

2009 budget: First reflections on the 2009 PDB and mandate for the conciliation

European Parliament 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 (2008/2025(BUD))

The European Parliament,

- having regard to the Preliminary Draft Budget for the financial year 2009 which the Commission adopted on 6 May 2008,
 - 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 management¹ (IIA),
 - having regard to Article 272 of the EC Treaty and Article 177 of the Euratom Treaty,
 - having regard to its resolutions of 24 April 2008 on the Commission's Annual Policy Strategy for 2009² and on the budgetary framework and priorities for 2009³,
 - having regard to the Presidency Conclusions of the Brussels European Council held on 19 and 20 June 2008,
 - having regard to Rule 69 and Annex IV of its Rules of Procedure,
 - having regard to the report of the Committee on Budgets and the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Industry, Research and Energy, the Committee on Transport and Tourism, the Committee on Agriculture and Rural Development, the Committee on Culture and Education (A6-0262/2008),
- A. whereas, in 2009, the Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community (Lisbon Treaty), if ratified, will finally place the Parliament on an equal footing with the Council in the legislative and the budgetary field and will grant new competencies to the European Union, all of which will have an important impact on the EU budget,
- B. whereas the annual budgetary procedure as a whole will have to undergo fundamental changes as a consequence of the provisions of the new treaty, and the differentiation between compulsory and non-compulsory expenditure as well as the (maximum) rate of increase for non-compulsory expenditure will be abandoned,
- C. whereas on 16 April 2008 the three institutions agreed in a declaration to undertake discussions, as soon as possible, on the necessary arrangements on budgetary issues related

¹ OJ C 139, 14.6.2006, p. 1. Agreement as last amended by Decision 2008/371/EC of the European Parliament and of the Council (OJ L 128, 16.5.2008, p. 8).

² Texts adopted, P6_TA(2008)0174.

³ Texts adopted, P6_TA(2008)0175.

to the Lisbon Treaty, bearing in mind that 2009 will bring a new Parliament and a new Commission which will have to be fully prepared for the changes brought about by the new Treaty, if ratified,

Preliminary Draft Budget 2009

1. Notes that the total for the preliminary draft budget (PDB) for 2009 is EUR 134 394,9 million in commitment appropriations and EUR 116 736,4 million in payment appropriations, leaving a margin of EUR 2 638,1 million under the ceiling in commitments and of EUR 7 443,6 million in payments, with compulsory expenditure accounting for 33% of commitments and 38% of payments;
2. Points out that commitments in the PDB 2009 correspond to 1,04% of GNI, which is an overall increase of 3,1% compared to the budget 2008, with compulsory expenditure having gone up by 4,7% due to the phasing-in of direct aids for the new Member States, and non-compulsory expenditure by 2,4%;
3. Notes with interest that PDB 2009 payments correspond to 0,90% of GNI, which is a decrease of 3,3% compared to the budget 2008, with payments for compulsory expenditure having risen by 4,8% in line with the development in commitments while those for non-compulsory expenditure have decreased by 7,6%;
4. Takes note of the PDB priorities as set out by the Commission:
 - Supporting sustainable growth and fostering an economic climate in which job creation can flourish; support for innovation;
 - Continuing cohesion policy in order to reduce inequalities between the Union's regions;
 - Combating climate change and promoting research into clean and efficient energy; developing an EU energy policy characterised by independence and security;
 - Developing a common integration policy and creating a common area of justice;
 - Supporting the Middle East peace process as well as stability in Kosovo and the wider Balkan region;
 - Supply of food aid and strengthening the environmental strand of development cooperation;
5. Recalls the European Parliament's priorities as expressed in its abovementioned resolution of 24 April 2008 on the Commission's Annual Policy Strategy for 2009;

General reflections

6. Expresses its conviction that the European Union must be equipped with the level of resources necessary to fully implement its current policies and activities and at the same time to have enough flexibility to meet new policy challenges;
7. Notes that by far the largest portion of the overall margin of EUR 2 638 million in the PDB, i.e. an amount of EUR 2 027 million, stems from the margin of market related expenditure

and direct payments under heading 2 (first CAP pillar);

