



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 25 November 2011

17470/11

FIN 958

"I/A" ITEM NOTE

from :	General Secretariat of the Council
to :	Permanent Representatives Committee/Council
Subject :	General budget of the European Union for the financial year 2012 - Approval of the joint text

1. Following meetings of the Conciliation Committee on 8 and 18/19 November 2011, 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 19 November 2011, which each have a period of fourteen days from this day to approve it (see Annex 1) and consists of the following documents taken together, recorded in Addenda 1 to 5 to this document:
 - list of budget lines not modified, compared to the draft budget or the Council's position (see document 17470/11 ADD 1);
 - summary figures by financial framework headings (see document 17470/11 ADD 2);
 - line by line figures on all budget items (see documents 17470/11 ADD 3 and ADD 4);
 - consolidated document showing the figures and final text of all lines modified during the conciliation (see document 17470/11 ADD 5).

3. The Conciliation Committee has also agreed on the joint statements recorded in Annex II to Annex 1.
4. The Permanent Representatives Committee is invited to advise the Council to:
- approve the joint text on the draft budget for 2012 as set out in Annex 1 and in addenda 1 to 5 to this document;
 - approve the draft decision of the European Parliament and of the Council establishing the general budget of the European Union for the financial year 2012, as set out in Annex 2 and transmit it to the European Parliament for signature;
 - record in its minutes the joint statements set out in Annex II to Annex 1.
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EUROPEAN UNION

SGS11/13658

Conciliation Committee on the 2012 budget

Brussels, 19 November 2011

President-in-Office of the Council of the European Union
175, rue de la Loi
B - 1048 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 26 October 2011 on the Council's position on the draft budget¹, the Conciliation Committee was convened for the 1st November 2011, with a view to reaching agreement on a joint text.

The Conciliation Committee had at its disposal the following:

- draft budget proposed by the Commission (COM(2011) 300 of 26.5.2011), as amended by letter of amendment No 1 (COM(2011) 372 final of 17.6.2011), letter of amendment No 2 (COM(2011) 576 final of 16.9.2011) and letter of amendment No 3 (COM(2011) 698 final of 25.10.2011);
- Council's position on the draft budget (25.7.2011);
- European Parliament's amendments on the Council's position (26.10.2011).

Following meetings on 8 and 18 November 2011, an agreement has been reached on a joint text as provided for in Article 314(5) TFEU.

The joint text shall consist of the following documents taken together, recorded in Annex I:

- list of budget lines not modified, compared to the draft budget or the Council's position;
- summary figures by financial framework headings;
- line by line figures on all budget items;
- consolidated document showing the figures and final text of all lines modified during the conciliation.

¹ See letter by the President of the Council of 28 October 2011.

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 the statements recorded in Annex II to this letter.

An identical letter is addressed to the President of the European Parliament.

A. Lamassoure
Co-chair



J. Dominik
Co-chair



Annex: Joint text
Joint statements

CC: Mr J. Lewandowski, Member of the European Commission

2012 BUDGETARY PROCEDURE

CONCILIATION DOCUMENT

JOINT TEXT¹

Doc No 1: LINES WITH NO AMENDMENT (compared to the draft budget or the Council's position)

Doc No 2: SUMMARY TABLES

**FIGURES BY MFF HEADING
ESTABLISHMENT PLAN BY SECTION**

Doc No 3: FIGURES BY BUDGET LINE

**Doc No 3.1.: OTHER SECTIONS
Doc No 3.2.: SECTION III - COMMISSION**

Doc No 4: AMENDMENTS BY BUDGET LINE

¹ All documents of the joint text will only be sent electronically.

2012 BUDGETARY PROCEDURE

CONCILATION DOCUMENT

JOINT STATEMENTS

1. Payment appropriations

"Taking into account the ongoing fiscal consolidation efforts in Member States, the European Parliament and the Council agree on a reduction of the level of payment appropriations for 2012 as compared to the Commission's draft budget. They ask the Commission to request additional payment appropriations in an amending budget if the appropriations entered in the 2012 budget are insufficient to cover expenditure under sub-heading 1a (Competitiveness for growth and employment), sub-heading 1b (Cohesion for growth and employment), heading 2 (Preservation and management of natural resources), heading 3 (Citizenship, freedom, security and justice) and heading 4 (The EU as a global player).

