P7_TA(2011)0296

2012 draft budget trilogue

European Parliament resolution of 23 June 2011 on the mandate for the trilogue on the 2012 Draft Budget (2011/2019(BUD))

The European Parliament,

– having regard to the draft budget for the financial year 2012, which the Commission adopted on 20 April 2011 (SEC(2011)0498),

– 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 management (IIA)[1],

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

– having regard to its resolution of 24 March 2011 on the general guidelines for the preparation of the 2012 budget[2],

– having regard to the Council conclusions of 15 February 2011 on the budget guidelines for 2012,

– having regard to Title II, Chapter 7 of its Rules of Procedure,

– having regard to the letter of the Committee on Fisheries,

– 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 Budgetary Control, the Committee on Economic and Monetary Affairs, the Committee on Employment and Social Affairs, the Committee on Industry, Research and Energy, the Committee on Regional Development, the Committee on Agriculture and Rural Development, the Committee on Civil Liberties, Justice and Home Affairs, the Committee on Constitutional Affairs and the Committee on Women's Rights and Gender Equality (A7-0230/2011),

A. whereas the 2012 budgetary procedure is the second procedure carried out on the basis of the Treaty of Lisbon, and important lessons can be drawn from last year's experience,

B. whereas the trilogue which will be held in July should enable the representatives of the two arms of the budgetary authority to discuss the priorities they have identified with regard to the annual budget 2012 and possibly find common ground that could be taken into account in their respective readings,

C. whereas the Polish and Hungarian presidencies have made public commitments to entering into an open, constructive and political dialogue with the EP on budgetary matters,

D. whereas the Council as a whole is therefore expected to act as a trustworthy political partner

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1 OJ C 139, 14.6.2006, p.1.
2 Texts adopted, P7_TA(2011)0114.

throughout the procedure, avoiding making arbitrary or purely arithmetical cuts across the budget lines,

Draft Budget 2012 – general assessment

1. Recalls that in its resolution of 24 March 2011 the EP put the Europe 2020 strategy for a smart, sustainable and inclusive growth at the centre of the 2012 EU budgetary strategy in order to help Europe recover from the economic and social crisis and come out stronger;

2. Recalls that the promotion of a smart, sustainable and inclusive economy, which creates jobs and high-quality employment by delivering on the Europe 2020 strategy's seven flagship initiatives is a jointly endorsed goal of the 27 Member States and the EU institutions; recalls that the implementation of this strategy will require a huge amount of future-oriented investment up to 2020, estimated at no less than EUR 1 800 billion by the Commission in its communication entitled 'The EU Budget Review' (COM(2010)0700); underlines, therefore, that necessary investments - at both EU and Member State level - must be made now and delayed no longer, to improve education levels, foster social inclusion, in particular through the reduction of poverty, and the development of a knowledge-based society rooted in the overall EU scientific and technological capacity; in this context, insists on the need to support research, development, innovation and SMEs and the development of resource-efficient technologies;

3. Is deeply concerned, against this background, that the current crisis has resulted in a drop in public investment in some of these areas because of the adjustments that Member States have made to their national budgets; calls for this trend to be reversed and firmly believes that investments need to be guaranteed at EU and national level if the EU as a whole is to deliver on the EU 2020 strategy; is of the opinion that the EU budget has a role to play as a leverage tool for Member States' recovery policies by triggering and supporting national investment to reinforce growth and employment; underlines in that respect that aligning the EU budget with the goals of the EU 2020 strategy is of utmost importance; reminds in this regard that support for youth training, mobility and employment, SMEs, research and development should be a key priority of the EU budget; emphasises that this is fully in line with the dynamics of the European Semester, which, as a new mechanism for enhanced European economic governance, aims at increasing consistency, synergies and complementarities between the EU and the national budgets in delivering on the jointly agreed Europe 2020 goals;

4. Recalls that EU 2020 strategy and the European Semester need a strong parliamentary dimension, and shows its firm conviction that stronger parliamentary involvement would significantly improve the democratic nature and transparency of such an exercise;

5. Observes that the EU draft budget (DB) for 2012, as proposed by the Commission, amounts to EUR 147 435 million in commitment appropriations (CA) (EUR 146 676 million without the European Globalisation Fund (EGF) and the Emergency Aid Reserve (EAR) and EUR 132 738 million in payment appropriations (PA); notes that these amounts represent respectively 1,12 % and 1,01% of the EU's forecast gross national income (GNI) for 2012 and emphasises that this proportion remains noticeably stable between 2011 and 2012, with GNI growth estimated by the Commission at no less than +4,7% in 2012 (in current prices);

6. Acknowledges that if the EU budget is to contribute to the collective effort of Member States in times of austerity this effort should be commensurate with its size, specific

features and real economic impact; believes that account should be taken of ongoing national budgetary consolidation efforts which are taking place in many Member States owing to past fiscal indiscipline but recalls that under Treaty provisions the EU budget cannot run a deficit and that it represents only 2% of total public spending in the EU;

7. Observes that the EU 27 annual inflation rate for 2011 is estimated at 2,7%, meaning that the proposed nominal 2012 increases of 3,7% in CA and 4,9% in PA are, compared to the Budget 2011, in real terms 1% and 2,2%; underlines the fact that several Member States are planning increases in their national budgets greater than the one proposed by the European Commission for the EU budget; notes also some Member States' efforts to reduce budget deficits and slow the growth of sovereign debt, bringing it to a more sustainable level;

