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THE EUROPEAN UNION**

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BUDGET 63**

DRAFT MINUTES

Subject: **3270th** meeting of the Council of the European Union (**ECONOMIC and FINANCIAL AFFAIRS: BUDGET**) held in Brussels on 11 and 12 November 2013

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1. **Adoption of the provisional agenda**

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The Council adopted the above agenda.

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 16106/13 FIN 746 and its addenda 1 to 5. A summary of this joint text is recorded in Annex 1 to this document.

4. **Any other business**

No items were raised under this heading.

BUDGET 2014 - JOINT CONCLUSIONS

1. BUDGET 2014

1.1. "Closed" lines

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

For the other budget items, the Conciliation Committee has reached the following conclusions:

1.2. Horizontal issues

a) Decentralised agencies

The number of posts for all decentralised agencies is set at the level proposed by the Commission in its 2014 draft budget (DB), with the exception of:

- *European Aviation Safety Agency (EASA)*, for which 7 additional posts are agreed;
- *European Banking Authority (EBA)*, for which 8 additional posts are agreed;
- *European Insurance and Occupational Pensions Authority (EIOPA)*, for which 3 additional posts are agreed;
- *European Securities and Markets Authority (ESMA)*, for which 5 additional posts are agreed;
- *European Asylum Support Office (EASO)*, for which 2 additional posts are agreed; and
- *EUROPOL*, for which 2 additional posts are agreed.

The EU contribution (in commitment appropriations and in payment appropriations) for decentralised agencies is set at the level proposed by the Commission in its 2014 DB, with the exception of:

- *European Banking Authority* (EBA), for which an additional amount of EUR 2.1 million is agreed, on the basis of the EU funding key of 40 % (60 % to be co-financed by national supervisory authorities);
- *European Insurance and Occupational Pensions Authority* (EIOPA), for which an additional amount of EUR 1.2 million is agreed, on the basis of the EU funding key of 40 % (60 % to be co-financed by national supervisory authorities);
- *European Securities and Markets Authority* (ESMA), for which an additional amount of EUR 2.0 million is agreed, on the basis of the EU funding key of 40 % (60 % to be co-financed by national supervisory authorities);
- *European Asylum Support Office* (EASO), for which an additional amount of EUR 0.13 million is agreed;
- *EUROPOL*, for which an additional amount of EUR 1.7 million is agreed; and
- *FRONTEX*, for which an additional amount of EUR 2.0 million is agreed.

The Conciliation Committee agrees on the joint statement on decentralised agencies as set out in Section 3.4.

b) 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 letter of amendment No 2/2014.

c) Joint Technology Initiatives (JTIs)

The EU contribution (in commitment appropriations and in payment appropriations) and the number of posts for Joint Technology Initiatives are set at the level proposed by the Commission in its 2014 DB, as amended by letter of amendment No 1/2014.

d) Pilot Projects/Preparatory Actions

A comprehensive package of 68 pilot projects/preparatory actions (PP/PA), for an amount of EUR 79.4 million in commitment appropriations, is agreed, as proposed by the European Parliament. When a PP/PA 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 PP/PA 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 PP/PA, the Conciliation Committee has agreed on the following:

a) Sub-heading 1a

Commitment appropriations are set at the level proposed by the Commission in its 2014 DB, as amended by letters of amendment No 1/2014 and No 2/2014, with the following exceptions:

(in EUR million)

Budget line	Name	Reinforcements / reductions of commitment appropriations		
		2014 DB	2014 budget	Difference
01 02 01	Coordination, surveillance and communication on the economic and monetary union, including the euro	13.000	11.000	-2.000
04 03 01 02	Social dialogue	38.500	-	-38.500
04 03 01 05	Information and training sessions for workers' organisations	-	18.600	18.600
04 03 01 06	Information, consultation and participation of representatives undertakings	-	7.250	7.250
04 03 01 08	Industrial relations and social dialogue	-	15.935	15.935
04 03 02 02	EURES – Promoting workers' geographical mobility and boosting employment opportunities	19.310	21.300	1.990
04 03 02 03	Microfinance and Social Entrepreneurship – Facilitating access to finance for entrepreneurs, especially those furthest from the labour market, and social enterprises	25.074	26.500	1.426
06 02 05	Support activities to the European transport policy and passenger rights, including communication activities	16.019	20.019	4.000
09 03 01	Accelerating the deployment of broadband networks	-	10.000	10.000
09 04 01 01	Strengthening research in FET – Future and Emerging Technologies	241.003	246.003	5.000
15 02 10	Special Annual Events	-	3.000	3.000
	TOTAL			26.701

As a consequence, and after taking into account PP/PA, as well as decentralised agencies, the margin under the expenditure ceiling of sub-heading 1a amounts to EUR 76.0 million.

b) Sub-heading 1b

Commitment appropriations are set at the level proposed by the Commission in its 2014 DB, as amended by letter of amendment No 1/2014, with the exception of the following budget lines, for each of which an amount of EUR 2.5 million in commitments is agreed:

- 13 03 67 (Macro regional strategies 2014-2020: European strategy for the Baltic Sea region – Technical assistance) and
- 13 03 68 (*Macro regional strategies 2014-2020: European strategy for the Danube region – Technical assistance*).

