



Brussels, 24 November 2016
(OR. en)

14635/16

FIN 804

'A' ITEM NOTE

From: General Secretariat of the Council
To: Council

Subject: General budget of the European Union for the financial year 2017
– *Approval of the joint text*

1. Following meetings of the Conciliation Committee on 8 and 16/17 November 2016, an agreement has been reached between the European Parliament and the Council on a joint text as provided for in Article 314(5) TFEU.
2. This joint text and its annexes have been forwarded to the European Parliament and the Council on 17 November 2016, which each have a period of fourteen days from this day to approve it (see ANNEX), and consists of the following documents taken together, recorded in Addenda 1 to 5 to this document:
 - summary figures by financial framework headings (see document 14635/16 ADD 1);
 - line by line figures on all budget items (see documents 14635/16 ADD 2 and ADD 3);
 - a consolidated document showing the figures and final text of all lines modified during the Conciliation (see documents 14635/16 ADD 4 and ADD 5).

3. The Conciliation Committee has also agreed on the joint statements recorded in Annex 2 to the ANNEX.
 4. The Council is invited to:
 - approve the joint text on the budget for 2017 as set out in the ANNEX and in addenda 1 to 5 to this document;
 - record in its minutes the statements set out in Annex 2 to the ANNEX.
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EUROPEAN UNION

SGS16/09762

Conciliation Committee on the 2017 budget**17 -11- 2016**

Brussels, 17 November 2016

President-in-Office of the Council of the European Union
175, rue de la Loi
B - 1048 Brussels

Dear President,

Based on Article 314(4) and (5) of the Treaty on the Functioning of the European Union (TFEU), and following information by the Council that it could not accept all the amendments adopted by the European Parliament on 26 October 2016 on the Council's position on the draft budget for 2017¹, the Conciliation Committee was convened for 28 October 2016, with a view to reaching agreement on a joint text.

The Conciliation Committee had at its disposal the following elements:

- draft budget proposed by the Commission (COM(2016) 300 final of 18 July 2016), as amended by letter of amendment No 1 (COM(2016) 679 final of 17 October 2016)²;
- Council's position on the draft budget (12 September 2016);
- European Parliament's amendments to the Council's position (26 October 2016).

Following meetings on 8 and 16/17 November 2016, an agreement has been reached on 17 November 2016 on a joint text as provided for in Article 314(5) TFEU.

¹ See letter by the President of the Council of 26 October 2016.

² The Commission provided an update on 7 November 2016 (Ares 2016(6290881)).

In accordance with Point 23 of the Annex to the Interinstitutional Agreement of 2 December 2013¹, the joint text for the budget 2017 shall consist of this letter and the following documents taken together, which are recorded in Annex 1:

- line by line figures for all budget items and summary figures by MFF headings;
- a consolidated document, indicating the figures and final text of all lines that have been modified during the conciliation procedure;
- the list of the lines not modified with regard to the draft budget or the Council's position on it.

Pursuant to Article 314(6) TFEU, the joint text is hereby forwarded to the European Parliament and the Council, which shall each have a period of fourteen days from this day, in which to approve the text for the purposes of paragraphs 7 and 8 of the same article.

The Conciliation Committee has also agreed on the statements recorded in Annex 2 to this letter.

An identical letter is addressed to the President of the European Parliament.



Jean Arthuis
Co-chair



Ivan Lesay
Co-chair

Annexes: List of documents forming part of the joint text
Statements

cc: Kristalina Georgieva, Vice-President of the European Commission.

¹ Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (OJ C 373, 20.12.2013, p. 1).

**2017 BUDGETARY PROCEDURE
CONCILIATION DOCUMENT**

LIST OF DOCUMENTS FORMING PART OF THE JOINT TEXT - BUDGET 2017¹

Doc No 1: SUMMARY TABLES

**FIGURES BY MFF HEADING
ESTABLISHMENT PLAN BY SECTION**

Doc No 2: FIGURES BY BUDGET LINE

**Doc No 2.1.: OTHER SECTIONS
Doc No 2.2.: SECTION III - COMMISSION**

Doc No 3: MODIFICATIONS BY BUDGET LINE

**Doc No 4: LIST OF LINES NOT MODIFIED WITH REGARD TO THE DRAFT BUDGET
OR THE COUNCIL'S POSITION ON IT**

¹ The documents listed in this Annex will only be sent electronically.

2017 BUDGETARY PROCEDURE

CONCILIATION DOCUMENT

JOINT STATEMENTS

1. Joint statement on the Youth Employment Initiative

"The European Parliament, the Council and the Commission recall that reducing youth unemployment remains a high and shared political priority, and to this end they reaffirm their determination to make the best possible use of budgetary resources available to tackle it, and in particular through the Youth Employment Initiative (YEI).

