

# Procedure file

Basic information		
BUD - Budgetary procedure	2007/2019B(BUD)	Procedure completed
2008 budget: other sections		
Subject 8.70 Budget of the Union 8.70.60 Previous annual budgets		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>BUDG</b> Budgets		13/12/2006
		PPE-DE <a href="#">ITÄLÄ Ville</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>AFET</b> Foreign Affairs	The committee decided not to give an opinion.	
	<b>DEVE</b> Development	The committee decided not to give an opinion.	
	<b>INTA</b> International Trade		28/02/2007
		PPE-DE <a href="#">ŠŤASTNÝ Peter</a>	
	<b>CONT</b> Budgetary Control	The committee decided not to give an opinion.	
	<b>ECON</b> Economic and Monetary Affairs	The committee decided not to give an opinion.	
	<b>EMPL</b> Employment and Social Affairs	The committee decided not to give an opinion.	
	<b>ENVI</b> Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
	<b>ITRE</b> Industry, Research and Energy	The committee decided not to give an opinion.	
	<b>IMCO</b> Internal Market and Consumer Protection	The committee decided not to give an opinion.	
	<b>TRAN</b> Transport and Tourism	The committee decided not to give an opinion.	
	<b>REGI</b> Regional Development	The committee decided not to give an opinion.	
	<b>AGRI</b> Agriculture and Rural Development	The committee decided not to give an opinion.	
<b>PECH</b> Fisheries	The committee decided not to give an opinion.		
<b>CULT</b> Culture and Education	The committee decided not to give an opinion.		
<b>JURI</b> Legal Affairs	The committee decided not to give an opinion.		
<b>LIBE</b> Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.		

	<b>AFCO</b> Constitutional Affairs	The committee decided not to give an opinion.	
	<b>FEMM</b> Women's Rights and Gender Equality	The committee decided not to give an opinion.	
	<b>PETI</b> Petitions		07/06/2007
		ALDE <a href="#">SBARBATI Luciana</a>	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">2833</a>	23/11/2007
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">2822</a>	09/10/2007
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">2814</a>	13/07/2007
European Commission	Commission DG	Commissioner	
	<a href="#">Budget</a>	GRYBAUSKAITĖ Dalia	

### Key events

02/05/2007	Commission preliminary draft budget published	COM(2007)0300	Summary
10/09/2007	Council draft budget published	<a href="#">11781/2007</a>	Summary
24/09/2007	Committee referral announced in Parliament		
11/10/2007	Vote in committee		Summary
16/10/2007	Budgetary report tabled for plenary	<a href="#">A6-0394/2007</a>	
23/10/2007	Debate in Parliament		
25/10/2007	Results of vote in Parliament		
25/10/2007	Decision by Parliament	<a href="#">T6-0474/2007</a>	Summary
23/11/2007	Draft budget approved by Council		Summary
11/12/2007	Debate in Parliament		
13/12/2007	End of procedure in Parliament		
14/03/2008	Final act published in Official Journal		

### Technical information

Procedure reference	2007/2019B(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/6/45199

### Documentation gateway

Document attached to the procedure		<a href="#">SEC(2007)0529</a>	27/04/2007	EC	Summary
------------------------------------	--	-------------------------------	------------	----	---------

Commission preliminary draft budget		COM(2007)0300	02/05/2007	EC	Summary
Council draft budget		<a href="#">11781/2007</a>	10/09/2007	CSL	Summary
Committee opinion	INTA	<a href="#">PE391.973</a>	12/09/2007	EP	
Committee draft report		<a href="#">PE394.141</a>	25/09/2007	EP	
Amendments tabled in committee		<a href="#">PE396.406</a>	03/10/2007	EP	
Committee opinion	PETI	<a href="#">PE391.974</a>	08/10/2007	EP	
Budgetary report tabled for plenary, 1st reading		<a href="#">A6-0394/2007</a>	16/10/2007	EP	
Budgetary text adopted by Parliament		<a href="#">T6-0474/2007</a>	25/10/2007	EP	Summary
Commission response to text adopted in plenary		<a href="#">SP(2007)6028</a>	21/11/2007	EC	

## Final act

[Budget 2008/165](#)  
[OJ L 071 14.03.2008, p. 0001](#) Summary

## 2008 budget: other sections

This Commission document concerns the maximum rate of increase for 'non-compulsory' expenditure for the 2007 budget. It states that, in accordance with Article 272(9) of the EC Treaty, the maximum rate of increase shall be 4.7 % for the 2008 budget with the current 27 Member States.

## 2008 budget: other sections

PURPOSE: to present the preliminary draft budget (PDB) 2008 for the other institutions.

CONTENT: the Commission has presented its 2008 preliminary draft budget which takes account of the forecasts of the other institutions of the European Union (except Section III: Commission).

The document includes the following budget provisions: EUR 3.409 billion to cover the Commission's administrative expenditure and EUR 2.725 billion for the other institutions (an increase of 5.67% compared to 2007). A margin of EUR 121.3 million is left in the Commission's PDB.