Furthermore, for the Fund for European Aid to the Most Deprived (FEAD, Chapter 04 06) an additional amount of EUR 134.9 million in commitments is agreed. A corresponding amount in commitments is transferred from the European Social Fund (ESF, Chapter 04 02), broken down as follows:

- EUR 67.9 million for the "Less developed regions" (budget line 04 02 60)
- EUR 22.2 million for the "Transition regions" (budget line 04 02 61)
- EUR 44.8 million for the "More developed regions" (budget line 04 02 62)

The Flexibility Instrument will be mobilised for an amount of EUR 89.3 million for additional assistance to Cyprus.

c) Heading 2

Commitment appropriations are set at the level proposed by the Commission in its 2014 DB, as amended by letter of amendment No 2/2014, with the exception of budget line 05 08 80 (*Union participation at the World Exposition 2015 "Feeding the Planet – Energy for Life" in Milan*), for which an additional amount of EUR 1 million in commitments is agreed.

As a consequence, and after taking into account PP/PA, the margin under the expenditure ceiling of heading 2 amounts to EUR 35.8 million.

d) **Heading 3**

Commitment appropriations are set at the level proposed by the Commission in its 2014 DB, as amended by letter of amendment No 2/2014, with the following exceptions:

(in EUR million)

Budget line	Name	Reinforcements of commitment appropriations		
		2014 DB	2014 budget	Difference
15 04 02	Supporting the cultural and creative sectors to operate in Europe and beyond and to promote transnational circulation and mobility	52.922	53.922	1.000
15 04 03	MEDIA sub-programme – Supporting the MEDIA cultural and creative sectors to operate in Europe and beyond and to promote transnational circulation and mobility	102.321	103.321	1.000
16 02 01	Europe for Citizens – Strengthening remembrance and enhancing capacity for civic participation at the Union level	21.050	23.050	2.000
16 03 01 01	Multimedia actions	18.740	25.540	6.800
33 02 02	Promoting non-discrimination and equality	30.651	31.151	0.500
	Total			11.300

As a consequence, and after taking into account PP/PA, as well as decentralised agencies, the margin under the expenditure ceiling of heading 3 amounts to EUR 7.0 million.

e) **Heading 4**

Commitment appropriations are set at the level proposed by the Commission in its 2014 DB, as amended by letter of amendment No 2/2014, with the following exceptions:

in EUR million

Budget line	Name	Reinforcements / reductions of commitment appropriations		
		2014 DB	2014 budget	Difference
01 03 02	Macro-financial assistance	76.257	60.000	- 16.257
19 02 01	Response to crisis and emerging crisis (Instrument for Stability)	201.867	204.337	2.470
19 02 02	Support conflict prevention, crisis preparedness and peace building (Instrument for Stability)	22.000	22.494	0.494
19 05 01	Cooperation with third countries to advance and promote European Union and mutual interests	100.511	106.109	5.598
21 02 01 01	Latin America – poverty reduction and sustainable development	205.735	0.000	- 205.735
21 02 01 02	Latin America – democracy, rule of law, good governance and respect for human rights	48.259	0.000	- 48.259
21 02 02 01	Asia – poverty reduction and sustainable development	581.964	0.000	- 581.964
21 02 02 02	Asia – democracy, rule of law, good governance and respect for human rights	154.699	0.000	- 154.699
21 02 03 01	Central Asia – poverty reduction and sustainable development	65.240	0.000	- 65.240
21 02 03 02	Central Asia– democracy, rule of law, good governance and respect for human rights	4.911	0.000	- 4.911
21 02 04 01	Middle East – poverty reduction and sustainable development	37.305	0.000	- 37.305
21 02 04 02	Middle East – democracy, rule of law, good governance and respect for human rights	13.107	0.000	- 13.107

