



18. marts 2009

Referat af økonomi- og finansministermøde (ECOFIN) den 10. marts 2009 til Folketingets Europaudvalg

Dagsordenspunkt 1a Implementering af Stabilitets- og Vækstpagten - Stabilitets- og konvergensprogrammerne

ECOFIN vedtog udtalelser om stabilitetsprogrammer (eurolande) og konvergensprogrammer (ikke-eurolande) for Bulgarien, Danmark, Estland, Finland, Frankrig, Grækenland, Irland, Italien, Letland, Litauen, Luxembourg, Nederlandene, Malta, Polen, Spanien, Portugal, Storbritannien, Sverige, Tjekkiet, Tyskland og Polens seneste stabilitets- og konvergensprogrammer.

Det danske konvergensprogram, Danmarks økonomiske politik og håndtering af den internationale krises effekter får positive vurderinger af EU-Kommissionen og EU's finansministre. EU-vurderingerne af Danmark er foretaget inden udarbejdelsen af forårspakke 2.0, og tager derfor ikke højde for skattereformen og vækstinitiativerne i forårspakken. EU-Kommissionen og EU's finansministre udtaler blandt andet, at den overordnede konklusion er, at Danmarks samlede finanspolitik med en aktiv finanspolitisk lempelse på omkring 1 pct. af BNP i 2009 er passende i den aktuelle situation og givet Danmarks gode udgangspunkt. Finanspolitikken ligger på linje med EU-aftalen om en fælles finanspolitisk indsats i lyset af den internationale krise. Skattereformen m.v. indebærer, at den finanspolitiske lempelse kommer op på ca. 1,2 pct. af BNP i 2009 og foreløbig 1,0 pct. af BNP i 2010.

Dagsordenspunkt 2a Forberedelse af Det Europæiske Råd den 19.-20. marts 2009 - Key Issues Paper

ECOFIN vedtog Key Issues Papiret, der skal forelægges til forårsmødet i Det Europæiske Råd den 19. og 20. marts. Papiret fokuserer på at genoprette funktionen af og stabilisere de finansielle markeder på kort sigt og udvikle den globale finansielle styring på lang sigt, gennemføre de finanspolitiske planer i forbindelse med den europæiske genopretningsplan samt, som konsekvens af finanspolitisk ekspansion i medlemslandene, at lægge strategien for den efterfølgende konsolidering af de offentlige finanser med henblik på at sikre holdbar finans- og makroøkonomisk politik.

Dagsordenspunkt 2b Forberedelse af Det Europæiske Råd den 19.-20. marts 2009 - EU input til G20

ECOFIN vedtog retningslinjer (Terms of Reference) om fælles budskaber til det kommende G20 finansministermøde den 14. marts forud for G20 topmødet i London den 2. april. De fælles budskaber omhandler tættere international koordinering af makroøkonomiske politikker, at regulering af globale finansielle markeder baseres på større transparens og ansvarlighed, at styrke samarbejdet mellem internationale finansielle myndigheder, at styrke valutafonden samt at multilaterale udviklingsbanker skal

imødegå effekterne af den økonomiske og finansielle krise, særligt for de fattigste og mest sårbare befolkninger.

**Dagsordenspunkt 2c Forberedelse af Det Europæiske Råd den 19.-20. marts
2009 - Landespecifikke integrerede anbefalinger**

ECOFIN vedtog efter en kort drøftelse en opdateret rapport om landespecifikke anbefalinger, der vedrører medlemslandenes økonomiske politik samt beskæftigelsespolitik. Rapporten skal fremlægges til forårsmødet i Det Europæiske Råd den 19.-20. marts.

**Dagsordenspunkt 2d Forberedelse af Det Europæiske Råd den 19.-20. marts
2009 - Nedsat moms**

På baggrund af et udspil fra formandskabet drøftede ministrene en udvidelse af anvendelsesområdet for nedsat moms. Nogle lande var for udvidelsen af anvendelsesområdet for nedsat moms, mens andre lande, herunder Danmark var imod, idet nedsatte momssatser er et ineffektivt økonomisk-politisk instrument, der indebærer unødvendigt store forvridninger af bl.a. skattebasen og det indre marked. Efter en længere debat enedes ministrene imidlertid om at gøre det muligt for de lande der ønsker det at anvende nedsatte momssatser på bl.a. arbejdskraftintensive tjenesteydelser.

