



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 20 July 2012

12804/12

**FIN 577
INST 476
PE-L 54**

"I/A" ITEM NOTE

from :	General Secretariat of the Council
to :	Permanent Representatives Committee/Council
Subject :	Draft joint statement on payment appropriations in the 2012 and 2013 budgets - Follow-up of the trilogue on 9 July 2012

1. At the trilogue on 9 July 2012, the Commission proposed a draft joint statement on payment appropriations in the 2012 and 2013 budgets. The European Parliament suggested additional elements to be included in this draft joint statement. The proposed draft joint statement, including the additional paragraphs proposed by the European Parliament, is set out in ANNEX 1. The Council indicated at the trilogue that it would examine the proposed draft joint statement and the additional elements suggested by the European Parliament.
2. The Budget Committee, at its meeting on 17 July 2012, examined the draft joint statement proposed by the Commission and the additional elements suggested by the European Parliament.
3. Following that examination, the Budget Committee did not reach an agreement at this stage on the proposed draft joint statement and on the additional elements suggested by the European Parliament.

4. The Permanent Representatives Committee is therefore invited to advise the Council to:

- take note of the draft joint statement proposed by the Commission and the additional elements suggested by the European Parliament, and of the outcome of their examination by the Budget Committee;
- approve the draft letter to the European Parliament and to the Commission to that effect, as set out in ANNEX 2.

Draft joint statement on
payment appropriations in the 2012 and 2013 budgets

"The European Parliament and the Council took note of the information provided by the Commission with regard to budget implementation in 2011 (including the 'backlog' of outstanding payment for Cohesion policy to be addressed in 2012), the current state of budget implementation in 2012, the latest forecasts of payment claims that Member States expect to submit by the end of the year (EUR 58 billion) for Cohesion Policy, and the likely developments in terms of payment requirements for the rest of the year.

The European Parliament, the Council and the Commission underline that a sufficient level of payments is needed to implement without delay and within the current MFF the fast-acting growth measures decided during the 28/29 June 2012 European Council.¹

The European Parliament, the Council and the Commission agree to closely monitor progress in budget implementation throughout the year, and on the need of a shared understanding on how to assess payment appropriations required till the end of 2012.

In this regard, the European Parliament and the Council [took note of]/[endorsed] the Commission's intention to proceed to such an assessment later in the year on the basis of the following elements:

1. progress made in budget implementation and forecasts from the Commission services till the end of the year;

¹ Additional paragraph proposed by the European Parliament.

2. with regard to Cohesion Policy and Rural Development: applications for payment received from Member States; the impact of any payment interruptions/suspensions on programmes; the split of Member State forecasts between January-October and November-December (Cohesion policy); end-of-September updates of Member States' forecasts of applications for payment to be submitted by the end of 2012; the historical year-end patterns relating to the submission of applications for payment (Cohesion policy); and the evolution of closures relating to the 2000-2006 programmes;
3. outstanding needs under other expenditure headings;
4. the possibility of redeployment from budget lines whose authorised payment appropriations will not be fully used before the end of the year.

If necessary, [in October] the Commission will present an amending budget.

The European Parliament and the Council also acknowledged the Commission commitment to provide any further relevant update in due time before and during the conciliation on budget 2013.

The European Parliament and the Council took note that the level of payment appropriations requested by the Commission in the 2013 draft budget is based on the assumption that 2012 needs will be fully addressed by appropriations authorised in the 2012 budget.

The Parliament and the Council ask the Commission to submit a draft amending budget if the payment appropriations entered in the 2012 and 2013 budget are insufficient to cover expenditure under sub-heading 1a (Competitiveness for growth and employment), sub-heading 1b, heading 2 and heading 4 (EU as a global player). The Parliament and the Council will take position on the draft amending budget as quickly as possible in order to avoid any shortfall in payment appropriations in the 2012 budget and to implement without delay and within the current MFF the fast-acting growth measures decided during the 28/29 June 2012 European Council.¹

¹ Additional paragraph proposed by the European Parliament.

Moreover, the Parliament and the Council ask the Commission to submit as early as possible the letter of amendment for agriculture (including information about the possible carry-over of assigned revenue) and, if necessary, a letter of amendment concerning sub-heading 1b in order to appropriately calibrate the level of resources in heading 2 (Preservation and management of natural resources) and sub-heading 1b in the 2013 budget.¹

¹ Additional paragraph proposed by the European Parliament.

DRAFT LETTER

from : President of the Council

to : President of the European Parliament

copy : President of the Commission

Sir,

At the trilogue on 9 July 2012, the Commission proposed a draft joint statement on payment appropriations in the 2012 and 2013 budgets. The European Parliament suggested additional elements to be included in this draft joint statement.

I have to inform you that the Council has not reached an agreement on the proposed draft joint statement and on the additional elements suggested by the European Parliament, and is therefore not in a position to support them at this stage.

(Complimentary close).
