2010 budget: section III, Commission: guidelines

2009/2005(BUD) - 24/02/2009

The Committee on Budgets adopted the report drafted by László SURJÁN (PPE-DE, HU) on the Guidelines for the Budget 2010 procedure. The report notes that the Multiannual Financial Framework (MFF) for 2007-2013 sets out a challenging amount of budgetary resources for 2010, namely EUR 139 489 000 000 in commitments, which represents 1.02% of EU GNI, and EUR 133 505 000 000 in payments, which constitutes 0.97% of EU GNI (in current prices). MEPs takes into account that the amounts set out in the MFF for each heading are the

maximum amounts of expenditure and constitute the frame for annual budgets. They wish to see the final budget closer to these upper limits, which might help to finance numerous aims of vital importance of the European Union without jeopardising current policies and programmes. They recall that enormous challenges should be met in the EU budget 2010.

Ambitious budget: MEPs state that the Union needs more ambitious financial and budgetary decisions to allow it to assume its role mainly in the area of economic growth and jobs and in the external policy area where the resources are scarce. They emphasise that Parliament will use all the means available under the IIA of 17 May 2006, including, the use of the legislative flexibility of 5% over the MFF period 2007-2013 in order to see its political priorities carried through.

The Commission and the Member States are urged to facilitate implementation of annual budgets by reducing self-imposed bureaucratic burdens and simplifying the management systems where possible, notably of the Structural Funds.

Preparing the PDB – EP’s priorities: MEPs asks the Commission, in its preparation for the preliminary draft budget (PDB) for 2010, to produce clear, consistent and sound activity statements for each policy area in order to enable all relevant European Parliament committees to thoroughly scrutinise the implementation of the various EU programmes and policies. They ask the Commission to prepare a PDB that addresses the current challenges and provides for a sustainable budget for the ongoing policies. They are particularly concerned about the budgetary needs for 2010 in Headings 1a and 4 of the MFF. As regards Heading 4, MEPs recall that a constant preoccupation of the Parliament is that Heading 4 of the MFF suffers from serious under-funding. They point out that if the Union is to live up to its promises and its ambitions as a global player, it must ensure that the needs of developing countries are fully reflected in the strategic choices of financing mechanisms in the area of development cooperation. They do recall however that there have already been several changes reducing the margins available and that it is therefore difficult to finance new measures without fresh money. MEPs underline that margins available under each heading of the MFF (especially Heading 2) cannot be taken for granted, due to changing economic conditions and they consider it more appropriate to address directly the category of expenditure that is insufficient in order to avoid hindering other areas of expenditure. MEPs regrets that in the current context, the Council has not taken a constructive approach for using the existing flexibility mechanisms and they consider that the mid-term review of the MFF should also address the chronic under-funding of certain categories of expenditure.

Acting to face the challenges: MEPs recall that enormous challenges should be met in the EU budget 2010. They point out that the key objective is to put European citizens first and give them more safety. This requires special attention to be given to: the recent financial and economic crisis and its impact on growth and competitiveness, jobs and cohesion, better and simpler implementation of structural funds; enhancing energy supply and transport safety; as well as internal security, meaning particularly immigration, the fight against terrorism, demographic challenges, and also the matter of climate change.

The Commission should take into account the abovementioned circumstances when deciding on the PDB. The Commission should also continue with the delivery of aid in particular to Kosovo, the Middle East, Afghanistan and Georgia.

Responding to the global financial and economic crisis: MEPs consider that the Union has to react rapidly with measures that have a direct impact on the economy and has to support the Member States with accompanying actions, particularly those stimulating economic growth. They stress that the current context of economic crisis could be seen as an opportunity to increase investments in green technologies. They believe that the decision on the projects to be financially supported would be facilitated by a geographically balanced proposal. Emphasise is given to strengthen EU funds supporting SMEs, particularly those working in the area of research, development, innovation and information and communication technologies (ICTs).

Providing Energy and Transport Security: the report stresses that the Union's security of energy supply as well as the principle of energy solidarity are top priorities on the EU agenda and must also be appropriately reflected in the EU budget. MEPs see the increased energy investment also as a tool for fighting the economic crisis and favour the idea of advancing EU budget expenditure on key energy infrastructure projects. They expect the Commission to propose strong actions in support of the realisation of diversified gas transport routes, particularly the Nabucco project. They stress the importance of developing the necessary rail, sea and road transport infrastructure and they wish to accelerate the implementation of projects in 2010.

Environmental protection and combating climate change: MEPs point out that climate change has a widely recognised impact on Europe’s environment, economy and society. They reiterate their conviction that measures to mitigate climate change are still not satisfactorily included in the EU budget. They stress that they will support all efforts to increase and concentrate adequate financial resources to mitigate the consequences of climate change and remind the Commission that the budget authority voted for the 2009 Budget in favour of extra funding in order to boost the fight against climate change. MEPs recall their request for the Commission to present, by 15 March 2009, an ambitious plan for an adequate increase of climate change funds which considers the establishment of a specific "climate change fund" or the creation of a dedicated budget line which would improve the budget capability to deal with these issues. They encourage the Commission to increase, from 2009 onward, financial support to an appropriate level for new sustainable energy (meaning in particular zero carbon) technologies.

Reinforcing internal security: MEPs recall that the funding for issues such as border protection, civil protection, the fight against terrorism are to be maintained and that the promotion of food safety should also remain a priority. They regret however that the funding for these issues is increased moderately although they address significant concerns of European citizens. According to MEPs, special attention should be given to border protection in connection with the problem of illegal immigration.

Improving the quality of spending: MEPs insist that improving implementation and the quality of spending (especially Heading 1b) should constitute a guiding principle for achieving the best outcomes of the EU budget. They request the Commission to keep the budgetary authority informed and to reflect on appropriate actions that would boost implementation. Real proposals for the simplification of the Financial Regulation are needed according to the MEPs. The Commission is asked to support Bulgaria and Romania in their efforts with respect to the verification and cooperation mechanism and the management of EU funds. It should also follow closely the developments in Kosovo and the Balkan states with regard to the implementation and proper management of EU funds. According to MEPs, administrative expenditure at more efficient levels compared to operational expenditure. MEPs note with concern that an increasing number of staff employed by the European Union are neither visible in the institutions' establishment plans, as adopted by the budgetary authority, nor financed under Heading 5 of the MFF. Therefore, they are determined to continue the screening exercise concerning Commission staff and the balanced representation of the Member States.

Safeguarding the EP's prerogatives: lastly, MEPs recall the incontrovertibly positive performance, both in participation and implementation terms, of the different Erasmus pilot projects launched by Parliament over the past years. They believe that a substantial increase of the global financial envelope allocated to all Erasmus lines is needed in order to considerably raise up to 1 million per year, the number of young people participating in the ‘European Erasmus policy’. They also draw attention to the need for sufficient funding to be made available for communication policy.