8. Notes with interest the above-mentioned Presidency Conclusions and the budgetary implications some of those conclusions could have; considers that these budgetary requirements can only be addressed by having recourse to the means provided by the IIA, in particular Points 21 to 23 thereof;
9. Points out that, as a result of the very small margins under the other ceilings of the MFF, in particular in headings 1a, 3b and 4, the Union's capacity to react to policy changes in budgetary terms is extremely limited; underlines, at the same time, the possibility for recourse to the provisions of the IIA to overcome financial shortfalls;
10. Considers it its responsibility as budgetary authority to ensure that the funding allocated to the EU budget is spent with a view to optimising the limited resources; intends to strive for a more ambitious, balanced and coherent budget in cooperation with, and taking into account the requests of, the specialised committees;
11. Cannot always see a clear correlation between the Commission's political priorities, as described in its Annual Policy Strategy (APS) and the PDB, and increases in the corresponding budget lines and policy areas; is still not satisfied with the attempts of the Commission to include Parliament's priorities in the PDB; is not convinced, for example, that the climate change priority really is reflected throughout the budget as proposed by the Commission; wishes to receive more precise information as to the methodology used to come to the conclusion that over 10%, or EUR 14 billion, of the EU budget is spent on environmental targets; requests a comprehensive presentation of all climate change related expenditure in the budget, including rural development and structural funds, to be able to evaluate the correlation between political and budgetary priorities; points to the need to revise current programmes at the mid term review in order to better integrate climate change objectives and provide for improved policy coherence;
12. Wishes to enter into a dialogue with the Council and Commission on the use of the means provided for in the IIA to reinforce funding for measures to combat climate change with a view to a comprehensive post-2012 agreement on climate change;
13. States its interest in cooperating closely with the Council and the Commission to find an effective agreement on the energy and climate change package soon, including Carbon Capture and Storage (CCS); notes that the EU needs to continue to demonstrate that economic growth and development can be reconciled with a low-carbon economy; reminds the Council of its above-mentioned Presidency Conclusions;
14. Expresses its strong concern that a time has come in which the margins that are available are more and more frequently due to "creative budgeting" such as backloading existing multiannual programmes, excluding budgetary requirements that are already well known and foreseeable and other similar manoeuvres; considers such practices to be in breach of the principle of sound budgeting and requests once more a PDB that is an honest reflection of the budgetary needs to come in the following year; invites the Commission and the Council to cooperate with a view to taking the necessary decisions to reach a satisfactory level of appropriations for the 2009 budget;
15. Stresses the importance of clarity, consistency and transparency in the presentation of the EU budget, which is an absolute necessity also with regard to the need to communicate to

European citizens how EU money is spent; is concerned that differentiating between operational and administrative expenditure of the Commission has become increasingly difficult and that an already substantial amount of expenditure of an administrative nature, that should realistically be financed under heading 5, is financed from operational allocations;

16. Deplores the fact that, at the moment, there is no clear indication of the exact changes made in a financial programming document newly presented compared to the previous one, nor of whether, or how, increases in a particular year are being compensated for or how back- and front-loadings are taking place; considers this not in line with the provisions of Point 46 of the IIA and calls on the Commission to fulfil its obligations in this respect;
17. Stresses that it is of particular importance to follow up the effects of front- and back-loading of multiannual programmes across the budget in order to ensure a coherent programming of commitments over the duration of the MFF respecting the priorities of Parliament as expressed in the IIA;
18. Is surprised at the extremely low level of payment appropriations (EUR 116 736 million) proposed by the Commission in its PDB; points out that commitment appropriations adopted under the 2007 and 2008 budgets totalled EUR 126 500 million and EUR 129 100 million respectively;
19. Requests the Commission to continue its screening exercise started in 2007 and to set out clearly further information regarding human resources policy, application of redeployment strategy and the degree of externalisation of tasks for 2009; asks for a follow-up report by 30 April 2009 including the conclusions the Commission will draw with regard to their internal organisation; takes note of the Commission's 2008 follow-up report on "Planning and optimising Commission human resources to serve EU priorities" whereby the Commission confirms its commitment not to request any new posts up to 2013, beyond the last tranche of enlargement-related posts in 2009;
20. Notes a considerable increase in the number of OLAF external investigations in the external aid sector, and calls therefore on the Commission to ensure that OLAF has the necessary resources at its disposal; calls on the Council to improve the quality of cooperation between the Member States and the Commission in the fight against EU fraud; calls on the Council to ensure a proper follow-up of the anti-fraud investigations by the Member States, including the recovery procedure;