På dansk initiativ enedes Bulgarien, Estland, Litauen, Tyskland og Danmark om en erklæring, hvor bl.a. landene udtaler at man ikke ønsker at gøre brug af muligheden for nedsatte momssatser, da de mindsker skattebasen og forværrer de offentlige finanser; kun gavner indtjeningen og muligvis beskæftigelsen i de sektorer, der er berettiget til at benytte nedsatte momssatser, på bekostning af andre sektorer, hvorfor den samlede beskæftigelse ikke påvirkes samt øger de administrative byrder for erhvervslivet og myndighederne. Østrig har efterfølgende tilsluttet sig erklæringen.

**Dagsordenspunkt 2e Forberedelse af Det Europæiske Råd den 19.-20. marts
2009 - Finansiering inden for en global klimaaftale**

Ministrene drøftede udkast til rådskonklusioner, idet der imidlertid ikke kunne opnås enighed om teksten. Det ventes at sagen vil blive drøftet på det kommende GAERC-møde.

**Dagsordenspunkt 2f Forberedelse af Det Europæiske Råd den 19.-20. marts
2009 – Bedre regulering**

ECOFIN vedtog udkastet til rådskonklusioner uden drøftelse.

Dagsordenspunkt 3 Rådets prioriteter for EU's budget for 2010

ECOFIN vedtog udtalelser til rådskonklusioner efter en kort drøftelse.

Morgenmadsdrøftelse

Under morgenmaden drøftede ECOFIN den økonomiske situation. Ministrene blev også orienteret om eurogruppens møde den 9. marts samt om stats- og regeringsledernes uformelle møde den 1. marts.

Bilag – Udtalelse fra ECOFIN og rådskonklusioner

Reduced VAT rates

The December 2008 European Council requested the Council (ECOFIN) to settle, by March 2009, the issue of: "the possibility, for the member states that so wish, of applying reduced VAT rates in certain sectors".

The Council (ECOFIN) had a thorough discussion on the overall system of reduced VAT rates, as a result of which it:

- ACKNOWLEDGES that reduced VAT rates may, depending on the circumstances, have positive and negative economic effects, so that more efficient alternative solutions should always be considered before a member state decides to use the option to apply reduced VAT rates.
- REACHED POLITICAL AGREEMENT
 - that all member states, by amending directive 2006/112/EC, should have the option to apply reduced VAT rates on a permanent basis to:
 - (1) Without prejudice to ANNEX III of directive 2006/112/EC services in Annex IV of directive 2006/112/EC
 - Minor repairing of bicycles, shoes and leather goods, clothing and household linen (including mending and alteration);
 - Window-cleaning and cleaning in private households;
 - Domestic care services such as home help and care of young, elderly, sick or disabled;
 - Hairdressing;
 - Renovation and repairing of private dwellings, excluding materials which account for a significant part of the value of the service supplied.
 - (2) Restaurant services;
 - (3) Books on all physical means of support;
 - that Portugal is allowed to apply reduced VAT rate to tolls on bridges in the Lisbon area and that Cyprus is allowed to apply VAT rate to LPG in cylinders
 - and that all the other items of the 2008 Commission proposal shall not be eligible for a reduced VAT rate.

- TAKES NOTE, in line with the outcome of relevant economic studies evaluating the impact of reduced VAT rates for environmental reasons, that reduced VAT rates as a tool for achieving environmental policy objectives are relevant only to a certain extent.
- TAKES NOTE of the intention of the Commission to submit a proposal to prolong for two years the derogation for the United Kingdom concerning the reverse charge mechanism and DECLARES its support to the prolongation.
- INVITES the Commission to submit, prior to the expiry of Malta's transition period for the maintenance of its VAT 0% rate instead of the reduced rate of 5% on the supplies of foodstuffs and pharmaceuticals on 31 December 2010, an appropriate proposal for the extension of that provision until the adoption of the definitive arrangements referred to in Article 402 of directive 2006/112/EC and DECLARES its support to the prolongation.

Dansk erklæring om nedsat moms ved ECOFIN rådsmødet den 10 marts 2009

Danmark, Bulgarien, Estland, Tyskland og Litauen blev ved ECOFIN rådsmødet den 10. marts 2009 enige om følgende erklæring vedrørende udvidelsen af anvendelsesområdet for nedsat moms.