The breakdown of Heading 5 of the PDB 2008 is as follows :

- 46.5% for the Commission (excluding pensions), that is EUR 3.4 billion;
- 37.1% for the other institutions, EUR 2.7 billion including:
  - European Parliament : EUR 1.436 billion;
  - Council : EUR 598.8 million;
  - Court of Justice: EUR 301.7 million;
  - Court of Auditors: EUR 134.5 million;
  - Economic and Social Committee: EUR 117.1 million;
  - Committee of the Regions: EUR 73.14 million;
  - European Ombudsman: EUR 8.53 million;
  - European Data Supervisor: EUR 5.58 million.
- 14.4% for pensions totalling EUR 1.057 billion;
- 2% for European schools amounting to EUR 144 million.

Total: EUR 7.335 billion for heading 5. An increase of 393 million compared to 2007.

It should be noted that in 2008, the evolution of posts is again strongly influenced by the needs of enlargement. In total 860 posts are requested by the Commission, complemented by 30 external staff. However the increase in the establishment plan is limited to 785 posts, following the conversion of some posts into contract agents.

## 2008 budget: other sections

The Council established, by unanimity, the European Union's draft budget for 2008 at first reading. It used the preliminary draft budget of the European Communities for 2008, submitted by the Commission, as the basis for establishing the draft budget.

In keeping with the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and budgetary management, a conciliation meeting between the Council and a delegation from the European Parliament, with the participation of the Commission, was held on 13 July 2007, prior to the discussions in the Council.

As a result of the Council's discussions, the draft budget of the other institutions (except the Commission) has been approved.

In establishing the draft budget for 2008, the Council followed a number of guidelines:

#### A. Generally

- to limit the global increase of the Council's budget to 0.2% in comparison to the budget 2007;
- to apply for the other institutions a reduction of 2% on current expenditure requested for 2008, taking into account efficiency gains and the impact of interinstitutional co-operation;
- to retain specific decreases on some individual budget lines for some institutions, taking into account real needs;
- to increase the standard flat rate abatement on salaries for some institutions, taking into account their current vacancy rate;
- to accept new posts requested in relation to the 2004 and 2007 enlargement. In this context, the Council reiterated its willingness to monitor closely the ongoing recruitment process. It agreed to accept only a few new posts requested by the institutions for new tasks on the basis of justified needs; to accept conversions, transformations and upgradings related to career development under the Staff Regulations.

It should also be noted that the European Parliament and the Council note with concern the low occupancy of posts at Middle Management level, the rather high ratio of permanent posts occupied by temporary agents and the lack of a sufficient number of appropriate competitions.

The European Parliament and the Council insist that all efforts should be made by the institutions and specifically by EPSO to ensure that the necessary action is taken to rectify the situation and to speed up the whole process of filling up the posts granted by the budgetary authority with officials. The criteria should be as stipulated in Article 27 of the Staff Regulations and to arrive at the broadest possible geographical proportional basis as soon as possible.

The European Parliament and the Council intend to continue to monitor closely the ongoing recruitment process. To this effect, they request each institution and EPSO to provide twice a year an information to the budgetary authority on the state of affairs regarding recruitments in relation with the 2004 and 2007 enlargement. The European Parliament and the Council invite the Secretaries-general of the institutions to present a report on the progress made in the field as follows:

- concerning the filling of the posts granted in 2004-2007 budgets by the end of January 2008;
- concerning the filling of the posts granted in 2008 by 15 June 2008 and by 31 October 2008.

