DRAFT REPORT

on Parliament’s estimates of revenue and expenditure for the financial year 2021
(2019/2214(BUD))

Committee on Budgets

Rapporteur: Olivier Chastel
**CONTENTS**

| MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION | ............................................ | 3 |
| ANNEX: DRAFT ESTIMATES | ............................................................... | 12 |
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on Parliament’s estimates of revenue and expenditure for the financial year 2021
(2019/2214(BUD))

The European Parliament,

– having regard to Article 314 of the Treaty on the Functioning of the European Union,

– having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and
of the Council of 18 July 2018 on the financial rules applicable to the general budget of
the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No
223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation
(EU, Euratom) No 966/2012¹, and in particular Article 39 thereof,

laying down the multiannual financial framework for the years 2014-2020²,

– having regard to the Interinstitutional Agreement of 2 December 2013 between the
European Parliament, the Council and the Commission on budgetary discipline, on
cooperation in budgetary matters and on sound financial management³,

and of the Council of 22 October 2013 amending the Staff Regulations of Officials of
the European Union and the Conditions of Employment of Other Servants of the
European Union⁴,

– having regard to its resolution of 26 October 2017 on combatting sexual harassment and
abuse in the EU⁵,

– having regard to its resolution of 11 September 2018 on measures to prevent and
combat mobbing and sexual harassment at the workplace, in public spaces, and in
political life in the EU⁶,

– having regard to its resolution of 15 January 2019 on gender mainstreaming in the
European Parliament⁷,

– having regard to its resolution of 28 March 2019 on Parliament's estimates of revenue

and expenditure for the financial year 2020,

- having regard to its resolution of 23 October 2019 on the Council position on the draft general budget of the European Union for the financial year 2020,

- having regard to its resolution of 27 November 2019 on the joint text on the draft general budget of the European Union for the financial year 2020 approved by the Conciliation Committee under the budgetary procedure,

- having regard to the Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on the European Green Deal (COM/2019/640 final) - paragraph 2.1.4 on “Building and renovating in an energy and resource efficient way”;

- having regard to the Secretary-General's report to the Bureau on drawing up Parliament's preliminary draft estimates for the financial year 2021,

- having regard to the preliminary draft estimates drawn up by the Bureau on ... March 2020 pursuant to Rules 25(7) and 96(1) of Parliament's Rules of Procedure,

- having regard to the draft estimates drawn up by the Committee on Budgets pursuant to Rule 96(2) of Parliament's Rules of Procedure,

- having regard to Rule 96 of its Rules of Procedure,

- having regard to the report of the Committee on Budgets (A9-0000/2020),

A. whereas this procedure is the first full budgetary procedure conducted in the new legislature and concerns the first year of the 2021-2027 multiannual financial framework;

B. whereas among the priority objectives that have been proposed by the Secretary-General for the 2021 budget are: providing the necessary resources for the second full year after the election of the new Parliament even in view of the incoming Commission’s ambitions and providing the resources for priority projects on engaging with citizens, multiannual building projects, green Parliament, security and IT development;

C. whereas a budget of EUR 2 110 467 628 has been proposed by the Secretary-General for Parliament's preliminary draft estimates for 2021, representing an overall increase of 3.52 % on the 2020 budget; whereas the estimates adopted by Parliament represented an increase of 2.30 % (EUR 1.953 million) for 2019, an increase of 2.48% (EUR 1 999 million) for 2019 and an increase of 2.68 % (EUR 2 050 million) for 2020;

D. whereas almost two thirds of the budget is index-bound expenditure, which relates mainly to remunerations, pensions, medical expenses and allowances for serving and retired Members (20 %) and staff (34 %), as well as to buildings (12 %), and which is

adjusted according to the Staff Regulations and Statute for Members, to sector-specific indexation, or to the inflation rate;

E. whereas Parliament already stressed in its resolution of 29 April 2015 on Parliament's estimates of revenue and expenditure for the financial year 2016\textsuperscript{11} that the Parliament’s budget should be set on a realistic basis and should be in line with the principles of budgetary discipline and sound financial management;

F. whereas the credibility of Parliament as one arm of the budgetary authority depends to an extent on its ability to manage its own spending and on its ability to promote democracy at the Union level;

G. whereas the voluntary pension fund was established in 1990 by the Bureau's Rules governing the additional (voluntary) pension scheme\textsuperscript{12}; that at its meeting of December 10, 2018, the Bureau decided to modify the rules applicable to the pension fund by raising the retirement age from 63 to 65 and by introducing a 5% levy on pension payments future retirees to improve their viability;

H. whereas the Court of Auditors issued an opinion No 5/99 on 16 June 1999 entitled “Pension Fund and Scheme for Members of the European Parliament”.

