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REPORT

on the estimates of revenue and expenditure of Parliament for the financial year
2003
(2002/2042(BUD))

Part 1 : Motion for a resolution

Committee on Budgets

Rapporteur: Per Stenmarck

CONTENTS

| | Page |
|------------------------------|-----------------------|
| PROCEDURAL PAGE | 4 |
| MOTION FOR A RESOLUTION..... | 5 |
| Published separately: | |
| Draft estimates | Part 2 - A5-0117/2002 |

PROCEDURAL PAGE

In connection with the 2003 budgetary procedure, the Committee on Budgets appointed Per Stenmarck rapporteur (other sections) at its meeting of 10 December 2001.

At its meetings of 18 March and 16 April 2002 the Committee on Budgets held an exchange of views on the preliminary draft estimates of revenue and expenditure of Parliament for the financial year 2003 (2002/2042(BUD)).

At the latter meeting it considered the draft report and adopted the motion for a resolution unanimously, thus drawing up the draft estimates.

The following were present for the vote: Terence Wynn, chairman; Anne Elisabet Jensen and Francesco Turchi, vice-chairmen; Per Stenmarck, rapporteur; Kathalijne Maria Buitenweg, Paulo Casaca, Joan Colom i Naval, Gianfranco Dell'Alba, Den Dover, James E. M. Elles, Göran Färm, Salvador Garriga Polledo, Neena Gill, Catherine Guy-Quint, Jutta D. Haug, María Esther Herranz García, Wilfried Kuckelkorn, John Joseph McCartin, Jan Mulder, Juan Andrés Naranjo Escobar, Giovanni Pittella, Guido Podestà, Paul Rübig, Amalia Sartori, Esko Olavi Seppänen, Rijk van Dam, Kyösti Tapio Virrankoski, Ralf Walter and Ursula Schleicher.

The draft estimates will be published separately (Part 2 - A5-0117/2002).

The report was tabled on 17 April 2002.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session.

MOTION FOR A RESOLUTION

European Parliament resolution on the estimates of revenue and expenditure of Parliament for the financial year 2003 (2002/2042(BUD))

The European Parliament,

- having regard to Article 272 of the EC Treaty,
- having regard to the Financial Regulation of 21 December 1977 applicable to the general budget of the European communities, as last amended by Regulation (EC, ECSC, Euratom) No 762/2001,
- having regard to the Interinstitutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure¹,
- having regard to its resolution of 12 March 2002 on the guidelines for Sections II, IV, V, VI, VII, VIII(A) and VIII(B) and on the European Parliament's preliminary draft estimates (Section I) for the 2003 budgetary procedure²,
- having regard to the preliminary draft estimates established by the Bureau on 13 March 2002 pursuant to Rules 22(6) and 183 of the Rules of Procedure,
- having regard to Rule 183 of the Rules of Procedure
- having regard to the report of the Committee on Budgets (A5-0117/2002),

General framework

- A. whereas economic forecasts project 2.9% growth in the European Union's economy for 2003 and an inflation rate of 1.7%,
- B. whereas the ceiling in heading 5 ("Administrative expenditure") of the financial perspective is fixed at EUR 5 382 million³; whereas additional needs of the institutions, in particular those related to enlargement expenditure, will lead to a significant shortfall in heading 5; whereas it is important to consider the multiannual perspective in heading 5 of the financial perspective with due regard for the principle of budget annuality; whereas it remains imperative that Parliament continue to apply a policy of budgetary rigour,
- C. whereas the Interinstitutional Agreement of 6 May 1999 on budgetary discipline and

¹ OJ C 172, 18.6.1999, p 1.

² Texts Adopted, item 8.

