



**THE SENATE
OF THE PARLIAMENT OF THE CZECH REPUBLIC
8TH TERM**

187TH

RESOLUTION OF THE SENATE

Delivered on the 8th session held on 27 April 2011

on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the National Parliaments – The EU Budget Review (Senate Press no. K 002/08)

The Senate

I.

Regards

the Communication The EU Budget Review as an initial contribution from the Commission to the upcoming political debate on the multi-annual financial framework;

II.

1. Finds

that the Commission did not quite fulfil the task it was given by the European Council in December 2005 "to undertake a full, wide ranging review covering all aspects of EU spending, including the CAP, and of resources, including the UK rebate", because:

- the Commission submitted the Budget Review with almost a two-year delay in relation to the deadline set by the European Council for 2008/2009, which resulted in loss of time that could have been used for intensive debates on a fundamental transformation of the EU budget into an instrument for implementation of the EU's objectives in the 21st century;
- the communication does not contain any specific proposals by the Commission regarding the share of individual EU policies on the overall expenditures;
- the Commission does not present its vision on the total size of the EU budget for the upcoming multi-annual financial framework;

2. Is of the opinion

that the total EU budget revenues should, as has been the case so far, remain close to 1% of the gross national income;

3. Supports

simplification of the EU budget revenues by means of eliminating various corrective mechanisms and rebates, as well as by means of replacing the resource based on VAT with the resource based on gross national income of the Member States;

4. Is not convinced

of the need to introduce new taxes at the Union level as a new resource of the EU budget revenue because it regards tax policy as an area of sovereign competence of the Member States, in which the EU should not interfere;

5. Considers fundamental

to re-evaluate the current allocations from the EU budget to individual EU policies so that the expenditures would truly reflect the basic policy priorities of the EU and help meet the EU2020 goals;

6. Considers

necessary, in the upcoming financial framework and in the context of the previous point, to channel the EU budget funds into projects with EU added value, among which it counts especially energy infrastructure projects reinforcing the Union's energy security or projects supporting science, research and innovation, as well as projects supporting mobility of students and labour force, i.e. projects with the potential to boost economic growth and create new jobs;

7. Is aware of

the need to look for additional resources for financing of European projects and, thus, generally supports the search for optimal involvement of private capital, and invites the Commission to elaborate on the concept of project bonds and to further analyse possible ways of involving the European Investment Bank and the European Bank for Reconstruction and Development in financing European projects without crowding out private investments by public money;

8. Takes a positive stand

on the Commission's intention to improve the effectiveness of the implementation rules and financial resources spending procedures, as well as management and control systems, which will contribute to reducing administrative burden for beneficiaries of funds and other entities involved in the management of EU programmes;

9. Believes

that the proposed change of the structure of budget headings is not appropriate as it means further aggregation of various expenditures under a single general and often unrelated heading, which, in the citizens' eyes, decreases the transparency of fiscal management in the EU;

10. Supports

the Commission's initiative to review its own administrative expenditures and expenditures of the Agencies with the aim to limit them in the future;

III.

1. Requests

the Government to inform the Senate about the way this position was taken into account, and about further negotiations on the next multi-annual financial framework;

2. Authorises

the President of the Senate to forward this Resolution to the European Commission.

Milan Štěch
sign manual
President of the Senate

Soňa Paukrtová
sign manual
Senate Verifier