

2013 budget - mandate for trilogue

European Parliament resolution of 4 July 2012 on the mandate for the trilogue on the 2013 Draft Budget (2012/2016(BUD))

The European Parliament,

- having regard to the draft budget for the financial year 2013, which the Commission adopted on 25 April 2012 (COM(2012)0300),
- 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 management¹ (IIA),
- having regard to Article 314 of the Treaty on the Functioning of the European Union,
- having regard to its resolution of 14 March 2012 on the general guidelines for the preparation of the 2013 budget²,
- having regard to the Council conclusions of 21 February 2012 on the budget guidelines for 2013,
- having regard to the conclusions of the interinstitutional meeting on payments of 30 May 2012,
- having regard to Title II, Chapter 7 of its Rules of Procedure,
- having regard to the letter of the Committee on Fisheries,
- having regard to the report of the Committee on Budgets and the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on International Trade, the Committee on Budgetary Control, the Committee on Employment and Social Affairs, the Committee on Industry, Research and Energy, the Committee on Regional Development, the Committee on Agriculture and Rural Development, the Committee on Civil Liberties, Justice and Home Affairs, the Committee on Constitutional Affairs and the Committee on Women's Rights and Gender Equality (A7-0215/2012),

Draft budget for 2013 – general assessment

1. Recalls that in its resolution of 14 March 2012 Parliament placed the promotion of growth and jobs at the centre of its priorities, in line with the Europe 2020 strategy, arguing in particular for the concentration of resources in policies and programmes that are proven to be instrumental in achieving those objectives, notably in support of SMEs and youth; welcomes the fact that the Commission's draft budget for 2013 goes in the same direction in terms of identified priorities to be reinforced;

¹ OJ C 139, 14.6.2006, p. 1.

² Texts adopted, P7_TA(2012)0077.

2. Recognises the persistent economic and budgetary constraints at national level, as well as the need for fiscal consolidation; reiterates, however, its conviction that the EU budget represents a common and effective instrument of investment and solidarity, which is needed particularly at the present time to trigger economic growth, competitiveness and job creation in the 27 Member States; stresses that, despite its limited size, not exceeding 2 % of total public spending in the Union, the EU budget has had a real economic impact and has thus far successfully complemented Member States' recovery policies;
3. Intends, therefore, to strongly defend an adequate level of resources for next year's budget, as defined in the draft budget, and to oppose any attempt to cut resources, especially for policies delivering growth and employment; believes that the EU budget, which cannot run a deficit, should not be the victim of unsuccessful economic policies at national level; notes that in 2012 several Member States are increasing the size of their national budgets;
4. Is convinced that, particularly in a period of crisis, financial responsibility is of the utmost importance; believes, therefore, that resources must be concentrated on those areas where the EU budget can deliver added value, whilst they could be reduced in sectors which are experiencing unjustified delays and low absorption, with a view to making savings on lines where problems have arisen in implementation; considers that real savings can be made by identifying overlaps and inefficiencies across budgetary lines; on this basis, intends to identify, together with its specialised committees, both positive and negative priorities for 2013; asks the Commission, to this end, to provide both arms of the budgetary authority with prompt, regular and complete information on the implementation - on the basis of performance target indicators - of the various programmes and initiatives', and to weigh them against the EU's political commitments;
5. Believes that the EU, not least in the context of the austerity policies being implemented in the Member States, must show responsibility and take immediate, concrete measures to establish a single seat for Parliament;
6. Notes that the EU draft budget for 2013 proposed by the Commission amounts to EUR 150 931,7 million in commitment appropriations (CA) (i.e. +2 % compared to the 2012 budget) and EUR 137 924,4 million in payment appropriations (PA) (i.e. +6,8 % compared to Budget 2012); observes that these amounts represent respectively 1,13 % and 1,03 % of the EU's forecast GNI for 2013; recalls that the multiannual financial framework (MFF) provides for ceilings of EUR 152 502 million for CA and EUR 143 911 million for PA, at current prices; notes the ongoing discrepancy between the levels of commitment and payment appropriations, which will result in a further increase of *reste-à-liquider* (RAL);
7. Understands that the Commission, at the end of the programming period, is putting the accent on the side of payments, as it intends also to provide a solution to the ever-growing level of RALs; while sharing this approach, is particularly concerned at the proposed freezing of commitment appropriations at the level of the estimated inflation rate for next year; stresses the importance of commitments for determining political priorities and thus ensuring that the necessary investment will eventually be made to boost growth and employment; intends to analyse carefully whether such a level of commitments will allow the proper implementation of key EU policies; is of the opinion that even if the freezing of commitment appropriations can be presented by the Commission and Member States as a partial solution to the RAL problem, it cannot be considered an acceptable strategy for keeping the level of RAL under control;

