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CONTENTS

Page

1.	Adoption of the agenda.....	3
2.	Approval of "A" items	3
	a) Non-legislative list	
	b) Legislative list	

Non-legislative activities

3.	Preparation of the European Council on 16-17 December 2021: Annotated Draft Agenda.....	4
4.	Conclusions on enhancing preparedness, response capability and resilience to future crises	4
5.	Enlargement and Stabilisation and Association process	4
6.	EU - UK relations	4
7.	Annual rule of law dialogue: country-specific discussion.....	4
8.	Legislative Programming: Commission's work programme for 2022.....	4
9.	Any other business.....	4
	ANNEX - Statements for the Council minutes	5

1. Adoption of the agenda

The Council adopted the agenda set out in 13937/21.

2. Approval of "A" items

a) Non-legislative list

13938/21

The Council adopted the "A" items listed in 13938/21 including COR and REV documents presented for adoption.

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

13983/21

General Affairs

1. Council Regulation on imports of certain industrial products into the Canary Islands

[S][C]

13634/21

13162/21

COH

Adoption

approved by Coreper, Part 2, on 17.11.2021

The Council adopted this Regulation, as finalised by the Lawyer Linguists and as set out in document 13162/21 (Legal basis: Article 349 TFEU).

Economic and Financial Affairs

2. Joint text on the general budget of the European Union for 2022

[S]

13911/21

+ ADD 1 – 5

+ **ADD 1 REV 1 (ro)**

Approval

Following Council (ECOFIN/Budget) on 15.11.2021

FIN

The Council approved the joint text on the budget for 2022 as set out in the Annex and in addenda 1 to 5 to document 13911/21. Statements to this item are set out in the Annex.

3. Council position on DAB No 6/2021: Additional vaccines doses to low and lower-middle income countries, UCPM reinforcement and other adjustments to expenditure and revenue

[S][C]

13958/21

13959/21

12597/21


FIN

Adoption

approved by Coreper, Part 2, on 17.11.2021

The Council adopted its position on draft amending budget No 6/2021.

Non-legislative activities

3. Preparation of the European Council on 16-17 December 2021:
Annotated Draft Agenda
Exchange of views 13646/21 + COR 1
4. Conclusions on enhancing preparedness, response capability and
resilience to future crises
Approval 14088/21
5. Enlargement and Stabilisation and Association process
Exchange of views
6. EU - UK relations
State of play
7. Annual rule of law dialogue: country-specific discussion
Exchange of views 12467/21
8. **Legislative Programming: Commission's work programme
for 2022**  13003/21 + ADD 1
Presentation by the Commission

The Commission presented its work programme for 2022.
9. Any other business



Public debate (Article 8(3) of the Council's Rules of Procedure)

Statements to the legislative "A" items set out in doc. 13983/21

Ad "A" item 2: **Joint text on the general budget of the European Union for 2022**
Approval

1. Joint statement by the European Parliament and the Council on payment appropriations

“The European Parliament and the Council call on the Commission to continue closely and actively monitoring during the year 2022 the implementation of the programmes of the current and previous MFFs (particularly in sub-heading 2a and Rural Development). To that end, the European Parliament and the Council invite the Commission to present, in a timely manner, updated figures concerning the state of affairs and estimates regarding 2022 payment appropriations (taking into account the improved forecasts accuracy of the Member States where applicable). If the figures show that the appropriations entered in the 2022 budget are insufficient to cover the needs, the European Parliament and the Council invite the Commission to present as soon as possible an appropriate solution, *inter alia* a draft amending budget, with a view to allowing the European Parliament and the Council to take any necessary decisions as soon as possible without undue delay for justified needs. Where applicable, the European Parliament and the Council will take into account the urgency of the matter, shortening the eight-week period for a decision if deemed necessary. The same applies *mutatis mutandis* if the figures show that the appropriations entered in the 2022 budget are higher than needed.”

2. Joint statement by the European Parliament, the Council and the Commission on the financing cost of the European Union Recovery Instrument (EURI) in 2022

“Thanks to the current favourable interest rate environment and taking into account the issuance cost of NGEU financing operations so far this year, the appropriations planned for the financing cost of the European Recovery instrument [budget line 06 04 01] can be reduced while fully preserving the capacity to finance the non-repayable component of NGEU in 2022.

Article 5(2) of the Own Resources decision lays down that “Repayments of the principal of the funds shall start before the end of the MFF 2021-2027 period, with a minimum amount, insofar as amounts not used for interest payments due under the borrowing referred to in paragraph 1 of this Article allow it, with due regard to the procedure set out in Article 314 TFEU”.

In addition, recital 20 of the Own Resources Decision states "*amounts not used for interest payments as foreseen will be used for early repayments before the end of the MFF 2021-2027, with a minimum amount, and can be increased above this level provided that new own resources have been introduced after 2021 in accordance with the procedure set out in the third paragraph of Article 311 TFEU*".

Since no repayments of the principal will be possible in 2022:

- An amount of EUR 90 million, of which EUR 70 million already included in the Draft budget, will be backloaded to 2027 when it can be used either for interest payments or early repayments. This backloading is offset by a corresponding frontloading of the EU4Health programme.
- Without prejudice to the prerogatives of the budgetary authority, the European Parliament and the Council agree to increase the amounts available on budget line 06 04 01 by EUR 224,7 million over the period 2024-2027, based on a proposal from the Commission and following the assessment of the needs and possibilities for early repayments, using available margins and by mobilising the Single margin instrument while respecting the financial programming for the programmes within Heading 2b.

This mechanism ensures that the total amount for the EURI line included in the original financial programming for 2022 will be used for interest payments or early repayments during the 2021-2027 MFF.”