\textit{General framework}

1. Emphasises that the largest part of Parliament's budget is fixed by statutory or contractual obligations and is subject to annual indexation and for 2021 those obligations are estimated at EUR 32 million;

2. Underlines that 2020 is the last year covered by the current multiannual financial framework; recalls that Parliament has largely remained within the 20% to 22% share under Heading 5 - Administration and that over the past years the rate of increase has been lower than the rate of increase laid down in Heading 5;

3. Notes the ongoing negotiations on the new multiannual financial framework 2021-2027 and the uncertainty regarding the funding level of the new Heading 7 - European Public Administration;

4. Notes that the Secretary-General’s preliminary draft estimates report presupposes an orderly withdrawal of the United Kingdom from the Union; understands from that report that most of the savings resulting from the withdrawal of the United Kingdom from the Union have already been incorporated into the 2020 budget, which takes into account that Parliament will only have 705 Members as from 1 February 2020; is surprised, nevertheless, that the estimates for 2021 do not follow the logical savings trend on the budgetary lines directly impacted by the withdrawal of the United Kingdom from the Union; questions the reasons behind the increase in costs relating to travel (line 1004) and to parliamentary assistance (line 4220) from 2018 to 2021 despite the reduction in the number of Members and accredited parliamentary assistants (APAs) following the withdrawal of the United Kingdom from the Union; requests a detailed

\textsuperscript{11} Texts adopted, P8_TA(2015)0172.

\textsuperscript{12} Texts adopted by the Bureau, PE 113.116/BUR./rev. XXVI/01-04-2009.
analysis and justification of the costs and savings relating to the withdrawal of the United Kingdom from the Union before the Autumn reading;

5. Underlines that Parliament’s key functions are to co-legislate with Council, to decide on the Union budget, to represent citizens and to scrutinise the work of other Union institutions;

6. Highlights Parliament's role in building European political awareness and promoting Union values;

7. Stresses that significant savings as compared to the proposal of the Secretary-General are required to bring closer the rise of this proposal to the expected general inflation rate for 2021 and that all efforts to strive for the more efficient and transparent use of public money are strongly encouraged;

**Transparency and accuracy**

8. Welcomes the new approach that has been taken in the preparation of the Secretary-General’s report during the past years, such as the provision of additional information on medium- and long-term planning, investments, statutory obligations, operational expenditure and methodology, as requested by the budgetary authority;

9. Stresses that Parliament’s 2021 budget must be realistic and accurate regarding the matching of needs and their costs, to avoid over-budgeting;

10. Emphasises that maximum care should be taken to ensure that the overall budgetary and staffing resources at Parliament's disposal are used in the most cost-efficient way possible to enable Parliament and Members to legislate successfully; reiterates that this implies careful planning and organisation of its working methods and, whenever possible, the pooling of functions and structures to avoid unnecessary bureaucracy, functional overlaps and duplication of effort;

**Engaging with citizens**

11. Underlines that Parliament is the only Union institution that is subject to universal suffrage, whose decisions have a real impact on Union citizens; considers it of utmost importance to provide citizens with a better understanding of Parliament’s activities;

12. Welcomes the new mission statement for the European Parliament Liaison Offices (EPLOs) and the emphasis on a pro-active engagement in two-way communication with citizens and stakeholders at the local level; notes the mainstreaming of “Europa Experiences” in all Members States;

13. Notes that Europa Experience centres have already been inaugurated in Berlin, Copenhagen, Helsinki, Ljubljana, and Strasbourg and in 2020 in Tallinn and that, in 2021, it is planned to set up Europa Experience centres in the new ADENAUER building in Luxembourg, in Rome, Paris, Warsaw, Stockholm and Prague; calls for a continuous evaluation of the results achieved; calls for a detailed breakdown of expenditure for the establishment of the new "Europa Experiences" centres for 2021 before the Parliament’s reading of budget in Autumn 2020;
14. Requests more information on the arrangements for and cost of the creation of a series of mobile versions of the Parlamentarium, which would tour Member States to provide citizens with information on Parliament and the Union; stresses that this type of initiative must be decentralised and be carried out from the “Europa Experience” centres to make savings and to be rational; takes note that the project includes a mobile application which contains the best of existing Parlamentarium content;

