



**COUNCIL OF
THE EUROPEAN UNION**

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BUDGET 16**

NOTE

from: General Secretariat of the Council
to: Delegations
Subject : Summary record of the plenary session of the European Parliament held in
Strasbourg on 12 March 2013:
Guidelines for the 2014 budget - section III

Ms JENSEN (ALDE, DK), rapporteur, reminded members that the 2014 budget would be the first in the new period. She pointed out that the legal basis was still unclear and that many related files were in the process of being negotiated. As for the guidelines, she expressed the view that the Commission ought to start proceedings on the basis of its own proposal on the MFF¹ until the legal basis was clarified. She also stressed that 2014 should not begin with a large number of unpaid bills from previous periods. Regarding the political priorities to future years, she highlighted in particular the programmes combating youth unemployment.

Mr LEWANDOWSKI, Commissioner for Financial Programming and Budget, delivered the speech set out in the [Annex](#).

¹ MFF: Multiannual Financial Framework

For the political groups, the following speakers took the floor:

- Mr RIQUET (EPP, FR) stressed that the EU budget, based on principles of efficiency and European added value, should focus on growth and development and tackle youth unemployment. Given the need for budgetary leverage for growth, he was concerned about the cuts which Member States were proposing, while of the same time increasing their own national budgets. Moreover, those cuts were being made precisely in those areas which needed investment the most.

He hoped that the 2014 budget would not mark the first step of decline for the European project, but would instead give the EU a new impetus to face the crisis.

- Ms GARDIAZÁBAL RUBIAL (S&D, ES) echoed the previous speaker's comments on cuts and budgetary priorities. She added that the programmes financed by structural funds would suffer without sufficient funding and that the objectives of regional policies would not be met. She also raised the issue of payments postponed to subsequent years and stressed that more attention ought to be paid to that issue during the budget debates. She considered that a deficit of EUR 17 billion was unacceptable and the problem needed to be solved.
- Ms WERTHMANN (ALDE, AT) was concerned that the economic crisis had not resulted in a responsible consensus on budgetary issues within the European Union, including the payments outstanding from 2012. She underlined that there had to be enough funds for both payments and commitments in the 2014 budget, otherwise there was a risk of an EU deficit. She also regretted that the Council had not been present during the debate.
- Ms TRÜPEL (Greens/EFA, DE) also raised the issue of postponing the payments to subsequent years. She considered that this should not apply to the 2014 budget and called for problem-solving, *inter alia* in the context of a lack of credibility. She agreed that the budget played a key role in terms of EU competitiveness and that investments should be made in areas important for the future, such as broadband, research, education and measures to combat youth unemployment. It was crucial to pool common European interests and the EU budget should make a significant contribution to this.

- Mr ASHWORTH (ECR, UK) welcomed the rapporteur's remarks on the quality of expenditure and budgetary control and discipline, as well as the prioritisation of job creation, growth and competitiveness. To those aspects he added cost control under Heading 5. He also shared her views on the danger of carrying forward liabilities from one year to the next and called for the setting up of control procedures to prevent the RALs² problem. He disagreed with her on the issue of own resources; he considered that this issue was a matter for the Council.
- Mr MORGANTINI (EFD, IT) reiterated that the commitments had to be respected without having recourse to continuous amending budgets for the programmes that had already been launched. As for the priorities, the focus should be on employment. Regarding the introduction of the FTT³ as a possible own resource, he considered that this would be difficult to implement, given the opposition of some Member States, and was concerned that it could create serious internal imbalances.
- Given the MFF's overall austerity, Ms SOUSA (GUE/NGL, PT) was concerned that cutting the cohesion policies would exacerbate the differences in prosperity between Member States even further and called for a system involving solidarity and for a budget generating investments and employment instead of poverty.
- Mr HARTONG (NI, NL) said that EU citizens had had enough of what had been agreed behind closed doors and did not want to spend any more on EU policies. He concluded that was no need for more but for less EU.

