



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 6 June 2012

10925/12

**PE 248
FIN 404
INST 392**

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 31 May 2012

The meeting was chaired by Mr LAMASSOURE (EPP, FR).

Item 5 on the agenda

2013 budget - mandate for trilogue

BUDG/7/08796

Rapporteur: Mr LA VIA (EPP, IT)

This item was postponed.

Item 6 on the agenda

MFF 2014-2020 / Own resources

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

Mr LAMASSOURE informed the Committee on the GAC briefing and de-briefing meeting of 29 May and on the meetings of the contact group. The discussions concerned the "negotiating box" which will be on the agenda of the European Council in June. Mr LAMASSOURE welcomed the fact that the only two items of this European Council were the MFF and the support to economic growth, as both subjects needed to be linked. Concerning the "negotiating box", he regretted that

co-decision issues were present in this text, that there were no figures but only different options and texts in brackets. He considered that the negotiations were still not initiated and that the European Council of June would not be ready to take decisions or to adopt orientations. The EP delegation again insisted on its priorities: the need for sufficient amounts, the link to be made with own resources, the need for flexibility and the principle that nothing was agreed as long as everything was not agreed. The European Parliament was preparing a resolution to be discussed in Plenary in order to recall EP priorities in terms of flexibility. Supported by Mr KALFIN, Mr LAMASSOURE considered this resolution as essential and as a basis for the negotiations. In their opinion, flexibility was necessary in the MFF but also in specific regulations, especially since the budget was reduced. Mr BÖGE asked the Committee for comments on the draft resolution and urged the Commission for more cooperation. He strongly regretted that, in his opinion, the Commission seemed sometimes more in favour of intergovernmental agreements.

Item 7 on the agenda

Draft amending budget No 3 for 2012: Surplus from the 2011 financial year

BUDG/7/09369

Rapporteur: Ms BALZANI (S&D, IT)

This item was postponed.

Item 8 on the agenda

Support from the European Regional Development Fund to the 'European territorial cooperation' goal

BUDG/7/07458

Rapporteur: Mr GEIER (S&D, DE)

The rapporteur welcomed the Commission's proposal and considered this programme as a real added value for EU cohesion. He supported the proposed increase and the simplification efforts notably by the use of lump sums. He wanted to insist on the need for simplification for the final beneficiaries who have to enforce different sets of rules. Supported by Mr LAMASSOURE, he considered that administrative burden could be generated not only by EU rules but also by Member States' or regional rules.

Mr SURJÁN (EPP, HU) supported the rapporteur and wanted to keep the same financing level as for the current MFF.

Mr GODMANIS (ALDE, LV) and Mr LAMASSOURE underlined some implementation problems in this policy field.

Mr ALFONSI (GREENS, FR) wanted to recall EP's position which requested an increase by 7% for this programme.

The vote in BUDG will take place on 20/21 June 2012.

Item 9 on the agenda

Cohesion Fund and repeal of Council Regulation (EC) No 1084/2006

BUDG/7/07465

Rapporteur: Mr COZZOLINO (S&D, IT)

and

Item 11 on the agenda

Specific provisions concerning the European Regional Development Fund and the "Investment for growth and jobs" goal and repeal of Regulation (EC) No 1080/2006

BUDG/7/07475

Rapporteur: Mr COZZOLINO (S&D, IT)

Both items were dealt with together.

The rapporteur regretted that the Commission proposed a reduced budget for the next MFF in both cases and wondered how the objectives could be reached in such conditions. He wanted to maintain the current amounts. Concerning the transfer from the Cohesion Fund of EUR 10 billion which would be ring-fenced to finance transport projects under the Connecting Europe Facility (CEF), he wanted the interests of the Member States concerned to be ensured. As regards ERDF, he welcomed the efforts of simplification and the focus on the EU 2020 Strategy. He intended to insist in his draft opinion on activities related to tourism and culture and this idea was supported by Mr ALFONSI.

Mr SURJÁN and Mr ALFONSI supported the rapporteur. Mr SURJÁN and Mr GODMANIS insisted on the need to keep the current level of the MFF and not to ask for higher amounts.

Mr GODMANIS pointed out that the Member States were worried about the transfer of EUR 10 billion for the CEF as they were not assured that their national share was respected. Supported by Mr FÄRM (S&D, SE) and Mr GARRIGA POLLEDO (EPP, ES), Mr RIQUET (EPP, FR) supported the ring-fencing of EUR 10 billion, as it would provide added value, and he pointed out that it was not a transfer: if those EUR 10 billion were taken from the CEF, they would not return to the cohesion.

Mr ELLES (ECR, UK) insisted on the need to develop high-speed broadband networks to promote growth and employment.

Mr LAMASSOURE pointed out that the cohesion policy was not only a redistribution of funds from richer to poorer countries or regions but should ensure added value.

The vote in BUDG will take place on 20/21 June.

