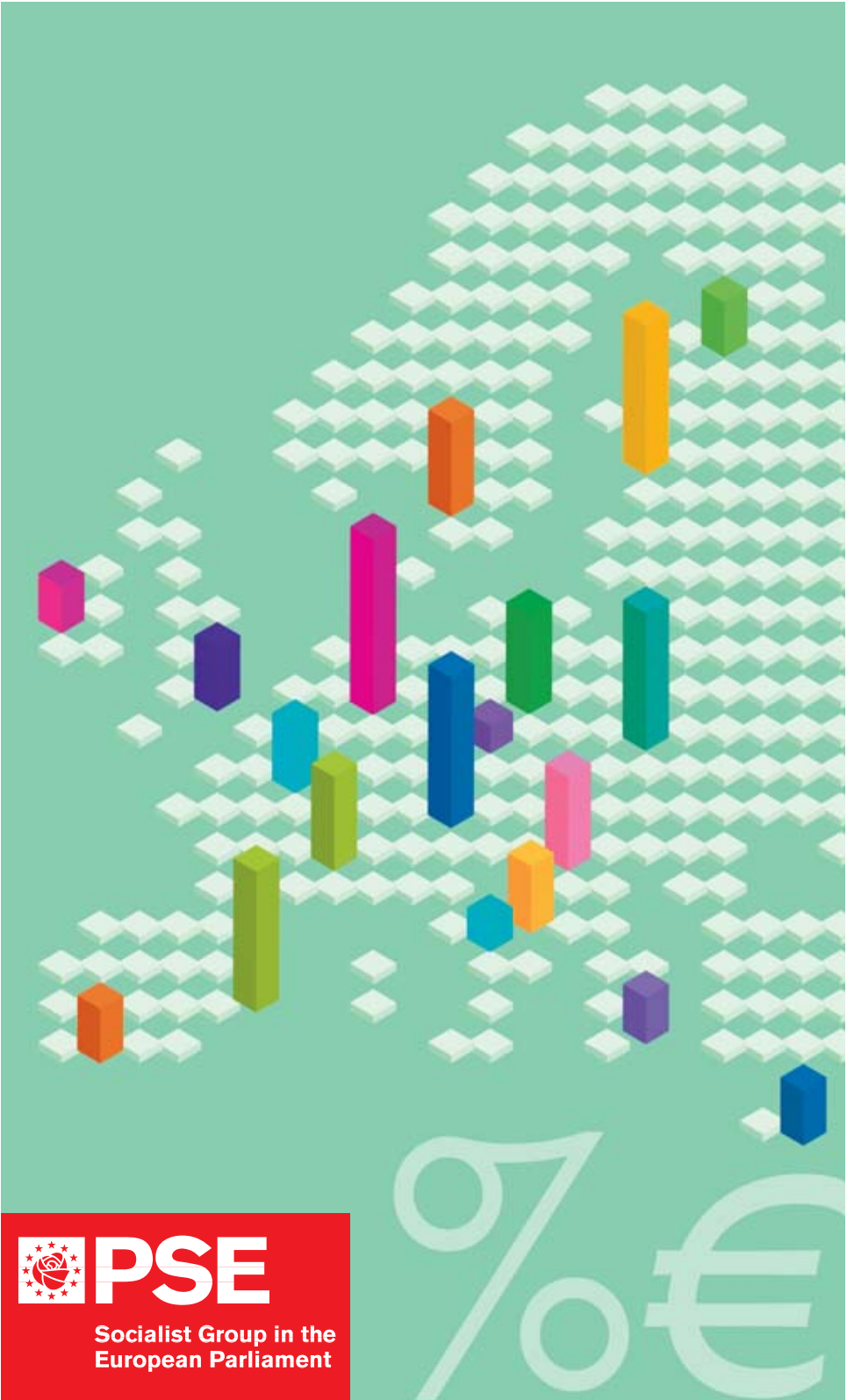


EUROPEAN UNION BUDGET 2008

A SOCIALIST PERSPECTIVE



PSE

Socialist Group in the
European Parliament

THE EU BUDGET IN 2008

A FUTURE BUDGET TO BENEFIT
THE SOCIALIST PRIORITIES

ADMINISTRATIVE EXPENDITURE

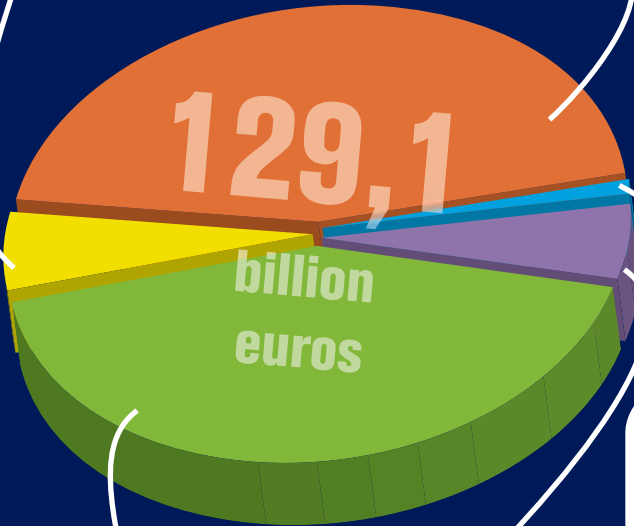
5,8 %

Operational expenditure
of the EU institutions

GROWTH, INNOVATION, EMPLOYMENT AND COHESION

44,9 %

Research and innovation, transport,
energy, education and social cohesion
Growth, economic and social cohesion
across the regions



129,1
billion
euros

NATURAL RESOURCES

42,6 %

Fisheries, rural
development and
environment (11,0 %).

Agriculture (31,6 %).

A GLOBAL PLAYER

5,7 %

The European
Union's actions
around the
world

CITIZENSHIP – FREEDOM, SECURITY AND JUSTICE

1,0 %

Immigration and
integration
Health and consumer
rights
Fundamental rights
Political debate on
Europe
Intercultural dialogue
Culture and media

WHO DOES WHAT?

The budget of the European Union is decided upon each year by the Members of the European Parliament (MEP's) and the Council (the 27 Finance Ministers of the EU Member States).

The European Commission puts forward the proposals but it is the MEPs and the national governments that take the final decision. MEP's have the final say on approximately 65% of the expenditure, the remainder being approved by the Council.

The Council and the European Parliament must respect the multiannual expenditure ceilings set by common agreement for the period 2007-2013, within the framework of what is known as the 'multiannual financial framework'.