8. Highlights the fact that the proposed figures in the 2012 EU annual budget are consistent with the profile of EU expenditure set in the Multiannual Financial Framework (MFF) 2007-2013, provided that an agreement of the budgetary authority can be found for a revision of the MFF, accommodating the additional financing needs of ITER; emphasises that any increase (or decrease) compared to Budget 2011 must therefore be assessed bearing in mind its impact on the delivery of the multiannual programmes; stresses that this is a question of institutional credibility and coherence of the EU project when EU responsibilities and commitments keep on growing; believes, from this point of view that endowing targeted policy areas and new competencies established at EU level with meaningful and visible financial capacity is a priority;

9. Observes that according to the DB 2012 there is an overall margin of EUR 1 603 million in CA under the 2012 ceiling agreed in the MFF; is determined to make use, should it prove necessary, of this available margin as well as – if necessary – of other flexibility mechanisms foreseen by the current IIA to support and strengthen certain targeted political objectives, which are not adequately addressed in the current MFF; expects Council's full cooperation as regards the use of these mechanisms;

10. Recalls that a first round of discussions on budgetary priorities has already started in Parliament in the form of the extensive consultation of its specialised committees by its general rapporteur for the Budget 2012; emphasises that the process must now be fine-tuned in each committee for its respective field of competence so as to identify the positive and negative priorities for the Budget 2012;

11. Notes the Commission's estimate that all in all 43,5% of the DB 2012 (in CA) contributes to the objectives of the EU 2020 strategy; finds this estimate positive but not sufficient; acknowledges that the priorities set by the Commission seem consistent with those defined by Parliament in its resolution on general guidelines for the 2012 Budget, but calls for a more ambitious approach to the funding of the Europe 2020 strategy; is, however, determined to further analyse these figures in full association with all its specialised committees;

12. Takes the view that, besides the delivery of the EU 2020 strategy, appropriations in the EU 2012 Budget should be set at an appropriate level to ensure the continuation of EU policies and the achievement of EU objectives; underlines in particular the need to allow the EU to shoulder its global responsibility, especially in the wake of the Arab Spring and the unrest in the Middle East;

13. Observes that the difficult economic situation across the EU has led the Commission to

make a first endeavour to identify negative priorities and savings in some policy areas as compared with what was initially foreseen in the financial programming, particularly in those characterised by poor performance and low implementation rates in the recent past as requested by the EP in its Resolution of 24 March 2011; asks however the Commission to provide additional information supporting its assessment to enable EP to clearly determine political and budgetary positive and negative priorities as well as the possibility of further savings and reallocations, whereas it is essential that the implementation of EU programmes and actions, including the financing of actions aiming at tackling the effects of the crisis and promoting growth, continue at EU level;

14. Strongly warns against any attempt by the Council, to make horizontal cuts in the budget, deciding on the overall level of appropriations a priori, without duly taking into account an accurate assessment of the actual needs for the achievement of the Union's agreed objectives and political commitments; requests, if cuts are made, for the Council to instead publicly explain and clearly identify which of the EU's political priorities or projects could be delayed or dropped altogether;

15. Notes the proposed increase in PA of 4,9% compared to 2011; is convinced that the Commission is proposing such figures on the basis of a careful and critical analysis of forecasts provided by Member States, which themselves co-manage 80% of the EU budget; notes that the bulk of this increase is linked to legal needs arising in relation to the 7th Research Programme and the Structural and Cohesion Funds; is convinced that the proposed level of payments represents the bare minimum required to honour EU legal commitments made in previous years and that it is the EU's duty to comply with the legal obligations deriving from these commitments and ensure that programmes unfold their full potential and run at full speed; strongly urges the Council, therefore, to refrain from cutting the proposed level of payments; expresses its intention to keep the level of payments at the level proposed by the Commission in the Draft Budget, particularly in view of Council's early 2011 reluctance to honour its formal commitment of December 2010 to providing fresh appropriations in case of need;

16. Observes, moreover, that the overall margin in PA under the ceiling of the MFF remains high at EUR 8 815 million; highlights the fact that any decrease below the figure proposed by the Commission would in turn worsen the situation in relation to the urgent need to reduce the unprecedented level of outstanding commitments (RALs) and to ensure the correct implementation of EU policies and programmes;

17. In this context recalls that the draft amending budget 3/2011 shows a budgetary surplus of 4.54 bn Euro in payments in 2010, EUR 1.28 bn of which stems from fines and interest on late payments; is disappointed by the Commission's proposal to lower the Member States' contributions by this entire amount; stresses that, while having no impact on the overall deficit level of Member States, this part of the surplus can make a clear difference to the EU's annual budget, and can, at the same time, enable the pressure on Member States' national budgets to be reduced should it be necessary to enter additional payments in the EU budget for needs not foreseen when the annual budget was established; is of the opinion, for these reasons, that the revenue stemming from fines and interest on late payments should not be deducted from the GNI-based own resources but should be entered in the EU budget in a 'reserve for appropriations' intended to cover any extra payment needs which may arise in the course of the year;

