



**COUNCIL OF
THE EUROPEAN UNION**

**Brussels, 25 March 2014
(OR. en)**

8182/14

**PE 214
FIN 246
INST 175**

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 March 2014

The meeting was chaired by Mr LAMASSOURE (EPP, FR) and Mr LYON (ALDE, UK).

Item 2 on the agenda

Chair's announcements

The Chairman, Mr LAMASSOURE, informed the members of the Committee that the rapporteurs for the 2014 and 2015 budgets, Ms JENSEN (ALDE, DK) and Ms GARDIAZÁBAL RUBIAL (EPP, S&D), intended to submit an oral question to the Council on the expected shortage of EUR 400 million in payment appropriations for financing EU external aid in 2014 and on the Council's readiness to mobilise additional appropriations to address this situation, either through an amending budget or by making use of special instruments foreseen in the Regulation laying down the multiannual financial framework (MFF). BUDG approved the text of the oral question, including an oral amendment by Mr FÄRM (S&D, SE) suggesting to replace the reference to CFSP by a reference to Ukraine.

Moreover, the Chairman announced that an additional extraordinary BUDG meeting would be arranged on 11 June 2014 in the afternoon in order to allow the Commissioner for Financial Programming and Budget to present the statement of estimates for the financial year 2015 which was supposed to be adopted by the Commission in the morning of the same day.

BUDGET 2015

Item 4 on the agenda

Estimates of revenue and expenditure for the financial year 2015 - Section I - Parliament BUDG/7/15010

Rapporteur: Mr GARRIGA POLLEDO (EPP, ES)

- Exchange of views

This item was postponed.

Item 5 on the agenda

Working document on pilot projects and preparatory actions in budget 2014 and 2015 - Commission's first interim report on the implementation of PP/PAs 2014

Co-Rapporteurs: Ms GARDIAZÁBAL RUBIAL (S&D, ES), Ms JENSEN (ALDE, DK)

- Exchange of views

The rapporteurs, Ms JENSEN and Ms GARDIAZÁBAL RUBIAL, presented their working document on pilot projects (PP) and preparatory actions (PA) in the 2014 and 2015 budgets which was based on the Commission's first interim report. They emphasised that the calendar for tabling PP and PA proposals was different this year in order to allow both outgoing and incoming Members to submit their proposals.

Draft calendar

Draft budget and second interim report from Commission (working document IV): June 2014

*Deadline for outgoing Members for tabling indicative PP/PA proposals for pre-assessment:
5 June 2014, 12:00*

*Deadline for incoming Members for tabling indicative PP/PA proposals for pre-assessment:
9 July 2014, 12:00*

First round back from pre-assessment: mid-July 2014

Possible discussion of first assessment report in BUDG: 23 July 2014

Second round back from pre-assessment: early September 2014

Deadline for tabling budgetary amendments (Committees and Members): 4 September 2014

Deadline for tabling budgetary amendments (political groups): 11 September 2014

Possible discussion of second pre-assessment report in BUDG: 11 September 2014

Item 6 on the agenda

Draft Amending Budget No 1 to the general budget 2014 - Statement of revenue by section - Statement of expenditure by section - Section III - Commission

BUDG/7/15219

Rapporteur: Ms JENSEN (ALDE, DK)

– Exchange of views

The rapporteur, Ms JENSEN, summarised the content of draft amending budget (DAB) No 1/2014. From her point of view, it could be accepted as presented by the Commission. She did not support the amendment introduced by the Committee on Industry, Research and Energy suggesting to include a new amount of EUR 53 million on the Horizon 2020 budget line for "science with and for society". She indicated that this DAB would be on the agenda of the trilogue on 2 April 2014 and could then - if not modified by the Council - be adopted by the last Plenary in April.

In reply to a question by Ms GARDIAZÁBAL RUBIAL, the Commission representative informed the Committee that the Commission did not intend to submit an amending letter to this DAB to take into account the higher than expected overall EU contribution to the EIF capital increase as recently agreed between the European Parliament and the Council (EUR 178 million instead of EUR 170 million). He underlined that all additional needs could be financed through redeployment, and that the necessary moves of appropriations between budget lines after the adoption of DAB No 1/2014 would be carried out through internal transfers.

Draft calendar:

Vote in BUDG: 10 April 2014

Adoption in plenary: April II

Item 7 on the agenda

Mobilisation of the European Globalisation Adjustment Fund: application EGF/2012/007 IT/VDC Technologies from Italy

BUDG/7/15392

Rapporteur: Mr DAERDEN (S&D, BE)

– Exchange of views

The rapporteur, Mr DAERDEN, presented his draft report suggesting to approve the decision on the mobilisation of the European Globalisation Adjustment Fund (EGF) for the application submitted by Italy.