#### B. Amounts allocated by the Council for each institution (except for the Commission):

- European Parliament - Section I: under the "gentlemen's agreement", the Council included the European Parliament estimate in the draft general budget of the European Communities for the financial year 2008 without any changes (EUR 1 436 400 000); the estimate represents an increase of EUR 38 939 826 (+2.79%) over the 2007 budget.
- Council - Section II: EUR 594 715 268, which represents an increase of EUR 1 187 056 (+0.20%) over the 2007 budget. The standard flat rate abatement on salaries has been maintained at 7% as proposed in the PDB, taking into account the current vacancy rate. The rate of reduction on current expenditure related to efficiency gains and the impact of interinstitutional co-operation has been fixed at 0.9%. With regard to staff levels, the Committee approved the transformations for career development.
- Court of Justice - Section IV: EUR 290 975 591, which represents an increase of EUR 18 756 201 (+6.89%) over the 2007 budget. The standard flat rate abatement on salaries has been fixed at 4% taking into account the current vacancy rate. Targeted reductions were retained by applying a specific decrease to appropriations related to data processing, equipment and movable property expenditure linked to the moving into the new "Palais". The rate of reduction on current expenditure related to efficiency gains and the impact of interinstitutional co-operation has been fixed at 2%. With regard to staff levels, the Council approved the transformations for career development. It rejected the request for 22 non-enlargement posts.
- Court of Auditors - Section V: EUR 129 507 979, which represents an increase of EUR 8 427 979 (+6.96%) over the 2007 budget. The standard flat rate abatement on salaries has been fixed at 6.07% taking into account the current vacancy rate. Targeted reductions were retained by applying a specific decrease to appropriations related to the renewal of Members of the Court and to the publication of special reports outside the Official Journal. The rate of reduction on current expenditure related to efficiency gains and the impact of interinstitutional co-operation has been fixed at 2%. With regard to staff levels, the Council approved the creation of 18 new AD 5 posts for auditors. The Council also approved the transformations for career development. It rejected the request for a further 4 posts.
- Economic and Social Committee - Section VI: EUR 114 197 998, which represents an increase of EUR 1 503 656 (+1.33%) over the 2007 budget. The standard flat rate abatement on salaries has been fixed at 4% taking into account the current vacancy rate. The rate of reduction on current expenditure related to efficiency gains and the impact of interinstitutional co-operation has been fixed at 2%. With regard to staff levels, the Council approved the transformations for career development. It rejected the request for 10 non-enlargement posts.
- Committee of the Regions - Section VII: EUR 70 149 529, which represents an increase of EUR 3 050 297 (+4.55%) over the 2007 budget. The standard flat rate abatement on salaries has been fixed at 7% taking into account the current vacancy rate. The rate of reduction on current expenditure related to efficiency gains and the impact of interinstitutional co-operation has been fixed at 2%. With regard to staff levels, the Council approved the creation of 15 new posts requested in relation to enlargement. It also accepted the transformations for career development. It rejected the request for a further 17 enlargement posts and 2 non-enlargement posts.
- European Ombudsman ? Section VIII: EUR 8 365 770, which represents an increase of EUR 212 970 (+2.61%) over the 2007 budget. The rate of reduction on current expenditure related to efficiency gains and the impact of interinstitutional co-operation has been fixed at 2%. With regard to staff levels, the Council approved the requested transformations for career development.
- European Data Protection Supervisor ? Section IX: EUR 5 224 695, which represents an increase of EUR 268 969 (+5.43%) over the 2007 budget. The rate of reduction on current expenditure related to efficiency gains and the impact of interinstitutional co-operation has been fixed at 2%. With regard to staff levels, the Council approved the creation of 3 new posts for 6 months (instead of 12 months). It also accepted the transformations for career development. It rejected the request for 1 requested post.

## 2008 budget: other sections

---

The Committee on Budgets adopted the report by Ville ITÄLÄ (EPP-ED, FI) on the EU 2008 budget (other sections). It recalls that 2008 is the second year of the new financial framework (2007-2013), for which the ceiling of heading 5 (Administrative expenditure) has been set at EUR 7 457 million at current prices and that Preliminary Draft Budget (PDB) of all the institutions left a margin of EUR 121 285 164 below the ceiling of heading 5 of the financial framework for the financial year 2008. After Council's decision, the draft budget (DB) has a margin of EUR 266 755 254 below the ceiling of heading 5 for 2008.

The report recognises that the institutions, after the Council's first reading, have made the effort to reduce some of their usual expenditures in order to balance their absolute needs. It considers that this exercise has contributed to setting-up a budget for the EU tax-payer as requested in the guidelines resolution. The committee encourages the institutions to pursue in this direction in order to strengthen citizens' confidence in the European institutions and in Europe.

It notes that most of the increase beyond the inflation rate is due to buildings' expenditure. Concern is expressed for the coming years regarding the weight of buildings related expenditure if not closely managed by the institutions. The institutions are invited to keep the Budgetary Authority regularly informed of the evolution of their different projects with a medium term perspective and to control accordingly their expansion. It requests that, in view of the entry into force in 2009 of the Members' Statute, an updated property investment plan for the coming 3 years including refurbishing costs should be submitted to the Budgetary Authority not later than 31 March 2008.

The committee has therefore decided to limit the budget increase of 2008 to 6.92 %. It decides to leave a margin under the ceiling of heading 5. It recommends restoring EUR 8 180 945 out of the EUR 22 127 359 reduction made by Council on the budget of the other institutions (excluding the Commission), that is restoring 37% following the examination of the specific requests and needs of each institution

In the context of a general concern vis-à-vis the environment, all institutions, including the Commission, are invited to exploit the various possibilities, together with the host Member States, for achieving a more efficient public transport plan, including in-house mobility information points, intranet information on timetables and other incentives, in order to encourage the staff of the European institutions to use public transport or bicycles under safe conditions. More specifically, the report acknowledges the efforts made by Parliament in the past 2 years to implement a redeployment exercise. It notes that in 2006 Parliament had requested from the other institutions more precise information on the performance and costs of their core tasks in order to justify in a more transparent manner the effectiveness or otherwise of additional funds. It regrets that very few institutions are providing this informative activity-related reporting and requests all the institutions in question to provide this information by the first week of September of each year.