³ After technical adjustments and including pension contributions by staff.

improvement of the budgetary procedure provides for appropriate mechanisms to cater for additional needs, in particular paragraphs 24 and 25 thereof, should the ceiling in heading 5 for the financial year 2003 prove to be insufficient to finance the political and administrative priorities and ensure that the institutions fulfil the responsibilities conferred on them by the Treaties,

- D. whereas it is imperative, as it is for the other institutions, that Parliament be provided with the wherewithal to meet the challenge of enlargement; whereas an overall allocation of EUR 134 m was estimated in November 2001 by all the Secretaries-General to be necessary to finance the enlargement preparations of all institutions in 2003; whereas heading 8 ("Enlargement") of the indicative table for the financial framework for EU-21 earmarks a specific amount for administrative expenditure in 2003,
- E. whereas Parliament's policy of advance payments has created significant savings in previous budgets for the European taxpayer, by means of a corresponding reduction in the interest burden, and provided much-needed additional leeway in the 2003 budget; whereas advance payments can be considered an important contribution by Parliament to solving the current impasse in heading 5,
- F. whereas the budgetary authority has stressed the need for Institutions to identify core activities, negative priorities, multiannual savings, and possibilities for interinstitutional cooperation in order to ease the budgetary pressure on heading 5;
- G. whereas Parliament has decided, for the time being, to budget a total of EUR 1 051 m for the financial year 2003, which corresponds to 20% of heading 5 minus EUR 24.8 m; whereas Parliament's 2003 estimates represent an increase of 1.6% over the 2002 budget; whereas the total average rate of increase for all institutions is expected to amount to 3.5% within the current ceiling for heading 5,
- H. whereas the 2003 estimates are based on the following parameters: 44 working weeks, of which 3 constituency weeks, 12 ordinary part-sessions of 4 days and six additional part-sessions of 2 days, a 5% interest rate, a 3.7 % salary adjustment and a 7% standard abatement; whereas these parameters are subject to change, in which case the Secretary-General is invited to present updated estimates for Parliament's first reading in October;

Enlargement

1. Expresses its full support for the enlargement of the European Union and recognises the need for Parliament to be prepared to welcome parliamentarians from the future Member States as from January 2004; notes that Parliament is and must be at the forefront of enlargement preparations because of the role it is called upon to play by the Treaty; stresses that this House is about to become the parliament of all citizens of the current candidate countries too; stresses that parliamentarians from the new Member States should have the wherewithal at their disposal to fulfil the responsibilities of their office as soon as they are received into the House; admits that, in case some enlargement preparations are not concluded in time for accession in January 2004, all Parliamentarians may have to make an effort, irrespective of their country of election or the date of accession;

2. Recalls that the multiannual plan on preparations for enlargement, as adopted by the Bureau on 3 September 2001, provides in principle the indicative framework for preparation of the 2003 estimates; welcomes the fact that, on the one hand, budgetary projections for specific measures have been scaled down as the report has been further fine-tuned and updated by the Bureau; notes, on the other hand, that bringing forward accession from July to January 2004 will require an adjustment to the multiannual plan on preparations for enlargement and the bringing forward of expenditure to the 2003 budget; points out that the challenge posed by the forthcoming enlargement by far exceeds the scale of previous enlargements, the requisite administrative groundwork for them and their budgetary impact;
3. Reiterates its support for equality of all languages in the European Parliament; points out that the principle of multilingualism is one of the key cost factors in its preparations for enlargement, one immediate consequence thereof being that it accounts for the largest proportion of additional staff required, much of the additional office space and large-scale refurbishment works; considers that Parliament's preparations for enlargement should not pre-empt any outstanding political decisions in the context of negotiations with the candidate countries as regards, in particular, the number of new official and working languages;
4. Welcomes the Bureau's decision to make provision for admitting up to 147 observers from the current candidate countries from the beginning of 2003; notes that decisions are still pending as regards the final number of observers and the type of regime they will be granted; has decided, therefore, to place EUR 6 m in the reserve in Chapter 100 ("Provisional appropriations");
5. Authorises a total allocation of EUR 32.3 m to be entered against the relevant budget items for enlargement-related expenditure below; insists on continuous monitoring of developments in the enlargement process and to reflect these in the proposals below, with the first evaluation to be carried out during the first reading:
 - an allocation of EUR 2.3 m in Chapter 11 ("Staff in active employment") for the creation of 114 enlargement-related posts in Parliament's Secretariat (five A7, one B5 and two C5 posts for DG 2; nine A7 and 8 C5 posts, one temporary A7 and one temporary C5 posts for DG 3; two A7 and one B5 posts for DG 4; six B5 posts for DG 5; 18 LA 7 and three B5 posts for DG 6; 10 LA5, 26 LA7, five B5 and one C5 posts for DG 7; 10 LA7 lawyer-linguist and five C5 posts); notes that, without the reserve of vacant posts created in Parliament's Administration through the implementation of best practice, the creation of 42 additional posts would have been requested;
 - an allocation of EUR 0.9 m in Chapter 11 ("Staff in active employment") for the creation of 65 enlargement-related temporary posts in the political group secretariats (27 A7, 13 B5 and 25 C5 posts);
 - against Chapter 20 ("Investments in immovable property, rental of buildings and associated costs") an allocation of EUR 4.8 m for building rentals and associated costs and EUR 3.6 m for alterations to premises;
 - against Chapter 21 ("Data processing and telecommunications") an allocation of EUR 6.2 m for IT infrastructure costs, new systems and the incorporation of the new

