

# EUROPEAN PARLIAMENT

2004



2009

*Session document*

**A6-0486/2008**  
Par1

8.12.2008

## REPORT

on the draft general budget of the European Union for the financial year 2009 as modified by the Council (all sections)  
(16257/2008 - C6-0457/2008 - 2008/2026(BUD))

and Letters of amendment Nos 1/2009 (SEC(2008)2435 - 13702/2008 - C6-0344/2008), 2/2009 (SEC (2008)2707 - 16259/2008 - C6-0458/2008) and 3/2009 (SEC(2008)2840 - 16260/2008 - C6-0459/2008) to the draft general budget of the European Union for the financial year 2009

Section I	– European Parliament
Section II	– Council
Section III	– Commission
Section IV	– Court of Justice
Section V	– Court of Auditors
Section VI	– European Economic and Social Committee
Section VII	– Committee of the Regions
Section VIII	– European Ombudsman
Section IX	– European Data Protection Supervisor

Part 1: Motion for a resolution

Committee on Budgets

Rapporteurs: Jutta Haug (Section III – Commission)  
Janusz Lewandowski (Other sections)

## CONTENTS

### Page

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	3
ANNEX.....	12
PROCEDURE.....	20

### Published separately

- Decisions taken by the Committee on Budgets at its meetings of 2 and 4 December 2008 on the draft amendments to Sections I, II, III, IV, V, VI, VII, VIII and IX of the draft general budget ..... Part 2 – A6-0486/2008

## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**on the draft general budget of the European Union for the financial year 2009 as modified by the Council (all sections) (16257/2008 - C6-0457/2008 – 2008/2026(BUD)) and Letters of amendment Nos 1/2009 (SEC(2008)2435 - 13702/2008 - C6-0344/2008), 2/2009 (SEC(2008)2707 - 16259/2008 - C6-0458/2008) and 3/2009 (SEC(2008)2840 - 16260/2008 - C6-0459/2008) to the draft general budget of the European Union for the financial year 2009**

*The European Parliament,*

- having regard to Article 272 of the EC Treaty and Article 177 of the Euratom Treaty,
- having regard to Council Decision 2000/597/EC, Euratom of 29 September 2000 on the system of the European Communities' own 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 the draft general budget of the European Union for the financial year 2009, which the Council established on 17 July 2008 (C6-0309/2008),
- having regard to its resolution of 23 October 2008 on the draft general budget of the European Union for the financial year 2009, Section III – Commission (C6-0309/2008)<sup>4</sup> and Letter of amendment No 1/2009 ((SEC(2008)2435 - 13702/2008 - C6-0344/2008) to the draft general budget of the European Union for the financial year 2009,
- having regard to its resolution of 23 October 2008 on the draft general budget of the European Union for the financial year 2009, Section I – European Parliament, Section II – Council, Section IV – Court of Justice, Section V – Court of Auditors, Section VI – European Economic and Social Committee, Section VII – Committee of the Regions, Section VIII – European Ombudsman, Section IX – European Data Protection Supervisor (C6-0309/2008)<sup>5</sup>,
- having regard to Letters of amendment Nos 2/2009 (SEC(2008)2707 - 16259/2008 - C6-0458/2008) and 3/2009 (SEC(2008)2840 - 16260/2008 - C6-0459/2008) to the draft general budget of the European Union for the financial year 2009,
- having regard to its amendments and proposed modifications of 23 October 2008 to the draft general budget<sup>6</sup>,
- having regard to the Council's modifications to the amendments and proposed modifications

---

<sup>1</sup> OJ L 253, 7.10.2000, p. 42.

<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 of that date, P6\_TA(2008)0515.

<sup>5</sup> Texts adopted of that date, P6\_TA (2008)0516.

<sup>6</sup> Texts adopted of that date, Annex.

adopted by Parliament to the draft general budget (16257/2008 - C6-0457/2008),

- having regard to the results of the budget conciliation meeting of 21 November 2008, including the declarations annexed to this resolution,
- having regard to the statement by the Council on the outcome of its deliberations on the amendments and proposed modifications adopted by Parliament to the draft general budget,
- having regard to Rule 69 of and Annex IV to its Rules of Procedure,
- having regard to the report of the Committee on Budgets (A6-0486/2008),