On sub-heading 1a

21. Notes that PDB commitments for Competitiveness for Growth and Employment equal EUR 11 690 million, leaving a margin of EUR 82 million; this represents an increase of 5,5% compared to 2008; notes that payments also increase by 5,3% to a total of EUR 10 285,2 million;
22. Welcomes the Commission's intention to undertake key actions in the field of job creation and support for innovation, small and medium-sized enterprises (SMEs) and research; emphasises that present initiatives in this area, such as the Competitiveness and Innovation Framework Programme (CIP) and other initiatives concerning SMEs, must be properly implemented and monitored;

23. Welcomes the PDB priority set out by the Commission to promote research into clean and efficient energy and intends to make sure that the necessary resources are provided (besides the Seventh Framework Programme) as energy efficiency is a key strategy for tackling the problem of climate change;
24. Stresses the importance of providing the necessary budgetary resources for all measures facilitating the promotion and introduction of programmes of education in the media and new technologies;
25. Deplores the limited margin available in sub-heading 1a, which suggests that it will be impossible to fund new priorities by redeployment without severely undermining important existing programmes, and therefore recommends additional funding if new priorities are to be set;
26. Believes that, given the limited margin available in heading 1a, proper implementation and evaluation of ongoing pilot projects and preparatory actions should be the priority, but that the introduction of new pilot projects and preparatory actions has of course to remain possible;
27. Considers the planned Small Business Act an important strategy to support SMEs; is eagerly awaiting precise proposals for funding this new strategic tool; urges the Commission and the Member States to make enhanced use for this purpose also of the resources available through the Structural Funds in this context; notes that, since SMEs are particularly hard hit by late payments, the European Union has to avoid late payments by finding an efficient and transparent monitoring scheme to ensure that payments are effected within a specified period;

On sub-heading 1b

28. Notes that PDB commitments for Cohesion for Growth and Employment increase by 2,5% to a total of EUR 48 413,9 million, leaving a margin of EUR 14 million only in the technical assistance envelope; takes note that the overall increase of 2,5% is due to the substantial increase in the Cohesion Fund (+14% compared to 2008) while the appropriations for the Structural Funds remain at the same level;
29. Deplores the sharp decrease in payments which, compared to 2008, fall by 13,9% to EUR 34 914,1 million; is not convinced, in particular, of the reasons for the downward revision of payment level forecasts, viz. -30% in ERDF convergence, -13% in ERDF regional competitiveness and employment, -85% in ERDF territorial cooperation and -50% in the Cohesion Fund for the new programmes 2007 - 2013;
30. Is of the opinion that the Commission should indicate if this sharp decrease is a direct, or indirect, result of the new Action Plan to strengthen supervision and shared management for structural actions, especially given that it could concern a lack of first level controls in the Member States;
31. Intends to make sure that the necessary resources for cohesion policies will remain guaranteed in order to be able to deal with current and future challenges to the solidarity principle within the European Union;

