



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

from:	Presidency
to	Permanent Representatives Committee / Council
Subject:	Draft Council Regulation laying down the multiannual financial framework for the years 2014-2020 and Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline, cooperation in budgetary matters and on sound financial management - Draft declarations

Delegations will find below the draft declarations mentioned in subject.

Draft Declarations

Draft Joint Declaration on Own Resources

1. According to Article 311 of the TFEU the Union shall provide itself with the means necessary to attain its objectives and carry through its policies; it also stipulates that , without prejudice to other revenue, the budget shall be financed wholly from own resources. Article 311 al. 3 indicates that the Council, acting in accordance with a special legislative procedure, shall unanimously and after consulting the European Parliament adopt a decision on the system of own resources and that, in that context, the Council may establish new categories of own resources or abolish an existing category.
2. On this basis, the Commission presented in June 2011 a set of proposals to reform the Own Resources system of the Union. At its meeting of 7/8 February, the European Council agreed that Own Resources arrangements should be guided by the overall objectives of simplicity, transparency and equity. In addition, the European Council called on the Council to continue working on the proposal of the Commission for a new own resource based on value added tax (VAT). It also invited the Member States participating in the enhanced cooperation in the area of financial transaction tax (FTT) to examine if it could become the base for a new own resource for the EU budget.
3. The question of own resources requires further work. To this end, a high-level Group will be convened, composed of members appointed by the three institutions. It will take into account all existing or forthcoming input which may be brought by the three European institutions and by National Parliaments. It should draw on appropriate expertise, including from national budgetary and fiscal authorities as well as independent experts.

4. The Group will undertake a general review of the Own Resources system guided by the overall objectives of simplicity, transparency, equity and democratic accountability. A first assessment will be available at the end of 2014. Progress of the work will be assessed at political level by regular meetings, at least once every six months.
5. National Parliaments will be invited to an inter-institutional conference during 2016 to assess the outcome of this work.
6. On the basis of the results of this work, the Commission will assess if new Own Resource initiatives are appropriate. This assessment will be done in parallel to the review referred to in Article 1a of the MFF Regulation with a view to possible reforms to be considered for the period covered by the next multiannual financial framework.

Draft Joint Declaration on duration

In the context of the mid-term review/revision of the multi-annual financial framework referred to in Article 1a, the European Parliament, the Council and the Commission agree to jointly examine the most suitable duration for the MFF starting in 2021 before the Commission presents its proposals with a view to striking the right balance between the duration of the institutions' political cycles – in particular those of the European Parliament and the European Commission - and the need for stability for programming cycles and investment predictability.

Draft Joint Declaration on improving effectiveness of public spending in matters subject to EU's action

The European Parliament, the Council and the Commission agree to work together with the objective of cost savings and better synergies at national and European levels in order to improve the effectiveness of public spending in matters subject to EU's action. To this end, the institutions will, as they consider most appropriate, draw on, *inter alia*, knowledge of best practices, information sharing as well as available independent assessment. The results should be available and serve as one basis for the proposal of the Commission for the next multiannual financial framework.

Draft Joint Declaration

The European Parliament, the Council and the Commission agree that the annual budgetary procedures applied for the MFF 2014-2020 will integrate, as appropriate, gender-responsive elements, taking into account the ways in which the overall financial framework of the Union contributes to increased gender equality (and ensures gender mainstreaming).

Draft declaration by the European Commission on national management declarations

In its discharge resolution of 17 April 2013, the European Parliament requested to establish a template for national management declarations to be issued by Member States at the appropriate political level. The Commission is prepared to examine this request and is willing to invite the European Parliament and the Council to participate in a working group with a view to issue recommendations by the end of this year.

Draft declaration by the European Commission on the review/revision

With regard to the provisions of Article 1A MFFR, taking into account the result of the Review, the Commission confirms its intention to submit legislative proposals for a revision of the MFF Regulation. In this context, it will pay particular attention to the functioning of the global margin for payments in order to ensure that the overall payments ceiling remains available throughout the period. It will also examine the evolution of the global margin for commitments. The Commission will also take into account the particular requirements of the Horizon 2020 programme.