Budget line	Name	Reinforcements / reductions of commitment appropriations		
		2014 DB	2014 budget	Difference
21 02 05 01	South Africa – poverty reduction and sustainable development	22.768	0.000	- 22.768
21 02 05 02	South Africa – democracy, rule of law, good governance and respect for human rights	2.530	0.000	- 2.530
21 02 06 01	Pan-Africa – poverty reduction and sustainable development	85.210	0.000	- 85.210
21 02 06 02	Pan-Africa – democracy, rule of law, good governance and respect for human rights	9.468	0.000	- 9.468
21 02 07 01	Global Public Goods – poverty reduction and sustainable development	620.988	0.000	- 620.988
21 02 07 02	Global Public Goods – democracy, rule of law, good governance and respect for human rights	19.036	0.000	- 19.036
21 02 07 03	Environment and climate change	0.000	163.094	163.094
21 02 07 04	Sustainable energy	0.000	82.852	82.852
21 02 07 05	Human development	0.000	163.094	163.094
21 02 07 06	Food security and sustainable agriculture	0.000	197.018	197.018
21 02 07 07	Migration and asylum	0.000	46.319	46.319
21 02 08 01	Non-State actors and Local authorities — Poverty reduction and sustainable development	183.452	0.000	- 183.452
21 02 08 02	Non-State actors and Local authorities — Democracy, rule of law, good governance and respect for human rights	61.151	0.000	- 61.151
21 02 08 03	Civil society in development	0.000	212.399	212.399
21 02 08 04	Local authorities in development	0.000	36.366	36.366
21 02 09	Middle East	0.000	51.182	51.182
21 02 10	Central Asia	0.000	71.571	71.571
21 02 11	Pan Africa	0.000	97.577	97.577
21 02 12	Latin America	0.000	259.304	259.304
21 02 13	South Africa	0.000	25.978	25.978
21 02 14	Asia	0.000	537.057	537.057
21 02 15	Afghanistan	0.000	203.497	203.497
21 03 01 01	Mediterranean countries – human rights and mobility	205.355	211.087	5.731
21 03 01 02	Mediterranean countries – poverty reduction and sustainable development	680.400	687.811	7.411
21 03 01 03	Mediterranean countries – confidence building, security and the prevention and settlement of conflicts	75.950	80.199	4.249
21 03 01 04	Support to peace process and financial assistance to Palestine and to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA)	250.000	300.000	50.000
21 03 02 01	Eastern Partnership – human rights and mobility	240.841	247.067	6.226
21 03 02 02	Eastern Partnership – poverty reduction and sustainable development	335.900	339.853	3.953
21 03 02 03	Eastern Partnership – confidence building, security and the prevention and settlement of conflicts	11.800	12.966	1.166
21 03 03 03	Support to other multi-country cooperation in the neighbourhood	163.277	163.771	0.494
21 04 01	Enhancing the respect for and observance of human rights and fundamental freedoms and supporting democratic reforms	127.841	132.782	4.941
21 05 01	Global and trans-regional security threats (Instrument for Stability)	81.514	82.255	0.741
21 08 02	Coordination and promotion of awareness on development issues	11.700	13.331	1.631

Budget line	Name	Reinforcements / reductions of commitment appropriations		
		2014 DB	2014 budget	Difference
22 02 01	Support to Albania, Bosnia and Herzegovina, Kosovo, Montenegro, Serbia and the former Yugoslav Republic of Macedonia			
22 02 01 01	Support for political reforms and progressive alignment with and adoption, implementation and enforcement of the 'acquis communautaire'	248.565	249.800	1.235
22 02 01 02	Support for economic, social and territorial development	248.565	249.800	1.235
22 02 03	Support to Turkey			
22 02 03 01	Support for political reforms and progressive alignment with and adoption, implementation and enforcement of the "acquis communautaire"	292.938	294.173	1.235
22 02 03 02	Support for economic, social and territorial development	292.938	294.173	1.235
22 03 01	Financial support for encouraging the economic development of the Turkish Cypriot community	30.000	31.482	1.482
23 02 01	Delivery of rapid, effective and needs-based humanitarian aid and food assistance	859.529	874.529	15.000
	Total			131.755

As a consequence, and after taking into account PP/PA, the margin under the expenditure ceiling of heading 4 amounts to EUR 10.0 million.

f) Heading 5

As far as establishment plan posts of all institutions are concerned, the level proposed by the Commission in its 2014 DB, as amended by letter of amendment No 2/2014, is agreed, with the exception of the European Parliament, for which its own reading is agreed.

Commitment appropriations are set at the level proposed by the Commission in its 2014 DB, as amended by letter of amendment No 2/2014, with the exception of:

- The amounts corresponding to the possible impact of the 2011 and 2012 salary adjustments, which are not included in the budgets of each institution at this stage, pending the ruling of the Court of Justice. The Conciliation Committee agrees on the joint statement as set out in Section 3.5;
- Furthermore, as far as the appropriations of the other institutions are concerned, the level proposed by the European Parliament is agreed, with the following exceptions:
 - For the European Court of Auditors (Section V), the abatement rate proposed by the Council is agreed;
 - For the Court of Justice (Section IV), excluding the reduction of EUR 0.6 million proposed by the European Parliament;

- For the European External Action Service (Section X), excluding the transfer of the EU Special Representatives proposed by the European Parliament. The Conciliation Committee agrees on the joint statement as set out in Section 3.6.
- In addition, three new lines (30 01 16 01, 30 01 16 02 and 30 01 16 03) are included in the budget of the Commission (Section III), with the corresponding level of appropriations proposed by the European Parliament in its reading.