On heading 2

32. Notes that PDB commitments for the Preservation and Management of Natural Resources are set at EUR 57 525,7 million, which is an increase of 3,5% compared to 2008, leaving a margin of EUR 2 113,3 million; payments rise by 3,0% to EUR 54 834,9 million; the part of heading 2 foreseen for market related expenditure and direct aids is EUR 42 860,3 million in commitments and EUR 42 814,2 million in payments;
33. Underlines that only 0,5% of appropriations under heading 2, notwithstanding the environmental measures under Rural Development programming and the environmental standards underpinning the cross-compliance system for direct payments, are used for environmental priorities, while the vast majority of funds are allocated to direct aids and market related expenditure;
34. Welcomes the increase of EUR 20,9 million for LIFE+, but notes with some regret that only part of this increase goes to intensified activities in the area of climate change; considers that the horizontal budgetary priority of combating climate change is not properly reflected in these figures;
35. Recalls that the primary goal of the CAP is to guarantee market stabilisation, supply security and reasonable prices for consumers and therefore calls on the EU to foresee for the budget 2009 the necessary means to face the new needs arising from the current food crisis, especially an improvement in access to food for the most deprived people who are suffering the most from this crisis;
36. Welcomes the general downward trend in export refunds for agricultural products as a result of favourable market conditions and the savings which this implies;
37. Notes that PDB commitments for rural development remain nearly stable with EUR 13 401 million (including modulation) in commitments and EUR 10 926 million in payment appropriations, that is a decrease of 4% compared to 2008;
38. Considers these figures as indicative elements in the framework of the "Health Check of the CAP" presented by the Commission on 20 May 2008;
39. Points to the great difficulties regarding the implementation of the European Agricultural Fund for Rural Development (EAFRD); regrets that EUR 2 830 million of appropriations remained unspent in 2007, that EUR 1 361 million were carried over to the year 2008 and EUR 1 469 million were reprogrammed to the years 2008-2013 under Point 48 of the IIA; voices its concern with regard to the reprogramming of such considerable amounts, which will lead to a significant delay in funds being made available in the rural regions;

On sub-heading 3a

40. Notes that PDB commitments for Freedom, Security and Justice increase by 15% to EUR 839,1 million, resulting in a margin of EUR 32,9 million; payments increase by 11,7% to EUR 596,7 million;
41. Points out that this remarkable increase compared to 2008 is mainly due to a substantial increase in the chapters "Solidarity - External borders, visa policy and free movement of people" (+ EUR 44,4 million or + 15.6%), "Migration flows - Common immigration and asylum policies" (+ EUR 43,3 million or + 18,9%) and "Security and safeguarding liberties" (+ EUR 20,8 million or + 27,1%);

42. Takes note of the increase of 36,3% in commitment appropriations in the specific programme "Prevention of and fight against crime" and will examine the reasons for it;
43. Is concerned about the poor funding for the activity "Fundamental rights and justice" which is only increased by 0,2% in commitments and actually decreased by 10% in payments compared to the budget 2008;
44. Points to the fact that the PDB maintains the increase of the appropriations voted in 2008 for the Agency for the Management of Operational Cooperation at the External Borders (FRONTEX), but notes with some concern the rebalancing of the subsidy by shifting EUR 5,7 million from operational to administrative expenditure; calls for an increase in appropriations for 2009 for FRONTEX to enable it to sustain the commitment to permanent and uninterrupted missions, notably at the southern borders of the Union (Hera, Nautilus and Poseidon);
45. Stresses that a European pact on migration policy should include issues related to tackling illegal immigration, managing legal immigration, integration of third country nationals and strengthening border protection, taking fully into account the principle of solidarity and the highest protection of fundamental rights;

On sub-heading 3b

46. Notes that PDB commitments for Citizenship total EUR 628,7 million, which is an increase of 1,0% if the 2008 appropriations are considered net of the Solidarity Fund appropriations and the Transition Facility for Bulgaria and Romania; the margin left is EUR 22 million, payments increase by 0,7% to EUR 669 million;
47. Regrets that the small margin of EUR 22 million left under this sub-heading leaves very limited room for manoeuvre for pilot projects and preparatory actions;
48. Draws attention to the need to increase the efficiency and improve the coordination of EU civil protection interventions, inter alia by developing common civil protection methodologies among the Member States, developing early warning and prevention systems, and upgrading the facility to transport civil protection assistance, in order to be better prepared to protect EU citizens;
49. Deplores the fact that the increase proposed by the Commission under this sub-heading, covering vital policies with a direct impact on the everyday life of European citizens, is significantly lower than the average increase of commitment appropriations of 3,1%; regrets, in particular, that especially those activities important for a citizens' Europe have received the smallest increase, or even suffered a decrease, compared to 2008;
50. Expresses its concern about the reductions proposed by the Commission for a number of budgetary lines under which communication activities are financed, particularly in the context of the tasks and new challenges in this area to be faced in 2009, such as the European elections or the possible entry into force of the Lisbon Treaty;
51. Considers that the core business of communication and information policy is to inform EU citizens on the actions and programmes realised by the EU and the improvements generated over the last years;

