

Parliament's position on the 2012 draft budget as modified by the Council – all sections

European Parliament resolution of 26 October 2011 on the draft general budget of the European Union for the financial year 2012 as modified by the Council – all sections (13110/2011 – C7-0247/2011 – 2011/2020(BUD)) and letters of amendment Nos 1/2012 (COM(2011)0372 and 2/2012 (COM(2011)0576) to the draft general budget of the European Union for the financial year 2012

The European Parliament,

- having regard to Article 314 of the Treaty on the Functioning of the European Union and to Article 106a of the Treaty establishing the European Atomic Energy Committee,
- having regard to Council Decision 2007/436/EC, Euratom of 7 June 2007 on the system of the European Communities' own resources¹,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities²,
- 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 management³,
- having regard to its resolution of 24 March 2011 on general guidelines for the preparation of the 2012 budget⁴,
- having regard to its resolution of 6 April 2011 on the estimates of revenue and expenditure of Parliament for the financial year 2012 - Section I - Parliament⁵,
- having regard to the Draft general budget of the European Union for the financial year 2012, which the Commission presented on 26 May 2011 (COM(2011)0300),
- having regard to its resolution of 23 June 2011 on the mandate for the trilogue on the 2012 Draft Budget⁶,
- having regard to the Position on the Draft general budget of the European Union adopted by the Council on 25 July 2011 (13110/2011 – C7-0247/2011),
- having regard to Letters of Amendment No 1/2012 and 2/2012 to the Draft general Budget of the European Union for the financial year 2012 presented by the Commission on 17 June 2011 and 16 September 2011 respectively,

¹ OJ L 163, 23.6.2007, p.17.

² OJ L 248, 16.9.2002, p. 1.

³ OJ C 139, 14.6.2006, p. 1.

⁴ Texts adopted , P7_TA(2011)0114.

⁵ Texts adopted , P7_TA(2011)0140.

⁶ Texts adopted , P7_TA(2011)0296.

- having regard to Rule 75b of its Rules of Procedure,
- having regard to the report of the Committee on Budgets and the opinions of the other committees concerned (A7-0354/2011),

SECTION III

General considerations

1. 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 of 19 October 2010 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;
2. Recalls that, in order to help Europe recover from the crisis and come out stronger, the Europe 2020 strategy for a smart, sustainable and inclusive growth must be at the centre of the 2012 EU budgetary strategy for 2012;
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 both at EU and national level if the Union as a whole is to deliver on the Europe 2020 strategy; is of the opinion that the EU budget has a significant role to play as a leverage tool for Member States' recovery policies by triggering and supporting national investment to reinforce growth and employment and should be used as such; 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, once more, that the EU budget should in no way be perceived and evaluated simply as a financial item added as a burden to national budgets but, on the contrary, is to be understood as an opportunity to gear up those initiatives and investments that are of interest and of added value to the Union as a whole, most of them co-decided by Parliament and the Council and thus legitimised also at national level;
5. Reiterates the complementary nature of the EU budget to national budgets and the impetus it creates to promote growth and jobs and underlines that given its very nature and limited size it should not be checked and curbed by arbitrary reductions but on the contrary targeted areas need to be reinforced;
6. Recognises that there is an acute shortage of funds in the EU, both at Member State and Union levels; stresses that, through attaching real importance to the concept of value for money, all programmes and expenditure should be carefully analysed for viability, efficiency and effectiveness;
7. Points out that the margins stemming from the Multiannual Financial Framework (MFF) do

not allow real room for manoeuvre, especially in subheading 1a and heading 4, and reduce the capacity of the Union to react to policy changes and unforeseen needs while maintaining its priorities; points out that the scope of the challenges the Union faces, would require means well beyond the current ceilings of the MFF; recalls, in that respect, that the mobilisation of the instruments foreseen in the Interinstitutional Agreement (IIA) of 17 May 2006 on budgetary discipline and sound financial management has been rendered unavoidable by the various challenges and new priorities that have arisen, such as the Arab Spring this year and the need to give a strong impetus to the implementation of the Europe 2020 strategy as a coordinated way to fight the current economic and social crisis;

