

# 2009 budget: Section III, Commission: budgetary framework and priorities for 2009

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The Committee on Budgets adopted the report by Jutta **HAUG** (PES, DE) on the budgetary priorities of the European Commission for 2009. The parliamentary committee recalls, above all, that the implementation of the new treaty will require the European Parliament, the Council and the Commission to agree on the modifications to the relevant budgetary and legislative instruments and a new set of rules to ensure a smooth running of the new budgetary procedure, while fully respecting the new interinstitutional balance between the three institutions. According to MEPs, it is absolutely necessary to start preparations as soon as possible, to be able to use the new procedure **for the budget 2010**.

MEPs consider that, in 2008, it will be necessary to review all aspects of EU spending, including the CAP and budget resources, as well as the United Kingdom rebate, to allow the Commission to report to the Parliament by 2009.

They emphasise that the principle of solidarity has to remain one of the guiding principles of the European Union and that solidarity with the regions is considered to be of utmost importance as well as its funding. It is also essential to closely monitor the progress regions are making in their development, for example outstanding payments that could cause budgetary problems in the very near future.

MEPs consider that the real challenges the EU and its citizens face in the future require a flexible approach and they emphasise the need for transparency and coherence between legislative priorities and budgetary decisions. They therefore request the Commission to provide a more detailed breakdown of the proposed changes to the financial programming, showing the budget lines involved.

**Budgetary priorities:** MEPs recall that the political priorities presented by the Commission in its Annual Policy Strategy have a clear focus on growth and jobs, climate change and sustainable Europe. These priorities should be supported by new budgetary priorities, although the margins available restrict the room for manoeuvre to finance new priorities. The Commission must therefore provide more exhaustive information on potential financial difficulties.

MEPs are deeply concerned that, for 2009, the Commission has already embarked on a re-prioritisation exercise, especially in those headings of the financial framework. They call on the Commission to present a realistic, clear and transparent preliminary draft budget, which can be communicated to citizens, enabling the Parliament and the Council to thoroughly scrutinise the different EU programmes and policies. They admit that some re-assessment of EU activities on the basis of an appropriate evaluation might become unavoidable, in times when resources are scarce. Therefore, it may not remain feasible simply to add new priorities without phasing out old ones. In any case, any decisions on re-prioritisation cannot be taken without the support of the Parliament.

**Flexibility:** MEPs emphasise that Parliament will use all the means foreseen by the IIA of 17 May 2006 including, inter alia, the use of the legislative flexibility of **5%** over the period 2007-2013 in order to see its political priorities carried through. They call on the Commission, in preparing the preliminary draft budget (PDB) for 2009, to produce clear, consistent and sound activity statements for each policy area in order to enable all relevant European Parliament committees to thoroughly scrutinise the implementation of the different EU programmes and policies. At the same time, the parliamentary committee recalls that achieving value for money and a budget for results remain an objective. MEPs therefore ask the Commission to prepare a PDB that gives a realistic picture of all budgetary needs for 2009 (especially in

Heading 4 of the Financial Framework). They recall that the **Flexibility Instrument** is intended for the financing of unforeseen political challenges and **should not be misused**.

**Pilot projects:** MEPs note that they will use the full amounts provided for pilot projects and preparatory actions since these instruments are an indispensable tool for Parliament to pave the way for new policies and activities that are in the interest of European citizens.

**Improving communication to European citizens:** MEPs recall that a clear and transparent presentation of the European Union's budget is an absolute necessity as this enables better communication with European citizens on how EU money is spent. However, with the current presentation of the budget, differentiating between operational and administrative expenditure of the Commission has become increasingly difficult.

Lastly, MEPs note that in terms of human resources, the Commission increasingly tends to outsource, resulting in a lack of transparency in the European Civil Service (since this staff is not visible in the Commission's establishment plans). They deeply regret this lack of transparency and call for a public and comprehensive discussion amongst all stakeholders on the future of European governance.