Erklæring fra Bulgarien, Danmark, Estland, Tyskland og Litauen vedr. aftalen om nedsat moms

Bulgarien, Danmark, Estland, Tyskland og Litauen ønsker ikke at benytte sig af det udvidede anvendelsesområde for nedsatte momssatser, opfordrer andre lande til at vise samme tilbageholdenhed med hensyn til anvendelse af nedsatte satser for at undgå afsmittende effekter og noterer, at øget anvendelse af nedsatte momssatser

- mindsker skattebasen og forværrer de offentlige finanser;
- kun gavner indtjeningen og muligvis beskæftigelsen i de sektorer, der er berettiget til at benytte nedsatte momssatser, på bekostning af andre sektorer, hvorfor den samlede beskæftigelse ikke påvirkes;
- øger administrative byrder for erhvervslivet og myndighederne,

Bulgarien, Danmark, Estland, Tyskland og Litauen understreger, at enhver fremtidig beslutning vedrørende nedsatte momssatser skal reducere det overordnede anvendelsesområde for nedsat moms.

Council conclusions on international financing of climate change

*2931st ECONOMIC and FINANCIAL AFFAIRS
Brussels, 10 March 2009*

The Council adopted the following conclusions to be submitted to the European Council, while leaving the last paragraph (in square brackets) open for consideration by the European Council:

"The Council (ECOFIN) RECALLS the European Council Conclusions of 19-20 June 2008 requesting a comprehensive strategy on financial aspects of climate change, and welcomes the Commission Communication "Towards a comprehensive climate change agreement in Copenhagen".

The Council (ECOFIN) REAFFIRMS the EU's determination to reach a global and comprehensive climate agreement in Copenhagen in December 2009. The general objective of such an agreement should be to limit the global temperature increase to below 2°C compared to pre-industrial levels. The Council (ECOFIN) RECALLS that the estimates of the global costs of tackling climate change by a coordinated international response remain far lower than the costs of inaction, provided that swift action is taken to make use of the lowest cost abatement opportunities available internationally. The Council (ECOFIN) STRESSES that cost effective action requires the implementation of negative cost abatement options in all major emitting countries which will minimize the amount of financing required at the international level.

The Council (ECOFIN) NOTES the existence of substantial opportunities to achieve multiple benefits by addressing the current global economic crisis, energy security and climate change in a coordinated manner. Accordingly, the efficiency and the effectiveness of the EU climate and energy package and the cost-efficient transition to a low carbon economy is to a large extent dependent on the conclusion of an ambitious and comprehensive global agreement.

The Council (ECOFIN) RECALLS the strong mitigation commitment and the contributions to climate protection already made by the EU and the importance of comparable efforts by all developed countries. The Council (ECOFIN) TAKES THE VIEW that developed countries should continue to play a leading role, however, STRESSES that all but the least developed countries (LDCs) and small island developing states (SIDS) should commit to measurable, verifiable and reportable (MRV) mitigation actions and related financial participation, based on dynamic assessment of individual levels of abatement potential and development, if climate change is to be tackled effectively.

The Council (ECOFIN) UNDERLINES that international financial assistance for developing countries in support of incremental costs that cannot readily be borne by the countries themselves needs to be efficient and therefore linked to effective results in terms of emission reductions induced by the implementation of concrete actions. In this regard, developing countries, except the LDCs and SIDS, should commit to adopting or updating by no later than 2012 low-carbon development strategies based on appropriate MRV mitigation policies, covering all key emitting sectors. This definition of national mitigation actions in developing countries should be a pre-requisite for the delivery of international financial public support.

The Council (ECOFIN) HIGHLIGHTS that market-based instruments providing a high degree of flexibility are central to efficient and cost-effective responses to climate change, including the trade with Assigned Amount Units (AAU). The Council (ECOFIN) SUPPORTS the development of a robust incentives enhancing global carbon market by both linking equally ambitious emission trading schemes worldwide – within OECD countries by 2015 extended to more advanced developing countries by 2020 – and by providing support for the design and implementation of new crediting and trading mechanisms, and NOTES that economically more advanced developing countries should participate according to their common but differentiated responsibilities and respective capabilities.

The Council (ECOFIN) RECOGNISES that the Clean Development Mechanism (CDM) has played, and should continue to play, an important role in engaging in particular developing countries in the carbon market, facilitating cost-effective global abatement and providing financing for clean technology transfer. In order to enhance its contribution to sustainable development, ensure its environmental integrity and that only actions delivering real additional emission reductions are credited, the mechanism should be improved and sectoral and programmatic approaches should be promoted, also with a view to broadening the participation of developing countries. The Council (ECOFIN) NOTES that the implementation of the EU climate and energy package can deliver substantial financial flows from the EU to developing countries, in particular through the CDM.