***Key issues - outcome of the conciliation, overall figures and amending letters***

1. Recalls its political priorities for Budget 2009 as first set out in its resolutions of 24 April 2008 on the Commission's Annual Policy Strategy for 2009<sup>1</sup> and on the budgetary framework and priorities for 2009<sup>2</sup> and then further developed in its resolution of 8 July 2008 on the 2009 budget: First reflections on the 2009 Preliminary Draft Budget and mandate for the conciliation, Section III - Commission<sup>3</sup>; stresses that these political priorities, as finally expressed in its resolution of 23 October 2008 on the draft general budget of the European Union for the financial year 2009, Section III - Commission<sup>4</sup>, were the guiding principles for its approach to the budgetary conciliation with Council for Budget 2009;
2. Welcomes the overall agreement on Budget 2009, reached in the traditional budgetary conciliation meeting with Council on 21 November 2008, especially with regard to the financing of the Food Facility; is extremely concerned, however, about the possible effects of a recession on European citizens and regrets, therefore, that at the conciliation meeting, the Commission was reluctant to disclose any information on the possible budgetary impact of its coming proposal on tackling the economic crisis;
3. Takes note of the Commission's Communication of 26 November 2008 to the European Council, entitled "A European Economic Recovery Plan" (COM(2008) 800 final) and:
  - points out that this plan, if approved, will have a significant impact on Budget 2009 and requests the Commission to further clarify this impact by providing the European Parliament, as one arm of the budgetary authority, with further details on the scope of its proposal and concrete figures relating to its implementation particularly in respect of the financial programming;
  - undertakes to analyse the related budgetary implications and reiterates the commitment of Parliament and of the Council, as stated at the conciliation meeting, to respond with the appropriate financial means to the current economic crisis;
  - invites the Commission and the European Investment Bank to report regularly on their activities to combat the economic crisis;

---

<sup>1</sup> Texts adopted, P6\_TA(2008)0174.

<sup>2</sup> Texts adopted, P6\_TA(2008)0175.

<sup>3</sup> Texts adopted, P6\_TA(2008)0335.

<sup>4</sup> Texts adopted, P6\_TA(2008)0515.

4. Insists that the current crisis not be used as a pretext to delay a much needed reorientation of spending towards "green" investments, but should rather be used as an extra incentive to press ahead with such reorientation;
5. Reiterates that initiatives for sustainable development, growth in jobs and support for SMEs and for research and innovation are of the utmost importance in the current economic situation and have to be top priorities reflected in the Union's budget for 2009; against this background, considers that the support for cohesion amongst regions has to be regarded as a key factor for stimulating economic growth throughout the Union; considers it essential that the political determination to make progress on tackling climate change and providing citizens with a safer Europe also become a budgetary priority, which must moreover be clearly visible in the EU budget; stresses that, in 2009 and in the years to come, the Union has to be in a position to fulfil its role as a global player, especially given recent challenges such as rising food prices;
6. Supports Letter of amendment No 1 to the preliminary draft budget (PDB) 2009, in particular as it seems to give a slightly more realistic picture of needs in heading 4 than the PDB; takes note of Letter of amendment No 2/2009 in its traditional aspects of updating the figures underlying the estimate of agricultural expenditure in the PDB; takes note of Letter of amendment No 3/2009 aiming at covering - within Council's budget - the cost (EUR 1,06 million) of the reflection group set up by the European Council on 15-16 October 2008;
7. In respect of overall figures, sets the final level of commitment appropriations at EUR xxx xxx million; sets the overall level of payments at EUR 116 096 million, equivalent to 0,89% of EU GNI; notes that this leaves a significant margin of EUR 7 762 million beneath the payments ceiling of the multi-annual financial framework (MFF) for 2009; underlines the joint commitment of both arms of the budgetary authority to a prompt provision of additional payment appropriations, particularly in the event of structural policies being more quickly implemented during the budgetary year;
8. Can accept the level of payments agreed with Council as part of the overall package at the conciliation meeting of 21 November 2008, but nevertheless reiterates its growing serious concern about the low payments and the subsequent disparity between the level of commitments and payments, which will reach an unprecedented extent in 2009; points out that there is some danger of future budgets becoming unrealistic if this development should not be halted; recalls that overall unpaid commitments (reste à liquider - RAL) reached an amount of EUR 139 000 million already in 2007;
9. Points out that preliminary draft amending budget (PDAB) 10/2008 (COM(2008)0693), adopted by the Commission on 31 October 2008, decreases payment appropriations in budget lines from headings 1a, 1b, 2, 3b and 4, totalling EUR 4 891,3 million; notes that, at the same time, the Commission's request for the global transfer for 2008 amounts to a total of EUR 631 million for payments compared to EUR 426 million in the budgetary year 2007, and concerns 95 budget lines in 2008 compared to 65 budget lines in the global transfer for Budget 2007; is convinced that these manoeuvres in connection with payments in Budget 2008 will necessarily have effects on the level of payments needed in Budget 2009;
10. Attaches crucial importance, therefore, to the ready availability of higher payment appropriations through amending budgets, if those entered in Budget 2009 should prove insufficient, and highlights the commitments made in respect of this by the three institutions in the relevant joint declaration as agreed in the conciliation meeting;

