget allocations for the developments of EU energy infrastructure networks and technology, such as smart grids and a European super-grid, in order to foster better integration of the EU energy market and the uptake of energy generated by renewable sources and contribute to the infrastructure required for electric vehicles;
7. Draws attention to the fact that the Union and the Member States have not invested sufficiently in measures to reduce CO<sub>2</sub> emissions or increase energy efficiency in the building and transport sectors; calls on the Commission to take measures, in cooperation with the Member States, to increase the energy efficiency of buildings and of centralised urban heating and cooling networks, and to allocate increased funding in 2012 as part of the review of the multiannual financial framework;
8. Recalls that the FP7 needs to be fully implemented; supports efforts to develop, in conjunction with the EIB and the European Investment Fund (EIF), innovative ways of leveraging investments and fostering research and innovation, such as the RSFF; supports the release of additional budget appropriations for the RSFF, but calls for better uptake among small and medium-sized enterprises (SMEs);
9. Opposes the Commission's proposal to redeploy budget appropriations allocated to the FP7 to the International Thermonuclear Experimental Reactor (ITER) project; suggests that the ITER programme should be financed from the remaining margin;

10. Stresses the importance of the Erasmus programme for young entrepreneurs, and calls on the Commission to ensure that it has a suitable level of funding in 2012;
11. Recalls the urgent need to focus on safe and sustainable technologies that will be available in the foreseeable future, or are already available as technology pillars of the Union's energy and climate policy, such as the most mature technologies identified in the Union's Strategic Energy Technology Plan (SET Plan), which must be promoted and implemented in order to deliver the Europe 2020 goals; regrets the fact that the 2012 draft budget does not include financial allocations for SET Plan technologies directly in the existing SET Plan budget line; takes the view, therefore, that arrangements for the long-term financing of the development of this type of innovative and sustainable energy technologies should be made immediately;
12. Calls for full implementation of the Small Business Act, with the introduction of SME-related policy actions including measures to improve SMEs' access to financing, increase their participation in public contracts and develop specific programmes and innovative financial mechanisms; calls for the specific programmes under the CIP – an SME flagship programme – to be substantially upgraded and the executive agency responsible for its implementation (the Executive Agency for Competitiveness and Innovation - EACI) to be fully supported;
13. Supports the idea of issuing project bonds to finance the Union's significant 2020 agenda infrastructure needs and structural projects, anticipated new EU strategies such as the new strategy on energy infrastructure development, and other large-scale projects; calls on the Commission and Member States to ensure that the Europe 2020 Project Bond Initiative mechanism is in place as soon as possible before 2014, which is the target date set in the Commission's consultation document;
14. Believes that clear and ambitious goals and sufficient financing for sustainable energy policy, energy efficiency and resource efficiency policy can deliver cost-efficient benefits for the European economy as a whole; calls for the allocation of EU and Member State public and private resources to investments in those priority sectors; welcomes in this regard the review of the Energy Taxation Directive, which can provide major incentives to shift towards renewable energy sources;
15. Welcomes the proposed increase in the budget for the European Agency for the Cooperation of Energy Regulators (ACER) in light of the imminent adoption of the Regulation on Wholesale Energy Market Integrity and Transparency (REMIT Regulation)<sup>1</sup> and the agency's growing responsibilities; calls for more budget allocations for the development of EU energy infrastructure networks and technology, in particular smart grids and a European super-grid;
16. Recalls that the financial programming figures for EURATOM for the year 2012 are highly tentative; emphasises therefore that EU allocations for nuclear safety and security projects must be seen to be sufficient to cover the costs of the stress tests at all EU nuclear facilities;

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<sup>1</sup> COM(2010)0726.



17. Emphasises that emergency solutions are likely to jeopardise the success and added value of strategic EU projects; believes that long-term budgetary solutions must be found instead, together with sustainable financing solutions; stresses that proper governance, accurate planning and scheduling, sound financial management, and clear limits on Union participation must be ensured for large-scale projects before any additional funding is allocated; emphasises that EU allocations to such projects should not result from the redeployment of funds from other EU R&D programmes and that any additional costs that may arise must be fully substantiated; awaits the upcoming proposals from the Commission on the technical and financial options for further deployment of Galileo and Global Monitoring for Environment and Security (GMES) and stresses the need to identify ways of financing the deployment of Galileo with full operational capacity; asks the Commission to look into the possibility of using revenues from the Public Regulated Service or the Commercial Services to finance Galileo.

## JUSTIFICATION

### Introduction

The priorities of the Committee on Industry, Research and Energy (hereinafter *the ITRE Committee*) in the EU 2012 Draft Budget were expressed in its opinion of 26 May 2011 on the mandate for the trilogue on the 2012 Draft Budget and the result of this vote is attached to the opinion above. The amendments on budgetary lines as modified by the Council were adopted in ITRE Committee on 31 August 2011.

The ITRE Committee expresses its clear convictions that we cannot allow the budget policies of the EU to deviate from the strategic goals that have been set for the Union in the context of the EU 2020 strategy. In particular the ITRE Committee wants to stress 3 priorities:

- We strongly hold that the FP7 needs to be fully implemented, in order to stimulate economic growth, competitiveness and sustainability and help address the major societal challenges of our time.
- In the current economic situation it is also indispensable to support European SMEs, in particular young innovative start-ups, and to foster entrepreneurship by assigning enough funds the Competitiveness and Innovation Programme (CIP) and other programmes that are helpful to them.
- The ITRE Committee is also deeply concerned about the mismatch between the political priorities for the EU energy policy as laid out in its EU 2020 Strategy and actual financial allocations in the energy policy area, which represents only 0.5% of the EU budget. Budget allocations are actually set to decrease in the 2012 COM Draft Budget. The energy policy area needs to be given the right focus to match Europe's policy commitments.

### Explanations by titles

#### **Title 01 - Economic and financial affairs**

The Council decrease by 69,5% (69.500.000 EUR) in payment appropriations for the "Entrepreneurship and Innovation Programme" (line 01 04 04) under the CIP would seriously undermine the objectives of this Programme. The original Draft Budget is therefore restored.

#### **Title 02 - Enterprise**

The cuts proposed by the Council under Title 02 are jeopardizing the achievement of EU 2020 strategy in several important areas such as the CIP (line 02 02 01), space research (lines 02 02 15 and 02 04 01 01), as well as transport research (Galileo) (line 02 04 01 03) and support to the European GNSS Agency (02 05 02 01). A restoration of Draft Budget in those areas is therefore necessary.

In view of the need to enhance SMEs policies in the EU, the ITRE Committee proposes also to increase of 10m€ allocations of the CIP Programme (line 02 02 01) to enhance support to the promotion of innovation in SME and provide necessary funds for the continuation of the

successful "Erasmus for Young Entrepreneurs" programme in 2012.

#### **Title 08 - Research**

##### **Title 10 - Direct research**

The ITRE Committee believes that cut of payment appropriations proposed by the Council in the areas related to research would jeopardize seriously the FP7 activities. Those reductions can lead to an increase in the time to grant or even cause late payments under contracts already signed. It should be also taken into account that payment appropriations were reduced also in 2011 Budget and that around 70% out of the total payments appropriations requested are related to the RAL obligations 2007-2011 from the contracts/grants already signed.

Therefore the ITRE Committee believes that restoration of the Draft Budget in all research related activities and especially those of the FP7 Programmes is urgently needed. This includes "Cooperation - Health" (line 08 02 01), "Cooperation - Nanosciences, nanotechnologies, materials and new production technologies" (line 08 04 01), "Cooperation - Transport" (line 08 07 01), "Cooperation - RSFF" (line 08 09 01) "Ideas" (line 08 10 01) and "Capacities" (lines 08 13 01 - 08 19 01). Restoration of Draft Budget is also needed for the research activities under the other titles such as Transport (06), Environment (21) and Education (15), in particular the "Peoples" Programme of the FP7 (line 15 07 77).

