

2004 discharge: EC general budget, European Parliament

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PURPOSE : presentation of the final annual accounts of the European Community for the financial year 2004 – Other institutions : Section I – European Parliament.

CONTENT : this document sets out the amount of expenditure and the financial statement of the European Parliament for 2004 and presents an analysis of its financial management. The appropriations entered in the European Parliament's 2004 budget amounted to EUR 1.231 billion, with nearly a 98% utilisation rate.

Main axes of 2004 expenditure : it should be noted that 2004 was highlighted by several major events, notably:

- the accession of 10 new Member States and the European elections;
- the implementation of the “Raising the game” project and the new Staff Regulation.

Concerning the budget implementation, the 2004 budget was marked by: heavy uncertainty about the European elections and the Members' turn-over rate, this rate having a direct impact on the payment of allowances (the final turn-over rate of former Members being 55%); enlargement and the delays in staff recruitment; the entry into force of the new Staff Regulations and real estate negotiations. Overall, the expenditure forecasts were appropriate but staff costs were lower than predicted. The carry-overs were used to cover costs in field of real estate.

Amendments to the budget : the main amendments concern :

- an amending budget on the new Staff Regulations;
- releasing appropriations from the reserve;
- new budget guidelines on the financing of building acquisition, in particular, the payment of ground rent for the building in Brussels (see below);
- carrying out of specific objectives : enlargement, elections, information campaign.

Results reached in 2004 : concerning the use of appropriations with regards to the EP's expected objectives, the following can be noted:

1) Enlargement and the European elections : these 2 events had considerable effects on the General Secretary of the European Parliament:

- establishing an information and awareness campaign to inform EU citizens on the activities of the Parliament with a view to increasing voter participation : strengthening the activities of the Information Offices in the Member States, creating a website and “Fact sheets” on the Parliament, special enlargement ceremony for the 1 May 2004, publishing a practical guide on the EP for the new Members;
- recruitment of staff from the new Member States : only 200 posts were available at the end of 2004;

- linguistic effect of enlargement : each MEP has the right to carry out his duties in his/her own mother tongue. Therefore, there are currently 20 official languages in the EU;
- real estate issue of enlargement: the Parliament signed a long term lease for the D4/D5 buildings in Brussels. To this effect, several transfers were made in order to mobilise EUR 152 million to continue with the building policy. Waiting on their availability, the Parliament has rented a number of buildings in Brussels. Negotiations have been opened concerning the construction of an extension of the ADENAUER building in Luxembourg and the Parliament signed a final buying act for the “Louise Weiss” in Strasbourg;
- effects of enlargement on security : given the increased number of visitors, Members and officials, new security measures have been taken.

2) “Raising the Game”: this is a Parliament initiative aiming to increase the quality and efficiency of the assistance given to MEPs. In this context, several actions have been taken such as the reorganisation of several DGs, the reorganisation of the Parliament’s library within DG Information, centralisation of know-how in the legal service in order to facilitate the tasks of the rapporteurs;

3) Implementation of the new Staff Regulations: this Regulation entered into force on 1 May 2004. New procedures and adjustments were implemented by the EP Bureau.

DETAILED SYNTHESIS OF EP EXPENDITURE 2004 : this detailed synthesis analyses the breakdown of EP expenditure for the financial year 2004. The figures mentioned can also be found in the “Final annual accounts of the European Communities - Financial year 2004 – Volume III”.

Implementation rate in 2004 :

- appropriations entered in the 2004 budget : EUR 1.231 billion;
- appropriations committed amounted to EUR 1.203.370.074, a rate of 97,76% (rate of cancelled appropriations: 2,24%);
- appropriations paid amounted to EUR 921.908.731, a rate of 76,61% of commitment appropriations;
- appropriations carried over from 2003 to 2004: EUR 213.477.854,76, a rate of 17,34% of final budget appropriations (compared to 19,65% in 2003).

Main budget items and use of commitment appropriations (Titles I, II and III):

- § I: Institutional costs (Members and active staff) : EUR 582,15 million;
- § II: Operational costs (including building and materials) : EUR 455,64 million;
- § III: Mission costs (parliamentary assistance) : EUR 165,58 million.