



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 2 April 2012

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NOTE

from : General Secretariat of the Council
to : Delegations

Subject: Summary of the meeting of the European Parliament's **Committee on Budgets**
(BUDG) held in Brussels on 29 March 2012

The meeting was chaired by Mr LAMASSOURE (EPP, FR) and by Ms HAUG (S&D, DE).
(The numbering refers to the items as listed on the agenda.)

ITEM 4. 2013 BUDGET - MANDATE FOR TRILOGUE

Rapporteur: Mr LA VIA (EPP, IT)

The rapporteur presented the results of the budgetary trilogue which took place on 26 March. The Council presented its guidelines for the budget 2013, insisting on the need for a realistic budget. The European Parliament recalled its priorities. The main steps of the budgetary procedure were also agreed, the conciliation procedure ending on 13 November 2012.

Ms BALZANI (S&D, IT) informed the members that draft amending budget No 2/2012, concerning the mobilisation of the Solidarity Fund for Italy, was also mentioned during this trilogue. The Commission asked for a rapid solution but Ms BALZANI regretted that the Council was not able to consider the urgency of this request.

Mr HAGLUND (ALDE, FI) highlighted the need to renegotiate an appropriate level of payments with the Council. He urged the European Parliament to be united and determined in order to reach an agreement in November, taking into account the additional challenge of the ongoing negotiations on the next Multiannual Financial Framework. He considered that it was urgent to accelerate the implementing measures of the "Europe 2020" Strategy already from 2013. Moreover, he was opposed to any redeployment for ITER which could jeopardise this Strategy. He also recalled the commitments as regards Palestine.

Mr GODMANIS (ALDE, LV) asked the Commission for information on the measures taken to ensure additional payments for cohesion.

Ms GARDIAZÁBAL RUBIAL (S&D, ES) welcomed that the principle of an interinstitutional meeting on payments was agreed during the trilogue. However, she was afraid that the Council intended to reduce the level of commitments to keep sufficient margins. Supported by Ms HAUG, she considered such measures as impossible taking into account the commitments already made, notably as regards ITER or Croatia. She urged the European Parliament to stand firm.

Mr FERNANDES (EPP, PT) considered that the Council was acting against itself by reducing payments. Concerning draft amending budget No 2/2012, he considered that the Council was responsible for the delays.

The Commission representative assured that all the payments requested at the end of 2011 would be made by April. In his opinion, it was not excluded that a similar pressure for payments would happen at the end of 2012 and it was probable that a lack of payments would again appear. In this case, the Commission would look for solutions first by transfers and after that, if needed, by a proposal for an amending budget. However, it was too early to exactly foresee the situation. He also confirmed that the draft budget 2013 would be based on reasonable forecasts.

ITEM 5. DRAFT AMENDING BUDGET NO 1/2012: FINANCING OF ITER

Rapporteur: Ms BALZANI (S&D, IT)

The rapporteur's draft report, suggesting approving, without amendment, the Council's position on draft amending budget No 1/2012, in line with the agreement reached at the trilogue on 1 December 2011, was adopted.

ITEM 6. MFF 2014-2020 / OWN RESOURCES

*Rapporteurs: Mr BÖGE (EPP, DE), Mr KALFIN (S&D, BG), Mr DEHAENE (EPP, BE),
Ms JENSEN (ALDE, DK)*

Mr KALFIN informed the members on the outcome of the briefing and de-briefing session of the GAC meeting of 26 March. The Danish Presidency presented a first document concerning the "negotiating box" containing the most central issues and options. Concerning the amounts, some Member States requested some reductions. As regards flexibility, which is a crucial issue for the European Parliament, some Member States asked for more flexibility and others wanted it to be decreased. There were also various opinions on the inclusion in the budget or not of some items, e.g. the European Development Fund. The rapporteur recalled that the European Parliament was in favour of the inclusion of such items in the budget. The next GAC meeting was scheduled in April and will cover Cohesion policy and Agriculture. Discussions on the negotiating box will continue in May. It was expected that the European Council would discuss the negotiating box at the end of June.

Mr KALFIN also informed the members on the outcome of the "contact group" that discussed internal procedures. To ensure a horizontal approach concerning the examination of all the Commission's proposals related to the next MFF, it was recommended to stop the procedures inside the specialised committees before the first reading. Interim reports could be issued once the Council's position on the negotiating box was known. The procedure could be finalised in November.