15. Is concerned by Parliament's intention to expand its activity and its diplomatic presence beyond the borders of the Union in Indonesia (Jakarta), Ethiopia (Addis Ababa) and the United States (New York) and questions the value added of it; requests that a detailed and thorough analysis of the representation costs and costs inherent in such expansion, namely accommodation, secretariats, staff, residence, transport, be carried out; requests that an analysis be provided on the added value of the current representation of Parliament in Washington;

16. Welcomes the fact that Parliament invests considerable efforts in the services it offers to visitors, especially for young people that will remain a key target group;

17. Welcomes the proposal to transform the biennial European Youth Event (EYE) into a coherent process so that the period before and after the EYE are turned into a series of meaningful interactions between Parliament and young people; considers, however, that Parliament should reimburse the travel and accommodation expenses of young people in Strasbourg for reasons of equity and social justice; requests that the arrangements for reimbursement are clearly set out on the Parliament’s website;

**Multiannual Building projects**

18. Reiterates its call for a transparent decision-making process in the field of buildings policy based on early information, having due regard to Article 266 of the Financial Regulation;

19. Recommends that the annual budget planning take into account regular renovation of all buildings and that an amount corresponding to 3 % of the total surface area of all buildings be allocated for that purpose, as already reflected in the "Building strategy beyond 2019" adopted by the Bureau on April 16, 2018; considers such allocation to be part of a regular and anticipatory building policy;

20. Takes note that after completion of the works on the east wing of the new Konrad Adenauer building in Luxembourg in 2020 and the gradual move of staff into the new building, the works on the west wing should get underway in 2021; asks for further details regarding the expenditure for the project management of the construction of the west wing and the security surveillance of the construction site; reiterates its wish for the Secretary-General to obtain details of the gradual staff move;

21. Welcomes the reduction of EUR 11.5 million relating to rent, maintenance and energy costs in 2021 compared to 2020 resulting from the move into the new Adenauer building and the abandonment of Towers A and B in Luxembourg; requests an

---

13 In line with the minimum energy performance requirements as laid out in Article 5 of the energy Efficiency Directive 2012/27/EU.
overview of all other currently rented buildings that will remain occupied in 2021;

22. Takes note of the ongoing practice of the year-end ‘mopping-up transfer’ to contribute to current building projects; highlights that this ‘mopping-up transfer’ takes place systematically on the same chapters, titles and, often, exactly on the same budgetary lines; considers that such a legal practice risks being perceived as a programmed over-evaluation of these, in order to generate funds for the financing of Parliament’s building policy; calls for a reflection on the financing of key investments in the building policy;

23. Asks the Bureau to make known its decision on the future of the Spaak building in Brussels; notes that the renovation and redesign process should aim at meeting clearly defined new needs as described in the updated building strategy beyond 2019; takes note of the unavailability during renovation works of the Spaak building for a period of approximately five years; reiterates its request that the Committee on Budgets be provided with an estimate and a detailed breakdown of the costs once the Bureau has made the decision;

24. Recalls the need to find a solution for a single seat for the Parliament in order to optimise parliamentary and institutional work and reduce significant political and financial costs and the carbon footprint;

25. Welcomes the idea that the Parliament is committed to create a built environment accessible to all users; stresses that works to improve the accessibility for people with reduced mobility already started in Strasbourg and that the projects will continue in 2021 in both Brussels and Strasbourg, but also in six EPLOs; asks to continue the renovation of its adaptations in all other buildings of the Parliament;

Security, IT and infrastructure development

26. Considers that the building security and the cyber-security are essential for the safety of life in Parliament; welcomes the fact that with the entrance of WEISS building the Parliament will have almost finished the work to secure all of its buildings, reiterates that IT security shall remain a top priority;

27. Welcomes the Digital Workplace4MEP strategy which delivers solutions for mobility and efficiency; considers that the deployment of high-quality hybrid devices shall contribute to achieving the environmental management target of reducing paper consumption by 50 % by 2024; expects that in budgetary terms, that deployment will lead to significant cost savings due to the phasing out of other types of devices;

28. Supports the investment made by the Parliament to maintain a modern and efficient workplace; considers it essential to have a powerful and secure cloud service, particularly with regard to data protection;

29. Notes that DG TRAD is aiming to develop a tool that is able to automatically transcribe and translate parliamentary multilingual debates in real time, so that all citizens have equal access to information in their language; asks that a financial analysis be carried out on the total cost of the whole project;

Green Parliament and sustainable mobility
30. Underlines that since 2016, the Parliament is the first Union institution to become carbon neutral, because after making all possible efforts to reduce its CO₂ emissions, it offsets 100 % of its irreducible emissions;

