

P6_TA(2009)0095

Guidelines for the 2010 budget procedure – Section III

European Parliament resolution of 10 March 2009 on the guidelines for the 2010 budget procedure, Section III – Commission (2009/2005(BUD))

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2009,
 - having regard to the Commission's updated financial programming 2007-2013, as submitted on 30 January 2009 in accordance with Point 46 of the Interinstitutional Agreement (IIA) of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management¹,
 - having regard to the Commission Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on its Annual Policy Strategy for 2010 (COM(2009) 0073) and, in particular, Part II thereof,
 - having regard to the aforementioned 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 (A6-0111/2009),
- A. whereas 2010 will bring a mid-term evaluation of many multiannual programmes,
- B. whereas both the European Parliament and the European Commission will be newly constituted by the end of 2009,

Budgetary overview

1. Notes that the Multiannual Financial Framework (MFF) for 2007-2013 sets out a challenging amount of budgetary resources for 2010, namely EUR 139 489 000 000 in commitments, which represents 1,02% of EU GNI, and EUR 133 505 000 000 in payments, which constitutes 0,97% of EU GNI (in current prices), and recalls that the next adjustment of the MFF will take place in April 2009, just before the publication of the PDB 2010;
2. Takes into account that the amounts set out in the MFF for each heading are the maximum amounts of expenditure and constitute the frame for annual budgets; wishes to see the final budget closer to these upper limits, which might help to finance numerous aims of vital importance of the European Union without jeopardising current policies and programmes; notes that some community programmes are still under-financed; states that the Union needs more ambitious financial and budgetary decisions to allow it to assume its role mainly in the area of economic growth and jobs and in the external policy area where the resources

¹ OJ C 139, 14.6.2006, p. 1.

are scarce;

3. Emphasises that Parliament will use all the means available under the IIA of 17 May 2006, including the use of the legislative flexibility of 5% (Point 37 of that IIA) over the MFF period 2007-2013 in order to see its political priorities carried through;
4. Also notes that weak implementation of annual budgets leads to an even lower executed budget, mainly due to the system of complicated rules and requirements imposed by both the Commission and/or Member States and to the weak implementation capacity of Member States, which results in a substantial amount of RALs (restes à liquider); urges the Commission and the Member States to facilitate implementation by reducing self-imposed bureaucratic burdens and simplifying the management systems where possible, notably of the Structural Funds;
5. Underlines the importance of good interinstitutional cooperation in the context of which the Commission provides the budgetary authority with all necessary background information;
6. Considers a clear and comprehensive presentation of the Union's budget to be necessary; intends to follow up closely the financial programming to allow the appropriate budgetary decisions to be taken; welcomes the Commission's improved presentation of its financial programming documents; wishes the modifications that the Commission has made to its financial programming, however, to appear more distinctively and clearly; calls for further clarification in the allocation between operational and administrative expenditure; notes that an already substantial amount of what is, in reality, administrative expenditure is financed from operational allocations;
7. Asks the Commission, in its preparation for the preliminary draft budget (PDB) for 2010, to produce clear, consistent and sound activity statements for each policy area in order to enable all relevant committees of Parliament to thoroughly scrutinise the implementation of the various EU programmes and policies; in that respect, expects to see the appropriate evolution and implementation of the major budgetary decisions previously undertaken such as Galileo, EIT and food aid;
8. Points out the importance of the principle of "sound budgeting"; asks the Commission to prepare a PDB that addresses the current challenges and provides for a sustainable budget for the ongoing policies; is particularly concerned about the budgetary needs for 2010 in Headings 1a and 4 of the MFF; wishes to underline that the Flexibility Instrument is intended to finance unforeseen political challenges and is only one of the tools enabling additional funding;
9. Welcomes the setting-up of an inter-institutional working group on decentralised agencies; reiterates the fact that the financial resources to create new agencies is very limited due to the current margins under each heading, and reminds the Commission and the Council of the need to respect point 47 of the IIA of 17 May 2006; reminds the Commission of the need to take into account assigned revenues when establishing the PDB 2010 for existing decentralised agencies; insists that those agencies depending to a large extent on revenues generated by fees must still be able to use this instrument in its entirety to give them the needed budgetary flexibility;
10. Supports the different assistance instruments under Heading 4; recalls that a constant preoccupation of the Parliament is that Heading 4 of the MFF suffers from serious under-

funding; points out that if the Union is to live up to its promises and its ambitions as a global player, it must ensure that the needs of developing countries are fully reflected in the strategic choices of financing mechanisms in the area of development cooperation;