Heading 1a

18. Takes note of the Commission's proposal in the DB 2012 to increase CA by 12,6% (to EUR 15 223 million) and PA by 8,1% (to EUR 12 566 million) as compared to Budget 2011, since Heading 1a is the key heading of the MFF 2007-2013 in terms of reaching the objectives of the Europe 2020 strategy, thanks to its direct or indirect contribution to the financing of all its five headline targets and the seven flagship initiatives;

19. Regrets, however, that most of the increases foreseen under this heading for 2012 do not go beyond the mere yearly breakdown of multiannual global amounts agreed to by both Parliament and Council when these programmes and actions were adopted; underlines therefore that the Commission does not generally propose to boost – beyond what was originally planned – the support for investments urgently needed to implement the seven flagship initiatives, and notes that it is regrettably inclined to postpone the necessary big leap in terms of common financial effort to the post-2013 MFF; is convinced that this attitude will seriously endanger the achievement of the headline goals by 2020;

20. Underlines that, with the DB 2012 and the updated financial programming for 2013, the total amount of funds committed by 2013 for key programmes for the achievement of the EU 2020 strategy, such as the 7th EC Framework Research Program (EC FP7), anti-pollution measures, Marco Polo II, PROGRESS, Galileo and GMES, would be less than the reference amount agreed by Parliament and Council when these programmes were adopted; notes that, on the contrary, these reference amounts would be slightly exceeded in the case of the following key Europe 2020 programmes: the Competiveness and Innovation Framework programme (CIP), Trans-European Transport Network, Trans-European Energy network, Erasmus Mundus and Lifelong Learning; intends to take full advantage , where appropriate, of the 5% legislative flexibility allowed under Point 37 of the IIA, in order to further boost key and pressing investments;

21. Notes, moreover, that an important part of the nominal increase in Heading 1a in the DB 2012 compared to Budget 2011 is linked to the additional funds of EUR 750 million (in CA) required by ITER in 2012, of which EUR 650 million are truly additional and EUR 100 million redeployed from all budget lines of EC FP7; strongly reaffirms its opposition to any form of redeployment from EC FP7 since this would endanger its successful implementation and significantly reduce its contributions to the achievement of the headline goals and the implementation of the flagship initiatives of the Europe 2020 strategy;

22. Recalls that, in order to finance ITER, it will be necessary for the budget authority to agree on the parallel Commission's proposal (COM (2011)0226) amending the MFF 2007-13, which suggests financing the missing EUR 1 300 million for ITER in 2012 and 2013 by using available and unused 2011 margins under Heading 2 and 5 of the MFF 2007-13 for a total amount of EUR 840 million and redeploying in 2012 and 2013 EUR 460 million from EC FP7; expresses its willingness to enter into negotiation with Council to amend the Commission's proposal by having recourse to the different means provided for in the current 17 May 2006 IIA;

23. Notes with concern, in addition to the proposed EUR 100 million redeployment for ITER, the extra cuts of EUR 64 million made to EC FP7 as compared to the financial programming*;* demands that the Commission proposes to use all the savings (amounting in total to EUR 190 million) to be made in 2012 thanks to re-assessment of staffing needs and the reduced financial contributions to some Joint Undertakings for the benefit of operational

expenditure under the EC FP7;

24. Points out in this regard to the need to improve the funding conditions for the sustainable energy priorities, energy storage technologies and other priorities on renewables under the newly introduced Strategic Energy Technology Plan (SET Plan), including energy efficiency, which are vital for meeting the economic, energy and climate challenges; believes that clear goals for sustainable energy policy and energy efficiency can deliver cost-efficient solutions from which the European economy as a whole could benefit; notes also that additional innovative ways of leveraging investments and fostering research and innovation, such as the Risk Sharing Finance Facility (RSFF), could be explored in the frame of the 2012 budgetary procedure;

25. Regrets that with the limited increase foreseen for the PROGRESS programme in the DB 2012 as compared to Budget 2011, the Commission will not be able to reinstate the amount of EUR 20 million for the period 2011-2013 to which it had committed itself in 2010 in order to compensate partially for the redeployment of PROGRESS in favour of the Microfinance Facility; recalls the contribution of the PROGRESS programme to the two EU 2020 strategy flagship initiatives ‘European Platform against Poverty’ and ‘Youth on the Move’; points out that Member States, local and regional authorities and national and regional bodies receive PROGRESS programme funding to implement gender budgeting measures;

26. Welcomes the increase (+ EUR 5,7 million) in the overall level of commitment appropriations for the Competitiveness and Innovation Framework programme compared to what was initially foreseen; hopes that this increase will contribute to improving the access of SMEs to this programme and to developing specific programmes and innovative financial mechanisms; recalls, in this context, the key role played by SMEs in boosting the EU economy and supports, in particular, the CIP-EIP programme as an indispensable tool of recovery from the crisis; stresses the need to improve SMEs' access to capital markets and different EU financing opportunities by making funding procedures easier, quicker and less bureaucratic;

27. Reiterates the importance of the Single Market for the competitiveness of EU enterprises and for the growth and stability of European economies, and reminds the Commission and the Member States that sufficient resources need to be ensured to improve the implementation of the single market rules;