Council's position

8. Regrets the Council cuts to the Commission's Draft budget (DB) of EUR 1,59 billion in commitments (-1,08%) and of EUR 3,65 billion in payments (-2,75%), which lead to overall amounts of EUR 146,25 billion in commitments (or +2,91% as compared to 2011 Budget¹) and EUR 129,09 billion in payments (+2,02%) - to be compared to respectively +4,03 and +4,91% as per Commission's DB (including Amending Letter No 1/2012);
9. Notes that the Council proposed cuts for several hundreds of budget lines, while proposing no single reinforcement; underlines that these linear cuts are spread over all headings of the MFF, although not to the same extent;
10. Points out some of the inconsistencies of these cuts compared with the positions taken recently by the Council, such as the cuts it has made in the DB 2012 on the budgetary lines of the newly created agencies for financial supervision the creation of which it has pushed for but for which it does not seem willing to provide the necessary financial means to operate satisfactorily;
11. Acknowledges the Council's concern about economic and budgetary constraints at national level; believes that the Union should show budgetary responsibility, but recalls that under Treaty provisions the EU budget cannot run a public deficit; and that the EU budget represents 2 % of total public spending in the Union;
12. Deplores, against this background and despite previous calls from Parliament, that the Council has made 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, nor the priorities by Parliament, as presented in its abovementioned resolution of 23 June 2011 on the mandate for the trilogue;
13. Emphasises that the sole consideration of past implementation rates, together with the rates of increase as compared to previous year's budget, as a basis for selecting lines and amounts to be cut is a backward-looking approach which does not allow, in the context of multiannual programming, to properly reflect the speeding up of implementation along the years;
14. Notes that the low level of payments proposed by the Council would lead to a bigger discrepancy between payment appropriations and commitment appropriations, mechanically resulting in an increase of outstanding commitments (RALs) at year end, particularly in

¹ Including Amending Budgets 1 to 3/2011.

subheadings 1a and 1b; warns in this context of the already extremely large amount of accumulated RAL so close to the end of this MFF;

Parliament's budget proposal

15. Sets the overall level of appropriations to EUR 147 763,82 million and 133 143,18 million in respectively commitment and payment appropriations,
16. Recalls that Europe 2020 policies have been identified by Parliament as one of its most important priorities¹ for the 2012 budget since they are essential and necessary parts of the EU strategy for the economic recovery; emphasises that the proposed increase in appropriations for a selected number of budget items serves both short- and long-term strategies for the future of the Union;
17. Considers that the level of payments proposed by the Commission is a bare minimum for payments, as also mentioned in several statements by President Barroso and Commissioner Lewandowski; is not confident that Council's draft statement No1 on payment appropriations aiming at addressing the issue of possible additional payment needs is of any help in this respect, notably in light of early 2011 experience, when Council happened to be reluctant to honour the similar statement it initiated for the 2011 budget; therefore also decides to restore most payment appropriations to DB levels, all the more so because Council cuts in payments also affect areas and budget lines falling under Europe 2020 objectives, particularly in subheadings 1a and 1b;

On subheading 1a

18. Recalls that subheading 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 that the Commission and the Council do 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 they are 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; is therefore proposing some targeted increases over the DB of the Commission in some key areas, namely competitiveness and entrepreneurship, research and innovation, education and life long learning;
20. Recalls that, in order to finance ITER, it will be necessary for the budget authority to agree on a revision of the MFF 2007-2013; takes note of Commission's proposal of 20 April 2011 for financing the missing EUR 1,3 billion for ITER in 2012 and 2013 but, in line with the Council's exclusion of ITER additional funding from its budget reading, insists that the negotiations on ITER's additional costs are disconnected from 2012 budgetary procedure; expresses nevertheless its willingness to resolve the issue of the extra financing needed for ITER by the end of 2011 in order to ensure that existing EU structures for fusion do not weaken as a result of no decision being taken;
21. Reaffirms its strong opposition to any form of redeployment from Seventh Framework

¹ See for instance Parliament's resolution for the mandate of the trilogue, as adopted on 23 June 2011.

