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Draft Interinstitutional Agreement

between the European Parliament, the Council and the Commission on cooperation in budgetary matters and on sound financial management

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Draft

Interinstitutional Agreement

between the European Parliament, the Council and the Commission on cooperation in budgetary matters and on sound financial management

THE EUROPEAN PARLIAMENT, THE COUNCIL OF THE EUROPEAN UNION AND THE EUROPEAN COMMISSION,

hereinafter referred to as the institutions,

HAVE AGREED AS FOLLOWS

1. The purpose of this Agreement adopted in accordance with Article 295 of the Treaty on the functioning of the European Union (hereinafter "TFEU") is to improve the functioning of the annual budgetary procedure and cooperation between the institutions on budgetary matters.

2. The Agreement is binding on all the institutions for as long as it is in force.

3. This Agreement does not alter the respective budgetary powers of the institutions as laid down in the Treaties, in Council Regulation (EU) No …/201x laying down the Multiannual Financial Framework for the years 2014-20xx[1] (hereinafter referred to as the MFF Regulation) and in the Regulation (EU) No /201x of the European Parliament and of the Council on the financial rules applicable to the annual budget of the Union (hereinafter referred to as the Financial Regulation)[2].

4. Any amendment of this Agreement requires the consent of all the institutions.

5. This Agreement is in three parts:

   – Part I contains complementary provisions related to the multiannual financial framework and provision on special instruments not included in the financial framework.

   – Part II relates to the interinstitutional collaboration during the budgetary procedure.

   – Part III contains provisions related to sound financial management of EU funds.

6. This Agreement enters into force on the same day as the MFF Regulation and replaces the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management[3].

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1 OJ L , p. .
2 OJ L, p. .
3 OJ C 139, 14.6.2006, p. 1.

PART I – FINANCIAL FRAMEWORK and SPECIAL INSTRUMENTS

A. PROVISIONS RELATED TO THE FINANCIAL FRAMEWORK

7. Information relating to operations not included in the general budget of the European Union and the foreseeable development of the various categories of Union's own resources is set out, by way of indication, in separate tables. This information shall be updated annually together with the documents accompanying the draft budget.

8. Except in sub-ceiling Economic, social and territorial cohesion of the financial framework, for the purposes of sound financial management, the institutions shall ensure as far as possible during the budgetary procedure and at the time of the budget's adoption that sufficient margins are left available beneath the ceilings for the various headings.

Updating of forecasts for payment appropriations after 2020

9. In 2017, the Commission shall update the forecasts for payment appropriations after 2020. That update shall take into account the real implementation of budget appropriations for commitments and budget appropriations for payments, as well as the implementation forecasts. It shall also consider the rules defined to ensure that payment appropriations develop in an orderly manner compared to commitment appropriations and the growth forecasts of the European Union Gross National Income.

B. PROVISIONS RELATED TO THE SPECIAL INSTRUMENTS NOT INCLUDED IN THE FINANCIAL FRAMEWORK

B.1. Emergency Aid Reserve

10. The Emergency Aid Reserve is intended to allow for a rapid response to specific aid requirements of third countries following events which could not be foreseen when the budget was established, first and foremost for humanitarian operations, but also for civil crisis management and protection, and situations of particular pressure resulting from migratory flows at the Union's external borders where circumstances so require.

    The annual amount of the Reserve is fixed at EUR 350 million (2011 prices) and can be used up to year n+1 in accordance with the Financial Regulation. The Reserve is entered in the general budget of the European Union as a provision. The portion of the annual amount stemming from previous years shall be drawn on first, in order of age. The portion of the annual amount from year n which is not used in year n+1 shall lapse.

    When the Commission considers that the Reserve needs to be called on, it shall present to the two arms of the budgetary authority a proposal for a transfer from the Reserve to the corresponding budgetary lines.

Any Commission proposal for a transfer to draw on the Reserve, however, must be preceded by an examination of the scope for reallocating appropriations.

