



**COUNCIL OF
EUROPEAN UNION**

Strasbourg, 3 July 2013

11886/13

**PE 337
INST 365
CADREFIN 177
BUDGET 38**

NOTE

from : General Secretariat
to : delegations

Subject : Extraordinary meeting of the Committee on budgets (COBU) of 1 July 2013 in
Strasbourg

The meeting was chaired by M. Lamassoure, EPP, FR. The agenda was adopted.

2. Chair's announcements

M. Lamassoure, EPP, FR. welcomed the new Croatian Members of the committee.

3. Draft amending budget No 1/2013 - Expenditure related to the accession of Croatia to the EU

The Chair indicated that the DAB 1 had to be adopted and the Inter-institutional Agreement (IIA) adapted as a consequence of Croatia's accession. He expressed strong criticism of the Council for its failure to adopt the DAB 1/2013 in time for the accession of Croatia. He said that the European Parliament had decided not to create a link between the adoption of this DAB and the MFF in order to avoid taking the issue of Croatia's accession hostage of the MFF negotiations.

The Rapporteur M. La Via, EPP, IT recommended adopting the amounts agreed by the Council (+655 million EUR in commitments and +374 million EUR in payments) without modification, despite the fact that the European Parliament was disappointed at the Council's decision aimed at reducing the budget devoted to heading V. He considered that decision to be a bad precedent which delivered a negative political message.

The committee adopted the draft report of Mr. La Via on DAB 1/2013 with a number of amendments by 33 votes in favour, 1 against. The vote in plenary is scheduled on Thursday, 4 July.

4. Proposal for a decision of the European Parliament and of the Council amending the Inter-institutional 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

The Rapporteur M. Boge, EPP, DE expressed strong criticism of the delay with which the Council had reached an agreement and expressed concern at the reduction of the budget for Heading 5. He however advocated adopting the Council's position without amendments.

Ms Trüpel on behalf of the Greens stated that her group would vote against the draft report to signal its disagreement with the decision to cut the amounts for Heading V.

The draft report was adopted with a number of amendments by 34 votes in favour, two against.

5. Draft amending budget No 2/2013 - Increase in forecasts concerning other revenue stemming from fines and penalties - Increase in payment appropriations

The Rapporteur M. La Via explained that the European Parliament had accepted to split the DAB n° 2/2013 into a first tranche of 7.3 billion Euros and a second one of 3.9 billion Euros. He said that according to the agreement reached on the MFF, the Council ought to adopt its position on the first tranche of DAB 2 by 9 July, which would allow for a vote in the BUDG committee possibly on 11 July and a vote in plenary in September. He said that the second tranche would be the subject of a new DAB to be presented after the summer break.

The Chair M. Lamassoure criticized the Council for the delays in the adoption of DAB 2/2013, which in the Chair's view was in blatant contradiction of the Council's political statements.

He also criticized the President of the Commission for having failed to defend the DAB 2/2013 on the occasion of the mini-summit last week, leaving the European Parliament's delegation alone to defend this cause. He recalled that the European Parliament had no direct interest in this issue.

The Director-General of the Commission's DG BUDG warned that an adoption of the DAB would be needed before 15 September so as to allow for payments to start by that date.

The Chair called on the incoming Presidency of the Council to remain in close contact with the rapporteur on the issue and warned that the floods in Central Europe could require a funding under the solidarity fund, something which would require additional funding and would also need to be examined in autumn. He said that the DAB 3/2013 would then have to be settled between Council and Commission.

6. MFF 2014-2020 / Own resources

- Exchange of views

The Chair M. Lamassoure said that following the political agreement reached on 27 June at the level of the Presidents of the three institutions, the deal had been discussed the same day at the Conference of Presidents, in the presence of the Negotiating team, and by the coordinators. The European Parliament was now expecting to see the legal translation of the deal. He said that a resolution on behalf of political groups would be voted on 3 July. He clarified that the objective of that vote was political, as it would allow to check that the deal can secure the required majority within the Parliament. He added that the vote would aim at closing the negotiation on the next MFF. He said that neither Council nor Parliament would be ready for a formal vote before September. He added that the formal vote could possibly take place at the September plenary, provided that there were agreement on the legal translation of the political agreements; that the two DABs were adopted by the Council, and that there were no major stumbling blocks on the major legislative files related to the MFF (which was not the case at the moment). He said that a number of issues still remained to be clarified and referred to the issue of macroeconomic conditionality.

7. Any other business

8. Next meeting(s)

- 11 July 2013, 9.00 – 12.30 and 14.00 – 15.00 and 15.00 – 18.30 (Brussels)