



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 29 January 2013

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NOTE

from :	General Secretariat of the Council
to :	Delegations
Subject:	Summary record of the meeting of the European Parliament's Committee on Budgets (BUDG) held in Brussels on 23 January 2013

The meeting was chaired by Mr LAMASSOURE (PPE, FR).

Item 2 on the agenda

Chairman's announcements

Mr LAMASSOURE recalled that the European Parliamentary Week on the European Semester for Economy Policy Coordination would take place from 28 to 30 January in Brussels. This meeting was organised by BUDG, ECON and EMPL and will become annual. The topic proposed by BUDG this year will be "The role of the EU budget in supporting Member States in the achievement of their economic objectives as agreed within the framework of the European Semester: the example of innovation, research and development."

BUDGET 2014

Item 4 on the agenda

Guidelines for the 2014 budget - Section III

BUDG/7/11661

Rapporteur: Ms JENSEN (ALDE, DK)

The rapporteur pointed out that the situation concerning the 2014 budget was very unclear as there was not yet any agreement on the next MFF. She highlighted two main issues: the recurrent issue of the level of payments and the need for meeting the objectives related to the EU 2020 Strategy. She wanted to focus the budget on the objectives of growth and efficiency. She noted that payment claims would exceed the margin under the payments' ceiling in 2013 and was afraid that the "backlog" would therefore be postponed to 2014. She was also concerned by the high level of RAL (outstanding commitments).

Another priority for the rapporteur was to evaluate the budgetary procedure as defined by the Lisbon Treaty. She wanted to find an agreement with the Council in order to avoid in the future the repetition of the same problems as those met during previous procedures. She notably regretted that the Council only began to negotiate on the last day of the Conciliation procedure in two out of three budgetary procedures under the Lisbon Treaty. In both cases, this led to the need for the Commission to present a new draft budget at the end of the year. She also considered that the Council negotiated the budget in the "old way", deciding on payments whereas the European Parliament focused on commitments.

BUDG members who took the floor (Mr GARRIGA POLLEDO (PPE, ES), Ms GARDIAZÁBAL RUBIAL (S&D, ES), Mr MULDER (ALDE, NL), Ms SOUSA (GUE, PT), Mr BÖGE (PPE, DE), Mr SURJAN (PPE, HU), Mr LA VIA (PPE, IT) and Mr NARANJO ESCOBAR (PPE, ES)) supported the rapporteur in respect of the uncertainty of the 2014 budgetary procedure and of the difficult negotiations with the Council. They wanted the European Parliament to defend its powers, notably as regards the MFF.

More specifically, Ms GARDIAZÁBAL RUBIAL, Mr MULDER, Mr LA VIA and Mr KALFIN (S&D, BG) asked the Commission for further information on the level of pending payment claims and on the issue of the expected draft amending budget devoted to the suspended payment claims not covered by amending budget No 6/2012. Ms GARDIAZÁBAL RUBIAL, supported by Ms SOUSA and Mr NARANJO ESCOBAR, also wanted to insist on the need to emphasise the issue of unemployment and especially youth unemployment. Mr BÖGE called on the Commission to avoid unnecessary administrative burden in the regulations concerning the new programmes as this burden generated additional costs for Member States. Mr LA VIA insisted on the need to organise again interinstitutional meetings on payments in order to avoid any discussion on the requests of the Commission.

Mr RIQUET (PPE, FR) and Ms DURANT (GREENS, BE) were concerned about the calendars. Mr RIQUET had some doubts about the European Parliament's possible consent, even if the Council reached an agreement on the new MFF in February. He wondered if it was not necessary to work immediately on the basis of a 2014 budget equal to the 2013 budget + 2 %, according to the Treaty in case of the absence of a new MFF. Ms DURANT was also sceptical on the possibility for a European Parliament agreement, in the absence of sufficient amounts and of assurance of flexibility and a mid-term review. She refused to give immediate consent.

Mr LAMASSOURE considered it as "scandalous" that the European Parliament has not been involved in the negotiations concerning the MFF since last November. He was aware that there were contacts between some Member States and "some people from the Commission" and that the amounts which could be agreed were below those of the current MFF. Moreover, nothing seemed envisaged in terms of flexibility, own resources or mid-term review. In his opinion, all this decreased the probability of getting the European Parliament's consent. He also recalled that, even if an agreement was reached in February, it would only be a political agreement at this stage. This agreement should still be formalised and be translated into a Council Regulation, an Interinstitutional Agreement and the various legal bases, which could take months. Mr LAMASSOURE held the Council responsible for this delay.