8. Views the proposed increase of 6,8 % in PA compared to 2012 as an initial response to Parliament's call for responsible and realistic budgeting; notes that the increases in payments are concentrated in the areas of competitiveness and cohesion, owing to a greater level of claims expected by running projects in these fields; fully endorses this increase, which is the result not only of past commitments that need to be honoured but also of the actual implementation of programmes, which is expected to reach cruising speed by the last year of the current MFF; calls on the Commission to verify with the Member States that their estimated demands for payment increases are accurate and realistic;
9. Remains, however, sceptical as to whether the proposed level of payment appropriations in 2013 is adequate to cover the actual needs for next year, especially in Headings 1b and 2; will carefully monitor the payments situation during 2012, paying particular attention to all proposed transfers and reallocations; warns also that the insufficient level of payments for 2012 combined with the level proposed by the Commission for 2013 might not be sufficient to honour the claims being addressed to the Commission, and could then result in billions of decommitments for cohesion policy alone; stresses that the current proposal would bring the overall level of payments for the period 2007-2013 to EUR 859,4 billion, i.e. approximately EUR 66 billion lower than the agreed MFF ceilings; asks the Commission, in light of the recent request for a transfer (DEC 9/2012), to present, in the context of the amending budget for 2012, accurate information on the results of the current implementation of the European Economic Recovery Plan programmes;
10. Recalls that already in 2011, a significant number of legitimate claims, notably in the field of cohesion policy, could not be paid out by the Commission; notes that those claims will also need to be covered by the 2012 budget, which is already suffering from a shortage of funds as a consequence of the limited increase in payment appropriations due to the Council's position throughout last year's budgetary procedure; calls, therefore, on the Commission to come up with a draft amending budget as early as possible in order to rectify this situation, and to avoid shifting 2012 payments to the following year, since this would create an unsustainable level of payments in 2013; further calls on the Commission and the Council to work constructively, together with Parliament, to avoid repetition of this situation in future budget cycles by improving forecasting accuracy and agreeing on realistic budget estimates;
11. Deplores the Council Presidency's reluctance to participate in the interinstitutional political meeting on payments proposed by Parliament as a follow-up to last year's budgetary conciliation; regards this behaviour as an irresponsible attempt to ignore the lack of payments issue and the question of RAL; considers such a meeting the ideal platform for the two arms of the budgetary authority to reach a common understanding - ahead of their respective positions on the draft budget - regarding the available data on implementation and absorption capacity and to correctly estimate the payment needs for 2012 and 2013; recalls that the payment appropriations proposed by the Commission in its draft budget are based on the estimates made by the Member States themselves; firmly believes, therefore, that any doubts or second thoughts - as expressed by some Council delegations - over the Commission's figures and calculations need to be communicated, examined and clarified as soon as possible, in order not to become an impediment to reaching an agreement in this year's conciliation;
12. Stresses that, according to the recent data presented by the Commission at the interinstitutional meeting on payments which took place on 30 May 2012, any reduction in

the level of payment appropriations below that of the Commission proposal would also result in a further increase in the outstanding commitments (RALs), which at the end of 2011 already reached the unprecedented level of EUR 207 billion; reiterates, therefore, its call on the Council to act responsibly and refrain from making artificial cuts by deciding on the overall level of payments a priori, without taking into account the assessment of actual needs for the achievement of the EU's agreed objectives and commitments; requests the Council, in the event that this occurs, to clearly and publicly identify and justify which EU programmes or projects should be delayed or dropped altogether;

13. Notes that, according to the Commission's estimate, all in all 43,7 % of the DB 2013 (i.e. EUR 64,5 billion) is allocated to the objectives of Europe 2020, representing a 0,2 % increase compared to the adopted budget for 2012; appreciates the fact that for the first time the budget lines and programmes contributing to these objectives are clearly identifiable in the draft budget;
14. Takes note of the overall margin of EUR 2,4 billion in CA in the DB 2013, and is determined to make full use of it - as well as of the other flexibility mechanisms foreseen by the IIA - whenever it proves to be necessary in order to finance objectives and priorities deriving from shared political commitments and decisions, namely those of the Europe 2020 strategy;
15. Notes that, apart from administrative expenditure, no appropriations have been entered in the draft budget for the accession of Croatia in July 2013; expects that the revision of the MFF foreseen by Point 29 of the IIA will be adopted swiftly, and asks the Commission to present its proposal through an amending budget for the corresponding additional appropriations as soon as the Act of Accession has been ratified by all Member States; recalls that any new funding requirements are to be financed with fresh money rather than redeployments for the second part of 2013;
16. Recalls that the annual budget for 2013 will be the last budget of the current multiannual financial framework, but reiterates that the MFF 2013 ceilings as agreed in the IIA will remain the reference for, at least, the 2014 financial framework ceilings in the event of no agreement, according to the provisions of point 30 of the IIA;

Heading 1a

17. Takes note of the Commission's proposal for increasing commitments under this Heading by 4,1 % (to EUR 16 032 million) as compared to the 2012 budget; notes that the proposal for CA below the financial programming possibilities (i.e. TEN-T, EIT, Progress) leaves an increased margin of EUR 90,9 million compared to the EUR 47,7 million foreseen in the financial programming; is pleased to see that the highest increases in CA are concentrated in Heading 1a, where most of the policies and programmes triggering growth, competitiveness and jobs are placed, and that they reflect the priorities highlighted by Parliament for 2013;
18. Welcomes, in particular, the increases for FP7-EC (+6,1 %), CIP (+7,3 %) and TEN-T (+6,4 %) programmes, which are among the main deliverers of the Europe 2020 objectives; regrets, however, that with the amounts proposed by the Commission two flagship programmes such as FP7 and TEN-T will effectively devote less CA than foreseen in their legal bases (FP: EUR –258,8 million and TEN-T: EUR –122,5 million) for the last year of the current MFF; regrets as well that the Commission proposal does not provide for the full implementation of the Intelligent Energy Europe Programme;

