

2011 budget, section III, Commission: guidelines

2010/2004(BUD) - 24/02/2010 - Document attached to the procedure

The Council adopted a series of **conclusions on the budget guidelines for 2011** which will be forwarded to the European Parliament, the European Commission and the other institutions.

The Council, firstly, recalls that the 2011 budgetary procedure will play a crucial role in the pursuit and development of the European Union's objectives and priorities and takes place in a very specific context due to two main factors:

- **the consequences of the economic crisis will still impact on 2011:** considering that most of the Member States find themselves in an excessive deficit procedure, the budget for 2011 will more than ever have to take into account economic and budgetary constraints at national level. The implementation of agreed EU programmes and actions, including those aiming at tackling the effects of the crisis, should continue. Therefore, reallocations allowing the best use of available resources should be encouraged;
- **implementation of the Lisbon Treaty:** the 2011 budgetary procedure is the first procedure under the Lisbon Treaty. With this in mind, the Council underlines the importance of a good collaboration between the two arms of the budgetary authority and with the Commission. The need for strong cooperation is reinforced in a situation where both arms of the budgetary authority will only have a single reading of the draft budget (DB), and where an agreement has to be reached during the conciliation procedure on all expenditure. The two arms of the budgetary authority should therefore coordinate their positions as early as possible during the procedure.

Key elements of the budget for 2011: the budget for 2011 should remain strictly within the limits fixed in the current 2007-2013 financial framework and sufficient margins should be left under all the ceilings of various headings and sub-headings of the financial framework, with the exception of sub-heading 1b, for the purpose of sound financial management and notably to cater for unforeseen circumstances. Council underlines the need for a **realistic budgeting**. Commitment and payment appropriations should be set so as to reflect real and well defined needs. The Council stresses the great importance of **keeping payment appropriations firmly under control**, taking into account the payment profile included in the financial framework. It also notes with great concern the volume of **outstanding commitments** and considers that the relation between the level of commitment and payment appropriations must be carefully weighed against the absorption capacity. It calls on all actors involved to continue to do their utmost to avoid overestimation in order to limit undue pressure on national budgets. Lastly, the Council recalls the importance of **reallocation**, as a primary tool for budgetary flexibility, in order to allow the budgetary authority to adapt the appropriations in a balanced and realistic way.

The Council identifies the following elements as crucial in preparing the budget for 2011:

- **competitiveness for growth and employment:** the Council underlines the importance of measures contributing to economic recovery, notably in the field of research and innovation. Special attention should be given to the timely implementation of agreed measures in the context of the European Economic Recovery Plan;
- **cohesion for growth and employment:** the Council considers that payments from Structural Funds and the Cohesion Fund should be at cruising speed in 2010 and 2011. It urges the Commission and Member States to maintain this momentum in order to avoid recurrent under-implementation in this area. All actors involved should continue their efforts in order to establish a realistic and accurate level of payments for structural measures, and pursue an efficient and effective implementation of the 2007-2013 programmes;
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- **CAP expenditure:** the Commission is invited to present realistic and clearly defined forecasts already in its DB and then in its *ad hoc* letter of amendment on agriculture, taking into account past implementation and foreseeable market prices evolution at European and international level. The *ad hoc* letter of amendment on agriculture should be presented in due time before the conciliation meeting;
- **citizenship, freedom, security and justice:** the Council recalls the importance of allocating sufficient resources to EU policies such as immigration;
- **external actions:** taking into account the present and forthcoming challenges, both at the economic level and in terms of international stability, the Council firmly believes that the Union should have a sufficient margin under the ceiling of heading 4 in order to enable it to provide for unexpected needs and crises in the most effective, flexible and rapid way. It recalls the importance of the setting up of the **European External Action Service (EEAS)**, which should be guided by the principle of cost-efficiency aiming towards budget neutrality;
- **administrative expenditure:** the Council recalls the common objective of increasing administrative efficiency along the same line adopted by Member States to optimise the use of limited resources. It intends to continue to monitor and to improve EU institutions' effectiveness with a view to increasing administrative efficiency and stresses the crucial importance of redeployment of resources and reprioritisation. This is even more important in a situation where the Lisbon Treaty assigns new tasks to institutions. It expects all the institutions to provide in advance all the necessary information for a clear, comprehensive, and consolidated picture of all administrative expenditure, including administrative expenditure financed under other headings and sub-headings of the multiannual financial framework, thus allowing the budgetary authority to evaluate the situation and take well-founded decisions on the allocation and use of resources. Due attention should be given to the comprehensiveness and comparability over time and between institutions of information provided.

It also recalls the content of the joint statement on the building policy of EU Institutions and bodies agreed during the 2010 budgetary procedure and expects all institutions and bodies to comply with its content and awaits the publication of the study of the budgetary implications of pension costs covering the next 30 years.

As far as the Union's **decentralised agencies** are concerned, the Council reiterates the importance of keeping their funding under firm control. It expects the Commission to continue providing a comprehensive picture concerning decentralised agencies, including their building policy, in due time for the draft budget for 2011.