



Council of the  
European Union

Brussels, 3 December 2015  
(OR. en)

14153/15

PV/CONS 61  
ECOFIN 855  
BUDGET 41

## DRAFT MINUTES

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Subject: **3424th** meeting of the Council of the European Union  
**(ECONOMIC and FINANCIAL AFFAIRS: BUDGET)**  
held in Brussels on 13/14 November 2015

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## CONTENTS

Page

1. Adoption of the agenda .....	3
---------------------------------	---

### **LEGISLATIVE DELIBERATIONS**

2. Preparation of the meeting of the Conciliation Committee with the European Parliament .....	3
--	---

3. Results of the meeting of the Conciliation Committee with the European Parliament.....	3
---	---

4. Any other business .....	3
-----------------------------	---

ANNEX .....	4
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1. **Adoption of the agenda**

13794/15 OJ/CONS 61 ECOFIN 833 BUDGET 39

The Council adopted the agenda as set out in document 13794/15.

**LEGISLATIVE DELIBERATIONS**

*(Public deliberation in accordance with Article 16(8) of the Treaty on European Union)*

2. **Preparation of the meeting of the Conciliation Committee with the European Parliament**

The Council prepared its position for the Conciliation Committee meeting with the European Parliament, as provided for in Article 314 TFEU.

3. **Results of the meeting of the Conciliation Committee with the European Parliament**

During the Conciliation Committee meeting an agreement was reached between the European Parliament and the Council on a joint text as provided for in Article 314(5) TFEU, as recorded in document 14195/15 FIN 775 and its addenda 1 to 5. A summary of this joint text is recorded in the Annex to this document.

4. **Any other business**

No items were raised under this heading.

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## BUDGET 2016 - JOINT CONCLUSIONS

These joint conclusions cover the following sections:

1. Budget 2016
2. Budget 2015 – Amending budget 8/2015
3. Statements

### **SUMMARY OVERVIEW**

#### **1. BUDGET 2016**

According to the elements for joint conclusions:

- The overall level of commitment appropriations in the 2016 budget is set at EUR 155 004.2 million. Overall, this leaves a margin below the MFF ceilings for 2016 of EUR 2 331.4 million in commitment appropriations.
- The overall level of payment appropriations in the 2016 budget is set at EUR 143 885.3 million.
- The Flexibility Instrument for 2016 is mobilised for an amount of EUR 1 506.0 million in commitment appropriations for heading 3 Security and Citizenship and for an amount of EUR 24.0 million in commitment appropriations for heading 4 Global Europe.
- The 2016 payment appropriations related to the mobilisation of the Flexibility Instrument in 2014, 2015 and 2016 are estimated by the Commission at EUR 832.8 million.

#### **2. BUDGET 2015**

According to the elements for joint conclusions:

- Draft amending budget 8/2015 is accepted as proposed by the Commission.

## 1. BUDGET 2016

### 1.1. "Closed" lines

Unless stated otherwise below in these conclusions, all budget lines not amended by either Council or Parliament, and those for which Parliament accepted Council's amendments during their respective reading are confirmed.

For the other budget items, the Conciliation Committee has agreed on the conclusions included in sections 1.2 to 1.6 below.

### 1.2. Horizontal issues

#### Decentralised agencies

The EU contribution (in commitment appropriations and in payment appropriations) and the number of posts for all decentralised agencies are set at the level proposed by the Commission in the draft budget, as amended by amending letters 1 and 2/2016, with the following adjustments agreed by the Conciliation Committee:

- Increase of establishment plan posts (fee-financed) for the European Chemicals Agency (ECHA Biocides, +3 posts) and reduce the appropriations by EUR 1 350 000;
- Increase of establishment plan posts (fee-financed) for the *European Aviation Safety Agency* (EASA, +6 posts);
- Increase of establishment plan posts (fee-financed) for the *European Medicines Agency* (EMA, +3 posts);
- Increase of establishment plan posts and related appropriations for the *Agency for the Cooperation of Energy Regulators* (ACER, +5 posts and +EUR 325 000);
- Increase of establishment plan posts and related appropriations for the *Fundamental Rights Agency* (FRA, +2 posts and +EUR 130 000);
- Increase of establishment plan posts and related appropriations for Eurojust (+2 posts and +EUR 130 000);
- Increase of appropriations for the *European Banking Authority* (EBA, +EUR 928 000);
- Decrease of appropriations for the *European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice* (eu.LISA, -EUR 260 000).

