



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 3 June 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 30 May 2013

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The meeting was chaired by Ms HAUG (S&D, EPP).

***Item 4 on the agenda***

**Mandate for the trilogue**

BUDG/7/11862

Rapporteur: Ms JENSEN (ALDE, DK)

As the Commission did not issue its draft budget for 2014, this item was postponed.

***Item 5 on the agenda***

**Presentation of new tools by the Commission - Programme Statements**

This item was postponed.

***Item 6 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

Commissioner LEWANDOWSKI presented the principles applied by the Commission for the breakdown of the budget following the European Council conclusions of 7/8 February 2013. He insisted that it was only a technical input without prejudice to the negotiations between institutions. He highlighted that, despite consequent significant reductions made by the European Council, some envelopes showed significant increases compared to the period 2007-2013, notably under sub-heading 1a, under heading 3 and in the Flexibility Instrument. He also pointed out that the total amounts for the agencies were not subject to reductions. The Commission respected the pre-identified amounts and the structure of the European Council. In general, reductions were proportionally applied but with some limited deviations in some cases in order to optimise the breakdown.

Ms JENSEN, Mr GARRIGA POLLEDO (EPP, ES) and Ms SOUSA (GUE, NGL, PT) pointed at the problems generated by the delays in issuing the draft budget for 2014. Ms JENSEN, supported by Mr MULDER (ALDE, NL), asked the Commission to justify these delays and urged the Council to shorten the eight-week deadline for the examination of the proposal by national Parliaments.

Ms JENSEN, Ms CARVALHO (EPP, PT), Mr FÄRM (S&D, SE) and Ms SOUSA (GUE, NGL, PT) considered the increase under sub-heading 1a as non-existent or, in any case, as not ambitious enough in terms of growth. Ms JENSEN asked if the Commission would still be able to fulfil its obligations notably as regards Palestine. Mr FÄRM thanked the Commission for its presentation, clarifying the European Council conclusions, but considered the proposal as unacceptable: appropriations under headings 1 and 4 were insufficient and too many reductions were applied in rural development compared to direct aids under heading 2.

Ms BERES (S&D, FR) recalled that EMPL Committee requested 25 % of the cohesion appropriations for the European Social Fund (ESF) and she asked for a frontloading of the appropriations as regards the Youth Employment Initiative. As regards youth employment, Ms SOUSA regretted that nothing concrete appeared and Ms GRÄSSLE (EPP, DE) asked information on the national programmes already financed by Member States.

Mr KALFIN, supported by Ms GARDIAZÀBAL RUBIAL (S&D, ES), also considered the breakdown as unacceptable because of the decrease in investments, employment and research. Supported by Ms SOUSA, he was also disappointed that the Commission presented the Council's figures and considered that it did not help the current negotiations. Mr FÄRM insisted that the Commission should defend its own position.

Mr GARRIGA POLLEDO and Mr NARANJO ESCOBAR (EPP, ES) supported the Commission's approach, the proposed breakdown being a good basis even if the EP would try to improve some points. Mr NARANJO ESCOBAR recalled that the "reality to be taken into account" was that the agreement in the European Council of 7/8 February 2013 was not easy to reach and that the economic crisis continued. He considered that it was important to inform citizens that it was not possible to finance everything and that the priority was growth and employment.

Ms GARDIAZÀBAL RUBIAL asked the Commission to provide a more detailed breakdown. Supported by Ms HAUG, Mr FERNANDES (EPP, PT) also asked for a comparison between the Council's and the EP's breakdown.

Commissioner LEWANDOWSKI concluded that a "realistic basis" was necessary when preparing the budget. He confirmed that the draft budget for 2014 would be presented before 1 July. He justified the delays in presenting the draft budget by the tensions existing between the Council and the EP, these tensions having even increased last week in the context of draft amending budget (DAB) No 2/2013. The Commission has preferred not to provoke further concern by issuing the draft budget at this moment.

After the debate with Commissioner LEWANDOWSKI, Mr KALFIN informed BUDG on the state of play of the MFF negotiations. The EP insisted that a guarantee on the EUR 11.2 billion of DAB No 2/2013 was an absolute condition to finalise the MFF negotiations. Mr KALFIN considered the atmosphere during the first negotiations as "tense" and "not promising", the Council showing little flexibility. The EP was opposed to the European Council conclusions of 7/8 February 2013 and expected the IE Presidency to go back and re-open all issues. He recalled that the EP was ready to negotiate but was afraid that it was not the case for the Council. A third trilogue was scheduled in the first week of June and another one in Strasbourg the following week. Mr KALFIN concluded that the Commission's presentation at the beginning of the meeting was in this context not acceptable, the Commission not acting as an "honest broker".

***Item 7 on the agenda***

**Draft amending budget No 2/2013**

Rapporteur: Mr LA VIA (EPP, IT)

The rapporteur recalled that the Council did not meet the EP requests. BUDG's political vote on 7 May had indicated that the EP was ready to accept a two-step approach but with a guarantee on the total amount of EUR 11.2 billion. However, the ECOFIN Council could envisage a first step of EUR 7.3 billion but without any commitment on the second step. Moreover, the Council related the first step to an agreement on the MFF. Mr LA VIA concluded that there was no overtures at this stage and that the situation has not evolved.

***Item 8 on the agenda***

**Draft amending budget No 3/2013**

Rapporteur: Mr LA VIA (EPP, IT)

The rapporteur pointed out that this proposal related to the surplus was to be considered together with DAB No 2/2013, even if the Coreper would take position on DAB No 3/2013 at mid-June.

***Item 9 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

Rapporteurs: Mr LA VIA (EPP, IT) and Mr VAUGHAN (S&D, UK)

- Exchange of views

This item was postponed.