Programme for Research and Technological Development (FP7) as proposed by the Commission as part of the ITER financing package since this would endanger the successful implementation of FP7 and significantly reduce its contributions to the achievement of the headline goals and the implementation of the flagship initiatives of the Europe 2020 strategy; therefore restores FP7 to financial programming figures by adding the EUR 100 million to the budget lines cut by the Commission; also restores the bulk of payments cuts brought on FP7 lines by the Council (EUR 492 million), as a matter of avoiding any risk of non implementation of existing legal obligations, which could lead to additional costs due to late interests to pay;

22. Decides to further increase the level of commitment appropriations for selective lines of the FP7 (Capacities - Research for the benefit of SMEs, Cooperation - Energy, Ideas, People, Research related to energy); considers that those lines are instrumental in ensuring growth and investments in key areas that are at the heart of the Europe 2020 strategy; believes that the current implementation rate of the FP7 will guarantee that these additional amounts can be effectively integrated in the financial programming of those programmes;
23. Further increases the overall level of commitment appropriations for the Competitiveness and Innovation Framework programme (CIP - Intelligent energy and CIP - Entrepreneurship and Innovation) compared to what was initially foreseen, as a matter of delivering on the flagship initiatives of the Europe 2020 strategy; 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;
24. Decides to introduce an important increase of commitment appropriations for the Lifelong Learning programme, given its high European added value and also because of its strong contribution to the flagship initiatives 'Youth on the Move' and 'Innovation Union'; is convinced that these increases are fully implementable since additional financial allocation for this programme proposed by Parliament and adopted by the budgetary authority in the 2011 budget, has been successfully executed to date, leading to a significant increase in the number of its participants; reiterates its strong commitment to EU programmes in the fields of youth and education since they can contribute to the reduction of youth unemployment; also proposes a further increase in commitment appropriations for the Erasmus Mundus programme;
25. Decides to restore DB payments for the European Globalisation Adjustment Fund (EGF) line and reiterates its call for further improvements in the procedure of mobilising the EGF, in order to accelerate assistance on the ground;
26. Proposes in that regard to the other branch of the budgetary authority the mobilisation of the Flexibility Instrument for an amount of EUR 30,75 million under subheading 1a ;

On subheading 1b

27. Notes that Council's position does not modify Commission's proposal in respect of commitments, and stresses that this position on commitment appropriations is well in line with the allocations set out in the MFF, taking into account the technical adjustment to the financial framework for 2012, as provided for in point 17 of the IIA of 17 May 2006;

28. Recalls the important role regional and cohesion policies play towards the achievement of the goals of the Europe 2020 strategy and economic recovery of European regions; deplores Council's restrictive approach on payments, which were cut by some EUR 1,3 billion as compared to Commission's forecasts of payment needs for 2012; notes that only the convergence objective and the technical assistance lines remained untouched by the cuts of Council; reminds that these cuts apply to budget allocations that were already far below Member States' own estimates (EUR 61 billion for 2012 or some 50% above DB) and widely considered as being the bare minimum for honouring upcoming payment claims and be consistent with the speeding up of implementation at the end of the programming period; is convinced that this attitude of the Council is all the more unacceptable since the Commission has recently made some concrete proposals to boost payments of structural and cohesion funds in those countries most affected by the current financial and economic crisis; requests an assessment of the implementation of regional and cohesion policy, with concrete proposals on how to reduce RALs;
29. Calls on the Commission to acknowledge the crucial role which the local and regional levels play in combating climate change;
30. Therefore restores the Council's cuts in payment appropriations to the level of DB;

On heading 2

31. Generally restores the Council's cuts under heading 2 to the level of EUR 60 457, 76 million, which is 3,07% above the 2011 budget; considers that the Commission's estimates of budgetary needs are more realistic than the Council's proposals, in particular against the current background of great economic uncertainty and of instability in the markets;
32. Points out 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 2012 budget; estimates that the current margin left (EUR 352,24 million) should be sufficient to cover the needs under this heading in the absence of unforeseen circumstances;
33. Calls on the Commission to increase its efforts to define clear priorities under this Heading in favour of sustainable farming systems, which preserve biodiversity, protect water resources and soil fertility, respect animal welfare and employment; believes that such a policy could have as a positive side effect the prevention of crises such as the spread of E.coli;
34. Rejects the increase of the so called negative expenditure line (clearance of accounts) which appears as an artificial reduction of the overall level of heading 2 appropriations; considers however that Member States may be in a better position to evaluate the effectiveness and reliability of their national supervision and control systems in the area of Common Agricultural Policy (CAP), which seems to be overestimated;
35. Emphasises that the prevention and response mechanisms with relation to crises in the fruit and vegetable sector are clearly insufficient and therefore an immediate solution needs to be found until the new CAP is in place; urges the Commission to present a concrete proposal to Parliament and the Council to ensure a sufficient increase of the Union's contribution to the

crisis fund within the operational funds for producer organisations; calls for this increase to serve for specific measures for the producers affected by the E. coli crisis and to prevent future crises;