11. Underlines the vital importance of effective budget implementation and of reducing unpaid commitments in light of this very modest overall level of payments; calls on the Commission and on Member States to do their utmost to implement, in particular, lines in heading 1b of the MFF, because this sub-heading not only finances numerous important policies and activities aimed at tackling climate change but also supports growth for jobs initiatives contributing to economic growth; stresses that improvement and simplification measures are needed in order to accelerate the implementation of structural and cohesion funds and invites the Commission, within the existing legal framework, to proceed rapidly with its compliance assessments of the Member States' management and control systems in order to facilitate the start of major projects; notes with great concern that the Commission has, on the basis of evidence, seen fit to cut EUR 220 million of funding for Bulgaria; asks the Commission to support both Bulgaria and Romania in their reforms;
12. Insists that the Commission take the appropriate measures both at political and administrative level to undertake a concrete follow-up to the joint declaration on implementation of cohesion policy, as adopted at the conciliation meeting on 21 November 2008; undertakes to evaluate before the end of March 2009 whether sufficient progress has been made;
13. Welcomes the agreement on the EUR 1 billion financing over three years for the Food Facility, reached in the conciliation meeting; notes that a share of EUR 420 million will be financed by fresh money via the flexibility instrument, while EUR 340 million will come from the Emergency Aid Reserve, partly through an amendment of Point 25 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (IIA); acknowledges that the remaining EUR 240 million will be redeployed within heading 4 but expects the Commission to present a revised financial programme to ensure an orderly progression of the amounts planned up to 2013 despite this redeployment exercise;
14. Reiterates its conviction that climate change measures are still not satisfactorily included in the EU budget and will support all efforts to increase and concentrate adequate financial resources to boost European leadership in dealing with the consequences of climate change; repeats its first reading invitation to the Commission to present, by 15 March 2009, an ambitious plan to improve the budget capability to deal with climate change issues; would like to seriously reflect on whether the Emissions Trading Scheme (ETS) could not be considered as a potential resource at EU level in the future;
15. Emphasises that Budget 2009 reinforces the safety and security of EU citizens by bolstering related actions and policies which concern mainly competitiveness, small and medium enterprises (SMEs), transport and energy security as well as securing external borders;
16. Has taken note of the Commission's Letter of Executability regarding the amendments to the draft budget adopted by Parliament at first reading; considers it unacceptable that the Commission presented this document at such a late stage in the procedure, thus rendering it far less useful than it could have been; insists that several important political issues require appropriate visibility in the Union's budget; decides to create new budgetary lines on climate change, on the Small Business Act (SBA), on the financial instrument for the adaptation of the fishing fleet to the economic consequences of fuel prices, on the EU Baltic Sea Strategy and on aid for rehabilitation and reconstruction of Georgia; has decided to take some of the Commission's comments into account in the second reading of the budget; will, however, abide by its first reading decisions especially in those cases in which sufficient time and effort has

already been spent at an earlier stage on assessing how Parliament's amendments can best be implemented, as was the case with pilot projects and preparatory actions;

17. Welcomes the Commission's efforts to improve the presentation of its financial programming documents and wishes to stress once more that, in future, it expects to see all modifications the Commission has made to its financial programming clearly reflected in the programming documents to be presented in accordance with Point 46 of the IIA;
18. Reminds the Member States of their obligations with regard to national management declarations under Point 44 of the IIA; reminds the Commission also of its responsibilities in that context, especially with regard to the political support it pledged to give to the initiative, but which has so far not materialised;
19. Reiterates that the reductions in the administrative expenditure lines of some multi-annual programmes that the budgetary authority has decided on for 2009 must under no circumstances lead to reductions in the overall co-decided envelopes of the programmes concerned; considers it clear that the Commission should compensate for the amounts reduced in later years of the programme period, preferably on the operational lines of the programmes;

