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European Union

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NOTE

From: Presidency

To: Council

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PECHE 24 JAI 36 ASIM 1

Subject: Proposal for a Council Regulation amending Regulation (EU, Euratom) No
1311/2013 laying down the multiannual financial framework for the years
2014-2020

- *State of play*

I. INTRODUCTION

1. On 20 January 2015, the Commission submitted the above-mentioned proposal to the Council. The proposed revision of the multiannual financial framework (MFF) is foreseen in Article 19 of Council Regulation (EU, Euratom) No 1311/2013 laying down the MFF for the years 2014-2020 in the case of a late adoption of operational programmes in the area of shared management and especially cohesion. This Article stipulates that "the revision concerning the transfer of unused allocation for the year 2014 shall be adopted before 1 May 2015". Pursuant to Article 312(2) TFEU, the Council shall act unanimously after having obtained the consent of the European Parliament.

2. According to the proposed Regulation, unused allocations (for a total amount of approximately EUR 21.1 billion in commitment appropriations) would be transferred to subsequent years (EUR 16.5 billion to 2015, EUR 4.5 billion to 2016 and EUR 0.1 billion to 2017) by means of a revision of the MFF.
3. The proposal for a revision of the MFF is accompanied by draft amending budget (DAB) No 2/2015¹ proposing the corresponding increases in commitment appropriations (for a total amount of EUR 16.5 billion) in the 2015 budget. The decision on the DAB is taken jointly by the European Parliament and the Council.

II. WORK WITHIN THE COUNCIL

4. The Budget Committee examined the proposal for a revision of the MFF at its meetings on 20 and 27 January, and on 3 February 2015. The Permanent Representatives Committee held an exchange of views on the state of play of the negotiations at its meeting on 4 February 2015.
5. During those meetings most of the questions and concerns raised by Member States were answered, notably through oral and written contributions and clarifications provided by the Commission. Particular attention was paid to detailed information outlining the Commission's assessment of the impact of the carry-over and the transfer of unused allocations through a revision of the MFF on the required level of payment appropriations in the medium and long term.

III. STATE OF PLAY

6. At the end of the discussion, a vast majority of delegations indicated their readiness to support the Commission's proposal as revised by the lawyer-linguists, set out in document 5479/15 FIN 49 CADREFIN 5 REGIO 7 FSTR 6 FC 7 SOC 21 AGRISTR 2 PECHE 25 JAI 38 ASIM 3.

¹ Doc. 5469/15 FIN 48.

7. A small number of Member States were still hesitant and reflecting on their position. They requested additional information and assurance from the Commission in order to better understand the justification for its suggestion to transfer the unused appropriations mainly to the year 2015.
8. In reply to the concerns of these Member States, the Commission pointed out that transferring a major share of the allocations to later years would not be in line with the principle of equal treatment between Member States and also not in line with the European Union's commitment to enhancing growth and creating jobs. Moreover, any shift of the unallocated amounts to later years would further increase the pressure on payments at the end of the MFF period and beyond.
9. The Presidency concludes that an agreement on the proposed Regulation could not be reached at this stage. It recalls, however, the urgency of reaching an agreement as soon as possible, given the tight time schedule for obtaining the European Parliament's consent and adopting the revision within the deadline foreseen in the MFF Regulation. The Presidency therefore emphasizes the need for the Council to take a position on the draft Council Regulation at the earliest convenience.

IV. CONCLUSION

10. The Council is invited to:
 - take note of the state of play of the negotiations;
 - agree to send the Commission's proposal back to the Permanent Representatives Committee for further examination.
