

Procedure file

Basic information	
BUD - Budgetary procedure	2008/2024(BUD)
2009 budget: Section III, Commission: budgetary framework and priorities for 2009	Procedure completed
Subject	
8.70.60 Previous annual budgets	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets	PSE HAUG Jutta	24/01/2008
Council of the European Union European Commission	Commission DG Budget	Commissioner GRYBAUSKAITĖ Dalia	

Key events			
27/03/2008	Vote in committee		Summary
31/03/2008	Committee report tabled for plenary	A6-0084/2008	
21/04/2008	Debate in Parliament		
24/04/2008	Decision by Parliament	T6-0175/2008	Summary
24/04/2008	End of procedure in Parliament		

Technical information	
Procedure reference	2008/2024(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budgetary preparation
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/6/58978

Documentation gateway					
Committee draft report		PE400.676	28/02/2008	EP	
Amendments tabled in committee		PE404.434	12/03/2008	EP	

Committee report tabled for plenary, single reading	A6-0084/2008	31/03/2008	EP	
Text adopted by Parliament, single reading	T6-0175/2008	24/04/2008	EP	Summary
Commission response to text adopted in plenary	SP(2008)3169	28/05/2008	EC	

2009 budget: Section III, Commission: budgetary framework and priorities for 2009

The Committee on Budgets adopted the report by Jutta HAUG (PES, DE) on the budgetary priorities of the European Commission for 2009. The parliamentary committee recalls, above all, that the implementation of the new treaty will require the European Parliament, the Council and the Commission to agree on the modifications to the relevant budgetary and legislative instruments and a new set of rules to ensure a smooth running of the new budgetary procedure, while fully respecting the new interinstitutional balance between the three institutions. According to MEPs, it is absolutely necessary to start preparations as soon as possible, to be able to use the new procedure for the budget 2010.

MEPs consider that, in 2008, it will be necessary to review all aspects of EU spending, including the CAP and budget resources, as well as the United Kingdom rebate, to allow the Commission to report to the Parliament by 2009.

They emphasise that the principle of solidarity has to remain one of the guiding principles of the European Union and that solidarity with the regions is considered to be of utmost importance as well as its funding. It is also essential to closely monitor the progress regions are making in their development, for example outstanding payments that could cause budgetary problems in the very near future.

MEPs consider that the real challenges the EU and its citizens face in the future require a flexible approach and they emphasise the need for transparency and coherence between legislative priorities and budgetary decisions. They therefore request the Commission to provide a more detailed breakdown of the proposed changes to the financial programming, showing the budget lines involved.

Budgetary priorities: MEPs recall that the political priorities presented by the Commission in its Annual Policy Strategy have a clear focus on growth and jobs, climate change and sustainable Europe. These priorities should be supported by new budgetary priorities, although the margins available restrict the room for manoeuvre to finance new priorities. The Commission must therefore provide more exhaustive information on potential financial difficulties.

MEPs are deeply concerned that, for 2009, the Commission has already embarked on a re-prioritisation exercise, especially in those headings of the financial framework. They call on the Commission to present a realistic, clear and transparent preliminary draft budget, which can be communicated to citizens, enabling the Parliament and the Council to thoroughly scrutinise the different EU programmes and policies. They admit that some re-assessment of EU activities on the basis of an appropriate evaluation might become unavoidable, in times when resources are scarce. Therefore, it may not remain feasible simply to add new priorities without phasing out old ones. In any case, any decisions on re-prioritisation cannot be taken without the support of the Parliament.

Flexibility: MEPs emphasise that Parliament will use all the means foreseen by the IIA of 17 May 2006 including, inter alia, the use of the legislative flexibility of 5% over the period 2007-2013 in order to see its political priorities carried through. They call on the Commission, in preparing the preliminary draft budget (PDB) for 2009, to produce clear, consistent and sound activity statements for each policy area in order to enable all relevant European Parliament committees to thoroughly scrutinise the implementation of the different EU programmes and policies. At the same time, the parliamentary committee recalls that achieving value for money and a budget for results remain an objective. MEPs therefore ask the Commission to prepare a PDB that gives a realistic picture of all budgetary needs for 2009 (especially in Heading 4 of the Financial Framework). They recall that the Flexibility Instrument is intended for the financing of unforeseen political challenges and should not be misused.

Pilot projects: MEPs note that they will use the full amounts provided for pilot projects and preparatory actions since these instruments are an indispensable tool for Parliament to pave the way for new policies and activities that are in the interest of European citizens.

Improving communication to European citizens: MEPs recall that a clear and transparent presentation of the European Union's budget is an absolute necessity as this enables better communication with European citizens on how EU money is spent. However, with the current presentation of the budget, differentiating between operational and administrative expenditure of the Commission has become increasingly difficult.

