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DRAFT REPORT

on the mandate for the trilogue on the 2011 draft budget
(??? – C7-0000/2010 – 2010/2002(BUD))

Committee on Budgets

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the mandate for the trilogue on the 2011 draft budget
(??? – C7-0000/2010 – 2010/2002(BUD))

The European Parliament,

– having regard to the draft budget for the financial year 2011 which the Commission adopted on 27 April 2010,

– having regard to the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (IIA),

– having regard to the Joint Declaration (adopted at conciliation in November 2009) on Transitional measures applicable to the budgetary procedure after the entry into force of the Lisbon Treaty,

– having regard to article 314 of the Treaty on the Functioning of the European Union,

– having regard to its resolution of 25 March 2010 on priorities for the 2011 budget – Section III – Commission,

– having regard to the Council conclusions of 16 March 2010 on the budget guidelines for 2011,

– having regard to Chapter 7 of its Rules of Procedure,

– having regard to the report of the Committee on Budgets and the opinions of the Committees on ... (A7-0000/2010)

A. whereas the 2011 budgetary procedure is the first of is kind under the Lisbon Treaty and whereas its single reading calls for increased cooperation and coordination with the other branch of the budgetary authority in order to reach an agreement during the conciliation procedure on all expenditure,

B. whereas the trilogue to be held in July should aim at clearing the ground before the Council adopts its position on the draft budget, in order to identify the points of agreement in advance,

Draft budget for 2011

General remarks

1. Notes that the total for the draft budget (DB) for 2011 is EUR 142 576.4 million in commitment appropriations (CA) and EUR 130 147.2 million in payment appropriations

(PA), leaving therefore a margin of EUR 1 224.4 million in CA and EUR 4 417.8 billion in PA; notes that these total amounts represent respectively 1.15% and 1.05% of the EU's forecast GNI for 2011;

2. Is concerned by the fact that the increase in CA is only 0.77% compared to the 2010 budget as adopted, a difference which is out of step with the widely voiced expectations of the EU budget playing a crucial role in support of Europe's post-crisis economies; notes that PA increases by 5.85 %, but recalls that the abnormally low level of PA in 2010 provides the mathematical explanation for this increase; recalls that the multiannual financial framework (MFF) provides for ceilings of EUR 142 965 million for CA and EUR 134 280 million for PA, in current prices;

3. Acknowledges the reduction of the discrepancy between CA and PA as compared with the 2010 budget (EUR 12 429 million compared to EUR 18 535 million), which indicates better implementation of the EU budget, but points out at the same time that the MFF provides for a difference of only EUR 8 366 million between CA and PA for 2011; recalls, in that respect, that these discrepancies create deficits in the long run and should therefore be avoided for the sake of budgetary sustainability and manageability;

4. Points out that the bulk (70%) of the overall margin of EUR 1 2244 million in the DB stems from the margin under heading 2 on the preservation and management of natural resources, and that the other headings – in particular headings 1a, 3b and 4 – have very limited margins, thus proportionally reducing the capacity of the EU to react to policy changes and to unforeseen needs while maintaining its priorities;

5. Recalls, in that respect, that a proposal for a substantial budget review is awaited, and that the difficulties encountered in previous budgetary procedures in reacting properly and satisfactorily to various challenges that have arisen render a revision of the current MFF unavoidable;

6. Draws attention to the large number of outstanding procedures with far-reaching budgetary consequences that will need to be concluded by the two branches of the budgetary authority in 2011 (budget review, setting up of the European External Action Service (EEAS), amending budgets, revision of the IIA, revision of the Financial Regulation, etc.);

7. Takes note of the priorities set out by the Commission (namely supporting the EU economy post-crisis and adapting to new requirements, i.e. implementation of the Lisbon Treaty, new financial supervision authorities, financing of the Global Monitoring for Environment and Security (GMES) initiative, implementation of the Stockholm Programme, etc.) and questions whether the modest increase in CA compared to the 2010 budget is enough to address them;

8. Recalls that, as stated in its resolution of 25 March 2010 on priorities for the 2011 budget, youth is one of the key priorities for the 2011 budget, which should be promoted as an EU cross-cutting theme, developing synergies between different policy areas relating to youth, notably education, employment, entrepreneurship and health, while facilitating and encouraging young people's mobility and skills development; points out that 'youth'

should be seen as a broad concept encompassing the ability of individuals to change positions and status several times throughout their lives, switching without restriction between settings such as apprenticeships, academic or professional environments and vocational training, and that, to this end, one of the objectives would be transition from the education system to the labour market;