For Europe to be able to face the challenges of Europe 2020 and the energy objectives, it is necessary to put more effort in the field of sustainable energy, in particular development of renewable and their integration in a smart electricity system as well as energy efficiency. The ITRE Committee therefore suggests to go beyond the Draft Budget in the field of FP7 energy Cooperation programme and proposes an increase of 40m€ under line (08 05 01) to be dedicated in particular to support development of to sustainable energy systems and energy efficiency.

As regards the financing needs of the ITER project, the ITRE Committee opposes the Commission's proposal to redeploy budget appropriations allocated to the FP7 to the ITER project. The whole financing of the ITER program should be decided and managed in a comprehensive way.

#### **Title 09 - Information society and media**

The ITRE Committee asks to restore budget lines which contribute significantly to the EU 2020 Digital Agenda flagship initiative, in particular all lines related to supporting research and innovation activities.

#### **Title 32 - Energy**

The ITRE Committee asks to restore the Draft Budget all budget lines under title 32 (except line 32 02 06 "Research related to energy - Fuel Cells and Hydrogen Joint Undertaking") and proposes an additional increase in total of 10.000.000 EUR in CA and 19.160.000 in PA for "Intelligent Energy - Europe Programme" (line 32 04 06).

#### **Pilot projects and preparatory actions**

The ITRE Committee has considered and evaluated all pilot projects and preparatory actions, proposed by the members, and adopted six new PP&PA that are carrying political priorities of

the Committee and have a clear potential to develop into future EU activities and programmes:

- Pilot project "Bridge to Europe Day" (after line 02 02 15), to build a stronger bridge between European experts and Europe by bringing European expats, who founded new businesses or work as researchers in Silicon Valley together with representatives from European institutions and companies to exchange experiences and practices;
- Pilot project "Young Innovators Mobility" (after line 02 02 15), to implement the Innovation Union and Youth on the Move initiatives by enabling at least 100 Young Innovators to work on their own early-stage idea at a Host Organisation;
- Pilot Project "A Rare Earth Competency network for Europe" (after line 02 02 15), to ensure that the EU takes this issue seriously and endeavours to increase its own understanding of these resources in order to increase particularly their recycling and substitution;
- Pilot project "RECAP: recycling at local scale of internal plastic scrap created by major EU polymer converting regions" (after line 07 03 31), to improve the internal plastic scrap recycling by developing new technical solutions to recycle plastic production scrap and by implementing and structuring of recycling channels based on sustainable solutions and technologies;
- Pilot project "Energy security - Shale Gas" (after line 32 04 17), to fund pilot projects or other support activities aiming at analysing the public acceptance of the exploration and exploitation of shale gas and the introduction of a dialogue on it;
- Preparatory action "Cooperation Mechanisms implementing the RES Directive" (after line 32 04 17), aiming at examining the conditions for a successful implementation of RES cooperation mechanisms provided for in the RES directive and their interference with other mechanisms or national support schemes.

In addition to the PP&PA enlisted above, the ITRE Committee supported the development of the preparatory action "Erasmus for Young Entrepreneurs" in the framework of the CIP's Entrepreneurship and Innovation programme (line 02 02 01).

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	26.9.2011
<b>Result of final vote</b>	+: 36 -: 0 0: 2
<b>Members present for the final vote</b>	Jean-Pierre Audy, Bendt Bendtsen, Maria Da Graça Carvalho, Giles Chichester, Christian Ehler, Ioan Enciu, Gaston Franco, Adam Gierek, Norbert Glante, Fiona Hall, Edit Herczog, Romana Jordan Cizelj, Krišjānis Kariņš, Lena Kolarska-Bobińska, Philippe Lamberts, Bogdan Kazimierz Marcinkiewicz, Marisa Matias, Judith A. Merkies, Miloslav Ransdorf, Herbert Reul, Michèle Rivasi, Jens Rohde, Paul Rübig, Amalia Sartori, Francisco Sosa Wagner, Patrizia Toia, Ioannis A. Tsoukalas, Marita Ulvskog, Adina-Ioana Vălean, Alejo Vidal-Quadras, Henri Weber
<b>Substitute(s) present for the final vote</b>	Francesco De Angelis, Satu Hassi, Jolanta Emilia Hibner, Gunnar Hökmark, Werner Langen, Alajos Mészáros, Algirdas Saudargas

1.9.2011

## **OPINION OF THE COMMITTEE ON THE INTERNAL MARKET AND CONSUMER PROTECTION**

for the Committee on Budgets

on Parliament's position on the 2012 Draft Budget as modified by the Council – All sections (2011/2020(BUD))

Rapporteur: Edvard Kožušník

### **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. Supports the view that especially in times of austerity the EU budget should be used wisely and in order to stimulate economic growth; notes that this may be done via necessary investments and strengthening the functioning of the Single Market, and with a view to assisting European citizens, consumers and businesses in their job-creating and sustainable activities;
2. Points out the importance of the continuous budgetary allocation for the operation and development of the internal market, particularly in the fields of notification, certification and sectoral approximation (budget lines 02 01 04 01 and 02 03 01); stresses that the new regulatory framework on European standardisation should lead to a more integrated EU standardisation system and more sustainable financing system for the development of standards<sup>1</sup>;
3. Welcomes the slight increase for implementation and development of the internal market (budget lines 12 01 04 01 and 12 02 01), and the Commission's aim to put an end to market fragmentation and eliminating barriers and obstacles to the movement of services, innovation and creativity, as expressed in its much-awaited communication 'Single

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<sup>1</sup> EP resolution of 21 October 2010 on the future of European standardisation (Kožušník Report - 2010/2051(INI)), P7\_TA-PROV(2010)0384.

Market Act. Twelve levers to boost growth and strengthen confidence. Working together to create new growth'<sup>1</sup>

4. Reminds the Commission about its resolution on implementation of the Services Directive<sup>2</sup>, in which it called for appropriate funds to be earmarked for a major promotion campaign on the Points of Single Contact (PSC);
5. Asks for the continuous financing of the Pilot Project 'Single Market Forum' (SMF; budget line 12 02 03), organised every year jointly by the Commission, the European Parliament and the Council Presidency, and bringing together stakeholders from the EU institutions, Member States, civil society and business organisations to assess progress in relaunching the Single Market, exchange best practices and address the top concerns of European citizens; acknowledges and welcomes the fact that the Commission started the process of evaluation and review of the list of 'Top 20 concerns'; calls for the 'Top 20 concerns' to be examined on a regular basis at the Single Market Forum, using them as verifiable indicators to evaluate and monitor the developments in the Single Market vis-à-vis European citizens;
6. Deplores the non-allocation of money to commitments for SOLVIT and Single Market Assistance Services (budget line 12 02 02); considers the SOLVIT network an effective free-of-charge out-of-court dispute settlement mechanism which should be supported by training and promotion activities in all Member States;
7. Underlines the need to develop training schemes also for the officials of national and regional administrations responsible for monitoring services; recalls that the sustainable success of the Internal Market Information (IMI) System depends on adequate investment at Community level and supports extending it by the end of 2012 to all professions regulated at EU level;
8. Reiterates its calls on the Commission and the Member States to co-fund further joint market surveillance actions; recognises the role of customs in market surveillance and supports the strengthening of the cooperation between customs administrations and market surveillance authorities, promoting the exchange of good practices and technical assistance; calls on the Member States to allocate necessary financial and human resources in order to fulfil their respective obligations for the implementation of the Customs 2013 Programme (budget lines 14 01 04 02 and 14 04 02);
9. Deems it necessary to maintain the amount allocated to Union action in the field of consumer policy (budget line 17 02 02) in order to assure the continuation of existing surveys and market studies, and especially the Consumer Markets and Conditions Scoreboards; welcomes the mid-term evaluation of the Consumer Policy Strategy and Programme of Community action and looks forward to the separate evaluation on the consumer education, information and capacity-building actions, envisaged for September 2011;

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<sup>1</sup> COM(2011)0206.

<sup>2</sup> EP resolution of 15 February 2011 on implementation of the Services Directive 2006/123/EC (Gebhardt Report - 2010/2053(INI)), P7\_TA-PROV(2011)0051.