In the case of disagreement a trilogue procedure shall be initiated.

The transfers shall be made in accordance with the Financial Regulation.

B.2. European Union Solidarity Fund

11. The European Union Solidarity Fund is intended to allow financial assistance in the event of major disasters occurring on the territory of a Member State or of a candidate country, as defined in the relevant basic act. There shall be a ceiling on the annual amount available for the Fund of EUR 1 billion (2011 prices). On 1 October each year, at least one quarter of the annual amount shall remain available in order to cover needs arising until the end of the year. The portion of the annual amount not entered in the budget may not be rolled over in the following years.

In exceptional cases and if the remaining financial resources available in the Fund in the year of occurrence of the disaster, as defined in the relevant basic act, are not sufficient to cover the amount of assistance considered necessary by the budgetary authority, the Commission may propose that the difference be financed through the annual amounts available for the following year. The annual amount of the Fund to be budgeted in each year may not, under any circumstances, exceed EUR 1 billion.

When the conditions for mobilising the Fund as set out in the relevant basic act are met, the Commission shall make a proposal to deploy it. Where there is scope for reallocating appropriations under the heading requiring additional expenditure, the Commission shall take this into account when making the necessary proposal, in accordance with the Financial Regulation, by means of the appropriate budgetary instrument. The decision to deploy the Fund shall be taken jointly by the two arms of the budgetary authority. The Council shall act by a qualified majority and the European Parliament shall act by a majority of its component members and three fifths of the votes cast.

In the case of disagreement a trilogue procedure shall be initiated.

B.3. Flexibility Instrument

12. The Flexibility Instrument with an annual ceiling of EUR 500 million (2011 prices) is intended to allow the financing, for a given financial year and up to the amount indicated, of clearly identified expenditure which could not be financed within the limits of the ceilings available for one or more other headings.

The annual amount of the Flexibility Instrument may be used up to year n+3. The portion of the annual amount stemming from previous years shall be used first, in order of age. The portion of the annual amount from year n which is not used in year n+3 shall lapse.

The Commission shall make a proposal for the Flexibility Instrument to be used after it has examined all possibilities for re-allocating appropriations under the heading requiring additional expenditure.

The proposal shall identify the needs to be covered and the amount. It may be presented, for any given financial year, during the budgetary procedure.

The decision to deploy the Flexibility Instrument shall be taken jointly by the two arms of the budgetary authority. The Council shall act by a qualified majority and the European Parliament shall act by a majority of its component members and three fifths of the votes cast.

Agreement shall be reached in the framework of the annual budgetary procedure.

B.4. European Globalisation Adjustment Fund

13. The European Globalisation Adjustment Fund is intended to provide additional support for workers who suffer from the consequences of major structural changes in world trade patterns, to assist them with their reintegration into the labour market, and also to farmers suffering from effects of globalisation.

The Fund may not exceed a maximum annual amount of EUR 429 million (2011 prices).

The appropriations shall be entered in the general budget of the European Union as a provision.

When the conditions for mobilising the Fund, as set out in the relevant basic act, are met, the Commission shall make a proposal to deploy it. The decision to deploy the Fund shall be taken jointly by the two arms of the budgetary authority. The Council shall act by a qualified majority and the European Parliament shall act by a majority of its component members and three fifths of the votes cast.

At the same time as it presents its proposal for a decision to deploy the Fund, the Commission shall present to the two arms of the budgetary authority a proposal for a transfer to the relevant budgetary lines. In the case of disagreement a trilogue procedure shall be initiated.

Transfers related to the Fund shall be made in accordance with the Financial Regulation.

B.5. Reserve for crises in the agriculture sector

14. The Reserve for crises in the agricultural sector is intended to provide additional support for the sector in case of major crises effecting the agricultural production or distribution in case it cannot be financed within the limits of the ceiling available for Heading 2.

The Reserve may not exceed a maximum annual amount of EUR 500 million (2011 prices).