9. Deplores the fact that, in spite of an extremely high profile and a very high implementation rate – reaching between 95-100% every year over the period 2007-2009 – the increase in appropriations proposed in the DB for the key youth instruments and programmes, such as Lifelong Learning, Youth in Action and Erasmus Mundus, is rather symbolic; considers that this increase does not allow the EU to adequately address this priority and therefore intends to provide further support for these programmes; recalls, in this context, that these programmes have an indisputable European added value and greatly contribute to the creation of a strong European civil society, despite the modest financial allocation that they receive;

10. Calls for further clarification of the breakdown between operational and administrative expenditure, while acknowledging the efforts made as regards the presentation of administrative expenditure outside heading 5; notes that an already substantial amount of what is, in reality, administrative expenditure, for instance that of EU agencies, is financed from operational appropriations;

11. Is determined to tackle the negotiations on the budget for the financial year 2011 in a constructive and open-minded manner, bearing in mind the goals of efficiency and European added value; expects in return that the other branch of the budgetary authority will adopt a cooperative approach ensuring genuine political dialogue and will depart from an 'accounting exercise' in which savings and contributions from Member States are given an excessively prominent place in the negotiations; recalls that the Treaty has not only modified the legal framework for the budgetary procedure, but has also introduced a new method and new deadlines for negotiating and reaching compromises;

12. Recalls its priorities as expressed in the above-mentioned resolution of 25 March;

Heading 1a

13. Notes an increase of 4.4% in CA (to EUR 13 437 million) and of 7% in PA (to EUR 11 035 million[1]), together with a margin of EUR 50.1 million (compared to EUR 37 million in the financial programming), stemming from decreases in appropriations for administrative and technical support expenditure (former 'BA lines') and for decentralised and executive agencies, and from decreases in appropriations for a number of programmes, such as Customs 2013 and CIP-Entrepreneurship and Innovation;

14. Recalls that the new needs to be financed under this heading (Kozloduy decommissioning programme, European financial supervision authorities, ITER, and GMES, including Parliament's request for increased appropriations for its operational phase) were not provided for when the current MFF was adopted; stresses that the financing of these needs

[1] Excluding the EERP energy projects.

should not be detrimental to the financing of other heading 1a programmes and actions which are crucial to the European post-crisis recovery effort;

15. Recalls that the European Economic Recovery Plan (EERP) is partly financed under this heading, as are a large number of multiannual programmes (CIP, FP7, TENs, Galileo/Egnos, Marco Polo II and the Progress programme) which will have reached maturity in 2011; reiterates, therefore, its request to the Commission to present the follow-up report on the implementation of the EERP, including measures entrusted to the EIB;

16. Welcomes the increases in appropriations for the main programmes (FP7, 13.8%; CIP, 4.4%; Lifelong Learning, 2.6%; TEN 16.8%), and stresses that these programmes provide essential leverage in the EU post-crisis economic strategy; takes note of the 78% decrease in CA for Galileo, as provided for in the financial programming, and welcomes the 22% increase in PA, indicating that, in the main, the programme is running smoothly; regrets that the increase in appropriations for the Lifelong Learning programme, so crucial for Parliament's priorities, is disappointing compared to other above-mentioned programmes;

17. Stresses that heading 1a includes many EU2020 strategy flagship initiatives, such as Innovation Union, Youth on the Move, Resource-efficient Europe, New Skills and Jobs, and Industrial Policy for the Globalisation Era; deplores the fact that it is impossible to identify clearly, from a budgetary point of view, the financial implications of the EU2020 strategy and expresses its doubts regarding the capacity to ensure, in the context of the current financial framework, adequate funding for these initiatives;

18. Recalls that the priorities for 2011, with a view to the EU2020 strategy, will be financed mainly from this heading, and that the EU competences stemming from the entry into force of the Treaty are likely to have budgetary implications; emphasises that space policy, seeking to promote European scientific, technological and environmental progress and industrial competitiveness, requires both the EU and the Member States to make a real financial effort within the context of the GMES;

