

**2009 budget, Section III - Commission: budgetary framework and priorities for 2009**

**European Parliament resolution of 24 April 2008 on the budgetary framework and priorities for 2009 (2008/2024(BUD))**

*The European Parliament,*

- having regard to the Commission's updated Financial Programming 2007-2013, as submitted on 31 January 2008 in accordance with Point 46 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management<sup>1</sup>,
  - having regard to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on its Annual Policy Strategy for 2009 (COM(2008)0072), and in particular Part II thereof,
  - having regard to the aforementioned Interinstitutional Agreement (IIA) of 17 May 2006,
  - having regard to Article 272 of the EC Treaty and Article 177 of the Euratom Treaty,
  - having regard to Rule 112(1) of its Rules of Procedure,
  - having regard to the report of the Committee on Budgets (A6-0084/2008),
- A. whereas 2008 is the year of ratification of the Lisbon Treaty, foreseen to enter into force in 2009, moving important policy areas from the intergovernmental sphere to the Community framework and granting new competencies to the European Union, all of which will have an important impact on the EU budget,
- B. whereas the Lisbon Treaty, once ratified, will finally place the European Parliament on an equal footing with the Council in the legislative and the budgetary field; whereas the differentiation between compulsory and non-compulsory expenditure will be abandoned and the annual budgetary procedure as a whole will have to undergo fundamental changes as a consequence of the provisions of the new treaty,
- C. whereas 2009 will bring a new European Parliament and a new European Commission,
1. Stresses that the implementation of the new treaty will require the European Parliament, the Council and the Commission to agree on the modifications to the relevant budgetary and legislative instruments and a new set of rules to ensure a smooth running of the new budgetary procedure while fully respecting the new interinstitutional balance between the three institutions as laid down in the Lisbon Treaty; is convinced of the absolute necessity to start preparations as soon as possible in parallel to the budgetary procedure 2009 to be ready for the new procedure for the budget 2010;

---

<sup>1</sup> OJ C 139, 14.6.2006, p. 1. Agreement as amended by Decision 2008/29/EC of the European Parliament and of the Council (OJ L 6, 10.1.2008, p. 7).

2. Notes that, in 2008, preparations for the full and wide-ranging review covering all aspects of EU spending, including the Common Agricultural Policy, and of resources, including the United Kingdom rebate and the customs collection premiums collected by the Member States on behalf of the EU, will have to be intensified to allow the Commission to report by 2009; recalls the obligation stipulated in the IIA of 17 May 2006 to associate the European Parliament with the review at all stages and take its position duly into account;
3. Emphasises that the principle of solidarity has to remain one of the guiding principles of the EU and that solidarity with the regions is considered to be of the utmost importance as well as its inevitable funding expressing this solidarity; reiterates that it will closely monitor the progress regions are making in their development; points out that outstanding payments in this context are of great concern because they could cause budgetary problems in the very near future;
4. Repeats its conviction that the real challenges the EU and its citizens face in the future require a flexible approach and emphasises the need for transparency and coherence between legislative priorities and budgetary decisions; requests therefore the Commission to provide a more detailed breakdown of the proposed changes to the financial programming summarised in part II of the Annual Policy Strategy document, showing the budget lines involved;
5. Takes note that the Commission, in its Communication on the Annual Policy Strategy for 2009, has presented its political priorities with a clear focus on growth and jobs, climate change and sustainable Europe; emphasises that these political priorities should be supported by new budgetary priorities in order for the EU to play a concrete role; recalls and regrets, however, that the margins available under the different expenditure ceilings of the multiannual financial framework (MFF) restrict the room for manoeuvre to finance new priorities such as those proposed by the Commission without jeopardising old ones; calls on the Commission to provide more exhaustive information in relation to the above financial difficulties;
6. Considers the "Small Business Act" being prepared by the Commission (see COM(2007)0724) a very important strategy to support Small and Medium-Sized Enterprises; notes that a financial framework and legislative acts are also required to support SMEs in the most appropriate way;
7. Is deeply concerned that, for 2009, the Commission has already embarked on a re-prioritisation exercise, especially in those headings of the MFF which have a particularly small margin; realises that, eventually, some re-assessment of EU activities on the basis of an appropriate evaluation might become unavoidable since, in times when resources are scarce, it may not remain feasible simply to add new priorities without additional appropriations and a prior assessment of old ones; stresses, however, that any decisions on re-prioritisation must be taken by Parliament and Council and not be pre-empted by the Commission;
8. Emphasises that Parliament will use all the means foreseen by the IIA of 17 May 2006 including, *inter alia*, the use of the legislative flexibility of 5% over the MFF period 2007-2013 in order to see its political priorities carried through; asks the Commission, in preparing the preliminary draft budget (PDB) for 2009, to produce clear, consistent and sound activity statements for each policy area in order to enable all relevant European Parliament committees to thoroughly scrutinise the implementation and expected

advancement of the different EU programmes and policies;

9. Points out the importance of the principle of "sound budgeting" and recalls that achieving value for money and a budget for results remain an objective; asks the Commission to prepare a PDB that gives a realistic picture of all budgetary needs for 2009, especially in Heading 4 of the MFF, and to inform the Budgetary Authority on the expected financial needs in the longer term; wishes to recall that the Flexibility Instrument is intended for the financing of unforeseen political challenges and should not be misused in the course of the budgetary procedure to finance EU policies and activities that are already foreseeable;
10. Is determined to use the full amounts provided for pilot projects and preparatory actions in Annex II, Part D, of the IIA of 17 May 2006, if the number and volume of such proposed projects and actions should make this necessary; considers pilot projects and preparatory actions an indispensable tool for Parliament to pave the way for new policies and activities that are in the interest of European citizens; believes that it is essential to emphasise support for those projects already successfully under way; stresses that sufficient margins must be available to allow Parliament full use of this tool within the framework of the IIA of 17 May 2006; aims to inform the Commission of its intentions regarding pilot projects and preparatory actions before Parliament's summer recess;
11. Considers a clear and transparent presentation of the EU's budget an absolute necessity also with regard to the need to communicate to European citizens how EU money is spent; is aware that activity-based budgeting aims to match financial and human resources to political objectives according to the policy areas of Commission spending; is concerned, however, that differentiating between operational and administrative expenditure of the Commission has become increasingly difficult and that an already substantial amount of what is, in reality, administrative expenditure is financed from operational allocations;
12. Notes with concern that also in the field of human resources, the Commission's outsourcing tendencies, together with the latest changes in the Staff Regulations, have led to a situation where an increasing number of staff employed by the EU is neither visible in the institutions' establishment plans as adopted by the budgetary authority nor paid under Heading 5 of the MFF; deeply regrets this lack of transparency; calls for a public and comprehensive discussion amongst all stakeholders on the future of European governance;
13. Instructs its President to forward this resolution to the Council, the Commission and the Court of Auditors.