



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 10 October 2012**

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INST 576**

**NOTE**

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from :	General Secretariat of the Council
to :	Delegations
Subject:	Summary record of the meeting of the European Parliament's <b>Committee on Budgets (BUDG)</b> held in Brussels on 8 October 2012

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

***Item 2 on the agenda***

**Chairman's announcements**

**2.3. Other announcements**

As the debate and vote would both take place on 10 October, Mr LAMASSOURE informed BUDG members that 16 amendments from three political groups had been tabled on his report for an opinion to ECON on the proposal "Towards a genuine Economic and Monetary Union". He considered that amendments tabled by Mr ASHWORTH (ECR, UK) and by the GREENS group could be partly integrated in the report and he agreed with Mr KALFIN' s (S&D, BG) amendments, even if some of them were more of the competencies of ECON.

### ***Item 3 and 4 on the agenda***

#### **Interim report in the interests of achieving a positive outcome of the MFF 2014-2020 approval procedure**

Rapporteurs: Mr BÖGE (EPP, DE), Mr KALFIN (S&D, BG)

#### **Own resource based on the value added tax**

Rapporteurs: Mr DEHAENE (EPP, BE), Ms JENSEN (ALDE, DK)

- Consideration of amendments

202 amendments on the interim report had been tabled and 7 on the VAT report. The vote in BUDG will take place on 10 October and in Plenary in October.

Mr LAMASSOURE recalled that the CY documents did not yet mention any figures and that the first estimates would be issued only after the October Plenary. Mr VAN ROMPUY would organise thereafter bilateral contacts with Member States and the EP in order to prepare the European Council of 23 and 24 November (and perhaps 25 November) aiming at a relatively detailed agreement, even if Mr LAMASSOURE insisted that the principle "nothing is agreed until everything is agreed" would still apply.

Mr BÖGE considered this procedure as a further step in the implementation of the Lisbon Treaty regarding the EP prerogatives. He based his draft report on the opinion of the specialised committees and on Mr DEHAENE's and Ms JENSEN's remarks concerning the own resources issue. He insisted on the need for treating this last issue together with the MFF, when insisting on the quality of expenditure and on the necessary flexibility of the annual budgetary procedure. He recalled that the EP had criticised the Council for having integrated elements depending on the co-decision procedure in its documents related to the MFF. Therefore he would avoid including in his report elements related to co-decision, as many amendments proposed doing.

Mr BÖGE also pointed out that some press releases, notably in UK, mentioned the possibility of a specific budget for the Eurozone. He considered that such a concept put into question the unity of the budget and wanted its consequences in the light of the treaties to be examined.

Mr BÖGE will prepare compromises on the basis of the tabled amendments and will reaffirm in his report the readiness of the EP for negotiations with the Council on the basis of this report, before the European Council of November.

Mr KALFIN welcomed the fact that, in his opinion, many amendments went in the "same direction". He intended taking on board a maximum of those amendments. However, he considered that some amendments were too closely related to the co-decision issue, even if he recognised that it was not possible to completely avoid this.

Mr DEHAENE and Ms JENSEN welcomed the text on own resources included in the report and considered that this text adequately developed in six points the conditions for a political agreement. Ms JENSEN regretted the complexity of the Commission's proposal on the reform of VAT and, supported by Mr MULDER (ALDE, NL), asked for further investigation. Concerning his own report on VAT, Mr DEHAENE informed BUDG members that many amendments could be integrated.

Ms TRÜPEL (GREENS, DE) agreed with the rapporteurs that the report should not be too long, should show EP's determination and should mention the own resources issue, which she considered as crucial. She insisted on the need for a debate on the possibility of a budget for the Eurozone, notably in relation to the "democratic right" of the EP. On this topic, Mr KLUTE (GREENS, DE) was opposed to the idea of two separate budgets. He also criticised the fact that budgetary areas remained outside the EU budget.

Ms JEDRZEJESWSKA (EPP, PL) wanted to insist in the report on the youth employment issue. Even if she recognised the need to be cautious when mentioning co-decision issues, she considered it as unavoidable, as the MFF financed those policies. Concerning own resources, and supported by Mr KLUTE, she believed that the EP should maintain its formal position related to FTT and VAT. In her opinion, it was too late to introduce new ideas on the topic. She also supported Mr GARRIGA POLLEDO's (EPP, ES) amendments stating that the EU budget was a tool to fight the current crisis.

Mr FERREIRA (GREENS, PT) first criticised the fact that amendments to this report could only be tabled in English. Mr LAMASSOURE justified this decision by the urgency involved. Concerning the content of the report, Mr FERREIRA was concerned by the fact that this report continued to progress in the direction of the Council, always further from the EP position. He also insisted that the own resources system should ensure that the EU budget redistributed the resources between the Member States.

Ms HERCZOG (S&D, HU) pointed out that she did not introduce amendments because she considered that a concise report would better ensure a large majority.

Mr LAMASSOURE mentioned that he did not understand Mr VAN ROMPUY's suggestion to create a budget for the Eurozone without any other explanation. He was especially concerned by the timing of this proposal, just before annual budgetary negotiations, which would be very difficult with two totally opposite sides, one in favour of cohesion and one in favour of better spending. He noted that this proposal was welcomed by Member States which, in his opinion, were "not very much in favour of the EU", e.g. the UK. He was even more concerned by the interest shown by other Member States normally, in his opinion again, "in favour of the EU", and which now promoted new instruments aiming at financial solidarity, but outside the EU budget. He notably mentioned DE and FR which were ready to create a fund with appropriations to help countries in difficulty. He urged each Member State to clarify its position on the future of EU solidarity in relation to the Eurozone and the EU budget. He also wondered if this issue should not be expressed in the report, pleading in favour of the unity of the EU budget, and requesting that, in case of intergovernmental actions, "tables should give a clear and global picture" in order to measure the effects of all the instruments.

Concerning own resources, Mr LAMASSOURE welcomed the fact that, in his opinion, more and more countries had become convinced that a reform was necessary.

Regarding co-decision, he wanted to list some key points conditioning a final agreement. He wanted a general reserve to be introduced during the negotiations, stating that no final agreement on the MFF would be possible if the conclusions of the European Council dedicated to the legislative issues were not in line with those key points.

Mr BÖGE supported Mr LAMASSOURE's analysis. He also insisted on the unity of the budget and strongly criticised the Commission for its absence during the debate.

***Item 5 on the agenda***

Any other business

None.

***Item 6 on the agenda***

Next meetings

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

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

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