19. Considers the substantial increase in payments, by 17,8 % (to EUR 13 552 million) as compared to the Budget 2012 a realistic estimation of the payments needed under this heading, in particular so as to cover next year's claims for research projects resulting from contractual obligations of the Union; considers the level of payments proposed by the Commission to be the minimum level needed under Heading 1a;
20. Takes note of the rationale adopted by the Commission when proposing reductions as compared to the financial programming, which has led, in its view, to the identification of potential savings within under-implemented lines of - among others - FP7, TEN-T, Marco Polo, Progress, the statistical programme, Customs and Fiscalis; is determined to carefully analyse performance under each of these programmes in order to check the appropriateness of the proposed cuts and exclude negative impacts on the programmes concerned;
21. Recalls the Joint Declaration of 1 December 2011 on financing the additional costs of the ITER programme for 2012-2013, in which Parliament, the Council and the Commission also agree to make available EUR 360 million in CA in the 2013 budget procedure, 'making full use of the provisions laid down in the Financial Regulation and in the IIA, excluding any further ITER-related revision of the MFF'; is concerned that the Commission proposes to finance this additional amount only through redeployment from lines of the FP7 programme, contrary to Parliament's long-standing position on the matter; takes full account of the Commission's claim that this amount derives from performance savings on FP7, and that those cuts on administrative lines will not harm the operation of the programme; intends to examine this claim further, as well as to explore other means available under the IIA and the Financial Regulation for this purpose;
22. Emphasises the need for an adequate staffing level for Fusion for Energy (F4E), the European Joint Undertaking for ITER, so as to ensure the careful management and sound implementation of the EU's contribution to the ITER project; is concerned at the current staffing level as proposed by the Commission;
23. Recognises the fundamental role played by small and medium enterprises as drivers of the EU economy and creators of 85 % of jobs in the last ten years; recalls the difficulties traditionally faced by SMEs in accessing the capital markets for research and innovation projects, now exacerbated by the current financial crisis; is firmly convinced that the EU budget should contribute to overcoming this market failure, by facilitating access to debt and equity financing for innovative SMEs, and welcomes the Commission's recent proposal to create a special window for SMEs under the existing RSFF; supports, in addition, the proposed increase for the financial instruments under the CIP-EIP programme (EUR 14,7 million), in line with their positive performance so far and the increased demand from SMEs;
24. Deeply regrets that, at a time of economic crisis and especially of high youth unemployment the appropriations for the Progress programme have been reduced by EUR 5,3 million compared to the financial programming, thus being brought back practically to the 2012 levels, despite the good performance of this programme so far, including its gender equality and anti-discrimination strands; reiterates its belief that EU social programmes are instrumental in achieving the social and employment targets of the Europe 2020 strategy; deplores the fact that not even in the last year of the current MFF has the Commission seized the opportunity to reinstate under this programme the EUR 60 million redeployed in favour of the Progress Microfinance Facility, as committed in 2010;

25. Welcomes the Commission's decision to include in the DB, for the third year running, payment appropriations (EUR 50 million) for the European Globalisation Adjustment Fund (EGF); underlines the fact that this not only gives higher visibility to the fund but also avoids transfers from other budget lines pursuing different aims and covering different needs; stresses, moreover, the need for further simplification of the practical modalities of the procedure for mobilisation of this fund, especially in the context of the ongoing negotiations on the new EGF regulation;
26. Regrets that the contribution to the Youth on the Move Flagship Initiative is slightly reduced compared to last year; highlights in this context the added value of the Lifelong Learning, Erasmus and Erasmus Mundus programmes, which, against a modest financial backdrop, yield great returns in terms of effective implementation and positive image of the Union vis-à-vis its citizens; recalls that in many Member States young people are being significantly hit by the economic and financial crisis and that in this context adequate funding and targeting of educational and mobility schemes and lifelong learning programmes are significant in modernising education and training systems and raising the levels of skills, mobility and adaptability of young people, thereby contributing overall to an innovative, knowledge-based, smart and inclusive Europe; to this end strongly supports the promotion of equal opportunities in order to enable young people, whatever their educational background, to benefit from the EU's various youth programmes and policies; opposes, therefore, the proposed reduction by EUR 10,2 million as compared to the 2012 budget for the Lifelong Learning Programme and, in line with its established position in the last budgetary procedures and the excellent performance rates of this programme, intends to reinforce the commitment appropriations for the corresponding budget line;
27. Stresses that the TEN-T programme, through investment in high European added value infrastructures, has a central role to play in the attainment of the objectives of the Europe 2020 Strategy; considers this programme to be essential for boosting the competitiveness of the EU as a whole, by creating the missing infrastructure and removing bottlenecks within the internal market; stresses that infrastructure projects also directly contribute to growth by stimulating employment during the building phase; underlines the role of the TEN-T programme for meeting the goals of adaptation to climate change by ensuring the future sustainability of the EU's transport networks; welcomes the Commission's proposed increase of approximately EUR 85 million compared to the 2012 budget, but asks for further clarification on the proposed reduction by EUR 118 million as compared to the financial programming; recalls that the main TEN-T programme was fully executed in 2011, and points out that a final judgement on how commitments have been implemented and paid out on projects in the 2007-2013 financial framework can only be made in 2017;
28. Believes that the programme to support the further development of an Integrated Maritime Policy needs adequate funding for 2013; underlines its disappointment at the absence of a budget line on tourism, and regrets the constant decrease in the budget allocation for road safety;
29. Stresses that innovative solutions are urgently required in order to mobilise private or public funds to a greater extent and extend the range of financial instruments available for infrastructure projects; fully supports the pilot phase of the Project Bond Initiative as a means to boost investment capacity in the field of the EU's transport, energy and ICT networks; welcomes the fact that the draft budget includes appropriations for the pilot phase, even if they are actually redeployed within the relevant budget lines (CIP - TEN-T -