10. Notes the key messages of the recent evaluation of the European Consumer Centres (ECC) Network's functioning, especially with regard to the limited resources available so far and performance-based incentives proposed for the future; maintains its support for the Consumer Protection Cooperation (CPC) Network which seeks to ensure that effective cooperation mechanisms for consumer protection enforcement authorities are defined and applied in the Member States;



## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	31.8.2011
<b>Result of final vote</b>	+: 34 -: 0 0: 3
<b>Members present for the final vote</b>	Pablo Arias Echeverría, Adam Bielan, Lara Comi, Anna Maria Corazza Bildt, António Fernando Correia De Campos, Jürgen Creutzmann, Christian Engström, Małgorzata Handzlik, Malcolm Harbour, Iliana Ivanova, Philippe Juvin, Sandra Kalniete, Eija-Riitta Korhola, Edvard Kožušník, Kurt Lechner, Toine Manders, Hans-Peter Mayer, Gianni Pittella, Phil Prendergast, Robert Rochefort, Zuzana Roithová, Heide Rühle, Matteo Salvini, Christel Schaldemose, Andreas Schwab, Catherine Stihler, Róza Gräfin von Thun und Hohenstein, Kyriacos Triantaphyllides, Emilie Turunen, Bernadette Vergnaud, Barbara Weiler
<b>Substitute(s) present for the final vote</b>	Damien Abad, Ashley Fox, Anna Hedh, Pier Antonio Panzeri, Antonia Parvanova, Søren Bo Søndergaard, Marc Tarabella

1.9.2011

## **OPINION OF THE COMMITTEE ON TRANSPORT AND TOURISM**

for the Committee on Budgets

on Parliament's position on the 2012 Draft Budget as modified by the Council - all sections (2011/2020(BUD))

Rapporteur: Bogusław Liberadzki

### **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. Stresses that EU transport policy is key to achieving Europe 2020 objectives; underlines that the transport sector will ensure that the EU market keeps its position as a highly skilled production area and a crucial factor affecting EU competitiveness and quality of life; recalls that implementation of the Single European Railway Area and the completion of the Single European Sky will facilitate the functioning of the EU single market;
2. Underlines that every budget, including the 2012 budget, should contribute to and stimulate the development of a sustainable multimodal transport system contributing to the EU's efforts to tackle climate change via decarbonisation;
3. Considers that the draft budget as proposed by the Commission constitutes the minimum necessary to sustain momentum in the implementation of the European Union policy described in the new White Paper on transport; believes that increasing public financing for transport contributes to overcoming the crisis and creating jobs;
4. Calls for significantly improved access to finance in innovation and infrastructures, notably for green technologies, the Trans-European Networks (TEN) with focus on existing rail infrastructure, linkage of operational with infrastructure investments, and other projects with proven European added value financed by the Cohesion and Structural Funds; calls for the various sources of European funding to be used efficiently and by way of complement, while taking into consideration innovative financing schemes providing for contributions from private capital;

5. Calls on the Commission and Member States to endeavour to implement the priority TEN-T projects on schedule; points out that any delay in the implementation of these projects entails higher costs;
6. Calls for a significant increase in payments, which would allow better use of existing resources;
7. Underlines the importance of budgetary allocations to the programme to support the further development of an Integrated Maritime Policy;
8. Regrets that, in basing itself on Article 195 of the Treaty on the Functioning of the European Union, the Commission is not proposing a new legal basis to replace the three preparatory actions in the field of sustainable tourism which cannot be extended in 2012, and asks that appropriate resources be allocated for the tourism sector in 2012 and 2013 as well as in the future multiannual financial framework;
9. Takes the view that the EU budget contribution to the transport-related agencies should be commensurate with their additional responsibilities, such as those conferred on the European Maritime Agency; considers that it is important to have budgeting for agencies which is in accordance with internal audits of the effectiveness of their expenditure;

## **SHORT JUSTIFICATION**

### **Introduction**

The key objective of the EU budget 2012 should be to fully support the European economy and EU citizens by exploring the leverage effect of the EU budget to reinforce growth and employment opportunities, while sustaining the actions implemented within Member States' budgets. The 2012 budget should also address the objective of smart, sustainable and inclusive growth, as identified by the Europe 2020 strategy. The proposed margin available under heading 1a (Competitiveness for growth and employment), which covers transport and tourism, is EUR 129.4 million.

### **I. Transport budget**

Title 6 - Mobility and transport of the Commission's draft budget for 2012 (DB) contains all the budget lines relating to EU transport policy. The DB proposes a 7.6% increase in commitment appropriations (up from EUR 1 547 million in 2011 to EUR 1 664 million in 2012) and 2.8% increase in payment appropriations (up from EUR 1 142 million in 2011 to EUR 1 173 million in 2012). The overall level of the Commission's draft budget seems to be appropriate, bearing in mind the time of austerity we live in. However, a close eye needs to be kept on the budgetary talks in the Council. Any arbitrary or purely mathematical cuts across the lines by the Council, which fail to take account of Parliament's priorities for action in respect of individual budget lines, should be duly considered and necessary amendments should be tabled in mid-July, when we prepare TRAN Committee amendments to the Council's position. In particular, the Rapporteur would like to draw your attention to:

#### **Trans European Networks -Transport (06 03)**

The DB proposes an increase in both commitment and payment appropriations for this key budget line. Commitment appropriations are to rise by 7.9 % to EUR 1 325 406 119 and payment appropriations by 1.8 % to EUR 872 300 000.

#### **Support activities to the European transport policy and passenger rights (06 02 03)**

There is a substantial increase in the DB in commitment appropriations (up from EUR 15 735 000 in 2011 to EUR 31 770 000 in 2012) for this line to allow the implementation of this major transport policy. Indeed, the urgent completion of this policy has been reconfirmed in the context of the air transport crisis generated by the volcanic eruption in Iceland in May 2010 and the disturbance of air traffic in the European airports last winter due to bad weather conditions.

#### **Marco Polo II (06 02 06 and 06 02 07)**

There is a reduction in the both commitment (by 2.1 % to EUR 62 844 000) and payment appropriations (by 1.3 % to 28 200 000) proposed for the Marco Polo II. This appears to be in line with current requirements.

### **Agencies**

#### **European Aviation Safety Agency (06 02 01)**

Commitment and payment appropriations for the European Aviation Safety Agency (EASA) rise from EUR 33 315 800 to EUR 35 214 151, an increase of 5.7 %.

#### **European Maritime Safety Agency (06 02 02)**

The amounts proposed in the DB for the European Maritime Safety Agency (EMSA) represent an overall increase in commitment appropriations of 5.7%, up to EUR 53 564 744 and an increase of 10.2 % in payment appropriations, which rise to EUR 55 873 817.

#### **European Railway Agency (06 02 08)**

The European Union subsidy to the European Railway Safety Agency (ERSA) will rise from EUR 24 375 000 to EUR 25 260 000 in 2012, in both commitment and payment appropriations. Your Rapporteur calls for clarification of the unsatisfactory implementation of the ERA budget in 2009 and 2010.

## **II. Tourism**

Tourism budget falls under Title 2 - Enterprise and unfortunately has no specific budget line in the DB. All preparatory actions in the field of tourism are in the last year of commitment appropriations in 2011 and it is not possible to enter new commitments in 2012 budget. The situation with the tourism budget is unsatisfactory and it was agreed earlier this year to enter new pilot projects in the DB. At the same time, the Rapporteur would like to call on the Commission to ensure that appropriate resources to be allocated for the tourism sector in 2012 and 2013 as well as in the future multiannual financial framework.

