



Council of the
European Union

Brussels, 6 March 2017
(OR. en)

7030/17

LIMITE

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NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council

Subject:	Multiannual Financial Framework (MFF) 2014 - 2020 Review/Revision : Draft Council Regulation amending Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 - agreement in principle - request for the consent of the European Parliament - draft statements
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1. In accordance with Article 2 of the MFF Regulation¹, the Commission adopted on 14 September 2016 a Communication on the review/revision of the MFF. This Communication was accompanied by several legislative proposals.

¹ Council Regulation (EU, EURATOM) No1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

2. On the same day, COREPER tasked the Friends of the Presidency group (MFF Review/Revision)² to review the Communication of the Commission, as well as the accompanying proposal for amending Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020, as amended by Council Regulation No 2015/623 of 21 April 2015 (*MFF Regulation*); proposal for amending the 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 (*IIA on budgetary matters*), and proposal for amending Decision No 2015/435 of the European Parliament and of the Council of 17 December 2014 on the mobilisation of the Contingency Margin (*Contingency margin Decision*).
3. Following the examination carried out at expert level of the Commission Communication and above-mentioned proposals, the General Affairs Council of 15 November 2016 gave broad support to the elements contained in a revised Presidency compromise³ all of which are considered part of a package. However, at the time, one delegation was not in a position to join the agreement, and one delegation announced that it would abstain from the vote.
4. After its compromise received broad support in the Council, the Presidency held numerous informal discussions with representatives from the European Parliament, and reported on these contacts to delegations on a regular basis. The Friends of Presidency MFF Review/Revision working party also conducted preliminary technical follow-up to facilitate, if and when possible, the finalization of the package.
5. The positions expressed on 15 November 2016 were reiterated during the General Affairs Council of 13 December 2016.
6. In January and February 2017, the Presidency conducted informal discussions, including with the delegation that was not in a position to join the agreement on 15 November 2016, and concluded that the position of that delegation had evolved.

² ST 12081/16

³ ST 13545/4/16 REV4.

7. Consequently, Coreper is invited to recommend to the Council to:
- confirm its agreement in principle on the amended MFF Regulation, contained in document ST 14942/16 as revised by the legal/linguistic experts, and endorse the draft statements contained in document ST 7031/17 + ADD1;
 - request the European Parliament for its consent on the draft Regulation contained in document ST 14942/16, in accordance with Article 312(2) TFEU;
 - request the European Parliament for its approval of the draft joint statements contained in ST 7031/17;
 - request the European Commission for its confirmation of the draft European Commission statement contained in document ST 7031/17 ADD2; and
 - approve the draft letters, in Annex 1 and Annex 2, to be sent to European Parliament and the Commission in this respect.
8. The statements contained in ST 7031/17 + ADD1-2 will be entered into the Council's minutes when adopting the legislative act.
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Draft letter to the President of the European Parliament requesting consent of the European Parliament

Sir,

On 14 September 2016, the Commission submitted to the Council a Proposal for a Council Regulation amending Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 (2016/0283 (APP)), a Proposal for an amendment of the 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 (COM (2016) 606 final); and a Proposal for a Decision of the European Parliament and of the Council amending Decision (EU) 2015/435 on the mobilisation of the Contingency Margin (COM (2016) 607 final).

Following extensive work in the Council, and building on informal political discussions with the European Parliament, on [xxx], the Permanent Representatives Committee reached agreement in principle on the text contained in document ST 14942/16 as finalised by the legal/linguistic experts, as well as on the draft statements included in document ST 7031/17 + ADD 1.

The Council on [xxx] unanimously endorsed this agreement in principle and the components of a global package, with [x] delegation[s] signalling [it] [they] will abstain from the vote.

The main components of the package supported in the Council are reflected in the proposed amendments to Regulation (EU, EURATOM) No 1311/2013 contained in document ST 14942/16, as well as the draft joint statements contained in document ST 7031/17. The Council also intends to adopt unilaterally the statement contained in document ST 7031/17 ADD1. Document ST 7031/17 ADD 2 contains a unilateral draft Commission statement.

Moreover, as regards the proposal for a Decision amending Decision (EU) 2015/435, the Council will adopt the proposal with modifications as set out in the Annex for your information.

The Council considers those components as a package.

Consequently, the Council decided on [xxxx] to request:

- the European Parliament for its consent on the draft Regulation contained in document ST 14942/16;
- the European Parliament for its approval of the draft joint statements contained in ST 7031/17; as well as
- the European Commission for its confirmation of the draft European Commission statement contained in document ST 7031/17 ADD2.

The Council would therefore be grateful if the European Parliament could kindly:

- give its consent on the draft Regulation, as finalised by the legal/linguistic experts, and contained in document 14942/16 ; as well as
- give its approval on the draft joint statements contained in ST 7031/17.