Section I - European Parliament: the committee welcomes the fact that the Bureau has, for the first time, made new requests in its amending letter which are below the self-imposed ceiling of 20% of heading 5. It takes note of the fact that the Bureau intends to launch a number of new projects which are not directly linked to Parliament's core activities and considers that in view of the lack of flexibility which exists in the administrative budget, the development of new projects should be undertaken in a prudent way taking into account the limited availability of financial resources and the perspectives from 2009 onwards. It encourages the administration and the Bureau to reflect on the real needs and on the institution in administrative and political terms and to seek means to reduce the current costs of the tasks undertaken. It suggests that a broad discussion on the history of Europe and its interpretation take place at expert level before creating the House of European History. It welcomes the new redeployment plan proposed by the Secretary General which concerns 58 posts. Lastly, it decides to reduce a number of budget lines, especially those that proved to be inflated in 2006 ([BUD/2007/2018](#)).

- Enhancing Members' assistance: the committee considers that preserving the linguistic diversity of Members of the European Parliament is one of the most important challenges for the administration and therefore limits the global allocation for the pilot project to EUR 4 million and, at the same time, to place EUR 2 million in the reserve in order to induce the administration to give priority to more efficient linguistic support for Members during official meetings. This reserve of EUR 2 million does not affect the pilot project. The report takes note of the proposal to create a new article 323 for the "relations with Parliaments of third countries and support for parliamentary democracy" with an amount of EUR 360 000 to differentiate, by geographical area, the Parliament's activities. It expresses its concern regarding the number of delegations and assemblies in the Parliament's budget in particular due to the fact that their financial impact is not clearly identified in the budget as it includes not only the appropriation under the existing items but also the related costs for interpretation and technical and logistical support. It asks the administration to make a proposal to improve the transparency of this type of activity. Once again, the committee considers that the Presidencies of the Parliament and the Council should take into account EU citizens' opinion as regards the geographical dispersion of the Parliament amongst the three places of work and the related costs and environmental consequences. It invites the two Presidencies to negotiate while retaining the important symbolic value of Strasbourg, to bring up a proposal to hold plenary sittings there twice a year in order to respond to citizens' concerns in terms of savings and environment. As regards parliamentary assistance, the report calls on the administration to strengthen the internal control system in order to ensure that recruitment of Members' assistants is clear and transparent, guaranteeing that tax and social regulations (salary and social security rights, etc.) are respected. The Commission is called upon to present a new proposal for an assistants' statute that guarantees the necessary freedom of choice and flexibility for Members in terms of duration of contracts and salaries.
- European Political Foundations: Parliamentarians have decided at this stage of the budgetary procedure, pending the adoption of the legal basis for the financing of the European Political Foundations, to create a new heading (403, "Contributions to European political foundations") with an EUR 5 million allocation in the reserve and a token entry ("p.m").
- For an Environmentally friendly Parliament: the report regrets that, more than 5 years after the start of the EMAS process in the budget procedure, EMAS registration is still pending and the impact on the environment as well as the savings and the investments in relation to its implementation are still not known. The administration is invited to provide the above information and to report on the reduction of energy consumption that should have resulted from the decrease in air-conditioning during the summer period, and to present an action plan for reducing and off-setting CO2 emissions caused by the Parliament's activities. The administration is asked to renew its car fleet as soon as possible by purchasing or renting vehicles which pollute less than the current ones, such as hybrid cars, and to present the relevant action plan.
- Information policy: the report reiterates its willingness to have a strong information policy involving the political groups and close to the European citizens, through the strengthening of the local and regional media, the quick opening of the Visitors' Centre in Brussels and the increased flexibility of the use of the visitors' groups. The Bureau is called upon to decide on a programme for the forthcoming election campaign that takes into account the need for close contact between Members and EU citizens. The role of the Information Offices as well as the local and regional media should be strengthened. The committee looks forward to receiving their annual work

programme for 2008 by December 2007 in order to release the reserve in January. The committee regrets the lack of information being submitted to the Budgetary Authority on the progress registered to date on the WebTV prototype, especially since information policy, including WebTV, is considered a priority for 2008. It decides to keep EUR 9 million in the reserve for information and communication until the prototype is presented for approval to the Budgetary Authority.

- Security: MEPs request that staff respect the rules concerning staff wearing badges in the Parliament's buildings. They invite the Quaestors to reconsider the use of electronic badges by Members, which will enable the implementation of different new facilities, such as electronic signatures. Security around Parliament's premises in Brussels is not well assured after normal working hours for its Members and staff therefore the Belgian authorities are pressed to improve the situation.
- Miscellaneous: MEPs took note of the proposal made by the Bureau to allocate an amount of EUR 100 000 to the Sakharov Foundation as a subsidy towards human rights activities.
- Establishment plan: the committee supports the setting-up of two new Directorates General for Interpretation and Technological Innovation Support. It has approved the modifications of the establishment plan measures proposed by the Secretary General as a package as follows: i) release from the reserve for the creation of 16 new posts requested in the estimates and their corresponding appropriations; this concerns 9 and 7 posts including one temporary post for the sixth Quaestor; ii) make the necessary appropriations available for the creation of 5 posts for the analytical service within the Library and 2 posts for the creation of the new Directorates General; iii) the conversion of 35 posts into posts which were placed in reserve. It has also decided to release from the reserve the 448 upgradings for Parliament's secretariat requested by the administration in the context of the Staff Regulations for permanent and temporary staff and their corresponding appropriations. It has likewise decided to confirm the 74 upgradings requested by the political groups.

