

# 2010 budget: section III, Commission

2009/2002(BUD) - 08/10/2009

The Committee on Budgets adopted the report drafted by László SURJÁN (EPP, HU) on the draft general budget of the European Union for the financial year 2010 and Letter of amendment No 1/2010 to the draft general budget.

The committee deplores once again the fact that, in its draft budget, the Council has reduced the Commission's Preliminary draft budget (PDB) even further: commitment appropriations in the draft budget total **EUR 137 944 million**, which represent a decrease relative to the PDB of EUR 613 million, and payment appropriations of **EUR 120 521 million represent a decrease relative to the PDB of EUR 1 795 million**.

In this context, MEPs have decided to restore the figures from the Commission's preliminary draft budget for most of the budget headings. In some priority policies and actions they even went further than the figures in the Commission's preliminary draft budget.

**On the European Recovery Plan – a priority:** MEPs stress that the **key objective of the 2010 budget must be to give special attention to the recent economic crisis**. European citizens should be put first, proving that the European Union is not at the origin of the problem, but can be instrumental in the solution. Therefore, the committee has amended accordingly the Draft Budget of the Council, with the aim of using the EU budget as a **tool to help overcome the current crises**, by giving impetus to economic growth, competitiveness, cohesion and job protection.

MEPs reaffirm, after having examined the draft budget, that **heading 1a** does not allow proper financing of the EU's needs on "Competitiveness for growth and employment". According to the committee, the envelope for this heading is insufficient and should be examined in depth and, if need be, revised to ensure it fulfils its objectives in future years.

Stressing that the financing of the second phase of the European Economic Recovery Plan is a priority for Parliament, MEPs intend to use the tools provided for in the [IIA](#) in order to guarantee its financing. MEPs consider that this increase would be possible under articles 21 to 23 of the inter-institutional agreement (which allow budget ceilings to be raised).

The committee called on the Council to include EUR 1.5 billion in payments and **EUR 1.98 billion in commitments in the 2010 budget, to fund the economic recovery plan**. These payments would cover EUR 800 million for energy networks, EUR 250 million for Carbon Capture and Storage (CCS) and EUR 450 million for the European offshore wind grid system.

The committee gives its opinion on each of the following headings:

- **On heading 1a:** the committee is astonished by Council's additional cuts on lines supporting the Lisbon strategy. For its part, it is committed to doing its utmost to secure adequate financing for all activities and policies under heading 1a which foster sustainable growth and job creation and deliver solutions to European citizens namely by **providing greater energy security, increasing support for research and innovation**, particularly on clean energy technologies, **promoting SMEs and reinforcing life-long learning**. Furthermore, MEPs suggest an increase in the payments for the trans-European networks for Energy (adding EUR 10 million to the Council's EUR 6 million) and for Transport (adding EUR 150 million to Council's EUR 685 million). They also suggest an increase of EUR 35 million for the Competitiveness and Innovation Framework Programme —

Intelligent Energy (Council's budget: EUR 40 million) and an increase of EUR 30 million for SMEs on top of the Council's EUR 97.3 million.

