



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 16 July 2013

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NOTE

from :	General Secretariat of the Council
to :	Delegations
Subject:	Partial Summary record of the meeting of the European Parliament's Committee on Budgets (BUDG) held in Brussels on 11 July 2013

The meeting was chaired by Ms HAUG (S&D, DE) and Mr LAMASSOURE (EPP, FR)

Item 5 on the agenda

Annual meeting with the Troika of EU decentralised agencies

Mr VERSLYPE, director of the European Railway Agency, spoke on behalf of the Troika and considered that the proposed staff and budget cuts for 2014 would have an impact on the level of service and added value of the agencies. He underlined the fact that those cuts would come in addition to the cuts applied in 2013. He complained in particular that the treatment of the agencies as one single pool of expenditure and staff made them compete against each other for resources without taking into consideration their different activities and objectives. He considered that fee-financed agencies should not be subject to staff reductions and pointed to the difficulty of hiring external experts. He also mentioned the risk of conflict of interest. Ms HAUG (S&D, DE) supported the position expressed by Mr VERSLYPE and underlined the fact that the number of agencies was constantly increasing, without that being proportionally reflected in the budget. Mr RIQUET (EPP, FR) agreed with her and considered, for instance, that staff cuts would not allow the European Air Safety Agency to implement activities such as certifications, which might negatively impact the European industry.

Ms JENSEN (ALDE, DK) complained about the Council's lack of vision as regards Agencies, which she thought was clearly in evidence when negotiating the Common Understanding on Agencies. To Ms GRÄSSLE (EPP, DE), who inquired about the impact of the new Staff Regulations on agencies (in particular the increase in working hours), Mr VERSLYPE replied that agencies had not been consulted on this, but considered that staff were already working longer hours. As Ms HOHLMEIER (EP, DE) considered that a merger of the agencies would rationalise their work and complained that nobody wanted a CEPOL merger, Mr KLAERUM, a representative of the agencies, stated that strong cooperation was already in place between the agencies and called for a common narrative on the role of EU Agencies. The representative of the Commission recalled that the Inter- Institutional Agreement on budgetary discipline provides for a staff reduction of 5% over 5 years. Since this applied to all agencies as a pool, staffing of a new agency required others to reduce their staff. Nevertheless, staff were not transferred physically from one agency to another, but posts were redeployed.

BUDGET 2014

Items 6 and 20 on the agenda

2014 Budget - Mandate for the Trilogue

BUDG/7/11862

Rapporteur: Ms JENSEN (ALDE, DK)

- Exchange of views

Mr LAMASSOURE invited Ms JENSEN to summarise the mandate as agreed that day in the coordinators meeting. He also said that it had been agreed with the Lithuanian Presidency that a first trilogue would take place on 2-3 September 2013.

Ms JENSEN explained that the text of the draft Recommendation for the mandate would be supplemented at the end of August, once the reading of the Council had taken place.

She stressed the link between the Recommendation and the MFF and DABs. The 2014 Budget showed a decrease of 6% in commitment appropriations and of 5,8 % in payment appropriations. She pointed out the lack of clarity on financing of research and Erasmus programmes. She stressed that the youth initiative had been frontloaded, which would entail cuts to other programmes that would be backloaded. She complained that a 25% cut hit programmes such as "Rights and Citizenship".

She expressed concern about the decline in the Heading 4 programmes for EU's external policies. As for administrative expenses, she considered that a court case was still pending and a bill may have to be paid in 2014. She pointed to the difficult situation of the agencies, which were asked to do more with fewer resources, and invited the specialised Committees to express their opinion. She expressed concern about the impact that limited margins available within different headings may have on preparatory actions and pilot projects. Ms GARDIAZÁBAL RUBIAL (S&D, ES) asked the Commission about the timing for the other part of DAB 2. Mr RIQUET (EPP, FR) inquired about the budgetary planning of programmes that would be backloaded and considered that the agreement on the MFF required clarity as to how it would work. Ms HAUG asked about the timing of the AMD letter.

Mr LAMASSOURE recalled that the agreement on MFF included not only the frontloading of the Youth employment facility (YEI), but also of the programmes for the competitiveness of enterprises and SMEs (COSME) and ERASMUS. He also asked the Commission to clarify the figures of YEI, that the President of the European Council set at EUR 8 billion, while only EUR 6 billion appeared in the European Council conclusions of 28 June 2013.

The representative of the Commission acknowledged that outstanding commitments (RAL) were considerable, but pointed out that they would affect MFF- related programmes at the very beginning, at a time when payments were at a low level, so that at the beginning of the period outstanding invoices would be paid.

He also said that the draft budget did not include changes to COSME and ERASMUS programmes and that an amending letter n. 1, dealing with frontloading, would be forwarded in September. As for frontloading, he explained that it allowed a better use of commitment appropriations, since implementation of the programmes took a long time. As for the figures of EUR 6 or 8 billion, he stated that the Commission had not made a calculation, but recalled a figure of EUR 6 billion. LAMASSOURE complained about what he described as a political recycling of the same figures.