### *Specific issues*

#### *European Institute of Innovation and Technology*

20. Concerning the European Institute of Innovation and Technology (EIT), confirms its decision taken in Budget 2008 to include the EIT in the policy area "Research" and to finance its governing structure, given its administrative nature, under heading 5 of the MFF; decides to change the nomenclature accordingly;

#### *School fruit scheme*

21. Deplores the fact that, for the second consecutive year, the Council has rejected Parliament's proposal for an amendment concerning the creation of a new line 05 02 08 12 - School fruit scheme; welcomes, however, the political agreement of the Council on the legal base for such a programme; expects the programme to start as soon as the legal base is adopted and in time for the 2009/2010 school year, as demanded by the European Parliament and agreed by the Council in its political agreement; regrets, therefore, that the Council did not accept the Commission's proposal to create already a token entry ("p.m.") in the budget;

#### *Food programme for the most deprived persons in the European Union*

22. Welcomes the financing proposed by the Commission and approved by the Council to improve the current food distribution programme for the most deprived persons in the Union by increasing the budget by two thirds to around EUR 500 million for 2009 and extending the range of products that can be provided;

#### *Communication policy*

23. Regrets the lack of consistency and coherence regularly evident in communication measures from the Commission; wishes for an adequate level of harmonisation in presentation of communication policy with the aim of developing one recognisable EU trademark to be used in

all communication measures regardless of which Directorate-General of the Commission, or, in an even wider context, of which institution, they come from; welcomes, in this context, the declaration on Communicating Europe in Partnership signed on 22 October 2008 by the European Parliament, the Council and the Commission;

24. Stresses that, in the context of this joint declaration, the European Parliament, the Council and the Commission have identified the information campaign for 2009 European elections as the top inter-institutional communication priority and urges, therefore, the Commission to fully cooperate on the 2009 European elections campaign, including by allocating the appropriate financial resources to this inter-institutional priority;

#### *Heading 4*

25. Expresses its regret that, once more, heading 4 has been under steady pressure since its available margins are not sufficient to finance priorities that have arisen in the course of the year without jeopardising its traditional priorities; reiterates its concerns that the funds available in this heading do not, as they stand, allow the Union to assume its role as a global player despite its various declarations of intent; asks the Commission to present an evaluation of the situation regarding heading 4 in order to examine the Union's budgetary capacity to assume its role as a global partner within the constraints of the annual budgetary procedures but also in a multiannual context; fears that the Union's credibility in third countries may be irreversibly altered for the worse if, year after year, the budgetary authority is not able to provide the adequate financing to its political commitments;
26. Notes with concern that appropriations for commitments for Palestine in 2009 will amount to EUR 300 million, which represents a decrease of 21% compared to the level of funds committed in 2008 after transfers; is aware, therefore, that the Commission will likely present transfer requests in the course of 2009 to increase appropriations for Palestine, and reiterates its call for sound and realistic proposals during budgetary procedures in order to avoid, as much as possible, massive transfers between chapters;
27. Notes that appropriations for assistance to Kosovo will only just suffice to keep pace with reforms and investment; recalls its various commitments to EU assistance in Kosovo that is properly managed and implemented ;
28. Welcomes the fact that the Union has decided to contribute to the reconstruction process in Georgia and has committed its financial assistance accordingly with a pledge of up to EUR 500 million over 3 years, based on certain political conditions; recalls its intention to identify EU assistance to Georgia within the European Neighbourhood Partnership Instrument (ENPI) on a separate budget line and asks the Commission to provide it regularly with an overview of the funds committed under various instruments as parts of the total pledge;
29. Notes with satisfaction that the Union has committed itself to tackling soaring food prices in developing countries and that an agreement has finally been reached on the financing of a food facility and that complementarity with the European Development Fund and visibility of EU assistance have been ensured; regrets, nevertheless, that once more, due to the constrained margins in heading 4, a part of the appropriations for financing this food facility could only be found through redeployment within the heading;
30. Takes note of the increasing amount of EU funds being channelled through international



organisations; repeats its call for the Commission to make every effort to obtain as much information as possible on external and internal audits of institutions and programmes receiving EU funds;

31. Decides to maintain its first reading position as regards encouraging the economic development of the Turkish Cypriot community; welcomes the support for the exhumation, identification and return of remains of missing persons in Cyprus and undertakes to monitor its implementation;