Following a decision taken in 1992, the ceiling of the European budget has been set at 1.24% of the GNI (gross national income) of the Union as a whole. This decision is taken exclusively by the national governments; neither the European Parliament, nor the European Commission can change it.

The EU's 2008 budget (EUR 129.1 billion) for the 495 million citizens of Europe is roughly equivalent to the overall public spending of Austria, a little less than that of Belgium, half as much as that of the Netherlands, three times less than that of Spain, four times less than that of the United Kingdom, six times less than that of Italy, nine times less than that of France and ten times less than that of Germany.

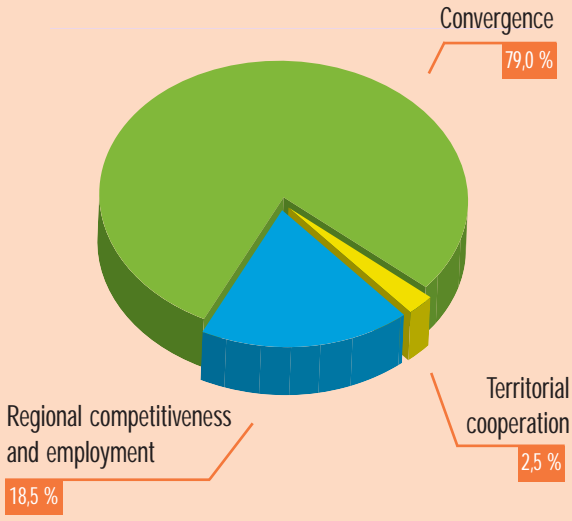
Growth, innovation, employment and cohesion

Making a success of
the Lisbon strategy:
58 billion euros for
sustainable growth



Fostering economic cohesion and growth across the regions

46,9 billion euros



► **37 billion euros will be shared among the least developed territories of the European Union under the 'convergence' objective**, in the 12 new Member States of Southern and Eastern Europe, but also in certain regions of Germany, Spain, Greece, Italy, Portugal and the United Kingdom. This major investment is designed to enable these territories to modernise their research capacity, develop their infrastructure, implement projects that promote a sustainable environment, improve training of the workforce and stimulate employment with a view to achieving greater social and territorial cohesion.

