



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 2 October 2013

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NOTE

from :	General Secretariat of the Council
to :	Delegations
Subject:	Summary record of the meeting of the European Parliament's Committee on Budgets (BUDG) held in Brussels on 26 September 2013

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

Item 3 on the agenda

EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union

BUDG/7/12837

Rapporteur: Mr KALFIN (S&D, BG)

- Exchange of views

The President of EIB, Mr HOYER, gave a presentation on the proposal to prolong the EU guarantee for EIB external financing for the next financial period 2014-2020. He underlined the considerable leverage effect provided by the EIB's funding, which covers external actions in various third countries. He advocated for a reinforcement of the financial envelope for the 2014-2020 period and stressed the importance to adopt a new decision before June 2014 in order to ensure the continuity of the guarantee fund. Finally Mr HOYER thanked the Committee and the rapporteur for the support provided.

The rapporteur, Mr KALFIN, advocated to keep the current EIB's ability to fund projects and proposed in his draft report to increase both the fixed and the optional ceilings by + EUR 1 billion. He proposed to start negotiations as soon as the report is voted on 17 October. To this end, a number of trilogues has been scheduled until the end of the year.

Mr PLENKOVIC (EPP, HR) supported the rapporteur's report but warned that a compromise solution would be probably needed in order to accommodate the EIB's financing needs within the new MFF. He raised a question regarding the prospects of financial assistance to Syria.

Mr STOLOJAN (EPP, RO) raised questions regarding the funding of projects in the nuclear industry and the eligibility of projects in Armenia.

Ms ABELA BALDACCHINO (S&D, MT) pointed out that the Arab spring has altered the political scenario in the southern Mediterranean region and therefore requested a reinforcement of funds.

Calendar

1 October *Deadline for amendments to the draft report*

17 October *Vote on the draft report*

BUDGET 2014

Item 4 on the agenda

General budget of the European Union for the financial year 2014 - all sections

BUDG/7/13239

Rapporteurs: Ms JENSEN (ALDE, DK), Ms HOHLMEIER (EPP, DE)

- Exchange of views

Ms JENSEN, rapporteur for Section III of the budget, reported on the progress made following the analysis of budgetary amendments to the Council's position on the draft budget for 2014 and the recent deliberations at the coordinators' meeting.

The rapporteur indicated that, although the coordinators' position on the overall level of payments in 2014 still needs further discussion, an agreement on commitments could be reached soon. She briefly went through the different headings and sub-headings of the MFF. Under sub-heading 1a, she welcomed the Amending Letter No 1 to the Draft Budget 2014, including the front-loading for Horizon 2020, Erasmus and COSME. Under sub-heading 1b, she announced that an amendment would reinforce the most deprived persons programme through the mobilisation of the flexibility instrument. Under heading 2, she restated the support to the school fruit scheme. She announced that an agreement was already reached on Heading 3. Concerning Heading 4, she indicated that there are still on-going discussions, including the allocation of funds to Palestine and the proposal to

mobilise the flexibility instrument. Under heading 5, the rapporteur reminded the Committee of the pending Court case on the adaptation of remunerations and of the budgetary consequences that several institutions would face. Concerning pilot projects and preparatory actions, the rapporteur's intention is to present a package respecting the legal ceilings.

Ms HOHLMEIER reported on the recent agreement reached to reduce the European Parliament's budget for 2014 by - EUR 7 million . The savings namely stem from the new Staff Regulation and the frontloading of IT projects by transfers in 2013. The increase of the European Parliament's budget, in comparison with 2013, will be limited to + 1.9%. Regarding the pending Court case on the adaptation of remunerations and pensions, the rapporteur restated her concerns. She urged the Committee to at least partially plan the way forward, should the Court decided to rule against the Council. In her opinion, the essential problem next year will be the nearly non-existent margin under the ceiling of payments.

Ms GARDIAZÁBAL RUBIAL (S&D, ES) raised concerns regarding the coordinators' discussions on the overall level of payments. In her opinion the European Parliament should adopt a clear strategy.

Mr LAMASSOURE concluded that next Monday the Coordinators will have the opportunity to close all the remaining issues at stake in order to vote on budgetary amendments on 2 and 3 October.

Calendar

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| <i>2-3 October</i> | <i>Vote on budgetary amendments</i> |
| <i>7 October</i> | <i>Deadline for amendments to the draft report</i> |
| <i>9 October</i> | <i>Vote on the draft report</i> |
| <i>23 October</i> | <i>Vote on the European Parliament's position on Budget 2014</i> |

BUDGET 2013

Item 5 on the agenda

Draft amending budget n° 6/2013 : Revision of the forecast of TOR, VAT and GNI bases, the budgeting of UK corrections and revision of GNI reductions for Netherlands and Sweden - other revenue from the fine on Microsoft - creation of the Union trust funds

BUDG/7/13313

Rapporteur: Mr LA VIA (EPP, IT)

This item was postponed.

Item 6 on the agenda

Draft amending budget No 7/2013 - Strengthening the European Social Fund (ESF) to address youth unemployment, poverty and social exclusion in France, Italy and Spain

BUDG/7/13494

Rapporteur: Mr LA VIA

This item was postponed.

Item 7 on the agenda

Mobilisation of the Flexibility Instrument to complement the financing in the general budget of the EU for 2013 towards the financing of the European Social Fund to increase allocations to France, Italy and Spain

BUDG/7/13496

Rapporteur: Mr BÖGE (EPP, DE)

This item was postponed.

