

2014 budget: estimates of revenue and expenditure - Section I, Parliament

2013/2018(BUD) - 25/03/2013 - Committee report tabled for plenary, single reading

The Committee on Budgets adopted the report by Monika HOHLMEIER (EPP, DE) on Parliament's estimates of revenue and expenditure for the financial year 2014.

Members recall that the level of the preliminary draft estimates for the 2014 budget, as suggested by the Secretary-General in his report to the Bureau, amounts to EUR 1 813 144 206 and take into account the rate of increase of 3.58% compared with the 2013 budget. They stress that this proposed increase consists of legal obligations, stemming from the exceptional one-year additional expenses of electing a new Parliament and **becoming a truly independent democratic institution** by applying its own Statutes for Members and their assistants.

Members recall that in the context of continuing economic and financial difficulties, as reflected in the austerity measures taken by many Member States in response to the debt crisis, Parliament should continue to exercise a high degree of budgetary responsibility, control and self-restraint.

Exceptional expenditure: Members emphasise the fact that the financial implications of the **European elections** and the turnover of Members and their assistants during the changeover between legislative terms are of an exceptional nature. They regret that those additional costs must be borne in one single budget year and asks the Secretary General to identify a way of ensuring that those costs are spread over the lifetime of the parliamentary term in future. Further efforts must be made to implement further changes, savings and structural reforms, including using the possibilities of the Financial Regulation, with the ambition of keeping the budget increase closer to the rate of inflation.

Members also highlight Croatia's accession and recall that estimated direct costs may total EUR 13.6 million.

In parallel, Members appreciate the fact that all other expenditure is reduced in total by 0.15%, according to preliminary draft estimates, compared with the 2013 budget. They welcome the efforts made by the Bureau to present **realistic** preliminary draft estimates which has a particularly low when compared with the corresponding period under the previous MFF (2007-2013).

Draft estimates: the overall level of the draft estimates for 2014 is set at **EUR 1 808 144 206** (corresponding to a rate of net increase of 3.29% over the 2013 budget). Whilst highlighting the exceptional expenditure of 2014, Members call for further savings and redeployments via structural reforms to be sought during the Parliament's reading in autumn 2013 in the course of the 2014 budgetary procedure and in the following years, through in particular the scope for **inter-institutional cooperation** arrangements between Parliament, the European Economic and Social Committee and the Committee of the Regions.

Further reductions and savings on the preliminary draft estimates for the financial year 2014 are highlighted in the following areas and for the following amounts: "energy consumption" (EUR -0,5 million), "Official Journal" (EUR -1 million), "parliamentary assistance" (EUR -1 million), "European Parliament carbon offsetting scheme" (EUR - 0,25 million), "fitting-out of premises" (EUR -1,25 million) and "contingency reserve" (EUR -1 million). Members propose to analyse the possibility of moving the article 'Pensions' (article 103) and the transitional allowances for Members out of the sub-ceiling of administrative expenditure during the 2014 annual budgetary procedure.

Members recall the need to pursue structural and organisational reforms that aim to achieve greater efficiencies without endangering legislative excellence and the quality of working conditions.

Specific issues: Members insist on the following:

- structural reforms such as reforms in travel policy and management, a reduced length and number of missions, the increased use of video-conferencing and reorganisation of translation and interpretation services, some of which have been in place since 2011, are estimated to allow annual savings of approximately EUR 29 million;
- the proposed decreases compared with the 2013 budget in the areas of translation (-56%) and interpreting costs (-23%) without jeopardising the principle of multilingualism;
- a significant cut in expenditure related to Parliament television (Europarl TV) is already anticipated.

As regards buildings policy, Members believe that in the current climate of austerity, long-term investments such as Parliament's building projects need to be handled prudently and transparently. They reiterate Parliament's request in its resolution of 16 February 2012 on the guidelines for the 2013 budget procedure for precise information on the progress in buildings projects and its financial implication to be provided every six months and the Parliament's statement that **no new unforeseen building projects should be undertaken until the end of the current legislature**.

Lastly, Members take note of the fact that the opening of the European House of History is foreseen for 2015 and expect an update on the possible cofinancing agreement with the Commission.