19. Welcomes the Commission's Youth on the Move initiative seeking to enhance the performance and international attractiveness of Europe's higher education institutions and raise the overall standard of education and training in the EU; wishes to stress the importance of ensuring sufficient funding for an ambitious policy in the area of education and training, which plays a crucial role in the EU2020 strategy; stresses that the EU will bring all its resources to bear in meeting this ambitious challenge, which creates an unprecedented momentum for the development of a comprehensive EU youth policy; stresses, nevertheless, that the launch of such an over-arching flagship initiative covering a number of distinct and well-established EU programmes in this area should not lower the profile of the individual programmes;

20. Stresses that the budgetary resources made available in the future for instruments such as the Lifelong Learning programme and cross-cutting skills, such as e-skills, international skills, entrepreneurial skills and multilingualism, reflect the European added value they deliver;

21. Notes, for the first time, the inclusion of payment appropriations for the European Globalisation Fund, and considers this an important element in the overall reflection on the management and visibility of this fund;

Heading 1b

22. Notes that the 2011 DB provides for an increase of 3.2% in CA to a total of EUR 50 970 million, EUR 39 891.5 million of which are for the Structural Funds (ERDF and ESF) – an amount similar to the 2010 figure – and EUR 11 078.6 million for the Cohesion Fund;

23. Notes that this proposal is in line with the allocations set out in the MFF, taking into account the technical adjustment to the financial framework for 2011[1] (increase of EUR 336 million), as provided for in point 17 of the IIA; understands in that respect the margin of EUR 16.9 million, stemming mostly from the technical assistance allocation and representing 0.03% of the heading;

24. Welcomes the 16.9% increase in PA to EUR 42 541 million proposed for 2011, but is nevertheless concerned that payment needs have been estimated on the basis of the historical payment rates against the corresponding commitment tranches in the 2000-2006 programming period, while programme implementation was much slower at the beginning of the 2007-2013 period and will therefore need to catch up strongly, particularly in 2011;

25. Doubts that the adjustments made, notably through the allocation of delayed payments as a ratio of expected payments in future years, are fully appropriate to address all additional payment needs stemming notably from the following:

    - recent legislative changes, which notably aim at facilitating the management of EU funding and accelerating investments;

    - 2011 will be the first full year when all Management and Control Systems will be approved, which is a precondition for interim payments, which means that the implementation of programmes will reach cruising speed, projects being already selected for more than 93 billion or 27% of the total financial volume for the period, as per end of March 2010;

    - the closure of the 2000-2006 programmes is expected to continue in 2011, thereby requiring final payments to be made but also freeing up some resources to further speed up implementation of 2007-2013 programmes;

26. Considers moreover that adequate resources for cohesion policy are crucial in order to accelerate the recovery of the European economy and to contribute to the Europe 2020 strategy for the regions; calls, therefore, on the Commission and Council to present and adopt an amending budget without delay, should payment appropriations not be sufficient to cover needs;

[1] COM(2010)160, 16.4.2010.

27. Requests the Commission to keep on working closely with those Member States with a low absorption rate, in order to further improve the situation regarding absorption on the ground;

28. Asks to Commission also to continue its reflection on how to reshuffle the complex system of rules and requirements imposed by the Commission and/or Member States, in order to focus more on achieving objectives and less on legality and regularity, without departing from the key principle of sound financial management; stresses that such a reflection should also contribute to better drafting of the next programming period's basic regulation; recalls in this context the November 2009 Joint Declaration on simplification and a more targeted use of structural and cohesion funds in the context of the economic crisis;

Heading 2

29. Recalls that one of the main changes introduced by the TFEU is the abolition of the distinction between compulsory and non-compulsory expenditure, allowing, at last, the two branches of the budgetary authority to negotiate on a equal footing on annual appropriations and multiannual financial programming for an heading which accounts for almost 42% of the overall draft budget for 2011;

30. Stresses that, over the last few years, the budgetary authority has made use of this heading to reach global agreement on the annual budgets, through use of the margin or redeployment of appropriations for use in other programmes and actions;

31. Notes that, despite the claim that appropriations remain stable, assigned revenue is down by more than 25 % in 2011, that market support is down by almost 22% (to EUR 3 491 million), and that appropriations for veterinary and plant protection measures show a fall of 7.8%;

32. Welcomes the increases in appropriations for decoupled direct aid (9,7%), the school fruit and vegetables scheme (up 50% to EUR 90 million), and school milk (5,3%), and notes with satisfaction the constant decrease in export refunds since 2007 (to EUR 166 million in the 2001 DB);