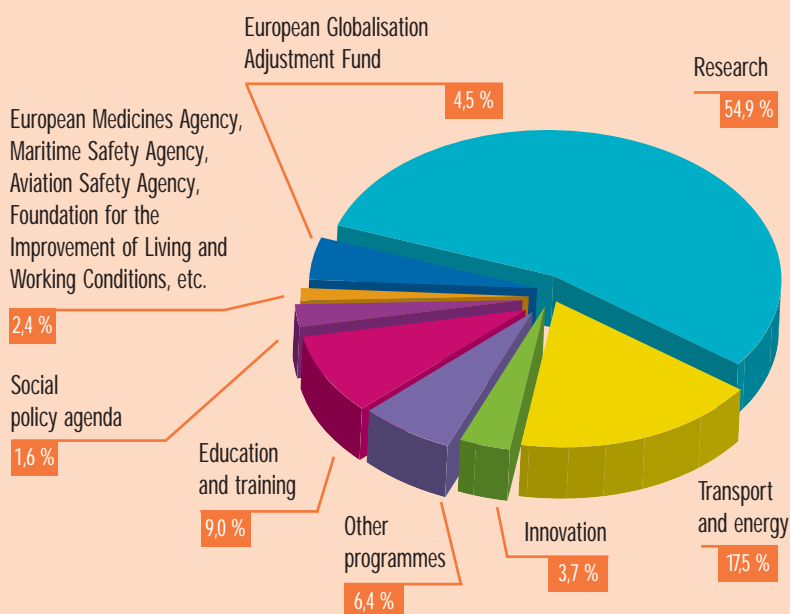
► **8.6 billion euros will be used to strengthen the regional economies of the other territories**, foster entrepreneurship and innovation, support training and employment policies or urban policies, and improve transport and information networks.

► **Our regions come together across their borders in order to tackle common challenges and exchange practices**: in 2008 the European Union will devote 1.2 billion euros to this new instrument, which encourages cooperation between European regions beyond administrative and cultural barriers.

🇪🇺 Because the European budget is a budget of solidarity that benefits everyone, the Socialist Members of the European Parliament make great efforts every year to ensure that these levels of funding are maintained, in particular for the new Member States.

Fulfilling our commitments: investing in research, innovation and social cohesion

11,1 billion euros



► GALILEO – a major joint project

Between now and 2013 the European Union will establish a European satellite navigation system, which will offer a wide range of services aimed at improving our daily movements, enhancing communication and observing the evolution of the Earth. Unlike the American GPS system, this system will be run by civil authorities and will be extremely reliable from a technical point of view. Galileo is the first major industrial public project of the EU27 and it will offer numerous technological innovations and generate many jobs.


🇪🇺 Although some of the Finance Ministers of the 27 Member States were in favour of intergovernmental financing, Socialist Members of the European Parliament unanimously advocated Community financing, the only way to guarantee the rapid progress of the project (3.4 billion euros between now and 2013, including 890 million in 2008). After long negotiations they succeeded in convincing the Finance Ministers of the 27 Member States to release the necessary Community funds, in part by drawing on agricultural funds not spent in 2007. With the Socialists, the Europe of the future is moving forward.

► Building genuine European transport networks


In 2008 approximately 1 billion euros will be used to co-finance major transport projects across the EU, notably strategic cross-border projects such as the Lyon-Turin rail tunnel on the Lyon-Ljubljana-Budapest axis, the Brenner rail tunnel on the Berlin-Naples route, the Seine-Scheldt canal, the Paris-Madrid rail link and

the Rhine/Meuse-Main-Danube inland waterway. Socialist MEP's fully support these projects, which are the spearhead of an environmentally friendly European transport system.


► **Innovation, craft industries and SMEs**

 SMEs and craft industries are often at the forefront of innovation, but they do not always have all the financial guarantees needed to implement their projects. Your Socialist MEPs have ensured that European funds are to be made available for loan guarantees to help certain innovative SMEs in the area of eco technologies.


► **Lifelong learning**

 Thanks to the efforts of European Socialists, **1 billion euros** will be allocated to this policy in 2008: more than 220 000 students will study abroad through the Erasmus programme, 70 000 young people will receive vocational training and some 1 400 adult education teachers will participate in mobility programmes. European Socialists also make every effort to make these measures available to other beneficiaries such as apprentices or young entrepreneurs. These two new schemes are now being tested under the vigilant eye of your MEP's.

► **Healthcare and caring professions: improving working conditions in Europe**

 Europe's population is getting older. New jobs in the caring professions, particularly in the health sector, are on the increase in all our states. However, working conditions and qualifications vary significantly from one Member State to another. Why not try to share the best practices in one Member State with a view to transferring them to another? That is the subject of a Socialist proposal, which in 2008 will initially be allocated 1 million euros.

► **European Globalisation Adjustment Fund**

 Thanks to the efforts of European Socialists, a fund totalling 500 million euros is available each year to help workers who are made redundant as a result of company relocations to find jobs. This fund may be accessed by all the EU Member States affected by sudden, large-scale job losses. In 2007 it was used to help French, German and Finnish workers. For 2008 a number of requests for support for Maltese, Portuguese, Italian and Spanish workers are already on the table.