Item 7 on the agenda

General Budget of the European Union for the financial year 2014 - All sections

BUDG/7/13239

Co-rapporteurs: Ms JENSEN (ALDE, DK), Ms HOHLMEIER (EPP, DE)

- Exchange of views

Ms HOHLMEIER gave a short review of the budget for the other institutions and stressed in particular that the EP would have a 2,4% increase in its budget.

Item 8 on the agenda

MFF 2014-2020 / Own resources

- Exchange of views

Mr LAMASSOURE said that the EP plenary had adopted a resolution by a very large majority, in July 2013, confirming an agreement between the three Presidents. Nevertheless, a political message had been given that the binding vote would not take place in the EP plenary, before the second part of the DAB 2 (EUR 3,9 billion) had been settled and the EP had received reassurance about the conclusion of the MFF- related legislative files. Mr LAMASSOURE reported that the coordinators' meeting had established that after the vote on the MFF, BUDG and AFCO Committees would draw lessons learnt from the MFF exercise, which they described as disappointing and frustrating. In his view, the spirit of the Lisbon Treaty was not respected and decisions already taken by the European Council prevailed on the power of the co-legislators. These issues would be addressed in a report on IIA to be drafted by AFCO (BUDG would give an opinion). BUDG would moreover draft an initiative report on future modifications needed in the procedure. Both reports would aim at providing guidance for the MFF revision in 2016.

Item 9 on the agenda

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

BUDG/7/12503

and

Item 10 on the agenda

Draft amending budget No 3/2013 - Surplus resulting from the implementation of the budget year 2012

BUDG/7/12502

Rapporteur: Mr LA VIA (EPP, IT)

The rapporteur recalled that DAB No 2 provided for a EUR 7,3 billion increase in payment appropriations and that the Council would consider a second increase, if necessary.

Mr LA VIA expressed the view that this would be the case. As for DAB 3, this went in parallel with DAB 2 and concerned EUR 1,23 billion that would be given back to Member States.

Deadline for tabling amendments: 16 July 2013, 12.00.

Vote at BUDG: 5 September 2013.

Item 11 on the agenda

Draft amending budget No 4/2013 – 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

Co-rapporteurs: Mr VAUGHAN (S&D, UK), Mr LA VIA (EPP, IT)

- Exchange of views

Mr LA VIA explained that the GNSS would receive 20 staff members, while the Court of Justice staffing concerned one Advocate- General and 7 staff members. In his view, the amendment was neutral in budgetary terms.

Deadline for tabling amendments: 16 July 2013, 12.00.

Vote at BUDG: 5 September 2013.

Item 12 on the agenda

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

BUDG/7/12631

Rapporteur: Mr LA VIA (EPP, IT)

- Exchange of views

The rapporteur pointed out that the Council had not adopted its position in time for the July Plenary, despite the urgency.

Deadline for tabling amendments: 16 July, noon.

Vote at BUDG: 5 September 2013.

Vote at Plenary: September.

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 (S&D, PT)

- Exchange of views

The rapporteur called for faster action to reassure citizens that EU solidarity was effective.

The flood damage had been caused by a single underlying meteorological condition, so that it could be accepted as a one-off event.

A total amount of EUR 14,6 million was to be mobilised.

Deadline for tabling amendments: 16 July 2013, 12.00

Item 14 on the agenda

Mobilisation of the European Globalisation Adjustment Fund: application EGF/2012/008 IT/DE TOMASO AUTOMOBILI - Italy

BUDG/7/13226

Rapporteur: Mr RIQUET (EPP, FR)

- Exchange of views

Mr RIQUET said that more than one thousand workers had lost their job, following the crisis of the car industry in Italy, which had led the company to bankruptcy.

Deadline for tabling amendments: 29 August 2013, 12.00

Vote at BUDG: 18 September

Vote at the October plenary.

Item 15 on the agenda

BUDG/7/13223

Mobilisation of the European Globalisation Adjustment Fund: application EGF/2011/025IT/Lombardy - Italy

Rapporteur: Mr GARRIGA POLLEDO (EPP, ES)

- Exchange of views

The rapporteur said that 408 workers had been laid off as a result of the current crisis and criticised the fact that the Council had reduced the commitment appropriations of the EGF in February.

Deadline for tabling amendments: 29 August 2013, 12.00

Vote at BUDG: 18 September

Vote at the October plenary.

Item 16 on the agenda

The location of the seats of the European Union's Institutions

BUDG/7/12603

Rapporteur for the opinion: Mr ALVARO (ALDE, DE)

Rapporteurs for the committee responsible (AFCD): Mr HÄFNER (Verts/ALE, DE), Mr FOX (ECR, UK)

- Exchange of views

Mr MULDER, on behalf of the rapporteur, who would be back in September since he met with a serious accident, expressed the opinion that a single EP seat was needed.