## **Executive agencies**

The EU contribution (in commitment appropriations and in payment appropriations) and the number of posts for executive agencies are set at the level proposed by the Commission in the draft budget, as amended by amending letters 1 and 2/2016.

## **Pilot Projects/Preparatory Actions**

A comprehensive package of 89 pilot projects/preparatory actions (PP/PA), for an amount of EUR 64.9 million in commitment appropriations is agreed, as proposed by the Parliament.

When a pilot project or a preparatory action appears to be covered by an existing legal basis, the Commission may propose the transfer of appropriations to the corresponding legal basis in order to facilitate the implementation of the action.

This package fully respects the ceilings for pilot projects and preparatory actions provided in the Financial Regulation.

### **1.3. Expenditure headings of the financial framework - commitment appropriations**

After taking into account the above conclusions on 'closed' budget lines, agencies and pilot projects and preparatory actions, the Conciliation Committee has agreed on the following:

#### **Heading 1a**

Commitment appropriations are set at the level proposed by the Commission in the draft budget, as amended by amending letters 1 and 2/2016, integrating the following adjustments agreed in the Conciliation Committee:

- Commitments for "H2020" are increased with the following breakdown:

*In EUR*

<b>Budget line</b>	<b>Name</b>	<b>DB 2016 (incl. AL1&amp;2)</b>	<b>Budget 2016</b>	<b>Difference</b>
02 04 02 01	Leadership in space	158 446 652	159 792 893	1 346 241
02 04 02 03	Increasing innovation in small and medium-sized enterprises (SMEs)	35 643 862	35 738 414	94 552
02 04 03 01	Achieving a resource-efficient and climate change resilient economy and a sustainable supply of raw materials	74 701 325	75 016 498	315 173
05 09 03 01	Securing sufficient supplies of safe and high quality food and other bio-based products	212 854 525	214 205 269	1 350 744
06 03 03 01	Achieving a resource-efficient, environmentally-friendly, safe and seamless European transport system	109 250 820	110 916 737	1 665 917

Budget line	Name	DB 2016 (incl. AL1&2)	Budget 2016	Difference
08 02 01 03	Strengthening European research infrastructures, including e-infrastructures	183 108 382	183 905 321	796 939
08 02 02 01	Leadership in nanotechnologies, advanced materials, laser technology, biotechnology and advanced manufacturing and processing	502 450 912	504 175 361	1 724 449
08 02 02 03	Increasing innovation in small and medium-sized enterprises (SMEs)	35 967 483	36 120 567	153 084
08 02 03 01	Improving lifelong health and well-being	522 476 023	524 745 272	2 269 249
08 02 03 02	Securing sufficient supplies of safe, healthy and high quality food and other bio-based products	141 851 093	142 233 804	382 711
08 02 03 03	Making the transition to a reliable, sustainable and competitive energy system	333 977 808	335 369 074	1 391 266
08 02 03 04	Achieving a European transport system that is resource-efficient, environmentally friendly, safe and seamless	330 992 583	331 555 393	562 810
08 02 03 05	Achieving a resource-efficient and climate change resilient economy and a sustainable supply of raw materials	283 265 173	284 530 369	1 265 196
08 02 03 06	Fostering inclusive, innovative and reflective European societies	111 929 624	112 411 389	481 765
08 02 06	Science with and for society	53 267 640	53 497 266	229 626
09 04 01 01	Strengthening research in future and emerging technologies	213 825 023	215 400 890	1 575 867
09 04 01 02	Strengthening European research infrastructure, including e-infrastructure	97 173 367	97 889 261	715 894
09 04 02 01	Leadership in information and communications technology	718 265 330	723 681 812	5 416 482
09 04 03 01	Improving lifelong health and well-being	117 323 526	118 188 002	864 476
09 04 03 02	Fostering inclusive, innovative and reflective European societies	36 289 820	36 564 471	274 651
09 04 03 03	Fostering secure European societies	45 457 909	45 791 092	333 183
10 02 01	Horizon 2020 — Customer-driven scientific and technical support to Union policies	24 646 400	25 186 697	540 297
15 03 05	European Institute of Innovation and Technology – integrating the knowledge triangle of higher education, research and innovation	219 788 046	224 938 881	5 150 835
18 05 03 01	Fostering secure European societies	134 966 551	136 092 171	1 125 620
32 04 03 01	Making the transition to a reliable, sustainable and competitive energy system	322 875 370	324 676 361	1 800 991
	<b>Total</b>			<b>31 828 018</b>