52. Recalls that all institutions have the right to implement communication policy as part of their institutional autonomy, as established in Article 49 of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities Regulation¹ (Financial Regulation), within the limits of a common framework and with a certain degree of harmonisation in presentation that should allow for the development of a recognisable "EU trade mark" to be used in all communication measures;
53. Recognises the need for coordination of the different communication policies implemented by the institutions within the Interinstitutional Group on Information and Communication; recalls that communication has long been an important priority for Parliament; considers that Parliament's key role in this process is vital and guarantees the continuity and efficiency of the policy, in particular in view of the coming European elections; points out in this context that information provided to citizens concerning their rights stemming from the application of EU law should be enhanced;

On heading 4

54. Notes that commitments for the EU as a Global Player increase by 1,8% to EUR 7 440,4 million with a margin of EUR 243,6 million available; payments decrease by 6,6% to EUR 7 579,5 million;
55. Observes that this increase of 1,8% is below the average overall increase of 3,1% for the general budget of the EU; considers this a very ominous sign given that heading 4 is traditionally one of the most challenging areas in the Union's budget;
56. Is deeply concerned by the under-financing of heading 4 and strongly condemns the vague budgeting approach chosen by the Commission which does not take at all into account the realistic needs to be expected in this area; notes that, in consequence, the current margin of EUR 243,6 million seems to be a rather arbitrary figure; believes that this problem can only be addressed through a comprehensive revision of the MFF leading to increases in the heading 4 ceiling for the period 2009-2013;
57. Points out that, prior to the PDB presentation, Parliament had requested in its abovementioned resolution of 24 April 2008 a realistic picture of all budgetary needs, especially in heading 4 of the MFF; does not consider the PDB, in this heading, to follow the principle of sound financial management;
58. Notes, therefore, with concern that the Commission has already stated, at this early stage of the budgetary procedure, that appropriations for Kosovo, the Middle East, food aid and macro-financial assistance will clearly not be sufficient to fulfil existing EU commitments in the world, let alone expected supplementary needs: the PDB proposes, for example, EUR 161 million in commitments and EUR 100 million in payments for assistance to Palestine and the Peace process, although amounts voted for the 2008 Budget were EUR 300 million and EUR 200 million respectively, and after several transfers, payment appropriations have, to date, shot up to EUR 350 million; regarding Kosovo, appropriations for the EULEX mission drop by 15,7% under the Common Foreign and Security Policy (CFSP); considers this unacceptable and calls for a new approach to expenditure for Palestine and Kosovo;

¹ OJ L 248, 16.9.2002, p. 1. Regulation as last amended by Regulation (EC) No 1525/2007 (OJ L 343, 27.12.2007, p. 9).

believes that, in view of the decision to vastly increase the original number of experts working in the European Union Police Mission (EUPOL) to Afghanistan, financial shortfalls can already be foreseen at this stage;