## **III. Pilot projects**

It was agreed that the Committee on Transport and Tourism would like to enter three new pilot projects in the DB. These are: Europe's cultural and industrial heritage routes, European transport information and booking interface across the transport modes, and tourism and accessibility for all.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	31.8.2011
<b>Result of final vote</b>	+: 33 -: 3 0: 3
<b>Members present for the final vote</b>	Inés Ayala Sender, Georges Bach, Izaskun Bilbao Barandica, Antonio Cancian, Christine de Veyrac, Saïd El Khadraoui, Ismail Ertug, Carlo Fidanza, Knut Fleckenstein, Jacqueline Foster, Mathieu Grosch, Jim Higgins, Juozas Imbrasas, Ville Itälä, Dieter-Lebrecht Koch, Bogusław Liberadzki, Eva Lichtenberger, Marian-Jean Marinescu, Gesine Meissner, Hubert Pirker, Vilja Savisaar-Toomast, Debora Serracchiani, Brian Simpson, Keith Taylor, Silvia-Adriana Țicău, Giommarrina Uggias, Thomas Ulmer, Peter van Dalen, Dominique Vlasto, Artur Zasada, Roberts Zīle
<b>Substitute(s) present for the final vote</b>	Philip Bradbourn, Michel Dantin, Isabelle Durant, Zita Gurmai, Dominique Riquet, Laurence J.A.J. Stassen, Sabine Wils
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Anne E. Jensen

7.10.2011

## **OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT**

for the Committee on Budgets

on Parliament's position on the 2012 Draft Budget as modified by the Council - all sections (2011/2020(BUD))

Rapporteur: László Surján

### **SHORT JUSTIFICATION**

#### **INTRODUCTION:**

With Parliament's support, the Commission is building on a more positive economic outlook is designing measures in favour of growth and employments in 2012. In this context, it recognises the crucial role the EU Budget plays as a leverage and sustaining tool to actions implemented under the Member States' budgets. The Commission has thus established three main priorities for the 2012 Draft Budget namely, investing for growth within fiscal consolidation, reinforcing the budgetary strand of the Europe 2020 Strategy and strengthening the Lisbon Treaty priority areas, while paying due attention to the current circumstances and focusing on the need for a deep assessment of performance and of needs on the ground.

Your rapporteur shares the Commission's view that there is a need to reinforce the EU's joint effort and exploit synergies between Cohesion policy and other policies on the ground, and would stress the fact that Cohesion policy is an investment policy designed to promote development objectives in the regions, by supporting those whose economic development is lagging behind.

In the current circumstances, these aims require greater involvement of the Commission in assisting those Member States which are experiencing difficulty in implementing Cohesion policy.

#### **REINSTATING THE DRAFT BUDGET:**

In making its budgetary provisions, the Commission has therefore assessed budgetary needs taking into account the decisions of the European Council of 2005, the provisions of the financial perspective 2007-2013 and the Interinstitutional Agreement, as well as the amounts due under projects closing down under the 2000-2006 period. Your rapporteur considers that the only institution which has the available information to have an overview of the real budgetary needs of all regions is the Commission. Consequently he proposes that any reductions proposed by the Council be cancelled and that the sums initially proposed by the

Commission in the Draft budget, be reinstated.

#### **SHARE-OUT OF RESOURCES BETWEEN FUNDS:**

The share-out between the different funds is as follows:

Structural Funds (ERDF and ESF) EUR 40 945, 9 million and the Cohesion fund EUR 11 793, 0 million. The increase in payment appropriations of 8,4% confirms the acceleration of the implementation trend which started in 2010 and shows indeed that the 2007-2013 Cohesion policy has reached cruising speed, implying also that further significant increases in payments are to be expected for 2013.

#### **MAIN POLICY OUTPUTS FOR 2012:**

The main policy outputs as established by the Commission include both the alignment of Cohesion Policy objectives with the Europe 2020, and the attainment of multiannual objectives by stimulating growth potential and employment of the least-developed Member States and regions, strengthening regions' competitiveness and promoting stronger territorial integration. Moreover, the Commission expects to get results from the implementation of EU Baltic Strategy and EU Danube Strategy in all aspects. Of particular importance is the adoption of the legal framework and delivery mechanisms for the future the programming period 2014-2020. In this regard, the Commission expects to coordinate the preparation and adoption of the Common Strategic Framework in close cooperation with other Commission departments, and to begin discussions with Member States on strategic investment priorities post-2013. Finally, reference is made to the setting up of electronic clearing houses in the Member States and regions for the collection and sharing of data related to the funding of projects, and of interactive portals with the beneficiaries to enable them to provide data only once, and to monitor on-line the progress of the grant application and of payments ("e-Cohesion Policy").

#### **PILOT PROJECTS AND TECHNICAL ASSISTANCE:**

This year Members have tabled a reduced number of proposals for potential pilot projects/preparatory actions, most of which concern mainly extensions of previously approved measures.

The Commission was informally consulted on the need to extend the pilot projects and preparatory actions currently in force, having supported the continuation of the preparatory actions entitled **"Enhancing regional and local cooperation through the promotion of EU regional policy on a global scale"**, and **"The definition of governance model for the European Union Danube Region – better and effective coordination"**, as well as the pilot project entitled **"Towards a common regional identity, reconciliation of nations and economic and social cooperation including a Pan-European Expertise and Excellence Platform in the Danube macro-region"**.

The only new measure proposed is a preparatory action entitled: **"Atlantic Forum for the EU Atlantic Strategy"**, proposing the definition of a transversal action plan with concrete priorities to be implemented from 2014 onwards, with the active involvement of Atlantic stakeholders. The action plan should be strongly connected with the regional policy and the Integrated Maritime Policy, and should also facilitate synergies with other EU policies. In this context the preparatory action should finance a platform for dialogue of stakeholders – the Atlantic Forum –, aiming at defining the priority projects and the governance of the Atlantic



Strategy, and at the elaboration and adoption of the action plan.

In the context of the same informal pre-evaluation procedure, the Commission has also supported the continuation of the measure of “**Technical assistance and dissemination of information on the European Union Strategy for the Baltic Sea Region and an improved knowledge of macro-regions strategy**”, which should therefore also be tabled as an amendment to the Draft Budget.

## 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 entered in the Draft Budget (DB) for subheading 1b correspond to the needs and objectives for regional policy as set by the Union and therefore requires that budget lines of subheading 1b as proposed by the Commission be maintained or, where necessary, restored; ***in particular, rejects the swingeing cuts which the Council has proposed in the subheading 1b payment appropriations;***
2. Stresses that the effective and efficient implementation of regional policy is ***the*** key to the achievement of the objectives of the Europe 2020 Strategy considering particularly ***the present context of economic adversity and fiscal consolidation***, as it contributes not only to the effective reduction of regional disparities, but also to creating a ***suitable*** framework ***for*** stable and sustainable economic growth and ***implementing the Agenda for new skills and new jobs;***
3. Welcomes the increase in commitment appropriations under subheading 1b by 3,4 % to EUR 52 738 900 000, and the increase in payment appropriations by 8,4 %, to EUR 45 134 800 000, over 2011, this latter sum including the reduction of 35,2% to EUR 3 110 000 000 in the outstanding commitments for the 2000-2006 period, engendered by the final phase of the closure of this programming period in 2012;
4. Calls on the Commission to support and implement all the pilot projects, preparatory actions and technical assistance measures as proposed by the REGI Committee for subheading 1b;
5. ***Considers it particularly important to extend the current ongoing pilot projects and measures related to implementation of the macro-regional strategies, given that if those strategies were implemented more effectively, the potential of the regions could be exploited to greater advantage, the Structural Funds could be turned to account in a more purposeful way, and the best possible response could be found to the challenges posed in a given region, for instance in the field of environmental protection;***
6. Welcomes the intention of the Commission, as endorsed by the European Council, to enhance synergies between the current loan programmes to certain Member States and the Structural Funds, with a view to boosting competitiveness and growth, and calls on the Commission to enhance its efforts to find ways to effectively improve the capacity of Member States in terms of general capacity to efficiently implement Cohesion policy programmes.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	6.10.2011
<b>Result of final vote</b>	+: 41 -: 2 0: 1
<b>Members present for the final vote</b>	François Alfonsi, Luís Paulo Alves, Charalampos Angourakis, Catherine Bearder, Jean-Paul Besset, Victor Boştinaru, Philip Bradbourn, Zuzana Brzobohatá, John Bufton, Alain Cadec, Salvatore Caronna, Francesco De Angelis, Tamás Deutsch, Rosa Estaràs Ferragut, Brice Hortefeux, Danuta Maria Hübner, Filiz Hakaeva Hyusmenova, Juozas Imbrasas, María Irigoyen Pérez, Seán Kelly, Mojca Kleva, Petru Constantin Luhan, Ramona Nicole Mănescu, Riikka Manner, Iosif Matula, Erminia Mazzoni, Jan Olbrycht, Markus Pieper, Monika Smolková, Georgios Stavrakakis, Nuno Teixeira, Michail Tremopoulos, Viktor Uspaskich, Lambert van Nistelrooij, Oldřich Vlasák, Kerstin Westphal, Joachim Zeller, Elżbieta Katarzyna Łukacijewska
<b>Substitute(s) present for the final vote</b>	Jens Geier, Elisabeth Schroedter, László Surján, Giommaria Uggias, Derek Vaughan, Sabine Verheyen

