



Council of the
European Union

Brussels, 9 September 2014

13004/14

PE 329
FIN 615
INST 412

NOTE

from: General Secretariat of the Council
to: Delegations

Subject: Partial summary record of the meeting of the European Parliament's
Committee on Budgets (BUDG) held in Brussels on 3 September 2014

The meeting was chaired by Mr ARTHUIS (ALDE, FR).

BUDGET 2015

5. General budget of the European Union for the financial year 2015 - All Sections

Co-rapporteurs: Ms GARDIAZABAL RUBIAL (S&D, ES) and Ms HOHLMEIER (EPP, DE)

At the beginning of the meeting, the Chairman recalled the three important elements that the Committee will have to deal with during its mandate: shortage of payments in the EU budget, revision of the MFF in 2016 and the reform of the own resources system. In his view, these elements need to be tackled in order to restore the balance between payments and commitments and to "make the EU budget beyond any reproach".

Ms GARDIAZABAL RUBIAL presented the key messages of her working document. In her view, commitment appropriations should focus on strategic investments allowing the EU to overcome the crisis. If necessary, all available margins should be used for that purpose. As for payments, they should be set at a level necessary to cover past and future liabilities of the EU.

In her view, the Council's position was in "contradiction" with its political commitments - cuts in commitment appropriations risked to jeopardize necessary investments and the level of payments was again insufficient to stop the "snowball effect" of accumulated bills. She criticised the position of certain Member States that created artificial margins and limited the expenditure to the level of the MFF ceilings which, in her view, was already at the beginning set at a too low level.

She also criticised the Council's cuts in headings 3 and 4. She reminded that draft amending budgets were still under discussion and called on the Council to take a position as soon as possible in order to allow negotiations on the 2015 draft budget. She recalled that the interinstitutional meeting on payments would take place end of September in order to take stock of the unpaid bills.

Finally, she committed herself to accommodate, with the help of the Commission, all requests for Pilot Projects and Preparatory Actions within the limits set by the Financial Regulation.

All Members unanimously criticised the Council's position. In their view, the European Parliament's position should focus on (sub-)headings 1a and 4 (research, investments and humanitarian aid), the need to deal with the increasing level of unpaid bills, support for youth, employment and structural funds.

Mr FERNANDES (EPP, PT) considered the Council's position as lacking credibility and unreasonable. He insisted that the European citizens should be made aware of the fact that the Council was not "credible" in its actions. The Council's conduct resulted in creating a budgetary "deficit" as commitments were not covered by payments. He inquired why Member States were not rigorous enough towards the EU budget if they were able to be towards their national budgets. He assured the rapporteur of the full support of the EPP group.

Mr KÖLMEL (ECR, DE), on behalf of the ECR group, expressed his worries about the increasing level of outstanding commitments (RAL) and asked about the potential solutions to this problem. He also suggested to reduce the number of agencies based in Brussels and to shift tasks back to the Commission.

Mr VAUGHAN (S&D, UK) asked the Commission to present as evidence real examples of projects suffering from delays in payments.

Ms HOHLMEIER recalled that the gap between commitments and payments already existed for a long time and asked for a legal solution in order to avoid a budgetary "deficit" at EU level. She suggested to impose on the Council a payment deadline of 30 days. Finally, she questioned the Commission's "codification" of Pilot Projects and Preparatory Actions and stressed that the European Parliament's priorities should be set out first before referring to the Commission's feasibility table.

Mr TORVALDS (ALDE, FI), Mr TANG (S&D, NL), Mr DENANOT (S&D, FR), Mr OLBRYCHT (EPP, PL) and Mr ZANI (EFDD, IT) called for a "reprioritisation" of objectives or for setting up "negative priorities" - not as a technical but as a political exercise. They stressed the importance of regions, youth, employment and - in particular - research and innovation (establishment of European large scale cross-border projects) in order to increase the EU's competitiveness towards emerging economies. In their view, a political decision about achievable goals and means should be taken.

