

2010 budget: section III, Commission

2009/2002(BUD) - 22/10/2009 - Budgetary text adopted by Parliament

The European Parliament adopted by 522 votes to 68, with 39 abstentions, a resolution 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 Parliament 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.

Parliament is seeking to increase the EU's 2010 budget to **EUR 127.5 billion in payments and EUR 141.7 billion in commitments**.

On the European Recovery Plan – a priority: Parliament recalls 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, Parliament 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. Parliament reaffirms, 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": 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.

Revision of the multiannual financial framework: 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. Parliament considers that this increase would be possible under articles 21 to 23 of the inter-institutional agreement (which allow budget ceilings to be raised). It also calls 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, in particular, energy networks and Carbon Capture and Storage (CCS) and the European offshore wind grid system.

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

- **On heading 1a:** Parliament 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**. Plenary also advocates the enrichment and further **development of the Erasmus Programme** in order to foster the promotion of first-job creation for young people.
- **On sub-heading 1b:** Parliament regrets 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. It proposes **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. It insists 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. In an amendment adopted in Plenary, MEPs believe it is now even more necessary to assess the application of the n+2 and n+3 rule with a view to ensuring full execution of the Structural Funds and the Cohesion Fund.

- **On heading 2:** Parliament considers that the **draft EU budget cannot address effectively and realistically the goals that the Union has set for climate change**. It believes that European citizens need a tangible European initiative to fight climate change, face its consequences and finance the necessary policies. It recalls 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. Parliament emphasises the priority given to milk producers. It proposes an amount of **EUR 300 million** for the creation of a **Dairy Fund** and urges the Commission to take on board this request when presenting its Amending letter No 2. Parliament stresses 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). In addition, Parliament decides to **finance the broadband internet measures for rural areas** of the European Economic Recovery Plan from the margin of heading 2.
- **On sub-heading 3:** as regards heading 3a, Parliament stresses 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. Under heading 3b, which covers vital policies that have a direct impact on the everyday life of European citizens, Parliament disagrees with the Council's cuts in this sub-heading. It recalls 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. A number of amendments have been tabled such as putting in reserve a part of appropriations foreseen for the information and communication policy.
- **On heading 4:** Parliament 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, it has decided to increase budget line climate change in developing countries, while waiting for the outcome of the conference on climate change in Copenhagen. It stresses, 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. Parliament reiterates their serious concern 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. It calls 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](#). MEPs 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. Parliament calls 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, Parliament accepts some of the Council's cuts in the administrative expenditure lines, based on a selective approach, striking a balance between the overall budgetary priorities, including new ones, and the needs for implementation of existing policies. It reinstates the appropriations for staff expenditure. It states that the total amount of all types of administrative expenditure financed outside heading 5 has substantially increased in recent years. It is 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. MEPs are 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:** Parliament recalls 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. It considers 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.