10.10.2011

## **OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT**

for the Committee on Budgets

on Parliament's position on the 2012 Draft Budget as modified by the Council - all sections (2011/2020(BUD))

Rapporteur: Luis Manuel Capoulas Santos

### **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. Points out that agricultural expenditure in the Union budget is rather rigid, given its predictability and the fact that, where direct payments are concerned, full correspondence is mandatory between commitments and payments and that such payments account for at least 70 % of the CAP budget, so that any variations are mainly linked to market expenditure;
2. Notes that austerity measures are being implemented in many Member States in order to rebalance national budgets and reduce debts;
3. Rejects the Council's amendments to the 2012 Draft budget; considers that the Commission's estimates of budgetary needs are more realistic than the Council's proposals, in particular with regard to clearance of the accounts for previous years; insists, therefore, on reinstating the figures in the 2012 Draft budget, in particular against the current background of great economic uncertainty and of instability in the markets and in terms of farmers' incomes, which calls for a very careful approach to any important changes;
4. Expresses concern at the Commission's optimistic assumption that trends on agricultural markets will remain fairly stable and largely favourable, and at the consistent decrease in needs in terms of market-related expenditure; points out that the impact of improved market situations often varies from sector to sector; urges the Commission to monitor developments on agricultural markets carefully and to be prepared to react swiftly and effectively with the necessary mechanisms to counter adverse developments, such as the

current situation in the olive oil and pigmeat sectors; stresses the need to adapt the logic of intervention and update threshold prices in the light of market trends;

5. Emphasises the key importance of the European farm prices and margins observatory as an essential instrument to improve transparency in the food supply chain; and stresses that its creation remains a priority for Parliament especially in view of the price volatility that has been witnessed in recent years;
6. Expresses concern about the consequences of the EHEC crisis that put numerous vegetable producers in the Union into an extremely difficult situation whereby from one day to another demand declined dramatically and producers were either not selling their products at all or were selling them at an extremely low price; calls for the establishment of an adequate special fund to cover the real loss of income of vegetable producers caused by the crisis and decent promotion measures to restore consumer confidence and to stimulate the consumption of vegetables in the Union;
7. Emphasises the importance of adequate financing for specific programmes such as the school fruit and school milk schemes; points out that these specific programmes not only benefit farmers, but also support vulnerable groups in society and promote a healthier diet; asks, therefore, for the amounts which had been entered in the 2012 Draft budget for both programmes to be reinstated;
8. Points out that programmes for deprived persons must be implemented in the light of the proceedings before the General Court, as the Commission rightly points out in its statement of estimates; notes that, in its judgment in Case T-576/08 of 13 April 2011, the General Court stated that funding for the 'Free Food for Europe's Poor' scheme should only cover the cost of taking food from intervention stocks, but not expenditure generated by the purchase of food supplies on the market; stresses, therefore, the urgent need – given that food poverty affects more than 43 million Union citizens – for a new legal basis in order to maintain the same level of financial support for food-aid programmes;
9. Notes the decreased financing for veterinary and phytosanitary measures which the Commission justifies by a generally improved disease situation, in particular the lower needs for the eradication of the bluetongue disease; however urges the Commission to maintain the means for a close monitoring of animal and plant health and ensure a high level of consumer protection;
10. Calls for the establishment of the pilot projects proposed, in particular the pilot project aimed at filling in existing data gaps to develop robust evidence-based instruments that reward producers who deliver extra-environmental public goods, the pilot project establishing a European coordinated network for animal welfare, and the pilot project to provide information to consumers, in schools, at points of sale and at other contact points, concerning the high quality, food safety, environmental and animal welfare standards that European farmers have to meet; calls for implementation of the pilot project on the creation of a European farm prices and margins observatory, which, given the price volatility of recent years, will be an important tool for improving transparency in the food supply chain; calls for the extension of the pilot project on an exchange programme for young farmers and for implementation of the pilot project to fine-tune technology for reading sheep's electronic identification codes; calls on the Commission to implement all the proposed pilot projects.



## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	6.10.2011
<b>Result of final vote</b>	+: 31 -: 3 0: 0
<b>Members present for the final vote</b>	John Stuart Agnew, Richard Ashworth, Liam Aylward, José Bové, Michel Dantin, Paolo De Castro, Albert Deß, Herbert Dorfmann, Lorenzo Fontana, Iratxe García Pérez, Béla Glattfelder, Martin Häusling, Esther Herranz García, Peter Jahr, Elisabeth Jeggle, Jarosław Kalinowski, Elisabeth Köstinger, Agnès Le Brun, Mairead McGuinness, Mariya Nedelcheva, James Nicholson, Rareş-Lucian Niculescu, Georgios Papastamkos, Marit Paulsen, Ulrike Rodust, Alfreds Rubiks, Giancarlo Scottà, Marc Tarabella, Janusz Wojciechowski
<b>Substitute(s) present for the final vote</b>	Luís Paulo Alves, Spyros Danellis, Bas Eickhout, Ismail Ertug, Giovanni La Via, Astrid Lulling
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	George Sabin Cutaş, Pablo Zalba Bidegain

7.9.2011

## **OPINION OF THE COMMITTEE ON FISHERIES**

for the Committee on Budgets

on Parliament's position on the 2012 draft budget as modified by the Council – All sections (2011/2020(BUD))

Rapporteur: Britta Reimers

### **SHORT JUSTIFICATION**

The Committee on Fisheries is aware of the special circumstances surrounding the 2012 draft budget, with Member States seeking to contain public expenditure. The Commission states that its draft budget supports investment and economic recovery, and in this connection the committee considers that attention should be drawn to the key role that EU policies for the various fisheries sectors continue to play in the economies of a very large number of regions, in European food safety, in social cohesion and in the management of aquatic eco-systems. The EU therefore needs to keep spending levels up in these sectors and to take steps to make fisheries more dynamic and more efficient in economic and social terms.

The first measures connected with the reform of the common fisheries policy (CFP) and the integrated maritime policy (IMP) will make their appearance in 2012. Care needs to be taken to ensure that IMP measures are not funded at the expense of the CFP and the other traditional fisheries policies. In this connection, it is clear from Title 11 of Section III of the draft budget that the Commission has sought to slightly increase payment appropriations (when the reserves are taken into account). It is to be regretted, however, that the budget for control measures (line 11 08) had decreased sharply, with payment appropriations down by 16.92%. When voting on appropriations, the Committee on Fisheries will bear the DG MARE work programme and the CFP reform proposals firmly in mind.

