



**COUNCIL OF
THE EUROPEAN UNION**

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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 3 and 4 October 2012

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

Item 4 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)

- Consideration and adoption of amendments

Approximately 1500 amendments were tabled on the Council's position by specialized committees, political groups and individual members.

Before the vote, the Commission representative welcomed the amendments aiming at restoring the draft budget proposed by the Commission, which in his opinion demonstrated a common view between the EP and the Commission about the level of payments necessary to meet previous commitments. He considered that the cut by EUR 5.3 billion in payment made by the Council was totally unacceptable, as it jeopardized the policies related to the "Europe 2020" Strategy especially under sub-headings 1a and 1b of the MFF. He also qualified the cuts made by the Council under heading 4 as "incomprehensible", as their result was below the implementation level in 2011. In his opinion, the interinstitutional meeting on payments on 26 September 2012 had shown that the Commission's forecast for 2013 was cautious and "rational" on the condition that the needs related to 2012 were covered. The Commission representative took note of the EP amendments related to its specific priorities concerning the "Europe 2020" Strategy. He also thanked the rapporteur and the specialised committees for having restored the administrative lines of the Commission. As they would make the management still more complex, he questioned, however, the amendments proposed by some political groups to put into reserve amounts under sub-heading 1b and heading 2, even if he understood their objectives (see below). Concerning SIS II, he also assured the Committee that the EP would receive all the requested information and that the creation of a reserve requesting this information would be therefore not necessary. He concluded that the Commission was preparing for the conciliation the letter of executability on the "amendments" proposed by both arms of the budgetary authority.

Mr LA VIA was aware that the vote on amendments was complex and crucial especially as 2013 was the last year of the current MFF. He pointed out that large majorities existed even if some discrepancies remained concerning some headings.

BUDG approved amendments covering all budget areas, notably:

- restoring all administrative lines (ex BA-lines) reduced by the Council in its position on the draft budget (DB);
- restoring the draft budget for all agencies, with the exception of the three financial supervisory agencies to be increased above DB;
- accepting the financing of new or existing pilot projects and preparatory actions in all headings;

- under sub-heading 1a:
 - increasing above DB in commitment appropriations only specific lines related to the "Europe 2020" Strategy with high levels of implementation and absorption capacity;
 - increasing above DB the payment appropriations of those lines in order to prevent further increases in RAL (outstanding commitments);
 - restoring DB for all other budget lines;
 - consequently proposing the mobilisation of the Flexibility Instrument for an amount of around EUR 50 million;
- under sub-heading 1b:
 - restoring DB for all lines;
 - increasing above DB a line related to the Baltic Sea Region;
- under sub-heading 3a:
 - putting in reserve 75% of the appropriations on lines related to internal security as a reaction to Council's "unilateral modification" of the legal basis concerning the "Schengen package";
 - restoring DB on the majority of other lines;
- under sub-heading 3b:
 - not increasing commitments above the ceiling;
 - increasing above DB some lines related to EP's priorities;
- under heading 4:
 - increasing above DB some specific lines, notably related to Palestine (EUR 100 million in commitments);
 - restoring DB on other lines;
- under heading 5:
 - putting in reserve the amounts corresponding to the 1,7% increase for salary and pensions adjustment, due to the outstanding Court case, (those amounts having been cut by the Council);
 - restoring DB in the Commission budget;
 - introducing new cuts in the EP budget;
 - partially restoring DB for other institutions.

The S&D and ALDE groups had proposed amendments putting into reserve the full amounts of lines in sub-heading 1b (concerning the European Social Fund, its European Regional Development Fund and the Cohesion Fund) and in heading 2 (Rural Development and European Fisheries Fund). They aimed at getting information from the Council on the payments issue.

The rapporteurs Mr La Via and Ms TRÜPEL (GREENS, DE) were opposed to those amendments.

Mr LAMASSOURE noted that those amendments tried to manage the payment issue "in a different way". He recalled that, in his opinion, the interinstitutional meeting on payments on 26 September confirmed that the Member States' forecasts of payments was "very confuse". He hoped that the negotiations on the budget could take place on a clearer basis than last year. He thought that changes in the Financial Regulation would be perhaps necessary to solve this issue.

Amendments related to the creation of reserves under sub-heading 1b and heading 2 were not approved (17 in favour, 23 against and 2 abstentions).

Item 5 on the agenda

Any other business

None.

Item 6 on the agenda

Next meetings:

- Extraordinary meeting: 8 October 2012, 15.00 – 16.30 (Brussels)
- 10 and 11 October, 9.00-12.30 and 15.00-18.30 (Brussels) (to be confirmed)