3. Unilateral statement of the Commission on budgetary prudence with regard to the EURI interest line

“The Commission recalls that the EURI interest line ([budget line 06 04 01]) serves the payment of the financing and liquidity costs of NGEU borrowing in so far as these are imputed to the EU Budget. Amounts not used for interest payments, are to be used for early repayments of the debt in accordance with Article 5(2) and Recital 20 of the Own Resources Decision.

The increase in inflation calls for reinforced budgetary prudence with regard to the management of the EURI interest line in view of the possibility that nominal interest rates will be higher than assumed in the programming of this line.

The Commission will, therefore, in discharging its responsibilities under Article 314 (TFEU), paragraphs 2, 5 and 8, propose budgetary measures that, if adopted, will ensure that the overall amount originally planned in the Multi-Annual Financial Framework 2021-2027 [EUR 14 976 million in current prices] for the EURI line is fully used for the payment of interest cost or early repayments.

The Commission will report each year within the framework of the presentation of the draft budget on the cumulative implementation of the EURI line, amounts backloaded on the EURI line and the amount reserved under the Single Margin Instrument for reaching this objective.”

4. Unilateral statement by the European Commission on tackling child poverty under the European Social Fund+

“Tackling child poverty will become even more important especially in the context of the recovery from the COVID-19 crisis and sufficient resources need to be devoted to it. To this end, Regulation EU 2021/1057 on establishing the European Social Fund Plus (ESF+) requires Member States to allocate an appropriate amount of their ESF+ shared management resources for the implementation of the Child Guarantee through targeted actions and structural reforms to tackle child poverty. An explicit minimum allocation of 5% is set for all Member States that had an average rate above the Union average of children of less than 18 years old at risk of poverty or social exclusion for the period between 2017 and 2019.

Negotiations on the 2021-27 programmes between the Commission and Member States are still on-going and the exact amounts to be programmed in support of the Child Guarantee in all Member States will be known once this process is complete.

In line with the Council Recommendation establishing a European Child Guarantee {SWD(2021) 62 final} and building on reports from the Member States Child Guarantee coordinators and the Social Protection Committee, the Commission will regularly report on the implementation of the Recommendation establishing the Child Guarantee. The Commission will also closely monitor the implementation of this Recommendation in the context of the European Semester. The Commission would like to stress that Member States can programme funding for implementing the Child Guarantee beyond the minimum requirements set in the ESF+ Regulation. They can also use other EU resources, such as the Recovery and Resilience Facility, as well as their own national funding.”

5. Joint statement by the European Parliament, the Council and the Commission on the intention to provide maximum resources for natural disasters under the EUSF strand of the SEAR in 2022

“The three institutions acknowledge that the exceptional extent of the natural disasters that occurred in 2021 creates pressure on the availabilities under the European Union Solidarity fund (EUSF). The EUSF is financed exclusively from the Solidarity and Emergency Aid reserve (SEAR), without any possibility of recourse to other sources of financing.

The Conciliation Committee has agreed to reinforce humanitarian aid in Heading 6 by EUR 211 million in the 2022 budget. It is therefore possible to limit recourse to the SEAR envelope for external emergencies during the period between 1 January and 31 August 2022, thus freeing additional resources for the EUSF on 1 September 2022 equivalent to the amount of the reinforcement of humanitarian aid under Heading 6. This will allow showing maximum solidarity with Member States concerned by the natural disasters while increasing the EU budget’s capacity to swiftly respond to external emergencies.”

6. Joint statement by the European Parliament and the Council on the reinforcement of the establishment plan of the Court of Auditors

“EP and Council acknowledge that NGEU will lead to an additional workload for the Court of Auditors which cannot be offset fully by redeployment within the existing budget. They therefore agree to an increase of the establishment plan of the Court with 20 posts in 2022.

EP and Council underline the importance they attach to work of the Court of Auditors, in particular regarding financial and compliance audits the Court performs in order to fulfil its primary task to examine whether all revenue has been received and all expenditure has been incurred in a lawful and regular manner, which are inextricably linked to performance audits to examine the economy, efficiency and effectiveness in the management of the EU Budget, as two sides of the same coin. The soundness of the financial management of its budget is a cornerstone for the legitimacy of the Union.

In this context the EP and the Council consider it essential that the Court allocates sufficient resources for the implementation of these core activities.

In general, the EP and Council also acknowledge the importance of the recommendations the Court delivers on the basis of article 287(4) second sub-paragraph of the TFEU, while noting that Court of Justice has clarified that this provision *"is intended to contribute to improving the financial management of the Union by providing for reports to be transmitted to the institutions and for the latter to respond to them"*.

EP and Council invite the Court to include in the working documents for future budgetary exercises an overview of the allocation of staff in the previous year to activities for financial, compliance and performance audits, for the work based on article 287(4) of the TFEU and support services.”

7. Joint statement by the European Parliament, the Council and the Commission on reviewing the evolution of the pandemic in 2022

“The three institutions commit to reviewing the evolution of the pandemic response by the end of June 2022, notably with regard to international vaccinations and will on this basis consider any necessary action as proposed by the Commission.”

8. Unilateral statement by the Commission on migration

“Given the continuing needs foreseen in the coming years, the Commission confirms its plan to ensure that the average annual funding for migration for the Southern Neighbourhood from the NDICI-GE Neighbourhood allocation and, if needed, from other instruments, remains at least at the level envisaged for 2022”.

9. Unilateral statement by the Commission on Heading 7

“The Commission recalls that the financial programming of Heading 7 is based on the assumption that the Institutions’ staffing levels remain stable. It observes that the Budget 2022 is not consistent with this assumption and underlines that, against the background of the rising inflation, future staffing increases could lead to pressures on Heading 7 in the 2021-2027 Multi-Annual Financial Framework.”
