2007 budget: section III, Commission

2006/2018(BUD) - 12/10/2006

The committee adopted the report by James ELLES (EPP-ED, UK) on the draft general budget of the EU for 2007. MEPs said that EU spending should be focused on priority areas and at a higher level than proposed by the Council, although with a new emphasis on obtaining value for money. They therefore wanted overall payments in the 2007 budget to be increased to a level of 1.04% of the gross national income of the EU-27 (around EUR 121.6 billion), as compared with the level of 0.98% of GNI proposed by the Council at its first reading in July (EUR 114.61 billion). They also tabled amendments to place 30% of appropriations in reserve on a number of budget lines (accounting for around EUR 400 million), until the Commission could "reassure the Parliament that this money will be spent in a manner that delivers value for money to the European taxpayer".

The report explained the specific approach adopted per heading, in line with Parliament's policy priorities:

- Headings 1a and 1b (Competitiveness for growth and employment; Cohesion for growth and employment): there should be increased fundingfor priority programmes linked to the Lisbon agenda (e.g. the 7th Research Framework Programme) and for budget lines linked to cohesion;

- **Heading 2 (Preservation and management of natural resources)**: the committee deplored the Council's drastic across-the-board cut in market expenditure under the CAP and called for the re-establishment of the figures proposed by the Commission in its preliminary draft budget (PDB);

- **Headings 3a and 3b (Freedom, security and justice; Citizenship)**: the committee proposed to increase funding for the area of freedom, justice and security, and in particular for Eurojust, "the sole body for judicial cooperation between the Member States in the criminal law field". It also reiterated Parliament's frequently-stated demand that Europol be placed on a Community footing. On citizenship, the Commission was urged to "clarify the budget implications of and the actions to be taken under the Plan D for Democracy Debate and Dialogue";

- **Heading 4 (The EU as a global partner)**: MEPs felt that this heading was likely to be underfunded in 2007-2013, as it was in the last financial perspective. However, the committee did not want the flexibility instrument to be used, by contrast with previous years, and instead voted for funds to be redeployed between budget lines. It wanted to see increased funding in some areas including financial assistance for Palestine and for the countries "to the east of Jordan". It also earmarked EUR 100 million for reconstruction in Afghanistan and placed it in a special line created for this purpose. The report also expressed concern that the expansion of activities in the area of the Common Foreign and Security Policy (CFSP) had not been matched by increased democratic accountability and parliamentary scrutiny, and therefore proposed budgetary amendments aimed at fostering "a greater degree of transparency and cooperation in this regard";

- **Heading 5 (Administration):** the committee was opposed to the Council's proposal to reduce the number of posts at the Commission over the next few years and decided to restore the cuts made to the PDB. However, it entered EUR 50 million in the reserve, with a number of conditions, including a "screening" exercise, or assessment, of the Commission's staff needs.

Lastly, turning to the EU agencies, the committee proposed setting their budget at the level agreed for 2006, plus an increase of no more than 2%. The increase for 2007 would go into the reserve pending receipt of a justification for the rapid increase in the agencies' budgets. A notable exception was the Frontex agency, whose budget would be increased by EUR 14 million to fund patrols on the EU's borders.