33. Notes that climate action is a priority, as set out in the Europe 2020 strategy, and notes the change in the heading of Title 07 to 'Environment and climate action'; takes note of the increase in appropriations proposed for the implementation of EU policy and legislation on climate action and a new preparatory action on mainstreaming climate action and adaptation;

34. Welcomes the increase in CA for LIFE+ to EUR 333.5 million (up by 8.7%) and welcomes the sharp increase in PA (24,3%, to EUR 268.2 million) in line with improved implementation rates;

35. Recalls that the Milk Fund adopted under the 2010 budget to mitigate the consequences of the dairy crisis was supposed to be a one-off action; asks the Commission to forward its

evaluation of this measure, together with proposals for a permanent approach and concrete proposals for dealing with price volatility in this sector;

Heading 3a

36. Notes that the overall increase in the funds pertaining to this heading (+12.8%) appears to give practical effect to the ambitions in this area expressed in the Treaty of Lisbon and to the Stockholm Programme;

37. Takes note, in this respect, of the Commission's communication on an Action Plan to implement the Stockholm Programme, and welcomes, in the field of immigration and support for the integration of immigrants, the proposed increase in CA for the External Borders Fund (254 million, +22 %) and the European Return Fund (114 million, + 29 %);

38. Acknowledges that the proposed decrease in appropriations for FRONTEX in 2011, despite its growing workload, stems from an updated evaluation of its unused appropriations and annual surpluses;

39. Deplores the fact that, pending the submission (scheduled for 2013) of the proposal for a regulation on EUROPOL, an EU agency financed under the EU budget since 2010, the volume of appropriations for 2011 (EUR 82.9 million) remains almost unchanged as compared to 2010 (EUR 79.7 million), despite the Stockholm Programme having called for EUROPOL to be strengthened;

40. Notes that, despite the timetable for the development and entry into operation of the Schengen Information System II (SIS II) being uncertain, it is proposed that CA decrease only slightly from EUR 35 million to EUR 30 million, while payment appropriations increase from EUR 19.5 million to EUR 21 million; welcomes, nevertheless, the change with respect to the financial programming for SIS II and VIS (as drawn up in January 2010, when EUR 112 million were programmed), while the DB provides for only EUR 51.2 million; considers it necessary, given that the prospect of a migration to SIS II is growing increasingly unlikely and a replacement option is currently being prepared, to place part of these funds in the reserve, pending further analysis;

Heading 3b

41. Recalls that heading 3b covers issues of key concern to the citizens of Europe, such as youth, educational and cultural programmes, public health, consumer protection, the civil protection instrument and communication policy; notes, therefore, with great concern that overall appropriations are down for a second consecutive year, with CA being reduced by 0.03% (to EUR 667.8 million) and PA by 3.1% (to EUR 638.9 million) as compared to the 2010 budget, leaving a margin of EUR 15.2 million;

42. Notes that the proposed increase for some programmes (Media 2007, Culture 2007, Public Health, etc.) has been made possible by the absence of CA for several pilot projects and preparatory actions; deplores, therefore, the fact that the small margin will afford limited room for manoeuvre when taking decisions on stepping up the funding of priorities directly benefiting citizens and adopting proposals for projects and actions;

43. Reiterates that coordinated and multidisciplinary investment in youth must be started without delay as a cross-policy theme, and that an increase in youth policy instrument funding should accordingly be proposed; deplores the lack of ambition shown by the Commission in failing properly to address this priority and confirms its intention to amend the draft budget in order to provide appropriate funding for this priority;

44. Recalls that encouraging and promoting cooperation in the field of youth and sports is a priority for the 2011 budget and stresses that financial support for special annual events is an important tool to this end; deplores the fact that no CA have been included in the draft budget for 2011 (p.m. in CA and only EUR 2.9 million in PA), as against EUR 9.8 million and EUR 10.25 million respectively in the 2010 budget;

45. Welcomes the launch of the European Year on Volunteering in 2011, building on the preparatory action introduced under the 2010 budget 2010, and recalls Parliament's decision to increase the overall allocation provided for in the relevant legislative act to EUR 8 million;

Heading 4

46. Welcomes the proposed increase in appropriations for ENP South and ENP East, and more specifically for the Eastern partnership dimension of the latter; takes good note of the proposed emptying of the budget line dedicated to the EU Baltic Sea Strategy, but deplores that an equivalent amount is not dedicated to this strategy under ENP East;