The appropriations shall be entered in the general budget of the European Union as a provision.

When the Commission considers that the Reserve needs to be called on, in accordance with the relevant basic act, it shall present to the two arms of the budgetary authority a proposal for a transfer from the Reserve to the corresponding budgetary lines. Any Commission proposal for a transfer to draw on the Reserve, however, must be preceded by an examination of the scope for reallocating appropriations.

In the case of disagreement a trilogue procedure shall be initiated.

Transfers related to the Reserve shall be made in accordance with the Financial Regulation.

B.6. Contingency Margin

15. A contingency margin of up to 0.03% of the Gross National Income of the Union shall be constituted outside the ceilings of the financial framework as a last resort instrument to react to unforeseen circumstances.

Recourse to the Contingency Margin shall not exceed, at any given year, the maximum amount foreseen in paragraph (1)(c) of Article 4 of the MFF Regulation and shall be consistent with the own resources ceiling.

The mobilisation of the contingency margin, or part thereof, shall be proposed by the Commission after a thorough analysis of all other financial possibilities. The Commission shall accompany the proposal for the mobilisation of the Contingency Margin by a proposal for reallocation, by a significant amount as far as supported by the analysis, within the existing budget.

The decision to mobilise the Contingency Margin shall be taken jointly by the two arms of the budgetary authority. The Council shall act by a qualified majority and the European Parliament shall act by a majority of its component members and three fifths of the votes cast.

PART II – IMPROVEMENT OF INTERINSTITUTIONAL COLLABORATION IN BUDGETARY MATTERS

A. THE INTERINSTITUTIONAL COLLABORATION PROCEDURE

16. The details of interinstitutional collaboration during the budgetary procedure are set out in the Annex.

B. INCORPORATION OF FINANCIAL PROVISIONS IN LEGISLATIVE ACTS

17. Each legislative act concerning a multiannual programme adopted under the ordinary legislative procedure shall contain a provision in which the legislative authority lays down the financial envelope for the programme.

That amount shall constitute the prime reference for the budgetary authority during the annual budgetary procedure.

The budgetary authority and the Commission, when it draws up the draft budget, undertake not to depart by more than 10 % from that amount for the entire duration of the programme concerned, unless new, objective, long-term circumstances arise for which explicit and precise reasons are given, with account being taken of the results obtained from implementing the programme, in particular on the basis of assessments. Any increase resulting from such variation must remain within the existing ceiling for the heading concerned, without prejudice to the use of instruments mentioned in the MFF regulation and in this Agreement.

This Point does not apply to appropriations for cohesion adopted under the ordinary legislative procedure and pre-allocated by Member States which contain a financial envelope for the entire duration of the programme and to the large scale projects referred to in Article 14 of the MFF Regulation.

18. Legislative acts concerning multiannual programmes not subject to the ordinary legislative procedure shall not contain an 'amount deemed necessary'.

Should the Council wish to include a financial reference, this shall be taken as illustrating the will of the legislative authority and shall not affect the powers of the budgetary authority as defined by the TFEU. This provision shall be mentioned in all legislative acts which include such a financial reference.

If the amount concerned has been the subject of an agreement pursuant to the conciliation procedure provided for in the Joint Declaration of the European Parliament, the Council and the Commission of 4 March 1975[4], it shall be considered a reference amount within the meaning of Point 17 of this Agreement.

[4] OJ C 89, 22.4.1975, p. 1.

C. EXPENDITURE RELATING TO FISHERIES AGREEMENTS

19. The expenditure on fisheries agreements shall be subject to the following specific rules:

The Commission undertakes to keep the European Parliament regularly informed about the preparation and conduct of the negotiations, including the budgetary implications.

In the course of the legislative process relating to fisheries agreements, the institutions undertake to make every effort to ensure that all procedures are carried out as quickly as possible.

Amounts foreseen in the budget for new agreements or renewal of agreements which come into force after January 1 of the related budget year shall be put in reserve.