- Commitments for "COSME" are increased with the following breakdown:

*In EUR*

Budget line	Name	DB 2016 (incl. AL1&2)	Budget 2016	Difference
02 02 01	Promoting entrepreneurship and improving the competitiveness and access to markets of Union enterprises	108 375 000	110 264 720	1 889 720
02 02 02	Improving access to finance for small and middle-sized enterprises (SMEs) in the form of equity and debt	160 447 967	172 842 972	12 395 005
	<b>Total</b>			<b>14 284 725</b>

- Commitments for "Erasmus+" are increased with the following breakdown:

*In EUR*

Budget line	Name	DB 2016 (incl. AL1&2)	Budget 2016	Difference
15 02 01 01	Promoting excellence and cooperation in the European education and training area and its relevance to the labour market	1 451 010 600	1 457 638 273	6 627 673
	<b>Total</b>			<b>6 627 673</b>

As a consequence, and after taking into account decentralised agencies and pilot projects and preparatory actions, the agreed level of commitments is set at EUR 19 010.0 million, with no margin left under the expenditure ceiling of heading 1a and the use of the global margin for commitments for an amount of EUR 543 million.

### **Heading 1b**

Commitment appropriations are set at the level proposed in the draft budget, as amended by amending letters 1 and 2/2016.

Taking into account pilot projects and preparatory actions, the agreed level of commitments is set at EUR 50 831.2 million, leaving a margin of EUR 5.8 million under the expenditure ceiling of heading 1b.



## **Heading 2**

Commitment appropriations are set at the level proposed by the Commission in the Draft Budget, as amended by Amending Letters 1 and 2/2016 with a further reduction of EUR 140.0 million arising from increased EAGF assigned revenue and an increase on the budget line 11 06 62 01. As a consequence, the Conciliation Committee has agreed on the following:

*In EUR*

Budget line	Name	DB 2016 (incl. AL1&2)	Budget 2016	Difference
05 03 01 10	Basic payment scheme (BPS)	16 067 000 000	15 927 000 000	-140 000 000
11 06 62 01	Scientific advice and knowledge	8 485 701	8 680 015	194 314
	<b>Total</b>			<b>-139 805 686</b>

Taking into account decentralised agencies and pilot projects and preparatory actions, the agreed level of commitments is set at EUR 62 484.2 million, leaving a margin of EUR 1 777.8 million under the expenditure ceiling of heading 2.

## **Heading 3**

Commitment appropriations are set at the level proposed by the Commission in the draft budget, as amended by amending letters 1 and 2/2016, integrating the following adjustment agreed in the Conciliation Committee:

*In EUR*

Budget line	Name	DB 2016 (incl. AL1&2)	Budget 2016	Difference
09 05 05	Multimedia actions	24 186 500	26 186 500	2 000 000
17 04 01	Ensuring a higher animal health status and high level of protection of animals in the Union	177 000 000	171 925 000	-5 075 000
17 04 02	Ensuring timely detection of harmful organisms for plants and their eradication	14 000 000	12 000 000	-2 000 000
17 04 03	Ensuring effective, efficient and reliable controls	50 401 000	47 401 000	-3 000 000
17 04 04	Fund for emergency measures related to animal and plant health	20 000 000	19 000 000	-1 000 000
	<b>Total</b>			<b>-9 075 000</b>

As a consequence, and after taking into account decentralised agencies, pilot projects, preparatory actions and the mobilisation of the Flexibility Instrument for migration, the agreed level of commitments is set at EUR 4 052.0 million, with no margin left under the expenditure ceiling of heading 3 and the mobilisation of EUR 1 506.0 million through the Flexibility Instrument.