As a consequence, and after taking into account PP/PA, the margin under the expenditure ceiling of heading 5 amounts to EUR 316 million.

Creation of function group AST/SC

The establishment plans of all EU institutions and bodies will be modified to take account of the creation in the Staff Regulations of the new AST/SC function group, as proposed in letter of amendment No 2/2014.

g) Heading 6

Commitment appropriations are set at the level proposed by the Commission in its 2014 DB.

1.4. Special instruments

Commitment appropriations for the Emergency Aid Reserve (EAR) and the European Globalisation Adjustment Fund (EGF) are set at the level proposed by the Commission in its 2014 DB.

1.5. Payment appropriations

The overall level of payment appropriations in the 2014 budget is set at EUR 135 504 613 000.

The Council position on the 2014 DB is used as a starting point to apply the following allocation of payment appropriations across budget lines in 2014:

- (1) First, account is taken of the agreed level of commitment appropriations for non-differentiated expenditure, for which the level of payment appropriations by definition is equal to the level of commitments;
- (2) By analogy, the same applies to decentralised agencies, for which the EU contribution in payment appropriations is set at the level proposed in section 1.2 above;

- (3) The payment appropriations for all *new* PP/PA are set at 50 % of the corresponding commitment appropriations, or to the level proposed by the European Parliament if lower; in the case of extension of *existing* PP/PA the level of payments is the one defined in the 2014 DB plus 50 % of the corresponding new commitments, or to the level proposed by the European Parliament if lower;
- (4) The following specific amounts in payment appropriations are agreed:
- a) The level of payment appropriations for the EU Solidarity Fund in 2014 is set at EUR 150 million;
 - b) The level of payment appropriations for the Joint Technology Initiatives is set at the level proposed in letter of amendment No 1/2014, whereas the level of payment appropriations for the International Fisheries Agreements is set at the level proposed in letter of amendment No 2/2014;
 - c) The level of payment appropriations for "*Support to peace process and financial assistance to Palestine and to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA)*" is set at EUR 200 million;
 - d) The level of payment appropriations for the Macro-regional strategies 2014-2020 is set at 50 % of the level of commitments defined under sub-heading 1b in section 1.3 above;
 - e) The level of payment appropriations for the Special Annual Events is set at the level of commitments defined under sub-heading 1a in section 1.3 above.
- (5) The level of payment appropriations set in paragraphs 2 to 4 has a net impact of EUR 285 million compared with the Council's position on the 2014 DB for the expenditure items concerned. Taking into account the difference between the overall level of payment appropriations of EUR 135 504 613 000 and the Council's position on the 2014 DB, the remaining amount of EUR 215 million allows for an increase of payment appropriations across all budget lines with differentiated appropriations for which no specific rules have been defined in the paragraphs 2 to 4 above, in proportion with the difference between the 2014 DB proposed by the Commission and the Council's position.

As part of the overall compromise, the Conciliation Committee agrees on the joint statement on payment appropriations as set out in section 3.1 below.

The Council takes note of the joint statement of the European Parliament and the Commission on payment appropriations as set out in section 3.2 below.

1.6. Budgetary remarks

All amendments introduced by the European Parliament or the Council to the text of budgetary remarks are agreed with changes as set out in Annex 1. This is with the understanding that they cannot modify or extend the scope of an existing legal base, or impinge on the administrative autonomy of institutions, and that the action can be covered by available resources.

1.7. 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 its 2014 DB and its letters of amendment No 1 and No 2/2014 will remain unchanged, with the exception of PP/PA.

These commonly agreed nomenclature changes concern the following budget lines:

Budget line	Name
04 03 01 05	Information and training sessions for workers' organisations
04 03 01 06	Information, consultation and participation of representatives undertakings
04 03 01 08	Industrial relations and social dialogue
15 02 01	Promoting excellence and cooperation in the European education, training and youth area, its relevance to the labour market and the participation of young people in European democratic life
15 02 01 01	Education and training
15 02 01 02	Youth
15 02 10	Special Annual Events
21 02 07 03	Environment and climate change
21 02 07 04	Sustainable energy
21 02 07 05	Human development
21 02 07 06	Food security and sustainable agriculture
21 02 07 07	Migration and asylum
21 02 08 03	Civil society in development
21 02 08 04	Local authorities in development
21 02 09	Middle East
21 02 10	Central Asia
21 02 11	Pan Africa
21 02 12	Latin America
21 02 13	South Africa
21 02 14	Asia
21 02 15	Afghanistan
30 01 16 01	Retirement Pensions of former Members of the European Parliament
30 01 16 02	Invalidity Pensions of former Members of the European Parliament
30 01 16 03	Survivor's Pensions of former Members of the European Parliament

The budget remarks for the new budget lines on Social Dialogue, as proposed by the Commission, are set out in the Annex.