languages into Parliament's Internet server;

- an allocation of EUR 2.2 m for the operating budgets of the 10 new information offices in the candidate countries, five of which are being opened in 2002, the remaining five in 2003;
 - an allocation of EUR 0.6 m for professional training (including language training) and EUR 0.4 m for traineeships in the institution and for temporary secondment of officials;
 - against Item 3701 ("Secretarial expenses, current administrative expenditure and expenditure relating to the political and information activities of the political groups and non-attached Members") an additional allocation of EUR 2.4 m and against Article 253 ("Miscellaneous expenditure on the organisation of and participation in conferences, congresses and meetings") and additional allocation of EUR 0.1 m, both to enable the political groups and non-attached Members to cope with the increase in workload and activities;
 - an allocation of EUR 1.8 m against Item 250 ("Meetings in general") for observers, EUR 1.3 m against Item 1110 ("Auxiliary Staff"), EUR 0.5 m against Article 114 ("Miscellaneous allowances and grants"), EUR 1m against Article 118 ("Allowances and expenses in connection with officials entering and leaving the service and transfers"), EUR 0.8 m against Item 1301 ("Mission expenses"), EUR 0.8 against Item 1870 ("Interpreters and conference technicians"), EUR 1.7 m against Chapter 22 ("Movable property and associated costs"), EUR 0.3 m against Article 270 ("Official journal") and 0.6 m for other miscellaneous enlargement expenses;
6. Also authorises the creation of a new Chapter 103 ("Enlargement reserve") with a provisional allocation of EUR 51 m; recognises the need to bring forward enlargement-related expenditure to the 2003 budget, as it is now assumed that accession will be brought forward from July to January 2004; requests its Secretary-General to present an updated report on the second phase of enlargement preparations, with precise budgetary estimates for the use of the enlargement reserve, by 1 September 2002; insists that appropriations will only be released in anticipation of those measures provided for in the multiannual report and according to the principles of budgetary rigour and sound financial management;
7. Takes the view that information policy will play a vital role in bringing Parliament closer to the citizens it will represent in the new Member States; also considers it essential to provide all necessary information to the electorate in the current and future Member States with a view to the forthcoming parliamentary elections in 2004; stresses the importance of Parliament's active involvement in a wide debate on the future of Europe; agrees, therefore, to an increase of 15% in appropriations earmarked for public information measures;
8. Reiterates its support for the "Europe House" framework arrangements for information offices in the current Member States and insists that this approach also be taken to the information offices in the prospective new Member States, with a view to providing a better service to citizens and reducing the running costs of the offices through enhanced synergies;