They recall that, in accordance with Article 14(1) of Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (MFF Regulation), *"Margins left available below the MFF ceilings for commitment appropriations for the years 2014-2017 shall constitute a Global MFF Margin for commitments, to be made available over and above the ceilings established in the MFF for the years 2016 to 2020 for policy objectives related to growth and employment, in particular youth employment"*.

The Council and the European Parliament invite the Commission to propose an amending budget in 2017 in order to provide EUR 500 million¹ for the YEI in 2017 financed by the Global margin for commitments, as soon as the technical adjustment foreseen by Article 6 of the MFF Regulation is adopted.

The Council and the European Parliament undertake to process rapidly the draft amending budget for 2017 put forward by the Commission."

¹ This amount is part of the overall increase for YEI until 2020 in the framework of the mid-term review/revision of the MFF.

2. **Joint statement on payment appropriations**

"The European Parliament and the Council recall the need to ensure, in the light of implementation, an orderly progression of payments in relation to the appropriations for commitments so as to avoid any abnormal level of unpaid invoices at year-end.

The European Parliament and the Council calls on the Commission to continue monitoring closely and actively the implementation of the 2014-2020 programmes. To that end, they invite the Commission to present in a timely manner, updated figures concerning the state of implementation and estimates regarding payment appropriations requirements in 2017.

The Council and the European Parliament will take any necessary decisions in due time for duly justified needs to prevent the accumulation of an excessive amount of unpaid bills and to ensure that payment claims are duly reimbursed."

3. **Joint statement on the 5 % staff reduction**

"The European Parliament, the Council and the Commission recall the agreement to progressively render 5 % of the staff as in the establishment plan on 1 January 2013, to be applied to all institutions, bodies and agencies, as stated in Point 27 of the Interinstitutional Agreement of 2 December 2013 on budgetary discipline, on cooperation in budgetary matters and on sound financial management.

The three institutions recall that the target year for the full implementation of the 5 % reduction of staff is 2017. They agree that appropriate follow-up measures will be taken to take stock of the situation with a view to ensuring that all efforts are deployed to avoid any additional delays in implementing the 5 % staff reduction target for all institutions, bodies and agencies.

The three institutions welcome the Commission's overview of consolidated data on all external staff employed by the institutions, presented in the draft budget, in line with point (b) of Article 38(3) of the Financial Regulation. They invite the Commission to continue providing this information when presenting its draft budgets for future years.

The Council and the Parliament underline that achieving the 5 % staff reduction target should contribute to savings in the institutions' administrative expenditure. With that in mind, they invite the Commission to start assessing the outcome of the exercise in order to draw lessons for the future."

4. Joint statement on the European Fund for Sustainable Development

"In order to address the root causes of migration, the Commission launched the European Fund for Sustainable Development (EFSD) based on the establishment of an EFSD Guarantee and an EFSD Guarantee Fund. The Commission proposes to endow the EFSD Guarantee Fund with EUR 750 million over the period 2017–2020, of which EUR 400 million from the European Development Fund (EDF) over the four years, EUR 100 million from the ENI over 2017–2020 (of which EUR 25 million in 2017), and EUR 250 million of commitment (and payment) appropriations in 2017.

The Council and the European Parliament invite the Commission to request the necessary appropriations in an amending budget in 2017 in order to provide the financing of the EFSD from the EU budget as soon as the legal base is adopted.

The Council and the European Parliament undertake to process rapidly the draft amending budget for 2017 put forward by the Commission."

5. Joint statement on EU Trust Funds and the Facility for Refugees in Turkey

"The European Parliament, the Council and the Commission agree that the establishment of Trust Funds and of the Facility for Refugees in Turkey should be transparent and clear, consistent with the principle of unity of the Union budget, with the prerogatives of the budgetary authority, and with the objectives of existing legal bases.

They undertake to address, as appropriate, those issues as part of the revision of the Financial Regulation in order to strike the right balance between flexibility and accountability.

The Commission undertakes to:

- regularly inform the budgetary authority on ongoing and planned Trust Funds' financing (including Member States' contributions) and operations;
- present, as of 2017, a Working Document accompanying the draft budget for the following financial year;
- propose measures for proper involvement of the European Parliament."

6. Joint statement on agriculture

"The budget 2017 includes a series of emergency measures to assist farmers in facing the market difficulties experienced recently. The Commission confirms that the margin under heading 2 is sufficient to address possible unforeseen needs. It undertakes to monitor the market situation regularly and to present if needed the appropriate measures to address needs which cannot be covered by the appropriations authorised in the budget. In such a case, the European Parliament and the Council commit to process the relevant budgetary proposals as soon as possible."