***Item 10 on the agenda***

**Mobilisation of the European Globalisation Adjustment Fund: application EGF/2013/000 TA 2013 - technical assistance at the initiative of the Commission**

BUDG/7/12749

Rapporteur: Ms SOUSA (GUE/NGL, PT)

- Exchange of views

The rapporteur supported the proposal and insisted on the need to maintain the level of appropriations. She requested reintegrating the "crisis derogation" criterion and extending the object and criteria of the EGF.

Mr KOZŁOWSKI (EPP, PL) supported the rapporteur except concerning special provisions for Member States facing particular constraints and the extension of the object and criteria of EGF. He hoped that the Commission's analysis would allow a more efficient use of these funds in the future.

*Calendar:*

*Deadline for amendments: 10 June 2013*

*Vote in BUDG: 27 June 2013*

*Vote in Plenary: July 2013(tbc)*

***Item 11 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

In his report, Mr ELLES proposed that the Commission, the EP, the Council and the European External Action Service continued the ESPAS system (European Strategy and Policy Analysis System) after 2014, by signing an administrative cooperation agreement. ESPAS was initiated in 2010 by a pilot project and transformed in a preparatory action for the years 2013 and 2014. The aim was to provide common analysis of probable outcomes on major issues, to be available to policy-makers. ESPAS intended to create a better cooperation between the four institutions in terms of forward policy thinking. The system should be budgetary neutral.

Mr GARRIGA POLLEDO, Ms JĘDRZEJEWSKA (EPP, PL) and Mr KALFIN supported Mr ELLES and were in favour of a permanent structure. They agreed that a long term vision was necessary but pointed at the need for a link with the external world.

*Calendar:*

*Deadline for amendments: 20 June 2013*

*Vote in BUDG: 11 July 2013*

*Vote in Plenary: September 2013(tbc)*

***Item 12 on the agenda***

**The Annual Report from the Council to the European Parliament on the Common Foreign and Security Policy in 2012**

BUDG/7/12563

Rapporteur for the opinion: Ms NEYNSKY (EPP, BG)

Rapporteur for the responsible committee (AFET): Mr BROK (EPP)

- Exchange of views

This item was postponed.

***Item 13 on the agenda***

**Effects of budgetary constraints for regional and local authorities regarding the EU's Structural Funds expenditure in the Member States**

BUDG/7/12133

Rapporteur for the opinion: Mr VAUGHAN (S&D, UK)

Rapporteur for the responsible committee (REGI): Ms MAZZONI (EPP)

- Exchange of views

Mr GEIER (S&D, DE), on behalf of Mr VAUGHAN, rejected the macroeconomic conditionality and the performance reserve. He agreed on the need for thematic concentration on a small number of priorities but requested flexibility from Member States and regions. He recalled that the Cohesion policy had a crucial role in reducing macroeconomic imbalances. He asked for synergies between the EU, Member States and local and regional budgets and was concerned about the reductions made in the Cohesion policy funding in the next MFF.

Mr RÜBIG (EPP, AT) underlined the need for a thorough reflexion on the structural funds and on the functioning of these funds with reduced budgets. He also asked the Commission for the confirmation of a current suspension of payments.

The Commission's representative recalled that there were two types of constraints in terms of payments. The first one was the need for available appropriations in the budget and the second one was the need for cash flow. The call on own resources delivered 1/12th of the budget each month with the possibility for two additional twelfths at the beginning of the year. He confirmed that the Commission was currently prioritising payments according to the sixty days deadlines as legal obligation to fulfil payments and that it was not possible to honour all payments. This problem would be solved in June. However, from June on, the first constraint would appear due to a lack of appropriations.

*Calendar:*

*Deadline for amendments: 6 June 2013*

*Vote in BUDG: 27 June 2013*

*Vote in REGI: 10/11 July 2013*

*Vote in Plenary: July 2013*

**VOTING TIME**

***Item 14 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 15 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)

- Consideration and adoption

The vote on both items was postponed.

Mr LA VIA recalled that the political vote in BUDG on 7 May was in line with the Commission's proposals on both issues. He informed BUDG members that the Coreper of 29 May did not reach an agreement and that some Member States wanted to modify payments in DAB No 1/2013. He wondered if the Council would find an agreement next week.

***Item 16 on the agenda***

**Amendment of Regulation (EU, Euratom) No 966/2012 as regards the financing of European political parties**

BUDG/7/11406

Rapporteur: Ms GRÄSSLE (EPP, DE)

- Consideration and adoption of draft report and vote on negotiation mandate

The draft report, as amended, was adopted with 29 votes in favour, 1 against and 3 abstentions.

The negotiation mandate and the negotiation team were approved with 32 votes in favour and 1 against.

***Item 17 on the agenda***

**2013 Budget: Section III - Commission**

Rapporteur: Mr LA VIA (EPP, IT)

There were no transfer requests.

***Item 18 on the agenda***

**2013 Budget: Other sections**

Rapporteur: Mr VAUGHAN (S&D, UK)

The European Parliament transfer EP C3/2013 was approved.

***Item 19 on the agenda***

**Buildings policy**

Rapporteur: Ms HOHLMEIER (EPP, DE)

There was no dossier transmitted.

***Item 20 on the agenda***

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

This item was postponed.



***Item 21 on the agenda***

**Public Hearing on "How can the EU deliver better aid? Unlocking innovation and optimizing European resources: innovative methods and strategic alliances to leverage European added value"**

***Item 22 on the agenda***

**Any other business**

No other item was discussed.

***Item 23 on the agenda***

**Next meeting(s)**

- 19 June 2013, 9.00 – 12.30 and 15.00 – 18.30 and 18.30 – 19.30 (Brussels)
  - 20 June 2013, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)
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