



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 13 May 2013

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FIN 252

NOTE

from: Presidency

to: Council

No. Cion prop.: 8041/13 FIN 165 - COM(2013) 183 final

Subject: Draft amending budget No 2 to the general budget for 2013
- Presidency proposal

1. On 2 April 2013, the Commission submitted to the Council draft amending budget (DAB) No 2/2013 proposing to increase payment appropriations by EUR 11.2 billion in 2013.
2. This issue has been examined by the Budget Committee and the Permanent Representatives Committee. During these discussions it became apparent that while a large number of delegations could accept the Commission proposal, other delegations considered the proposed amount as too high, particularly at this stage in the budgetary year. Several delegations highlighted the challenges that exist for their national budgets in this context. In addition, many delegations highlighted that DAB No 2/2013 should in particular contribute to delivering growth and to addressing the issue of unemployment, especially youth unemployment.

Based on these discussions, the Presidency is putting forward a compromise proposal that it believes best represents the range of views expressed by delegations and provides the best possible basis for reaching a political agreement on DAB No 2/2013 at the Council meeting on 14 May 2013.

3. The Presidency proposes a two stage approach to dealing with DAB No 2/2013. It considers that the amount of EUR 7.3 billion should be provided in the first stage and a commitment should be made to return to this issue later in the year with a view to meeting verified additional amounts on the basis of proposals from the Commission. At that stage more up-to-date information will also be available on budget implementation, the possibilities for redeployment, as well as any potential additional revenues.

The Presidency considers that an investment of EUR 7.3 billion will provide the necessary resources to effectively manage the real needs that exist in the budget for 2013 at this stage of the budgetary year and to ensure that the EU budget is equipped to invest in the essential EU policies and programmes that promote economic growth and create jobs. Consequently, the Presidency proposes that, taking into account the proportions proposed by the Commission in its proposal for DAB No 2/2013, this investment should be focused on sub-heading 1a (*Competitiveness for growth and employment*) and sub-heading 1b (*Cohesion for growth and employment*). These funds should be targeted at policies that enhance Europe's growth across all regions in the EU through policies such as investment, education and promoting research and innovation, as well as aiming to tackle the problem of unemployment, particularly youth unemployment.

In addition, the Presidency proposes that the Council adopt the following draft Council statement confirming that the Council will come back to this issue at a later stage in 2013:

"The Council reaffirms that the EU budget is important for delivering growth and jobs across the Union. However, the Council is also mindful of the pressures that exist on national budgets and the fiscal consolidation efforts being made by Member States. Moreover, the Council recalls that later in the year the Commission will have more information on implementation, the possibilities for redeployment and on budget revenues. This additional information will mean that the Commission will then be in a better position to more precisely estimate real needs. Therefore the Council is not in a position to agree to the full level of payment appropriations requested by the Commission in draft amending budget No 2/2013 at this stage.

The Council agrees to provide EUR 7.3 billion, an amount lower than the EUR 11.2 billion proposed by the Commission, which according to the Commission is the minimum needed in 2013. The Council is accordingly aware that the level of payment appropriations now agreed upon may not be sufficient for 2013. It will examine carefully the evolution of the budget throughout the year and commits to take all necessary additional steps to ensure that the Union's obligations are honoured. In this context, and recalling the Financial Regulation, the Council urges the Commission to actively manage the EU budget over the rest of 2013 in a prudent way and to continue to try to fund additional needs by redeployment in the first instance. Furthermore the Council asks the Commission to present by mid-October 2013 at the latest updated estimates regarding payment appropriations and, if necessary, to present an additional draft amending budget at that stage. The Council commits to take a position on this draft amending budget as quickly as possible in order to avoid any shortfall in justified payment appropriations."

In recognition that negotiations with the European Parliament on the multiannual financial framework 2014-2020 are advancing in parallel, the Presidency also proposes that the Council should adopt the following draft Council statement:

"The Council, in recognition that the discussions with the European Parliament on the multiannual financial framework are currently progressing in parallel, reaffirms its commitment to promptly conclude these negotiations. On the basis that both the European Parliament and the Council have agreed to the principle that "nothing is agreed until everything is agreed" the Council underlines that the agreement reached today is of a political nature, and that a formal vote on the Council's position on draft amending budget No 2/2013 will take place at a later stage in parallel with the conclusion of the negotiations on the multiannual financial framework."

4. The Council is invited to reach a political agreement on DAB No 2/2013 on the basis of the Presidency compromise proposal outlined under point 3.