If appropriations relating to fisheries agreements (including the reserve) prove insufficient, the Commission shall provide the budgetary authority with the necessary information for an exchange of views in the form of a trilogue, possibly simplified, on the causes of the situation, and on the measures which might be adopted under established procedures. Where necessary, the Commission shall propose appropriate measures.

Each quarter, the Commission shall present to the budgetary authority detailed information about implementation of agreements in force and a financial forecast for the remainder of the year.

D. FINANCING OF THE COMMON FOREIGN AND SECURITY POLICY (CFSP)

20. As regards CFSP expenditure which is charged to the general budget of the European Union in accordance with Article 41 of the Treaty on European Union, the institutions shall endeavour, in the conciliation committee, and on the basis of the draft budget established by the Commission, to secure agreement each year on the amount of the operating expenditure to be charged to the budget of the European Union and on the distribution of this amount between the articles of the CFSP budget chapter suggested in the fourth paragraph of this Point. In the absence of agreement, it is understood that the European Parliament and the Council shall enter in the budget the amount contained in the previous budget or the amount proposed in the draft budget, whichever is the lower.

The total amount of operating CFSP expenditure shall be distributed between the articles of the CFSP budget chapter as suggested in the fourth paragraph of this Point. Each article shall cover instruments already adopted, instruments which are foreseen but not yet adopted and all future - that is unforeseen - instruments to be adopted by the Council during the financial year concerned.

Since, under the Financial Regulation, the Commission has the authority to transfer appropriations autonomously between articles within the CFSP budget chapter, the flexibility deemed necessary for speedy implementation of CFSP actions shall accordingly be assured. In the event of the amount of the CFSP budget chapter during the financial year being insufficient to cover the necessary expenses, the European Parliament and the Council shall seek a solution as a matter of urgency, on

a proposal from the Commission, taking into account Article 2 of the MFF regulation and Point 10 of this Agreement.

Within the CFSP budget chapter, the articles into which the CFSP actions are to be entered could read along the following lines:

– crisis management operations, conflict prevention, resolution and stabilisation, monitoring and implementation of peace and security processes,

– non-proliferation and disarmament,

– emergency measures,

– preparatory and follow-up measures,

– European Union Special Representatives.

The amount for measures entered under the article mentioned in the third indent may not exceed 20 % of the overall amount of the CFSP budget chapter.

21. Each year, the High Representative of the Union for Foreign Affairs and Security Policy (hereinafter "the High Representative") shall consult the European Parliament on a forward-looking document, which shall be transmitted by June 15 for the year in question, setting out the main aspects and basic choices of the CFSP, including the financial implications for the general budget of the European Union and an evaluation of the measures launched in the year n-1. Furthermore, the High Representative shall keep the European Parliament informed by holding joint consultation meetings at least five times a year, in the framework of the regular political dialogue on the CFSP, to be agreed at the latest in the Conciliation committee. Participation in these meetings shall be as follows:

– for the European Parliament, the bureaux of the two Committees concerned,

– for the Council, the Chairman of the Political and Security Committee.

The Commission shall be invited to participate at these meetings.

Whenever the Council adopts a decision in the field of the CFSP entailing expenditure, the High Representative shall immediately, and in any event no later than five working days following the final decision, send the European Parliament an estimate of the costs envisaged ('financial statement'), in particular those regarding time-frame, staff employed, use of premises and other infrastructure, transport facilities, training requirements and security arrangements.

Once a quarter, the Commission shall inform the budgetary authority about the implementation of CFSP actions and the financial forecasts for the remaining period of the year.

E. INVOLVEMENT OF THE INSTITUTIONS AS REGARDS THE DEVELOPMENT POLICY ISSUES AND THE EUROPEAN DEVELOPMENT FUND

22. The Commission will establish a common dialogue with the European Parliament on development policy issues regardless of their source of financing. The scrutiny of the European Parliament on the European Development Fund will be aligned on a voluntary basis to the scrutiny rights that exist under the EU general budget, specifically the Development Cooperation Instrument, pursuant to modalities to be fixed in the informal dialogue.