Item 10 on the agenda

Common provisions on European Funds and repealing Regulation (EC) No 1083/2006

BUDG/7/07486

Rapporteur: Mr VAUGHAN (S&D, UK)

The rapporteur welcomed the fact that the Commission proposed uniform rules for all funds and simplification measures by harmonising rules and using lump sums. However, he questioned the introduction of macro-economic conditionalities and the proposed performance reserves. In his opinion, this last measure would prioritise the simplest projects. Moreover, he was concerned by the decrease of EUR 18 billion in the next MFF and recalled the SURE resolution requesting to maintain at least the current amounts.

Mr GODMANIS informed the Committee on the state of play of this item in REGI which intended to considerably amend the Commission's proposal. REGI was notably opposed to macro-economic conditionalities.

Mr SURJÁN supported the rapporteur. Even if it was not allowed to discuss the amounts at this stage, he wanted to make clear that the level of 2007-2013 should be maintained. He also considered that the main issue was the efficiency of the use of the funds.

Mr LAMASSOURE pointed out that macro-economic conditionalities already existed. He mainly questioned the use of those conditionalities for all funds and also their use at a national instead of a regional level.

The vote in BUDG will take place on 20/21 June.

Item 12 on the agenda

Instrument for Nuclear Safety Cooperation

BUDG/7/08200

Rapporteur: Mr KOZLOWSKI (EPP, PL)

The rapporteur noted the increase proposed by the Commission in this area. He welcomed the efforts for more transparency and simplification. However, he wanted to emphasize the need for better coordination, consistency and complementarity on EU and national levels and also with other international, local and regional organisations. He considered the nuclear industry as an important source of energy. He also intended to underline in his opinion the importance of providing funding to candidate, potential candidate and European Neighbourhood Instrument beneficiaries.

Ms TRÜPEL (GREENS, DE), Ms MUÑIZ DE URQUIZA (S&D, ES) and Mr GEIER (S&D, DE) agreed to promote actions for the safety of existing infrastructures. They could support the rapporteur on budgetary aspects but not on the "ideological parts" of his draft opinion, notably concerning the development of nuclear energy.

Item 13 on the agenda

Establishing a financing instrument for development cooperation

BUDG/7/08333

Rapporteur: Mr KOZLOWSKI (EPP, PL)

The rapporteur pointed out the increase proposed by the Commission in this instrument. He wanted to insist in his opinion on the risk that allocations for fighting climate change could jeopardise the main objectives of this instrument, namely poverty eradication or promotion of democracy and human rights. He considered that those objectives were preconditions for establishing a functioning and stable market economy in the developing countries. He also intended to underline that the Union was better placed to ensure coordination and planification.

Ms MUÑIZ DE URQUIZA regretted that the rapporteur had broadened the scope of the instrument by including the budgetary stability as a key element. She also wanted to better define the concept of "social development" and to clarify issues related to coherence between this instrument and other EU policies.

The vote in BUDG will take place on 12 July 2012.

Item 14 on the agenda

Innovative financial instruments in the context of the next Multiannual Financial Framework (MFF)

BUDG/7/08736

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

The rapporteur recalled the Commission's proposals and presented the main issues she intended to develop in her draft report. She wondered if EIB should be the only partner or if it was necessary to enlarge the cooperation. A second issue was if the amount foreseen by the Commission was sufficient or not. A third issue was the problem of the reflows and a fourth one the issue of the risk for the EU budget. On this last issue, supported by Ms JENSEN and by Mr GARRIGA POLLEDO, she considered that the risk was limited to the amount marked on the budget line.

Ms JENSEN supported the Commission's approach and also wanted to analyse what was worth continuing with and what was to be improved. She expressed some concerns on the project bonds where EU would support an independent market. She also recognised the leverage effect of the risk sharing instrument. As regards the EIB, she considered that the cooperation could be improved, notably as regards development issues. Concerning reflows, she recognised that this issue was to be taken into account.

Mr GARRIGA POLLEDO said that his group supported the rapporteur and also considered the financial instruments as essential. He underlined however that the financial instruments should be used in specific cases, for viable projects with difficult support from the market. He also insisted on the need for a balance between budgetary control and flexibility and for a consistency with the EU 2020 Strategy. Moreover, those instruments should be attractive for the investors.

Mr LA VIA insisted on the need for financial instruments, notably in the Connecting Europe Facility. He wanted the project bonds to be implemented as soon as possible. He was also in favour of a recapitalisation of the EIB.

The Commission representative recalled that the financial instruments should be first agreed in the Financial Regulation. Supported by Mr KALFIN, Mr LAMASSOURE and the rapporteur, he mentioned that the reflows issue was far from being solved, as the Member States were opposed to their reinvestment.

Mr LAMASSOURE confirmed that a research study on financial instruments in EU policies would be presented on 20 June with the participation of representatives of the Court of Auditors.

The vote in BUDG will take place on 12 July and in the Plenary in September.

Item 15 on the agenda

European Globalisation Adjustment Fund (2014-2020)

BUDG/7/07503

Rapporteur: Ms SOUSA (GUE, PT)

This item was postponed.

Item 16 on the agenda

'ERASMUS FOR ALL' - The Union Programme for Education, Training, Youth and Sport

BUDG/7/07911

Rapporteur: Ms JĘDRZEJEWSKA (EPP, PL)

This item was postponed.