TEN -E) as agreed by the legislative authority;

30. Deeply deplores the Commission's proposed cuts for the European Supervisory Authorities, compared to what was originally foreseen in the Financial programming, which are contrary to Parliament's repeated calls for them to be funded adequately; considers the current level of appropriations insufficient to allow those agencies to cope efficiently with their tasks, notably the recruitment of highly qualified experts; believes that the additional tasks entrusted to ESAs should be complemented by cost assessment; strongly expresses, therefore, its intention to reinstate the appropriations, at least at the 2012 level, for the European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority (EIOPA), as well as to further reinforce the European Securities and Markets Authority (ESMA) in the light of the new tasks entrusted to it;

Heading 1b

31. Notes that the DB 2013 provides for an increase in CA of 3,3 % (to EUR 54 498 million) compared to the 2012 budget, of which EUR 42 144 million are for the Structural Funds (ERDF and ESF) and EUR 12 354 million for the Cohesion Fund; stresses that the reduction in the level of commitments in the DB for technical assistance compared to that originally foreseen in the financial programming has led an increase in the margin of EUR 25 million compared to the initial forecast of EUR 0,4 million;
32. Regrets the proposed cuts in technical assistance for macroregional strategies; reiterates the need for continuous technical and administrative support for the implementation of the strategies, as well as for seed money for new projects, as indicated by the high implementation rate in 2011;
33. Stresses that cohesion policy has long proved its added value as a necessary investment tool to deliver growth and job creation effectively by accurately addressing the investment needs of the regions, thus contributing not only to the reduction of the disparities between them, but also to economic recovery and the development of the Union as a whole; also considers the Structural Funds a crucial instrument - in view of both their financial size and the objectives pursued - for accelerating economic recovery in the EU and delivering the **sustainable** growth and employment objectives enshrined in the Europe 2020 Strategy; welcomes, therefore, the Commission's initiative of reprogramming where possible EUR 82 billion of unallocated Structural Fund moneys in some Member States in favour of SMEs and youth employment, in line with Parliament's priorities for 2013; notes that, according to the Commission, EUR 7,3 billion in EU financing has in this context been targeted for accelerated delivery or reallocation; asks to be kept duly informed on the implementation of this initiative at national level, its expected impact on growth and jobs, and its possible impact on the 2013 budget;
34. Is extremely concerned over the payment situation of cohesion projects under this Heading, and notes that two-thirds of the total level of RAL at the end of 2011 (i.e. EUR 135,8 billion) reflects unpaid projects under cohesion policy; recalls that at the end of 2011 the Commission was unable to reimburse some EUR 11 billion corresponding to legitimate payment claims submitted by project beneficiaries due to the insufficient level of payment appropriations foreseen in the budget; notes that this has led to a considerable payment backlog, which will have to be addressed through the availability of sufficient payment appropriations in 2012; firmly points out that it will not accept a recurrence of this situation in 2013;

35. Recalls, in this context, that 2013 is the last year of the current MFF, with implementation of co-financed projects running at full speed and expected to accelerate further, with the bulk of payment requests being expected to reach the Commission in the second half of the year; calls on the Council and Commission to immediately analyse and assess, along with Parliament, the figures and requirements concerned, so as not to jeopardise implementation for 2013; points out that a lack of payment appropriations could endanger currently well-functioning programmes; stresses, moreover, that 2013 will be a year when, due to the lapsing of the N+3 rule, payment claims submitted by 12 Member States will need to be presented for two annual commitment tranches (2010 and 2011 under the N+3 and N+2 rules respectively); considers therefore as a minimum the proposed increase in payment appropriations by 11,7 % (to EUR 48 975 million) as compared to last year since, as mentioned by the Commission, it strictly relates to 2013 and assumes that payment needs from previous years will have been covered;
36. Considers this increase in payments to be only a first step to cover the actual needs of running projects, and reiterates its concern regarding a possible shortage of funds in the field of cohesion policy; calls on the Council and Commission to carefully evaluate the real needs in terms of payments for 2013 under Heading 1b, and not to make any cuts which are unrealistic or take decisions that are at odds with the forecasts provided by the Member States themselves and used as a basis for the Commission's draft budget; will therefore oppose any possible cut in the level of payments compared to the proposal included in the DB 2013;
37. Calls, as well, on the Commission and Council, should payment appropriations be insufficient to cover real needs during this year, to present in good time and adopt an amending budget, thus fulfilling the joint commitment made in the interinstitutional declaration of December 2011;