- **On sub-heading 1b:** MEPs regret the cuts introduced by the Council to the PDB in a period when structural and cohesion funds should be used for stimulating economic growth and recovery. They propose **systematic increases to payments** on the main lines (ERDF, ESF, Cohesion Fund) to boost implementation of structural policy in the Member States, for the benefit of all European citizens. They insist that Member States use all the existing tools to accelerate or even revise their operational programmes in order to tackle the consequences of the recent economic and financial crisis more efficiently.
- **On heading 2:** MEPs consider that the **draft EU budget cannot address effectively and realistically the goals that the Union has set for climate change**. They believe that European citizens need a tangible European initiative to fight climate change, face its consequences and finance the necessary policies. They recall that, in view of the Copenhagen conference in December 2009, the fight against climate change will remain one of its top priorities for Budget 2010. MEPs emphasise the priority given by its competent committee for aiding milk producers. They decide to send a clear message to the Commission and the Council by proposing an amount of EUR 300 million for the creation of a **Dairy Fund** and urge the Commission to take on board this request when presenting its Amending letter No 2. In addition, they decide to **finance the broadband internet measures for rural areas** of the European Economic Recovery Plan from the margin of heading 2. They stress the need to increase the funding of programmes with the potential to promote the consumption of agricultural products (e.g. school milk and school fruit schemes which sees their envelope increase by EUR 15 million compared to the draft budget).
- **On sub-heading 3a:** MEPs stress the importance of further funding being made available via the EU budget to manage legal immigration and integration of third country nationals while in parallel tackling illegal immigration in full respect of human fundamental rights, and strengthening border protection, including the strengthening of the European Return Fund and the European Refugee Fund to facilitate solidarity between the Member States. It is proposed that Frontex should receive an extra EUR 5 million, in addition to the original EUR 54.4 million and the European Refugee Fund, originally EUR 82.3 million, would get an extra EUR 10 million.
- **On sub-heading 3b** which covers vital policies that have a direct impact on the everyday life of European citizens, MEPs disagree with the Council's cuts in this sub-heading and endorse the specialised committees' approach, ensuring that the increase of the appropriations is justified. They recall that the low turn-out in the European elections has shown once again that information and communication policy has to be improved in the 2010 budget. The Budget has therefore tabled several amendments putting in reserve a part of appropriations foreseen for the information and communication policy. It calls on the Commission to present to Parliament its plans on how to implement the outcome of the findings of the Interinstitutional Group of Information (IGI).
- **On heading 4:** MEPs support the Letter of amendment No 1 to the PDB 2010 adopted by the Commission on 2 September 2009, which provides for an increase on two lines: Palestine and climate change in developing countries (two priorities put forward by the Parliament). Firstly, they propose an extra EUR 25 million (over and above Council's first reading) in financial assistance to Palestine, making the total assistance EUR 295 million in commitments and EUR 260 million in payments. They have also suggested putting the increase on budget line climate change in developing countries into **reserve**, waiting for the outcome of the Conference on Climate Change in Copenhagen. MEPs stress, however, the need for a new financial instrument to help developing countries to cope with the effects of climate change, so the Development Cooperation Instrument ([DCI](#)) can fulfil its originally assigned tasks in the future. MEPs reiterate their serious concerns about the dangerously narrow margin for manoeuvre resulting from **chronic under-financing** of a heading constantly under pressure as a result of crises occurring in third countries. They call on the Commission to present a plan to restore, over the period 2010 to 2013, the financial means that are reallocated from the Instrument for Stability to the [Food Facility](#). They also call on the Commission to: (i) present a plan for the mobilisation of financial resources for any external emergency assistance facilities or mechanisms that are created outside the Instrument for Stability in a way that

would avoid drawing on the funds foreseen for the [Instrument for Stability](#); (ii) communicate which measures it has taken to minimise the risks that projects and programmes financed under this budget line are used or diverted to terrorist organisations or acts of terrorism, or inefficient bureaucracy, and to specify whether part of the aid is aimed at rebuilding premises or infrastructure previously financed by the Union or its Member States and damaged by military action; (iii) allocate sufficient funding to the EU Baltic Sea Strategy. MEPs call on the European Council not to make far-reaching political commitments calling for stronger EU financial support without at the same time providing for the requisite budgetary appropriations.

- **On heading 5:** overall, MEPs accept some of the Council's cuts in the administrative expenditure lines. However, they call upon the Parliament to reinstate the appropriations for staff expenditure. They state that the total amount of all types of administrative expenditure financed outside heading 5 has substantially increased in recent years. They are also greatly concerned that under the current Multi-annual Framework Programme part of the overall envelope for multi-annual programmes under headings other than heading 5 is being used for administrative expenditure. They are also worried about the current call for tender for a New European Quarter and request to be fully informed on the selection process and the need for further information on the Commission's building policy in general.
- **On pilot projects and preparatory actions:** MEPs recall that the IIA allows for a total amount for pilot projects of up to EUR 40 million in any budget year and for a total amount for preparatory actions of up to EUR 100 million. They consider these projects an indispensable tool for Parliament to initiate new policies for European citizens. Lastly, they have given priority to the implementation of pilot projects and preparatory actions in their second or third year and intend to monitor closely the implementation of these and the newly established projects and actions during the financial year 2010.