Draft calendar:

Deadline for tabling amendments: 24 March 2014, 12:00

Vote in EMPL: 18 March 2014

Vote in BUDG: 1 April 2014

Adoption in plenary: April

Item 8 on the agenda

Mobilisation of the European Globalisation Adjustment Fund: application EGF/2012/004 ES/Santana

Rapporteur: Mr DAERDEN (S&D, BE)

– Exchange of views

The rapporteur, Mr DAERDEN, presented his draft report suggesting to approve the decision on the mobilisation of the EGF for the application submitted by Spain.

Draft calendar:

Deadline for tabling amendments: 24 March 2014, 12:00

Vote in EMPL: 18 March 2014

Vote in BUDG: 1 April 2014

Adoption in plenary: April

Item 9 on the agenda

Presentation of the study "How do member states handle contributions to the EU budget in their national budgets"

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

This item was postponed.

Item 10 on the agenda

Monitoring group on the Fund for the European Aid to the Most Deprived and implementation of extra funds for 2014

On the initiative of the rapporteurs for the 2014 and 2015 budgets, Ms JENSEN and Ms GARDIAZÁBAL RUBIAL, this hearing was organised jointly with the European Parliament's Committee on Employment and Social Affairs (EMPL) in order to examine the set-up and implementation of the Fund for European Aid to the Most Deprived (FEAD) under the new MFF 2014-2020. The two rapporteurs explained that the main purpose of this hearing was to get an oversight of the transition from the previously existing programmes to the FEAD, to become aware of problems in its start-up phase and to identify possible solutions for transitional measures. They highlighted the differences between the FEAD, which had to be considered as a social fund, and previous programmes, which had been set up in order to make use of surplus stocks under the common agricultural policy.

Mr MULDER (ALDE, NL) recalled that the global amount for the FEAD was split into individual allocations for all Member States and wanted to know what would happen to those appropriations that were not used by certain Member States. Mr FÄRM welcomed the existence of different options for Member States to make use of the FEAD which allowed them to finance not only the distribution of food, but to provide also other financial support to the most deprived. Mr RÜBIG (EPP, AT) mentioned in this context as a possible example the support to persons who could no longer afford to pay for their energy consumption. Ms SOUSA (GUE/NGL, PT) was of the opinion that particular measures should be supported in those Member States where most deprived persons had the highest needs regarding access to food, but also to other daily requirements such as energy, water and medical care. Her suggestions were supported by Ms CORNELISSEN (Greens/EFA, NL). However, Mr GARRIGA POLLEDO (EPP, ES) did not agree with this idea as it would result, in his opinion, in contradictory situations between Member States as regards their access to the FEAD.

Ms MORIN-CHARTIER (EPP, FR) criticised that the new FEAD Regulation excluded all existing charity schemes which foresee a modest financial contribution from the beneficiaries for obtaining food financed from EU funds. Mr RIQUET (EPP, FR) underlined that the amounts available to certain Member States under the new scheme were lower than the corresponding amounts of the preceding programme. Ms TRAUTMANN (S&D, FR) was concerned about the generally critical perception of the FEAD by non-governmental organisations.

Mr FERNANDES (EPP, PT) and Ms HOHLMEIER (EPP, DE) were interested to know the current levels of agricultural surplus stocks and asked why it was not possible to make use of them for the purposes of the FEAD. Mr ASHWORTH (ECR, UK), on the other hand, was of the opinion that agricultural reserves had their own strategic value and should not be used to support social policy.

The Chair of the EMPL Committee, Ms BERÈS (S&D, FR), highlighted the fact that the appropriations for the FEAD in the 2014 budget were lower than the amount foreseen for this year in the legal basis. The BUDG Chairman, Mr LAMASSOURE, asked the Commission if it therefore intended to present a transfer proposal in the course of this year.

Mr GARRIGA POLLEDO raised questions about the administrative costs of purchasing and distribution activities related to the FEAD, questioning if they were covered by the Member States themselves or financed from the EU budget.

Ms TRÜPEL (Greens/EFA, DE) asked for more information about the ways of communication between Commission and Member States' authorities and the most deprived persons.

The Commission representative pointed out that, after the approval of the FEAD in February 2014, it was now up to Member States to submit their operational programmes within 6 months to the Commission, that these programmes could include activities other than food distribution to fight against social exclusion, and that - contrary to the previous programmes - Member States now had to co-finance 15 % of the measures supported from the FEAD. The Commission representative informed the Committee that some Member States had already launched their procurement procedures to purchase food for distribution under the FEAD, but that the overall amount of appropriations required in 2014 would only be known after the end of the 6-month period in September this year, and that the Commission could only then decide about a possible submission of a transfer proposal. Nevertheless, he reassured the committee that sufficient appropriations would be made available in the 2014 budget, in spite of the unexpected increase of the global amount foreseen for the FEAD during the period 2014-2020.

***** Voting time *****

Item 11 on the agenda

Estimates of revenue and expenditure for the financial year 2015 - Section I - Parliament
BUDG/7/15010

Rapporteur: Mr GARRIGA POLLEDO (EPP, ES)

– Consideration and adoption

This item was postponed.