Heading 2

38. Notes that the DB 2013 proposes to increase CA by 0,6 % (to EUR 60 307 million) and PA by 1,6 % (to EUR 57 964 million) as compared to the 2012 budget; underlines that these levels remain below the increase proposed by the Commission for the budget as a whole; points out that these increases are partly due to the continuous phasing-in of direct payments to new Member States and additional needs for rural development projects; stresses that the proposed funds for market interventions are EUR 419 million less for 2013 than in the 2012 budget;
39. Notes that the projected margin of EUR 809 million for the market-related expenditure and direct aids sub-ceiling under Heading 2 represents a significant increase compared with 2012, which, according to the Commission, is mostly the result of a one-off effect following the end of the Sugar Restructuring Fund; expresses its satisfaction that this margin means that the financial discipline mechanism will not be applied in 2013; stresses that a sufficient margin is necessary under this Heading to alleviate any potential crisis arising in the agricultural sector, as seen in recent years with the EHEC crisis;
40. Stresses that 2013 is the last year of the current programming period and hence an adequate level of payment appropriations must be ensured under Heading 2, to cover, in particular, the needs of the current rural development and LIFE+ projects;
41. Points out that Heading 2 is instrumental for realising the EU 2020 strategy goals of

sustainable growth and employment, in particular through its rural development programmes; highlights the need to support SMEs in rural areas, as the main job creators and as particularly targeting young people; welcomes in this respect the proposed increase in CA for rural development by 1,3 % (to EUR 14 808 million);

42. Notes that the appropriations for Heading 2 are lower than the estimated needs, since assigned revenues to the EAGF are estimated to be higher in 2013 (EUR 1 332,8 million) than in 2012 (EUR 1 010 million); notes that this difference stems from the remaining balance of the Temporary Sugar Restructuring Fund (EUR 647,8 million), while assigned revenues from clearance of accounts decisions are expected to be lower than in 2012 (EUR 400 million in the 2013 draft budget compared to EUR 600 million in the 2012 Budget); recalls that an adjustment of the current estimates on the basis of actual needs will be made in the autumn through the agricultural amending letter;
43. Recalls that price volatility in this sector is a major concern, and endorses measures to combat speculation in agricultural commodities; urges the Commission and the Council to carefully monitor developments on the agricultural markets; in this context, reminds the Commission of the call made by Parliament - on which no action has been taken to date - for the creation of a 'price and margins observatory', which would make it possible to achieve better price comparability and greater transparency in setting food prices;
44. Notes that the proposed increase in direct aids is mainly due to the ongoing phasing-in of direct payments in the EU-12, creating an additional budgetary requirement of EUR 860 million in 2013, while expenditure on market interventions is expected to decrease, owing to higher assigned revenue and a favourable market situation for most sectors;
45. Notes that the amounts assigned to certain budget lines, including the school milk programme, have been significantly reduced, and asks the Commission to provide Parliament with a justification for this;
46. Stresses that EU policies and the EU budget are key elements for achieving the Europe 2020 targets; believes in this context that the climate action and environmental objectives are of a cross-cutting nature and must be translated into concrete measures to be implemented under the various EU programmes and policies, in order to make a substantial contribution to sustainable growth and effectively address major challenges such as resource scarcity and climate change;
47. Notes the proposed slight increase of CA - by 3,3 % to EUR 366,6 million - for LIFE +, but regrets that the appropriation is EUR 10,55 million below the level of the financial programming of January 2012; will explore, in this context, all provisions as stated in point 37 of the IIA;
48. Welcomes the amounts proposed by the Commission for the food distribution programme for Most Deprived Persons (MDP); calls on the Council to respect the joint decision taken at the end of 2011 on maintaining funding for this programme for 2012 and 2013;
49. Regrets the continued subsidising of tobacco production in the EU, which is contrary to the objectives of the Union's health policy;
50. Considers it important to maintain the financial support for the common fisheries policy

(CFP) with a view to its imminent reform; stresses, in particular, the need to support SMEs in the fisheries sector and to promote access to jobs for young people in this field, while ensuring the sustainable character of the CFP, as well as the need to promote measures guaranteeing the social, economic and environmental viability of the sector; welcomes, in this regard, the proposed increase for the European Fisheries Fund by, respectively, 2,2 % (to EUR 687,2 million) in CA and 7,3 % (to EUR 523,5 million) in PA, compared to the 2012 budget; regrets, however, the proposed cuts in the areas of governance of the CFP, conservation, management and exploitation of fisheries resources, and monitoring and enforcement of the CFP;

Heading 3a

51. Notes that the overall increase in funding proposed in DB 2013 - EUR 1 392,2 and 928,3 million in commitments and payments respectively - compared to the 2012 budget for actions encompassed under this heading is 1,8 % (by EUR 24,42 million) in CA and 11,1 % in PA; considers that this is in line with the growing ambitions of the EU in the area of freedom, security and justice;
52. Stresses the need to reinforce appropriations for cybersecurity in the IT sector, due to the enormous damage that increasing criminal activity in this domain is causing to the Member States' economies; insists that boosting the fight against cybercrime at Union level via the upcoming European Cybercrime Centre will require adequate funding, and therefore deplores the cuts proposed by the Commission for Europol, as the Centre's tasks as identified by the Commission cannot be carried out with Europol's current human and financial resources; notes that, contrary to the financial programming, a cut of EUR 64,4 million is proposed for the Prevention of and Fight against Crime programme compared to the 2012 budget, although this programme was conceived with a view also to covering cybercrime and illegal use of the internet;
53. Calls for continued support for Frontex, as well as for the various recently created agencies under this heading (in particular the European Asylum Support Office and the agency for large-scale IT systems); notes the 8,9 % cut (EUR –7,3 million) in the contribution to the European Police Office (Europol) compared to the 2012 budget, and expects the Commission to provide additional details on this proposed cut;
54. Notes that the reduction of EUR 30 million for the VIS programme and the termination of Eurodac (EUR –0,5 million) will be compensated by the transfer of these tasks and the corresponding budget appropriations to the new agency for the operational management of large-scale IT systems;
55. Takes note of the significant increase in commitments and comparatively low level of payments for SIS II; points out that, according to the global schedule for SIS II, in 2013 its development and migration should be completed and the IT Agency will take over the management of the system; challenges, therefore, the significant budget increase far beyond its original financial planning at such a late stage, just before the SIS II is to become operational; recommends maintaining a substantial part of the budget for SIS II in the reserve until its operational progress and compliance with the financial planning have been justified;
56. Appreciates the increase by EUR 9,8 million compared to the 2012 budget proposed by the Commission for the European Refugee Fund, which is coherent with the line taken in