Mr LAMASSOURE underlined the fact that the BUDG opinion should spell out figures on savings in the case of a single seat. Ms Ms GARDIAZÁBAL RUBIAL underlined the symbolic role of Strasbourg and considered that an agreement with the French authorities was necessary when discussing a different use of the EP building in Strasbourg. Ms TRAUTMANN (S&D, FR) underlined the fact that the treaty provided for the EP to have a single seat in Strasbourg.

Deadline for tabling amendments: 16 July 2013, 12.00

Vote at BUDG : 5 September.

Item 17 on the agenda

European Semester for economic policy coordination : implementation of 2013 priorities

BUDG/7/13117

Rapporteur for the opinion: Ms TRAUTMANN

Rapporteur for the committee responsible (ECON): Ms FERREIRA (S&D, PT)

- Exchange of views

Mr LAMASSOURE said that the Lithuanian Presidency had announced at a meeting organised by the French Lower Chamber the setting of a date for the conference of representatives of the relevant committees of the national parliaments and representatives of the relevant committees of the European Parliament in order to discuss budgetary policies and other issues covered by the Fiscal Compact Treaty.

The rapporteur suggested that coordination meetings between Committees be organised to make sure that all sang from the same hymn sheet and considered that the main issue concerned the participation of national parliaments in the EU budget. In this context, she stressed the importance of own resources.

Deadline for tabling amendments: 30 August 2013, 12.00

Vote at BUDG 18 September

Vote at ECON 30 September

Vote at Plenary: October

Item 18 on the agenda

Provisions relating to financial management for certain Member States experiencing or threatened with serious difficulties with respect to their financial stability and to the decommitment rules for certain Member States

BUDG/7/12820

Rapporteur for the opinion: Ms GARDIAZÁBAL RUBIAL (S&D, ES)

Rapporteur for the committee responsible (REGI): Mr VLASÁK (ECR, CZ)

- Exchange of views

The rapporteur proposed the extension of the increased co-financing rate for Member States threatened with serious difficulties with respect to their financial stability and the extension of the period of the automatic decommitment.

Deadline for tabling amendments: 29 August 2013, 12.00

Vote at BUDG 18 September

Vote at REGI 23 September

Vote at Plenary: October

Item 19 on the agenda

Support for rural development provided by the European Agricultural Fund for Rural Development (EAFRD)

BUDG/7/12537

Rapporteur for the opinion: Mr LA VIA (EPP, IT)

Rapporteurs for the committee responsible (AGRI): Mr DESS (PPE, DE)

This item was removed from the agenda.

VOTING TIME

Item 21 on the agenda

Forward policy planning and long-term trends: budgetary implications for capacity-building
BUDG/7/11223

Rapporteur: Mr ELLES (ECR, UK)

The report was adopted, as amended, with 23 votes in favour, 3 against and one abstention.

Item 22 on the agenda

Organisation of a labour force sample survey in the Community

BUDG/7/12356

Rapporteur for the opinion: Mr COTTIGNY (S&D, FR)

Rapporteur for the committee responsible (EMPL): Ms ŽDANOKA (Verts/ALE, LV)

The report was adopted, as amended, with 24 votes in favour and 3 against.

Item 23 on the agenda

Multiannual funding of the European Maritime Safety Agency in the field of response to pollution caused by ships and to marine pollution caused by oil and gas installations

BUDG/7/12397

Rapporteur for the opinion: Ms HAUG (S&D, DE)

Rapporteur for the committee responsible (TRAN): Mr TAYLOR (Verts/ALE, UK)

The vote was postponed.

Item 24 on the agenda

European Union Agency for Law Enforcement Cooperation and Training (Europol) and repeal of Decisions 2009/371/JHA and 2005/681/JHA

BUDG/7/12430

Rapporteur for the opinion: Ms HAUG (S&D, DE)

Rapporteur for the committee responsible (LIBE): Mr DÍAZ DE MERA GARCÍA CONSUEGRA (PPE, ES)

The report was adopted, as amended, with 23 votes in favour, 2 against and 2 abstentions.

Item 25 on the agenda

2013 Budget: Section III - Commission

Rapporteur: Mr LA VIA (EPP, IT)

DEC 16, 17, 18, 19, 21 were approved

Item 26 on the agenda

2013 Budget: Other Sections

Rapporteur: Mr VAUGHAN (S&D, UK)

CoJ IV/02/0013, IV/03/2013, IV/04/2013 were approved

END OF VOTING TIME

Item 27 on the agenda

Rapporteur: Ms HOHLMEIER (EPP, DE)

This item was postponed.

Item 28 on the agenda

Reporting Joint Working Group Bureau/BUDG

Chair of BUDG delegation: Mr LYON (ALDE, UK)

Rapporteur: Ms HOHLMEIER (EPP, DE)

- Exchange of views

This item was postponed.

Item 30 on the agenda

Next meeting

- 5 September 2013, 9.00 – 12.30 and 12.30 – 13.30 (Brussels)