The Council (ECOFIN) UNDERLINES that, for financing mitigation and adaptation actions, appropriate domestic and external sources of finance, both private and public, will be required and EMPHASISES that private funding will be, via appropriate policy frameworks, the main source of the necessary investments. Complementary public finance is needed in areas that cannot be adequately financed by the private sector to leverage private investments and to provide incentives for additional efforts.

The Council (ECOFIN) REITERATES that governance of mechanisms channelling international support must allow for effective and efficient decision-making and transparent follow-up. Public funding and international financing need to be governed by principles of effectiveness, efficiency and equity and subject to transparency and corresponding financial sound management practice. The Council (ECOFIN) HOLDS that financial assistance should be delivered by mechanisms which maximize the linkages and synergies with existing development aid, building on international financing and development experience, particularly lessons learned on aid effectiveness.

Being aware of the challenge of adaptation for developing countries and their possibly limited fiscal leeway in the near future, the Council (ECOFIN) STRESSES the important role of existing financial mechanisms and HOLDS that the creation of new instruments should be carefully assessed in terms of their value added to existing structures and their adequacy within a coherent financial architecture and should only be considered where a clear need is evident.

The Council RECOGNISES that international financial support is crucial for reaching an ambitious agreement in Copenhagen. The Council (Ecofin) affirms that in the context of an international and comprehensive agreement, the EU stands ready to contribute its fair share. In the context of international agreement the Council (ECOFIN) RECALLS the willingness of Member States, which wish so, to use at least half of the revenues from auctioning emissions allowances for climate change related activities, including support to developing countries that will have ratified the Copenhagen agreement.

[The Council (ECOFIN) IS READY to develop in more detail the practical options for financing mitigation, adaptation, technology support and capacity building. Careful assessment will be given to the necessary level of public finance, addressing inter alia budgetary and macroeconomic implications. Both the EFC and EPC are invited to contribute further on financial architecture and the possible financial mechanisms for the post 2012-regime, and related economic aspects in preparation for the Copenhagen conference. It INVITES the European Commission to continue to work on the assessment of the need for private investment and international public funding.]"

Council conclusions on the reduction of administrative burdens

*2931st ECONOMIC and FINANCIAL AFFAIRS
Brussels, 10 March 2009*

The Council adopted the following conclusions:

"Referring to the European Council Conclusions of 8-9 March 2007 requesting a review of progress on Better Regulation on a yearly basis, the Council welcomes the Commission's report "Third strategic review of Better Regulation in the European Union".

The Council (ECOFIN) CONSIDERS that better regulation, including the reduction of administrative burden, is a key element of the renewed Lisbon Strategy. Improvement of the regulatory environment is crucial for realising the full potential of the Single Market, stimulating entrepreneurship and innovation and enhancing competitiveness. Given the limited room for budgetary manoeuvre in the present difficult economic situation, the reduction of undue administrative burden, which would alleviate the impact of the economic crisis on businesses in a fiscally neutral manner, would contribute to short term stimuli and is in line with medium and long term objectives. On the other hand efforts to reduce administrative burden shall not contradict measures securing integrity and transparency of financial markets.

The Council (ECOFIN) APPRECIATES the work undertaken by the Commission in this field, especially the measurement of the administrative burden on businesses, the first proposals for reducing administrative burden (potential savings estimated by the Commission at 30 billion euro in the EU) and the proposed extension of the Action Programme as presented by the Commission in its 3rd Strategic Review of Better Regulation. However, the Council (ECOFIN) STRESSES that further measures are needed to achieve timely delivery of results. The Council (ECOFIN) therefore CALLS UPON the Commission to continue suppressing unnecessary administrative burden and to identify specific reductions to be made in each of the 13 priority areas and to adopt proposals stemming from the present action programme before the end of its mandate.

The Community institutions should make a joint effort to progress quickly in achieving the 25% reduction of the administrative burden arising from EU legislation with the aim of significant impacts felt by business by 2010 and impacts across all identified key sectors by 2012 at the latest. The Council (ECOFIN) WELCOMES the establishment of sectoral reduction figures by the Commission in two areas (taxation and company law) and the Commission's intention to identify before the end of its mandate the contributions that each baseline sector will make to the overall 25% reduction target.