Section IV - Court of Justice: MEPs highlight the fact that the increase of the budget is mainly due to the handover of the New Palais and they consider that its financial impact is particularly substantial in the 2008 budget. They state that this should remain exceptional and that the margin under heading 5 in 2009 will be limited. They consequently invite the Court of Justice to proceed to a detailed and scrutinised exercise in order to limit its growth in 2009. The report agrees with the Court of Justice to reduce its contribution to the lease-purchase for the New Palais by EUR 4 million, thanks to the frontloading of this amount from the 2007 budget. It has decided in agreement with the Court of Justice to restore the standard abatement to a level of 3.7% and has therefore restored the corresponding appropriations. The report sets out the following establishment plan measures: i) the creation of 9 temporary posts to reinforce the Cabinets of the Advocates General and of the President of the Civil Service Tribunal; ii) the creation of 1 position for the recruitment of a lawyer to cope with the increasing 'data protection' requirements; iii) 1 for the implementation of the interinstitutional SAP software project. It has increased the appropriations made available by the Council in the draft budget by EUR 3 102 000 which represents an 8.03% increase over the 2007 budget.

Section V - Court of Auditors: MEPs decided in agreement with the Court of Auditors to restore the standard abatement to a level of 4.82% which represents an increase of EUR EUR 3 261 204 which represents a 9.65 % increase over the 2007 budget. They intend to grant the institution the following posts: 2 for the human resources division following the decision to reinforce it in two years' time; 1 for the implementation of the new SAP software project and 1 for the plan on documenting and simplifying measures. They intend to transform several posts. Parliamentarians have restored the appropriation linked to fitting-out work required by the health and security law of the Luxembourg State and the renovation of the Court's meeting room.

Section VI - European Economic and Social Committee and Section VII - Committee of the Regions: the report regrets that at this stage of the budgetary procedure the two committees have not been able to present their new cooperation agreement. The committee has consequently decided to enter in Chapter 10 0 ('Provisional appropriation') 10% of the 2007 budget of the Joint Service cost. It is ready to release the appropriations from the reserve as soon as the new cooperation agreement is concluded.

- EESC: MEPs decided to leave the standard abatement at a level of 4% and accepted the Council's position on the request for upgradings for career development. They have decided on the creation of 5 new permanent posts and they have increased the appropriations made available by the Council in the draft budget by EUR 546 178 which represents a 1.82 % increase over the 2007 budget.
- COR: MEPs have decided to restore the standard abatement to a level of 4%. They have therefore restored the corresponding made available by the Council in the draft budget by EUR 1 054 962 which represents a 6.12 % increase, including the costs related to enlargement, over the 2007 budget. The report amends the establishment plan measures as follows: the confirmation of the 15 posts related to the enlargement to Bulgaria and Romania as agreed by the Council in its draft budget; the creation of 10 additional permanent posts related to the enlargement to Romania and Bulgaria. The committee is ready to examine the possibility of creating 7 further posts related to this enlargement in the future; the creation of a new Director's post through the upgrading of an available post for the unit on Communication, Press and Protocol.

Section VIII - Ombudsman: the committee has increased the appropriations made available by the Council in the draft budget by EUR 142 230 which represents a 4.36% increase over the 2007 budget.

Section IX - European Data Protection Supervisor: the committee agrees with the Council not to apply a standard abatement. It has decided on the creation of the four posts requested funded for six months. It has increased the appropriations made available by the Council in the draft budget by EUR 83 058 to maintain its level of development, which represents an increase of 7.1% over the 2007 budget.

## 2008 budget: other sections

---

The European Parliament adopted, by 499 votes for, 24 against and 42 abstentions, the report by Ville ITÄLÄ (EPP-ED, FI) on the EU 2008 budget (other sections). It recalls that 2008 is the second year of the new financial framework (2007-2013), for which the ceiling of heading 5 (Administrative expenditure) has been set at EUR 7 457 million at current prices and that Preliminary Draft Budget (PDB) of all the institutions left a margin of EUR 121 285 164 below the ceiling of heading 5 of the financial framework for the financial year 2008. After Council's decision, the draft budget (DB) has a margin of EUR 266 755 254 below the ceiling of heading 5 for 2008.

On a general note, the Parliament recognises that the institutions, after the Council's first reading, have made the effort to reduce some of their usual expenditures in order to balance their absolute needs. It considers that this exercise has contributed to setting-up a budget for the EU tax-payer as requested in the guidelines resolution. The Parliament encourages the institutions to pursue in this direction in order to strengthen citizens' confidence in the European institutions and in Europe. It notes that most of the increase beyond the inflation rate is due to buildings' expenditure. Concern is expressed for the coming years regarding the weight of buildings related expenditure if not closely managed by the

institutions. The institutions are invited to keep the Budgetary Authority regularly informed of the evolution of their different projects with a medium term perspective and to control accordingly their expansion. It requests that, in view of the entry into force in 2009 of the Members' Statute, an updated property investment plan for the coming 3 years including refurbishing costs should be submitted to the Budgetary Authority not later than 31 March 2008.