36. Provides for an increased support for the school milk programme and the continued support for programme concerning school fruit;
37. Maintains the budget allocation dedicated to the Food Distribution Programme for the Most Deprived Persons in the Union that supports 18 million people with problems of malnutrition within the Union; welcomes the recent effort of the Commission (see the amended Commission proposal of 3 October 2011 for a regulation on this subject (COM(2011)0634)) to find a political and legal solution to avoid any drastic cuts in the implementation of the programme in 2012 and 2013; strongly calls on the Council to endorse without any delay this proposal, especially in view of the difficult social situation in many Member States following the financial and economic crisis;
38. Continues to support on a commensurate level for the LIFE+ programme, which gives priority solely to environment and climate action projects; recalls again that environmental problems and their solutions do not recognise national borders, thus dealing with it at EU level is self-evident; calls in this respect on the Member States to significantly improve their implementation of EU environmental legislation;
39. Stresses that the Common Fisheries Policy remains an important political priority and maintains its financing at the proposed DB levels, in view of its upcoming reform; takes the view that the funding of the integrated maritime policy should not come at the expenses of other fisheries actions or programmes under heading 2; considers effective management of fisheries to be of crucial importance in order to preserve fish stocks and prevent overfishing; welcomes an additional support for new international fisheries organisations;

On subheading 3a

40. Recalls its strong call for an appropriate and balanced answer to the current challenges in the area of migration and solidarity, with a view to the management of legal migration and prevention and combating of illegal migration; acknowledging the obligation of Member States to comply with established Union 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; is accordingly calling for a balanced increase of budget appropriations over the DB for, on one hand, both Frontex and the European Asylum Support Office, in view of their increasing tasks and, on the other hand, the European Refugee Fund; restores moreover to DB level commitment appropriations for both the European Return Fund and the External Borders Fund; strongly believes that in the view of current developments particularly in the Mediterranean region and challenges posed to the security of the Union's external borders and management of migration flows appropriate endowment of those funds is indispensable;
41. Deplores the significant cuts presented by the Council in Frontex, External Borders Fund and European Return Fund; strongly believes that in the view of current developments particularly in the Mediterranean region and challenges posed to the security of the Union's external borders and management of migration flows reinforcement of those funds is indispensable;

42. Intends, by restoring the DB appropriations for the prevention of crime and the prevention of terrorism in line with financial programming, to further advance the increasingly needed cooperation in areas such as a European cyber-security strategy, or confiscation of assets of criminal organisations;
43. Deems the Daphne programme to have been underfunded so far and will ensure its appropriate funding to tackle recognised needs in the fight against violence towards women;

On subheading 3b

44. Reiterates that funding for education-oriented programmes, initiatives and bodies should be increased in view of their contribution to the completion of Europe 2020 strategy's flagship initiatives 'Youth on the Move' and 'Innovation Union'; intends in particular to further increase funding for the "Youth in action" programme;
45. Is aware of the importance of involving citizens in the development of civil society and political life with a European perspective, and considers it unfortunate that expenditure related to citizenship should have been scaled down by the Council;
46. Rejects any further cut to the Civil Protection Financial Instrument's funding since the DB is already below financial programming and civil protection is a new competence of the Union; consequently restores the DB amounts;
47. In relation to European public spaces, considers that an assessment report and work programme must be presented to the budgetary authority in time to be taken into account in the budgetary procedure; decides to hold in reserve part of communication appropriations until the Commission demonstrates its willingness to improve interinstitutional collaboration in this respect;
48. Sets a number of reserves to receive specific assessment reports and a formal commitment for enhanced inter-institutional cooperation;
49. Welcomes the credits for the Public Health programme which complements and adds value to Member States' actions in the area of health promotion and prevention of illness; supports the Commission's efforts to continue the HELP campaign for a life without tobacco under the Public Health programme;