Staff policy and assistance to Members

9. Notes that the conclusions of the ROME-PE (Operational Directory of Jobs) study could have significant implications for Parliament's human resources management; invites its Committee on Budgets to examine the possible budgetary implications of this study and submit its findings to the Bureau, with a view to examining which measures can already be taken in the 2003 Budget; recognises the need to further improve the allocation of resources for better service to Members;
10. Agrees that the balance between specialists and generalists must be carefully examined; notes that, whereas the complexity of parliamentary work and Parliament's multilingualism justify the need for multiskilled officials, it may be increasingly necessary, in view of a changing working environment, to establish new specialised career paths to further improve professionalism and service to Members; requests its Secretary-General to ensure that staff mobility does not lead to an excessive loss of continuity and expertise;
11. Notes that the Secretary General has been mandated to present a report to the Bureau on options to improve assistance to Members with legislative drafting and checking of legislative texts; takes the view that assistance with legislative drafting should already be provided to Members at the beginning of the decision-making process at committee level; invites its Conference of Committee Chairmen to examine the matter too and submit its conclusions to the Bureau, before the latter takes a decision; rejects any augmenting of the Legal Service at this stage, however, before the report has been considered by the Bureau;
12. Notes that the number of reports tabled by committees has increased significantly and estimates on the basis of the current working programme that this trend will continue; recognises that the 1999 restructuring of parliamentary committees, which led to a redeployment of 14 officials from DG 2 to other departments, has not led to the expected rationalisation of work; points out that the excessive workload in some DG 2 departments is jeopardising the quality of assistance to Members for their legislative and budgetary work; welcomes, therefore, the Bureau's decision to augment DG 2 staffing accordingly;
13. Takes the view that Parliament should take an increasingly proactive role in the implementation monitoring of the budget; recognises that increased coordination is crucial between all portfolio committees and the Committee on Budgets to ensure that the political will of Parliament is acted on;
14. Authorises an allocation of EUR 730.374 on the line for the creation of the following non-enlargement-related posts (eight A7, three A7 temporary, one B3, two B5, ten C5 and two D3) and an allocation of EUR 385.436 in the reserve for the following posts (two A7, nine B3 and one C5);
15. Authorises the entry of the necessary appropriations for 53 upgradings¹ of permanent posts in its Secretariat to implement its promotion policy and for the upgradings for IT specialists²; recognises that its current promotion policy is the basis of a more transparent,

¹ 4 B2 to B1, 1 B3 to B2, 10 C2 to C1, 15 C4 to C3, 4 D2 to D1, 6 D3 to D2, 5 LA5 to LA4, 2 LA6 to LA5, 6 LA7 to LA6.

² One B3 to B2 and two B4 to B3.

modern and fair career planning system that has also served as a model for other institutions; insists, however, that some rigidities in the system are still an obstacle to ensuring that merit and performance are the main criteria for promotion; notes that the ROME-PE study also recognises the value of establishing weightings for workload and specialisation; invites its Bureau, therefore, to adopt the appropriate measures in time for the next staff appraisal exercise;

16. Also authorises the appropriations necessary for 23 upgradings¹ in the political group secretariats; has decided to postpone its decision on any other specific upgradings and conversion of posts until its first reading in October and invites its Secretary-General, in the meantime, to provide additional information;
17. Expresses its concern at the fact that it has not been possible to make the Interinstitutional Recruitment Office (IRO) fully operational at the beginning of 2002, as a significant number of new officials from the current and new Member States will have to be recruited during 2003; notes that a series of legal and administrative questions still remain to be resolved before the IRO can be established; invites its competent committee to examine the matter before a decision is taken; has decided, therefore, to postpone the decision on the abolition of 10 to 14 posts in its establishment plan until first reading in October;
18. Reiterates its support for an early retirement scheme that includes staff of all the institutions and the political groups of Parliament; urges the Council to adopt the legal base in time for it to be implemented in the 2003 budget; agrees that the scheme must be budget neutral and that the same conditions should apply as for the proposed early retirement arrangements in the Commission's reform package; agrees to maintain a token entry in Item 1218 ("Special retirement scheme for permanent and temporary staff of the European Parliament"); is willing to re-examine this matter at first reading in the light of further developments;
19. Expresses its support for the Bureau's decision to place part of Item 260 ("Limited consultations, studies and surveys, STOA programme") in the reserve, pending the results of the external study on a modern and efficient research service (DG 4) and of the Secretary-General's conclusions, which are expected by 15 July 2002; has decided to place a total amount of EUR 800 000 in the reserve of Chapter 100 ("Provisional appropriations"); is willing to consider releasing these appropriations once specific short- and medium-term proposals have been submitted;
20. Considers live broadcasting on the Internet of Parliament's plenary sittings and important committee meetings to be of essential importance to the institution; asks its Secretary-General accordingly to produce a feasibility report by 1 September 2002 covering in particular the creation of archives and the provision of a search engine that will enable members of the public to gain access to the recordings; is prepared to consider making the necessary appropriations available at its first reading in October;
21. Has decided to create a new budget item 3601 ("Cost of meetings and other activities of the European Parliamentary Association") with a token entry; awaits the Bureau's "letter of amendment" due in September before taking any further decisions;

