



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 30 April 2013

9116/13

**PE 208
FIN 235
INST 219**

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 24 April 2013

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

Item 4 on the agenda

MF 2014-2020 / Own resources

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

- Exchange of views

Mr LAMASSOURE presented the state of play on this issue. He first recalled the European Parliament's resolution of March 2013, making a link between the presentation of draft amending budget (DAB) No 2/2013 and the launch of negotiations on the MF 2014-2020, in order to start the new programming period with a "clean sheet" in the payments accounts from 2007-2013.

The European Parliament had had many contacts with the Commission, the Irish Presidency (notably with Ministers Gilmore and Creighton) and Member States to make progress on the issue, notably during the April Plenary session in Strasbourg. However, until now the Council had refused to make any commitment as regards the European Parliament's requests to modify the timetable for its examination of DAB No 2/2013 in relation to the MFF negotiations, and to express its commitment to implement the 2013 budget according to the Treaty. The European Parliament has therefore refused to participate in the MFF trilogue initially scheduled on 25 April. Reference was now made to Article 324 TFEU, stating that the Commission would convene meetings between the Presidents of the European Parliament, the Council and the Commission, in order to reconcile positions. Such a meeting was scheduled on 6 May with the additional participation of Ministers Gilmore and Creighton, Commissioner Lewandowski and Mr Lamassoure. The output of this meeting would be discussed in BUDG on 7 May, notably as regards the consequences of DAB No 2/2013.

Ms TRÜPEL (Greens/EFA, DE) hoped that the Council would agree to make progress and urged not to forget sub-heading 1a in the negotiations.

Mr GODMANIS (ALDE, LV) wanted the European Parliament to urge the Council to justify any further reduction in the Commission requests in DAB 2/2013, notably as regards Cohesion.

Mr LAMASSOURE supported him. He recalled his previous unsuccessful request to the Commission and to the Council for issuing information on the breakdown of appropriations between Member States following the Conclusions of the European Council of 7/8 February 2013. He explained that the European Parliament, in particular with Mr GODMANIS' help, had therefore issued its own tables for Cohesion policy and that those figures were considered as valid as long as the Commission or the Council did not contest them. These tables showed for example a decrease of 30 % in EU financing for Spain and Greece, whereas some Nordic countries received more EU financing. He asked for these variations to be publicly justified.

Mr ELLES (ECR, UK) requested more information on the timetable of the negotiations.

Mr LAMASSOURE did not know the calendar after the meeting on 6 May but was afraid that it would not be possible to conclude negotiations during the Irish Presidency. He insisted in any case on the need to conclude negotiations on the new MFF and on DAB No 2/2013 at the same time. Mr BÖGE considered that it was still possible to reach an agreement before July. He wanted to show the public that, contrary to the Council, the European Parliament was ready to negotiate but under some conditions. He was of the opinion that there was a lack of coordination inside the Council, particularly between ECOFIN and GAC. Supported by Mr LAMASSOURE, he also urged the Commission to stick to their figures and not to submit to the Council.

Item 5 on the agenda

Draft amending budget No 2/2013

Rapporteur: Mr LA VIA (EPP, IT)

- Exchange of views

The rapporteur recalled the context of this amending budget, related to the joint statement of December 2012 agreeing to issue an amending budget to cover outstanding payments from 2012. The needs related to 2012 were above the amount of EUR 11 billion of this DAB and it was moreover foreseen that the 2013 implementation would go beyond the 2013 appropriations. However, the 2013 MFF ceiling did not allow increasing the requested amount. He stated that the European Parliament considered the proposed amount of EUR 11 billion as a strict minimum and urged the Member States that wanted to contest this amount to do it publicly and to indicate where the reductions should be made. He regretted that the Council was not ready to negotiate.

Ms JĘDRZEJEWSKA (EPP, PL) pointed out that Member States' positions on DAB No 2/2013 now appeared more clearly on the Council website, some Member States agreeing to finance it, others rejecting it. She considered that it was the European Parliament's responsibility to urge the Irish Presidency to take a position and to initiate negotiations with the European Parliament.

Ms GARDIAZÁBAL RUBIAL (S&D, ES) considered that the only possible change could be an increase of the amounts. She urged the Council to issue a proposal and she wanted to maintain the link between DAB No 2/2013 and the negotiations on the new MFF.

About the link made by the European Parliament between DAB No 2/2013 and the MFF negotiations, Mr RIQUET (EPP, FR) questioned the Council's motivation to open negotiations on the new MFF. He wondered if this European Parliament pre-condition was not welcomed by the Council, as the delays allowed Member States to postpone paying debts.

Mr LAMASSOURE did not agree with Mr RIQUET and was convinced that Member States needed an agreement on the new MFF as soon as possible at least for administrative purposes. As regards DAB No 2/2013, he rejected any decrease of the amount of EUR 11 billion. He repeated his previous proposals for certification of Cohesion payment requests by Member States in order to avoid such conflicts.

Item 6 on the agenda

Draft amending budget No 3/2013

Rapporteur: Mr LA VIA (EPP, IT)

- Exchange of views

The rapporteur presented this proposal related to the 2012 surplus of EUR 1 billion and pointed out that this surplus was very limited compared with previous years. This surplus should compensate 2013 needs.

Ms JĘDRZEJEWSKA (EPP, PL) pointed out that this amending budget related to the surplus was a recurrent issue and requested to use this surplus to balance the need for payments in 2013.