On heading 4

50. Repeats that, this year even more than in the past, heading 4 of the 2012 budget is underfinanced and the margin available under the same heading is too low to cope with the increased political challenges in our neighbourhood and worldwide;
51. Welcomes the reinforcement of appropriations for the Neighbourhood Instrument, as proposed in Amending Letter No 1/2012, as in line with its support to a clear and consistent EU response to recent political and social developments in Southern Mediterranean and the added value to the external dimension of the Union's home affairs policies and macro-regional strategies; reiterates nevertheless very clearly that such a financial assistance can in no way be detrimental to existing priorities;
52. Considers that, in order to facilitate an agreement in conciliation with the other branch of

the budgetary authority, decreases in commitment appropriations can be agreed upon on several budget lines, and especially on Common Foreign and Security Policy; as regards this latter, considers the level of appropriations voted for the 2011 budget as appropriate, and decides to amend the Council's position accordingly;

53. Believes that the increased funding for Palestine and UNRWA it proposes is crucial for better ensuring the safety and livelihood of refugees and current efforts to ensure a viable Palestinian state; calls again for a clear strategy for Palestine, linking the Union's financial assistance to an increased political role for the Union in the peace process in relation to both parties in the conflict;
54. Recalls that increasing needs in respect of cooperation with Asia and Latin America should be acknowledged in 2012 budget;
55. Regrets that all needs and limited priorities carefully identified by its specialised committees could not have been financed within the ceiling of the MFF for heading 4, and considers its reading as the minimum required for a credible stance of the Union as a global player;
56. Proposes in that regard to the other branch of the budgetary authority the mobilisation of the Flexibility Instrument for an amount of EUR 208,67 million under heading 4;

On heading 5

57. Rejects the Council's general position on heading 5 expenditure, which consists in an overall reduction of some EUR 74 million, among which EUR 33 million for the Commission, resulting from across the board cuts in each institution's budget;
58. Stresses that such a restrictive approach, while resulting in short-term savings for the EU budget and the Member States, endangers the implementation of EU policies and programmes, ultimately to the detriment of citizens and with a deferred negative effect on national budgets; further stresses that the Commission and other institutions should be provided with adequate resources to carry out their tasks, especially after the entry into force of the Treaty on the Functioning of the European Union (TFEU);
59. Notes that this decrease was reached through an increase in the so-called standard abatement rate for staff (non-financed posts) which prevents some improvement in the occupancy rates of the establishment plans approved by the budget authority (through its direct impact on recruitments); wonders in this respect how Council is able to estimate the possible staffing levels in the services of the Commission with more accuracy than the Commission services; also rejects those cuts on items of expenditure for which the Commission already proposed net savings in their draft budgets (e.g. Publications Office, studies and consultations, equipment and furniture);
60. Acknowledging the great efforts made by the Commission to freeze its administrative expenditure in nominal terms already in its DB proposal, decides to restore all heading 5 expenditure within Section III to that level;
61. Nevertheless sets reserves on certain administrative lines, pending specific actions, follow-up or proposals by the Commission or with a view to obtaining additional information;

On agencies

62. Endorses, as a general rule, the Commission's estimates of agencies' budgetary needs and rejects the principles underlying the Council's arbitrary and across the board cuts, as compared to 2011;
63. Considers indeed that any cut brought to agencies' budget during the budgetary procedure should be more closely related to the process of agencies' work planning and tasks, unless some precise sources of efficiency gains can be identified; in this respect considers the cuts brought to Frontex, the mandate of which has just been revised, as one typical example of the complete disconnection operated by Council between the tasks and activities of agencies - as enshrined by legal texts and requirements - and the budgetary resources allocated to them;
64. Agrees in general that agencies' surpluses should be taken into account when establishing the DB and presented in a clear and transparent manner; however, reiterates that surpluses of partially self-financed agencies should be exempted from this general rule in order to cover for the unreliability of their income;
65. Further decides to increase the 2012 Budget allocation to the three new financial supervision agencies as a matter of utmost importance in the current economic and financial situation and for their build-up procedures;

On pilot projects and preparatory actions

66. Stresses that pilot projects and preparatory actions, adopted in a limited number, have been thoroughly considered and evaluated, also in the light of the first assessment by the Commission in July 2011, in order to avoid duplication of actions already covered by existing EU programmes; recalls that pilot projects and preparatory actions aim at formulating political priorities and at introducing new initiatives that might turn into future EU activities and programmes;

