



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 6 January 2012

5032/12

**CADREFIN 1
POLGEN 1**

NOTE

from: Presidency
to: Permanent Representatives Committee
Subject: Multiannual Financial Framework (2014-2020)
- Organisation of work within the Council in the first semester 2012

1. On 9 December 2011 the European Council welcomed the intensive preparatory work carried out during the second semester of 2011 on the future Multiannual Financial Framework (MFF) and took note of the report submitted by the Presidency. It called on the incoming Presidency to press ahead with the work aimed at developing a basis for the final stage of negotiations, to be discussed at the European Council in June 2012. It reiterated also its invitation to the institutions to cooperate to ensure the adoption of the Multiannual Financial Framework by the end of 2012.
2. Accordingly, the objective of the Danish Presidency is to produce a solid basis for a substantial discussion on the future MFF at the European Council meeting in June 2012. The discussions at Council level should therefore serve to narrow gaps between delegations' positions on the key issues and, where possible, reconcile them, in order to meet this ambitious timeframe. The Presidency will conduct this preparatory phase in close cooperation with the Commission and the President of the European Council.

3. It is important to note that pursuing work on an individual policy basis, amounts or specific issues should not lead to a loss of overview of what has to remain a global negotiation, where nothing can be considered as agreed until everything is agreed. Building on the methodology presented jointly by the Hungarian, Polish, Danish and Cypriot Presidencies¹, the present note sets out the Presidency's approach on the organisation of work during the first semester 2012.
4. Following the method successfully used in previous negotiations, work within the Council, once it has reached sufficient maturity following technical clarifications, will be conducted through a "Negotiating Box". This Box will outline the structure of the conclusions of the European Council, recalling the main issues and options and reflecting the outcome of the orientation debates held in the General Affairs Council.
5. The General Affairs Council (GAC) will continue to be responsible for this dossier, in line with its role, stipulated in the Council's rules of procedure, both in coordinating the work on the MFF and in preparing European Council meetings. On 31 January 2012, the discussions in the GAC will be dedicated to the main priorities and the budgetary framework including the overall amounts presented in the Commission's proposals. The GAC will hold orientation debates in March and April. From May it will discuss the "Negotiating Box". An informal meeting of Ministers for European Affairs will be held on 10-11 May 2012.
6. Discussions in other Council configurations will not lead to conclusions or otherwise prejudice the outcome of the horizontal debate on the MFF. The particular interest of the Economic and Financial Affairs Council (ECOFIN) is recognized; Finance Ministers will be given an opportunity to take stock of progress and exchange views.

¹ Doc. 12184/11.

7. Throughout the whole process, a strict demarcation will be kept between the financial and non-financial issues. Detailed examination of the Commission's sectoral legislative proposals will continue actively in the relevant working parties, leaving aside the financial and horizontal aspects. It is important to make as much progress as possible on the sectoral legislative proposals that should be adopted as soon as possible to allow successful implementation from 1 January 2014 and allow for a smooth transition to the next MFF. The Presidency will therefore propose to continue intensive work on these proposals, aiming at a partial general approach, i.e. pending the European Parliament's vote in plenary, an agreement on the non-budgetary aspects of the proposals, with the exception of issues or provisions which are discussed in the framework of the overall negotiation on the MFF.
8. COREPER will have the responsibility for preparing the work of the General Affairs Council on the MFF, particularly when it comes to developing the "Negotiating Box". As of mid-May it will hold regular discussions on the Box.
9. In doing so it will be supported by the "Friends of the Presidency" working party (FoP). During the months of January and February, work in the FoP will focus on clarifying technical financial issues raised by those Commission's proposals which were not yet available at the moment of discussions in the second semester of 2011. In February, it will hold discussions on specific outstanding questions relating to the future MFF, on the basis of questionnaires provided by the Presidency. From March, the FoP will discuss all aspects of the future MFF, in particular those on which there are persisting gaps between delegations' positions, with a view to providing input to the Presidency for the elaboration of the "Negotiating Box".

10. As has already been the practice, throughout this process, the Presidency will cooperate closely with the European Parliament in order to facilitate the timely adoption of the relevant decisions. This cooperation will continue to be held in accordance with provisions contained in the letter addressed by Prime Minister Orban, on behalf of the Hungarian, Polish, Danish and Cypriot Presidencies, to President Buzek on 6 June 2011. In particular, it will organise briefings and debriefings of representatives of the European Parliament in the margins of each GAC meeting where the MFF is on the agenda. The Presidency will also inform the GAC of the outcome of its discussions with the EP.

11. The Presidency will take the initiative to organise a conference in partnership with the European Parliament and the Commission with representatives of all EU institutions and national parliaments.

PROVISIONAL WORK CALENDAR
JANUARY & FEBRUARY 2012

10 January	COREPER: information on organisation of work
13 January	Friends of the Presidency: information on organisation of work; outstanding clarifications of programmes under Heading 1 (except cohesion and Connecting Europe Facility)
20 January	Friends of the Presidency: outstanding clarifications on large scale projects and programmes under Heading 3
25 January	COREPER: GAC preparation Own Resources Working Group: outstanding clarifications on the legal aspects of the new own resources
27 January	Friends of the Presidency: outstanding clarifications on programmes under Heading 4 + EDF and Heading 5
31 January	GENERAL AFFAIRS COUNCIL: orientation debate on the main priorities and the budgetary framework including the overall amounts
1 February	Own Resources Working Group: outstanding clarifications on the proposed VAT own resource
3 February	Friends of the Presidency: outstanding clarifications (if needed) and discussion on horizontal issues on the basis of questions from the Presidency
8 February	COREPER: state of play on the basis of technical work (MFF and revenue side)
10 February	Friends of the Presidency: discussion on Headings 1 (except cohesion and CEF) and 3 on the basis of questions from the Presidency
17 February	Friends of the Presidency: discussion on Headings 4 and 5 on the basis of questions from Presidency
24 February	Friends of the Presidency: discussion on Heading 1 (cohesion and CEF) on the basis of questions from Presidency
29 February	Friends of the Presidency: discussion on Heading 2 on the basis of questions from Presidency