In particular, the European Parliament and the Council urge the Commission to present by the end of September 2012 at the latest updated figures concerning the state of play and estimates regarding payment appropriations under sub-heading 1b and rural development under heading 2, and, if necessary, to present a draft amending budget.

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."

2. Draft amending budget No 7/2011

"The European Parliament and the Council take note of the Commission's intention to present on 21 November 2011 draft amending budget (DAB) No 7/2011 for the mobilisation of the European Solidarity Fund, which is expected to amount to EUR 38 million, both in commitment and payment appropriations. The payment appropriations will be redeployed from "Rural development programmes" (budget Item 05 04 05 01).

The European Parliament and the Council will endeavour to take position on DAB No 7/2011 before the end of 2011, in accordance with their respective internal procedures."

3. Preventing measures for future crisis in the fruit and vegetable sector

"The E-coli crisis has highlighted the need for an appropriate response mechanism to market crisis within the EU. In this light, the European Parliament and the Council undertake to act swiftly on related transfer requests from the Commission or, after examination of the scope for reallocating authorised appropriations, on an amending budget to be proposed by the Commission in case of an exceptional market crisis in the fruit and vegetable sector requiring the definition of specific emergency measures as foreseen in Article 191 of Regulation No 1234/2007 ("Single CMO" Regulation), in the spirit of the Commission's proposal to dispose of mechanisms to prevent future crisis through producers organisations.

4. Financing of the ITER project

"The European Parliament and the Council agree to meet in a trilogue with the participation of the Commission on Wednesday 23 November 2011 afternoon to address the issue of the additional cost of the ITER project in 2012-2013, in order to arrive at an agreement before the end of the year.

The European Parliament and the Council invite the Commission to facilitate reaching an agreement on the additional financing needs of the ITER project, taking into account the concerns of both arms of the budgetary authority."

DRAFT

DECISION
of the EUROPEAN PARLIAMENT and of the COUNCIL
establishing the general budget of the European Union for the financial year 2012

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 314 thereof, in conjunction with its Article 296, first paragraph,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 106a thereof,

Having regard to Council Decision 2007/436/EC, Euratom of 7 June 2007 on the system of the European Communities' own resources²,

Whereas:

1. On 26 May 2011, the Commission submitted a proposal containing the draft budget for the financial year 2012.
2. The Council adopted its position on the draft budget for the financial year 2012 on 25 July 2011.
3. The European Parliament adopted amendments to the Council's position on the draft budget for the financial year 2012 on 26 October 2011.

² OJ L 163, 23.6.2007, p. 17.

4. Following information by the Council on 28 October 2011 that it could not accept all amendments adopted by the European Parliament, the Conciliation Committee was convened for the 1st November 2011.
5. Following meetings of the Conciliation Committee on 8 and 18/19 November 2011, a joint text was agreed on 19 November 2011 and was forwarded for approval to the European Parliament and to the Council.
6. Pursuant to Article 314(6) and (7)(a) TFEU
 - a) the Council approved the joint text on 30 November 2011,
 - b) the European Parliament approved the joint text at its plenary sitting of [1] December 2011.
7. The Treaties do not specify the type of act to be adopted; consequently, in implementation of Article 296, first paragraph, TFEU, the institutions concerned have selected among the legal acts of the Union foreseen in Article 288 TFEU the form of decision, in order to bestow the budget binding effect towards the institutions and the Member States,

HAVE ADOPTED THIS DECISION:

Sole Article

The general budget of the European Union for the financial year 2012 is hereby established in accordance with the Annex to this Decision.

Done at Brussels, xx December 2011.

*For the European Parliament
The President*

*For the Council of the EU
The President*
