



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 20 September 2012

14084/12

**PE 422
FIN 687
INST 546**

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 19 September 2012

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

Item 3 on the agenda

General budget of the European Union for the financial year 2013 - all sections

Co-rapporteurs: Mr VAUGHAN (S&D, UK) and Mr LA VIA (EPP, IT)

- Exchange of views

Mr LA VIA, rapporteur for the Section III of the budget (Commission), after a first coordinators meeting just before, presented a first analysis of approximately 1500 budgetary amendments tabled to the Council's position on the draft budget 2013 by committees (about 500 amendments), political groups (about 500) and individual members. The vote on these amendments will take place in BUDG on 3 and 4 October and the vote on the draft report on 10 October. The rapporteur considered that specialised committees had worked well, determining not only positive priorities but also negative ones with possible savings.

The rapporteur analysed the strategy of political groups. In his opinion, the most problematic sub-heading was sub-heading 1a - some political groups respecting the ceiling of the MFF, whereas S&D requested going beyond the ceiling and using the flexibility instrument for ITER. Under sub-heading 1b, all groups wanted to restore the draft budget but disagreed on the procedure to reach this objective. This issue was still to be discussed, as, in his view, some amendments could appear as very provocative towards the Council. Under heading 2, the committee concerned proposed to remain under the Commission's proposal regarding export refunds whereas other amendments asked for some specific increases. Under sub-heading 3a, amendments sought to put into reserve amounts related to five blocked files concerning Schengen. The S&D group wanted to use the whole margin under heading 4, while other groups proposed only a few increases. He concluded that, in order to reach a compromise, discussions with political groups should be continued between coordinators immediately after this meeting and possibly during subsequent bilateral meetings.

Ms GARDIAZÁBAL RUBIAL (S&D, ES) pointed out that her group had presented two groups of amendments concerning commitment appropriations. The first one included "normal" amendments related to their priorities, e.g. Lifelong learning, social dialogue, Erasmus, research etc. The second group of amendments was justified by S&D's disagreement to finance new policies by existing ones (e.g. ITER). Even if commitments should be the priority for the EP, payments remained important and she wanted the Council to explain the proposed reductions, notably during the interinstitutional meeting on payments on 26 September.

Item 4 on the agenda

Draft amending budget No 4/2012

Rapporteur: Ms BALZANI (S&D, IT)

- Presentation of a draft report

The rapporteur presented the Commission proposal. This draft amending budget proposed in the budget 2012:

- on the revenue side, to review the forecast of Traditional Own Resources (TOR), VAT and GNI bases;
- on the expenditure side, to create four new budget lines with a token entry (p.m.) for the implementation of risk-sharing instruments financed from the European Regional Development Fund and the Cohesion Fund;

- on the expenditure side again, to modify a budget line related to a Preparatory Action in order to allow final payments.

Calendar:

Deadline for amendments: 25 September 2012;

Vote in BUDG: 10 October 2012;

Vote in Plenary: 22 October 2012.

Item 5 on the agenda

MFF 2014-2020/Own resources

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

- Exchange of views

Mr LAMASSOURE briefed BUDG members on the preparation of the European Council of 22 and 23 November devoted only to the MFF. In his opinion, the EUCO meeting showed a political wish to accelerate the process although no figures had been presented until now, even in the revised Negotiating Box issued on 19 September. As usual, the EP delegation will meet the Council before and after the GAC meeting of next week, on the basis of a preparation by the Contact Group on 20 September. Mr LAMASSOURE concluded that the so-called "Interim Report" had to be prepared for its adoption during the October Plenary. He also informed BUDG members that the Council had agreed to initiate or continue negotiations (at least informally), outside figures, on the proposals to be managed by the co-decision procedure. Formal or informal trilogues could be organised.

Mr BÖGE insisted on the importance of reaching a position to be voted in Plenary. This report would not include any figures but should request maximum flexibility, clear figures and the development of new own resources.

Mr KALFIN wanted to focus on MFF and the Interinstitutional Agreement (IIA). He highlighted the need to keep the unity that the EP had until now in order to defend a really strong position.

Ms JENSEN, on behalf of Mr DEHAENE, agreed to introduce in the report a short paragraph stating the need for a reform of own resources, recommending the introduction of FTT (Financial Transaction Tax) for countries which were interested in an enhanced cooperation and the reform of VAT. Mr DEHAENE will prepare a specific report on VAT advising supporting the Commission's proposal, even if he will recommend that VAT should not be delivered to EU via national budgets but directly.