#### *Heading 5*

32. Decides to maintain a reduced amount of the Commission's administrative expenditure (heading 5) in reserve, notably in the areas of staff and building expenditure, pending the fulfilment of the conditions agreed; believes that, taking into account the Commission's good work to provide requested information so far, the overall volume of these reserves should be manageable from an operational point of view while, at the same time, ensuring the political focus to achieve the necessary results;
33. Restores fully its first reading position as regards the "other institutions", including the decision to frontload some building expenditure to 2009; emphasises that this approach, although increasing some outlays in the near future, is clearly more economical for the tax-payer in the longer term;
34. Will continue to closely monitor the effects of the creation of executive agencies and the ongoing extensions of their tasks on those parent Directorates-General which were responsible for the implementation of the relevant programmes before the executive agencies took over; takes note of the fact that staffing levels of executive agencies will already go beyond 1 300 in 2009 and expects the Commission, in return, to adhere to its forecasts regarding the number of posts freed up in the relevant Directorates-General in 2009;

#### *OLAF regulation*

35. Stresses the need to strengthen the efficiency of the European Anti-fraud Office (OLAF) and takes note of the Commission's intention to present a working paper concerning the clarification of the legal framework of OLAF's mission at the beginning of 2009; reiterates its call on the Council to present a calendar for the negotiations with Parliament concerning the Commission's proposals on Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF)<sup>1</sup>;

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

36. In respect of pilot projects (PP) and preparatory actions (PA), proposes a range of initiatives and innovative projects that respond to the real needs of the Union's citizens; has decided to allocate an amount of EUR 124,4 million to PP / PA for the budgetary year 2009, which is within the overall ceiling for such projects / actions of EUR 140 million, as agreed upon in the IIA;
37. Considers the final package of PP / PA adopted for 2009 to be well balanced and comprehensive and expects the Commission to implement the projects with the utmost care and dedication; expects not to be confronted with sudden obstacles to the implementation of the agreed PP / PA,

---

<sup>1</sup> OJ L 136, 31.5.1999, p. 1.

given the excellent preparatory work that has already taken place within the Parliament and the Commission, but also between the two institutions, since the presentation of the PDB in spring 2008;

38. Expects the Commission to also report on the implementation of those proposed PP / PA which have not been included in Budget 2009 as such because the activities proposed are understood to be covered by an existing legal base; is prepared to monitor closely the implementation of these projects and actions under their respective legal bases during the financial year 2009;

#### ***Decentralised agencies***

39. Maintains its first reading position as regards restoring the amounts proposed in the PDB for decentralised agencies; insists that those agencies depending to a large extent on revenue generated by fees should still be able to use the instrument of assigned revenues to give them the budgetary flexibility they need and decides to restore its first reading amendments to that end;
40. Decides to maintain the increase in the amounts for operational expenses of FRONTEX, in order to enable it to run permanent missions all year round; also decides to maintain the increase in the amounts for tackling illegal immigration, as well as for bolstering the European Refugee Fund to facilitate solidarity between Members States;
41. In view of the expected modifications of the tasks of the Galileo Supervisory Authority, decides to maintain in the reserve one third of the amounts for its operational expenses pending the adoption of the revised legal basis, and to reduce the number of posts from 50 to 23, as agreed with the Commission, and, in consequence, to adapt the amounts for its administrative expenses; expects the Commission to present the revised proposal by 31 January 2009;
42. Following the moving of the implementation of the Tempus programme from the European Training Foundation (ETF) to the Education, Audiovisual and Culture Executive Agency, decides to maintain in the reserve the amounts necessary for 17 temporary posts and 7 contract posts for the ETF until a new legal basis is adopted redefining the tasks of that agency;
43. Decides to maintain in the reserve 10% of the amounts for administrative expenses of European Food Safety Authority until it has been informed of the results of the "Staff satisfaction survey" carried out in 2007 and of the measures taken to implement the conclusions of that survey, and until the responsible committee has given a clear signal in favour of releasing the reserve;
44. Has taken note of the large - nearly EUR 300 million - surplus of the Office for Harmonisation in the Internal Market in 2008; invites the Commission to reflect on how to deal with this situation and whether it might be appropriate for any excess income of the Office, being a direct consequence of the Internal Market, to flow back into the EU budget;
45. Reiterates the importance of respecting Point 47 of the IIA; asks the Commission to work with the budgetary authority on the definition of a proper detailed procedure for its application;
46. Considers essential the Commission's statement, included in its communication of 11 March 2008 on European Agencies - The way forward (COM(2008)0135), that it would not propose any new decentralised agency until the current evaluation process has been concluded; welcomes the Council's positive attitude with regard to the creation of an inter-institutional

working group on the future of decentralised agencies, as proposed by the Commission, and expects the first meeting of this group to take place as soon as possible;

o  
o o

47. Instructs its President to declare that the budget has been finally adopted and arrange for its publication in the Official Journal of the European Union;
48. Instructs its President to forward this resolution to the Council, the Commission, the Court of Justice, the Court of Auditors, the European Economic and Social Committee, the Committee of the Regions, the European Ombudsman, the European Data Protection Supervisor, and the other bodies concerned.