The Commission's representative confirmed that the basis for the 2014 draft budget was still uncertain due to the absence of an agreement on the new MFF. He confirmed the following figures:

- the pending claims including those received in November and December 2012 amounted to EUR 16 billion. As the remaining margin of EUR 11 billion under the ceiling for payments in 2013 was insufficient to cover this amount, the Commission would apply a strict management of resources, give all the requested information and participate in the necessary meetings on payments;
- the "suspending claims" not covered by amending budget No 6/2012 amounted "*grosso modo*" to EUR 2.9 billion and a corresponding amending budget would be issued "relatively soon";
- the gap between the abovementioned EUR 16 billion and EUR 2.9 billion could only be requested in an amending budget when the Commission would be in a deficit of payments, i.e. "much later than March";
- the RAL (outstanding commitments) amounted at the end of 2012 to EUR 217 billion, which showed a slower progress, thanks to the adoption of amending budget No 6/2012.

The Commission's representative also wanted the budgetary negotiations to be "improved" by involving the Council from the beginning. As regards the administrative burden generated by the new regulations, he informed BUDG members that the Commission would issue a report on simplification, emphasising the European Parliament's and the Council's responsibilities, as both institutions tended to introduce micromanagement, and to fight for their respective powers in the new regulations during negotiations.

Ms JENSEN concluded the exchange of views by insisting on the link between the MFF negotiations and the 2014 budget and by agreeing on the "essential issue of youth unemployment".

Calendar:

Deadline for amendments: 29 January 2013

Vote in BUDG: 20 February 2013

Vote in Plenary: March 2013

Item 5 on the agenda

Guidelines for the 2014 budget - Other sections

Rapporteur: Ms HOHLMEIER (PPE, DE)

- Consideration and adoption

Mr LAMASSOURE recalled the procedure that stipulates that BUDG adopt guidelines on the basis of estimates prepared by the Bureau.

Ms HOHLMEIER presented her draft report, underlining the efforts made to reduce costs in general and encouraging the efforts to continue structural and organisational reforms. Concerning other institutions, she asked them to continue their efforts to look for additional savings even if she pointed at the specific case of EEAS as a "relatively new institution".

Mr KALFIN, as the newly appointed coordinator of the S&D group in replacement of Mr FÄRM (S&D, SE), noted the efforts made by the European Parliament and requested information on additional savings. He also did not want to prejudge in this report future discussions with the European Parliament's Secretary-General.

Ms HERCZOG (S&D, HU) agreed to make savings but insisted on the need for the European Parliament to be an "example" in respect of workers' rights.

Ms GARDIAZÁBAL RUBIAL explained her amendment promoting "lean management".

Mr MULDER, on behalf of Mr LYON (ALDE, UK), supported the rapporteur and requested the continuation of the "efforts for savings".

The report, as amended, was adopted with 28 votes in favour, 2 against and 1 abstention.

Item on the agenda (no numbering)

MFF - Own resources

Rapporteurs: Mr BÖGE (PPE, DE), Mr KALFIN (S&D, BG), Mr DEHAENE (PPE, BE), Ms JENSEN (ALDE, DK)

- Exchange of views

Mr KALFIN regretted that the European Parliament was not informed about the ongoing negotiations. Even in the absence of any "really new element", he asked for a decision on the opportunity to issue a new resolution in February.

Mr BÖGE and Mr GARRIGA POLLEDO supported Mr KALFIN and his pessimistic views and urged the European Parliament "not to easily accept" Council's proposals.

Mr ELLES (ECR, UK) insisted on the need for the European Parliament to be clear in its requests on three major elements: level of appropriations, own resources and flexibility. He asked to examine the duration of the MFF and its possible mid-term review together with the dates of elections. In his opinion, it would be "negative" if the new Commission was obliged to strictly respect commitments made by its previous members. Mr SURJAN (PPE, HU) was convinced that the level of appropriations was still more crucial than the flexibility and the mid-term review.

