



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 21 May 2013**

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**NOTE**

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from : General Secretariat of the Council  
to : Delegations

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Subject: Summary record of the meeting of the European Parliament's **Committee on Budgets (BUDG)** held in Brussels on 16 May 2013

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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)

***Item 5 on the agenda***

**Draft amending budget No 2/2013**

Rapporteur: Mr LA VIA (EPP, IT)

***Item 6 on the agenda***

**Draft amending budget No 3/2013**

Rapporteur: Mr LA VIA (EPP, IT)

Those items were dealt with together.

- Exchange of views

Mr LAMASSOURE recalled the EP resolution of March 2013, making a link between negotiations on the MFF and additional payments in 2013, i.e. payments related to draft amending budget No 1/2013 (DAB 1/2013) related to Croatia accession and draft amending budget No 2/2012 (DAB 2/2013) asking for EUR 11.2 billion in payments appropriations. During the meeting of 6 May between the Presidents of the EP, the Council and the Commission, with the additional participation of Ministers Gilmore and Creighton, Commissioner Lewandowski and Mr Lamassoure, an agreement was found to divide DAB 2/2013 in two steps, the first of EUR 7.3 billion and the rest at a later stage, which would be agreed together with MFF. BUDG endorsed this agreement on 7 May with a political vote while insisting on the need for a commitment on the total amount of EUR 11.2 billion and on the respect of the EP priorities in the breakdown of the appropriations. On 13 May, a first trilogue on MFF was organised and the EP recalled its determination to discuss flexibility, mid-term review, new own resources, respect of the unity of the budget, and figures. The EP highlighted that figures were still negotiable, not only as regards ceilings but also their breakdown, as some elements of this breakdown were related to specific regulations. As well as this, specialised EP committees might have other criteria than those used by the Council. During this meeting, the EP distributed documents on its own approach as regards the MFF and IIA. A second trilogue was scheduled on 28 May but the EP was open to additional meetings in Strasbourg the week before on the condition that they were organised at a political level. Mr LAMASSOURE pointed out that the ECOFIN meeting on 14 May as regards DAB 2/2013 has generated "a big annoyance" as, in his opinion, the conclusions of the meeting on 6 May had not been taken into account. He considered that the Council had transformed the agreement on a two-step procedure - with the second step agreeing on the rest of the total amount together with the signature of the MFF into an agreement of a first amount of EUR 7.3 billion to be linked with the signature of the MFF and a possible second step. He concluded that the EP would continue MFF negotiations with a trilogue on 28 May and probably two or three additional ones in June. However, a letter signed by Mr SCHULZ and himself will be sent to the Irish Presidency, recalling that the payments for 2013 were essential and that the ECOFIN conclusions were contrary to the agreement of 6 May. He considered that it was up to the Irish Presidency to decide if a signature on the MFF would happen during its presidency or the next one.

Ms DURANT (Greens/EFA, BE) condemned the Council's attitude which, in her opinion did not respect the agreement. She recalled that the real needs amounted to EUR 16 billion and that even EUR 11 billion would be insufficient. She was also opposed to any haste in negotiations.

Mr GARRIGA POLLEDO (EPP, ES) agreed with Mr LAMASSOURE's analysis. However, he pointed out that EP members came from their Member States, with problems related to austerity. He therefore preferred a common position rather than confrontation between the EP and the Council. He considered that the agreement of 6 May was acceptable and regretted that the ECOFIN conclusions of 14 May did not give sufficient commitment to cover 2013 needs, i.e. EUR 11.2 billion as requested by the Commission. He urged Mr LAMASSOURE and Mr LA VIA to have this decision modified and hoped a vote in the June Plenary.

Mr BÖGE expressed his disappointment as regards the first trilogue on the MFF as there was not clarity on the EP priorities: revision, own resources, unity of the budget and flexibility. In his opinion, the Irish Presidency did not have a "sufficient mandate". He considered as "scandalous" the message attributing to the EP the responsibility for blocking negotiations.