## ANNEX

### DECLARATIONS AGREED AT THE CONCILIATION MEETING OF 21 NOVEMBER 2008

#### Joint declaration on the financing of a facility for rapid response to soaring food prices in developing countries

##### The European Parliament and the Council:

- have taken note of the proposal made by the Commission<sup>1</sup> to establish a Facility for *rapid response to soaring food prices in developing countries* (hereafter 'Food Facility')
- have taken note of the Commission's request of EUR 1 billion for the Food Facility;
- have agreed to finance the Food Facility over a 3-year period within heading 4 of the multiannual financial framework.

##### The European Parliament, the Council and the Commission agree to the financing of the Food Facility in the following way:

- The total amount of EUR 1 billion available in commitments for the Food Facility will be shared out over the years as follows: EUR 262 million in 2008, EUR 568 million in 2009 and EUR 170 million in 2010.

\* \* \*

- EUR 240 million in commitment appropriations will be redeployed within heading 4 from the Instrument for Stability (budget Article 19 06 01 01) of which EUR 70 million in 2009. Regarding the redeployments for 2010, the Commission is invited to present a revised financial programming in order to ensure an orderly progression of the amounts planned over the period 2010-2013, while keeping the annual level of the margin unchanged. The food prices crisis is a new and objective circumstance under the terms of Point 37 of the Interinstitutional Agreement (IIA) which justifies the redeployment from a non programmed crisis instrument.

---

<sup>1</sup> COM(2008) 450 of 18 July 2008.

- EUR 420 million in commitment appropriations will be made available through the mobilisation of the Flexibility Instrument for the 2009 budget.
- EUR 340 million in commitment appropriations will be made available through the Emergency Aid Reserve in the following manner:
  - EUR 22 million from appropriations still available in the 2008 budget;
  - EUR 78 million from the appropriations budgeted for the year 2009;
  - EUR 240 million through a one-off increase in the amount of the Emergency Aid Reserve to be budgeted in 2008.

\* \* \*

- The Commission will propose an amendment of the Interinstitutional Agreement on budgetary discipline and sound financial management (IIA) of 17 May 2006 as regards Point 25 to provide the additional funding required for the proposed Food Facility. The one-off increase in the commitment appropriations for the Emergency Aid Reserve for the year 2008 will be formalised by a joint decision of the three institutions amending the IIA of 17 May 2006.
- The budgetary authority will integrate the necessary amendments in the 2008 and 2009 budgets. For 2008, an additional amount of EUR 240 million in commitments will be entered into the budget for the Emergency Aid Reserve and the budget line for the Food Facility will be inserted. For 2009, an amount of EUR 490 million in commitments and of EUR 450 million in payments will be entered into the budget for the Food Facility. The budget line for the Instrument for Stability (budget line 19 06 01 01) will be reduced by EUR 70 million in commitments for 2009 to EUR 134.769 million.
- The Commission will present the corresponding requests for transfers from the Emergency Aid Reserve in 2008 and in 2009.
- The redeployments agreed for 2010 within heading 4 will be integrated by the Commission into the financial programming 2010-2013 to be presented in January 2009 in accordance with Point 46 of the IIA.
- The payment schedule for the Food Facility is expected to be EUR 450 million in 2009, EUR 350 million in 2010 and EUR 200 million in 2011 and the following years, subject to authorisation of the budgetary authority in each annual budgetary procedure.

\* \* \*

The European Parliament, the Council and the Commission agree to amend, in this exceptional case and only for the year 2008, Point 25 of the Interinstitutional Agreement of 17 May 2006, in order to increase the amount of the Emergency Aid Reserve at EUR 479.218 million for 2008. They affirm that this selective amendment of Point 25 of the IIA will in no way set a precedent.