### **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. Commends the Commission on its efforts to maintain overall payment appropriations for fisheries at the same level as in the previous financial year; points out, however, that the 2007-2013 multiannual financial framework does not take adequate account of the



political importance of the common fisheries policy (CFP), in particular as regards the political expectations from greater EU involvement in fisheries control, in fisheries research and in cushioning the social effects of what is a necessary reduction in capacity in some areas; takes the view that, even in a difficult economic context, efforts towards the sustainable development of the fisheries sector must be supported and social and economic problems in the sector prevented;

2. Takes note of at the large sums placed in the reserve and calls for the relevant legislative acts to be adopted in order to enable appropriate use to be made of those sums, with special reference to the need to conclude international fisheries agreements on time;
3. Welcomes the increase in payment appropriations for fisheries markets (line 11 02), even though it considers that increase to be insufficient, and the European Fisheries Fund (EFF) (line 11 06); points out that due account needs to be taken of the gradual establishment in 2012 of the Monitoring Centre for Fisheries Market Prices, for which the Commission has undertaken to put forward a legal basis;
4. Deplores the overall reduction in commitment and payment appropriations for control and enforcement of the CFP that the Commission is proposing, in particular as regards the financial contribution to the Member States in payment appropriations; considers that the Commission should make greater efforts to facilitate and promote the uptake of appropriations in this area;
5. Demands, nonetheless, that the appropriations for the Community Fisheries Control Agency, whose work needs to be supported and promoted, be kept at the same level than in 2011; stresses, however, that this cannot replace the important role played by the Member States in this area, and that adequate funding should therefore be available to them;
6. . Notes that the volume of appropriations for policies relating to the conservation, management and exploitation of living aquatic resources (line 1107) remains largely unchanged, but, in view of the 2010 outturn, calls on the Member States to make greater use of the initial appropriations available to them;
7. Notes the creation of a budget line for the IMP, but points out that the volume of appropriations proposed for that line is too small to cover this new policy's main objectives; reaffirms that the traditional CFP budget allocations must not in any way be sacrificed to fund the IMP and that an appropriate balance needs to be struck in the use of the appropriations held in reserve for headings 1 and 2 of the multiannual financial framework;
8. Firmly rejects the severe cuts in the fisheries policy area that are provided for in the Council's position on the 2012 budget; deplores the Council's willingness to make drastic cuts to EU support for this sector, which, considering its importance in terms of spatial planning, food security and market supply for the European Union as a whole, is grossly underfunded;
9. Recalls that, in the third annual report on implementation of the EFF, the Commission undertook to 'assist Member States in fostering programme implementation by a better design of measures' and mentioned the possibility of using facilitating instruments with a

view to improving the utilisation of the EFF; underlines the urgent need for the Commission to apply these instruments;

10. Draws the Council's attention to the fact that cutting funding for the fisheries sector will make it impossible ever to secure its sustainable development; points out that the EU also has a crucial role to play in promoting the sustainability of fishing around the world; notes that, unless additional funding is made available for control measures, illegal, undeclared and unregulated fishing, which hampers the smooth operation of the market, will continue to undermine the huge efforts being made by EU fishermen;
11. Calls on the Council to reconsider its position on the volume of commitments and payments against the lines in Title 11; highlights the EFF's importance in terms of adapting fishing communities to new industrial developments, their transition to more environmentally friendly production methods and their sustainable economic diversification.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	31.8.2011
<b>Result of final vote</b>	+: 20 -: 1 0: 0
<b>Members present for the final vote</b>	Josefa Andrés Barea, Antonello Antinoro, Kriton Arsenis, Alain Cadec, João Ferreira, Carmen Fraga Estévez, Pat the Cope Gallagher, Marek Józef Gróbarczyk, Carl Haglund, Ian Hudghton, Werner Kuhn, Isabella Lövin, Guido Milana, Maria do Céu Patrão Neves, Britta Reimers, Ulrike Rodust, Struan Stevenson, Catherine Trautmann, Jarosław Leszek Wałęsa
<b>Substitute(s) present for the final vote</b>	Jean-Paul Besset, Ole Christensen, Chris Davies, Estelle Grelier, Sławomir Witold Nitras, Raúl Romeva i Rueda, Nikolaos Salavrakos, Antolín Sánchez Presedo
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Pablo Arias Echeverría, Jarosław Kalinowski

## **OPINION OF THE COMMITTEE ON CULTURE AND EDUCATION**

for the Committee on Budgets

on Parliament's position on the 2012 Draft Budget as modified by the Council – all sections (2011/2020(BUD))

Rapporteur: Morten Løkkegaard

### **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. Emphasises that the European education programmes bring clear and demonstrated European added value, enhance mobility and are vital for the Europe 2020 strategy to succeed; regrets that the Commission draft budget does not propose any additional funding for education and training, beyond the financial programming; encourages the Commission, and all other relevant actors, to place the humanities on an equal footing with the natural sciences in the implementation of European education programmes; calls for greater visibility to be afforded to the humanities in the Education programmes to be proposed under the next multiannual financial framework; calls for a significant increase in appropriations for the Lifelong Learning Programme in the 2012 budget and for a doubling of the funds for education in the next MFF;
2. Points out the importance of cultural policies, especially public policies, for education and training, and for universal access to culture;
3. Bemoans the fact that the Council is seeking to reduce the commitment appropriations for 2012 in respect of the Culture programme; considers it imperative that, in these difficult economic times, we do not neglect the role of culture in further enhancing European identity and enriching our societies; accordingly calls for funding and investment in culture to be maintained, if not increased;
4. Recalls that Article 165 TFEU gives the Union new competences in the area of sport; highlights the value of sport to society, not only in terms of health benefits, competition, social inclusion and the promotion of values such as solidarity, teamwork and excellence, values upheld and embodied by the European project, but also in terms of economic growth and job creation; calls, therefore, for sufficient funding to prepare for and establish an ambitious EU programme on sport;

5. Stresses that journalists and the media play a leading role in creating a European public sphere which enables citizens to participate in European integration; stresses the importance of a comprehensive EU strategy for communication in order to bring increased legitimacy to the Union and to strengthen the European citizenship; expresses concern, therefore, at the fact that the Commission has discarded its own pan-European media networks strategy by closing down its initiative of a pan-European TV network; urges the Commission to set up the intended TV network as soon as possible and to come up with a comprehensive strategy for communication in order to bring increased legitimacy to the Union and to strengthen the European public sphere; and strongly asks the Commission to reconsider the actual operation of Parliament's initiative on cross-border investigative journalism so as to safeguard its independent and impartial implementation and to better clarify its position on the future perspectives for the pan-European media networks strategy;
6. Opposes the proposed cuts in funding for the European Schools, which are likely to affect the quality of teaching, teacher training and the teacher-pupil ratio, not to mention creating discrimination among pupils on grounds of linguistic origin or disability, infringing the Charter of Fundamental Rights of the European Union;
7. Underlines the vital contribution of the MEDIA programme to Europe's audiovisual sector and the economic, cultural, educational and social benefits thereof; calls therefore for increased funding to support this fast-growing sector.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	5.10.2011
<b>Result of final vote</b>	+: 25 -: 2 0: 0
<b>Members present for the final vote</b>	Magdi Cristiano Allam, Maria Badia i Cutchet, Zoltán Bagó, Malika Benarab-Attou, Lothar Bisky, Jean-Marie Cavada, Santiago Fisas Ayxela, Mary Honeyball, Cătălin Sorin Ivan, Morten Løkkegaard, Marek Henryk Migalski, Katarína Neveďalová, Doris Pack, Chrysoula Paliadeli, Marie-Thérèse Sanchez-Schmid, Marietje Schaake, Marco Scurria, Hannu Takkula, Sampo Terho, László Tőkés, Helga Trüpel, Sabine Verheyen, Milan Zver
<b>Substitute(s) present for the final vote</b>	Ivo Belet, Luigi Berlinguer, Nessa Childers, Seán Kelly, Iosif Matula, Georgios Papanikolaou
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Jacky Hénin

2.9.2011

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

for the Committee on Budgets

on Parliament's position on the 2012 Draft Budget as modified by the Council – all sections (2011/2020(BUD))