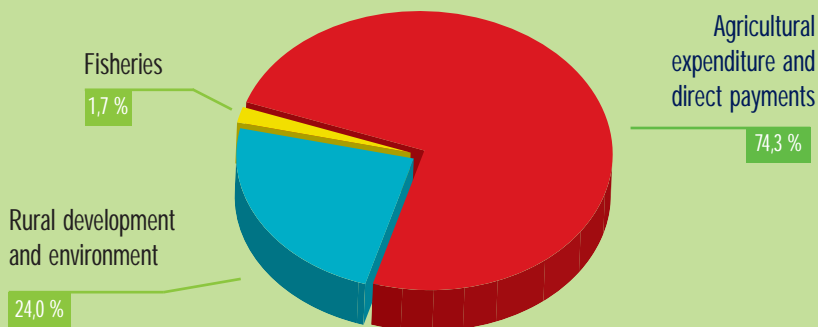
Natural resources

Contributing to safer
and better food

Protecting our environment



55 billion euros



► Stability for farming communities

Around 41 billion euros will be allocated to the agricultural sector in the form of direct aid to farmers and market interventions in the cases of a crisis. Payment of direct aid is conditional upon compliance with strict environmental protection and animal welfare standards. Although the proportion of the European budget devoted to direct agricultural expenditure is decreasing steadily, in particular as a result of the increase in global agricultural prices, the European Union is currently carrying out a comprehensive assessment of its agricultural policy so that it will be better placed to deal with the challenges facing it.

🇪🇺 Socialist MEPs are playing a full role in this debate and are supporting, in particular, small farmers and the role of agriculture in the fight against climate change.

► Sustainable development in rural areas

Rural areas cover around 90% of EU territory. Approximately **12.9 billion euros** will be devoted to rural areas to strengthen their economies, promote new jobs and improve the quality of the environment and rural life in general.

► Improving environmental protection and biodiversity

The environmental protection programme LIFE+ pays special attention to climate change and in 2008 it will devote **267 million euros** to developing and disseminating new policies and raising public awareness of sustainable natural resource management.

► Towards an integrated European maritime policy

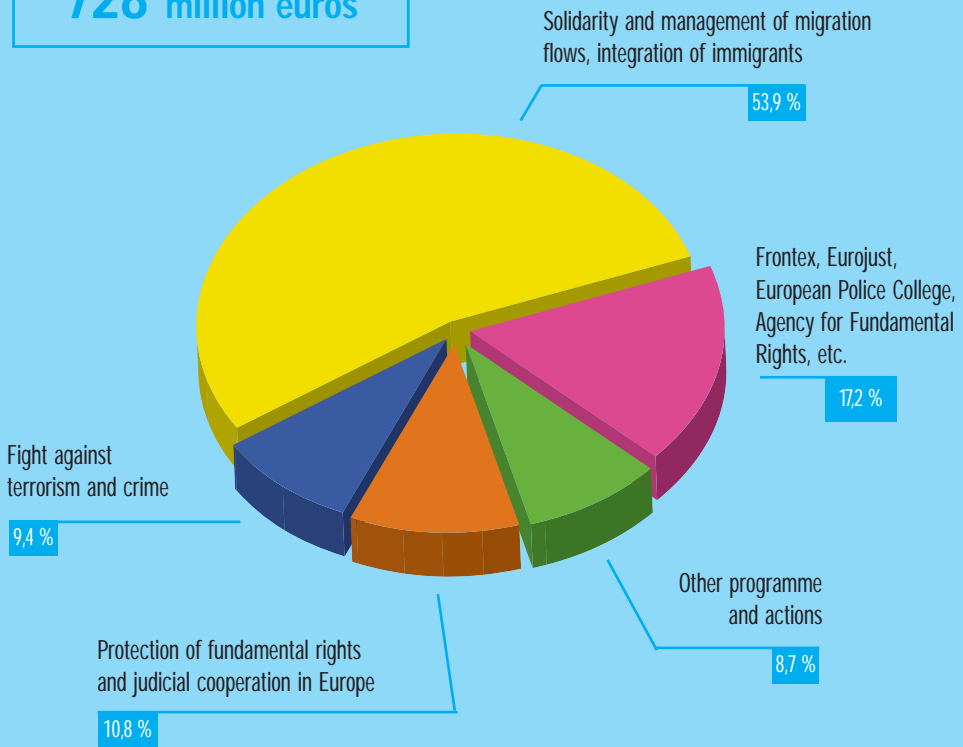
🇪🇺 By securing the allocation of 6 million euros in 2008 to preparatory actions to ensure better coordination and integration of the different European policies affecting the maritime sector, Socialist MEPs are promoting the implementation of a vital policy in respect of employment, transport and the protection of biodiversity.