1.8. Reserves

The reserve of EUR 2 million set by the European Parliament on budget line 01 02 01 (*Coordination, surveillance and communication on the economic and monetary union, including the euro*) is agreed.

1.9. Revenues

The revenue side of the budget is approved as proposed by the Commission in its 2014 DB, as amended by letter of amendment No 2/2014 adjusted to the level of payments agreed in the Conciliation Committee.

2. BUDGET 2013

Draft amending budget (DAB) No 8/2013 is agreed with the amounts as proposed by the Council.

DAB No 9/2013 is agreed as proposed by the Council, with the following amendments:

1. A reinforcement of EUR 200 million to meet outstanding needs for payment appropriations in 2013 in the field of research is agreed, on the following budget lines:

(in EUR million)

Budget line	Name	Reinforcement in payment appropriations in 2013
06 06 02 03	SESAR Joint Undertaking	12.458 million
08 02 02	Cooperation - Health - Innovative Medicines Initiative Joint Undertaking	17.981 million
08 04 01	Cooperation - Nanosciences, nanotechnologies, materials and new production technologies	19.936 million
08 06 01	Cooperation - Environment (including climate change)	2.804 million
08 10 01	Ideas	41.884 million
08 19 01	Capacities - Support for coherent development of research policies	0.406 million
09 04 01 01	Support for research cooperation in the area of information and communication technologies (ICTs - Cooperation)	40.813 million
10 03 01	Nuclear activities of the Joint Research Centre (JRC)	0.406 million
15 07 77	People	63.313 million
	Total	200 million

2. A redeployment of payment appropriations for a total amount of EUR 50 million in 2013 is agreed from the following budget lines:

(in EUR million)

Budget line	Name	Redeployments of payment appropriations		
		2013 budget	DAB No 9/2013	Difference
01 03 02	Macro-Financial Assistance			10.000
04 05 01	European Globalisation Adjustment Fund (EGF)			13.116
08 01 04 31	Research Executive Agency (REA)			3.915
08 01 05 01	Expenditure related to research staff			7.230
08 01 05 03	Other management expenditure for research			15.739
	Total			50.000

The redeployment of payment appropriations for administrative support expenditure for research (Chapter 08 01) in 2013 concerns non-differentiated expenditure, which leads to a corresponding reduction in commitment appropriations (-EUR 26.9 million) on the last three lines in the table above.

An amount of EUR 250 million of payment appropriations for the EU Solidarity Fund is included in the 2013 budget, whereas an amount of EUR 150 million of payment appropriations for the EU Solidarity Fund is included in the 2014 budget.

3. STATEMENTS

3.1. Joint statement on payment appropriations

"The European Parliament, the Council, and the Commission recall their shared responsibility, as laid down in Article 323 of the Treaty on the Functioning the European Union (TFEU), that "the European Parliament, the Council and the Commission shall ensure that the financial means are made available to allow the Union to fulfil its legal obligation in respect of third parties".

The European Parliament and the Council recall the need to ensure, in the light of implementation, an orderly progression of payments so as to avoid any abnormal shift of outstanding commitments ('RAL') onto the 2015 budget. In this respect, they will have recourse, when appropriate, to the various flexibility mechanisms included in the MFF Regulation, among others in its Article 13.

The European Parliament and the Council agree to set the level of payment appropriations for 2014 at EUR 135 504 613 000. They ask the Commission to initiate any necessary action, on the basis of the provisions of the draft MFF Regulation and the Financial Regulation, to cover the responsibility assigned by the Treaty and, in particular, after having examined the scope for reallocation of the relevant appropriations, with particular reference to any expected under-implementation of appropriations (Financial Regulation Article 41§2) to request additional payment appropriations in an amending budget if the appropriations entered in the 2014 budget are insufficient to cover expenditure.

The European Parliament and the Council will take position on any draft amending budget as quickly as possible in order to avoid any shortfall in payment appropriations. In addition, the European Parliament and the Council undertake to process swiftly any possible transfer of payment appropriations, including across financial framework headings, in order to make the best possible use of payment appropriations entered in the budget and align them to actual execution and needs.

The European Parliament, the Council and the Commission will, throughout the year, actively monitor the state of implementation of the 2014 budget, in particular under sub-heading 1b (Economic, social and territorial cohesion) and rural development under heading 2 (Sustainable Growth: Natural Resources). This will take the form of dedicated inter-institutional meetings, in accordance with point 36 of the Annex of the Interinstitutional Agreement, to take stock of payment implementation and revised forecasts."