Ms DURANT (GREENS, BE) agreed with the calendar proposed for the interim report but was concerned by the absence of figures. Concerning own resources, she wanted other aspects than VAT to be treated in the report.

Mr GODMANIS (ALDE, LV) echoed rumours of a reduction by 10 % of the proposed MFF requested by some Member States and urged the Member States to present their position more clearly. Ms HAUG (S&D, DE) advised differentiating between "rumours" and Heads of States' opinions.

Mr GARRIGA POLLEDO (EPP, ES) was convinced that there would be pressure from Member States to decrease the amounts proposed by the Commission for the next MFF. Even if the interim report would not include any figures, it should clearly be stated that if not enough resources were allocated, it would be impossible to respect the Lisbon Treaty. Regarding own resources, the political position should be that any reduction in MFF could not be accepted without clear progress in own resources, at least ensuring a new VAT procedure. He advised focusing the efforts on own resources as the EP could perhaps "get nothing else".

Mr LYON (ALDE, UK) asked to focus on how to use the money the EP asked for.

Ms JEDRZEJESWSKA (EPP, PL), supported by Ms GARDIAZÁBAL RUBIAL (S&D, ES), urged the Committee not to give up expectations in advance. She wanted the report to insist on the request for a sufficient budget, at least at the level of the Commission's proposal, and on the political call for new own resources.

Mr LAMASSOURE concluded that tactically it was not in the EP's interest to present figures for the next MFF at this stage. Regarding own resources, the report would include a short global paragraph and would support Member States interested in considering FTT as a new own resource. In his view, MS introducing the FTT should be allowed to reduce their direct contribution to the EU budget. He considered the VAT issue as different, the Commission's proposal not having raised principle objections from Member States but still not having been discussed. The EP will support the Commission on this topic.

The Commission representative confirmed that the Commission would maintain its proposal for the next MFF, considered as well-balanced and in the interests of the Union. The Commission intended to continue to insist on own resources, in order to simplify VAT and to support Member States interested in introducing FTT as a new own resource.

Item 6 on the agenda

Direct payments to farmers under support schemes within the framework of the CAP

Rapporteur for the opinion: Mr LA VIA (EPP, IT)

Rapporteur for the responsible committee (AGRI): Mr CAPOULAS SANTOS (S&D)

- Exchange of views

The rapporteur intended in his report to stress the flexibility between the first and the second pillar, and to review the so-called "greening" level of payments and to transfer unused amounts under the first pillar to the second pillar.

Mr LYON (ALDE, UK) questioned the proposed reduction related to greening.

Calendar:

Deadline for amendments: 13 September 2012;

Vote in BUDG: 10-11 October 2012;

Vote in AGRI: 10 November 2012.

Item 7 on the agenda

Common organisation of the markets in agricultural products (Single CMO Regulation)

Rapporteur for the opinion: Mr LA VIA (EPP, IT)

Rapporteur for the responsible committee (AGRI): Mr DANTIN (EPP)

- Exchange of views

In this report, Mr LA VIA wanted to ask for a reinforcement of the action of the less represented producer organisations.

Calendar:

Deadline for amendments: 13 September 2012;

Vote in BUDG: 10-11 October 2012;

Vote in AGRI: 10 November 2012.

Item 8 on the agenda:

Support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

Rapporteur for the opinion: Mr LA VIA (EPP, IT)

Rapporteur for the responsible committee (AGRI): Mr CAPOULAS SANTOS (S&D)

- Exchange of views

Mr LA VIA intended to propose in his report eliminating the provisions aiming to create a prize for innovative, local cooperation in rural areas, considered as too complex compared with the anticipated results.

Mr LYON questioned this deletion.

As for Items 6 and 7, Ms DURANT was concerned by the content of the rapporteur's amendments, which she considered as out of the scope of BUDG.

Calendar:

Deadline for amendments: 13 September 2012;

Vote in BUDG: 10-11 October 2012;

Vote in AGRI: 10 November 2012.

Item 9 on the agenda:

Financing, management and monitoring of the CAP

Rapporteur: Mr PAPASTAMKOS (EPP, EL)

- Exchange of views

The rapporteur highlighted two priorities: simplification and protection of the interests of the Union. In his opinion, in the context of budgetary consolidation in the Member States, it was crucial to avoid excessive administrative costs, to implement effective and proportionate controls and to aim at efficiency.