Citizenship, freedom, security and justice

Budget still insufficient to
tackle the common challenges





728 million euros



Towards solidarity in immigration management which promotes better integration, with complete respect for fundamental rights

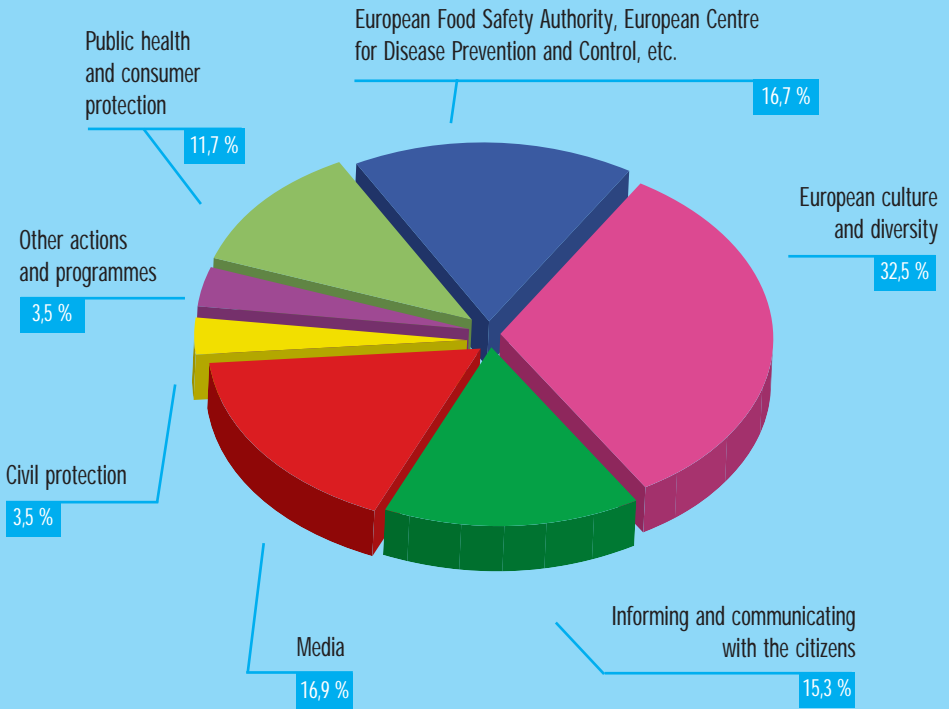
Out of 393 million euros destined to help the EU countries deal with immigration in a just and respectful manner, the European Socialists succeeded in ensuring that 78 million euros be allocated to the European Integration Fund to help both EU citizens and legal immigrants to live in culturally diverse societies.

 56 million euros will be allocated under the European Return Fund to facilitate cooperation with some countries on the readmission of illegal immigrants. However, the Socialist Members of the European Parliament want these measures to be implemented within the framework of a European text harmonising return conditions, with adequate guarantees of respect of human rights.

 With a view to ensuring solidarity amongst all the EU Member States, European Socialists support in 2008, as in 2007, a significant increase in the budget allocated to the Frontex agency (+30 million euros), which is responsible for European cooperation in the area of border controls.

Promoting a people' Europe

615 million euros



► Discussing Europe: exchanging, meeting

As far as European Socialists are concerned, the debate on Europe must be a citizens' debate, open to all. With more than 200 million euros allocated to this policy, for example 400 000 citizens will be able to continue to benefit from town twinning measures in order to find out more about one another. There are also numerous "citizens forums" and debates organised on European integration... No doubt there is one near you!

► Information on Europe in our daily lives: a European radio network

Since 31 March 2008 16 major radio stations in 13 Member States have been working together in the Euranet consortium and have broadcasted in their own languages daily co-produced programmes that last from 30 minutes to one hour and are devoted to topical, cultural and political issues relating to the European Union. These programmes are also available on the Internet and can be downloaded as a podcast.

► Promoting European culture: the example of the cinema


With a budget for 2008 of 104 million euros (an increase of 25% from 2007), the European Union, through the MEDIA programme, is supporting the production and broadcasting of European audiovisual works. This aid supplements the national mechanisms available to support production, from the bottom up (training

of audiovisual professionals and development) and from the top down of the creation process (distribution of European films or programmes). Examples of films financed by MEDIA include *Goodbye Lenin*, *La Meglio gioventù (The Best of Youth)*, *Le Fabuleux Destin d'Amélie Poulain (Amélie)*, *Volver*, *It's a free world*, etc.


