



Brussels, 22 November 2017
(OR. en)

14587/17

FIN 738

'A' ITEM NOTE

From: General Secretariat of the Council
To: Council

Subject: General budget of the European Union for the financial year 2018
– *Approval of the joint text*

1. Following meetings of the Conciliation Committee on 6 and 17/18 November 2017, 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 18 November 2017, 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 14587/17 ADD 1);
 - line by line figures on all budget items (see documents 14587/17 ADD 2 and ADD 3);
 - a consolidated document showing the figures and final text of all lines modified during the Conciliation (see documents 14587/17 ADD 4 and ADD 5).

3. The Conciliation Committee has also agreed on or taken note of the statements recorded in Annex 2 to the ANNEX.
 4. The Council is invited to:
 - approve the joint text on the budget for 2018 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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S6917/10244

EUROPEAN UNION**Conciliation Committee on the 2018 budget**

Brussels, 20 NOV. 2017

President of the European Parliament
rue Wiertz
B - 1047 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 25 October 2017 on the Council's position on the draft budget for 2018¹, the Conciliation Committee was convened for 31 October 2017, 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(2017) 400 final of 29 June 2017), as amended by letter of amendment No 1 (COM(2017) 615 final of 16 October 2017);
- Council's position on the draft budget (4 September 2017);
- European Parliament's amendments to the Council's position (25 October 2017).

Following meetings on 6 and 17/18 November 2017, an agreement has been reached on 18 November 2017 on a joint text as provided for in Article 314(5) TFEU.

¹ See letter by the President of the Council of 25 October 2017.

In accordance with Point 23 of the Annex to the Interinstitutional Agreement of 2 December 2013¹, the joint text for the budget 2018 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 or taken note of the statements recorded in Annex 2 to this letter.

An identical letter is addressed to the President-in-Office of the Council.



Jean Arthuis
Co-chair



Märt Kivine
Co-chair

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

cc: Günther H. Oettinger, Commissioner for Budget and Human Resources

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).

**2018 BUDGETARY PROCEDURE
CONCILIATION DOCUMENT**

LIST OF DOCUMENTS FORMING PART OF THE JOINT TEXT

- BUDGET 2018¹ -

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.

2018 BUDGETARY PROCEDURE
CONCILIATION DOCUMENT

STATEMENTS

1. Joint statement by the European Parliament, Council and Commission on the 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 2018.

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."

2. Joint statement by the European Parliament, Council¹ and Commission on the Youth Employment Initiative

"The Parliament, the Council and the Commission recall that reducing unemployment and, in particular, 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.

¹ The United Kingdom does not support this statement.

Therefore, they welcome the increase of the amount allocated to this initiative in 2018. However, it is not only essential to provide for an adequate financing in the EU budget, but also to put in place, at the same time, the right procedures to implement them effectively.

In this regard, an effective cooperation between the Parliament, the Council and the Commission is needed to ensure the highest possible impact of the measures adopted.

Therefore, the Council and the European Parliament undertake to consider as a matter of priority the modification in the Common Provisions Regulation required by the adoption of the 2018 budget.

The Commission shall facilitate the swift approval of the changes in the programmes to implement the YEI."

3. Unilateral statement by the Commission on the Youth Employment Initiative

"Reducing youth unemployment remains a high political priority. The Commission undertakes to monitor closely the implementation trend of the Youth Employment Initiative (YEI). Should the trend of this initiative accelerate and should the absorption capacity allow for an increase, the Commission will propose an increase of the YEI funding through an amending budget to be financed by the Global margin for commitments in accordance with Article 14 of the MFF Regulation.

In that case, the Commission expects the Council and the European Parliament to process rapidly any such draft amending budget."

4. Unilateral statement by the Council on the 5 % staff reduction

"The Council recalls that the target year for the full implementation of the 5 % reduction of staff was 2017. However, as not all institutions, bodies and agencies have met the reduction target, the Council urges continued efforts in 2018 in order to fulfil the agreement.

It is essential that the 5% staff reduction target is implemented by all institutions, bodies and agencies, and monitored until it is fully achieved. With that in mind, the Council invites the Commission to continue to assess the outcome of the exercise in order to draw lessons for the future."