Mr KALFIN supported Mr BÖGE's analysis. As regards DAB 2/2012, supported by Mr FÄRM (S&D, SE), he asked the Commission for additional information on figures, as various amounts were mentioned, and asked when the Commission should stop payments this year.

Mr LAMASSOURE urged the Commission not to accept any questioning from Member States on amounts requested by other Member States. Concerning figures, he underlined that there were two different problems: a cash flow problem and a budgetary problem. He considered that the Commission was not yet faced with a problem of cash flow in May but would be later if additional payments were not delivered.

The Commission's representative maintained the request for EUR 11.2 billion and insisted on the fact that it was only "by chance" that this amount corresponded to the remaining margin under the payments ceiling in the MFF for 2013. At budgetary level, there was already a lack of appropriations in closure lines of programmes for the period 2000-2006 but this would happen in the following weeks concerning other lines under sub-heading 1a and 1b. As regards cash flow, he recognised that there was not yet a problem but that the situation was very tense. Due to the backlog from 2012, fund raising was still two months in advance and already 7/12 of the budget would be used at the end of May. At the same time, at the end of May, about EUR 4 billion would not be paid due to a lack of cash flow but this would be cleared in June or July.

***Item 7 on the agenda***

**Working document on RAL and the payments issue: state of play and outlook for 2013 and the next MFF**

BUDG/7/12659

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

- Exchange of views

Mr MULDER commented on this working document on the current situation of payments and RAL, as well as on an outlook for the rest of year 2013, and its impact for the beginning of the next MFF. He pointed out that the RAL issue was "more consequent" than in the past. He wanted a system to guarantee payments in relation to commitments. He worried that the N+3 rule decided by the Council in February would further increase RAL. Solutions to the RAL issue could only be "more flexibility and new own resources".

Mr LAMASSOURE agreed with Mr MULDER's analysis. He pointed out that unused margins during the 2007-2013 period amounted to EUR 65 billion and that the surplus given back to Member States in the same period amounted to EUR 13 billion. He compared these amounts with the current need for EUR 11 billion.

The Commission's representative supported Mr MULDER's analysis, notably as regards his criticism of the N+3 rule or as regards the need for flexibility. It was essential in his opinion to be able to use the whole amount of the MFF.

Mr KALFIN, supported by Ms GARDIAZÁBAL RUBIAL (S&D, ES) and Mr SURJÀN (EPP, HU) also supported the request for flexibility. He recalled that RAL was normal but that the problem was the discrepancy between commitments and payments.

***Item 8 on the agenda***

**Six-monthly reporting on the implementation of the Project Bonds initiative (pilot phase)**

- Presentation

The Commission's and EIB's representatives presented the first six-monthly report that had been requested by the EP during the negotiations on the pilot phase for project bonds. This 2012-13 pilot phase, with an amount of EUR 230 million from the EU budget, was expected to support between 5 to 10 projects. The Commission's and EIB's representatives considered that project bonds were successfully introduced in the market but that the key challenge was turning interest into commitments.

Mr FÄRM (S&D, SE) welcomed this report and underlined the support of the EP for project bonds. However, he had some questions. He asked for additional information on the requested merging of this pilot phase, the Loan Guarantee Instrument for trans-European transport network projects (LGTT) and additional funding from Connecting Europe Facility (CEF), on the use of portfolio in the future, on the leverage effect, on the type of investors, on the selection of projects that seemed mainly concern motorways in rich Western countries, on their geographical distribution and on the proposal for project bond credit enhancement ceiling of up to 30 % of senior debt, instead of 20 %.

Mr LAMASSOURE, supported by Mr KALFIN, questioned the absence of projects related to broadband and also noted the decrease of appropriations by the Council also in this sector for the next MFF. He also regretted the slowness of EU procedures in such a project.

The EIB's representative confirmed that the merging of pilot phase, LGTT and CEF appropriations would allow a more viable portfolio with a better leverage effect. He related the choice of investments to time constraints but assured that every effort would be made to widen the geographical scope and the sectoral distribution. The Commission's representative underlined that the proposal for project bond credit enhancement ceiling of up to 30 % of senior debt instead of 20 % would allow to cover more "risky projects".