3.2. European Parliament and Commission statement on payment appropriations

"The European Parliament and the Commission recall the need for specific and maximum flexibility within the 2014-2020 MFF. Changes to the proposed legal bases agreed by the legislative authority will lead to further pressure on the payment ceilings under the 2014-2020 MFF. In the context of the finalisation of the legislative package for the Cohesion policy 2014-2020 and taking into account the possible impact of the SME initiative, the Commission issued a declaration on the impact of the agreement reached on the performance reserve and pre-financing levels, on payment needs. Whilst the overall impact of these changes on additional payment appropriations in the 2014-2020 MFF is considered to remain limited, the Commission stated that the annual fluctuations in the global level of payments would be managed through the use of the global margin for payments. If needed, the Commission may also have recourse to the Flexibility Instrument and the Contingency Margin agreed upon in the draft MFF Regulation.

Therefore, the Commission intends to propose correcting measures in light of implementation, using, to the extent necessary, all the tools offered by the new MFF. Specifically, in the course of 2014 the Commission may have to propose to have recourse to the Contingency Margin, in accordance with Article 13 of the draft MFF Regulation."

3.3. Council statement on payment appropriations

"The Council recalls that the special instruments can only be activated to cater for genuinely unforeseen circumstances.

It recalls that the Contingency Margin shall not result in exceeding the total ceilings of commitment and payment appropriations.

As regards other special instruments, the Council recalls that Article 3(2) of the draft MFF Regulation states that commitment appropriations may be entered in the budget over and above the ceilings of the relevant headings."

3.4. Joint statement on decentralised agencies

"The European Parliament, the Council and the Commission recall the importance to progressively reduce the staffing levels of all EU institutions, bodies and agencies by 5% over five years, as agreed in point 23 of the draft Interinstitutional Agreement on budgetary discipline, cooperation in budgetary matters and on sound financial management.

The European Parliament and the Council commit to pursue progressively the above-mentioned 5% staff reduction for the period 2013-2017 while insisting as well on the proper functioning of the agencies so that they can fulfil the tasks they have been assigned by the legislative authority. In this respect, they consider that further measures, including structural ones, may be required to achieve this reduction for decentralised agencies. In this context, the Commission will continue its assessment of the possibilities to merge and/or wind-up some of the existing agencies, and/or other ways to achieve synergies.

Further to the work carried out by the Inter-Institutional Working Group, which resulted in the Common Approach on decentralised agencies agreed in July 2012, the European Parliament, the Council and the Commission agree on the need for a closer and more permanent scrutiny on the development of decentralised agencies to ensure a coherent approach. Without prejudice to their respective prerogatives, they agree to establish a specific inter-institutional working group with the aim of defining a clear development path for agencies, based on objective criteria. The Group should in particular discuss:

- Evaluation of establishment plans on a case-by-case basis;
- Ways to provide adequate appropriations and staff for additional tasks, assigned to individual agencies by the legislative authority;
- Treatment of agencies which are fully or partially fee-financed;
- Administrative structure of agencies, financing models, treatment of assigned revenues;
- Reassessment of needs; potential mergers/closures; transfer of tasks to the Commission.

The European Parliament and the Council will take into due account the results achieved by the Inter-Institutional Working Group in their deliberations as legislative and budgetary authority."

3.5. Joint statement on heading 5 and salary adjustments

"The European Parliament and the Council agree that pending the outcome of the cases before the European Court of Justice, the appropriations related to the proposed salary adjustments of 1.7 % for 2011 and 1.7 % for 2012 will not be included at this stage in the 2014 budget.

Should the Court of Justice rule in favour of the Commission, the Commission will present a draft amending budget in 2014 in order to cover the proposed salary adjustments, for all the Sections. Under such a scenario, the European Parliament and the Council undertake to act swiftly on the relevant draft amending budget."

3.6. Joint statement on EU Special Representatives

"The European Parliament and the Council agree to examine the transfer of appropriations for the European Union Special Representatives from the Commission's budget (Section III) to the budget of the European External Action Service (Section X) in the context of the 2015 budgetary procedure."

Annex – Modification of budgetary remarks

With reference to section 1.6 of the joint conclusions, as compared to the budgetary remarks voted by the European Parliament and the Council, the following modifications are agreed:

Sub-heading 1a

04 03 01 05 Information and training measures for workers' organisations

Remarks

This appropriation is intended to cover expenditure on information and training measures for workers' organisations, including representatives of workers' organisations in the candidate countries, deriving from ~~the implementation of Union action in the framework of the implementation of the Union~~ social dimension ~~action~~. These measures should help workers' organisations to ~~help~~ address the overarching challenges facing European employment and social policy as laid down in the Europe 2020 Strategy and the Social Agenda and within the context of Union initiatives to address the consequences of the economic crisis.