Mr ASHWORTH (ECR, UK) and Mr LA VIA supported the rapporteur, notably regarding simplification priorities. They regretted that the CAP reform did not simplify the procedures.

Mr LYON insisted on the need for the EP to ensure to have a say in the decisions in this area.

Calendar:

Deadline for amendments: 13 September 2012;

Vote in BUDG: 10-11 October 2012;

Vote in AGRI: November 2012.

Item 10 on the agenda:

European Globalisation Adjustment Fund (EGF) - application EGF/2012/001 IE/Talk Talk from Ireland

Rapporteur: Mr DAERDEN (S&D, BE)

- Exchange of views

The rapporteur briefly presented the request.

Calendar:

Deadline for amendments: 20 September 2012;

Vote in BUDG: 10-11 October 2012.

Item 11 on the agenda:

Mobilisation of the European Globalisation Adjustment Fund: application EGF/2011/019 ES/Galicia Metal/Spain

Rapporteur: Mr ALVARO (ALDE, DE)

- Exchange of views

The rapporteur briefly presented the request and recommended approving it.

Calendar:

Deadline for amendments: 20 September 2012;

Vote in BUDG: 10-11 October 2012;

Item 12 on the agenda:

Mobilisation of the European Globalisation Adjustment Fund: application EGF/2011/015/SE/AstraZeneca

Rapporteur: Mr RIQUET (EPP, FR)

- Exchange of views

The rapporteur briefly presented the request and recommended approving it.

Calendar:

Deadline for amendments: 20 September 2012;

Vote in BUDG: 10-11 October 2012.

Item 13 on the agenda:

Mobilisation of the European Globalisation Adjustment Fund: application EGF/2011/021 NL/Zalco from the Netherlands

Rapporteur: Mr DAERDEN (S&D, BE)

- Exchange of views

The rapporteur briefly presented the request.

Ms HAUG (S&D, DE) questioned the contribution from EGF to countries such as NL or SE which requested the deletion of this fund in the next MFF. Mr LAMASSOURE pointed out that the same reasoning could apply to the contribution of Structural Funds.

Calendar:

Deadline for amendments: 20 September 2012;

Vote in BUDG: 10-11 October 2012.

Item 14 on the agenda:

Mobilisation of the European Globalisation Adjustment Fund: application EGF/2010/015 FR Peugeot - France

Rapporteur: Mr COTTIGNY (S&D, FR)

- Exchange of views

The rapporteur presented the request and recommended approving it. He highlighted the excessive length of the procedure.

Calendar:

Deadline for amendments: 20 September 2012;

Vote in BUDG: 10-11 October 2012.

Item 15 on the agenda:

Mobilisation of the European Globalisation Adjustment Fund: application EGF/2011/009 NL/Gelderland

Rapporteur: Mr DAERDEN (S&D, BE)

- Exchange of views

The rapporteur briefly presented the request.

Calendar:

Deadline for amendments: 20 September 2012;

Vote in BUDG: 10-11 October 2012.

Item 16 on the agenda

Establishing the European Border Surveillance System (EUROSUR)

Rapporteur for the opinion: Mr RIQUET (EPP, FR)

Rapporteur for the responsible committee (LIBE): Mr MULDER (ALDE)

- Exchange of views

The rapporteur supported the development of EUROSUR and presented some amendments related to sound financial management. He underlined the complexity of the system, with three levels of management: direct, indirect and shared management, with the two MFF concerned: the current and the next. Moreover, several funds were related to the system but with not defined amounts in the current and in the next MFF. He also regretted the lack of criteria for the allocation of resources, even if the definition of criteria was not of the competence of BUDG.

Calendar:

Deadline for amendments: 20 September 2012;

Vote in BUDG: 18 October 2012;

Vote in LIBE: 5-6 November 2012.

VOTING TIME

Item 17 on the agenda

Connecting Europe Facility (CEF)

Rapporteur for the opinion: Mr FÄRM (S&D, SE)

Rapporteur for the responsible committee (ITRE): Ms VĂLEAN (ALDE, RO)

(TRAN): Ms AYALA SENDER (S&D), Mr RIQUET (PPE)

- Adoption of draft opinion

The report was adopted as amended with 28 votes in favour, 2 against and 3 abstentions.

Item 18 on the agenda

European Globalisation Adjustment Fund (2014 - 2020)

Rapporteur: Ms SOUSA (GUE, PT)

- Consideration and adoption

The vote was postponed but the exchange of views took place.