28. Stresses the European added value of investments in cross-border transport, particularly the TEN-T programme, which improve trans-border and intermodal connections, thus promoting economic development and employment; recalling the traditional under-funding of TEN-T, urges that increased resources be made available for this purpose, including through recourse to alternative sources of financing such as Public Private Partnerships (PPP), earmarking of revenues and other forms of financial instrument; underlines that Cohesion and Regional Funds should be closely linked to TEN-T projects;

29. Takes the view that, given its high European added value, support for the Lifelong Learning programme should be continued and increased in 2012, because of its strong contribution to the flagship initiatives ‘Youth on the Move’ and ‘Innovation Union’; stresses in particular that, given the growing number of people in adult education in Europe, Grundtvig, which currently represents only 4% of the allocations in the Lifelong Learning Programme, should be reinforced;

30. Is concerned about the proposed reduction in appropriations for the Union Statistical Programme and the very limited – below the rate of inflation – increase in staff expenditure in the 'Statistics' policy area; emphasises that there is a strong need to continuously make sure that the resources of Eurostat match the expanding workload and the enhanced quality demands in the key area of economic and financial statistics;

31. Recalls that the bulk of the new EU competences introduced by the Treaty of Lisbon, in the areas of energy, tourism and space, falls within the remit of Heading 1a; expresses its disappointment that no extra funding for these new policies is proposed by the Commission in the third year after the entry into force of the Lisbon Treaty; underlines that neither Galileo nor GMES – the two main EU space programmes – is to benefit from extra funding by the end of the current MFF and that the Galileo funding is decreasing between 2011 and 2012; reiterates the need to introduce some specific, visible measures in support of tourism, given the economic relevance of this sector, which represents the third socio-economic activity in Europe in terms of employment and GDP creation, and regrets that the Commission is not proposing a new legal basis to replace the three preparatory actions in this field which cannot be extended in 2012; asks that appropriate resources be allocated for the tourism sector in 2012 and 2013 as well as in the future multiannual financial framework;

32. Notes that the crisis has clearly highlighted the importance for the strength of government finances of having effective and fraud-proof tax collection systems; stresses that the fight against tax fraud and evasion must be highly prioritised and that the appropriations for Fiscalis must enable the programme to respond to this ambition;

33. Welcomes the Commission's decision to include in the DB for the second consecutive year payment appropriations (EUR 50 million) for the European Globalisation Adjustment Fund (EGF); underlines the fact that this not only gives higher visibility to the fund but also avoids transfers from other budget lines pursuing different aims and covering different needs; eagerly awaits the presentation of the mid-term review of the EGF Regulation by the Commission as a means of identifying ways to speed up the procedure for mobilising the fund and of simplifying its management rules;

Heading 1b

34. Stresses the decisive contribution of cohesion policy to growth and employment, as well as to economic, social and territorial cohesion between EU regions and Member States; stresses that cohesion policy plays an instrumental role in enabling all EU regions to participate in the achievement of Europe 2020 objectives and in supporting regional investments aimed at implementing all flagship initiatives; takes the view accordingly that, while its redistributive nature and its aim to reduce regional disparities should be preserved, cohesion policy must remain EU-wide investment policy and accessible to all EU regions and citizens;

35. Notes that total expenditure for Heading 1b is estimated at EUR 52 739 million in commitments appropriations, representing an increase of 3,4% compared to 2011, which is fully in line with the allocations set out in the MFF 2007-13, account being taken of the latest 2010 adjustment in favour of some Member States; notes that the margin left available (EUR 22.1 million) under the ceiling stems mostly from the technical assistance allocation and represents only 0,04% of the total allocation under this heading;

36. Welcomes the 8,4% increase in PA to EUR 45 134 million proposed for 2012 as compared to 2011, and believes that this increase will allow for programme implementation to catch up quickly following the very slow start-up of programmes at the beginning of the 2007-13 period; emphasises that this increase should also make it possible to address additional payment needs stemming from the recent legislative changes, the approval of all management and control systems and the closure of the 2000-2006 programmes;

37. Stresses therefore that this level of payments is a bare minimum and complies fully with realistic budgeting, taking due account of the general payment profile over the period, the Member States' available forecast in respect of payment claims to be sent to the Commission, and the need to fill the gap between commitments and payments; underlines the fact that these cash flows will also help accelerate the recovery of the European economy and contribute to the Europe 2020 strategy in the regions; will therefore strictly oppose any possible decrease in the level of payments compared to the one proposed by the Commission in its Draft Budget;

38. Asks the Commission to collect demographic data of the beneficiaries of the cohesion policy, the European Social Fund notably, in order to monitor the real impact of the funds provided for human capital development and job market insertion, keeping in mind the particularly worrying problem of youth unemployment;

39. Asks the Commission to keep on working closely with those Member States with a low absorption rate in order to further improve absorption on the ground; calls, therefore, for the further promotion of mutual learning, exchange of best practices and improvement of administrative capacities in Member States as well as in candidate countries through paying attention to the proper functioning of the Instrument for Pre-Accession Assistance supporting the countries preparations for the implementation of Community programmes;

