



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 22 March 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 20 March 2013

The meeting was chaired by Mr LYON (ALDE, UK), Mr LAMASSOURE (EPP, FR) and Ms HAUG (S&D, DE).

Item 4 on the agenda
Public hearing on "Financing the Eastern Partnership"

On Ms JĘDRZEJEWSKA's initiative, BUDG held a hearing on the financing of the Eastern Partnership that concerned six countries: Armenia, Azerbaijan, Ukraine, Moldova, Belarus and Georgia. The objective was to obtain a global picture on the implementation of the dedicated funds and the biggest challenges faced by the Commission and the EEAS.

The Commission's representative presented the current key instrument (the European Neighbourhood and Partnership Instrument (ENPI)), financing bilateral, regional, inter-regional and cross-border cooperation. He explained the main challenges to be met by the new instrument for 2014-2020, the European Neighbourhood Instrument (ENI).

The EIB representative recalled the objectives of EIB actions, notably in terms of local private actors development, development of social and economic infrastructure and measures related to climate change.

Representatives of the Centre for Eastern Studies in Poland, of the Foundation for European Studies (University of Łódź) and of Konrad Adenauer Stiftung gave a critical overview of their experience in working with the Commission in the implementation of this policy initiative. They notably pointed out the lack of EU visibility in the projects and the lack of contact with citizens, the priority given to technical support to the detriment of other objectives, notably in terms of democracy, and the lack of a "more for more" approach (i.e. reward for projects generating structural changes). They also regretted administrative burden and the absence of long-term projects.

The EEAS representative underlined the achievements of the last four years and the priorities for the next period.

Mr SARYUSZ-WOLSKI (EPP, PL) was very surprised by the optimistic perception of the Commission and the EEAS. He pointed out the failure of the EU action, notably taking into account the decline of democracy in those countries. He considered that the aid was too scattered and that the "more for more" principle was not applied. Supported by Ms JĘDRZEJEWSKA, he also requested precise figures from the Commission, notably in terms of payments.

Mr FÄRM (S&D, SE) was less critical but also pointed out the lack of application of the "more for more" principle. He also asked to pay attention to the breakdown of appropriations between Eastern and Southern countries, to prefer long term projects, to support investments not only in transport or energy, to promote aid to decentralised organisations and to assure coordination with other EU policies and with Member States actions.

Item 5 on the agenda

MFF - Own resources

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

- Exchange of views

Mr KALFIN took the floor to recall that the EP would not start negotiations until the Commission would have issued a draft amending budget covering all unpaid payments claims for 2012. As, in

his opinion, the Commission would present this amending budget on 27 March in the morning, a first meeting by videoconference with the Irish Presidency has been scheduled on 27 March in the afternoon. Mr KALFIN also informed BUDG that Mr LAMASSOURE had sent a letter to the EP committees to ask for their reaction to the European Council conclusions of February and which amendments they intended to issue. This item was also discussed under item 7.

Item 6 on the agenda

Implementing enhanced cooperation in the area of financial transaction tax

BUDG/7/11983

Rapporteur for the opinion: Ms JENSEN (ALDE, DK)

Rapporteur for the responsible committee (ECON): Ms PODIMATA (S&D)

- Exchange of views

The rapporteur presented her draft opinion to ECON on the proposal for a Council directive on the implementation of enhanced cooperation in the area of FTT. She considered that this new proposal was similar to the initial one and her amendments were also similar to the previous ones. She wanted to insist in her opinion on the need to use the revenue from the FTT partly or wholly as an own resource. This would reduce the respective GNI contributions of the participating countries and would contribute to achieving the goal of having the Union budget financed through own resources. The question was again if the reduction would be applied after having pooled generated resources or on an individual basis according to the tax collected in each participating Member State. Supported by Mr DEHAENE (EPP, BE), Ms HAUG (S&D, DE), Ms DURANT (Greens/EFA, BE) and Mr NARANJO ESCOBAR (EPP, ES), she considered that the individual reduction was not a real own resource. She concluded that new ideas in terms of own resources should be found.