F. COOPERATION OF THE INSTITUTIONS IN THE BUDGETARY PROCEDURE ON ADMINISTRATIVE EXPENDITURE

23. The European Parliament, the Council and the Commission shall seek an agreement on the sharing of the Administrative expenditure every year at an early stage of the annual budgetary procedure. Estimates of expenditure of each institution will contain estimates of the possible budgetary impact from changes to provisions in the staff regulations. The European Parliament and the Council agree to ensure that this impact will be reflected in the level of authorised appropriation for all institutions.

The European Parliament, the Council and the Commission agree to a progressive reduction of staff by 5% between 2013 and 2018. This reduction should apply to all institutions, bodies and agencies.

PART III – SOUND FINANCIAL MANAGEMENT OF EU FUNDS

A. FINANCIAL PROGRAMMING

24. The Commission shall submit twice a year, the first time in April/May (together with the documents accompanying the draft budget) and the second time in December/January (after the adoption of the budget), a complete financial programming for headings 1 (except subceiling for Economic, social and territorial cohesion), 2 (for environment and fisheries), 3 and 4 of the financial framework. This document, structured by heading, policy area and budget line, should identify:

(a) the legislation in force, with a distinction being drawn between multiannual programmes and annual actions:

– for multiannual programmes the Commission should indicate the procedure under which they were adopted (ordinary and special legislative procedure), their duration, the total financial envelope and the share allocated to administrative expenditure;

– for annual actions (pilot projects, preparatory actions, Agencies) and actions financed under the prerogatives of the Commission, the Commission should provide multiannual estimates and the margins left under the authorised ceilings fixed in [the delegated Regulation on the execution modalities of the Financial Regulation];

(b) pending legislative proposals: ongoing Commission proposals, with the latest update.

The Commission should consider ways of cross-referencing the financial programming with its legislative programming to provide more precise and reliable forecasts. For each legislative proposal, the Commission should indicate whether or not it is included in the April-December programme. The budgetary authority should in particular be informed of:

(a) all new legislative acts adopted and all pending proposals presented but not included in the April-December document (with the corresponding amounts);

(b) legislation foreseen in the Commission's annual legislative work programme with an indication of actions likely to have a financial impact (yes/no).

Whenever necessary, the Commission should indicate the reprogramming entailed by new legislative proposals.

B. AGENCIES AND EUROPEAN SCHOOLS

25. Before presenting its proposal for the creation of a new agency, the Commission should produce a sound, complete and objective impact assessment, taking inter-alia into account the critical mass of staff and competencies, cost-benefits aspects, impact on national and EU activities and the budgetary implications for the expenditure heading concerned. On the basis of that information and without prejudice to the legislative procedures governing the setting up of the agency, the two arms of the budgetary authority commit themselves, in the framework of budgetary cooperation, to arrive at a timely agreement on the financing of the agency.

The following procedural steps shall be applied:

- Firstly, the Commission shall systematically present any proposal for setting up a new agency to the first trilogue following the adoption of its proposal, and shall present the financial statement accompanying the legal act proposing the creation of the agency and illustrate its consequences for the remaining period of the financial programming;

- Secondly, taking into consideration the progress made in the legislative process, and provided that each arm of the budgetary authority is in a position to take a stance on the financial consequences of the proposal in advance of the adoption of the legal act, the creation of the new agency shall be placed on the agenda of a subsequent trilogue (in urgent cases, in simplified form), in view of reaching an agreement on the financing;

- Thirdly, the agreement reached during a trilogue shall be confirmed in a joint declaration, subject to the approval by each arm of the budgetary authority in accordance with its own rules of procedure.

The same procedure would be applied to any modification of the legal act setting up an agency which impacts on the resources of the agency in question.