SECTIONS I, II, IV, V, VI, VII, VIII, IX

General Framework

67. Recalls its position adopted in its abovementioned resolution of 6 April 2011, asking that all institutions should draw up their budgets on the basis of sound and efficient management and looking for savings where possible, in line with Commissioner Lewandowski's letter of 3 February 2011 calling on every institution to make all possible efforts towards limiting expenditure increase below 1 % compared to 2011;
68. Recognises the efforts that were made by all institutions which resulted in real cuts on their own budgets; in real terms, the budget growth in all institutions is negative, despite their new competences, new jobs, actions and activities created as a consequence of the entry in force of the Lisbon Treaty;
69. Notes that the administrative and operating expenditure budget from all institutions represents 5,59% of the global EU budget, of which heading 5 having a margin of EUR 497,9 million;

70. Reaffirms that savings measures cannot jeopardise payment of salaries and pensions, maintenance of buildings and security as institutions must have the minimum and the necessary to operate and that cuts shall be appropriate to the extent of not penalising institutions which achieved the maximum limit of savings and furthermore that savings shall be legal and retain their effectiveness in 2012;

Section I - European Parliament

General framework

71. Points out that the current voted actualisation of the 2012 budget is 1,44% compared to 2011 (without the amending letter on Croatia) as the amending letter on Croatia will be dealt with in the conciliation committee with the Council; expects that the necessary expenses for Croatia will be added; expects the final actualisation of the budget 2012 to be therefore 1,9% (including Croatia) after conciliation committee; 1,9% is the lowest actualisation for 12 years and without the expenses for Croatia accession and the 18 new MEPs following the Lisbon Treaty it is only 0,8%; 0,8% is the lowest increase since at least 15 years; in the last 15 years the average increase was 4,5%; due to the current inflation of 2,9% there is a real decrease of the budget 2012; despite new competences, new posts, actions and activities, which are the consequences of the Lisbon Treaty, Parliament has made real cuts;
72. Points out that the overall level of its 2012 budget is EUR 1 710,1 million (including the 18 MEPs following the Lisbon Treaty); this represents a net reduction of EUR 14,5 million compared to the Estimates and EUR 74,085 million to the initial budget proposals before conciliation with the Bureau;
73. Points out that the budget for 2012 is a budget of consolidation, in which the Parliament did a maximum effort to do savings without putting in danger the quality of work and the legislative excellence; this 2012 budget and the following 2013 budget are the reference for the next Multiannual Financial Framework.
74. Reiterates that the savings expected from the budget lines for translation and interpretation must not jeopardise the principle of multilingualism in Parliament and during the dialogues between other institutions; reiterates that savings will be implemented without jeopardising the right of any Member to speak during plenary, committees, coordinators meetings and trilogues in his/her own language; Members should also keep their right to write and read in their own language;
75. Believes that in times of increasing financial difficulties for numerous Europeans and ongoing austerity policies, Parliament should show an example of restraint by reducing its travel costs; asks the Bureau to create conditions for making savings of 5% in all kind of travel expenditure including delegations of committees and interparliamentary delegations in full respect of the Statute for Members and its implementing measures; believes that a reduction in business flights by Members of Parliament would help to achieve such savings; requests that 15% of the travel appropriations be placed in reserve pending a report by the Secretary General of Parliament to be delivered to the Bureau and the Committee on Budgets by 31 March 2012; calls for such a report to examine the feasibility of measures to ensure the utmost efficiency of Members' travel with a view to making recommendations for potential budgetary savings by considering all proposals and resolutions which Parliament has already adopted on this question, by presenting proposals to reduce its

number of business class flights, encouraging the purchase of economy / flexi-economy class airfares, ensuring a proper treatment of the Frequent Flyer Points and revising the rules of the Members' Registry opening hours, in particular on Fridays; expects that the appropriations for the travels are reduced in 2012 and in the following years till the end of the legislature; suggests that savings in institutional visits have to take into account the primacy of pluralism over proportionality when defining the delegations' composition;