In an amendment tabled by the Socialists and adopted in Plenary, the Parliament notes that for a variety of reasons, the Institutions were constrained to purchase or rent property at a price which prima facie seemed to be higher than the market price. It wishes to investigate further in an interinstitutional context how of improving conditions concerning public procurement for the purchase or rental of buildings, as well as works on buildings, by the European institutions, notably with the aim to reduce the purchase and rental price of property as well as reducing refurbishment costs, and of securing the necessary flexibility to avoid cartel or monopolistic situations.

The Parliament decided to limit the budget increase of 2008 to 6.92% and decides to leave a margin under the ceiling of heading 5. It restores EUR 8 180 945 out of the EUR 22 127 359 reduction made by Council at 1st reading (that is restoring 37% following the examination of the specific requests and needs of each institution).

In the context of a general concern vis-à-vis the environment, all institutions, including the Commission, are invited to exploit the various possibilities, together with the host Member States, for achieving a more efficient public transport plan, including in-house mobility information points, intranet information on timetables and other incentives, in order to encourage the staff of the European institutions to use public transport or bicycles under safe conditions

More specifically, the report acknowledges the efforts made by Parliament in the past 2 years to implement a redeployment exercise. It regrets that very few institutions are providing more precise information on the performance and costs of their core tasks and requests all the institutions in question to provide this information by the first week of September of each year.

Plenary sets out the budget expenditure of each institution which is broadly in line with most of the recommendations made by the committee responsible:

Section I - European Parliament: the European Parliament welcomes the fact that the EP Bureau has, for the first time, made new requests in its amending letter which are below the self-imposed ceiling of 20% of heading 5. It takes note of the fact that the Bureau intends to launch a number of new projects which are not directly linked to Parliament's core activities and considers that in view of the lack of flexibility which exists in the administrative budget, the development of new projects should be undertaken in a prudent way taking into account the limited availability of financial resources and the perspectives from 2009 onwards. It encourages the administration and the Bureau to reflect on the real needs and on the institution in administrative and political terms and to seek means to reduce the current costs of the tasks undertaken. Parliament has decided to set the final level of the Parliament's budget at EUR 1 452 517 167 for 2008, corresponding to a 3.9% increase over the 2007 budget and 19.48% of heading 5 of the EU budget. Lastly, it welcomes the new redeployment plan proposed by the Secretary General which concerns 58 posts. Lastly, it decides to reduce a number of budget lines, especially those that proved to be inflated in 2006 ([BUD/2007/2018](#)).

- Enhancing Members' assistance: considering that preserving the linguistic diversity of Members of the European Parliament is one of the most important challenges for the administration, Parliament limits the global allocation for pilot projects and to give priority to more efficient linguistic support for Members during official meetings. It reiterates that the most efficient use should be made of the interpretation service and the expenses related to meetings and that equipping all meeting rooms with the electronic voting system constitutes a way to improve the use of the interpretation facilities. In light of an EPP-ED amendment adopted in Plenary, the Parliament recognises the need for and usefulness of developing within the current Library of Parliament an analytical service for individual Members providing analytical papers linked to their parliamentary activity. It also takes note of the proposal to create a new article 323 for the "relations with Parliaments of third countries and support for parliamentary democracy" with an amount of EUR 360 000 to differentiate, by geographical area, the Parliament's activities. It expresses its concern regarding the number of delegations and assemblies in the Parliament's budget in particular due to the fact that their financial impact is not clearly identified in the budget as it includes not only the appropriation under the existing items but also the related costs for interpretation and technical and logistical support. It considers that the Presidencies of the Parliament and the Council should take into account EU citizens' opinion as regards the geographical dispersion of the Parliament amongst the three places of work and the related costs and environmental consequences. Parliament rejected the paragraph in the budget committee's resolution which requested the presentation of a proposal to hold plenary sittings twice a year in Strasbourg. As regards parliamentary assistance, the Parliament invites the administration to strengthen the internal control system in order to ensure that recruitment of Members' assistants is clear and transparent, guaranteeing that tax and social regulations (salary and social security rights, etc.) are respected. A new proposal is requested in this context.
- European Political Foundations: Parliamentarians have decided at this stage of the budgetary procedure, pending the adoption of the legal basis for the financing of the European Political Foundations, to create a new heading (403, "Contributions to European political foundations") with an EUR 5 million allocation in the reserve and a token entry ("p.m").
- For an Environmentally friendly Parliament: MEPs regrets that, more than 5 years after the start of the EMAS process in the budget procedure (see [COD/1998/0303](#)), EMAS registration is still pending and the impact on the environment as well as the savings and the investments in relation to its implementation are still not known. The administration is invited to provide the above information and to report on the reduction of energy consumption that should have resulted from the decrease in air-conditioning during the summer period, and to present an action plan for reducing and off-setting CO<sub>2</sub> emissions caused by the Parliament's activities. The administration is asked to renew its car fleet as soon as possible by purchasing or renting vehicles which pollute less than the current ones, such as hybrid cars, and to present the relevant action plan.
- Information policy: the Parliament reiterates its willingness to have a strong information policy involving the political groups and close to the European citizens, through the strengthening of the local and regional media, the quick opening of the Visitors' Centre in Brussels and the increased flexibility of the use of the visitors' groups. The Bureau is called upon to decide on a programme for the forthcoming election campaign that takes into account the need for close contact between Members and EU citizens. The role of the Information Offices as well as the local and regional media should be strengthened. The Parliament looks forward to receiving their annual work programme for 2008 by December 2007 in order to release the reserve in January. It regrets the lack of information being submitted to the Budgetary Authority on the progress registered to date on the WebTV prototype, especially since information policy, including WebTV, is considered a priority for 2008. It decides to keep EUR 9 million in the reserve for information and communication until the prototype is presented for approval to the Budgetary Authority.
- Security: Parliament requests that staff respect the rules concerning staff wearing badges in the Parliament's buildings. They invite the Quaestors to reconsider the use of electronic badges by Members, which will enable the implementation of different new facilities,