Calendar:

Deadline for amendments: 10 April 2013

Vote in BUDG: 7 May 2013

Vote in ECON: 28 May 2013

Vote in Plenary: June/July 2013

BUDGET 2014

Item 7 on the agenda

Budget 2014 - Mandate for the trilogue

Rapporteur: Ms JENSEN (ALDE, DK)

- Exchange of views

Ms JENSEN informed BUDG on the outcome of the budgetary trilogue of 19 March. The points discussed at the meeting were the Guidelines for the budget 2014, the budget 2013 with the amending budget for Croatia and the monitoring of payment, and the European GNSS Agency. She mentioned that she had asked the Commission to present a draft budget for 2014 in line with its initial proposal for the next MFF. In the discussion on payments, she had insisted that 2014 should start without the backlog from 2012 and 2013 and that a deficit in payments in 2013 was possible due to the too low level of payments agreed for this year. She had also highlighted the EP priorities for 2014, i.e. growth and fight against youth unemployment. She pointed out that the Commission was very unclear on payments and on the schedule to issue the draft budget. She considered that the most likely date was 30 May. She welcomed that the Irish Presidency had very well expressed its readiness to discuss but she was aware that, even if the EP and the Council used the same words, they did not give them the same meaning, for example when they agreed to provide for "sufficient funds".

Mr LA VIA (EPP, IT), rapporteur for 2013, informed BUDG on the discussions on payments. The first draft amending budget for 2013 (DAB 1/2013) has just been issued and was devoted to financial consequences of Croatia accession (EUR 655 million in commitments and EUR 374 million in payments). He considered that the only possibility was that the Member States agreed to give fresh money. He had asked the Council to reduce the eight-week period given to the national parliaments according to Protocol No 1 to the Lisbon Treaty. About the payments in 2013, he recalled the joint statement agreed at the end of 2012 assuring that an amending budget would cover the needs remaining from 2012. Due to the very consequent amounts needed, he used Mr BARROSO's words calling this amending budget "the big bang". He had understood that the Commission would probably issue this amending budget on 27 March, even if Mr LAMASSOURE said that the Commission did not give any precise date. Mr LA VIA insisted on the need for this amending budget to be sufficient and coherent with the pending claims as EUR 16,2 billion were not paid in 2012 for cohesion policy. In case this "big bang" was not sufficient, the expenditure in 2013 should be reduced in the Member States, even if the EP was opposed to such measures.

Mr LAMASSOURE confirmed that the payments were the main issue and that negotiations on the MFF would be linked with it, even if the EP had endeavoured to avoid such an association. The link was unavoidable as the pending claims for payments would impact 2014. He recalled that the EP based its position on two elements: on one hand, the joint statement of December 2012 promising fresh money to cover the backlog from 2012 for cohesion policy and, on the other hand, the EP resolution of 13 March. In this resolution, the plenary stated that the EP would not initiate negotiations on the MFF before the issue by the Commission of an amending budget covering all the payments claims of 2012 and that the EP would not finalise negotiations on the MFF without the guarantee that all problems of payments would be solved in 2013. He concluded that the Commission was therefore preparing a draft amending budget solving the "most part" and that the EP would then consider if it would be able to initiate negotiations on the MFF.

As regards the draft budget for 2014, Mr LAMASSOURE pointed out that the Commission had to decide which basis for the proposal would be used. Its initial proposal for the next MFF could not be used, as the Council rejected it in the European Council conclusions of February, but those conclusions could not be used as the EP did not approve them. Mr LAMASSOURE considered that it was the Commission's responsibility to decide on this issue and that the EP had only expressed its preference for the Commission's initial proposal as a basis. There was also a problem of calendar, the Commission being not able to respect the usual schedule of the end of April for issuing its proposal. In his opinion, the proposal would only be presented at the end of May but he insisted that sufficient time should be guaranteed for the work of the EP committees, BUDG included.