The Commission's Director-General for Budget Ms CALVIÑO expressed her full support to the views expressed by the Members on the restrictive approach taken by the Council in its position. In her view, sub-heading 1a was treated by the Council as a "negative priority". She criticised inter alia the reductions in "completion" lines, leading clearly to delays and payment of late interests. She also indicated that the discussion was already of a political nature, as (non-)availability of payments had a direct impact on the implementation of policies. Finally, she recalled Article 323 of the Treaty. She also agreed that the cuts in heading 4 were very problematic for the Commission. In his concluding remarks, Mr ARTHUIS warned about heading towards an EU budget in "deficit" and pleaded for a level of appropriations in line with the economic outlook. Ms GARDIAZABAL RUBIAL confirmed that she would be striving to reach a consensus among all committees and political groups. Ms HOHLMEIER presented the potential difficulties to be encountered by the Court of Justice in the execution of its functions unless additional posts for judges were granted in 2015. She said that amendments will be submitted aiming at restoring the Court's estimates.

6. **Draft amending budget No 2/2014 - surplus resulting from the implementation of the budget year 2013**

7. **Draft amending budget No 3/2014: Revenue from fines and interest payments - revenue from reimbursements and repayments to FEMIP (Facility for Euro-Mediterranean Investment and Partnership) - Redeployment of appropriations to the European Fisheries Fund - Increase in payment appropriations for commitments corresponding to previous annual budgets - Unforeseen actions in accordance with Article 13 of the MFF Regulation - Staff of the European Commission, the Offices, the Committee of the Regions and the European Data Protection Supervisor**

8. **Draft amending budget No 4/2014 - Traditional own resources (TOR), VAT and Gross National Income (GNI) bases**

Rapporteur: Gérard Deprez (ADLE)

The rapporteur informed that since the Committee's last meeting in July, no further developments had taken place with regard to the items mentioned above, and that his position remained therefore unchanged.

The Chairman agreed with the rapporteur not to open these items for a debate.

9. Six-monthly reporting on the implementation of the Project Bonds initiative

The representatives of the Commission and the EIB presented recent developments on this initiative.

The total EU budget contribution to the EIB amounted to EUR 240 million. The total amount used from the EU budget so far was EUR 149 million.

The Chairman asked about the liabilities to be covered by the EU budget. The EIB representative explained that these could reach a maximum of EUR 240 million, which was the capital contribution to the EIB as a first-loss cover. The rest would be covered from the EIB's own resources in case of further losses.

10. Mobilisation of the European Globalisation Adjustment Fund: Application EGF/2013/010 ES/CASTILLA Y LEON FROM SPAIN

Rapporteur: Mr GONZÁLEZ PONS (EPP, ES)

The rapporteur presented his favourable opinion on the Commission proposal.

Ms JÄÄTTEENMÄKI (ALDE, FI) asked whether the European Parliament's rules of procedure allowed for the appointment of a rapporteur originating from the same country as the case in question.

Mr FERNANDES (EPP, PT) explained that this had already been the case before and that there had been no objections to such a situation. Each political group had the liberty to appoint the rapporteur. Amendments could always be tabled in case the position of the rapporteur was not supported.

Ms GUARDIABAZAL RUBIAL and Mr DEPREZ supported this position. Mr KÖLMEL asked to be cautious and not to "throw money out of the window".

11. European Semester for economic policy coordination: implementation of 2014 priorities

Rapporteur for the opinion: Nils Torvalds (ALDE, FI)

Mr TORVALDS presented his draft opinion which highlights the important role that the EU budget has to play in the Union. The opinion also presents the potential impact of the new own resources system on Member States' GNI contributions and highlights the problems linked to the lack of payments in the EU budget.

Mr FERNANDES suggested to add a reference to the importance of structural reforms in Member States with a view to support growth and competitiveness. These reforms were particularly important in the Eurozone where interdependence was growing, and Member States' responsibility towards the EU budget was of a paramount importance.

Ms PICIERNO (S&D, IT) stressed the importance of the work carried out by the High Level Group on Own Resources chaired by Mr MONTI, and the need to work towards a new system of own resources in order to alleviate the pressure on national budgets. She also called for structural reforms with a view to preserving jobs, in particular within SMEs.

15. Next meetings

11 September 2014, 9.00 – 12.30 (Brussels)