Lastly, MEPs note that in terms of human resources, the Commission increasingly tends to outsource, resulting in a lack of transparency in the European Civil Service (since this staff is not visible in the Commission's establishment plans). They deeply regret this lack of transparency and call for a public and comprehensive discussion amongst all stakeholders on the future of European governance.

2009 budget: Section III, Commission: budgetary framework and priorities for 2009

The European Parliament adopted by 499 votes in favour, 25 against and 43 abstentions, a resolution on the budgetary framework and priorities for 2009 (Section III).

The report had been tabled for plenary by Jutta HAUG (PES, DE) on behalf of the Committee on Budgets.

The resolution stresses that the implementation of the new treaty will require the European Parliament, the Council and the Commission to agree on the modifications to the relevant budgetary and legislative instruments and a new set of rules to ensure a smooth running of the new budgetary procedure while fully respecting the new interinstitutional balance between the three institutions as laid down in the Lisbon Treaty. For plenary, it is absolutely necessary to start preparations as soon as possible, in parallel to the budgetary procedure 2009, to be ready for the new procedure for the budget 2010.

The Parliament notes that, in 2008, it will be necessary to review all aspects of EU spending, including the Common Agricultural Policy and resources, including the United Kingdom rebate, to enable the Commission to report to the Parliament by 2009.

It emphasises that the principle of solidarity has to remain one of the guiding principles of the EU and that solidarity with the regions is considered to be of the utmost importance as well as its inevitable funding. It is also necessary to closely monitor the progress regions are making in their development, particularly regarding outstanding payments which could cause budgetary problems in the very near future.

Furthermore, the Parliament notes that the real challenges the EU and its citizens face in the future require a flexible approach and emphasises the need for transparency and coherence between legislative priorities and budgetary decisions. It therefore calls on the Commission to provide a more detailed breakdown of the proposed changes to the financial programming, by showing the budget lines involved.

Budgetary priorities: the Parliament recalls that the political priorities presented by the Commission in its Annual Policy Strategy, are clearly focused on growth and jobs, climate change and sustainable Europe. These priorities should be supported by new budgetary priorities, even though the margins available restrict the room for manoeuvre to finance new priorities, such as those proposed by the Commission, without jeopardising old ones. The Commission must therefore provide more exhaustive information in relation to potential financial difficulties.

The plenary considers that the "Small Business Act" being prepared by the Commission (see [COM\(2007\)0724](#)) is a very important strategy to support Small and Medium-Sized Enterprises. The Parliament notes, therefore, that a financial framework and legislative acts are also required to support SMEs in the most appropriate way.

The Parliament is deeply concerned that, for 2009, the Commission has already embarked on a re-prioritisation exercise, especially in those headings of the MFF (multiannual financial framework) which have a particularly small margin. Realising that some re-assessment of EU activities on the basis of an appropriate evaluation might become unavoidable (in times when resources are scarce and when it may not remain feasible simply to add new priorities without additional appropriations and a prior assessment of old ones), the Parliament stresses that any decisions on re-prioritisation must be taken by Parliament and Council and not be pre-empted by the Commission.

At the same time, the Parliament asks the Commission to present a clear and transparent preliminary draft budget (PDB), which can be communicated to citizens and gives a realistic picture, enabling the Parliament and the Council to thoroughly scrutinise the different EU programmes and policies. They admit that it will be necessary to review the activities of the EU based on an appropriate evaluation, in the context of limited resources.

Flexibility: the Parliament notes that it will use all the means foreseen by the IIA of 17 May 2006 including, inter alia, the use of the legislative flexibility of 5% over the MFF period 2007-2013 in order to see its political priorities carried through. It asks the Commission, in preparing the preliminary draft budget (PDB) for 2009, to produce clear, consistent and sound activity statements for each policy area in order to enable all relevant European Parliament committees to thoroughly scrutinise the implementation of the different EU programmes and policies. At the same time, the Parliament recalls that achieving value for money and a budget for results remain an objective. It therefore calls on the Commission to prepare a PDB that gives a realistic picture of all budgetary needs for 2009 (especially in Heading 4 of the MFF). It wishes to recall that the Flexibility Instrument is intended for the financing of unforeseen political challenges and should not be misused.

Pilot projects: the Parliament notes that it will use the full amounts provided for pilot projects and preparatory actions as these are an indispensable tool for Parliament to pave the way for new policies and activities that are in the interest of European citizens.

Improving communication to European citizens: the Parliament recalls that a clear and transparent presentation of the European Union's budget is an absolute necessity as this enables better communication with European citizens on how EU money is spent. However, with the current presentation of the budget, differentiating between operational and administrative expenditure of the Commission has become increasingly difficult.

Outsourcing: the Parliament notes that, in terms of human resources, the Commission increasingly tends to outsource, resulting in a lack of transparency in the European Civil Service (since this staff is not visible in the Commission's establishment plans). It deeply regrets this lack of transparency and calls for a public and comprehensive discussion amongst all stakeholders on the future of European governance.