▶ **Young Europeans make their voices heard**

There are some 60 million Europeans between the ages of 15 and 25. With 120 million euros, 'Youth in action' will provide more than 120 000 young Europeans with the opportunity to participate in youth exchanges and the European Voluntary Service, and to become active players in democratic life, on both a national and European level.


▶ **European Socialists support e-democracy**

 The European Union supports innovative projects to improve electronic forms of democracy with a view to ensuring greater participation and understanding of the decision-making processes.

▶ **2008 – European Year of Intercultural Dialogue**

 Seven million euros will be available in 2008 to encourage dialogue between the different cultures that make European societies so richly diverse. The European budget will be used to support associations and non-governmental organisations operating in this field, the organisation of meetings and debates in schools, in the workplace, in sports, cultural and leisure centres, and a whole range of intercultural activities.

▶ **European Socialists call for the introduction of a European civil protection tool**

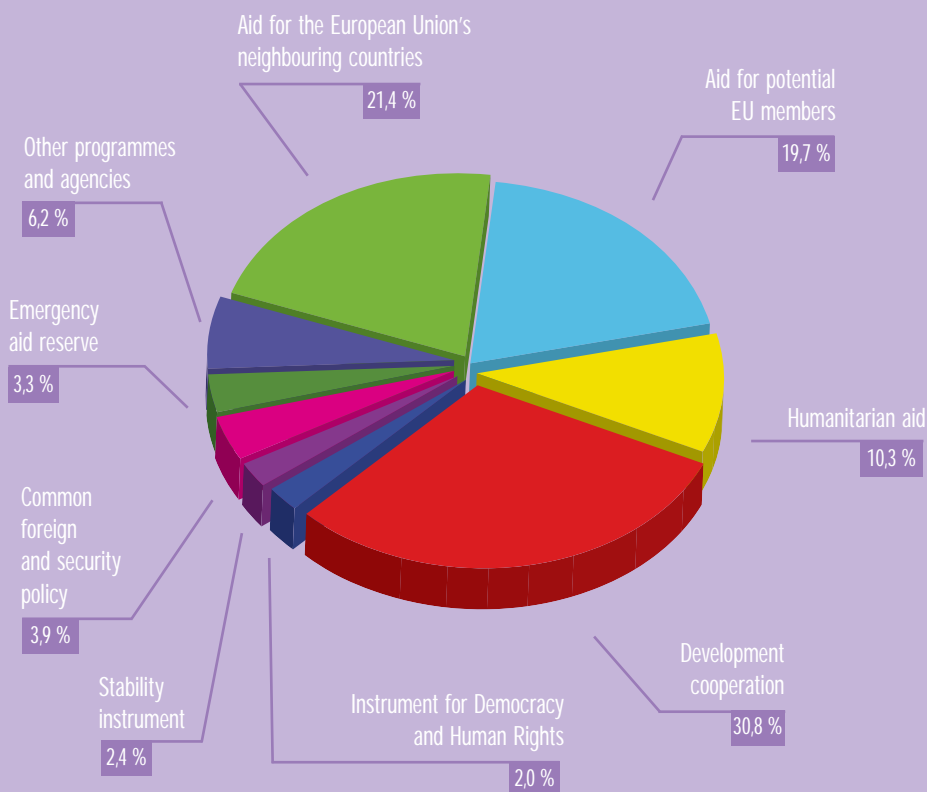
 2007 saw several major natural disasters in the United Kingdom and Greece, to name just two countries. Although the European Union takes action under the Solidarity Fund to provide financial support to the regions affected, it is also important to strengthen both the disaster prevention mechanisms and the rapid reaction tools available to tackle them. Your Socialists Members of the European Parliament succeeded in securing an increase in the budget to support the European civil protection mechanism and the testing of joint European actions to fight forest fires and strengthen practical intervention capacities.

The EU as a global player

Spreading peace, stability
and sustainable development
beyond our borders



7,3 billion euro



► **Aid for potential EU Member States to bring them closer to the Union**

1.4 billion euros will be provided to the Western Balkans and Turkey for institution building, regional and cross-border cooperation, developing local human resources, etc.

🇷🇺 Thanks to Socialist Members of the European Parliament, funds will be allocated specifically to the preservation of the cultural heritage of the countries of the former Yugoslavia.


► **Aid for Kosovo**

Special attention will naturally be paid to the new independent Republic of Kosovo. Under its common foreign and security policy, the European Union will, *inter alia*, send a mission to the country to ensure respect for the rule of law and democracy. With a budget of 165 million euros, this mission will contribute to the emergency of a multi-ethnic society and the conclusion of negotiated solutions in the region.