31. Welcomes the Bureau decision that new and more ambitious environmental targets were set for the current legislative term, that should be achieved by 2024 in key areas such as carbon footprint reduction, reduction of carbon emissions from transport of persons, reduction of gas, heating oil and district heating consumption, reduction of electricity consumption, reduction of paper consumption, reduction of non recycled waste, reduction of water consumption and reduction of food waste;

32. Welcomes the new parking policy developed in the car parks of the Parliament aimed at promoting the use of electric vehicles, namely bicycles, scooters and cars, through the installation of electric charging stations; calls for that policy to be extended to all other Parliament car parks; supports all future measures to encourage Members and staff to reduce the use of passenger cars and to prioritise the use of public transport and bicycles;

33. Considers that Members should not be reimbursed for business class airline tickets when traveling within the Union; urges Parliament to encourage the use of transport that respects the environment and proposes that the reimbursement for flights of less than one hour would only be granted if no other more sustainable and realistic alternatives exist;

34. Calls for the protection of the environment and the saving of resources; recalls its request to make greater use of videoconferencing and other technologies, in particular by rationalising the missions of staff between the different workplaces; welcomes the notice of the Questors of 18 February 2020 to encourage members and political group secretariats to apply the trunk-sharing policy with the aim of decreasing the number of lorries needed for Strasbourg missions thereby helping to reduce Parliament’s carbon footprint;

Members and accredited parliamentary assistants related issues

35. Reiterates its concern about the additional expenditure on interpretation of the oral explanations of votes and one-minute speeches during plenary sessions; stresses that the cost of translating and interpreting the oral explanation of votes is estimated at EUR 21,431 per voting day or EUR 900,102 per year; recalls that alternatives, such as a written explanation of votes as well as various public communication facilities, are available to Members wishing to explain their voting positions or raise issues pertinent to the concerns of their electorate; in that context, considers that in order to achieve significant savings, the oral explanation of votes and the one-minute speeches could be abolished;

36. Recalls Article 27(1) and (2) of the Statute for Members which states that “the voluntary pension fund set up by Parliament shall be maintained after the entry into force of this Statute for Members or former Members who have already acquired rights or future entitlements in that fund” and that “acquired rights and future entitlements shall be maintained in full”; calls upon the Secretary-General and the Bureau to fully respect the Statute for Members; and to establish with the pension fund a clear plan for
Parliament assuming and taking over its obligations and responsibilities for its Members’ voluntary pension scheme; supports the request from the Bureau to instruct the Secretary-General to investigate ways to ensure a sustainable financing of the Voluntary Pension Fund in accordance with the provisions of the Statute for Members while ensuring full transparency;

37. Reiterates its appeal for transparency and control regarding the General Expenditure Allowance for Members;

38. Reminds its call to the Bureau to work on a technical solution to allow Members to exercise their right to vote while benefiting from their maternity, paternity or sickness leave;

39. Recalls its request regarding the amount of the allowances paid to the APAs for the missions they carry out between the three places of work of the Parliament with a view to ensuring that the Bureau intervenes to fully harmonise the allowance systems for civil servants, other agents and APAs;

40. Asks the Bureau to propose extending the status of APAs to local assistants in the interests of administrative simplification;

**Other issues**

41. Welcomes the existing cooperation agreements between Parliament, the Committee of the Regions and the European Economic and Social Committee, with a view to identifying other areas in which back-office functions could be shared; invites the Secretary-General to evaluate existing cooperation between Union institutions in order to identify further potential synergies and savings;

42. Recalls the recommendations of Parliament’s resolutions of 26 October 2017, 11 September 2018 and 15 January 2019 on combating sexual harassment and abuse in the Union as well as measures to prevent and combat mobbing and sexual harassment; demands that the Secretary-General provide all information on the work and that has been done in that regard and the programme for the near future; asks the Secretary-General to provide an assessment of the new harassment procedures before the 2022 budgetary procedure;

43. Calls upon the Secretary-General and the Bureau to instil a culture of performance-based budgeting across Parliament's administration, and a lean management approach in order to enhance efficiency and environmental sustainability, reduce paperwork and diminish bureaucracy in the institution's internal work; stresses that the experience of lean management is the continuous improvement of the work procedure thanks to simplification and to the experience of the administrative staff;

44. Adopts the estimates for the financial year 2021;
45. Instructs its President to forward this resolution and the estimates to the Council and the Commission.
ANNEX: DRAFT ESTIMATES