The Council (ECOFIN) HIGHLIGHTS the importance of an indicative timetable for the Action Programme and robust monitoring of progress made and reporting annually to the Spring European Council on the implementation of the Action Programme and on changes in administrative burden. The progress in reducing administrative burdens would be undermined by additional administrative costs resulting from new legislative proposals. The Council (ECOFIN) ENCOURAGES therefore the Commission to assess the potential administrative burdens resulting from new proposals in line with its Impact Assessment Guidelines in order to ensure that administrative costs are kept to a minimum that is necessary for new policy initiatives.

By the end of 2008, 21 Member States had set their national targets on reduction of administrative burden stemming from national law as invited by the 2007 Spring European Council. The Council ENCOURAGES the remaining Member States to set their national targets of comparable ambition by the 2009 Spring European Council and all Member States to actively implement concrete reduction measures of unnecessary administrative burden, consistently with their country-specific legal and regulatory procedures. The Council INVITES the Member States to complete their specific national baseline measurement as soon as possible, preferably by the end 2010."

Council conclusions on the budget guidelines for 2010

*2931st ECONOMIC and FINANCIAL AFFAIRS
Brussels, 10 March 2009*

The Council adopted the following conclusions:

- "1. The Council considers that the budgetary procedure 2010, the fourth and middle one of the Multiannual Financial Framework for 2007-2013, will play a crucial role in the pursuit and development of the European Union's objectives and priorities. A vast majority of programmes and actions should reach their cruising speed in 2010. At the same time, the European Union is faced with unexpected challenges, most notably with the current financial and economic crisis, which put a serious strain on national economies and budgets. In this context, the Council wishes to underline the importance of a European economic recovery plan, as endorsed by the European Council of 11 and 12 December 2008.
2. The Council underlines the importance of a good collaboration between the two arms of the budgetary authority and with the Commission. The budgetary procedure for 2010 will take place in a year which will see the election of a new European Parliament and which is the last year of the mandate of the current Commission. The Council wishes to stress in this respect the excellent spirit of cooperation that has prevailed during budgetary procedures in previous years. It recalls the importance of continuing to strengthen this cooperation as a key factor of a smooth and successful budgetary procedure.
3. The Council reiterates that the Interinstitutional Agreement (IIA) on budgetary discipline and sound financial management of 17 May 2006¹ is the basis for the establishment of the 2010 budget and that the IIA has to be applied to the full.

In this context, it stresses the necessity of strict compliance with the Multiannual Financial Framework. The Council underlines that expenditure must strictly remain within the limits fixed therein and sufficient margins must be maintained under all the ceilings of various headings and sub-headings of the Multiannual Financial Framework, with the exception of sub-heading 1b, for the purpose of sound financial management and notably to cater for unforeseen circumstances.

4. The Council recalls the importance of maintaining an overall budgetary discipline, as well as respecting the principle of sound financial management, and emphasises that this entails applying to the EU budget the same degree of budgetary restraint as is exercised by the Member States for their own national budgets. The budget of the European Union for 2010 should provide sufficient and justified resources to implement and develop efficiently and effectively the various policies of the Union bearing in mind their multiannual nature. The current economic situation, which places additional pressure on national budgets, makes all this even more important.

The Council urges in this respect the Commission to deliver, together with its preliminary draft budget (PDB), the underlying assumptions on which the figures for each heading and sub-heading are based.

5. In order to optimise its actions, it is of the utmost importance for the European Union to achieve the best possible use of resources. Commitment and payment appropriations should be set so as to reflect real and well defined needs, in full respect of the ceilings fixed by the Multiannual Financial Framework. In addition, the Council strongly requests the Commission to take into account past trends of implementation when assessing the absorption capacity in all sectoral policies and in allocating resources. Monitoring the implementation and the effectiveness of programmes and actions is essential in view of ensuring sustainability of the EU public finances. Furthermore, the Council recalls the importance of reallocation, as a primary tool for budgetary flexibility, in order to allow the budgetary authority to adapt the appropriations in a realistic way.
6. The Council urges the Commission and the Member States to pursue their efforts to deliver better forecasts, while acknowledging the progress achieved so far. In this context, the Council points out once again that, while Member States are committed to present estimates under shared management as accurately as possible, the Commission remains ultimately responsible for ensuring that the appropriations introduced in the PDB reflect genuine needs and implementation capacity.
7. The Council stresses the great importance of keeping payment appropriations firmly under control. The Council also notes with great concern the volume of outstanding commitments and considers that the relation between the level of commitment and payment appropriations must be carefully weighed against the absorption capacity. The Council calls on all actors involved to continue to do their utmost to avoid overestimation.
8. The Council acknowledges the progress made by the Commission in the establishment of the PDB estimates and exhorts it to pursue its efforts to reduce to the minimum the recurring significant difference between the PDB and the outturn, as illustrated in the Annex. It underlines the fact that the PDB is the starting point of the budgetary procedure and therefore it must set the tone for a realistic budgeting. An accurate PDB, together with a constant monitoring and improvement of budget implementation are essential to avoid the significant under-execution of funds that continue to occur, and to allow the Member States to precisely anticipate the level of their contribution to the EU budget. Moreover, it would limit the recourse to corrective budgetary tools such as amending budgets to the strict minimum, thus avoiding their unexpected impact on national budgets.
9. While acknowledging the progress already made in this field, the Council calls on the Commission to continue its efforts to improve the structure and content of the various documents accompanying the PDB. Their content should be made as transparent, simple and concise as possible. This would reinforce the usefulness of these documents for the purposes of budgetary decision-making.
10. The Council notes with satisfaction the good functioning of the Commission's "Budget Forecast Alert" (BFA) system, which allows adjustments to the level of appropriations in a more realistic and rigorous way. It encourages the Commission to continue to refine its methods of monitoring expenditure. The Council expects the BFA information to be delivered sufficiently in time to allow its effective use at each stage of the 2010 budgetary procedure.