40. Urges the Commission also to continue its reflection on how to simplify the complex system of rules and requirements imposed by the EU and/or national legislation and reduce the bureaucratic burden, in order to place a significantly stronger focus on achieving specific objectives, in addition to legality and regularity, without departing from the key principles of transparency, accountability and sound financial management;

Heading 2

41. Notes that the DB 2012 proposes to increase commitment appropriations by 2,6% to EUR 60 158 million and payment appropriations by 2,8% to EUR 57 948 million as compared with Budget 2011; underlines that these increases remain below the increase proposed by the Commission for the budget as a whole;

42. Observes that these increases are above all the consequence of continuous phasing-in of direct payments to new Member States and additional needs for rural development; underlines the fact that market interventions remain almost stable compared with Budget 2011, while price volatility and the instability of certain markets continue to affect the agricultural sector; asks the Commission to develop proposals for a more long-term approach for all agricultural sectors, as well as concrete proposals for dealing with price volatility in their markets;

43. Notes that the traditional agricultural amending letter to be presented in Autumn 2011 will adjust the current estimates to a more precise assessment of the real needs; against this

background, draws attention to the final level of assigned revenue to be available in 2012 (conformity clearance correction, irregularities and milk super levy), which will eventually set the level of fresh appropriations to be adopted in the Budget 2012; estimates that the current margin left (EUR 651 6 million) should be sufficient to cover the needs under this heading in the absence of unforeseen circumstances;

44. Stresses that over the last few years the budgetary authority could, thanks to specific circumstances, make use of the unallocated funds (margin) available under the ceilling of this heading to reach global agreement on the annual budgets, by having recourse to point 23 of the IIA;

45. Endorses the continued support for programmes concerning school fruit , as well as for the Aid for Deprived Persons programme; deplores, conversely, the reduced budgetary allocation to the school milk scheme and is concerned about the cuts made to veterinary and phyto-sanitary measures;

46. Calls for a further reduction of export refunds and regrets the continued subsidising of the tobacco production in the EU, which is contrary to the objectives of the EU health policy;

47. Stresses that part of the spending under Heading 2 is instrumental in realising the Europe 2020 goals; emphasises that the priority goals of this strategy – growth and employment – are also accomplished through the rural development programmes; regards food security and sustainability as two of the main challenges for the CAP; recalls that direct aids should better take into account environmental and social objectives and calls for a more sustainable CAP, which should contribute further to meeting the environmental challenges the EU faces, including water pollution, without compromising the competitiveness of EU farmers;

48. Welcomes, in this context, the increase for the LIFE+ programme (+4,3% and +1,9% in commitments and payments respectively) which gives priority solely to environment and climate action projects; reminds again that environmental problems and their solutions do not recognise national borders, thus dealing with it at EU level is self-evident; points out nevertheless that the LIFE+ appropriations remain at a quite limited level;

49. Emphasises that energy efficiency, the fight against climate change and the promotion of renewable energy are transversal priorities that can be financed under several headings of the EU budget, and that Parliament will pay specific attention to their funding, by budget line and overall; urges the Commission to further mainstream such priorities, as well as water protection and the preservation of biodiversity in other policies, including EU financial support to developing countries; takes the view that the proper implementation of the existing legislation on these topics is crucial and therefore asks the Commission to carefully analyse whether more resources are required in order to examine seriously the implementation of EU environmental legislation, and to report back to Parliament;

50. Points out that, owing to its political importance, the financing and existing actions of the Common Fisheries Policy should be preserved and maintained at the proposed DB levels, not least given its upcoming reform; takes the view that the funding of the integrated maritime policy, which should reach an adequate amount in 2012, should not be detrimental to that of other fisheries actions and programmes under Heading 2; further considers it crucial to keep on monitoring the size of the European fishing fleet, giving appropriate support to Member States in this regard and, in particular, combating Illegal, Unreported and Unregulated fishing (IUU); considers effective fisheries’ management of crucial

importance in order to preserve fish stocks and prevent overfishing;

Heading 3a

51. Notes that the overall increase in funding proposed in the DB 2012 compared to Budget 2011 for actions encompassed under this heading (+17,7% in commitments appropriations, +6,8 % in payment appropriations) is in line with the growing ambitions of the EU in the area of freedom, security and justice, as outlined in both the the Treaty of Lisbon and the Stockholm Programme (2010-2014), which the European Council itself adopted in December 2009;

52. Notes that these increases are mostly linked to three of the four Solidarity and Management of Immigration programmes: External Borders Fund (+38%), European Return Fund (+43%) and European Fund for the Integration of Third-Country Nationals (+24%); emphasises, however, that the increases foreseen under this heading for 2012 are simply the result of the yearly breakdown of multiannual global amounts agreed upon by both Parliament and Council when these programmes and actions were adopted;

53. Deeply regrets the fact that the Commission is sending a message of rejection to refugees by substantially increasing appropriations for the External Border Fund and the European Return Fund, while keeping those for the European Refugee Fund at the same level as in 2011; believes that the EU should adopt a more welcoming stance towards refugees, especially in light of the Libyan war and the ongoing severe repression of demonstrators in several Arab countries;