11. Recalls the procedure laid down in Point 23 of the IIA of 17 May 2006; recalls, nevertheless, that there have already been several changes reducing the margins available and that it is therefore difficult to finance new measures without fresh money; favours finding long-term solutions which would make the EU budget sufficient to meet all needs instead of shifting appropriations between headings; underlines that margins available under each heading of the MFF (especially Heading 2) cannot be taken for granted, due to changing economic conditions; considers it more appropriate to address directly the category of expenditure that is insufficient in order to avoid hindering other areas of expenditure; considers that in the absence of flexibility within and across headings, a revision of the MFF reflects most budgetary principles; regrets that in the current context, the Council has not taken a constructive approach for using the existing flexibility mechanisms; considers that the mid-term review of the MFF should also address the chronic under-funding of certain categories of expenditure;
12. Expresses its readiness to take into account the outcomes of the mid-term review covering all aspects of EU spending and resources, including the UK rebate, the Commission report on the functioning of the IIA by the end of 2009 foreseen by the IIA of 17 May 2006 as well as the mid-term evaluation of the on-going multiannual programmes;

Acting to face the challenges

13. Recalls that enormous challenges should be met in the EU budget 2010; points out that the key objective is to put European citizens first and provide them with greater safety, which requires special attention to be given to: the recent financial and economic crisis and its impact on growth and competitiveness, jobs and cohesion, better and simpler implementation of structural funds; enhancing energy supply and transport safety; as well as internal security, particularly the fight against terrorism; immigration, demographic challenges, and also the matter of climate change and environmental protection, social cohesion, security of its citizens, and the strengthening of the role of the Union in the world;
14. Calls on the Commission to take into account the abovementioned circumstances when deciding on the PDB; expects the Commission to present solid and useful proposals to allow a meaningful budgetary discussion within the budgetary authority;
15. Welcomes the Commission's intention to contribute to economic and social recovery, reinforce energy efficiency and combat climate change and continue the delivery of aid in particular to Kosovo, the Middle East, Afghanistan and Georgia as expressed in the Annual Policy Strategy for 2010; expects the Commission, having identified some of the major priorities, to reflect them in PDB, and to provide sufficient financial resources;

Responding to the global financial and economic crisis

16. Emphasises that, in a time of global financial and economic crisis, Member States have responded with their individual aid measures; strongly believes that the Union has to react rapidly with additional and coordinated measures that have a direct impact on the economy and has to support the Member States with accompanying actions, particularly those stimulating economic growth, as this would result in encouraging investments by the private

sector and therefore help to overcome the danger of job losses, to promote job creation and to support SMEs in the short and longer term;

17. Stresses that the current context of economic crisis could be seen as an opportunity to increase investments in green technologies, which may require modifications to current financial programmes;
18. Welcomes the intention of the Commission to respond to the economic crisis and reiterates its willingness to negotiate with Council the appropriate budgetary solution as soon as possible; believes that the decision on the projects to be financially supported would be facilitated by a geographically balanced proposal; calls on the Council to assume its responsibility and make the European dimension of the recovery plan a reality;
19. Is worried that SMEs in particular will suffer from the economic crisis and will be cut off from urgently needed financing; therefore emphasises the importance of strengthening EU funds supporting SMEs, particularly those working in the area of research, development and innovation; points out, in this context, that the Competitiveness and Innovation Framework Programme (CIP) can provide effective support for their innovation activities;
20. Is concerned that the current margin under Heading 1a, estimated at EUR 111 599 000, does not allow the effects of the economic crisis to be appropriately addressed;
21. Considers that the tremendous opportunities of information and communication technologies (ICTs) foster growth and innovation, thereby contributing to achieving the goals of the Lisbon strategy and to overcoming the current economic crises; recalls that the European Research Area is more than ever a cornerstone for a European knowledge society and also recalls the need to overcome the fragmentation of research activities, programmes and policies across Europe; in this context, points out the importance of granting adequate funding to assure the proper implementation of these projects;
22. Calls for a rapid agreement on the proposal to amend the current European Globalisation Adjustment Fund Regulation in order to better address the consequences of relocations, decreasing production and job losses and to help workers to return to the labour market;