~~Moreover, this appropriation is also intended to support the work programmes of the two institutes – ETUI (European Trade Union Institute) and EZA (European Centre for Workers' Questions) – which have been established to promote capacity-building through educational measures and research at European level, including in candidate countries, to include worker representatives in decision-making processes to a greater extent.~~

This appropriation is intended to cover in particular the following activities:

- **Support for the work programmes of the two specific trade union institutes, ETUI (European Trade Union Institute) and EZA (European Centre for Workers' Questions), which have been established to facilitate capacity-building through training and research at European level, as well as to improve the degree of involvement of workers' representatives in European governance,**
- **Information and training measures for workers' organisations, including representatives of workers' organisations in the candidate countries, deriving from the implementation of Union action in the framework of the implementation of the Union social dimension,**
- **Measures involving representatives of the social partners in the candidate countries with the specific purpose of promoting social dialogue at Union level. It is also intended to promote equal participation of women and men in the decision-making bodies of workers' organisations."**

Legal Basis

Task resulting from specific powers directly conferred on the Commission by the Treaty on the Functioning of the European Union pursuant to Article 154.

Convention concluded in 1959 between the ECSC High Authority and the International Occupational Safety and Health Information Centre (CIS) of the International Labour Office.

Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work (OJ L 183, 29.6.1989, p. 1), and the associated individual Directives.

Council Directive 92/29/EEC of 31 March 1992 on the minimum safety and health requirements for improved medical treatment on board vessels (OJ L 113, 30.4.1992, p. 19).

04 03 01 06 Information, consultation and participation of representatives of undertakings

Remarks

~~This appropriation is intended to provide funding for action to foster the development of employee involvement in undertakings in furtherance of Directives 97/74/EC and 2009/38/EC on European Works Councils, Directives 2001/86/EC and 2003/72/EC on employees' involvement in the European Company and in the European Cooperative Society respectively, Directive 2002/14/EC establishing a general framework for informing and consulting employees in the European Community, and Article 16 of Directive 2005/56/EC on cross-border mergers of limited liability companies.~~

~~This appropriation covers the funding of measures to strengthen transnational cooperation between workers' and employers' representatives in respect of information, consultation and participation of employees within companies operating in more than one Member State. Short training courses for negotiators and representatives in transnational information, consultation and participation bodies may be funded in that context. This may involve social partners from candidate countries. This appropriation may be used to finance measures enabling social partners to exercise their rights and discharge their duties as regards employee involvement, especially on European Works Councils and in SMEs, to familiarise them with transnational company agreements, and to cooperate to a greater extent in connection with Union law on employee involvement.~~

~~In addition, it may be used to finance measures to develop expertise on employee involvement across Member States, to promote cooperation between relevant authorities and stakeholders, and to foster relations with EU institutions so as to support implementation of Union law on employee involvement and make it more effective.~~

This appropriation is intended to cover in particular the following activities:

- Measures to set the conditions for social dialogue in companies and proper employee involvement in undertakings as provided under directive 2009/38/EC on European Works Councils, Directives 2001/86/EC and 2003/72/EC on employees' involvement in the European company and in the European cooperative society, respectively, Directive 2002/14/EC establishing a general framework for informing and consulting employees in the European Community, Directive 98/59/EC on collective redundancies and Article 16 of Directive 2005/56/EC on cross-border mergers of limited liability companies.**

- **Initiatives to strengthen transnational cooperation between workers' and employers' representatives in respect of information, consultation and participation of employees within companies operating in more than one Member State and short training actions for negotiators and representatives in transnational information, consultation and participation bodies may be funded in that context. This may involve social partners from candidate countries.**
- **Measures to enable social partners to exercise their rights and duties as regards employee involvement, especially within the framework of European Works Councils, to familiarise them with transnational company agreements and strengthen their cooperation in respect to Union law on employee involvement.**
- **Operations fostering the development of employee involvement in undertakings.**
- **Innovative actions relating to employee involvement, with the view of supporting the anticipation of change and the prevention and resolution of disputes in the context of corporate restructuring, mergers, take-overs and relocation in union-scale undertakings and union-scale groups of undertakings.**
- **Measures to strengthen cooperation between the social partners for the development of employee involvement in the design of solutions addressing the consequences of the economic crisis, such as mass redundancies, or the need for a shift towards an inclusive, sustainable and low-carbon economy.**
- **Transnational exchange of information and good practice in matters relevant for social dialogue at company level.**

Legal Basis

Task resulting from specific powers directly conferred on the Commission by the Treaty on the Functioning of the European Union pursuant to Articles 154 and 155.

Council Directive 97/74/EC of 15 December 1997 extending to the United Kingdom of Great Britain and Northern Ireland Directive 94/45/EC on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees (OJ L 10, 16.1.1998, p. 22).

Council Directive 2001/86/EC of 8 October 2001 supplementing the Statute for a European Company with regard to the involvement of employees (OJ L 294, 10.11.2001, p. 22).

Directive 98/59/EC on the approximation of the laws of the Member States relating to collective redundancies (OJ L 225, 12.8.1998, p. 16).

Directive 2001/23/EC on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses (OJ L 82, 22.3.2001, p. 16).

Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community (OJ L 80, 23.3.2002, p. 29).