\* \* \*

The three institutions agree that the amendment of the Interinstitutional Agreement (IIA) for the

Emergency Aid Reserve will take the form of adding the following sentence to the end of the first subparagraph of Point 25 of the IIA:

*"This amount shall be exceptionally increased to EUR 479.218 million for the year 2008 in current prices."*

\* \* \*

The agreement contained in this joint declaration will be translated in the Food Facility Regulation of the European Parliament and the Council by amending the relevant sections referring to budgetary implications, in view of finalising the text in the first reading. The Commission will provide the appropriate technical assistance.

---

## Declarations

### **1. Coordination of Community assistance (Food Facility and EDF)**

"The European Parliament, the Council and the Commission reaffirm the importance of coherence and consistency in the area of development assistance, in particular regarding the use of funds.

Taking into account that ACP-countries could benefit from EU assistance from both the general budget of the European Union and the European Development Fund, the three Institutions declare that, when implementing the Facility for rapid response to soaring prices in developing countries (hereinafter "Food Facility"), special attention should be paid to the coordination of aid originating from these various sources in order to maximise the synergy and the possible results.

In this context, the concerned ACP-partner countries should also be encouraged to adapt, if necessary, the objectives and priorities of their programming regarding future cooperation under the EDF, ensuring consistency and complementarity with the objectives as foreseen by the Food Facility.

The Commission is invited to present a list of programmes financed by the EDF which could include elements related to food security."

### **2. Improving the visibility of Community assistance**

"The European Parliament and the Council stress that the visibility of Community assistance in third countries is a legitimate concern for the European Union and should be fully taken into account for donorship in a multi-annual context. With a view to maintaining public and political support for the EU external action, they call on the Commission to present together with the PDB for the year 2010 a report with a list of initiatives taken to improve the visibility of EU external aid, without compromising its efficiency and effectiveness, especially when implemented through international organisations."

### **3. Implementation of the Cohesion policy**

"Without prejudging the upcoming proposals from the Commission in the context of the economic downturn, the European Parliament, the Council and the Commission:

- Recognise that, in view of the challenges posed by the current economic downturn, the economy may benefit from accelerating the implementation of structural and cohesion funds within the ceilings of the agreed multiannual financial framework 2007-2013;
- Recognise that, under the established control framework, interim payments cannot take place until management and control systems in Member States have been judged to be compliant with the requirements and, as concerns major projects, until such projects have been adopted by the Commission;
- Encourage the Member states to submit the description of their management and control systems and the compliance assessments as soon as possible so as to allow the Commission to rapidly start their analysis.

Within this framework, the European Parliament and the Council:

- Invite the Commission to take the necessary measures, within the existing legal framework, to rapidly assess the most critical aspects of the management and control systems (MCS), enabling starting the interim payments;
- Invite the Commission to accelerate the examination of applications for major projects so as to facilitate their start and related interim payments;
- Invite the Commission to cooperate closely together with the Member States in order to have a rapid agreement of all aspects of compliance of the MCS;
- Welcome the Commission's regular information to the budgetary authority through updated summary tables on MCS and major projects;
- Invite the Commission to submit a monthly report to the budgetary authority on the approval of the MCS and the major projects as well as the level of execution of interim payments for each Member State;
- Invite the Commission to present a report on the implementation together with the PDB for the purpose of the budgetary and discharge procedures;
- Invite the Court of Auditors and the discharge authority to take this issue into account, as well as the multi-annual character of the Commission's control activity, when assessing the management of EU funds.

The European Parliament acknowledges that structural improvements and simplification measures are needed to avoid recurrent under-implementation and to ensure that payment appropriations develop in an orderly manner compared to commitment appropriations, as recalled by the Court of Auditors reports."

#### 4. Agencies

"The European Parliament and the Council have agreed on the Commission proposal for the creation of an Inter institutional working group on agencies and ask for the first meeting to take place as soon as possible."

#### 5. Payment appropriations

"The European Parliament and the Council ask the Commission to submit an amending budget if the appropriations entered in the 2009 budget are insufficient to cover expenditure under sub-Heading 1a (Competitiveness for growth and employment), sub-Heading 1b (Cohesion for growth and employment) as it could be justified within the current legal framework in the light of a possible acceleration of the implementation of structural policies, Heading 2 (Preservation and management of natural resources) and Heading 4 (EU as a global partner).

The European Parliament and the Council will consider in that context the appropriate financing of any possible proposal that the Commission could make for new initiatives, particularly regarding the economic crisis."



## UNILATERAL DECLARATIONS

### A. European Parliament declarations

#### 1. Evaluation of heading 4

"The European Parliament asks the Commission to present in the context of the budget review an evaluation of the situation of heading 4, in order to examine and to review the role of the EU as a global partner in a multiannual context."