Rapporteur: Franziska Keller

### **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 Commission's proposal to increase the budget of the Area of Freedom, Security and Justice by 17.7 % in commitment appropriations;
2. Considers, however, that priority should be given to areas in which the European Union has a clear need for action as well as an added value and creates conditions to exploit the potential synergies that exist in the areas of law-enforcement cooperation, integrated border management and criminal justice systems; stresses that new measures and programmes need a clear justification;
3. Stresses that the agencies should have appropriate, reasonable and justifiable funding to fulfil the new tasks stemming from the Lisbon Treaty, the Stockholm Programme and their mandates;
4. Deeply regrets that the evaluation of the funds in the area of migration and solidarity was not delivered to Parliament as announced in June 2011, so no conclusions can be drawn from the evaluation and be taken into account for the 2012 budget;
5. Calls on the Commission to present all relevant evaluations of existing funds and programmes to Parliament in due time before the discussion on the new Multiannual Financial Framework starts;
6. Notes that enough financial resources must be made available for Frontex to perform its tasks under its new mandate and that the Frontex budget should be reviewed in the first part of 2012 when, following the entry into force of the new Regulation, the Agency

would be able to establish the resources it needs to start carrying out its new tasks during 2012 and possibly also set up Frontex Operational Offices;

7. Calls for sufficient resources to be made available to the European Asylum Support Office in order to enable the Agency to continue setting itself up and become fully operational as soon as possible;
8. Considers it necessary to put into reserve substantial parts of SIS II, in order to ensure the monitoring of the developments of SIS II and adequate information of the Budgetary Authority; points out that the establishment and later release of a reserve in 2011 has already led to an improved information flow;
9. Considers that a significant share of the available funds in the appropriate budget lines should be allocated to answer the EU's growing cybersecurity needs, making full use of possible synergies of existing programmes;
10. Considers it important to restore the draft budget of the External Border Fund, as it is a tool that ensures the efficient organisation of control covering both checks and surveillance tasks relating to external borders and contributes to safeguarding fundamental rights and deterring irregular migration, trafficking in human beings, organised crime and labour exploitation;
11. Considers that the draft budget for the European Return Fund should be restored, as it ensures the efficient management of migration flows, which will contribute to enhancing voluntary return and reintegration and cooperation with other Member States and third countries in the field of return, in the context of promoting respect of fundamental rights and consolidating the establishment of an Area of Freedom and Justice;
12. Insists on the need for the European Parliament to be informed, in a timely and precise manner, on the execution of the budget, namely what the money is spent on;



## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	31.8.2011
<b>Result of final vote</b>	+: 42 -: 2 0: 1
<b>Members present for the final vote</b>	Alexander Alvaro, Vilija Blinkevičiūtė, Rita Borsellino, Philip Claeys, Rosario Crocetta, Agustín Díaz de Mera García Consuegra, Cornelia Ernst, Tanja Fajon, Hélène Flautre, Kinga Gál, Kinga Göncz, Nathalie Griesbeck, Sylvie Guillaume, Anna Hedh, Salvatore Iacolino, Sophia in 't Veld, Teresa Jiménez-Becerril Barrio, Timothy Kirkhope, Juan Fernando López Aguilar, Baroness Sarah Ludford, Monica Luisa Macovei, Véronique Mathieu, Claude Moraes, Jan Mulder, Antigoni Papadopoulou, Georgios Papanikolaou, Carmen Romero López, Judith Sargentini, Birgit Sippel, Rui Tavares, Wim van de Camp, Renate Weber, Tatjana Ždanoka
<b>Substitute(s) present for the final vote</b>	Edit Bauer, Andrew Henry William Brons, Anna Maria Corazza Bildt, Ioan Enciu, Franziska Keller, Ádám Kósa, Marian-Jean Marinescu, Hubert Pirker, Michèle Striffler, Marie-Christine Vergiat, Cecilia Wikström
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Regina Bastos

8.9.2011

## **OPINION OF THE COMMITTEE ON CONSTITUTIONAL AFFAIRS**

for the Committee on Budgets

on Parliament's position on the 2012 Draft Budget as modified by the Council – all sections (2011/2020(BUD))

Rapporteur: Algirdas Saudargas

### **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 as a result of the economic crisis both the EU Member States and the European Union have had to take difficult decisions and make cuts in their own budgets,
  - B. whereas it is vital to maintain appropriate funding for an efficient communication policy at Union and local levels,
  - C. whereas the regulation on the citizens' initiative, which will be implemented as from 1 April 2012, requires an efficient communication policy and appropriate implementing arrangements that must be adequately financed,
- 1. Welcomes the budgetary appropriations for the European political parties and foundations, which it considers to be at an appropriate level;
  - 2. Approves the increase in the budgetary commitment appropriations for the line 'Information for the media', because the media play a major role in communication and information activities;
  - 3. Notes with regret that the appropriations for the budgetary line 'Communicating Europe in partnership', which funds communication activities in partnership between the Commission, the European Parliament and Member States, have constantly decreased; deems it necessary, on the contrary, to reinforce this line, because communication operations at Union level that work in synergy with national, regional and local authorities significantly increase the impact of the information disseminated, thus enabling it to reach the widest possible audience;

4. Is aware of the importance of involving citizens in the development of civil society and political life with a European perspective, and considers it unfortunate that expenditure related to citizenship should have been scaled down; believes, therefore, that it is necessary to restore the 2011 commitment appropriations for the budgetary line 'Europe for citizens' in the interest of the proper implementation of this programme;
5. Is fully convinced of the necessity to create a new budgetary line to implement the regulation on the citizens' initiative, because to be effective this new instrument of participatory democracy requires appropriate funding and resources;
6. Considers it inappropriate to cut spending on digital publications, particularly at a time when the rules governing the Official Journal of the EU are under discussion; given that there is a possibility that the Official Journal will be published in electronic form only, calls on the Council to keep the appropriations at least at the same level as in 2011.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	7.9.2011
<b>Result of final vote</b>	+ :                    16 - :                    3 0 :                    1
<b>Members present for the final vote</b>	Carlo Casini, Andrew Duff, Matthias Groote, Roberto Gualtieri, Enrique Guerrero Salom, Zita Gurmai, Gerald Häfner, Daniel Hannan, Stanimir Ilchev, Constance Le Grip, David Martin, Paulo Rangel, Algirdas Saudargas, György Schöpflin, Søren Bo Søndergaard, Rafał Trzaskowski, Luis Yáñez-Barnuevo García
<b>Substitute(s) present for the final vote</b>	John Stuart Agnew, Íñigo Méndez de Vigo, Rainer Wieland
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Sajjad Karim

18.7.2011

## **OPINION OF THE COMMITTEE ON PETITIONS**

for the Committee on Budgets

on Parliament's position on the 2012 Draft Budget as modified by the Council – all sections (2011/2020(BUD))

Rapporteur: Silvana Koch-Mehrin

### **SUGGESTIONS**

The Committee on Petitions 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 budgetary resources requested by the European Ombudsman will enable him to meet the obligations under his Statute, the implementing provisions and the co-operation agreements and will allow him to perform his tasks effectively; notes that very positive results have been recorded in recent years, with inquiries having been closed in shorter deadlines without affecting quality; points out that these results have been achieved through an increase in human resources and the use of new methods of inquiry; encourages the Ombudsman to continue his efforts in order to keep up these excellent results;
2. Notes with satisfaction that the increase in the Ombudsman's budget estimates for 2012 is limited to 0.47% (+ EUR 44,605) and that the Ombudsman does not request any new posts; notes that, given the current financial and economic crisis and with a view to showing solidarity with his national and regional counterparts going through a difficult budgetary period, the Ombudsman has endeavoured, as far as possible, to limit budget increases;
3. Commends the Ombudsman for exercising restraint in his budget estimates and showing solidarity with his partners in the Member States; takes note of the Ombudsman's intention to exercise the maximum possible level of restraint in future budgets;
4. Supports the Ombudsman's request for upgrades for 11 posts (7 AST and 4 AD) in accordance with the Staff Regulations (Article 6.2); recalls that authorisation for these upgrades does not automatically mean 11 promotions;

5. Notes with satisfaction that the Ombudsman continues his policy of multiannual planning, systematically scrutinising budget lines and redeploying means with a view to generating savings; notes that the implementation of the budget line review strategy has made it possible to realise savings on 16 out of 23 budget lines; urges the other EU institutions to follow the Ombudsman's best practice by applying this method;
6. Notes that for 2012 this policy has produced savings of EUR 57,870, which represents 56.5 % of the total increases in the other budget lines;
7. Endorses the Ombudsman's training policy including the intention to enter the Interinstitutional Framework Contract, which allows access to a large number of courses for people linked to the institution in order to make them more efficient and to harmonise the aims of the institution;
8. Takes note of the Ombudsman's new strategy for the mandate 2009-2014, which is based on five objectives, namely to listen to stakeholders, to deliver results faster, to persuade institutions to improve their administrative culture, to communicate effectively and to adapt working methods where appropriate;
9. Encourages the Ombudsman to continue the good cooperation with the Committee on Petitions as well as with SOLVIT and the national ombudsmen with a view to sending complaints that do not fall within his remit rapidly and efficiently to the appropriate authority so as to best defend the rights of European citizens;

## SHORT JUSTIFICATION

The Committee on Petitions has taken note of the European Ombudsman's estimates of his budgetary requirements for the financial year 2012, which he submitted to the budgetary authority in accordance with Article 31 of the Financial Regulation<sup>1</sup>.