► Working together with our neighbours for mutual prosperity and stability

The European neighbourhood instrument will allocate 1.6 billion euros to increase cooperation with neighbouring countries to the east and south of Europe, mainly in the fields of sustainable development, the rule of law and human rights.


► Aid for Palestine

 As a result of the efforts of European Socialists more than 300 million euros will be used to help the Palestinian institutions to improve the quality of public services, meet the urgent needs of the population as well as investment in basic infrastructures.


► Tackling poverty in developing countries

 The aid from the EU budget (2.3 billion euros) will be used mainly for development projects in Latin America, Asia and Africa. As in 2007, European Socialists highlighted the importance of a balanced geographical distribution of the funds in line with the major global challenges in fulfilling the Millennium Goals. Promoting decentralised cooperation among local authorities and developing countries, and allocating 20% of these funds to projects promoting learning (primary and secondary) as well as health services were also among the socialist priorities.

► Defending our commitments to tackle AIDS, tuberculosis and malaria

 Your Socialist MEPs put up a strong fight against a number of right-wing MEPs who wanted to undermine the European Union's commitment to contribute 50 million euros for 2008 alone to the Global Fund to Fight AIDS, Tuberculosis and Malaria. They went even further by incorporating in the 2008 budget new appropriations to support research and the transfer of new technologies to facilitate the production of antiviral medicines in the developing countries themselves.

► Towards better water management

 European Socialists also succeeded in ensuring that new funds to strengthen cooperation between the developing countries in the area of water management were included (3 million euros).

The cost of the European Union institutions

Approximately 5.8% of EU expenditure



Out of every euro spent from the EU budget, some 5.8 cents ensure that EU policies are decided and implemented in the best interests of the Union's 495 million citizens, and in the 23 official EU languages.

There are fewer civil servants working for the EU institutions than civil servants working for the cities of Paris or Berlin!

This 5.8% of the European budget pays for the day-to-day running of all the EU institutions:

- **The European Parliament**, with 785 elected Members, which represents the citizens of the entire Union.
- **The European Commission**, which proposes European laws and ensures that they are correctly applied in the Member States.
- **The Council of Ministers**, in which the ministers of the 27 Member States meet.
- **The Committee of the Regions**, which is the voice of all the regions of Europe.
- **The Economic and Social Committee**, in which European civil society debates the EU's main policies.
- **The Court of Justice and the Court of First Instance**, which ensure respect for European law.
- **The Ombudsman**, an indispensable guarantor of the European citizens' rights vis-à-vis the institutions.
- **The European Court of Auditors**, which monitors expenditure.

EU budget 2008 in figures

Expenditure estimates for EU policies (in billion euros)	Budget 2008	Change from 2007 (%)
Sustainable growth	58,0	5,7 %
Competitiveness, including:	11,1	18,4 %
Education and training	1,0	9,3 %
Research	6,1	11,0 %
Competitiveness and innovation	0,4	6,8 %
Energy and transport networks	1,9	92,5 %
Social policy agenda	0,2	8,0 %
Cohesion, including:	46,9	3,1 %
Convergence	37,0	5,2 % (1)
Regional competitiveness and employment	8,6	- 5,1 %
Territorial cooperation	1,2	2,6 %
Natural resources, including:	55,0	- 1,5 %
Environment	0,3	12,0 %
Agricultural expenditure and direct aid	40,9	- 3,4 %
Rural development	12,9	4,5 %
Fisheries	0,9	2,2 %
Freedom, security and justice (including fundamental rights and justice, security and civil liberties, migration flows) . .	0,7	16,7 %
Citizenship (including culture, media, public health and consumer protection)	0,6	14,7 % (2)
EU as a global player, including	7,3 (3)	7,3 %
Pre-accession	1,4	14,0 %
European Neighbourhood	1,6	10,2 %
Development cooperation	2,3	3,3 %
Humanitarian aid	0,8	3,1 %
Democracy and human rights	0,1	4,7 %
Common Foreign and Security Policy	0,3	79,2 %
Stability instrument	0,2	28,7 %
Administration, including:	7,3	4,4 %
European Commission	3,4	2,9 %
European Parliament	1,4	3,9 %
Other institutions	2,5	8,6 %
Compensations to new EU countries (4)	0,2	-53,5 %
Total	129,1	2,2 %