The Council has instructed me to forward this request to you.

When adopting these acts, draft statements as contained in ST 7031/17 + ADD1-2 will be entered in the Council's minutes.

Yours faithfully,

[signature]

Enclosed : document ST 14942/16 (amended MFF Regulation) and ST 7031/17 + ADD 1-2 (statements)

Draft letter to the President of the European Commission

Sir,

On 14 September 2016, the Commission submitted to the Council a Proposal for a Council Regulation amending Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 (2016/0283 (APP)), a Proposal for an amendment of the 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 (COM (2016) 606 final); and a Proposal for a Decision of the European Parliament and of the Council amending Decision (EU) 2015/435 on the mobilisation of the Contingency Margin (COM (2016) 607 final).

Following extensive work in the Council, and building on informal political discussions with the European Parliament, on [xxx], the Permanent Representatives Committee reached agreement in principle on the text contained in document ST 14942/16 as finalised by the legal/linguistic experts, as well as on the draft statements included in document ST 7031/17 + ADD1.

The Council on [xxx] unanimously endorsed this agreement in principle and the components of a global package, with [x] delegation[s] signalling [it] [they] will abstain from the vote.

The main components of the package supported in the Council are reflected in the proposed amendments to Regulation (EU, EURATOM) No 1311/2013 contained in document ST 14942/16, as well as the draft joint statements contained in document ST 7031/17. The Council also intends to adopt unilaterally the statement contained in document ST 7031/17 ADD1.

Moreover, as regards the proposal for a Decision amending Decision (EU) 2015/435, the Council will adopt the proposal with modifications as set out in the Annex for your information.

The Council considers those components as a package.

Consequently, the Council decided on [xxxx] to request:

- the European Parliament for its consent on the draft Regulation contained in document ST 14942/16;
- the European Parliament for its approval of the draft joint statements contained in ST 7031/17; as well as
- the European Commission for its confirmation of the draft European Commission statement contained in document ST 7031/17 ADD2.

The Council would therefore be grateful if the Commission could kindly confirm the draft European Commission statement contained in document ST 7031/17 ADD2.

The Council has instructed me to forward this request to you.

When adopting these acts, draft statements as contained in ST 7031/17 + ADD1-2 will be entered in the Council's minutes.

Yours faithfully,

[signature]

Enclosed : document ST 14942/16 (amended MFF Regulation) and ST 7031/17 + ADD 1-2 (statements)

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Decision (EU) 2015/435 on the mobilisation of the Contingency Margin

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the 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 management¹, and in particular the second paragraph of point 14 thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) Article 13 of Council Regulation (EU, Euratom) No 1311/2013² has established a Contingency Margin of up to 0,03 % of the Gross National Income of the Union.

(2) In accordance with Article 6 of Regulation (EU, Euratom) No 1311/2013, the Commission had calculated the absolute amount of the Contingency Margin for 2014³.

¹ OJ C 373, 20.12.2013, p. 1.

² Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

³ Communication from the Commission to the Council and the European Parliament of 20 December 2013 on the technical adjustment of the financial framework for 2014 in line with movements in GNI (COM(2013) 928).

- (3) By Decision (EU) 2015/435⁴, the European Parliament and the Council mobilised the Contingency Margin for making available additional payment appropriations in 2014, to be offset in 2018-2020.
- (4) According to the medium-term payment forecast presented in the context of the Mid-Term Review, pressure on the annual payment ceilings in the years 2018-2020 is to be expected.
- (5) The draft budget for the year 2017 shows a margin below the payment ceiling of EUR 9,6 billion, allowing for the offsetting of the full amount mobilised in 2014.
- (6) Decision (EU) 2015/435 should therefore be amended accordingly,

HAVE ADOPTED THIS DECISION:

Article 1

Decision (EU) 2015/435 is amended as follows:

- (1) Article 1 is replaced by the following:

"Article 1

For the general budget of the European Union for the financial year 2014, the Contingency Margin shall be mobilised to provide the amount of EUR 2 818 233 715 in payment appropriations over and above the payment ceiling of the multiannual financial framework."

⁴ Decision (EU) 2015/435 of the European Parliament and of the Council of 17 December 2014 on the mobilisation of the Contingency Margin (OJ L 72, 17.3.2015, p. 4).

(2) Article 2 is replaced by the following:

"Article 2

The amount of EUR 2 818 233 715 shall be offset against the margin under the payment ceiling for the year 2017."

Article 2

This Decision shall enter into force on the twentieth day of its publication in the Official Journal of the European Union.

Done at Brussels,

For the European Parliament

For the Council

The President

The President