## **Heading 4**

Commitment appropriations are set at the level proposed by the Commission in the draft budget, as amended by amending letters 1 and 2/2016, integrating the following adjustments agreed in the Conciliation Committee:

*In EUR*

<b>Budget line</b>	<b>Name</b>	<b>DB 2016 (incl. AL1&amp;2)</b>	<b>Budget 2016</b>	<b>Difference</b>
13 07 01	Financial support for encouraging the economic development of the Turkish Cypriot community	31 212 000	33 212 000	2 000 000
21 02 07 03	Human development	161 633 821	163 633 821	2 000 000
21 02 07 04	Food and nutrition security and sustainable agriculture	187 495 232	189 495 232	2 000 000
21 02 07 05	Migration and asylum	45 257 470	57 257 470	12 000 000
22 02 01 01	Support for political reforms and related progressive alignment with the Union acquis	188 000 000	190 000 000	2 000 000
22 02 01 02	Support for economic, social and territorial development and related progressive alignment with the Union acquis	326 960 000	327 960 000	1 000 000
22 02 03 01	Support for political reforms and related progressive alignment with the Union acquis	240 300 000	255 300 000	15 000 000
22 02 03 02	Support for economic, social and territorial development and related progressive alignment with the Union acquis	321 484 000	340 484 000	19 000 000
22 04 01 01	Mediterranean countries — Good governance, human rights and mobility	135 000 000	144 000 000	9 000 000
22 04 01 02	Mediterranean countries — Poverty reduction and sustainable development	636 900 000	640 900 000	4 000 000
22 04 01 03	Mediterranean countries — Confidence building, security and the prevention and settlement of conflicts	116 000 000	131 000 000	15 000 000
22 04 01 04	Support to peace process and financial assistance to Palestine and to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA)	272 100 000	290 100 000	18 000 000
22 04 02 03	Eastern Partnership — Confidence building, security and the prevention and settlement of conflicts	8 000 000	9 300 000	1 300 000
22 04 03 03	Support to other multi-country cooperation in the neighbourhood — Umbrella programme	189 500 000	193 500 000	4 000 000
23 02 01	Delivery of rapid, effective and needs-based humanitarian aid and food aid	1 035 818 000	1 061 821 941	26 003 941
	<b>Total</b>			<b>132 303 941</b>

As a consequence, and after taking into account pilot projects and preparatory actions, the agreed level of commitments is set at EUR 9 167.0 million, with no margin left under the expenditure ceiling of heading 4 and the mobilisation of EUR 24.0 million through the Flexibility Instrument.

## **Heading 5**

The number of posts in the establishment plans of the Institutions and the appropriations proposed by the Commission in the Draft Budget as amended by Amending Letters 1 and 2/2016 are approved, with the following exceptions:

- The European Parliament for which its reading is approved, with a reduction of 9 posts;
- The Council, for which its reading is approved;
- The Court of Justice, for which 7 additional posts are granted (+ EUR 300 000);
- The European Economic and Social Committee and the Committee of the Regions, for which the reading of the European Parliament is approved.

On 26 November, the Commission is expected to approve the report on the budgetary impact of the 2015 salary update, which will have retroactive effect as from July 1, 2015 on remunerations of staff of all EU institutions and on pensions.

As a consequence, taking into account pilot projects and preparatory actions, the agreed level of commitments is set at EUR 8 935.2 million, leaving a margin of EUR 547.8 million under the expenditure ceiling of heading 5.

## **European Union Solidarity Fund**

Commitment appropriations are set at the level proposed by the Commission in the draft budget, as amended by amending letters 1 and 2/2016, including the mobilisation of EUR 50 million of the European Union Solidarity Fund for the payment of the advances.