76. Points out that 2012 budget includes expenditure resulting from additional 18 Members following the entry into force of the Lisbon Treaty (EUR 10,6 million)
77. Maintains its position that, in any event, a policy of identifying savings wherever possible and the continued pursuit of reorganisation and redeployment of existing resources are crucial elements of its budgetary policy, especially in this time of economic crisis; considers therefore that such savings for the 2012 budget should be made in the wider context of structural changes having longer term effects; the cuts which Parliament has accepted will require structural changes to be made, which must not endanger the legislative excellence of Parliament; considers that the goal is to concentrate on Parliament's core business; considers that savings in interpretation and translation do not put at risk the principle of multilingualism, but are possible with the help of innovation, reorganisation of structures and new working methods;
78. Welcomes the good co-operation of the Committee on Budgets with the Bureau based on mutual trust and respect; considers that the agreement made in the conciliation on 22 September 2011 and in the context of the estimates (its resolution of 6 April 2011 adopted in plenary by 479 votes in favour) should not be put in question and none of the elements of that agreement should be reopened if no new circumstances have occurred since then;
79. Notes that the general expenditure allowance is frozen at the 2011 level; calls on the Bureau not to index any of the Members' allowances (including the "daily" allowance);
80. Reiterates that a number of reserves have been proposed during Parliament's budgetary negotiations; notwithstanding the conciliation compromise between the Committee on Budgets and the Bureau, calls for the underlying questions in these reserves regarding Parliament's budget to be answered and set out transparently, providing clear information on translation and interpretation needs, catering, cleaning and maintenance as well as travel services and facilities, other external services and on price structure or any applicable subsidies for these services;

Human resources

81. Approves the following changes to the establishment plan:
 - conversion of two temporary AST3 posts into two permanent AST1 posts for the Medical Service,
 - 30 upgradings of AD5 posts to AD7 in order to take account the results of the internal AD7 competitions;
 - conversion of 15 AST posts (five AST3, five AST5 and five AST7) into AD5 posts;
82. Decides to approve the internalisation of the security service, as suggested in the Amending

Letter, and, in consequences to create 29 new posts (26 AST1 and 3 AD5) under the establishment plan;

83. Approves, the following measures contained in the Amending Letter, which have been offset by other savings:

- the release of appropriations from the reserve for the new security policy;
- offsetting of the carbon emissions generated by administrative activities;
- increase in the appropriations for contract staff in order to support the implementation of Parliament's property policy;
- increase of the annual grant to the EPA;

Buildings and communication and information policy

84. Believes that Parliament's building policy requires careful analysis and that the administration should continue to develop buildings policy in cooperation with the Committee on Budgets; requests therefore to be kept informed on a regular basis on new developments for building projects with a significant financial implications for the budget, such as e.g. the Konrad Adenauer building, the House of European History and building/acquisition projects at Parliament's places of work; asks to be kept informed about the creation of any new posts relating to DG INLO's three-year plan before they are approved by the administration; asks the administration to establish a service agreement for cost sharing with the Commission of the running costs and any other institution that may wish to use the facilities of the House of European History; calls upon the EU institutions to better coordinate their visitors' programs with a view to exploiting synergies, increasing visitor satisfaction and sharing cost; asks the Administration to improve the governance of interinstitutional projects;

85. Points out that the financing of the new contract staff to support the implementation of Parliament's property policy need to be ensured in the next budgetary years in a transparent way; furthermore, asks to be kept informed of any intention to create new posts and of any increase in the appropriations relating to DG INLO policy before they are approved by the administration;

86. Believes that the project of the House of European History requires an active cooperation and financial contribution of other institutions; welcomes the commitment of the President of the Commission expressed in his letter of 28 September 2011 to contribute substantially to the project and ensure support to the functioning of the House of European History; recalls its resolution of 6 April 2011 asking for a business plan setting out the long-term business strategy of the House of European History and notes that the administration has provided the requested information; reiterates that decisions relating to the project should be subject to an open debate and a fruitful dialogue and should ensure a transparent decision making process; requests to be informed as soon as possible on the building project according to Article 179(3) of the Financial Regulation; calls on the Bureau to ensure that the cost plan contained in the business plan will be strictly adhered to;

87. Believes that, in view of making long-term savings making the organisation more modern and efficient, the budget of Parliament should be subject to a comparative study with the

budgets of a representative sample of Member States and with the budget of the United States Congress;

Environment-related matters

88. Welcomes the putting into place of concrete incentives to make more use of less polluting means of transport by introducing the 50 % Jobcard system in Brussels; points out that the reserve on the different lines for travel costs depends also on the result of a report requested from the Bureau examining the feasibility of measures to ensure the utmost efficiency of travel costs and making recommendations for budgetary savings;
89. Calls for further measures to be taken to reduce energy, water and paper consumption in view of making savings in Parliament's budget;

