



**COUNCIL OF  
THE EUROPEAN UNION**



Strasbourg, 23 October 2012  
15269/12  
PRESSE 441

## **Conciliation on EU budget 2013 launched**

Today, the Council informed the European Parliament that it cannot approve all its amendments for the 2013 EU draft budget. This means that tomorrow a three-week conciliation period will start, aimed at bridging the gap between the divergent European Parliament and Council positions.

The Council notes with particular concern that the European Parliament's amendments considerably reduce the margins under the expenditure ceilings of the current multiannual financial framework or even delete it, as in sub-heading 1a (competitiveness for growth and employment).

The Council's position, adopted on 24 July ([12749/12](#) + [ADD 1](#) + [ADD 2](#) + [ADD 3](#) + [ADD 4](#) + [ADD 5](#) + [ADD 6](#) + [ADD 7](#)), has two key features:

1. Strong priority is given to programmes and actions aimed at strengthening competitiveness and convergence, creating jobs and boosting growth. As a matter of fact, the Council's position dedicates the biggest increase in payments (+6.71% compared to 2012) to heading 1 (sustainable growth). This ensures also adequate financial resources for implementing the "compact for growth and jobs" agreed at the June European Council.
2. The increase of total payments by 2.79% responds to a dual challenge: being well above inflation<sup>1</sup> it reflects the fact that 2013 is the last year of the current multiannual financial framework; on the other hand, it takes account of member states' efforts to consolidate their national budgets.

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<sup>1</sup> [http://ec.europa.eu/economy\\_finance/publications/european\\_economy/2012/pdf/ee-2012-1\\_en.pdf](http://ec.europa.eu/economy_finance/publications/european_economy/2012/pdf/ee-2012-1_en.pdf), page 10.

# **P R E S S**

The Council's position amounts to EUR 132,70 billion in payments. The European Parliament asked for a 6.82%<sup>1</sup> increase in payments to bring the total amount to EUR 137,90 billion. The Commission proposed an increase of 6.85% to EUR 137,92 billion.

The Council takes note of **draft amending budget no 6 for 2012** ([15272/12](#)) through which the Commission today proposed to increase this year's EU budget by EUR 9.0 billion in payments. This is to close the gap between the payments jointly agreed by the European Parliament and the Council in the 2012 budget on the one hand and actual implementation on the other. The Council will examine the proposal and establish its position as soon as possible.

It is, however, worth noting that the increase proposed today by the Commission by far exceeds the reduction in payments on which the European Parliament and the Council agreed for the 2012 EU budget which was limited to EUR 3.58 billion compared to the Commission's draft budget.<sup>2</sup>

Until the budgetary procedure for 2010 the payments' levels agreed by the European Parliament and the Council corresponded very closely to the amounts proposed by the Commission, taking into account possible amending letters. Experience showed, however, that the amounts put in the budget often significantly exceeded the needs. The surpluses reached levels of up to EUR 15 billion in 2001, and as recently as 2010 the surplus amounted to EUR 4.5 billion. The Council's wish in recent years was to establish the payments at a realistic absorption level in order to avoid situations in which national contributions to the EU budget remained unspent at European level while member states had to take drastic measures to consolidate their budgets at national level.

Draft amending budget no 6 for 2012 will be part of the discussions of the Conciliation Committee.

Conciliation will also cover **amending letter no 1 for 2013** ([15222/12](#)) which adapts the draft budget for 2013 notably to a new Commission estimate of the agricultural expenditure by reducing the amounts required under heading 2 (preservation and management of natural resources) by EUR 25.1 million in commitments and payments.

Separately from the conciliation procedure, the European Parliament and the Council will also discuss **draft amending budget no 5 for 2012** ([13960/12](#)), aimed at mobilising the EU solidarity fund for an amount of EUR 670.19 million in commitments and payments in favour of Italy after a series of earthquakes in May this year.

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<sup>1</sup> Taking into account amending budgets 1-3 and draft amending budget 4 for 2012 which is expected to be approved by the European Parliament today.

<sup>2</sup> If draft amending budget no 6 to the EU budget for 2011 is taken into account, the reductions agreed at the end of last year to the figures proposed by the Commission amount in total to EUR 3.93 billion.

## **Background**

The Conciliation Committee is composed of the 27 members of the Council and an equal number of members of the European Parliament. It will meet on 26 October and on 9 November, the meeting on the latter date being prepared by the ECOFIN-Budget Council taking place on the same day. These meetings will be prepared by trilogues (i.e. meetings between representatives of the Cyprus presidency, the European Parliament and the Commission) on 31 October and 7 November. The conciliation period ends on 13 November.