The Ombudsman's budget estimates for 2012 show a total of EUR 9,472,000 which amounts to an increase of 0.47% (+ EUR 44,605) compared with the 2011 budget (+ 0.67%). This includes the impact of inflation and the increased cost of living based on the Commission's calculations. In view of the current economic situation and to show solidarity with his partners in the Member States, the Ombudsman has again exercised restraint in his budget estimates for 2012.

### **The European Ombudsman's mission**

The European Ombudsman's mission, based on Article 228 of the Treaty on the Functioning of the European Union, is to seek fair and equitable outcomes to complaints from citizens, associations or enterprises against European Union institutions, bodies, offices and agencies. The Ombudsman encourages transparency and promotes an administrative culture of service. He aims to build trust through dialogue between citizens and the European Union and to foster the highest standards of behaviour in the Union's institutions.

In order to fulfil this mission the Ombudsman cooperates closely with the other EU institutions and bodies and with a network of national and regional ombudsmen in the Member States. In this way, he is able to deliver a prompt and effective service to help citizens and associations.

Mr Nikiforos Diamandouros was re-elected as European Ombudsman by the European Parliament on 20 January 2010. On 27 September 2010, the Ombudsman institution celebrated its fifteenth anniversary. This event was used as an opportunity to determine and launch a new strategy for the Ombudsman's 2009-2014 mandate. This strategy comprises five objectives summarised in a key word and a short statement.

1. Listen - listen to stakeholders, be open to their suggestions and identify best practices.
2. Deliver - find ways to achieve results faster.
3. Persuade - have a positive impact on the administrative culture of the Union institutions, bodies, offices and agencies.
4. Communicate - provide stakeholders and the public with timely, useful and easily accessible information.

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<sup>1</sup> Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 248 of 16.09.2002, p. 1).

5. Adapt - constantly rethink the use of resources with a view to improving the efficiency and effectiveness of the work.

With this strategy in mind the Ombudsman's draft budget for 2012 was prepared.

### **The workload**

In 2010 the Ombudsman registered 2 667 complaints 774 of which were within his mandate (3 098 and 727 respectively in 2009). He opened 335 new inquiries (339 in 2009) and completed 326 inquiries (318 in 2009). The total number of complaints and requests for information in 2010 amounted to 3 700. In 179 cases closed in 2010 a positive outcome was obtained.

In over 70% of the cases processed (1 997) the Ombudsman was able to help the complainant by opening an inquiry, transferring the case to a competent body or giving advice on where to turn. Complainants were transferred to a member of the European Network of Ombudsmen, the Parliament's Committee on Petitions, the Commission or other bodies such as the SOLVIT network.

### **Main features of the Ombudsman's budget**

The Ombudsman's budget is composed of 3 Titles:

Title I - Expenditure relating to persons with the institution (79%)

Title II - Buildings, furniture, equipment and other operating expenditure (14%)

Title III - Expenditure for general functions (7%)

#### **Title I**

The largest part of the budget concerns expenditure related to the personnel of the institution (salaries, entitlements, etc.) this part is inherently inflexible and increases automatically according to the provisions and the implementation of the Staff Regulations (promotions, steps and annual adjustments).

The Ombudsman's establishment plan currently comprises 64 posts. For 2012 the Ombudsman foresees upgrades for 11 posts (7 AST and 4 AD). It should be noted that authorisation for these upgrades does not automatically mean eleven promotions. Decisions on promotion for deserving officials are fully within the Ombudsman's discretionary power. In the budget for 2012, the Ombudsman requests no new posts.

In line with the new training policy launched in 2010 the Ombudsman for 2012 requests an increase in appropriations for training. In 2012 the institution will enter in the Interinstitutional Framework Contract. On the one hand this provides more training possibilities and access to a large number of courses, on the other it will raise the expenses for training.

#### **Title II & III**



As regards buildings the Ombudsman does not have any plans, in the near future, to change the current arrangements in which he rents offices in Strasbourg and Brussels from the European Parliament for a total amount of EUR 488,000 which is slightly up from EUR 479,200 in 2010.

The expenditure under Title II and III shows an increase of 0.77% (+ EUR 15,400). This figure is the result of a total increase of EUR 63,300 which is offset by savings amounting to EUR 47,900.

The Ombudsman is continuing his strategy of scrutinising all budget lines in order to identify and generate savings. The institution operates a multiannual perspective which allows it to schedule projects over several years, spread the need for appropriations, effect redeployments between budget lines and thus make savings. This systematic approach has led to decreases on sixteen budget lines out of a total of 23.

## **Conclusions**

- The total amount of budgetary resources as requested by the Ombudsman will enable him to meet his obligations and carry out his tasks effectively.
- The modest increase in the budget estimates is appropriate in view of the current financial and economic situation, as is the consolidation of the Ombudsman's establishment plan.
- The training policy should be continued and justifies the requested increase in resources for training.
- The strategy of using a multiannual perspective, redeployments and systematic scrutiny of budget lines in order to generate savings has proved to be productive and should be continued.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	13.7.2011
<b>Result of final vote</b>	+ :                    18 - :                    0 0 :                    0
<b>Members present for the final vote</b>	Margrete Auken, Elena Băsescu, Heinz K. Becker, Victor Boştinaru, Peter Jahr, Lena Kolarska-Bobińska, Erminia Mazzoni, Edward McMillan-Scott, Mariya Nedelcheva, Chrysoula Paliadeli, Nikolaos Salavrakos, Jarosław Leszek Wałęsa, Angelika Werthmann, Rainer Wieland, Tatjana Ždanoka
<b>Substitute(s) present for the final vote</b>	Kinga Göncz, Cristian Dan Preda, Phil Prendergast

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	11.10.2011
<b>Result of final vote</b>	+: 34 -: 7 0: 0
<b>Members present for the final vote</b>	Marta Andreasen, Francesca Balzani, Lajos Bokros, Andrea Cozzolino, Jean-Luc Dehaene, Göran Färm, José Manuel Fernandes, Eider Gardiazábal Rubial, Salvador Garriga Polledo, Ivars Godmanis, Ingeborg Gräßle, Estelle Grelier, Carl Haglund, Lucas Hartong, Jutta Haug, Monika Hohlmeier, Anne E. Jensen, Sergej Kozlik, Jan Kozłowski, Giovanni La Via, Barbara Matera, Nadezhda Neynsky, Miguel Portas, Dominique Riquet, László Surján, Helga Trüpel, Angelika Werthmann
<b>Substitute(s) present for the final vote</b>	Richard Ashworth, Bastiaan Belder, Cristian Silviu Buşoi, Maria Da Graça Carvalho, Frédéric Daerden, Derk Jan Eppink, Hynek Fajmon, Roberto Gualtieri, Peter Jahr, María Muñoz De Urquiza, Paul Rübig, Peter Šťastný, Georgios Stavrakakis
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Róza Gräfin von Thun und Hohenstein