previous years and the ongoing implementation of a Common European Asylum System; takes notes of the 19 % increase in the External Borders Fund's budget allocation, to EUR 415,5 million, which is limited to half that foreseen by the financial programming; recalls its firm request for an appropriate and balanced answer to the challenges, with a view to the management of legal migration and slowing-down of illegal migration;

57. Stresses that measures aimed at combating gender violence must be sufficiently funded; emphasises the important role that the programme for preventing and combating all forms of violence (Daphne) has played in eliminating violence against women and girls in the EU, and stresses the importance of increasing its funding in 2013;

Heading 3b

58. Recalls that Heading 3b, though the smallest heading of the MFF in terms of financial allocation, covers issues of key concern to the citizens of Europe, such as youth, educational and cultural programmes, public health, consumer protection, the civil protection instrument and communication policy; deplores, therefore, the fact that again for 2013 the overall appropriations under this Heading, compared to 2012 budget, are to be reduced, with a cut in CA of 1,2 % (EUR 26,08 million) and in PA of 0,4 %, excluding the Solidarity Fund;
59. Welcomes, given its sound implementation in previous years, the increased funding in 2013 for the Youth in Action programme (to EUR 140,45 million), which represents an increase of EUR 0,8 million compared to the 2012 budget and EUR 16,5 million compared to the Financial programming;
60. Appreciates the increases in commitments compared to the 2012 budget for the Culture programme (+1,4 %), Media 2007 (+1,1 %) and Union action in the field of health (+3,1 %), but regrets the cuts in appropriations compared to the 2012 budget for the Europe for Citizens programme - especially during the European Year of Citizens - as well as for Union action in the field of consumer policy and Media Mundus;
61. Regrets the decreased volume of commitments for communication actions compared to the 2012 budget, at a time when the gap between the European Union and its citizens is more evident than ever, as shown in the ever-diminishing turnout in European elections; is convinced of the need for reinforced communication efforts and commensurate funding in order to ensure the visibility of the Union institutions and demonstrate their contribution to overcoming the economic and financial crisis;
62. Underlines the fact that again this year a very limited margin (EUR 25,6 million) is left available under this heading, which will leave little room for manoeuvre should new actions or decisions on funding priorities directly relevant to the citizens be needed;

Heading 4

63. Notes that the commitment and payment appropriations presented in the DB 2013 mark an increase of 0,7 % and 5,1 %, as compared to the 2012 budget, to EUR 9 467,2 and EUR 7 311,6 million respectively; points out that these increases remain below that proposed by the Commission for the budget as a whole;
64. Recalls the need for closer coordination and coherence of efforts in the financing of external actions by the Union and the Member States, in order to avoid overlaps and duplication of

scarce resources; underlines the need to foster cooperation and synchronisation of actions with other international, local and regional donors in order to optimise the use of funds and create synergies; believes that in times of economic hardship it is also important to enhance flexibility in the programming and implementation of instruments and complement scarce resources with instruments having leverage effects that would enable the use and reuse of the funds invested and generated;

65. Notes the significant increase of EUR 272,3 million in the proposed margin for Heading 4 compared to the financial programming for 2013 (from EUR 119,6 million to EUR 391,9 million), which reflects the net effect of the increase in commitments for ENPI (reinforced by EUR 51,7 million), ICI and ICI + (above the financial programming, at EUR 0,3 million) and decreasing the growth in commitments for the Guarantee Fund (EUR –104,5 million), the Instrument for Pre-Accession Assistance (EUR –99,3 million), macrofinancial assistance (EUR –37,4 million), the Development Cooperation Instrument (EUR –28,6 million), and the Instrument for Stability (EUR –41,4 million); calls on the Commission to provide sufficient explanation as to why such a significant scaling-down of some programmes was needed compared to the financial programming; stresses that, while the principle of scaling down programs that are underimplemented could be welcomed if it produces efficiency savings, appropriations should not be cut across the board; warns that the use of an artificially high margin as a negotiating tool in the budgetary procedure cannot be considered as a sound budgetary practice;
66. Regrets, in particular, the ongoing decrease of appropriations in the field of development cooperation; wonders how this is compatible with the EU's international commitments in terms of allocating, by 2015, 0,7 % of GNP to the Millennium Development Goals; regrets the fact that the total level of commitments under the Development Cooperation Instrument (DCI) as proposed in DB 2013 represents an increase of less than the estimated inflation rate, and that the proposed total DCI payment level is below that of 2012; calls on the Commission to ensure a more coherent, realistic and better planned approach to the financing of DCI;
67. Notes the proposal to increase appropriations under the European Neighbourhood Instrument, addressing the needs of countries facing major political and economic change; welcomes the focus on the Eastern Partnership, and reaffirms its support for the countries constituting its southern component as they face challenges of historical proportions in the wake of the Arab Spring; considers the Commission's reporting on the application of the 'more for more' principle to be insufficient, and calls on it to develop clear criteria for how it is to be implemented;
68. Considers that a sufficient level of EU financial assistance to the Palestinian Authority and UNRWA is still needed in order to adequately and comprehensively respond to the political and humanitarian situation in the Middle East and the peace process; stresses the particularly difficult situation faced by UNRWA at the moment, notably following the events in Syria; notes that the net effect of the increase in commitments for ENPI is mainly due to the fact of maintaining support for the occupied Palestinian territories at the level of the 2012 draft budget;
69. Stresses that, thanks to Parliament's strong commitment, the EU's annual contribution to the Palestinian Authority, UNRWA and the Middle East peace process over the last years amounts to EUR 300 million, and recalls that the budgetary authority has, in the course of