Council Directive 2003/72/EC of 22 July 2003 supplementing the Statute for a European Cooperative Society with regard to the involvement of employees (OJ L 207 of 18.8.2003, p. 25).

Directive 2005/56/EC of the European Parliament and of the Council of 26 October 2005 on cross-border mergers of limited liability companies (OJ L 310, 25.11.2005, p. 1).

Directive 2009/38/EC of the European Parliament and of the Council of 6 May 2009 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees (Recast) (OJ L 122, 16.5.2009, p. 28).

Convention concluded in 1959 between the ECSC High Authority and the International Occupational Safety and Health Information Centre (CIS) of the International Labour Office.

04 03 01 08 Industrial relations and social dialogue

Remarks

The objective of this activity is to strengthen the role of social dialogue and promote the adoption of agreements and other joint actions between the social partners at the EU level. This appropriation is intended to cover the financing of the social partners' participation. The actions financed should help social partner organisations to address in the European employment strategy and of the social partners' contribution to addressing the overarching challenges facing European employment and social policy as laid down in the Europe 2020 Strategy and the Social Agenda and within the context of Union initiatives to address the consequences of the economic crisis and to contribute to the improvement and dissemination of knowledge of industrial relations institutions and practices. It is intended to cover grants for promoting social dialogue at cross-industry and sectoral level in accordance with Article 154 of the Treaty on the Functioning of the European Union. The appropriations shall therefore be used to finance consultations, meetings, negotiations and other operations designed to achieve these objectives.

~~In addition, this appropriation is intended to cover support for industrial relations measures, in particular those designed to develop expertise and the exchange of Union relevant information.~~

~~This appropriation is also intended to cover the funding of measures involving representatives of the social partners in the candidate countries with the specific purpose of promoting social dialogue at Union level. A gender sensitive approach is taken into account in the implementation of these objectives and it is, therefore, intended to promote equal participation of women and men in the decision-making bodies of both trade unions and employers' organisations. These last two components are cross-cutting.~~

~~On the basis of these objectives, two sub-programmes have been established:~~

- ~~— support for European social dialogue~~
- ~~— improvement of expertise in industrial relations.~~

This appropriation is intended to cover in particular the following activities:

- **Studies, consultations, meetings of experts, negotiations, information, publications and other operations directly linked to the achievement of the above objective or measures falling under this budget line, plus any other expenditure on technical and administrative assistance not involving public authority tasks outsourced by the Commission under ad hoc service contracts.**
- **Actions undertaken by social partners to promote social dialogue (including capacity of social partners) at cross-industry and sector level,**
- **Actions to improve knowledge on industrial relations institutions and practices across the EU and dissemination of results,**
- **Measures involving representatives of the social partners in the candidate countries with the specific purpose of promoting social dialogue at Union level. It is also intended to promote equal participation of women and men in the decision-making bodies of both trade unions and employers' organisations,**
- **Actions to support industrial relations measures, in particular those designed to develop expertise and the exchange of Union-relevant information.**

Legal Basis

Task resulting from specific powers directly conferred on the Commission by the Treaty on the Functioning of the European Union pursuant to Articles 154 and 155.

15 02 10 Special Annual Events

Remarks

The remarks for this budget line read as follows:

Add following text:

This appropriation is intended to cover completion costs of measures supported as special annual sport events.

Special Annual Event: The European MOVE Week

Commitments: EUR 1 000 000; Payments: EUR 1 000 000

The European MOVE Week is a European-wide flagship event promoting grassroots sport and physical activity and their positive impact on European citizens and societies.

As part of the vision to get 100 million more Europeans to be active in sport and physical activity by 2020, the MOVE Week 2014 is a bottom-up approach, involving local communities, sports clubs, schools, workplaces and cities in a large-scale celebration of sport and physical activity. It is an integrated part of the European NowWeMove campaign and thus a sustainable contribution to more physically active and healthy European citizens.

MOVE Week 2014 will feature a minimum of 300 events from all 28 EU member states and a minimum of 150 cities, introducing new sport and physical activity initiatives and highlighting the myriad of successful existing actions.

Special Annual Event: European Special Olympics Summer Games in Antwerp, Belgium 2014

Commitments: EUR 2 000 000; Payments: EUR 2 000 000

This appropriation is intended to cover costs of measures supported as special annual events. The amount of 2 000 000 Euro allocated to co-finance the multi-annual event of The European Special Olympics Summer Games in Antwerp, Belgium (13-20 Sept 2014). This funding will also allow participating athletes from all 28 member states to train, to prepare and to attend the games in Belgium.

This event will see 2,000 athletes and their delegations from 58 countries competing over 10 days. More than 4,000 volunteers will help to make this multi-sport event unique. Along with the Sports Programme, other Scientific, Educational and Family Programmes will be set up. 30 Belgian cities will host the athletes and Antwerp will host the event. Many special events will be organised before, during, and after the Games.