59. Reaffirms its support for the implementation of a deepened and differentiated European Neighbourhood Policy (ENP); underlines the need to provide the European Neighbourhood and Partnership Instrument (ENPI) with an adequate financial envelope reflecting the EU's commitment vis-à-vis its eastern and southern European neighbours; notes the modest increase in appropriations envisaged for 2009, and stresses that the recent initiative "Barcelona Process: Union for the Mediterranean" must neither hinder the efforts to establish a balance between the commitment appropriations for the eastern and southern European neighbours nor in any case increase the budgetary tensions within the ENPI;
60. Deplores the fact that neither budgetary solutions nor even indications for such solutions have been presented for the financing of these extra needs; calls urgently once again for clarification as to the total needs in heading 4, including the CFSP chapter;
61. Repeats its conviction that neither Flexibility Instrument nor Emergency Aid Reserve (EUR 244 million) must be diverted or misused to finance long-planned policies and activities of the EU, and is strongly determined, in the course of the budgetary procedure, to defend this line;
62. Points out with concern the growing world food crisis and the effects of climate change and underlines the need for the EU to be able to meet its commitments in respect of the supply of food aid and responding to disasters in developing countries; notes with real worry that, in the PDB 2009, food aid is only allocated an increase of EUR 6,8 million compared to 2008 (+3%) and that, already by the end of April 2008, the Commission is requesting a transfer of EUR 60 million to cover extra costs of food aid in 2008 (increase of 26,88% in commitment appropriations); calls for additional resources to be provided for this purpose in 2009 by all budgetary means available;
63. Welcomes the increase in appropriations envisaged for the Western Balkan countries under the institution-building component of the Instrument for Pre-Accession (IPA), and in particular the Commission's intention to step up the provision of additional scholarships and to increase funding for civil society dialogue; asks the Commission to support the Social Agenda for the Balkans;
64. Stresses that new Aid for Trade money should be additional to existing development aid and that new Aid for Trade pledges should not lead to the shifting of resources already earmarked for other development initiatives; reiterates the request made to the Commission to provide information on the origin of the EUR 1 000 million pledged;
65. Welcomes the Commission's initiatives to launch a Global Climate Change Alliance and a Global Energy Efficiency and Renewable Energy Fund as important steps to support developing countries in adapting to and mitigating climate change; stresses however that funds allocated so far are inadequate; calls for an increase in immediate funding for these initiatives in the 2009 budget, additional to planned development commitments; emphasises, furthermore, the importance of strengthening these initiatives by securing additional long-term funds;
66. Takes note that the Guarantee Fund for loans is included in the PDB 2009 with an amount

of EUR 92,46 million as opposed to the original financial programming which foresaw EUR 200 million for its provisioning; points out that an important part of the margin available in PDB 2009, i.e. EUR 107,54 million of EUR 243,6 million, is artificial insofar as it is the result of this manoeuvre; underlines with strong concern that it is very likely that these "savings" in the budgeting of the Guarantee Fund in 2009 will need to be compensated by higher expenditure in the years to come, leaving even smaller margins in heading 4 than those programmed now;

67. Points out that, since the institutional set-up concerning the High Representative, the President of the European Council and the European External Action Service is not yet determined, the necessary budgetary appropriations should be made available gradually as the scope and the role of the new organisational structures become clearer; underlines that neither the institutional changes nor the new CSDP provisions should further strain the current level of commitment appropriations under heading 4;
68. Emphasises the political importance of pilot projects and preparatory actions adopted by the budgetary authority under heading 4; calls for a timely and pro-active implementation thereof by the Commission with the full use of allocated commitments;

On heading 5

69. Notes that the overall Administrative Expenditure proposed increases by 5% compared to 2008 and now amounts to a total of EUR 7 647,9 million, compared to EUR 7 281,5 million for 2008, and that only a minor margin of EUR 129,1 million (corresponding to about 1,7% of the volume expenditure) is left under the ceiling of the financial framework;
70. While welcoming the fact that the new posts requested by the Commission only concern the previously announced final tranche of 250 for "EU-2", notes that the proposed increase of administrative expenditure is still higher than the average for the whole budget; recognises that this may be largely linked to indexed salary and pension costs, and to some extent buildings policy; points out that further modifications may become necessary during the financial year 2009 if the Lisbon Treaty enters into force; resolves, in that respect, to scrutinise administrative expenditure in an interinstitutional context in order to investigate the needs of the institutions for 2009 and beyond;
71. Considers, despite the increase in information received, and the Commission's preliminary conclusions that executive agencies enhance the quality of EU programmes, that various financial/administrative consequences on heading 5 still require further clarification; is for example astonished that the future creation of the equivalent of 947 new posts in the two research agencies (as stated in the screening follow-up) will only lead to the freeing up of 117 posts within the Commission departments over the same period;
72. Is concerned about the fact that, in general, 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 which concerns also the employment of national experts; calls for a public and comprehensive discussion amongst all stakeholders on the future of European governance;
73. Welcomes the follow-up of the 2007 staff screening report recently received as a response

to its budgetary amendments in the 2008 budget; intends to analyse this document thoroughly with a view to drawing budgetary conclusions for 2009;