54. Very much wonders, therefore, whether the DB presented by the Commission constitutes an appropriate and updated answer to the current challenges facing the EU, not least in the context of the ongoing events in the Southern Mediterranean; recalls its strong call for an appropriate and balanced answer to these challenges, with a view to the management of legal migration and slowing down of illegal migration; acknowledging the obligation of EU Member States to conform to established EU law, emphasises the need for sufficient funding and support tools to handle emergency situations in a spirit of full respect of internal protection rules and human rights and solidarity amongst all Member States; highlights in particular the role and support of the European Refugee Fund, including emergency measures in the event of mass influxes of refugees, and greatly regrets that the Commission did not propose any increase for this fund beyond what was initially foreseen in the financial programming;

55. Takes note of the repeated calls by the European Council to strengthen the operational capacity and role of FRONTEX, in a period of increasing migration pressures; asks the Commission to present the full budgetary implications for 2012 of the ongoing revision of FRONTEX and to provide a clearer picture of the Member States' financial participation in its functioning;

56. Notes that, after a presentation of the next technical steps, the 2011 appropriations for SIS II placed in the reserve have been released by the budgetary authority; highlights the fact that the budgetary authority will continue to closely monitor future developments concerning SIS II and reserves the right to take action, should it prove necessary;

Heading 3b

57. Recalls that Heading 3b, though the smallest heading of the MFF in terms of financial allocation, covers issues of key concern to the citizens of Europe, such as youth, educational and cultural programmes, public health, consumer protection, the civil protection instrument and communication policy;

58. Deeply regrets that overall appropriations under this heading are down for a third consecutive year, with CA being reduced by 0,1% (to EUR 683 5 million) and PA by 0,3 % (to EUR 645 7 million) as compared to the 2011 Budget (excluding the EU Solidarity Fund), leaving a margin of EUR 15,5 million;

59. Takes the view that programmes and actions under this heading play an important role in achieving headline targets and flagships initiatives of the Europe 2020 strategy; reiterates that education, training and culture carry economic value since they contribute notably to economic growth and quality job creation and support the development of active citizenship;

60. Underlines the fact that the very small margin available will allow limited room for manoeuvre when proposing new actions or taking decisions on stepping up the funding of priorities directly relevant to citizens;

61. Takes due note of the Commission's proposal to increase by EUR 8 million, as compared to the initial financial programming, the 2012 allocations for Youth in Action (EUR 134,6 million foreseen in 2012), a programme which constitutes one of the main tools of the 'Youth on the Move' flagship initiative and provides support for non-formal learning experiences and the development of active citizenship for young people;

62. Regrets that similar efforts are not being proposed for programmes such as MEDIA and Culture 2007, although they contribute greatly to the richness and diversity of European culture and give support to actions which would not be funded by Member States alone;

63. Deplores that the Commission has not proposed in its Draft Budget 2012 any specific measure in favour of sport, although this is now a fully-fledged competence of the Union deriving from the Treaty of Lisbon; considers indeed that some funding – though of limited magnitude – shall continue to be available in Budget 2012;

64. Welcomes the increase for the Public Health programme as public health has become a key-driver for competitiveness in ageing European societies,; acknowledges the Commission's efforts to find financing solutions for continuing important educational campaigns such as the HELP campaign for a life without tobacco;

65. Deplores the decrease in the Civil Protection Financial Instrument's funding as compared to the financial programming (EUR -1,8 million), and asks the Commission to provide further explanations for this decrease, given that civil protection is now a new competence of the EU;

66. Recalls that, in order to ensure transparency and full involvement of the European Parliament and its Members, European Public Spaces need to have their own separate line; regrets the Commission proposal to empty this line and to merge the EPS allocations with the Commission Representations' line; recalls that the European Public Spaces are run jointly by the Commission and the Parliament and therefore their budget should be separated from the Commission Representations' budget as reflected in the 2010 and

2011budgets; underlines that Parliament will not accept any attempt to change the will of the budgetary authorities in this matter;

Heading 4

67. Notes that the commitment and payment appropriations requested in the DB 2012 have increased by 2,9% and 0,8%, as compared to the 2011 Budget, to EUR 9 009.3 and EUR 7 293,7 million respectively (account being taken of the Emergency Aid reserve); points out that these increases remain below the increase proposed by the Commission for the Budget as a whole;

68. Recalls that until now the Commission has failed to return funds (240 Million) used for the Food Facility to heading 4 and especially the Instrument for Stability as demanded by the Committee on Budgets in paragraph 28 of its report A7-0038/2009 adopted on 12. October 2009;

69. Is firmly convinced that a particular and concrete effort must be made to make optimal, coordinated use of all European instruments available (not only financial envelopes within the EU budget, but also instruments managed by the EIB, EBRD etc.) and Member State actions; emphasises that flexibility in the programming and implementation of the EU instruments must be further improved to allow an adequate and effective response to political and humanitarian crises in third countries without, however, jeopardising long-term political commitments and priorities; calls, to this end, for the Commission, the European External Action Service and the European Investment Bank to coordinate their efforts with a view to ensuring that the objectives of EU external action are as targeted and effective as possible;

70. Believes it to be the EU’s duty to respond adequately and comprehensively to recent political developments in Mediterranean neighbouring countries and to provide support and assistance to movements fighting for democratic values and the establishment of the rule of law; reiterates that reinforcement of financial assistance to these countries must not be detrimental to priorities and instruments for the benefit of neighbouring Eastern European countries;