Item 8 on the agenda

Presentation of Working document on Pilot projects (PP) and Preparatory actions (PA) and discussion on the Commission's interim report on PP-PAs 2013

Rapporteurs: Ms JENSEN (ALDE, DK) and Mr LA VIA (EPP, IT)

Ms JENSEN presented the first interim report on implementation of PP-PAs published by the Commission. Out of the 54 PP-PAs voted for 2013, the Commission set out the main elements for the implementation of 49 projects/actions in its interim report. For 5 projects/actions, the Commission considered that appropriations voted under the 2013 budget might not be implemented.

Ms JENSEN insisted that the indicative list of PP-PAs for 2014 should be transmitted to BUDG secretariat at the end of May, as this indicative list should be sent to the Commission in early June.

Mr LA VIA indicated that 58 PP-PAs from 142 propositions for 2014 have been selected at this stage and that lower amounts than those defined in the Interinstitutional Agreement (IIA) would be used. He pointed out that many PPs were in their second year in 2013 and should therefore be transformed in PAs or be covered by a new legal basis. Many PAs were also in their third year and could therefore no longer be prolonged. Procedures to create new legal bases should be initiated.

Ms GARDIAZÁBAL RUBIAL (S&D, ES) insisted on the importance of PP-PAs in terms of marketing for the EP members and asked for detailed information on their implementation for the whole mandate of this parliament.

Mr LAMASSOURE took the opportunity to again express his concern on the "presents" received by nearly all Member States during the European Council of February where an agreement had been found on the MFF. He qualified those presents as "a little obscene" and he considered that it was the responsibility of EP's specialised committees to examine the criteria on the basis of this distribution. He considered that those "presents" could be a source of ideas for new PP-PAs.

Item 9 on the agenda

Estimates of revenue and expenditure for 2014 - Section I - Parliament

BUDG/7/11882

Rapporteur: Ms HOHLMEIER (EPP, DE)

- Exchange of views

A compromise had been reached during the conciliation meeting between the BUDG and Bureau delegations on March 13. Ms HOHLMEIER informed BUDG that the overall level of the draft estimates for 2014 amounted to EUR 1 808 144 206, which corresponded to an increase by 3,29 % compared with 2013. She pointed out that the major part of this increase was due to the elections of new MEPs and the application of the Statutes for MEPs and their assistants, and that the rest of the increase derived from other legal obligations.

The vote on this issue was dealt with under item 12.

Item 10 on the agenda

Forward policy planning and long-term trends: budgetary implications for capacity-building
BUDG/7/11223

Rapporteur: Mr ELLES (ECR, UK)

- Exchange of views

This item was postponed.

Item 11 on the agenda

Reporting on the work of the Joint Working Group Bureau / BUDG

This item was not discussed.

VOTING TIME

Item 12 on the agenda

Estimates of revenue and expenditure for 2014 - Section I - Parliament

BUDG/7/11882

Rapporteur: Ms HOHLMEIER (EPP, DE)

- Consideration and adoption

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

Item 13 on the agenda

Mobilisation of the EGF: application EGF/2012/023 IT/Antonio Merloni SpA from Italy cases

Rapporteur: Mr DAERDEN (S&D, BE)

- Consideration and adoption

The report, as amended, was adopted with 30 votes in favour, 2 against and 1 abstention.

Item 14 on the agenda

2013 Budget: Section III - Commission

Rapporteur: Mr LA VIA (EPP, IT)

Transfer No DEC 02/2013, related to the EGF case under item 13, was approved.

Item 15 on the agenda

2013 Budget: Other sections

Rapporteur: Mr VAUGHAN (S&D, UK)

- European Ombudsman's request for modification of its 2013 establishment plan, in accordance with Article 50(1) of the Financial Regulation, was approved.

- Court of Justice's request for modification of its 2013 establishment plan, in accordance with Article 50(1) of the Financial Regulation, was approved.

Item 16 on the agenda

Building policy

Rapporteur: Ms HOHLMEIER (EPP, DE)

- Exchange of views

- Drosbach building in Luxembourg (EU Translation Center) in accordance with Article 203(5) of the Financial Regulation

This item was postponed.

Item 17 on the agenda

Any other business

None.

Item 18 on the agenda

Next meeting

26 March 2013, 15.00 – 18.30 (Brussels)