MFF 2014-2020

Item 8 on the agenda

Multiannual financial framework for the years 2014-2020

BUDG/7/06443

Rapporteurs: Mr KALFIN, Mr DEHAENE (EPP, BE)

Item 9 on the agenda

Interinstitutional Agreement between the European Parliament, the Council and the Commission on cooperation in budgetary matters and on sound financial management

BUDG/7/06463

Rapporteurs: Mr DEHAENE, Mr KALFIN

Rapporteur for the leading committee (AFCO): Mr TRZASKOWSKI (EPP, PL)

Items 8 and 9 were discussed together.

Mr LAMASSOURE recalled that the vote on both the draft Interinstitutional Agreement (IIA) and the MFF Regulation is subject to the approval of DAB No 8/2013, amounting to EUR 3.9 billion, and to a satisfactory outcome on legal basis linked to the next MFF. The vote could take place on 23 October together with the European Parliament's position on Budget 2014, the remaining legal basis on agriculture and cohesion and the Draft Amending Budgets for 2013.

Mr LAMASSOURE also recapped the budgetary implications of the Draft Amending Budgets which are not yet adopted, namely DAB No 6/2013 and the forthcoming DAB No 9/2013. In addition, he considered that DAB No 7/2013 should be subject to the vote on the MFF, as this amending budget was presented by the Commission following the Council's agreement on the MFF.

Mr LAMASSOURE confirmed that the negotiations in the field of cohesion, namely on the topics of macroeconomic conditionality and performance reserve, are still open. He restated that, should the need arise, a high-level meeting between the Presidents of the European Parliament, the Council and the Commission would be convened, in accordance with Article 324 TFEU.

Item 10 on the agenda

Mobilisation of the European Globalisation Adjustment Fund (application EGF/2013/004 ES/Comunidad Valenciana - Building materials - Spain)

BUDG/7/13816

Rapporteur: Mr PLENKOVIC (EPP, HR)

- Exchange of views

The rapporteur presented the proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund. It amounts to EUR 840 000 in commitment and payment appropriations following the redundancies in 140 enterprises in the building materials sector in Spain.

Calendar

1 October *Deadline for amendments*

17 October *Vote (at both EMPL and BUDG Committees)*

Item 11 on the agenda

Opinion on the evaluation report regarding BEREC and the Office

BUDG/7/12235

Rapporteur for the opinion: Ms HAUG

Rapporteur for the responsible committee (ITRE): Mr SEDÓ I ALABART (EPP, ES)

- Exchange of views

Ms HAUG commented on the draft opinion on the evaluation of the Body of European Regulators for Electronic Communication's Office. She recalled that The BEREC Office received a contribution from the EU budget of just EUR 3.8 million and advocated for the reinforcement of the Agency's role, as in the current situation there can be conflicts between the role of national regulation authorities in national markets and BEREC's role on the internal market.

Calendar

7 October *Deadline for amendments*

17 October *Vote (BUDG Committee)*

4/5 November *Vote (ITRE Committee)*

Item 12 on the agenda

European Union Agency for Railways and repeal of Regulation (EC) No 881/2004

BUDG/7/11845

Rapporteur for the opinion: Ms HAUG

Rapporteur for the responsible committee (TRAN): Mr ZILE (ECR, LV)

- Exchange of views

Ms HAUG pointed out that, in the framework of the Commission's proposal to enhance the quality and efficiency of rail services, known as the 4th Railway package, ERA will receive a number of additional tasks, namely the issue of a number of authorisations and certifications currently issued by National Safety Authorities. The rapporteur proposed to save the posts financed by fees by the industry from staff cuts and to reduce from four to two the number of Commission's representatives in the Management Board.

Mr RIQUET (EPP, FR) indicated that the financial statement attached to the Commission's proposal is already insufficient in order to cope with the increased workload expected in the Agency. He even suggested to renounce to the new Regulation should the financial statement stay as it is.

Calendar

7 October *Deadline for amendments*

17 October *Vote (BUDG Committee)*

26 November *Vote (TRAN Committee)*

VOTING TIME

Item 13 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)

Rapporteur for the responsible committee (AFCO): Mr FOX (ECR), Mr HÄFNER (Greens/EFA)

The report, as amended, was adopted with 18 votes in favour and 15 against.

Item 14 on the agenda

Transitional provisions regarding the regulations on Direct payments, Rural development and Financing, monitoring and management of the CAP

BUDG/7/12537

Rapporteur for the opinion: Mr LA VIA

Rapporteur for the responsible committee (AGRI): Mr DESS (EPP, DE)

The report, as amended, was adopted with 32 votes in favour.

Item 15 on the agenda

2013 Budget: Section III - Commission

Rapporteur: Mr LA VIA

No transfer requests were submitted.

Item 16 on the agenda

2013 Budget: Other sections

Rapporteur: Mr VAUGHAN (S&D, UK)

EP C5/2013 was approved.

***** End of vote *****

Item 17 on the agenda

Buildings policy

- Notification on the European Banking Authority's long term office accommodation in London

Rapporteur: Ms HOHLMEIER

- Exchange of views

The rapporteur, supported by Ms HAUG, criticised the Agency for its late notification to the budget authority on its short term office accommodation contract, sent on 5 July 2013 to budgetary authority. She reminded that the rent currently paid is very high and that a questionnaire was sent out to EBA without any response.

The representative of the Agency replied that EBA was established in 2011 but that it inherited the rental contract until December 2014 from its predecessor. Regarding the EBA's selection process for the long term offices, he informed that the it will be duly documented and, together with the proposed selection, submitted to the budgetary authority at the beginning of 2014.

Ms HAUG concluded that the Committee will draw an opinion on EBA's building projects.

Item 18 on the agenda

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

Chair of BUDG delegation: George Lyon (ALDE, UK)

This item was postponed.

Item 19 on the agenda

Any other business

None.

Item 20 on the agenda

Next meeting(s)

- 2 October 2013, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)
- 3 October 2013, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)