71. Is very concerned from this point of view that the proposed margin of EUR 246,7 million for Heading 4, while far above that foreseen by the January 2011 update of the financial programming (EUR 132,2 million), may be insufficient to address the new needs under Heading 4, since it seems to be based on cuts to some major EU programmes; is determined to further check and analyse the impact of these cuts;

72. Recalls that Parliament and Council have still not agreed on the legal basis for Banana Accompanying Measures and Cooperation with Industrialised and other High-Income Countries (ICI +) and that this agreement will have an impact on Budget 2012 appropriations; regrets the Commission’s proposal to cut funding for the cooperation with developing countries in Asia and Latin America ; calls for a swift adoption of the ICI+ legislation and for an endorsement of adequate funding for Asia and Latin America;

73. Asks the Commission, therefore, not to limit its upcoming amending letter to the budgetary consequences of its review of the European Neighbourhood Policy but also to address, if

necessary together with the use of all the means provided for by the IIA, all other outstanding issues and needs, including the financing of Palestine and UNRWA, which is decreased by EUR 100 million as compared to 2011 Budget, in order to maximise the impact of EU assistance in the world;

74. Deplores the reduction of the programmed increase in the funding for the Instrument for Pre-accession Assistance from EUR 139 million to only EUR 79 million, as compared to Budget 2011;

75. Notes the proposed increase in the funding of environment and sustainable management of natural resources (ENRTP) under the Development Cooperation Instrument (DCI) by EUR 51.8 million as compared to financial programming in order to address the fast-start climate change action; strongly opposes the other decreases, amounting to EUR 78 million overall, made to DCI geographical programmes, which would run counter to the EU effort to contribute to the achievement of the Millennium Development Goals and respect the EU commitment, at the highest level, to reaching the 0,7% of GNI target by 2015 for development cooperation;

76. Recalls that it will firmly reject any systematic, quasi-automatic and sometimes unconsidered cuts by the other branch of the budgetary authority in administrative expenditure under Heading 4 for the sole sake of decreasing appropriations, since this would deprive the EU of its means to properly and efficiently implement its programmes;

Heading 5

77. Notes that total administrative expenditure for all institutions is estimated at EUR 8 281 million, representing an increase of 1,3% as compared to 2011, leaving a margin of EUR 472,5 million;

78. Notes the letter from the Commissioner for Financial Programming and Budget of 3 February 2011 committing to an increase in Heading 5 expenditure below 1% and no new staff as compared to 2011 and calling upon all institutions to follow the same approach as regards the evolution of their budgets;

79. Observes that the Commission, the Council, the Court of Auditors, the Ombudsman and the Data Protection Supervisor have followed suit; underlines that the European Parliament has succeeded to reduce its own estimates by around 50 mio EUR compared to the first proposal of preliminary draft estimates; stresses that it will scrutinise in depth the other institutions' estimates, inter alia against the additional needs and activities related to the entry into force of the Lisbon Treaty;

80. Acknowledges the Commission's great effort to freeze its own administrative expenditure in nominal terms; notes that this was rendered possible through the offsetting of the increases linked to statutory and contractual obligations against other drastic cuts in other administrative expenditure; is nevertheless concerned about the possible consequences;

81. Stresses that any further cut to 2012 administrative appropriations within Section III, including to the administrative support expenditure lines (former BA-lines), might have an adverse impact on the implementation of programmes, in particular in view of the new EU tasks following the entry into force of the Lisbon Treaty; insists that the savings resulting

from reduced administrative support expenditure remain within the corresponding programmes' financial envelopes for enhanced delivery on the ground; emphasises, furthermore, that while EU competences keep on increasing, this trend is not sustainable in the long term and will have an adverse impact on the swift, regular and effective implementation of EU actions and programmes;

82. Acknowledges the Commission's efforts not to request any additional posts and its commitment to meet all its needs, including those relating to new priorities and to the entry into force of the TFEU, merely by means of internal redeployment of existing human resources; asks for further information in particular where the 230 additional posts needed to ensure the appropriate monitoring of Member States' economic and financial situation within DG ECFIN are to be redeployed from and what the impact of 70 fewer posts for administrative support and programmes management will be, following redeployments within specific Directorates-General; stresses that the human resources issue is made all the more important by the fact that DG ECFIN may have to be further strengthened to cope with vital additional tasks as soon as the economic governance package has been adopted;

83. Underlines that the increase proposed for EPSO (+5,4% in CA and PA) seems to contradict the Commission's efforts to reduce administrative expenditure; requests more information on the proposed increase of EPSO's allocations and on the externalization by EPSO of key services;

84. Notes the 4% increase in expenditure on pensions (as against +5,2% from 2010 to 2011) in view of the wave of retirements of officials; invites the Commission to supply a more in-depth analysis of the long-term budgetary consequences of this trend, while at the same time considering the possible consequences, whether direct and indirect, of any change in the EU pension scheme on the attractiveness, quality and independence of the European civil service; stresses that any such change should follow due social dialogue;

85. Takes the view that the European Schools should be adequately funded in the interests of addressing the specific situation of the children of agents of the EU institutions; will carefully scrutinise the proposed overall 1,7% increase as compared to 2011, which is below that foreseen in the financial programming, as well as each of the European Schools' budget lines, and make, during its reading, any modification it considers appropriate in this respect;