47. Is extremely worried by the proposed decrease of more than 32% in CA for financial assistance to Palestine, the peace process and UNRWA; considers that the Commission's statement on 'the exceptionally high allocations of previous years [that] cannot be maintained without jeopardising the funding for other countries in the region' reinforces the urgent need for a substantial revision of financing capacities under heading 4, and should not lead to a decrease in financial assistance which is vital for the Palestinian people, the Palestinian Authority, and UNRWA;

48. Points out, in that respect, that even the use of the entire margin of heading 4 exclusively for financial assistance to Palestine would not suffice to reach the 2010 level of CA (EUR 295 million in 2010, as compared to a hypothetical EUR 270 million in 2011)

49. Takes note of the substantial increase in appropriations (13.2%) to cover the enlargement process, in which further progress is expected in 2011 (ongoing and potential negotiations with Croatia, Iceland, FYROM, Turkey and Western Balkans);

50. Considers the proposed increase for DCI to be appropriate, but deplores the misleading presentation by the Commission, which flags up an increase of EUR 65 million for the environment and sustainable management of natural resources as a follow-up to the Copenhagen Accord, whereas that increase is based on the financial programming and not on the 2010 budget (the 2011 DB in fact provides for a decrease of EUR 1.2 million against this line, as compared to the 2010 budget);

51. Recalls its support for the principle of financial assistance for the main ACP banana supplying countries, but reiterates its firm opposition to the financing of Banana Accompanying Measures via the use of the margin; recalls that the limited margin under the heading does not allow the financing of such measures, which were not provided for when the MFF was adopted in 2006; is also firmly opposed to any redeployment from existing instruments within heading 4 that would jeopardise existing priorities;

52. Welcomes the increase in appropriations for the CFSP to EUR 327.4 million (CA), as provided for in the financial programming and in line with the ever more ambitious role the EU wishes to play in zones undergoing a stabilisation process or affected by conflicts; takes note of the emptying of the budget line for EU Special Representatives, as provided for in connection with the setting up of the EEAS, and recalls that the specific provisions regarding the CFSP in the IIA will have to be substantially rethought in the framework of the negotiations on a revised IIA and of the adoption of a proposal on the EEAS;

53. Welcomes the setting up of a preparatory action on a European Voluntary Humanitarian Aid Corps, stemming from the entry into force of the TFEU (Article 214), and in line with the European year for Volunteering in 2011;

Heading 5

54. Notes that total administrative expenditure for all institutions is estimated at EUR 8 266.6 million, i.e. an increase of 4.5%, leaving a margin of EUR 149 million;

55. Stresses that the draft estimates of each institution, together with the amending budgets presented in 2010, should take into account all the additional needs relating to the entry into force of the Lisbon Treaty, notably as regards Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions; recalls in this context the Joint Declaration of November 2009 on heading 5, which called on the institutions to make all possible efforts to finance the administrative needs related to their staff's remuneration within the appropriations entered in their respective sections of the 2010 budget;

56. Takes note of the 2,9% increase in the Commission's share of the administrative budget; notes, however, that all costs associated with the functioning and the setting up of the EEAS are included at this stage; takes the view that any additional requests in this regard should not impact negatively on the institutions' current activities; strongly emphasises, therefore, the need to arrive at an effective structure, with a clear definition of responsibilities, in order to avoid any overlapping of tasks and unnecessary (administrative) costs to be borne by the budget that could otherwise further worsen the financial situation under this heading;

57. Agrees with the Commission's approach that the 3.7% salary adjustment proposed in 2009, which could become fully payable should the Court of Justice rule in the Commission's favour, should be budgeted for as a matter of precaution; notes that, even when taking this high level as the basis for the future, the projected salary adjustment for the end of 2010 is still estimated at 2.2 %, in a context of economic and social crisis, and

then comes down to 1.3% for the end of 2011; asks the Commission to justify its calculations;

58. Acknowledges the Commission's efforts not to request any additional posts, but views with scepticism its commitment to meet all its needs, including those relating to new priorities and to the entry into force of the TFEU, merely by means of internal redeployment of existing human resources;