Mr LAMASSOURE compared the EUR 151 billion in commitment appropriations allocated for the 2013 budget with a yearly average in commitments of EUR 137 billion corresponding to the November proposal for the next MFF. He highlighted that it was worse than a freeze of appropriations.

Ms DURANT welcomed the decision in ECOFIN the previous week on an enhanced cooperation between eleven Member States as regards FTT. She asked for the confirmation that BUDG would be responsible for the report requesting the transformation of FTT into own resources.

Mr DEHAENE hoped that the Commission would jointly present the proposals on the creation of FTT and on its transformation into own resources.

Item 6 on the agenda

Establishing the European Voluntary Humanitarian Aid Corps EU Aid Volunteers

BUDG/7/11510

Rapporteur for the opinion: Ms MUNIZ DE URQUIZA (S&D, ES)

Rapporteur for the responsible committee (DEVE): Ms STRIFFLER (PPE)

- Exchange of views

On behalf of the rapporteur, Ms GARDIAZABAL welcomed the Commission proposal for a regulation establishing the European Voluntary Humanitarian Aid Corps (EVHAC). This initiative was also well received by non-governmental organisations (NGOs) operating in the field of external aid, because of its positive impact on the visibility of EU actions. EUR 200 million was foreseen in the budget for the proposal, with the objective to finance training and improvements in the quality of work of volunteers. In the rapporteurs' view, this funding should be complemented with resources deployed by the NGOs that would benefit from the help of this Corps. It would not be advisable, however, to pull out resources that had been secured in the EU budget for other projects in the field of development.

Mr KOZLOWSKI supported the rapporteur's opinion and the Commission initiative. In his view, a good coordination with other humanitarian organisations would be crucial in making the best use of this Corps, and requested that geographical balance was respected among staff. He also welcomed the opening of the Corps to candidate countries and countries cooperating with the EU in the framework of the neighbourhood policy.

Calendar:

Deadline for amendments: 8 February 2013

Vote in BUDG: 4 March 2013

Vote in DEVE: 19 March 2013

Vote in Plenary: April 2013.

Item 7 on the agenda

Recommendation to the EEAS and to the Council on the 2013 review of the organisation and the functioning of the EEAS

BUDG/7/11086

Rapporteur for the opinion: Ms NEYNSKY (PPE, BG)

Rapporteur for the responsible committee (AFET): Mr BROK (PPE)

- Exchange of views

The rapporteur for the opinion, Ms NEYNSKI emphasised that the protection of the Union's financial interests must be a guiding principle in spending EU funds by the EEAS and pointed at the weaknesses observed by the Court of Auditors in its 2011 Annual Report. However, she recognised that those weaknesses were linked to the "young" nature of the services and that overall, the Court assessed the control systems to be effective and administrative expenditure to be free from material error. She pointed at five major issues that in her view should be taken into account in the 2013 EEAS review. The efforts to make savings should continue, particularly to contain the number of high level posts, and synergies should be sought together with the national diplomatic services to avoid duplication of tasks. Ways to achieve close cooperation with all stakeholders should be examined. The rapporteur also stressed the need to look for a geographical balance among staff. Finally, from a "strategic point of view", the EEAS should establish a clear link between its strategic goals and financial resources available, and concentrate the resources on objectives agreed in the framework of the next MFF.

Mr VAUGHAN, on behalf of the S&D group, supported the rapporteur's concerns with regards to "budgetary neutrality" and achieving of savings, and also pointed at the issues of "high cost of the high level grades". He urged the EEAS to take on board European Parliament's observations. Furthermore, he recommended a large sharing of the EEAS expertise and resources with the Commission and the European Parliament and agreed with the rapporteur that the principle of geographical balance must be respected.

Finally, Mr LAMASSOURE recalled that the last MFF proposal of the President of the European Council foresaw reducing the ceiling of the heading by 6.4 % compared to the 2013 level. According to him, in this situation, the delivery of a "good quality" EU diplomatic service and attainment of political objectives could be put into question.

Calendar:

Deadline for amendments: 7 February 2013

Vote in BUDG: 4 March 2013

Vote in AFET: 20 March 2013

Vote in Plenary: March 2013.