74. Asks the Commission which measures are being taken to reach the goal of reducing administrative burdens in the EU by 25% by 2012, and to check if the principle of the one-stop-shop is achievable in the future to reduce bureaucracy;
75. Intends to examine the administrative appropriations and staffing requests for the other institutions with a view to increasing efficiency gains, including staff re-deployment according to identified priorities whenever possible; notes that the proposed average increase for the other institutions amounts to 4,8%, rising from EUR 2 673,8 million to EUR 2 803,2 million, only just below the rate of increase proposed for the Commission;

On heading 6

76. Notes that, in 2009, the last year of budgetary compensation to Bulgaria and Romania, commitments and payments are set at EUR 209,1 million, representing an increase of 1,2% compared to 2008; this leaves a small margin of EUR 0,9 million;

On Pilot Projects and Preparatory Actions

77. Regrets that, as a general principle, the Commission's PDB does not include any commitments for pilot projects and preparatory actions, so that these will need to be financed from the margins of the relevant MFF headings; expresses its astonishment that there are a few exceptions to this general rule insofar as a small number of pilot projects and preparatory actions, in which the Commission seems to be interested, are already budgeted in the PDB with commitment appropriations;
78. Recalls the obligation for the Commission, according to Point 46(a) of the IIA, to provide, for annual actions, multiannual estimates and the margins left under the authorised ceilings;
79. Underlines that the IIA allows for a total amount for pilot projects of up to EUR 40 million in any budget year and for a total amount for preparatory actions of up to EUR 100 million out of which a maximum of EUR 50 million can be allocated to new preparatory actions;
80. Confirms its determination, as already stipulated in its abovementioned resolution of 24 April 2008, to use the full annual amounts provided for pilot projects and preparatory actions in the IIA if the number and volume of such proposed projects and actions should make this necessary, because it considers them an indispensable tool for Parliament to pave the way for new policies that are in the interest of European citizens;
81. Recalls that, for the budgetary year 2008, Parliament adopted pilot projects and preparatory actions for an amount of EUR 107,32 million in commitment appropriations; sub-heading 1a accounted for projects and actions amounting to EUR 38 million, heading 2 for EUR 25,15 million, sub-heading 3a for EUR 3 million, sub-heading 3b for EUR 9,5 million and heading 4 for EUR 31,67 million;
82. Underlines that, should Parliament decide in favour of a similar level of financing for pilot projects and preparatory actions in 2009, nearly half the available margins in headings 1a and 3b would already be used up, although the 2008 level of expenditure on pilot projects and preparatory actions did not even reach the maximum amounts granted by the IIA;

83. States its willingness to submit to the Commission before the parliamentary summer recess a first provisional list of its intentions as regards pilot projects and preparatory actions for the 2009 budget procedure, in accordance with Annex II, Part D, of the IIA in order to facilitate the establishment of a balanced and coherent final package; points out that this list does not preclude the presentation of any other proposals or amendments on pilot projects and preparatory actions by individual MEPs, specialised committees and political groups at its First Reading in the autumn; insists that, for this exercise, all headings and sub-headings of the budget must have sufficient margins available;
84. Wishes to explore with the Commission and the Council how to give effect to Parliament's call for a European envoy on women's rights;

