2010 budget: section III, Commission: guidelines

2009/2005(BUD) - 04/03/2009 - Document attached to the procedure

The Council approved a set of draft conclusions, on the basis of a proposal from the Czech Presidency, by way of preparation of the budget guidelines for 2010 to be established by the Council.

Overall, the Council considers that the budgetary procedure 2010 will play a crucial role in the pursuit and development of the European Union's objectives and priorities. A vast majority of programmes and actions should reach their cruising speed in 2010 but it is the current financial and economic crisis, in particular, that will put a serious strain on national economies and budgets. In this context, the Council wishes to underline the importance of a European economic recovery plan, as endorsed by the European Council of 11 and 12 December 2008.

Moreover, the Council stresses the necessity of strict compliance with the Multiannual Financial Framework and underlines that expenditure must strictly remain within the limits fixed therein and sufficient margins must be maintained under all the ceilings of various headings and sub-headings (with the exception of sub-heading 1b).

The Council urges the best possible use of the budget’s resources and stress that commitment and payment appropriations should be set so as to reflect the **real needs of the Multiannual Financial Framework**. It calls on the Commission and the Member States to pursue their efforts to deliver better forecasts.

The Council stresses the great importance of keeping payment appropriations firmly under control. It notes with great concern the volume of outstanding commitments and calls on all actors involved to continue to do their utmost to avoid overestimation.

The Council notes with satisfaction the good functioning of the Commission's "Budget Forecast Alert" (BFA) system, which allows adjustments to the level of appropriations in a more realistic and rigorous way. It encourages the Commission to continue to refine its methods of monitoring expenditure. The Council also stresses its willingness to make constructive use of Activity Statements in the context of heading-by-heading discussions over budgetary allocations during the 2010 budgetary procedure.

As regards some sectoral issues, the Council identifies the following elements as crucial in preparing the 2010 budget:

- **Competitiveness for Growth and Employment**: the Council attaches the greatest importance to a proper implementation of the various programmes and actions within the ceiling of this sub-heading. It underlines the importance of strengthening investment notably in the sectors of infrastructure and energy, as well as in the field of energy security;
- **Cohesion for Growth and Employment**: the Council stresses the importance of the speedy implementation of the different measures mentioned in the joint statement agreed during the 2009 budgetary procedure, aiming at reaching cruising speed in the implementation of Structural and Cohesion Funds within the ceilings of the Multiannual Financial Framework, and to avoid recurrent under-implementation. In the context of the current economic downturn, special attention should be paid inter alia to the simplification of rules and procedures, rapid start of programmes and projects still pending, including the relevant major projects, and increased prefinancing. Therefore, it requests the Commission to speed up the compliance assessment procedures of the management and control systems in order to start the interim payments as soon as possible in 2009;
- **CAP**: the Commission is invited to present realistic and clearly defined forecasts already in its PDB and then in its "ad hoc" letter of amendment of October, taking into account past implementation

and foreseeable market prices evolution at European and international level. Particular attention should be given to ensuring that payment appropriations for expenditure related to rural development are accurate;

- **Citizenship, Freedom, Security and Justice**: the Council recalls the importance of allocating sufficient resources to EU policies such as immigration;
- **External Actions**: taking into account the present and forthcoming challenges, both at the economic and stability level, the Council firmly believes that the role of the European Union as a global player must be reaffirmed and that the 2010 budget should have adequate means to match the Union's ambitions. In this respect, the Council stresses that sufficient margin under the ceiling of heading 4 is vital for the European Union, in order to enable it to provide for unexpected needs and crises in the most effective, flexible and rapid way. In this context, the Council draws attention to the constantly growing role of the Common Foreign and Security Policy and the need for it to continue to be adequately funded;
- **Administrative expenditure**: the Council recalls the common objective of increasing administrative efficiency along the same line adopted by Member States to optimise the use of resources. It intends to continue to monitor and to improve EU institutions' effectiveness with a view to increasing administrative efficiency and stresses the crucial importance of redeployment and reorganisation. It expects all the institutions to provide in advance all the necessary information for a clear, comprehensive, and consolidated picture of all administrative expenditure, including administrative expenditure financed under other headings and sub-headings of the Multiannual Financial Framework, thus allowing the budgetary authority to evaluate the situation and take well-founded decisions on the allocation and use of resources. The Council is concerned about the evolution in appropriations for pensions and their impact on the administrative expenditure in the future. It insists that the Commission provides an updated estimate of annual pension expenditure at least up to 2013 well before the PDB;
- **The European Union's decentralised agencies**: the Council reiterates the importance of keeping their funding under firm control, so as to provide for the real needs and to avoid over-budgeting. It expects the Commission to continue providing a comprehensive picture concerning decentralised agencies, including their building policy, in due time for the PDB for 2010 and urges the Commission to continue to take into account agencies' unused appropriations when establishing the PDB, with the aim of bringing down the agencies' annual surpluses.

Lastly, the Council recalls that the budget is one of the most significant tools to guarantee the accountability of the European Union towards its citizens; likewise it is fully aware that an accurate and accountable use of the EU resources is one of the essential means to reinforce the trust of the European citizens. Therefore, it attaches the greatest importance to these guidelines and expects them to be fully taken into account already in the PDB for 2010.