Section IV - Court of Justice

90. Points out that the cuts made by the Council would place the Court in a position of not being able to properly carry out its core duties in the context of an increasing judicial workload; has therefore decided to partly restore the DB notably concerning the Members, personnel and IT appropriations;

Section V - Court of Auditors

91. Notes that the Court is making significant efforts to redeploy staff from support services to audit activities to meet the increasing demands upon the institution, as well as finding substantial economies in its administrative expenditure; notes that the Council has cut appropriations for salaries on the basis of low implementation in 2010; is expecting the implementation for 2011 to perform better and has therefore decided to partially re-establish the DB;

Section VI - European Economic and Social Committee

92. Points out that some of the reductions introduced by the Council would jeopardise the EESC's core functions and call into question its ability to meet its legal obligations towards its staff; decides therefore to restore the DB for appropriations available to EESC Members to carry out the institution's core activity of enabling civil society organisations from the Member States to express their views at EU level, which at the level of prudent estimates for inflation effectively means a freeze in real terms, to partly restore the DB for staff remuneration and allowances to enable the EESC to meet its obligations towards its staff and to partly restore the DB for interpretation to bring the level back to execution in 2009, which would still, given increased rates for interpretation, mean a decrease in real terms;

Section VII - Committee of the Regions

93. Rejects partly the reductions introduced by Council; increases most of the concerned items because the Council has reduced the appropriations considerably below the 2010 and 2011 execution; decides therefore to restore the DB in order to allow the institution to preserve the level of political activities of 2011;

Section VIII - European Ombudsman

94. Takes the view that appropriations for this institution have already been reduced

significantly over the last two years; re-establishes therefore the DB on most of the lines;

Section IX - European Data Protection Supervisor

95. Has taken a different view of the Council and accepted the creation of two additional permanent posts (1 AD 9 and 1 AD 6) in the EDPS' establishment plan because of that institution's new task, conferred on it by Article 16 TFEU, of monitoring and ensuring that the fundamental rights to privacy and protection of personal data rights are respected by all EU institutions and bodies; accepts in order to comply with legal obligations the upgrading of its director from AD 14 to AD 15, although the total staff of the EDPS is 43 posts;
96. For the same reason has decided to restore the other lines back to DB;

Section X - European External Action Service

97. Notes that the EEAS as a new organisation which represents a major European ambition needs to be endowed with sufficient means; in this regard, appropriations for staff remunerations in 2012 need to take into account the actual vacancy rates in the autumn of 2011; calls on the EEAS to exert restraint when it comes to the future creation of high-ranking posts; believes that one way of achieving this could be to replace progressively Seconded National Expert (SNE) posts by permanent posts for Member States' civil servants; notes that SNEs are not counted in the one third of EEAS staff at AD level; nevertheless, recalls the Council decision establishing the organisation and functioning of the EEAS which states that "by the date of expiry of the contract of an SNE transferred to the EEAS under Article 7, the relevant function will be converted into a temporary agent post in cases where the function performed by the SNE corresponds to a function normally carried out by staff at AD level, provided that the necessary post is available under the establishment plan"; moreover, stresses that operational requirements for establishing the EEAS with its own information technology systems in a new building need to be funded;
98. Takes into account the clarifications received from the EEAS in the letter sent to the Committee on Budgets chair on 30 September 2011 concerning the share of EU officials in the establishment plan, in line with the commitment taken by HR/VP; therefore, decides to restore the EEAS establishment plan as proposed in the Commission Draft Budget, and believes that all reserves relating to recruitment and the setting up of an EU delegation in the United Arab Emirates should be lifted;
99. Is concerned by the Council's position to cut the EEAS' DB for 2012 to +2,25%; has also taken a prudent approach to increases in view of the overall financial context and accepts only partly the EEAS' requests;
100. Accepts the requested amendments to the EEAS establishment plan, notably with a view to reinforcing delegations; will however continue exercising vigilance as regards the composition of the EEAS staff and compliance with the statutory obligation that EU officials represent at least 60% of the EEAS AD staff; demands that the EEAS provide regular reports on this matter; remarks that the increase in budgetary needs of the EEAS is a result of a reallocation of competences previously carried out by the Council and the Commission, and the development of underestimated needs such as start-up costs, new obligations and tasks currently undertaken by the Council and the Commission;

101. Instructs its President to forward this resolution to the Council and the Commission and to the other institutions and bodies concerned.