### **1.4. Payment appropriations**

The overall level of payment appropriations in the 2016 budget is set at EUR 143 885.3 million, including EUR 832.8 million related to the mobilisation of the Flexibility Instrument.

The breakdown of payment appropriations is set at the level proposed by the Commission in the draft budget, as amended by amending letters 1 and 2/2016, integrating the following adjustments agreed by the Conciliation Committee:

1. First, account is taken of the agreed level of commitment appropriations for non-differentiated expenditure, for which the level of payment appropriations is equal to the level of commitments. That also includes the decentralised agencies, for which the EU contribution in payment appropriations is set at the level proposed in section 1.2 above. The combined effect is a decrease of EUR 140.0 million;

2. The payment appropriations for all *new* pilot projects and preparatory actions are set at 50% of the corresponding commitment appropriations, or to the level proposed by Parliament if lower. In the case of extension of *existing* pilot projects and preparatory actions the level of payments is the one defined in the Draft Budget plus 50% of the corresponding new commitments, or to the level proposed by Parliament if lower. The combined effect is an increase of EUR 29.5 million;
3. The payment appropriations expenditure are reduced by EUR 460.1 million as follows:

*In EUR*

Budget line	Name	DB 2016 (incl. AL1&2)	Budget 2016	Difference
02 05 01	Developing and providing global satellite-based radio navigation infrastructures and services (Galileo) by 2020	308 000 000	297 000 000	-11 000 000
02 05 02	Providing satellite-based services improving the performance of GPS to gradually cover the whole European Civil Aviation Conference (ECAC) region by 2020 (EGNOS)	215 000 000	207 000 000	-8 000 000
02 05 51	Completion of European satellite navigation programmes (EGNOS and Galileo)	17 000 000	16 000 000	-1 000 000
02 06 01	Delivering operational services relying on space-borne observations and in-situ data (Copernicus)	125 000 000	121 000 000	-4 000 000
02 06 02	Building an autonomous Union's Earth observation capacity (Copernicus)	475 000 000	459 000 000	-16 000 000
04 02 19	Completion of the European Social Fund — Regional competitiveness and employment (2007 to 2013)	1 130 000 000	1 109 595 811	-20 404 189
04 02 61	European Social Fund — Transition regions — Investment for growth and jobs goal	930 000 000	927 965 850	-2 034 150
04 02 62	European Social Fund — More developed regions — Investment for growth and jobs goal	2 200 000 000	2 178 091 258	-21 908 742
04 02 63 01	European Social Fund — Operational technical assistance	12 000 000	7 200 000	-4 800 000
05 04 05 01	Rural development programmes	3 268 000 000	3 235 000 000	-33 000 000
05 04 60 01	Promoting sustainable rural development, a more territorially and environmentally balanced, climate-friendly and innovative Union agricultural sector	8 574 000 000	8 487 000 000	-87 000 000
13 03 18	Completion of European Regional Development Fund (ERDF) — Regional competitiveness and employment	2 345 348 000	2 302 998 509	-42 349 491
13 03 61	European Regional Development Fund (ERDF) — Transition regions — Investment for growth and jobs goal	1 863 122 000	1 860 036 800	-3 085 200
13 03 62	European Regional Development Fund (ERDF) — More developed regions — Investment for growth and jobs goal	2 775 630 000	2 750 605 336	-25 024 664

Budget line	Name	DB 2016 (incl. AL1&2)	Budget 2016	Difference
13 03 64 01	European Regional Development Fund (ERDF) — European territorial cooperation	328 430 000	284 930 000	-43 500 000
13 03 65 01	European Regional Development Fund (ERDF) — Operational technical assistance	66 215 941	57 415 941	-8 800 000
13 03 66	European Regional Development Fund (ERDF) — Innovative actions in the field of sustainable urban development	53 149 262	48 649 262	-4 500 000
13 04 01	Completion of Cohesion Fund projects (prior to 2007)	90 000 000	70 000 000	-20 000 000
13 04 60	Cohesion Fund — Investment for growth and jobs goal	4 100 000 000	4 077 806 436	-22 193 564
13 04 61 01	Cohesion Fund — Operational technical assistance	22 106 496	20 606 496	-1 500 000
32 05 01 02	Construction, operation and exploitation of the ITER facilities – European Joint Undertaking for ITER — Fusion for Energy (F4E)	150 000 000	131 000 000	-19 000 000
32 05 51	Completion of European Joint Undertaking for ITER — Fusion for Energy (F4E) (2007 to 2013)	350 000 000	289 000 000	-61 000 000
	<b>Total</b>			<b>-460 100 000</b>