#### 2. Payments and implementation of the Cohesion policy

"The European Parliament expresses its deepest concern as to the extremely low level of payments, far below the MFF, which does not correspond to the real challenges of the European Union in a situation of economic crisis.

In particular, it expresses its deepest concern as to the unacceptable low level of implementation of the appropriations for the Cohesion policy, although this constitutes one of the fundamental policies of the European Union.

Calls on the Commission, and the Members States, responsible for the implementation of these appropriations, to adopt all measures possible to ensure its adequate implementation."

### B. Commission declaration

#### Evaluation of heading 4

"Considering the absence of any margin under the expenditure ceiling of heading 4 in 2009, the Commission acknowledges that the capacity to respond to unforeseen crises is quite restrained and therefore commits to present to the budgetary authority an assessment of the situation within heading 4 accompanied, if necessary, by relevant proposals, in the course of 2009, taking into account the political evolution as well as budget execution."

---

**Council declaration on  
letter of amendment No. 2/2009**

"The Council declares that its agreement to the Commission's proposal in relation to programmes in favour of the most deprived persons, appearing in letter of amendment No. 2/2009, does not prejudge the outcome of the examination of the legal basis currently under discussion.

The deletion of the line concerning the programme to promote the consumption of fruit in schools is in accordance with the Council's traditional position of not creating a new budget line before the adoption of the relevant legal basis. This does not prejudge the outcome of the examination of the legal basis currently under discussion."

---

**Unilateral declaration by Greece, Italy, Spain and Portugal  
on multilingualism**

"Greece, Italy, Spain and Portugal, reiterating their attachment to the principles of multilingualism and equal treatment for all languages, express their concern with the management of the Commission regarding the safeguard of linguistic diversity and stress the need for the Commission and all Institutions and organs of the European Union to ensure that sufficient means are devoted to the full application of these principles."

---

## PROCEDURE

<b>Title</b>	Draft general budget of the European Union for the financial year 2009 as modified by the Council (all sections)		
<b>References</b>	16257/2008 - C6-0457/2006– 2008/2026(BUD)		
<b>Committee responsible</b> Date announced in plenary	BUDG 4.12.2008		
<b>Referral for opinion – date announced in plenary</b>			
<b>Rapporteurs</b> Date appointed	Jutta Haug(Section III) 24.1.2008	Janusz Lewandowski (Other sections) 24.1.2008	
<b>Previous rapporteur(s)</b>			
<b>Date of Parliament’s first reading</b>	23.10.2008		
<b>Date of the Council’s deliberations</b> Date result forwarded			
<b>Letter(s) of amendment</b>	1/2009	2/2009	3/2009
<b>Conciliation meeting</b>	21.11.200		
<b>Discussed in committee</b>	4.12.2008		
<b>Date adopted</b>	4.12.2008		
<b>Result of final vote</b>	+: 27 –: 0 0: 0		
<b>Members present for the final vote</b>	Richard James Ashworth, Simon Busuttil, Paulo Casaca, Daniel Dăianu, Valdis Dombrovskis, Brigitte Douay, James Elles, Göran Färm, Szabolcs Fazakas, Salvador Garriga Polledo, Nathalie Griesbeck, Catherine Guy-Quint, Jutta Haug, Ville Itälä, Anne E. Jensen, Alain Lamassoure, Janusz Lewandowski, Vladimír Maňka, Mario Mauro, Jan Mulder, Gérard Onesta, Margaritis Schinas, László Surján, Kyösti Virrankoski, Ralf Walter		
<b>Substitute(s) present for the final vote</b>	Thijs Berman, Esther De Lange		
<b>Substitute(s) under Rule 178(2) present for the final vote</b>			
<b>Date tabled</b>			
<b>Comments</b> (available in one language only)			

## LETTERS OF AMENDMENT

<b>Number</b> <b>References</b> <b>Date forwarded</b> <b>Date announced in plenary</b>	1/2009 SEC(2008)/2435 – 13702/2008 – C6-0344/2008 10.09.2008
<b>Number</b> <b>References</b> <b>Date forwarded</b> <b>Date announced in plenary</b>	2/2009 SEC(2008)2707 - 16259/2008 -C6-0458/2008 28.10.08

<b>Number</b>	3/2009
<b>References</b>	SEC(2008)2840 - 16260/2008 - C6-0459/2008
<b>Date forwarded</b>	17.11.2008
<b>Date announced in plenary</b>	