such as electronic signatures. Security around Parliament's premises in Brussels is not well assured after normal working hours for its Members and staff therefore the Belgian authorities are pressed to improve the situation.

- Miscellaneous: MEPs took note of the proposal made by the Bureau to allocate an amount of EUR 100 000 to the Sakharov Foundation as a subsidy towards human rights activities. It will verify whether the award of a grant to the Sakharov Foundation in Moscow is in compliance with the provisions of the Financial Regulation, in particular the possibility for Parliament to award grants to cover information activities (Article 108(4) of the Financial Regulation).
- Establishment plan: the Parliament supports the setting-up of two new Directorates General for Interpretation and Technological Innovation Support. It has approved the modifications of the establishment plan measures proposed by the Secretary General as a package as follows: i) release from the reserve for the creation of 16 new posts requested in the estimates and their corresponding appropriations; this concerns 9 and 7 posts including one temporary post for the sixth Quaestor; ii) make the necessary appropriations available for the creation of 5 posts for the analytical service within the Library and 2 posts for the creation of the new Directorates General; iii) the conversion of 35 posts into posts which were placed in reserve. It has also decided to release from the reserve the 448 upgradings for Parliament's secretariat requested by the administration in the context of the Staff Regulations for permanent and temporary staff and their corresponding appropriations. It has likewise decided to confirm the 74 upgradings requested by the political groups.

Section IV - Court of Justice: MEPs highlight the fact that the increase of the budget is mainly due to the handover of the New Palais and they consider that its financial impact is particularly substantial in the 2008 budget. They state that this should remain exceptional and that the margin under heading 5 in 2009 will be limited. They consequently invite the Court of Justice to proceed to a detailed and scrutinised exercise in order to limit its growth in 2009. The report agrees with the Court of Justice to reduce its contribution to the lease-purchase for the New Palais by EUR 4 million, thanks to the frontloading of this amount from the 2007 budget. It has restored the standard abatement to a level of 3.7% and has therefore restored the corresponding appropriations. The Parliament has adopted the following establishment plan measures: i) the creation of 9 temporary posts to reinforce the Cabinets of the Advocates General and of the President of the Civil Service Tribunal; ii) the creation of 1 position for the recruitment of a lawyer to cope with the increasing 'data protection' requirements; iii) 1 for the implementation of the interinstitutional SAP software project. It has increased the appropriations made available by the Council in the draft budget by EUR 3 102 000 which represents an 8.03% increase over the 2007 budget.

Section V - Court of Auditors: Parliament restored the standard abatement to a level of 4.82% which represents an increase of EUR 3 261 204 which represents a 9.65 % increase over the 2007 budget. It shall grant the institution the following posts: 2 for the human resources division following the decision to reinforce it in two years' time; 1 for the implementation of the new SAP software project and 1 for the plan on documenting and simplifying measures. It will also transform several posts and restore the appropriation linked to fitting-out work required by the health and security law of the Luxembourg State and the renovation of the Court's meeting room.

Section VI - European Economic and Social Committee and Section VII - Committee of the Regions: Parliament regrets that at this stage of the budgetary procedure the two committees have not been able to present their new cooperation agreement. It has consequently decided to enter in Chapter 10 0 ('Provisional appropriation') 10% of the 2007 budget of the Joint Service cost. It is ready to release the appropriations from the reserve as soon as the new cooperation agreement is concluded.