the budgetary conciliation, agreed to an allocation of EUR 200 million for the year 2012, conditioned by a sine qua non supplementary increase of EUR 100 million for the 2011 financial year stemming from unused appropriations; calls for a funding commitment that reflects actual needs from the beginning of the budget year, in order to ensure that the EU can effectively support sustainable peace-building; insists that strict financial controls must be imposed and a detailed breakdown and evaluation of expenditure must be forwarded to Parliament;

70. Acknowledges the fact that with the accession of Croatia to the Union, a reduction of EUR 67,6 million will be made to the IPA allocations; is nevertheless concerned that the Commission is proposing a greater than expected reduction in support for institutional capacity building for candidate countries, with the cut in IPA allocations for Croatia (EUR – 29,14 million in total as compared to 2012), while the same line for potential candidate countries is reinforced (EUR +10,5 million compared to 2012); recalls that institutional capacity is of utmost importance for the proper use of Union funding and is equally important for both candidate and potential candidate countries; welcomes the proposed increase in CA for IPA rural development of 10,2 % compared to the 2012 budget;
71. Reiterates that, especially in times of austerity, commitment appropriations should be carefully planned for each CFSP budgetary line in order to guarantee that EU money is streamlined towards the measures where it is mostly needed, wherever possible taking into consideration the flexibility and unpredictability of CFSP operations; in this context, welcomes calls for greater synergies through, inter alia, the pooling, sharing and integration of capabilities and through improved performance, planning and conducting of missions and operations; welcomes efforts for a transparent and complete overview of all CFSP missions; will carefully analyse the increase of 9,2 % in CA for the CFSP in 2013;
72. Recognises the need to react to the transregional challenges posed by organised crime, trafficking, the need to protect critical infrastructure, threats to public health and the fight against terrorism; however, calls on the Commission to provide evidence as to why an increase of 50 % is needed for these measures in 2013;

Heading 5

73. Notes that total administrative expenditure for all institutions is estimated at EUR 8 544,4 million, representing an increase of 3,2 % as compared to 2012 and leaving a margin of EUR 636,6 million, including additional expenditure linked to Croatia's accession;
74. Acknowledges that most institutions, including the European Parliament, have made an effort to restrict their administrative budgets to an increase below the expected inflation rate, excluding the cost of enlargement to Croatia; in this context, underlines the need for the long-term rationalisation of administrative resources, and insists on the need to strengthen interinstitutional cooperation in areas such as human resources, translation and interpretation, buildings, and information technology;
75. Stresses that the increase of 3,2 % as compared to 2012 is mainly due to statutory or contractual obligations such as pensions or salary adjustments; notes, however, that the Commission has complied with and even overstepped its commitment to keep the nominal increase in its administrative appropriations under Heading 5 below the forecast inflation rate of 1,9 % as compared to 2012, as explained in the letter of 23 January 2012 from the

Commissioner for Budgets and Financial Programming;

76. Understands that this was achieved through a reduction in the number of posts in the Commission's establishment plan by more than 1 % already for 2013, notably in the areas of administrative support, budgetary management and anti-fraud, as well as through further cuts in other items of administrative expenditure; requires further explanation as to the actual need to proceed to such staff reductions and thus freeze administrative expenditure in real terms, when the Commission managed to freeze its administrative expenditure in nominal terms in 2012 without resorting to any staff cuts;
77. Welcomes this effort towards budget consolidation in administrative expenditure at a time of economic and budgetary constraints at national level; recognises the need for all EU institutions to share the efforts of this consolidation; is, however, concerned at the adverse impact such measures may have on the swift, regular and effective implementation of EU actions and programmes by a modern administration, given in particular the need to reward performance and quality of service, taking account of geographical balance, especially at a time when the EU's competences continue to increase and new Member States join the Union; welcomes the information given on those areas which are reinforced in staffing, such as European economic governance, the single market and security and justice, but asks for similar information on those policy areas and types of post where cuts in staffing were made as compared to 2012;
78. Reiterates, against this background, that any such staff reduction should be based on a prior impact assessment and take full account of, inter alia, the Union's legal obligations, the EU's priorities and the institutions' new competences and increased tasks arising from the treaties; stresses that such assessment should also take carefully into account the effects on the different Directorates-General and services, given their size and workload notably, as well as on the different types of posts concerned as presented in the Commission's annual screening of human resources (policymaking, programme management, administrative support, budgetary management and anti-fraud activities, language services, etc);
79. Emphasises that for many areas of EU action, sufficient staffing should be ensured in view of the stage of implementation of programmes, new priorities and other developments; will therefore carefully scrutinise the overall evolution of staff levels in the different DGs and services, also in the light of the priorities presented in this report; in addition to providing more detailed information in this regard, asks the Commission to proceed to a similar detailed assessment of the impact of the proposed across-the-board staff cuts, also taking into account in the longer term any further reduction in Commission staffing, and to report back to Parliament; insists that this must be a prerequisite for the budgetary authority to consider accepting, depending on its outcome, the 1 % staff reduction for 2013;
80. Takes the view that questions remain about the high number of costly management positions at high grade levels among the staff of the European External Action Service; therefore requests the EEAS to provide additional information, in particular regarding the significant increase (+9,2 %) in AD 14 posts proposed in the draft budget; requests likewise further information on the large increases in proposed appropriations for security and surveillance of buildings (+57,2 %);
81. Is convinced that prevention and mediation are among the most cost-efficient ways to manage conflicts by preventing them from escalating into violence; welcomes, therefore, the proposal to introduce a budget line amounting to EUR 500 000 for Conflict Prevention