Mr RIQUET (EPP, FR) pointed out that it was not always possible to exclude figures from the legislative work. Even if the vote in plenary was postponed, an agreement in a committee on legislative aspects could be called into question if initial figures proposed by the Commission were modified. He took as an example the proposal on the Connecting Europe Facility. Mr GARRIGA POLLEDO (EPP, ES), Ms HAUG, Mr LA VIA and Mr KALFIN agreed with Mr RIQUET that this issue was sensitive. Mr KALFIN concluded that the committees had to make clear that all their positions were pending decisions on final amounts and could be modified.

ITEM 7. THE ANNUAL REPORT FROM THE COUNCIL TO THE EUROPEAN PARLIAMENT ON THE COMMON FOREIGN AND SECURITY POLICY

Rapporteur: Ms NEYNSKY (EPP, BG)

The rapporteur presented her draft opinion for AFET. She wanted to point out that, despite the growing ambitions of the CFSP, the outturn in 2010 was only 3.5 % of overall heading 4 appropriations. She notably welcomed the fact that Mr LAMASSOURE sent a letter to the Council to ask to justify the high increase in the CFSP budget in 2012, where the increase in commitments was three times higher than the increase in payments. In her report, she also asked for greater pooling and sharing of key military capabilities, improved capacities to plan and conduct missions and operations, and integration of civilian and military missions and operations. She supported the request to include budget lines for all missions. Moreover, she regretted that the overview of all the financial implications of missions conducted under the CFSP was not sufficient.

The vote in BUDG will take place on 31 May (deadline for amendments: 25 April).

ITEM 8. ESTABLISHING A PARTNERSHIP INSTRUMENT FOR COOPERATION WITH THIRD COUNTRIES

Rapporteur: Mr KOZLOWSKI (EPP, PL)

The rapporteur presented his draft opinion for INTA on this new instrument which would replace the existing financing Instrument for Cooperation with Industrialised and other high income countries and territories (ICI). He intended to insist in his report on the need for more coherence and coordination of various forms of funding and on the need for full integration of the budgetary authority in decision-making and implementation. He also wanted to insist on the role of SMEs and on the essential role of this instrument as regards the "Europe 2020" Strategy.

The vote in BUDG will take place on 31 May (deadline for amendments: 25 April).

ITEM 9. FINANCIAL RULES APPLICABLE TO THE ANNUAL BUDGET OF THE UNION

Rapporteurs: Ms GRÄSSLE (EPP, DE), Mr RIVELLINI (EPP, IT)

Ms GRÄSSLE informed the members on the last developments on this issue. After two additional technical trilogues, many agreements have been reached. However, supported by the Commission representative, Ms GRÄSSLE pointed out the remaining important outstanding issues such as shared management (where the European Parliament requested a clear definition of responsibilities of all the actors), prizes, financial instruments, eligibility of costs related to VAT, discharge, research, trust funds, public-private partnerships, buildings and delegated act. She considered that some problems could be still solved but that pending issues should be discussed during political trilogues. She also answered questions from Ms HAUG on VAT and from Mr GARRIGA POLLEDO on transfers at the end of the year.

ITEM 10. COMMON SYSTEM FOR TAXING FINANCIAL TRANSACTIONS AND AMENDMENT TO DIRECTIVE 2008/7/EC

Rapporteur: Ms JENSEN (ALDE, DK)

The rapporteur's draft opinion for the Committee on Economic and Monetary Affairs was adopted.

ITEM 11. 2012 BUDGET: SECTION III - COMMISSION

Rapporteur: Ms BALZANI (S&D, IT)

No transfer requests were presented.

ITEM 12. 2012 BUDGET: OTHER SECTIONS

Rapporteur: Mr FERNANDES (EPP, PT)

The request EESC 01/2012 by the European Economic and Social Committee, according to Article 47(1) of the Financial Regulation, concerning the conversion of two AST posts into AD posts was approved.

ITEM 13. BUILDINGS POLICY

Rapporteur: Ms HOHLMEIER (EPP, DE)

No dossier was received.

ITEM 14. ANY OTHER BUSINESS

No other item was discussed.

ITEM 15. DATE OF NEXT MEETING

25 April, 9h00-12h30 and 15h00-18h30 (Brussels)