² Reste à liquider

³ Financial transaction tax

During the discussion, members echoed the views already voiced by the group leaders. They supported the rapporteur's focus on investments in growth, competitiveness, infrastructure, education and employment, and in particular the fight against youth unemployment (Ms JEŃDRZEJEWSKA (EPP, PL), Mr VAUGHAN (S&D, UK), Mr NARANJO ESCOBAR (EPP, ES), Mr MYNÁŘ (S&D, CZ), Ms FLAŠÍKOVÁ BEŃOVÁ (S&D, SK)) and called for sufficient financing in these areas to be guaranteed for the next year. Some also highlighted the solidarity aspect of the EU budget (Mr NARANJO ESCOBAR and Mr DAERDEN (S&D, BE)). Members also raised the issue of the annual shortfalls. Mr COTTIGNY (S&D, FR) considered that solving this problem should be a prerequisite for the MFF negotiations. Mr VAUGHAN inquired whether a mechanism could be put in place to show and prove that there was a shortfall in the EU budget. Mr PAŠKA (EFD, SK) proposed an expert discussion between the Commission, the Council and the European Parliament on how to deal with RALs. Mr FAJMON (ECR, CZ) supported the MFF as proposed by the Council and pointed out that any delays in its approval would hamper the launching of new operational programmes and would lead to an investment gap in public finances. Mr MÖLZER (NI, AT) called on the agencies and the Commission to make some savings, too.

Given the lack of a point of reference and the absence of an agreed MFF, Mr LEWANDOWSKI did not want to speculate on what the level of payments for 2014 might be, but said that it would be good not to overburden the future with the problems of the past and of 2013. In her closing remarks, the rapporteur also regretted the fact that the Council was not present and hoped for timely negotiations. The Parliament stressed its willingness to help the Commission solve the payment problem, together with the need for a proper budget for 2014. As regards the administrative costs, she agreed with calls for moderation, but the savings should be intelligent and should not prevent the institutions from functioning properly and efficiently.

Check against delivery

Speech by Mr Lewandowski on the Guidelines for the 2014 budget - section III, Plenary session of the European Parliament, 12 March 2013

Mr President, honourable Members of Parliament, listening to the rapporteur, Anne Jensen, I easily discover that we share the same positions and priorities. That is often so when I listen to Anne Jensen, and now with the Council also taking its position on the guidelines for 2014, we can start – and the starting point should be the trilogue on 19 March – to look forward to what might be the way forward.

With so many unknowns as to the figures and the legal basis, what is clear for us is that this is the first year of the new programming period. It should be in everybody's interest to launch successfully this 2014 budget as the new beginning. This is more dramatic now in the Europe of recessionary stagnation trends. Therefore, we need investment, and I know everybody here in this room is aware that the 2014 procedure cannot be isolated from MFF negotiations over the multiannual period 2014-2020. This House is launching, tomorrow, the consent procedure with its vote, and negotiations should start as soon as possible, in order to give us also the point of preference for 2014.

As for the priorities, they are almost self evident, given the high level of unemployment and the shortage of investment money – you cannot find investment money in the regional and national budgets. Therefore, we should exploit to the maximum the capacity of the European budget, which is not so much about consumption or social transfer but about investment with a multiple effect also upon jobs and growth.

This is also about the proper level of payments, not only for 2014, of course; it is another link in your resolution of the future to link this year's budget also to the future, and this is the right choice, as we have something left from 2012 – still not fully paid out bills from 2012. But also, regarding 2013, nobody is surprised when I say that the level of payments for 2013 is too low. We need a supplementary budget. We are coming forward with a supplementary budget for 2013 in order not to poison the future with an overhang from the past. This is what we need.

We should also be very much in control of administrative expenditure. We are on our way with cuts in staff levels but also with freezing of all non-salary-related types of expenditure under so-called Heading 5 (in administration), but I would also like to call on the other institutions to follow the model of the European Commission.

Anyway, whatever the unknowns for the future – also for the coming year – we should work together. The mood of cooperation and goodwill in cooperation is more dramatically needed now than ever, so I count on your support.