¹ Two A5 to A4, three A6 to A5, two A7 to A6, five B2 to B1, two B3 to B2, two B4 to B3, two B5 to B4, three C2 to C1, one C3 to C2 and one C4 to C3.

Buildings policy

22. Agrees to establish a property reserve amounting to EUR 15.5 m within Chapter 20 ("Investments in immovable property, rental of buildings and associated costs") for the continuation of Parliament's property policy in connection with the forthcoming enlargement;

Miscellaneous

23. Recognises that the work of the European Convention on the Future of Europe may not be concluded by 31 December 2002; recalls that a new Article 372 ("Contribution to the financing of expenditure related to the Convention on the Future of Europe") has been created in Parliament's section of the 2002 budget by Supplementary and Amending Budget 1/2002; has decided to re-enter this budgetary structure in its 2003 estimates with a token entry; is willing to consider this matter in the light of further developments at its first reading in October;
24. Notes that the budgetary impact of interinstitutional cooperation, as based on the conclusions of the report of the Secretaries-General on the multiannual evolution of heading 5 and potential savings deriving from interinstitutional cooperation, has not been reflected in the 2003 estimates for Parliament; recalls that the second report on interinstitutional cooperation is due to be submitted to the budgetary authority by 30 April 2002; requests its Secretary-General, therefore, to incorporate the potential savings for Parliament's section in his traditional 'letter of amendment' for first reading in October;
25. Regrets that its Bureau has not been in a position to identify structural savings in time for the preparation and adoption of the 2003 estimates; stresses that the budgetary authority expects every institution to define which activities could be phased out in view of the given budgetary constraints; notes that the savings to be achieved must be multiannual in nature and not be geared exclusively to the 2003 budget; points out that the credibility of the institution is at stake if it does not focus more on its core activities; notes that increasing the value for money of all institutions becomes all the more important in view of the forthcoming enlargement; requests its Bureau to outline a catalogue of activities that could be phased out and to include the budgetary impact in the 'letter of amendment' for first reading; recalls that the budgetary authority may have to take the necessary action to find a global solution in heading 5 by Parliament's first reading in October;
26. Agrees that parliamentary resources have to be used in the light of the parliamentary calendar and Members' needs; considers, however, that the rhythm of parliamentary activities can be further optimised to avoid peak days and the resulting need for a significant number of freelance officials at great expense, whereas some of Parliament's own human resources are underused during constituency weeks; points out, furthermore, that Members have differing needs as regards their necessary presence and work in constituencies; takes the view, therefore, that the parliamentary calendar ought to allow Members to match their parliamentary work in Brussels and Strasbourg with their individual needs in their respective constituencies; invites its competent authorities, therefore, to examine what margin for manoeuvre can be provided in the 2003 calendar;

27. Notes with satisfaction that the Council has declared 2003 to be 'European Year of People with Disabilities'; welcomes the Bureau's plans to examine appropriate measures to further improve access to Parliament and to better integrate the disabled into its activities; reiterates that the needs of people with disabilities must be fully taken into account in all refurbishment work in the current premises of Parliament and in the context of its building projects intended to cater for enlargement; insists that candidates may not be discriminated against on the basis of disability (nor of any other criteria as laid down in Article 13 of the Treaty) in Parliament's recruitment procedures;
28. Agrees to a total amount of EUR 1 051.6 m for Parliament's 2003 estimates of revenue and expenditure; reserves judgement, however, on the total allocation for Section I of the 2003 budget until first reading in October;
30. Instructs its President to forward this resolution to the Council and the Commission.