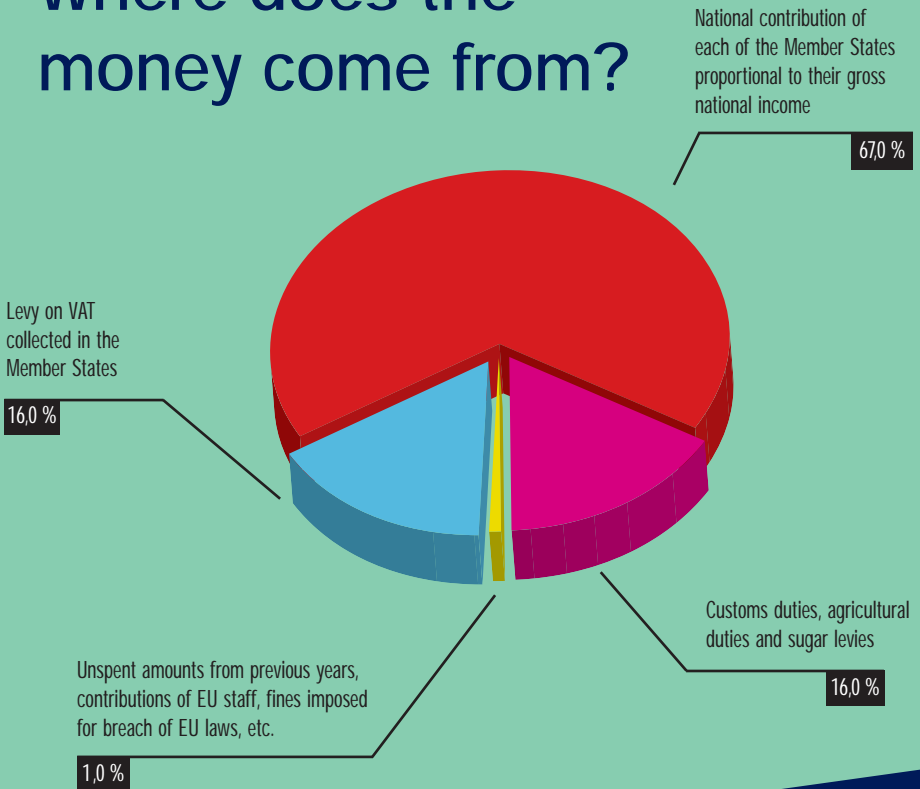
(1) Decrease due to reduction in allocations to the so-called 'phasing-in regions', which were eligible under Objective 1 between 2000 and 2006.

(2) Excluding the amounts allocated in 2007 from the Solidarity Fund and the transition measures to Bulgaria and Romania.

(3) Including *Emergency Aid Reserve*.

(4) Amounts fixed by the Accession Treaties.

Where does the money come from?



DID YOU KNOW?

On average since 1996 the EU budget has only risen by 8.2% even though Europe has grown from 15 Member States to 27! In comparison, public spending in the Member States has risen by an average of 23%.

The European Union budget is always balanced. The Treaties establishing the European Union prohibit the Union from having a deficit and borrowing funds. There is therefore no interest to pay on any debt in the European budget.

The European Union's Budget is managed by the European Commission. The European Court of Auditors monitors it. And the European Parliament is responsible for the final control through the so called "discharge".

In managing the budget, the European Commission does not act alone: the national, regional and local administrations of the 27 Member States are responsible for 80% of spending (mainly agricultural expenditure and expenditure relating to regional policy). The European Commission must rely on their commitment and ensure that the Member States comply with all the rules in force...

There is always some room for improvement! For example, in 2006, 112 billion euros was to be spent. At the end of December 2006, after adjustment, this figure fell to 107 billion euros. That means that 5 billion euros remained in the coffers of the Member States. And 2006 was not an exception.

However, to ensure that our political priorities can have maximum impact, the review of expenditure (budget discharge) by the European Parliament is used annually to pinpoint more clearly the areas for improved expenditure and use of the budget in future years. In this way, we work to promote even more effective use of the EU funds to benefit people across the EU.

For more information

EU budget

http://europa.eu/pol/financ/index_en.htm

Dalia Grybauskaitė,

Commissioner for Financial Programming and Budget

http://ec.europa.eu/commission_barroso/grybauskaite/index_en.htm

European Parliament

http://www.europarl.europa.eu/comparl/budg/default_en.htm



THE FUTURE OF THE EU BUDGET UNDER DISCUSSION

Have your say!

- > How can we reconcile the European Union's political objectives and the financial resources it has available?
- > How can we reconcile financial stability and the need for flexibility to cope with new challenges?
- > How can we control and provide a better account of the use of funds?
- > Where should the EU's money come from?

Make sure that your voice is heard!

Visit the European Commission's website entitled
'Reforming the Budget, Changing Europe'

http://ec.europa.eu/budget/reform/index_en.htm

Contact your Socialist MEP on the following website

www.socialistgroup.eu

www.socialistgroup.eu
www.socialistgroup.mobi