

'Ms Grybauskaite calls on MEPs to reject administrative spending cuts sought by Council' from the Europe Daily Bulletin (7 September 2006)

Caption: This article, published in the Europe Daily Bulletin on 7 September 2006, illustrates one stage of the 'shuttle procedure' which should enable the Council and Parliament to reach agreement on the annual budget of the European Union.

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Ms Grybauskaite calls on MEPs to reject administrative spending cuts sought by Council

Strasbourg, 06/09/2006 (*Agence Europe*) - During the presentation to the European Parliament on 5 September of the main results of the first reading by the Council of the draft budget for 2007, Budget Commissioner Dalia Grybauskaite attempted to obtain the support of MEPs in denouncing the cuts in administrative spending funding (EUROPE 9233 on the results of the Ecofin Council meeting, budget).

Speaking for the Council, the Finnish delegate minister for finance, Ulla Maj Wideroos, pointed to the principles that had guided the work of the Council in the first reading: respect for budgetary discipline and the new inter-institutional agreement (May 2006); respect for the spending ceilings set out in the financial framework; maintaining margins of budgetary manoeuvre that are sufficient for managing possible crises; evaluation of real spending; funding, without excess of the EU's priorities; taking into account, given the funding levels, the capacity of absorption of real needs. The president of the Council then pointed out the main elements in the July agreement in its first reading on the draft budget for 2007 (rising in comparison to 2006, by 3.7% in payment appropriations) and justifies cuts in funding administrative spending, which it says, however, have risen by 3.4% compared to 2006. Ms Wideroos considers that the Council, despite the imposed reductions, agrees to the funding of 800 new posts requested by the Commission for 2007 due to enlargement. She added that the Council wanted the Commission to “*speed up the recruitment activities so that a geographical balance was achieved*”. But at the same time the minister said “the administration has to be modernised and the European institutions are not an exception to the rule”.

The EP rapporteur for the 2007 budget, British Conservative James Elles, refused to take a clear position on the Council's choices on spending. He explained that the EU still did not “*at this stage*” have any ideas for resolving the problem but pointed out that the EP delegation had rejected the solutions proposed during the July meeting with the Council. Elles is expecting lengthy discussions before finding the “*right agreement*” on resources for Commission personnel. The rapporteur also sought the implementation of new pilot projects, particularly scientific and personnel exchange programmes between the business community and the EU and China and between the EU and India.

Ms Grybauskaite defended the Commission's proposals in the preliminary draft budget for 2007 as being “*realistic and grounded*”, adding “*To our surprise, the Council has made disproportionately large cuts in administration at all the European institutions, including the Commission*”. Ms Grybauskaite warned that with a reduction of €56 million in salaries for 2007, as decided by the Council in first reading meant that, “*the Commission will not be able to recruit anyone at all...The Council would like to speed up recruitment at the Commission, yet recruitment at the Commission will not be speeded up at all*”. The Commissioner warned that the Commission would recruit nobody in 2007 if the Council's proposal was retained. She added, “*That means somebody here is not telling the truth*”. She also criticised the toughness of the constraints that the Council wanted to impose on administrative spending during the whole period of the financial perspectives. (The Council is calling for the suppression of 2000 posts in 2007-13), an aim expressed in a declaration it unilaterally adopted in July for improving the “*productivity of the EU administration*”. The Commissioner warned that the programme the Council sought to implement would mean losses for the Commission of at least three directorates general and also risked upsetting the geographical balance. She promised to closely cooperate with the EP in preparing the first reading of the draft 2007 budget. The Commission will be providing technical information on budgetary proposal (budget 2007 and also for the period 2007-13) to MEPs in a few days time.