Providing Energy and Transport Security

23. Recognises that, as a result of the recent energy crisis, there is an enormous need for projects which bring energy security to the Union through diversification of resources and interconnection of energy markets; stresses that the Union's security of energy supply as well as the principle of energy solidarity are top priorities on the EU agenda and must also be appropriately reflected in the EU budget; sees the increased energy investment also as a tool for fighting the economic crisis and favours the idea of advancing EU budget expenditure on key energy infrastructure projects;
24. Points out that the recent gas crisis and the volatility of oil prices have shown again the vulnerability of the European energy supply system; underlines that the lack of alternative (renewable) energy sources, alternative energy transport routes, energy source storage capacity and energy transport interconnections among Member States is detrimental to the energy independence of Europe and the well-being of its people; therefore the Union should be better prepared for times of energy shortage;

25. Wishes to explore the possibilities of further EU financing in those areas; expects the Commission to propose strong actions in support of the realisation of diversified gas transport routes, including the Nabucco project; points out, in this context, the role of the European Investment Bank, in bringing about leverage effects and in helping mobilise private sector participation, bearing in mind, however, the issue of democratic accountability;
26. Recognises that transport, especially the TEN-T programme, was always a high priority for Parliament; stresses the importance of developing the necessary rail, sea and road transport infrastructure and wishes to accelerate the implementation of projects in 2010; notes the importance that the Union attaches to reducing the impact of climate change and is of the opinion that priority should be given to proposals that can exploit the energy-saving potential;

Environmental protection and combating climate change

27. Recalls that combating climate change is also connected to energy security and that promoting energy efficiency and energy savings, increasing the share of renewable energy are also tools of higher energy supply security;
28. Points out that climate change has a widely recognised impact on Europe's environment, economy and society; in this context, reiterates its conviction that measures to mitigate climate change are still not satisfactorily included in the EU budget, since significant additional EU resources for energy efficiency and renewable energy technologies are needed and should be deployed to help to meet the Union's 2020 targets; stresses that it will support all efforts to increase and concentrate adequate financial resources to mitigate the consequences of climate change; reminds the Commission that the budget authority voted for the 2009 budget in favour of extra funding in order to boost the fight against climate change; calls on the Commission to implement this increase; recalls its resolution of 23 October 2008 on the draft general budget of the European Union for the financial year 2009¹ which invites the Commission to present, by 15 March 2009, an ambitious plan for an adequate increase of climate change funds which considers the establishment of a specific "climate change fund" or the creation of a dedicated budget line which would improve the budget capability to deal with these issues;
29. Encourages the Commission to increase, from 2009 onward, financial support to an appropriate level for new sustainable energy (meaning in particular zero-carbon) technologies;
30. Recalls the responsibility towards future generations to take cost-effective steps to maintain environmental protection; reiterates that EU action needs to be taken in a global context, and therefore regrets the fact that European actions are not followed by actions of other actors, which has serious effects on the competitiveness of the Union;
31. Recalls its resolution of 20 November 2008 on the European space policy² and reiterates its position that the Council and Commission should submit specific recommendations and proposals in this policy area accompanied by appropriate funding;

¹ Texts Adopted, P6_TA(2008)0515.