Should the tasks of an agency be modified substantially without a modification of the legal act setting up the agency in question, the Commission shall inform the budgetary authority by means of a revised financial statement, so as to allow the two arms of the budgetary authority to arrive at a timely agreement on the financing of the agency.

When the creation of a new European school is envisaged by the Board of Governors, a similar procedure is to be applied for its budgetary implications on the EU budget.

Done at Brussels,

For the European Parliament	*For the Council*	*For the Commission*
The President	*The President*	*Member of the Commission*

ANNEX - INTERINSTITUTIONAL COOPERATION DURING THE BUDGETARY PROCEDURE

Part A. Calendar of the budgetary procedure

1. The institutions shall follow the calendar defined in the points 2, 3, 5, 11, 12, 13, 14 and 15 below for the various steps of the budgetary procedure. In due time before the start of the budgetary procedure, they can agree jointly, if needed, on any adjustments deemed appropriate to this calendar.

Part B. Priorities for the Budget Procedure

2. In due time before the adoption of the draft budget by the Commission and at the latest in April, a meeting of the trilogue shall be convened to discuss the possible priorities for the budget of the forthcoming financial year.

Part C. Establishment of the Draft Budget and Updating of Estimates

3. The institutions, other than the Commission, are invited to adopt their statement of estimates before the end of March at the latest.

4. Before the adoption of their statements of estimates, the European Parliament, the Council and the Commission will agree on orientations regarding the desirable annual variation in the level of administrative expenditure for all institutions.

5. The Commission shall adopt the draft budget in the last week of April or at the latest during the first week of May. It shall finalise the draft budget, including the general statement of revenues, and shall make it available officially before the end of May.

6. The Commission shall present each year a draft budget showing the European Union's actual financing requirements.

   It shall take into account:

   a) forecasts in relation to the Structural Funds provided by the Member States,

   b) the capacity for utilising appropriations, endeavouring to maintain a strict relationship between appropriations for commitments and appropriations for payments,

   c) the possibilities for starting up new policies through pilot projects and/or new preparatory actions or continuing multiannual actions which are coming to an end, after assessing whether it shall be possible to secure a basic act, within the meaning of the Financial Regulation (definition of a basic act, necessity of a basic act for implementation and exceptions),

   d) the need to ensure that any change in expenditure in relation to the previous year is in accordance with the constraints of budgetary discipline.

7. The institutions shall, as far as possible, avoid entering items in the budget involving insignificant amounts of expenditure on operations.

8. The two arms of the budgetary authority also undertake to bear in mind the assessment of the possibilities for implementing the budget made by the Commission in its drafts and in connection with implementation of the current budget.

9. In the interest of sound financial management and owing to the effect of the major changes in the budget nomenclature in the titles and chapters on the management reporting responsibilities of Commission departments, the two arms of the budget authority undertake to discuss any major changes with the Commission during the conciliation.

10. Until such time as the Conciliation Committee is convened, the Commission may, if necessary, amend the draft budget in accordance with Article 314(2) TFEU including by an amending letter updating expenditure estimates for agriculture. The Commission shall submit information on updates to the two arms of the budget authority for their consideration as soon as they are available. It shall supply the budgetary authority with all the duly justified reasons it may require.

Part D. Budgetary procedure before the Conciliation

11. A trilogue meeting shall be convened in good time before the Council's reading to allow the institutions to have an exchange of views on the draft budget.

12. In order for the Commission to be able to assess in due time the implementability of amendments envisaged by the budgetary authority which create new preparatory actions/pilot projects or prolong existing ones, both arms of the budgetary authority shall inform the Commission by mid-June of their intentions in this regard, so that a first discussion may already take place at this trilogue.

13. The Council completes its reading by the end of July at the latest.

14. The European Parliament's Committee on Budgets votes on its reading by the end of September or early October at the latest and the European Parliament's Plenary votes on its reading by the end of October at the latest.