***Item 9 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 10 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 LAMASSOURE informed members that the Irish Presidency had asked for a solution as soon as possible during the ECOFIN meeting on 14 May but that no unanimity was reached at this stage. The Council did not agree with the Commission's and the EP's positions which were in line with the IIA, requesting the increase of the ceilings in case of accession of new members. He recalled that the EP wanted a decision "within the deadlines" before 30 June. The last possibility was a vote in the 10-14 June Plenary, which implied a vote in BUDG on 30 May. A decision in ECOFIN on 21 June would therefore be too late.

*Calendar:*

*Indicative political vote in BUDG: 7 May 2013*

*Vote in BUDG: 30 May 2013 (tbc)*

*Vote in Plenary: June 2013 (tbc)*

***Item 11 on the agenda***

**Draft amending budget No 4 to the General Budget 2013 - Staff of the European GNSS Agency – Staff of the Education, Audiovisual and Culture Executive Agency (EACEA) – Staff of the Court of Justice of the European Union**

BUDG/7/12608

Rapporteur: Mr LA VIA (EPP, IT)

- Exchange of views

This item was postponed.

***Item 12 on the agenda***

**Draft amending budget No 5 to the General Budget 2013 - Mobilisation of the Solidarity Fund following flooding in Slovenia, Croatia and Austria in 2012**

BUDG/7/12631

Rapporteur: Mr LA VIA (EPP, IT)

***Item 13 on the agenda***

**Mobilisation of the European Union Solidarity Fund: flooding in Slovenia, Croatia and Austria in autumn 2012**

BUDG/7/12627

Rapporteur: Mr FERNANDES (EPP, PT)

Both items were dealt with together.

- Exchange of views

Mr FERNANDES presented the request for EUR 14.6 million in favour of Slovenia, Croatia and Austria following the intense rainfall and the consequent floods that big parts of these countries suffered in autumn 2012. The Commission proposed to finance this proposal by using the unallocated margin remaining under the 2013 ceiling for payments after the revision of the MFF related to Croatia accession and after the full adoption of DAB 2/2013. Mr FERNANDES supported this proposal.

*Calendar:*

*Vote in BUDG: 5 September 2013 (tbc)*

*Vote in Plenary: September 2013 (tbc)*

**VOTING TIME**

***Item 14 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 report, as amended, was adopted with 25 votes in favour, 1 against and 4 abstentions.

***Item 15 on the agenda***

**2013 Budget: Section III - Commission**

Rapporteur: Mr LA VIA (EPP, IT)

There was no transfer requests.

***Item 16 on the agenda***

**2013 Budget: Other sections**

Rapporteur: Mr VAUGHAN (S&D, UK)

There was no transfer requests.

***Item 17 on the agenda***

**Buildings policy**

Rapporteur: Ms HOHLMEIER (EPP, DE)

There was no dossier transmitted.

***Item 18 on the agenda***

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

Ms HOHLMEIER informed members on the outcome of the meeting on 15 May. Discussions on collaboration with the European Economic and Social Committee and the Committee of Regions have not yet begun. As regards the extension of paperless practice, divergent opinions existed but there was a general aim to reduce paper use.

***Item 19 on the agenda***

**Any other business**

Humanitarian aid for Syria

Mr LAMASSOURE presented a request from AFET. This Committee asked BUDG and ECON chairs to co-sign a letter addressed to the Irish Presidency and Ms ASHTON to increase the aid for Syria. European Member States already provided EUR 600 million (EUR 200 million from EU budget and EUR 400 million from some Member States). AFET wanted to mobilise a part of the amount remaining in the Emergency Aid Reserve as the current balance in this reserve was EUR 115 million in commitments and EUR 45 million in payments.

Mr GOERENS (ALDE, LU) supported the request, recalling the commitment already made in 2005 to allocate 0,7 % of resources to aid to development, which includes humanitarian aid.

Mr LAMASSOURE concluded that he would sign the letter.

***Item 20 on the agenda***

**Next meeting(s)**

29 May 2013, 11:30 - 13:30 (Brussels)