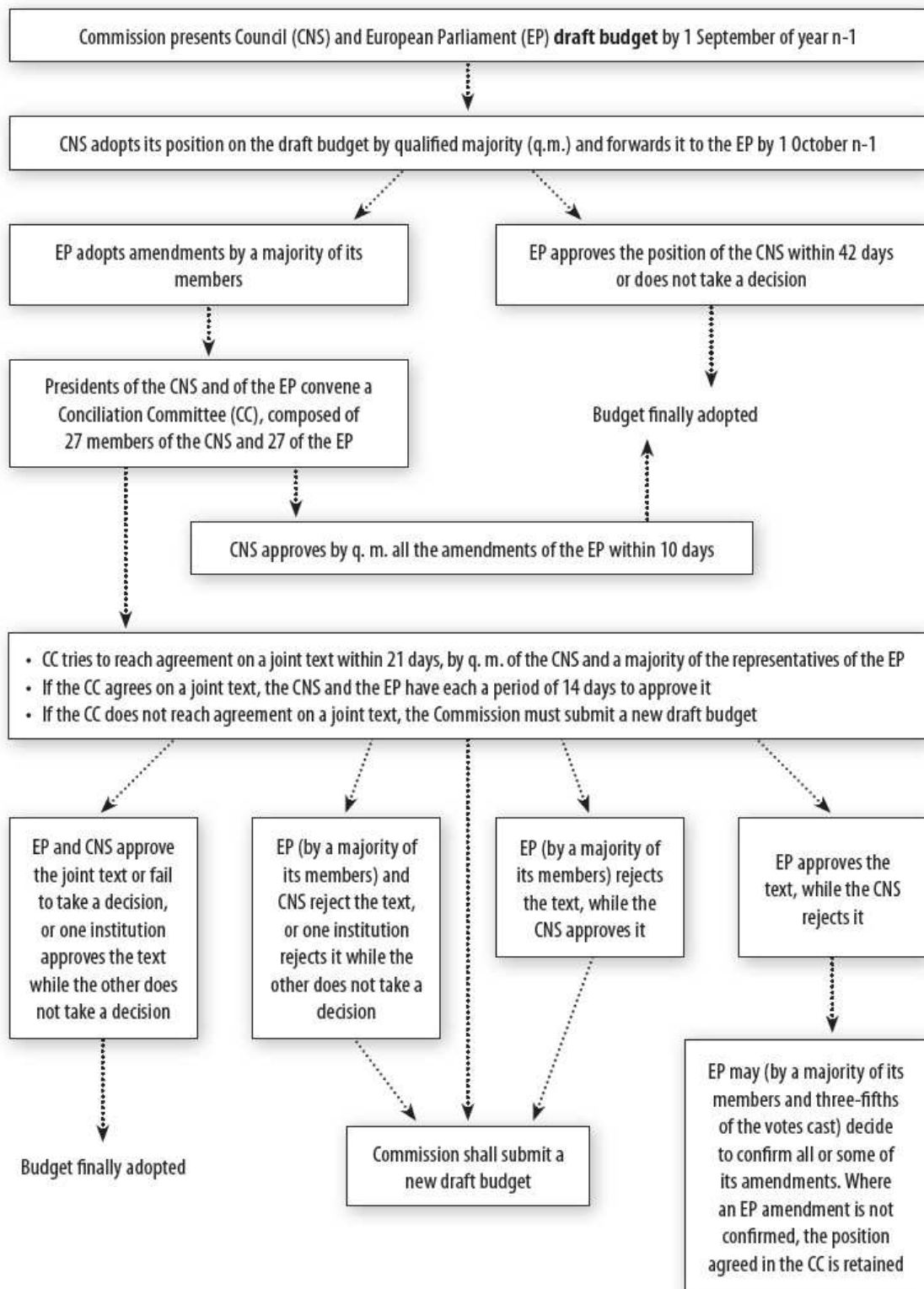
If the conciliation succeeds, the Council and the European Parliament have 14 days to formally adopt the agreement, following the finalisation of the text (*see flow-chart on the last page*). The budget is adopted unless the Council or the European Parliament rejects it.<sup>1</sup> If the conciliation fails, the Commission must submit a new draft budget.

Should the budget not be adopted at the beginning of 2013, a sum equivalent to not more than one twelfth of the budget appropriations for 2012 or of the draft budget proposed by the Commission, whichever is smaller, may be spent each month for each chapter of the budget, in line with Article 315 of the Treaty on the Functioning of the EU.

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<sup>1</sup> The only exception is the (rather theoretical) case where the Council rejects the text. In this case, the European Parliament may adopt the budget by confirming its amendments by a majority of its members and three-fifths of the votes cast.

## Budget procedure under the Lisbon Treaty (Art. 314)



CC = Conciliation Committee

CNS = Council

EP = European Parliament

q.m. = qualified majority