15. A trilogue meeting could be convened before the European Parliament's Plenary votes.

Part E. Conciliation process

16. If the European Parliament votes amendments to the Council's position, the President of the Council will, during the same plenary meeting, take note of the differences in the position of the two institutions and give his/her agreement for the President of the EP to convene the Conciliation Committee immediately. The letter convening the Conciliation Committee will be sent at the latest on the first working day of the week following the end of the parliamentary session during which the plenary vote was delivered and the conciliation period will start on the following day. The 21-day time period is calculated pursuant to Regulation (EEC Euratom) No 1182/71 determining the rules applicable to periods, dates and time limits.

17. If the Council cannot agree on all the amendments voted by the European Parliament, it would confirm its position by letter sent before the first trilogue foreseen during the conciliation period. In such case, the Conciliation Committee will proceed in accordance with the conditions laid down in the following points.

18. The Conciliation Committee shall be chaired jointly by representatives of the European Parliament and of the Council. Committee meetings shall be chaired by the co-chair of the institution hosting the meeting. Each institution, in accordance with its own rules of procedure, shall designate its participants for each meeting and define its mandate for the negotiations.

19. In accordance with Article 314(5) TFEU, second subparagraph, the Commission shall take part in the conciliation proceedings and shall take all the necessary initiatives with a view to reconciling the positions of the European Parliament and the Council.

20. Trilogues shall take place throughout the conciliation procedure, at different levels of representation, with the aim of resolving outstanding issues and preparing the ground for an agreement to be reached in the Conciliation Committee.

21. The meeting of the Conciliation Committee and of the trilogues shall be held alternately at the premises of the European Parliament and the Council, with a view to an equal sharing of facilities, including interpretation facilities.

22. The dates of the meetings of the Conciliation Committee and the trilogues will be set in advance before the beginning of the budgetary procedure by agreement of the three institutions.

23. A common set of documents (input documents) comparing the various steps of the budgetary procedure will be made available for the Conciliation Committee[5]. It will include "line by line" figures, totals by financial framework headings and a consolidated document with figures and remarks for all budget lines deemed technically "open". Without prejudice to the final decision of the Conciliation Committee, a specific document will list all budget lines deemed technically closed[6]. These documents will be classified by budgetary nomenclature.

    Other documents will also be attached to the input documents for the Conciliation Committee, including a letter of executability of the Commission on the Council's position and the European Parliament's amendments; and possible letter(s) from other Institutions on the Council's position and the European Parliament's amendments.

24. With a view to reaching agreement by the end of the conciliation period, trilogues will:

    – define the scope of the negotiations of the budgetary issues to be addressed;

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5 The various steps will include: the budget of the current financial year (including adopted amending budgets); the initial draft budget; the Council's position on the draft budget; the European Parliament's amendments on the Council's position and the letters of amendment presented by the Commission (if not yet fully approved by all institutions).

6 A budget line deemed technically closed is a line for which there is no disagreement between the European Parliament and the Council, and for which no letter of amendment has been presented.

– endorse the list of the budget lines deemed technically closed, subject to the final agreement on the entire budget of the financial year;

– discuss issues identified under the first indent in view of reaching possible agreements to be endorsed by the Conciliation Committee;

– address thematic issues, including by headings of the multi-annual financial framework.

Tentative conclusions will be drawn jointly during or immediately after each trilogue, simultaneously with the agenda of the following meeting. Such conclusions will be registered by the institution hosting the trilogue and will be deemed provisionally approved after 24 hours without prejudice of the final decision of the Conciliation Committee.

25. The meetings of the Conciliation Committee will have available the conclusions of trilogues and a document with the budget lines for which an agreement has been tentatively reached during the trilogues for possible endorsement.