Item 17 on the agenda

Draft amending budget No 2 for 2012: EU Solidarity Fund appropriations to address flooding in Italy (Liguria and Tuscany) in 2011

BUDG/7/09159

Rapporteur: Ms BALZANI (S&D, IT)

The rapporteur's draft report, approving the Council's position, was adopted without amendment.

Item 18 on the agenda

Mobilisation of the European Globalisation Adjustment Fund: EGF/2012/000 TA 2012 - Request for technical assistance at the initiative of the Commission

BUDG/7/09278

Rapporteur: Mr KOZŁOWSKI (EPP, PL)

The Council's position on this proposal was to reduce the amount from EUR 1.12 million to EUR 730 000. The Committee voted in favour of an amendment proposed by the rapporteur aligning the proposed amount with the Council's position.

The rapporteur's draft report was adopted.

Item 19 on the agenda

Mobilisation of the European Globalisation Adjustment Fund: EGF/2011/020

ES/Comunidad Valenciana - Footwear, Spain

BUDG/7/09478

Rapporteur: Ms MATERA (EPP, IT)

The rapporteur's draft report was adopted.

Item 20 on the agenda

Mobilisation of the EU Solidarity Fund - floods in Liguria and Tuscany

BUDG/7/09157

Rapporteur: Mr FERNANDES (EPP, PT)

The rapporteur's draft report was adopted.

Item 21 on the agenda

Health for Growth Programme, the third multi-annual programme of EU action in the field of health for the period 2014-2020

BUDG/7/07743

Rapporteur: Ms WERTHMANN (NI, AT)

The rapporteur's draft report and legislative resolution were adopted.

Item 22 on the agenda

Consumer programme 2014-2020

BUDG/7/07738

Rapporteur: Mr FERNANDES (EPP, PT)

The rapporteur's draft report and legislative resolution were adopted.

Item 23 on the agenda

Establishing a European Neighbourhood Instrument

BUDG/7/08324

Rapporteur: Mr KOZŁOWSKI (EPP, PL)

The rapporteur's draft report and legislative resolution were adopted.

Item 24 on the agenda

The Annual Report from the Council to the European Parliament on the Common Foreign and Security Policy

BUDG/7/09132

Rapporteur: Ms NEYNSKY (EPP,BG)

The rapporteur's draft report was adopted.

Item 25 on the agenda

Establishing a Partnership Instrument for cooperation with third countries

BUDG/7/08339

Rapporteur: Mr KOZŁOWSKI (EPP, PL)

The rapporteur's draft report and legislative resolution were adopted.

Item 26 on the agenda

Implementation and exploitation of European satellite navigation systems

BUDG/7/08052

Rapporteur: Ms CARVALHO (EPP, PT.)

The rapporteur's draft report and legislative resolution were adopted.

Item 27 on the agenda

European statistical programme 2013-2017

BUDG/7/08393

Rapporteur: Mr EPPINK (ECR, BE)

The rapporteur's draft report and legislative resolution were adopted.

Item 28 on the agenda

Amendment of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007-2013) and of Regulation (EC) No 680/2007 laying down general rules for the granting of Community financial aid in the field of the trans-European transport and energy networks

BUDG/7/07790

Rapporteur: Mr FÄRM (S&D, SE)

BUDG endorsed the political agreement reached during the trilogue on 22 May 2012. The text should be adopted by Plenary in July.

Item 29 on the agenda

EU Programme for Social Change and Innovation

BUDG/7/07511

Rapporteur: Ms GRELIER (S&D, FR)

The rapporteur's draft report was adopted.

Item 30 on the agenda

2012 budget: Section III - Commission

Rapporteur: Ms BALZANI (S&D, IT)

DEC07/2012 (release of an EPSO reserve)

DEC08/2012 (release of a reserve concerning communication)

DEC09/2012 (transfer from title 32 (Energy projects to aid economic recovery) to title 08 (Cooperation - Health))

DEC10/2012 (EGF case)

DEC13/2012 (Emergency Aid Reserve - Sahel))

These five transfers were approved.

Concerning DEC07/2012, Ms JĘDRZEJEWSKA asked EPSO for additional information on the real cost of recruitment.

Concerning DEC09/2012, Mr LAMASSOURE pointed out that, according to the Financial Regulation, as the Council had approved a lower amount, it was this amount which would be finally retained. Like Mr HARTONG, he also expressed his concerns about the low implementation of the Energy projects to aid economic recovery. He pointed out that problems were often related to projects involving several countries and asked to take this into account in the future.

Item 31 on the agenda

2012 budget: Other sections

Rapporteur: Mr FERNANDES (EPP, PT)

No transfer requests were presented.

Item 32 on the agenda

Buildings policy

BUDG/7/04688

Rapporteur: Ms HOHLMEIER (EPP, DE)

This item was postponed.

Item 33 on the agenda

Any other business

No other item was discussed.

Item 34 on the agenda

Date of next meeting

20 June 2012, 9h00 - 12h30 and 15h00 - 18h30 (Brussels)

21 June 2012, 9h00 - 12h30 (Brussels)