59. Is deeply concerned about the fact that, in general, the Commission's outsourcing tendencies, together with the conversion of posts into appropriations for contract agents, have led to a situation where an increasing number of staff employed by the EU are neither visible in the institutions' establishment plans as adopted by the budgetary authority nor paid under heading 5; is therefore of the opinion that changes in Commission staff numbers should be considered on the basis of not only establishment plan posts but also other staff, including executive and decentralised agency staff where the tasks of those staff have been transferred from the Commission; considers, although it generates savings on pay, the conversion of establishment plan posts into external staff is likely to have an impact on the quality and independence of the European civil service;

60. Welcomes the 13% decrease in the EPSO budget, which is linked to the lower level of expenditure on competitions resulting from the new system proposed in the EPSO Development Programme, provided that this decrease does not come at the expense of the quality, transparency, fairness and impartiality of EU selection procedures; expects solid guarantees from the Commission in this respect;

61. Welcomes the Commission's achievement of its overall objectives in terms of recruitment of new-Member-State nationals as well as its commitment to close and regular monitoring of EU-12 recruitment in order to ensure compliance with recruitment targets as well as a balanced representation of EU-2 and EU-10 nationals in each function group;

62. Takes note of the increased expenditure on pensions and the European Schools, in the view of the generational change in the EU institutions resulting from the wave of retirements of officials born in the 1950s and the recruitment of the new staff; expects the Commission to supply a more in-depth analysis of the long-term budgetary consequences of this process;

Pilot projects and preparatory actions

63. Reiterates its serious concern over the Commission's recurring habit of not entering any CA for almost all pilot projects and preparatory actions; notes the very selective approach followed for the inclusion of CA for an extremely limited number of pilot projects and preparatory actions, and requests the Commission to explain the reasoning behind the distinction made between different projects and actions;

64. Recalls that, in accordance with point 46 (a) of the IIA, the Commission should provide for multiannual estimates and for margins being left under the authorised ceilings;

65. Stresses the importance of pilot projects and preparatory actions as key tools for the formulation of political priorities and for paving the way for new initiatives that might turn into EU activities and programmes; confirms, therefore, already at this stage in the procedure, that it is determined to use all the means at its disposal to ensure the adoption of its proposals regarding pilot projects and preparatory actions for the 2011 budget;

66. Recalls that the pilot projects and preparatory actions were adopted under the 2010 budget accounted for a total of EUR 103.25 million in CA across all headings; stresses that, should the budgetary authority adopt, for 2011, pilot projects and preparatory actions at a similar level and with a similar breakdown among headings, 56% of the margin under heading 1a (and 33% of the margin under heading 1b, 59% under heading 3b, and 37% under heading 4) would already be used up, even though the total amount earmarked for this purpose in the 2010 budget did not even reach the maximum amount permitted under the IIA (EUR 103.25 million as against EUR 140 million);

67. Intends to forward to the Commission, as provided for in Annex II, part D of the IIA, a first provisional list of potential pilot projects and preparatory actions for the 2011 budget 2011, in order for the Commission to contribute to Parliament's definition of a global and balanced final package on this issue; stresses that this first provisional list does not preclude the formal tabling and adoption of amendments concerning pilot projects and preparatory actions during Parliament's reading of the budget;

Agencies

68. Welcomes the overall stabilisation of EU budget expenditure on decentralised agencies at EUR 679.2 million; notes that the budget increases proposed for the six new and three phasing-in agencies are offset by the Chemicals Agency becoming self-financing;

69. Takes note that among the 258 new establishment plan posts for agencies, 231 will be allocated to new or starting-up agencies;

70. Wonders why no assigned revenue at all is expected to stem from some agencies' surpluses, and invites the Commission to update the proposed contribution from the EU budget in light of further information received, notably when agencies' final accounts are adopted; is at the same time concerned about the persistent surpluses of some agencies at year-end, which shows poor budgetary and cash management and infringes the provisions of the framework Financial Regulation;

71. Takes note of the expected increase from EUR 86.5 million to EUR 226.2 million in the Chemicals Agency's revenue; considers that, although this agency will not be EU-funded any more, any surpluses should continue to be paid back into the EU budget;

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72. Recalls, as far as procedural aspects of the conciliation committee are concerned, that the institutions involved are supposed to reach agreement at the trilogue scheduled for July; considers, as far as the mandate regarding the 2011 draft budget is concerned, all aspects and points raised in this resolution to be of importance for this trilogue;

73. Instructs its President to forward this resolution to the Commission and the Council.