Pilot projects – preparatory actions

86. Stresses that pilot projects (PPs) and preparatory actions (PAs) are key tools for the formulation of political priorities and for paving the way for new initiatives that might turn into EU activities and programmes likely to improve the lives of EU citizens; intends, therefore, to support by all possible means its proposals regarding pilot projects and preparatory actions for the 2012 Budget, while stressing the need carefully to study the Commission's preliminary assessment expected in July 2011 for the definition of a global and balanced final package on this issue;

87. Intends to this end to forward to the Commission, as provided for in Annex II, part D of the IIA, a first provisional list of potential pilot projects and preparatory actions for the 2012 Budget; expects the Commission to provide a well-reasoned analysis of Parliament's indicative proposals; stresses that this first provisional list does not preclude the formal tabling and adoption of amendments concerning pilot projects and preparatory actions

during Parliament's reading of the budget;

88. Takes note of one new pilot project and five preparatory actions – two of them new – proposed by the Commission under different headings; states its firm intention of analysing the content and objectives of the newly proposed initiatives in the course of the upcoming negotiations;

Agencies

89. Notes the overall level of EUR 720,8 million (i.e. 0,49% of the total EU budget) devoted to EU decentralised agencies in DB 2012, an increase in the total EU contribution as compared to the 2011 Budget of EUR 34,6 million, or +4,9%; is aware that this increase mainly stems from the one new[1] and seven phasing-in agencies[2] , with a view to providing them with adequate funding; underlines the importance of additional funding for those 10 agencies[3] , the tasks of which have been extended, so as not to hinder their performance; notes that the increase in the EU contribution to the agencies at cruising speed is in line with, or even below, inflation correction (2%), with no additional staff;

90. Stresses that EU agencies' budget allocations are far from consisting in administrative expenditure alone, but instead contribute to achieving the Europe 2020 goals and EU objectives in general, as decided by the legislative authority; endorses therefore, in times of austerity, the Commission's restrictive approach to determining EU decentralised agencies' subsidies from the EU budget, but disapproves again of the use of assigned revenue to reduce the EU Budget contribution to fee-dependent agencies, which is used by the Commission to increase margins artificially, is in this context concerned that the Commission repeatedly ignores the political will of the European Parliament;

91. Stresses that the European Supervisory Authorities have a crucial role to play in safeguarding market stability and that they need to be adequately funded in order for regulatory reforms to be effective; reiterates that one single supervisory authority would be more cost-efficient; welcomes the budget increases proposed for all three authorities as important steps in their build-up procedures, while calling for additional resources for the joint committee; emphasises that any additional tasks entrusted to these authorities must be swiftly accompanied by the corresponding allocation of supplementary resources; underlines, inter alia, that the new responsibilities planned for the European Securities and Markets Authority (ESMA) in the areas of short-selling and derivatives must be promptly reflected in the 2012 budget procedure as soon as the legal bases are in place;

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[1] Agency for the operational management of large-scale IT systems in the area of freedom, security and justice

[2] The Office of the Body of European Regulators for Electronic Communications (BEREC – Office), European Banking Authority (EBA), European Insurance and Occupational Pensions Authority (EIOPA), European Securities and Markets Authority (ESMA), European Agency for the Cooperation of Energy Regulators (ACER), European Asylum Support Office (EASO) and Gender Institute

[3] European Chemicals Agency (ECHA) – Biocides activities, European Chemicals Agency (ECHA) – Prior Informed Consent (PIC) activities, European GNSS Supervisory Agency (GSA), European Aviation Safety Agency (EASA), European Maritime Safety Agency (EMSA), European Network and Information Security Agency (ENISA), European Medicines Agency (EMA), European Environment Agency (EEA), Fundamental Rights Agency (FRA), European Police College (CEPOL) and Eurojust.

92. Notes that, among the 213 new establishment plan posts for agencies (out of a total of 4 854), 80 will be allocated to new or starting-up agencies, and the rest to agencies whose tasks are being extended; reiterates its call for a specific approach to the recruitment of specialised scientific staff with professional experience, especially when these posts are financed exclusively from fees and are thus budget-neutral for the EU budget;

93. Disapproves the Commission’s approach to change the presentation of the two-self-financed agencies OHIM and CPVO in the DB 2012, i.e. deleting the respective budget lines and deciding not to publish the establishment plans; takes note, nevertheless, that the two respective agencies are not bound to any decisions by the Budget Authority regarding the subsidy levels or the staffing; intends, however, to provide these information in the budget as a matter of transparency; reiterates again that a solution needs to be found for the excessive surpluses gained by the OHIM fee regulation;

94. Considers the following issues to be of specific interest for the trilogue due to take place on 11 July 2011:

– 2012 EU budgetary allocations in support of the EU2020 strategy,

– overall level of payments in the 2012 Budget and outstanding RAL,

– proposal for a revision of the current MFF 2007-13 to address additional financing needs of the ITER project,

– financial sustainability and manageability of heading 4 in 2012, particularly in view of forthcoming amending letter to address the democratic transition in Southern Mediterranean,

– outstanding issues related to Budget 2011;

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