Item 12 on the agenda

Negotiations on the MFF 2014-2020: Lessons to be learned and the way forward

BUDG/7/15023

Co-Rapporteurs: Mr DEHAENE (EPP, BE), Mr KALFIN (S&D, BG)

– Consideration and adoption

BUDG voted on 145 amendments proposed to the rapporteurs' draft report as well as on 14 compromise amendments presented by the rapporteurs. The rapporteurs' draft report was adopted as amended.

Draft calendar:

Adoption in plenary: April II

Item 13 on the agenda

Budget 2014: Section III - Commission

Rapporteur: Ms JENSEN (ALDE, DK)

Transfer No DEC 02/2014 was approved.

Item 14 on the agenda

Budget 2014: Other Sections

Rapporteur: Ms HOHLMEIER (EPP, DE)

European Parliament transfer No C1/2014, proposing to move EUR 65 000 from the remuneration budget line to allowances for staff retired in the interest of the service, was approved.

European Court of Auditors transfer No V/AB-01/A/14 was approved.

Item 15 on the agenda

Buildings policy

Rapporteur: Ms HOHLMEIER (EPP, DE)

a) EBA notification - Long Term Office Solution

The rapporteur, Ms HOHLMEIER, while criticising the important amount foreseen in the budget of this building project for consultancy services, did not raise any overall objections to the notification of the European Banking Authority.

BUDG decided not to oppose the suggested building project.

b) House of Europe, Berlin, Germany

Following a recommendation by the rapporteur, BUDG decided not to oppose the suggested building project of the Commission.

c) Joint Research Centre (JRC), Karlsruhe, Germany

Following a recommendation by the rapporteur, BUDG decided not to oppose the suggested building project of the Commission.

*** *End of vote* ***

Item 16 on the agenda

Reporting on the work of the Joint Working Group Bureau / BUDG

Chair of BUDG delegation: Mr LYON (ALDE, UK)

This item was postponed.

Item 17 on the agenda

Reporting on the state of negotiation on the Amendment of Regulation (EU, Euratom) No 966/2012 as regards the financing of European political parties under Rule 70 (COM(2012)0712 - 2013/0336(COD))

Rapporteur: Ms GRÄSSLE (EPP, DE)

The rapporteur, Ms GRÄSSLE, reminded the Committee that after the agreement reached between the European Parliament, the Council and the Commission on new rules governing political parties and foundations at European level, the corresponding amendment of the Financial Regulation was still outstanding. She informed the Committee about an exchange of views with the Council and the Commission on this issue scheduled on 20 March 2014, while indicating that a formal trilogue was not possible at this stage as the Council Presidency had not yet obtained a mandate for the negotiations. She was, nevertheless, optimistic that a political agreement on the amendment of the Financial Regulation could still be reached in time for the last Plenary session in April.

Item 18 on the agenda

Reporting on the state of negotiation on the Financial rules applicable to the general budget of the Union under Rule 70

(COM(2013)0639 - 2013/0313(COD))

Rapporteur: Ms GRÄSSLE (EPP, DE)

One day before the trilogue on the revision of the Financial Regulation following the agreement on the MFF for the years 2014-2020 and the Commission's proposal to include specific carry-over rules for the Emergency Aid Reserve and for projects financed under the Connecting Europe Facility (CEF) in the Regulation, the rapporteur, Ms GRÄSSLE, regretted that not much progress had been reached so far in the discussions between the institutions. She emphasised the importance of including in the Financial Regulation specific provisions on making decommitted appropriations again available in the case of financial instruments in favour of small and medium-sized enterprises. Mr RIQUET recalled the importance which the European Parliament attaches to this revision of the Financial Regulation, taking into account the specific nature of the CEF. After the reduction of the global amount foreseen for the CEF from the proposed EUR 50 million to an amount of EUR 33 million finally included in the MFF for 2014-2020, it would not be acceptable for the European Parliament to even further reduce the possibilities of making use of the CEF by rejecting the new elements of flexibility proposed by the Commission in the Financial Regulation.

The Chairman, Mr LAMASSOURE, concluded the discussion on this item by expressing his doubts that the negotiations on this revision of the Financial Regulation could still be finalised before the end of the current Parliament's term.

Item 19 on the agenda

Reporting on the state of negotiation on the Capital increase of the European Investment Fund under Rule 70

(COM(2014)0066 - 2014/0034(COD))

Rapporteur: Ms GARDIAZÁBAL RUBIAL (S&D, ES)

BUDG endorsed the compromise text agreed between the European Parliament and the Council, which had been confirmed on the Council side by the Permanent Representatives Committee on 12 March 2014.

Item 20 on the agenda

Any other business

No other item was discussed.

Item 21 on the agenda

Next meeting(s):

31 March 2014, 15:00 - 18:30 (Brussels)

1 April 2014, 9:00 - 12:30 (Brussels)