26. The joint text provided for in Article 314(5) of the TFUE shall be established by the secretariats of the European Parliament and of the Council with the assistance of the Commission. It will consist of an introductory legal document, containing the date of the agreement at the Conciliation Committee, and annexes, which will include:

– line by line figures for all budget items and summary figures by financial framework headings;
– a consolidated document, indicating figures and final text of all lines that have been modified during the conciliation;
– the list of the lines not modified with regard to the draft budget or the Council's position on it.

The Conciliation Committee may also approve conclusions and possible joint statements in relation to the budget.

27. The joint text will be translated in all languages (by the services of the European Parliament) and will be submitted to the approval of the two arms of the budgetary authority within 14 days from the date following the date of agreement on the joint text pursuant to Point 26.

The budget will be subject to legal-linguistic finalisation after the adoption of the joint text by integrating the annexes of the joint text with the budget lines not modified during the conciliation process.

28. The institution hosting the meeting (trilogue or conciliation) will provide interpretation facilities with a full linguistic regime applicable to the Conciliation Committee meetings and an ad hoc linguistic regime for the trilogues.

The institution hosting the meeting will ensure reproduction and distribution of room documents.

The services of the three institutions will cooperate for the encoding of the results of the negotiations in order to finalise the joint text.

Part F. Amending Budgets

General principles

29. Having in mind that amending budgets are frequently focused on specific and sometimes urgent issues, the institutions agree on the principles below to ensure appropriate interinstitutional cooperation for a smooth and swift adoption of the amending budgets while avoiding, as far as possible, to have to convene a conciliation meeting for amending budgets.

30. As far as possible, the institutions shall endeavour to limit the number of amending budgets.

Calendar

31. The Commission shall inform in advance the two arms of the budgetary authority of the possible dates of adoption of draft amending budgets without prejudice to the final date of adoption.

32. In accordance with its internal rules of procedure, each arm of the budgetary authority shall endeavour to examine the draft amending budget proposed by the Commission at an early opportunity after adoption by the Commission.

33. In order to speed up the procedure, the two arms of the budgetary authority shall ensure that their respective calendars of work are coordinated as far as possible in order to enable proceedings to be conducted in a coherent and convergent fashion. They shall therefore seek as soon as possible to establish an indicative timetable for the various stages leading to the final adoption of the amending budget.

    The two arms of the budgetary authority shall take into account the relative urgency of the amending budget and the need to approve it in due time to be effective during the year concerned.

Cooperation during the reading of each arm of the Budgetary Authority

34. The institutions shall cooperate in good faith throughout the procedure clearing the way, as far as possible, for the adoption of amending budgets at an early stage of the procedure.

    When appropriate and when there is a potential divergence, each arm of the budgetary authority, before taking its final position on the amending budget, or the Commission, may propose to convene a specific trilogue, to discuss the divergences and to try to reach a compromise.

35. All draft amending budgets proposed by the Commission and not yet finally approved shall be systematically on the agenda of the trilogues planned for the annual budgetary procedure. The Commission shall present the draft amending budgets and the two arms of the budgetary authority shall, as far as possible, notify their respective position ahead of the trilogue.

36. If a compromise is reached during a trilogue, each arm of the budgetary authority undertakes to consider the results of the trilogue when deliberating on the amending budget in accordance with the Treaty and its internal rules of procedure.

Cooperation after the reading of each arm of the budgetary authority

37. If the European Parliament approves without amendments the position of the Council, the amending budget shall be adopted.

38. If the European Parliament adopts amendments by a majority of its component members, Article 314(4)(c) TFEU apply. However, before the Conciliation Committee meets a trilogue shall be called.

– If an agreement is reached during the trilogue and subject to the agreement of each arm of the budgetary authority on the results of the trilogue, the conciliation shall be closed by an exchange of letters without a meeting of the Conciliation Committee.

– If no agreement is reached during the trilogue, the Conciliation Committee shall meet and organise its work in accordance with the circumstances, with a view of completing as much as possible the decision-making process before the twenty-one-day deadline laid down in Article 314(6) TFEU. The Conciliation Committee may conclude by an exchange of letters.