- EESC: MEPs decided to leave the standard abatement at a level of 4% and accepted the Council's position on the request for upgradings for career development. They have decided on the creation of 5 new permanent posts and they have increased the appropriations made available by the Council in the draft budget by EUR 546 178 which represents a 1.82 % increase over the 2007 budget.
- COR: MEPs have decided to restore the standard abatement to a level of 4%. They have therefore restored the corresponding made available by the Council in the draft budget by EUR 1 054 962 which represents a 6.12 % increase, including the costs related to enlargement, over the 2007 budget. The report amends the establishment plan measures as follows: the confirmation of the 15 posts related to the enlargement to Bulgaria and Romania as agreed by the Council in its draft budget; the creation of 10 additional permanent posts related to the enlargement to Romania and Bulgaria. The Parliament is ready to examine the possibility of creating 7 further posts related to this enlargement in the future; the creation of a new Director's post through the upgrading of an available post for the unit on Communication, Press and Protocol.

Section VIII ' Ombudsman: the Parliament has increased the appropriations made available by the Council in the draft budget by EUR 142 230 which represents a 4.36% increase over the 2007 budget.

Section IX - European Data Protection Supervisor: Parliament agrees with the Council not to apply a standard abatement. It has decided on the creation of the four posts requested funded for six months. It has increased the appropriations made available by the Council in the draft budget by EUR 83 058 to maintain its level of development, which represents an increase of 7.1% over the 2007 budget.

## 2008 budget: other sections

---

Before proceeding with the 2<sup>nd</sup> reading of the draft budget for 2008, the Council held a conciliation meeting with a delegation from the European Parliament under the Inter-institutional Agreement of 17 May 2006 on budgetary discipline and sound financial management.

The European Parliament delegation was led by Mr Reimer BÖGE, Chairman of the Committee on Budgets, and comprised: Mr Kyösti VIRRANKOSKI, Rapporteur for the 2008 Budget (Commission), Mr Ville ITÄLÄ, Rapporteur for the 2008 Budget (Other institutions), Mr Salvador GARRIGA POLLEDO, Ms Ingeborg GRÄSSLE, Mr Laszlo SURJAN, Mr Michael GAHLER, Mr Margaritis SCHINAS, Ms Catherine GUY-QUINT, Mr Vladimir MANKA, Mr Thijs BERMAN, Mr Louis GRECH, Mr Joan CALABUIG, Mr Jan MULDER, Mr Esko SEPPÄNEN.

The European Parliament, the Council and the Commission agreed on the following:

- to accept Preliminary Draft Amending Budget No. 7/2007 as amended by the Commission on 12 November 2007;
- to accept Letter of Amendment No. 2/2008 as proposed by the Commission;
- to fix the amount of the CFSP budget at EUR 285.25 million in commitment appropriations for 2008 and to agree on the mobilisation of the Flexibility Instrument for this purpose for an amount of EUR 70 million;
- to fix the total amount for payment appropriations (absolute figures) for the 2008 budget at EUR 120 346.76 million, including the payment appropriations in 2008 for the Galileo project and a reduction of EUR 300 million in appropriations regarding clearance of

- accounts in comparison to the PDB;
- to agree on a joint statement on the financing of the European GNSS programmes (EGNOS-GALILEO) and on the financing of the European Institute of Technology;
- to agree on a joint statement concerning transfer of appropriations related to Galileo and the Joint Undertakings (ARTEMIS, Clean sky, ENIAC and IMI);
- to agree on a joint statement on the procedure to implement the agreement reached on 23 November 2007.

These amounts shall be revised through the revision of the Multiannual Financial Framework 2007-2013 in accordance with the Interinstitutional Agreement of 17 May 2006.

As regards the other sections of the budget, the European Parliament and the Council agreed to maintain the Draft Budget established by the Council with regard to administrative expenditure (Heading 5 of the Financial Framework), apart from the European Parliament amendments to its own section of the budget ("Gentlemen's Agreement") and to the European Economic and Social Committee, which were accepted.

## 2008 budget: other sections

---

**PURPOSE:** final adoption of the general budget of the European Union for the financial year 2008.

**LEGISLATIVE ACT:** 2008/165/EC, Euratom.

**CONTENT:** the European Parliament adopted the European Union budget for 2008 on 18 December 2007. It is in line with the definitions set out by the budget authorities and with the European Parliament's text adopted at second reading (see Parliament's resolution of 13 December 2007).

The 2008 budget amounts to EUR 129.1 billion in commitment appropriations, an increase of 2.2% compared to 2007. It corresponds to 1.03% of the EU Gross National Income (GNI). A margin of EUR 3.7 billion remains available beneath the ceiling of the financial framework.

The payment appropriations amount to EUR 120.3 billion, or an increase of 5.7% in nominal terms. This represents a level of only 0.96% of EU-27 GNI.

The priorities of the 2008 budget for the European Union: the key priority for the European Union in 2008 is growth and employment. This involves a strengthening of budgetary expenditure under Heading 1 of the budget (see [BUD/2007/2019](#)).

**Budget - other institutions:** the budget of the institutions is also characterised by an increase of 4.4%. The budget of Heading 5 therefore increases to EUR 7.28 billion for 2008, including EUR 2.67 billion for all of the other institutions (European Parliament, Council, Court of Justice, Court of Auditors, Economic and Social Committee, Committee of the Regions, European Ombudsman and European Data Protection Supervisor).

On the whole, the budget of the institutions remains stable with measured and controlled increases according to needs related to enlargement.