On the basis of the proposed amendments, the rapporteur concluded that, even if improvements in terms of efficiency and rapidity had been requested, there was a large majority in favour of the continuation of the EGF instrument in the next MFF. She underlined the contradiction of some Member States, such as NL or SE, that were opposed to the continuation of this fund but at the same time introduced applications. She considered, however, that workers of these Member States should not be penalised because of this. She was preparing compromise amendments and notably wanted to further examine the eligibility issue. She expressed her opposition to the inclusion of agriculture in this fund as proposed by the Commission.

Ms JENSEN admitted that her political group was divided on the existence of this fund. In any case she supported the rapporteur concerning the need to improve its efficiency, the scrutiny possibilities and rapidity. ALDE was opposed to the introduction of agriculture in the EGF.

Ms MATERA (EPP, IT) believed that the CY Presidency was in favour of the continuation of this fund in the next MFF. She wanted a co-financing rate of 65%, annual reports and an acceleration of the procedure and she was against the increase of the threshold concerning the number of redundancies. On this issue Mr LAMASSOURE wondered if this threshold could not be related to the population concerned in each country. Ms MATERA also asked that applications could be introduced in the language of its author. She considered that the most controversial issue in BUDG, but also in other committees, was the extension of this fund to agriculture.

Mr PAPASTAMKOS pointed out that the procedure should be simplified in order to make it more attractive. Supported by Mr FÄRM and Mr ASHWORTH, he considered that agriculture should be removed from the scope as it did not comply with the objectives. Mr ASHWORTH recalled that the objective of this fund was to help communities and not individual businesses to adapt to globalisation.

Item 19 on the agenda

The European Semester for economic policy coordination: Implementation of 2012 priorities

Rapporteur for the opinion: Ms TRAUTMANN (S&D, FR)

Rapporteur for the responsible committee (ECON): Mr GAUZES (EPP)

- Consideration and adoption

The report was adopted as amended with 27 votes in favour, 2 against and 3 abstentions.

Item 20 on the agenda

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

Rapporteur for the opinion: Ms JEDRZEJEWSKA (EPP, PL)

Rapporteur for the responsible committee (CULT): Ms PACK (EPP)

- Consideration and adoption

The report was adopted as amended with 26 votes in favour, 2 against and 3 abstentions.

Item 21 on the agenda

2012 Budget: Section III - Commission

Rapporteur: Ms BALZANI (S&D, IT)

- DEC 23 and 24/2012

These transfers were approved.

Item 22 on the agenda

2012 Budget: Other Sections

Rapporteur: Mr FERNANDES (EPP, PT)

- EP C6/2012

This transfer, related to an increase in translation and interpretation expenditure, was approved.

Item 23 on the agenda

Building policy

Rapporteur: Ms HOHLMEIER (EPP, DE)

- Exchange of views on the European Securities and Markets Authority (ESMA) extension of premises

The rapporteur proposed to issue an opinion on the project, insisting on two issues:

- the request that lease contracts with financial consequences for the EU should be notified to the Budgetary Authority in future in due time;
- the need to take price as a criterion more into consideration when the Council takes a decision on the location of an agency.

Mr HARTONG (NI, NL), Mr GARRIGA POLLEDO and Ms WERTHMANN (ALDE, AT) supported the rapporteur in her criticism of the costs related to the rent in such an expensive area. Mr GARRIGA POLLEDO and Ms HAUG advised first examining all the legal possibilities to contest this contract.

Mr LAMASSOURE took note of the fact that everybody had agreed to issue an opinion. However, he recalled that the agency had been created on the basis of a regulation voted by the EP and foreseeing that this agency would take over all the contracts, including the lease contract from its predecessor, i.e. the Committee of European Securities Regulators. He advised taking time to study the case.

Following Mr RIQUET's question, Mr LAMASSOURE admitted that the EP opinion would not be binding but that it would be difficult not to take into account an opinion from the budgetary authority. After Mr ELLES' question, he also regretted the lack of power of the EP over the BCE, as Article 314 of TFEU excluded BCE from its scope of control.

Mr LAMASSOURE concluded that the current issue could provide good arguments to persuade countries that had agencies on their territories but criticized the creation of new agencies and requested the decrease of the budget of the existing ones. In his opinion, it could also be appropriate to question in advance the choice of three locations (UK, FR and DE) for the future Community Patent Court.

Item 24 on the agenda

Any other business

None.

Item 25 on the agenda

Next meeting

3 October 2012, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)

4 October 2012, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)