and Mediation Support Services in the EEAS budget, following the successful completion at the end of this year of a preparatory action proposed by Parliament;

82. Takes the view that the European Schools should be adequately funded in the interests of addressing the specific situation of the children of employees of the EU institutions; takes note of the proposed overall allocation of 180,7 million, which represents a 6,8 % increase as compared to 2012, and is above the financial programming amounts; will nonetheless carefully scrutinise the budget lines for each of the European Schools, and will make, during its reading, any modification it considers appropriate in this respect;

Pilot projects – preparatory actions

83. Stresses the importance of pilot projects and preparatory actions as key tools for the formulation of political priorities and for paving the way for new long-term initiatives, both at regional and EU level, that might turn into EU activities and programmes improving the lives of EU citizens; intends to proceed to the identification of a balanced package of PP-Pas, based on the Commission's assessment and recommendations and on careful consideration of the sustainability and durability of the expected results;
84. Will forward to the Commission, pursuant to Annex II, part D of the IIA, a first provisional list of potential PPs and PAs for the Budget 2013; expects the Commission to provide a well-reasoned analysis of Parliament's indicative proposals; stresses that this provisional list does not preclude the formal tabling and adoption of amendments concerning pilot projects and preparatory actions during Parliament's reading of the budget;
85. Recalls that under the 2012 budget a total of 70 pilot projects and preparatory actions were adopted, amounting to EUR 105,45 million in CA across all headings; points out that, should the budgetary authority adopt for 2013 pilot projects and preparatory actions at a similar level and with a similar breakdown among headings, 54 % of the margin under Heading 1a, 27 % of that under Heading 3a and 37 % of that under Heading 3b would already be used up;
86. Takes note of the Commission's proposals for four preparatory actions and two pilot projects for a total amount of EUR 15,5 million in CA; intends to carefully analyse the objectives and contents of these proposals and check the amounts requested;

Agencies

87. Notes the overall level of EUR 748 million (i.e. 0,5 % of the total EU budget) devoted to the decentralised EU agencies in DB 2013, resulting in an increase in the total EU contribution (including assigned revenue) as compared to the 2012 budget amounting to EUR 24 million, or +3,2 %; is aware that this increase is accounted for mainly by the eight phasing-in agencies, in view of the need to provide them with adequate funding, and by the seven agencies whose tasks have been extended, so as not to hinder their performance; notes that the EU contribution to the agencies at cruising speed is decreasing in nominal terms, with, however, an increase in staffing of 1,2 %; notes that the agencies now have a total of 5 115 establishment plan posts overall, i.e. an increase of 257 posts, mainly concerning agencies with new tasks or in their start-up phase;
88. Notes that for the first time the Commission has cut the budgetary requests of almost all the agencies, which were in line with the financial programming amounts overall; this includes

those agencies whose tasks fall under Parliament's priorities, involving a total amount of some EUR 44 million; recalls that a careful analysis of the methodology, rationale and possible impact of such cuts is necessary with regard to several resolutions, the most recent being the 2010 discharge, which stress that the review of the agencies by the IWG should lead to structural improvements in their impact and cost-efficiency, inter alia by identifying areas of duplication and overlap amongst existing agencies; stresses once more that the EU agencies' budget allocations are far from consisting of administrative expenditure alone, but, rather, contribute to achieving the Europe 2020 goals and the EU's objectives in general, while aiming at making savings at national level, as decided by the legislative authority;

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89. Considers the following issues to be of specific interest for the trilogue due to take place on 9 July 2012:

- a sufficient level of payments to allow for the 2012 June European Council commitment to mobilise EU budget funds for fast-acting growth measures to be implemented without any delay and within the current MFF;
- support for growth, competitiveness and employment, and particularly for SMEs and youth, in the budget for 2013;
- a sufficient level of payment appropriations to cover the increasing needs of running projects, in particular under Headings 1a, 1b and 2, at the end of the programming period;
- the problem of outstanding commitments (RAL);
- an amending budget for 2012, in order to cover past and current payment needs and avoid shifting 2012 payments to 2013 as was the case this year;
- a sufficient level of commitment appropriations - more Europe in times of crisis;
- an interinstitutional meeting on payments;
- financing of ITER in the 2013 budget;
- the discrepancy between financial programming and the DB 2013 in the case of Heading 4;

90. Instructs its President to forward this resolution to the Commission and Council.