Calendar:

Vote in BUDG: 27 June 2013

Vote in Plenary: July 2013

Item 7 on the agenda

Draft amending budget No 1 to the General Budget 2013 – General statement of revenue – Statement of expenditure by section – Section III – Commission

BUDG/7/12240

Rapporteur: Mr LA VIA (EPP, IT)

Item 8 on the agenda

Proposal for amending the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management as regards the multiannual financial framework, to take account of the expenditure requirements resulting from the accession of Croatia to the European Union

BUDG/7/12278

Rapporteur: Mr BÖGE (EPP, DE)

- Exchange of views

Both items were dealt with together.

Mr LA VIA presented the proposal aiming to incorporate into the 2013 budget the commitment and payment appropriations needed to cover expenditure related to the accession of Croatia as from 1 July 2013. The amounts were in line with the financial package agreed at the Accession Conference of 30 June 2011. A revision of the current MFF had to be done in parallel. The European Parliament considered that the only possibility was to supply fresh money and supported the Commission's proposals. Mr LA VIA mentioned an Irish Presidency proposal to the Council's Budget Committee amending the Commission's proposal by offsetting the increase in commitments by a decrease of the ceiling under heading 5 in 2013. He hoped that Coreper would not agree with this proposal and would support the Commission.

Mr PLENKOVIĆ (EPP, HR), new observer for Croatia, took the floor to point out that this amending budget was a political signal which should be supported.

Mr LAMASSOURE, Ms GARDIAZÁBAL RUBIAL and Mr RIQUET also supported this proposal, considered as a political choice.

Calendar for items 7 and 8:

Vote in BUDG: 16 or 30 May 2013

Vote in Plenary: June 2013

BUDGET 2014

Item 9 on the agenda

2014 Budget - Mandate for the Trilogue

BUDG/7/11862

Rapporteur: Ms JENSEN (ALDE, DK)

- Exchange of views

This item was postponed.

Item 10 on the agenda

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

Mr LYON (ALDE, UK) recalled that seven sectors should be examined to find possible savings allowing the financing of the reinforcement in the European Parliament of independent scientific advice and of support to members. He informed BUDG that the General Secretariat had issued a first note on one of those seven measures related to translation and interpretation.

Item 11 on the agenda

Adjustment rate to direct payments provided for in Regulation (EC) No 73/2009 in respect of calendar year 2013

BUDG/7/12320

Rapporteur for the opinion: Mr LA VIA (EPP, IT)

Rapporteur for the responsible committee (AGRI): Mr CAPOULAS SANTOS (S&D)

- Exchange of views

The rapporteur explained that the first budgetary estimates for direct payments and market related expenditure showed that the sub-ceiling under heading 2 for 2014 was likely to be exceeded. As a consequence, the level of direct payments should be reduced in order to comply with the ceiling. On this basis, the Commission presented a proposal for setting the adjustment rate for direct payments, which was to be adopted by the European Parliament and the Council by 30 June 2013. If this adjustment rate had not been set by 30 June 2013, the Commission would set that rate. The sub-ceiling taken into consideration by the Commission was the sub-ceiling for 2014 set out in the Conclusions of the European Council (7/8 February 2013) on the new MFF. The reduction to be made amounted to EUR 1 471 million. Mr LA VIA pointed out that the Commission wanted to apply the adjustment rate only for amounts for beneficiaries in excess of EUR 5 000. In this case, the amounts of direct payments to be granted to these farmers should be reduced by almost 5 %.

The rapporteur proposed to apply the adjustment from EUR 1 500 instead of from EUR 5 000 and to adapt the percentage according to this threshold. He chose this amount of EUR 1 500 as this threshold was taken into account in other issues to define "small" farmers. He also regretted that the Commission took as a reference for the sub-ceiling the amounts agreed by the European Council in its conclusions of 7/8 February. He proposed that, in the event of a non-agreement on the new MFF, no financial discipline for the financial year should apply, as the total amount should be calculated on the basis of the 2013 budget figures increased by 2 % inflation. The rapporteur added that the European Parliament had already requested managing this procedure on the basis of a delegated act.

Mr LYON, Mr MULDER and Mr KALFIN (S&D, BG) regretted that the Commission took as a reference the figures agreed by the European Council, but wanted to find a solution because if there was no decision by 30 June on this issue, the Commission would decide by itself.

Ms HAUG (S&D, DE), supported by Ms HOHLMEIER (EPP, DE), vigorously criticised the Commission for taking the European Council's figures. Ms HOHLMEIER also criticised the threshold of EUR 5 000, which automatically excluded some Member States from the reductions to be applied.

The Commission's representative underlined that this proposal was a precautionary measure. The threshold of EUR 5 000 had been proposed because it provided for a balanced share and was in line with modulation figures, 2003 reform and current reform.

Calendar:

Deadline for amendments: 26 April 2013

Vote in BUDG: 7 May 2013

Vote in AGRI: 20 May 2013

Vote in Plenary: June 2013

VOTING TIME

Item 12 on the agenda

2013 Budget: Section III - Commission

Rapporteur: Mr LA VIA (EPP, IT)

- Transfers No DEC 05, 06 and 07/2013, related to the mobilisation of the Emergency Aid Reserve in favour of Northern Mali, the Sahel region and Syria, were approved.

Item 13 on the agenda

2013 Budget: Other sections

Rapporteur: Mr VAUGHAN (S&D, UK)

- The European Economic and Social Committee's transfer INF1/2013 was approved.

Item 14 on the agenda

Buildings policy

Rapporteur: Ms HOHLMEIER (EPP, DE)

There was no dossier transmitted.

Item 15 on the agenda

Any other business

No other item was discussed.

Item 16 on the agenda

Next meeting(s)

7 May 2013, 9:00 - 12:30 and 15:00 - 18:30 (Brussels)