2006 discharge: EC general budget, European Parliament

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PURPOSE: presentation of the final accounts for the 2006 financial year of the European Communities – Section I – European Parliament.

CONTENT: this document provides the expenditures and the balance sheet of the European Parliament for the 2006 financial year and presents an analysis of its financial management.

Summary: the figures that follow are taken from the report on the annual accounts of the Communities for the 2006 financial year (Final Annual Accounts of the European Communities – Financial Year 2006 - VOLUME I).

- **Initial appropriations:** EUR 1 321 600 000 (an increase of 3.9% compared with 2005);

- **Amending budget**: not applicable in 2006;
- **Authorised appropriations for 2006 financial year** (including carryovers from the previous year and various revenues):

    - 1 343 738 898.05 EUR in commitments,
    - 1 440 301 787.03 EUR in payments;

- **Budgetary implementation** :

    - commitments: **EUR1 306 325 432** (99% of budgetary commitments),
    - payments: **EUR1 117 587 610** (86% of payments).

Main axes of 2006 expenditure: the European Parliament's Secretariat General defined key axes for actions (and therefore expenditure) for the year in the four areas that follow:

1. communication policy;
2. enlargement;
3. completion of the "*Raising the Game*" project;
4. better financial management.

Results in these areas 2006 : overall, the results obtained in these four main areas of expenditure targeted by the EP's Secretariat General may be summarised as follows:

> **1) Communication policy:** this objective included making the Parliament a focal point for debate on the future of Europe,further developing multilingualism and progressingwith the major communications projects (web TV, internet and Visitors' centre). Concerning the debate on the future of Europe, Citizens' Forums were organised by the Information Offices in the Member States concerned. The aim was to engage in a series of debates, to enable as wide a cross-section of European citizens as possible (general public, national politicians, civil society and the media) to participate, make their views and concerns known and give them the chance to have their say on the future of Europe. Debates were held on a number of subjects including enlargement, globalisation and the European social model, economic and social policies, industrial restructuring and its effects, people's expectations from Europe and increasing awareness of the role of the EP.

As regards multilingualism, Parliament's EUROPARL website is published in 22 official EU languages. All the part-sessions in 2006 were covered by LIVE streaming on Internet in all EU languages. Lastly, considerable investment in the necessary technical platform for the Web-TV project took place.

2) Enlargement: this objective included in particular completing recruitment of staff, especially linguists, from all 10 new Member States (EU10) and paving the way for the successful integration of Bulgaria and Romania (EU2). Around 1 000 posts have been created for the EU10 2004 enlargement (87% of which were filled in 2006) and 113 posts were created for EU2 to prepare for the 2007 enlargement. As far as interpretation is concerned, EU10 language needs were covered satisfactorily but problems arose in the recruitment of Latvian, Slovak, Slovene, and, in particular, Maltese interpreters. Lastly, regarding translation, around 80% of posts in the EU10 units were filled. The challenge of moving to a 20-language regime can be considered as having been successfully met (with the notable exception of Maltese which remains a problem). It should also be noted that an Office had been opened in Nicosia (and temporary offices would also be opened in Sofia and Bucharest).

3) 'Raising the Game': this is a Parliament initiative entailing the reorganisation of the support structures for parliamentary committees, the setting up of a Tabling Office responsible for verifying texts and expanding the Library. At the end of 2006, the support machinery put in place for parliamentary work enabled Parliament to take up the challenges created by the increase in its powers and responsibilities. Subject to a number of adjustments, the 'Raising the Game' project may be considered as completed.

4) Better financial management: this objective covered more training for financial actors, implementing the actions plans arising out of self-assessment and internal audit activities, identifying possible improvements to the financial regulation and preparing for entry into force of the Members' Statute in 2009. Concerning the Statute for Members, Parliament's Bureau set up a working party and mandated it to establish a schedule for implementation and to provide policy guidelines for preparations for entry into force of the Statute in 2009: it was expected to complete its tasks in 2007.

As far as the **implementation of the budget** was concerned, 2006 saw the following:

- a rise of 8% (compared with 2005) in the chapter relating to staff(due largely to adaptations to salaries because of promotions and changes in certain temporary posts),
- the recruitment of personnel as a result of enlargement (EU10 + EU2),
- the application of the new system for auxiliary agents (replaced by contractual agents),
- the establishment of an Early Childhood Centre (crèche : +36% budget increase),
- the unblocking of the reserve for information and communication policy following the agreement of Parliament's Bureau,
- the regression of appropriations provided for in the chapter dealing with Parliament's real estate.

As far as Parliament's **property policy** is concerned, 2006 was marked by a fall of 7% in property-related expenditure compared with 2005. Most of the institution's property projects are now under way and therefore have received allocations. The Parliament has ongoing projects in Strasbourg, Brussels, as well as Nicosia, where the Parliament has decided to set up a new local office. The Parliament also purchased a building in The Hague and in Valetta to house its information offices with the Commission.

The following **budgetary points** should be noted:

- an increase of 14% of the budget for IT,

- expenditure remained stable for parliamentary assistance (10% of the overall budgetary allocation with EUR 133 689 000 commitments),
- expenditure remained stable for the 'Members of the Institution' chapter (10% of the 2006 budget with EUR 72 million): the greatest part of this allocation goes towards Members' transport costs and daily allowances – plenary sessions, committee and delegation meetings, political group meetings,… In 2006, Members made a total of 12 665 journeys to attend sessions and mini-sessions in Strasbourg and Brussels, 17 741 journeys for committee meetings in Brussels and 5 400 for political group meetings in Brussels;
- a decreased of 14% in the Institution's current expenditure (posts, IT consumption, telephones),
- an increase of 21% in the 'Meetings and conferences' chapter because of the increase in the costs of missions (total: 27 824 missions in 2006 covering 87 973 working days of which 5 278 missions to Brussels, 19 932 to Strasbourg and 2 134 to Luxembourg),
- a 21% increase in the chapter relating to 'expertise and information': an important part of this increase was due to the higher number of visitors' groups to the EP (170 000 visitors in 2006), the *Euroscola* programme and the reception of opinion multipliers from third countries. The chapter also showed an increase in the expenditures relating to the organisation of events such as the 'European Day for Victims of Terrorism', the visit of the South-American singer, Juanes, in relation to combating anti-personnel mines in the world, the celebrations of the 20th anniversary of the enlargement of the Community to Spain and Portugal, and by the publication of a million brochures on the European Parliament.