Item 8 on the agenda

Fund for European Aid to the Most Deprived

BUDG/7/11058

Rapporteur for the opinion: Mr VAUGHAN (S&D, UK)

Rapporteur for the responsible committee (EMPL): Ms COSTELLO (S&D)

- Exchange of views

The rapporteur underlined the importance of this Fund. He regretted that the appropriations were decreased despite the larger scope of aid to be provided and he pointed out that, due to the new inclusion of this Fund in the European Social Fund (ESF), a co-financing from Member States was requested.

Mr LAMASSOURE recalled that this Fund was previously financed by the agricultural surpluses but that this was no longer possible, as confirmed by the Court of Justice.

Ms SOUSA and Mr ALFONSI (GREENS, FR) supported the rapporteur and also regretted the decrease in appropriations and the need for co-financing.

Mr RIQUET regretted that it was only now that the Fund was known to the public due to its financing problems.

Calendar:

Deadline for amendments: 5 March 2013

Vote in BUDG: 26 March 2013

Vote in EMPL: April 2013.

Item 9 on the agenda

Fishing opportunities and financial contribution provided for by the Fisheries Partnership Agreement between the European Union and the Republic of Mauritius

BUDG/7/11645

Rapporteur for the opinion: Mr ALFONSI (GREENS, FR)

Rapporteur for the responsible committee (PECH): Mr SÁNCHEZ PRESEDO (S&D)

- Exchange of views

The rapporteur proposed to give a favourable opinion for the European Parliament's consent on this agreement already concluded in February 2012.

Mr KALFIN supported the rapporteur but wanted the future Interinstitutional Agreement (IIA) to define a procedure avoiding European Parliament's consent only being given once the agreement was already in force.

Mr LAMASSOURE underlined the recurrent problem of such international agreements allowing their application before their ratification.

Calendar:

Deadline for amendments: 24 January 2013

Vote in BUDG: 20 February 2013

Vote in PECH: 21 February 2013

Vote in Plenary: April 2013.

VOTING TIME

Item 10 on the agenda

Statute and funding of European political parties and European political foundations

BUDG/7/10672

Rapporteur for the opinion: Ms HERCZOG (S&D, HU)

Rapporteur for the responsible committee (AFCO): Ms GIANNAKOU (PPE)

- Consideration and adoption

The report, as amended, was adopted with 29 votes in favour, 1 against and 2 abstentions.

Item 11 on the agenda

EU-Kiribati Protocol setting out opportunities and the financial contribution provided for in the EC-Kiribati Fisheries Partnership Agreement

BUDG/7/10765

Rapporteur for the opinion: Mr ALFONSI (GREENS, FR)

Rapporteur for the responsible committee (PECH): Ms LÖVIN (GREENS)

- Consideration and adoption

The report, as amended, was adopted with 31 votes in favour and 2 against.

Item 12 on the agenda

Preparation of the multiannual financial framework regarding the financing of EU cooperation for African, Caribbean and Pacific States and Overseas Countries and Territories for the 2014-2020 period (11th European Development Fund)

BUDG/7/10558

Rapporteur for the opinion: Mr KOZŁOWSKI (PPE, PL)

Rapporteur for the responsible committee (DEVE): Mr TIROLIEN (S&D)

- Consideration and adoption

The report, as amended, was adopted with 23 votes in favour, 8 against and 1 abstention.

Item 13 on the agenda

2012 Budget: Section III - Commission

Rapporteur: Ms BALZANI (S&D, IT)

- Transfer No DEC 56/2012

The transfer was approved.

Item 14 on the agenda

2013 Budget: Section III - Commission

Rapporteur: Mr LA VIA (PPE, IT)

There was no transfer request.

Item 15 on the agenda

2013 Budget: Other sections

Rapporteur: Mr VAUGHAN (S&D, UK)

There was no transfer request.

Item 16 on the agenda

Building policy

BUDG/7/04688

Rapporteur: Ms HOHLMEIER (EPP, DE)

- Exchange of views

Building Jean Monnet 2 - Luxembourg

The report presenting a favourable opinion was approved.

Ban Centar Building in Zagreb (Croatia)

It was decided not to issue an opinion.

Building Loi 15 (Commission) - Brussels

It was decided not to issue an opinion.

Item 17 on the agenda

Any other business

None.

Item 18 on the agenda

Next meeting

29 January 2013, 11.00 – 13.00 (Brussels)