4. The combined level of payment appropriations set in paragraphs 1-3 above is EUR 570.6 million lower than proposed by the Commission in its draft budget, as amended by amending letters 1 and 2/2016, for the expenditure items concerned.

### 1.5. Budgetary remarks

Amendments introduced by the European Parliament or the Council to the text of budgetary remarks are agreed, insofar as they do not modify or extend the scope of an existing legal base, impinge on the administrative autonomy of institutions, cause operational difficulties, or cannot be covered by available resources (as indicated in the annex to the executability letter).

### 1.6. New budget lines

Unless mentioned otherwise in the joint conclusions agreed by the Conciliation Committee or agreed jointly by both arms of the budgetary authority in their respective reading, the budget nomenclature as proposed by the Commission in the draft budget, as amended by amending letters 1 and 2/2016, will remain unchanged, with the exception of pilot projects and preparatory actions and the split of Article 18 04 01 (*European Citizens' Initiative*) into two items: 18 04 01 01 (*Europe for Citizens — Strengthening remembrance and enhancing capacity for civic participation at the Union level*) and 18 04 01 02 (*European Citizens' Initiative*).

## 2. BUDGET 2015

Draft amending budget 8/2015 is approved as proposed by the Commission.

## 3. 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 the Youth Employment Initiative (YEI).

They recall that in accordance with Article 14(1) of Council Regulation (EUR, EURATOM) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 "*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*".

In the framework of the MFF mid-term review/revision the Commission will draw lessons from the results of the YEI evaluation, accompanied, as appropriate, by proposals for the continuation of the initiative until 2020.

The Council and the Parliament undertake to examine rapidly proposals put forward by the Commission in this respect."

### 2. Joint statement on a payment forecast 2016-2020

"Building on the existing agreement on a payment plan 2015-2016, the European Parliament, the Council and the Commission acknowledge the steps taken to phase out the backlog of outstanding payment claims from the 2007-2013 cohesion programmes, and to improve the monitoring of any backlog of unpaid bills in all headings. They reiterate their commitment to prevent a similar build-up of backlog in the future, including through setting-up an early warning system.

The European Parliament, the Council and the Commission will, throughout the year, actively monitor the state of implementation of the 2016 budget, in accordance with the agreed payment plan; in particular the appropriations provided in the budget 2016 will allow the Commission to reduce the year-end backlog of outstanding payment claims for the 2007-2013 cohesion programmes to a level of around EUR 2 billion by the end of 2016.

The European Parliament, the Council and the Commission will continue taking stock of payment implementation and updated forecasts at dedicated interinstitutional meetings, in accordance with Point 36 of the annexe of the Interinstitutional Agreement, which should take place at least three times in 2016 at the political level.

In that context, the European Parliament, the Council and the Commission recall that those meetings should also address the longer-term forecasts on the expected evolution of payments until the end of the MFF 2014-2020."

**3. Statement of the European Parliament on the application of Point 27 of the Interinstitutional Agreement**

"The European Parliament is committed to continue the reduction of the total number of posts in its establishment plan and to complete it by 2019, according to the following timetable, taking into account that a net reduction of 18 posts takes place in 2016:

*Annual net reductions in the total number of authorised posts in the establishment plan of the European Parliament compared to previous year*

Outstanding reduction to achieve the 5% target <sup>1</sup>	2017	2018	2019	2017-2019
179	-60	-60	-59	-179

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<sup>1</sup> The European Parliament considers that the scope of the 5 % reduction excludes temporary posts of political groups identified in its establishment plan.