On agencies

85. Notes that PDB allocations for the decentralised agencies increase by 1,76% to EUR 563,9 million in commitments and decrease by EUR 6 million in payments (-1%);
86. Points out that, despite this overall minimal increase in commitments if all agencies are taken together, the sub-group of heading 1a agencies have been cut by 3,29% or EUR 8,9 million compared to budget 2008, in line with the decision taken by the budgetary authority in the November 2008 conciliation to implement a linear cut of EUR 50 million over the period 2009 - 2013 in order to finance Galileo;
87. Takes note of the fact that this cut for agencies in heading 1a has not been "linear" as formulated in the conciliation conclusions; intends to assess in detail the degree and distribution of the budgetary decreases; reiterates that it is up to the budgetary authority to decide upon these proposals by the Commission;
88. Will put particular emphasis on the budget implementation of the agencies and will closely scrutinise possible surpluses in order to make sure that assigned revenues are taken into account in the establishment of the agencies' budgets for 2009;
89. Deplores the fact that the Commission has still not presented to the budgetary authority the details of how it proposes to finance the two new agencies currently under discussion, one of which is already included in the PDB for 2009 with a "p.m." entry, and urges the Commission to set out clearly further information on this issue as soon as possible; has come to the conclusion that, in the situation of current margins, for the financing of new bodies, which fulfil in part administrative tasks, all possibilities granted by the IIA should be explored; recalls that prior agreement of the budgetary authority on the financing of any new agency is required in line with Point 47 of the IIA;
90. Underlines once more that the financing levels of current and future decentralised agencies will directly affect the margins available under the headings of the MFF; notes that the IIA obliges the Commission to assess the budgetary implications for the expenditure heading concerned when drawing up a proposal for the creation of a new decentralised agency; will seek to ensure that the functioning of decentralised agencies brings added value and furthers the interests of EU citizens;
91. Welcomes the Commission's intention to stimulate an interinstitutional dialogue on the role of all bodies defined under Article 185 of the Financial Regulation and their place in European governance; reiterates the importance of securing on a systematic basis at

interinstitutional level the application of the procedure laid down in Point 47 of the IIA;

On executive agencies and other outsourcing tendencies

92. Notes that any further expansion of executive agencies and other similar ad-hoc bodies will be financed from the relevant programme envelope; expresses its concern, therefore, that all growth in executive agencies and other bodies will reduce the operational funds available within programme envelopes and will move administrative tasks from heading 5 of the MFF to be financed under the operational headings;
93. Is concerned that the creation of executive agencies and other ad hoc bodies may lead to an intransparent growth in the number of EU officials and contract staff, especially if posts in the relevant Commission Directorate-General are not reduced and/or redeployed accordingly; urges observance of the Working Arrangements for the Setting-up of Executive Agencies (revised Code of Conduct), in particular as regards parliamentary scrutiny of financing and staffing of the agencies;

Conclusions and mandate for the Conciliation

94. Considers the following points to be of specific interest for the budget conciliation due to take place in July 2008:

- adequate level of payments;
- adherence to the principle of sound financial budgeting, in particular as regards a realistic picture of needs in heading 4;
- commitment by the Commission to submit, where the EU Solidarity Fund and the European Globalisation Adjustment Fund are concerned, amending budgets that have the mobilisation of these funds as their sole purpose in order to avoid any delay in the delivery of financial aid;
- adequate response to food aid and food security requirements;
- the provision by the Council of quantified information about the financial implications of its above-mentioned Presidency Conclusions in accordance with the provisions laid down by the Financial Regulation, in particular Article 28 thereof; is ready to enter into negotiations, including by having recourse to all the means provided by the IIA;
- state of play regarding the implementation of Point 44 of the IIA and of point 5(N) of the Action Plan towards an Integrated Internal Control Framework (COM(2006)0009);
- sufficient resources for a citizens' Europe;
- provisional intentions of the budgetary authority with regard to pilot projects and preparatory actions;
- clarity of budget presentation, especially concerning administrative expenditure and human resources including outsourcing of tasks;
- adequate budgetary provision to enable a response to the EU priorities "competitiveness for growth and employment", "combating climate change in line with

the Bali Action Plan and promoting a sustainable Europe" and "making a reality of the Common Immigration Policy";

- commitment from the Council to improve EU information strategy in a professional way and in close cooperation with Parliament and the Commission;

95. Strongly deplores the custom of the Council to make across-the-board cuts at its first reading of the EU budget without any precise reasons being provided; calls on the Council, when adopting its Draft Budget, to examine each element of the budget in turn using the criteria of efficiency, economy and European added value; points out that establishing the EU budget is a fundamental political act which is more than a mere accounting exercise, and looks to the Council to make arrangements for genuine political dialogue with Parliament during this budgetary procedure;

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96. Instructs its President to forward this resolution to the Council and the Commission.