



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Budgets

2009/0091(COD)

5.11.2009

OPINION

of the Committee on Budgets

for the Committee on Employment and Social Affairs

on the proposal for a decision of the European Parliament and of the Council amending Decision No 1672/2006/EC of the European Parliament and of the Council establishing a Community Programme for Employment and Social Solidarity - Progress
(COM(2009)0340 – C7-0052/2009 – 2009/0091(COD))

Rapporteur: Alain Lamassoure

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SHORT JUSTIFICATION

The Commission has proposed the establishment of the new financial instrument: European Microfinance Facility for Employment and Social Inclusion in order to give unemployed the chance for new start an open the way to entrepreneurship for some of Europe's most disadvantaged groups.

A financial envelope of EUR 100 million over four years (from 2010 to 2013) has been proposed by the Commission, which should be made available by re-allocating this amount from the Progress programme.

In this respect and in order to make the necessary financial adjustments, the Commission has proposed to modify the Progress programme legal basis and to respectively reduce the Progress financial envelope by EUR 100 million.

Your Draftsman would like to recall that, under the terms of the 2006 Interinstitutional Agreement, the financial envelope of the Progress programme has been increased by EUR 100 million (in current prices) at the request of the European Parliament, following difficult negotiations with the Council

Progress programme for Employment and Social Solidarity was established to support the implementation of the objectives of the European Union in employment, social affairs and equal opportunities, as set out in the Social Agenda, as well as to contribute to the achievements of the EU 'Lisbon' Growth and jobs Strategy.

In this respect, your Draftsman expects a full implementation of both programmes.

While welcoming the Commission proposal establishing the Microfinance Facility for employment and social inclusion, your Draftsman notes the reduction of the Progress programme financial envelope.

Form the budgetary point of view, your Draftsman would like to underline that the qualitative and quantitative assessment of the Progress programme in its 3rd year of implementation is rather good. The average implementation rate over the last two years and a half goes beyond 80% in commitments and payments. Despite a few areas identified for improvements, the evaluation of the programme in the annual performance and monitoring reports for 2007 and 2008 has been positive.

On the other hand, in the context of the budget procedure 2010, the committee on budgets has clearly expressed its opinion to fund the new financial instrument via external means, a change of nomenclature and by using the margin. Your Draftsman recalls the principle that new programmes should not be financed from a reduction of existing priorities. The European Parliament has used the margin of heading 1a to allocate appropriate funding to the new instrument.

To this effect, two new budget lines have been created: 04 04 15 for the operational expenditure and 04 01 04 11 for the administrative expenditure. An amount of EUR 37,5

million has been entered for the European Microfinance Facility and of EUR 0,25 million for the administrative expenditure budget line, both in reserve. These reserves could be released once the legal basis will be adopted.

The Committee on Budgets calls on the Committee on Employment and Social Affairs, as the committee responsible, to take on board the views expressed in the current draft opinion.

AMENDMENTS

The Committee on Budgets calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Draft legislative resolution Paragraph 1 a (new)

Draft legislative resolution

Amendment

1a. Considers that the annual amount will be decided during the annual budgetary procedure, including if necessary through application of point 37 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the European Commission on budgetary discipline and sound financial management¹ (IIA), or by other means foreseen in the IIA;

Amendment 2

Draft legislative resolution Paragraph 1 b (new)

Draft legislative resolution

Amendment

1b. Considers that the funding of new activities should not jeopardise existing programmes;

¹ OJ C 139, 14.6.2006, p. 1.

Amendment 3

Proposal for a decision Article 1

Text proposed by the Commission

1. The financial envelope for implementing the Community activities referred to in this Decision for the period from 1 January 2007 to 31 December 2013 is hereby set at **EUR 643 250 000**.

Amendment

1. The financial envelope for implementing the Community activities referred to in this Decision for the period from 1 January 2007 to 31 December 2013 is hereby set at **EUR 743 250 000**.

PROCEDURE

Title	Community Programme for Employment and Social Solidarity - Progress
References	COM(2009)0340 – C7-0052/2009 – 2009/0091(COD)
Committee responsible	EMPL
Opinion by Date announced in plenary	BUDG 14.7.2009
Rapporteur Date appointed	Alain Lamassoure 21.10.2009
Date adopted	5.11.2009
Result of final vote	+: 27 -: 0 0: 0
Members present for the final vote	Marta Andreasen, Francesca Balzani, Reimer Böge, Lajos Bokros, Andrea Cozzolino, José Manuel Fernandes, Salvador Garriga Polledo, Ivars Godmanis, Ingeborg Gräßle, Estelle Grelier, Carl Haglund, Jutta Haug, Jiří Havel, Monika Hohlmeier, Sidonia Elżbieta Jędrzejewska, Anne E. Jensen, Ivailo Kalfin, Sergej Kozlík, Alain Lamassoure, Janusz Lewandowski, Vladimír Maňka, Barbara Matera, Claudio Morganti, Sergio Paolo Francesco Silvestris, Angelika Werthmann
Substitute(s) present for the final vote	Maria Da Graça Carvalho, Giovanni La Via