# 2010 budget: section III, Commission: guidelines

2009/2005(BUD) - 10/03/2009 - Parliament's opinion on budgetary estimates/guidelines

The European Parliament adopted by 537 votes to 73, with 59 abstentions, a resolution on the Guidelines for the Budget 2010 procedure. It 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). Parliament wishes 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.

**An ambitious budget**: Parliament states 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. It emphasises that it will use all the means available (including the use of the legislative flexibility of 5%) 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.

**Inter-institutional working group on decentralised agencies**: Parliament welcomes the setting up of this working group. It reiterates the fact that the financial resources to create new agencies is very limited and reminds the Commission of the need to take into account assigned revenues when establishing the PDB 2010 for existing decentralised agencies. Underlining the fact the agencies depend to a large extent on revenues generated by fees, Parliament states that they must still be able to use this instrument in its entirety to give them the needed budgetary flexibility.

**Under-funding of Heading 4**: Parliament recalls its constant preoccupation as regards this issue. It points 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. It does 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. Parliament favours finding long-term solutions which would make the EU budget sufficient to meet all needs instead of shifting appropriations between headings. It considers 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**: Parliament recalls that enormous challenges should be met in the EU budget 2010. It points out that the key objective is to put **European citizens first and improve their safety** which 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. Parliament expects the Commission, having identified some of the major priorities, to reflect them in PDB, and to provide sufficient financial resources.

**Responding to the global financial and economic crisis**: Parliament emphasises that, in a time of global financial and economic crisis, Member States have responded with their individual aid measures. However, it strongly believes that the Union has to react rapidly with **additional and coordinated measures** that have a direct impact on the economy and has to support the Member States with accompanying actions, particularly those stimulating economic growth, as this would result in encouraging investments by the private sector and therefore help to overcome the danger of job losses, to promote job creation and to support SMEs in the short and longer term. Parliament stresses that the current context of economic crisis could be seen as an opportunity to increase investments in green technologies. It also considers that the tremendous opportunities of information and communication technologies (ICTs) foster growth and innovation, thereby contributing to achieving the goals of the Lisbon strategy and to overcoming the current economic crises. Plenary calls for a rapid agreement on the proposal to amend the current European Globalisation Adjustment Fund Regulation in order to better address the consequences of relocations, decreasing production and job losses and to help workers to return to the labour market.

**Providing Energy and Transport Security**: Parliament wishes to explore the possibilities of further EU financing in these areas. It expects the Commission to propose strong actions in support of the realisation of diversified gas transport routes, including the Nabucco project. It also points out, in this context, the role of the European Investment Bank, in bringing about leverage effects and in helping mobilise private sector participation, bearing in mind, however, the issue of democratic accountability. Parliament sees the increased energy investment also as a tool for fighting the economic crisis and favours the idea of advancing EU budget expenditure on key energy infrastructure projects.

**Environmental protection and combating climate change**: Parliament recalls that combating climate change is also connected to energy security and deplores the fact that measures to mitigate climate change are still not satisfactorily included in the EU budget. It stresses that it will support all efforts to increase and concentrate adequate financial resources to mitigate the consequences of climate change. It reminds 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. Parliament also encourages 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**: Parliament recalls that the funding for issues such as border protection, civil protection, the fight against terrorism are to be maintained and should be reinforced in 2010, because these policies directly address the concerns of European citizens. It notes that promoting food safety also remains a priority and regrets that, according to the financial programming of January 2009, the funding for these issues is increased in Heading 3a moderately and remains almost unchanged for citizenship, Heading 3b according to the 2010 APS compared to the 2009 budget, although they address significant concerns of European citizens.

**Improving the quality of spending**: Parliament insists that improving implementation and the quality of spending (especially Heading 1b – Structural Policies) should constitute a guiding principle for achieving the best outcomes of the EU budget. It calls on 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 Parliament. 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.

**Safeguarding the EP's prerogatives**: lastly, Parliament recalls the incontrovertibly positive performance, both in participation and implementation terms, of the different Erasmus pilot projects launched by Parliament over the past years. It believes that a substantial increase of the global financial envelope allocated to all Erasmus lines is needed in order to considerably raise up to one million per year, the number of young people participating in the 'European Erasmus policy'.