² Texts Adopted, P6_TA(2008)0564.

Reinforcing internal security

32. Recalls that the funding for issues such as border protection, civil protection, the fight against terrorism are to be maintained and should be reinforced in 2010, because these policies directly address the concerns of European citizens; notes that promoting food safety also remains a priority; regrets that, according to the financial programming of January 2009, the funding for these issues is increased in Heading 3a moderately and remains almost unchanged for citizenship, Heading 3b according to the 2010 APS compared to the 2009 budget, although they address significant concerns of European citizens;
33. Considers that special attention should be given to border protection in connection with the problem of illegal immigration and that the efforts of Member States should be supported by the Union;

Improving the quality of spending

34. Insists that improving implementation and the quality of spending should constitute a guiding principle for achieving the best outcomes of the EU budget; calls on the Commission and the Member States to gear their efforts in this direction and monitor closely the implementation of policies, and particularly of Heading 1B on structural policies;
35. Requests the Commission to keep the budgetary authority informed and to reflect on appropriate actions that would boost implementation; wishes to continue reflection in line with the joint declaration of 21 November 2008 on acceleration of the implementation of the structural and cohesion funds; wishes to expand the acceleration of implementation to other policy areas too;
36. Expects the Commission to present a proposal for the next regular revision of the Financial Regulation, including real proposals for simplification; expects the Commission to put pressure on the Council to develop and improve the working conditions in OLAF's fight against fraud with regard to the proposals made by Parliament in connection with Regulation (EC) No 1073/1999;
37. Requests the Commission via its responsible services, including OLAF, to support Bulgaria and Romania in their efforts with respect to the verification and cooperation mechanism and the management of EU funds; calls on the Commission to follow closely the developments in Kosovo and the Balkan states with regard to the implementation and proper management of EU funds and to establish a successor organisation for the ITF to follow up the fight against fraud and irregularity;
38. Wishes to see administrative expenditure at more efficient levels compared to operational expenditure; believes the effectiveness of the EU's public administration is essential in achieving the best use of the EU budget; has in the previous budget year reduced administrative expenditure compared to operational expenditure and invites the Commission to continue in this direction;
39. Notes with concern that an increasing number of staff employed by the European Union are neither visible in the institutions' establishment plans, as adopted by the budgetary authority, nor financed under Heading 5 of the MFF; is determined to continue the screening exercise concerning Commission staff and the balanced representation of the Member States; will

also monitor closely the Commission's building policy in Brussels;

Safeguarding the EP's prerogatives

40. Underlines that pilot projects and preparatory actions provide the Parliament with the possibility of paving the way for new policies and activities that enrich the Union's actions; stresses that, even though the limited margins jeopardise the full use of this tool as provided for in the IIA of 17 May 2006, it intends to use the full amounts set aside for pilot projects and preparatory actions, in Annex II, Part D to the IIA of 17 May 2006, should the proposals so require;
41. Recalls the incontrovertibly positive performance, both in participation and implementation terms, of the different Erasmus pilot projects launched by Parliament over the past years (Erasmus apprentices, Erasmus young entrepreneurs, Erasmus secondary school, Erasmus public administration) as well as of the traditional Erasmus programme; confirms the need for the Union to further invest in this field; believes that a substantial increase of the global financial envelope allocated to all Erasmus lines is needed in order to considerably raise (up to 1 000 000 per year) the number of young people participating in the 'European Erasmus policy'; is convinced that this measure is essential to respond correctly to the difficulties that Europe is encountering in its integration process as well as to help resolve the current economic crisis;
42. Draws attention to the need for sufficient funding to be made available for communication policy, notably that it be in alignment with the objectives set out in the common Declaration on Communicating Europe in Partnership adopted by Parliament, the Council and the Commission in October 2008;
43. Stresses that it has made efforts to adopt its guidelines for the 2010 budget at an early stage; therefore expects the Commission to take them on board in the preparation of the PDB;

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44. Instructs its President to forward this resolution to the Council, the Commission and the Court of Auditors.