11. The Council, while recalling that the objective of the "Activity Based Budgeting" (ABB) is to match human and financial resources to political priorities, continues to point out that high quality Activity Statements and timely financial information on spending proposals are crucial for the budgetary authority to establish, confirm or modify budgetary priorities. While welcoming improvements made by the Commission and noting their usefulness in the assessment of EU action in 2009, the Council expects further improvements for 2010, in particular regarding performance information, in order for them to be more useful and to have a greater budgetary implication. Activity Statements should also focus more on results achieved, on justification of the level of appropriations proposed for different programmes and policies and on the added value of activities at EU level. A better link with the various headings and sub-headings of the Multiannual Financial Framework would help the budgetary decision-making process. The Council stresses its willingness to make constructive use of Activity Statements in the context of heading-by-heading discussions over budgetary allocations during the 2010 budgetary procedure.

12. As regards some sectoral issues, the Council identifies the following elements as crucial in preparing the 2010 budget:

- Concerning Competitiveness for Growth and Employment the Council, the Council attaches the greatest importance to a proper implementation of the various programmes and actions within the ceiling of this sub-heading. It underlines the importance of strengthening investment notably in the sectors of infrastructure and energy in full compliance with the conclusions of the European Council of December 2008², as well as in the field of energy security.
- As regards Cohesion for Growth and Employment the Council stresses the importance of the speedy implementation of the different measures mentioned in the joint statement agreed during the 2009 budgetary procedure³, aiming at reaching cruising speed in the implementation of Structural and Cohesion Funds within the ceilings of the Multiannual Financial Framework, and to avoid recurrent under-implementation.

In the context of the current economic downturn, special attention should be paid *inter alia* to the simplification of rules and procedures, rapid start of programmes and projects still pending, including the relevant major projects, and increased prefinancing. Therefore, it requests the Commission to speed up the compliance assessment procedures of the management and control systems in order to start the interim payments as soon as possible in 2009.

All actors involved should continue their efforts in order to establish a realistic and accurate level of payments for structural measures, and pursue an efficient and effective implementation of the 2007-2013 programmes.

- Concerning CAP expenditure, the Commission is invited to present realistic and clearly defined forecasts already in its PDB and then in its "ad hoc" letter of amendment of October, taking into account past implementation and foreseeable market prices evolution at European and international level. Particular attention should be given to ensuring that payment appropriations for expenditure related to rural development are accurate.
- As regards Citizenship, Freedom, Security and Justice, the Council recalls the importance of allocating sufficient resources to EU policies such as immigration.

- As far as External Actions are concerned, taking into account the present and forthcoming challenges, both at the economic and stability level, the Council firmly believes that the role of the European Union as a global player must be reaffirmed and that the 2010 budget should have adequate means to match the Union's ambitions. In this respect, the Council stresses that sufficient margin under the ceiling of heading 4 is vital for the European Union, in order to enable it to provide for unexpected needs and crises in the most effective, flexible and rapid way.

In this context, the Council draws attention to the constantly growing role of the Common Foreign and Security Policy and the need for it to continue to be adequately funded; therefore, it points out that the level of appropriations has to be in line with the provisions and amounts established in the IIA bearing in mind the yearly amounts retained in the financial programming when the IIA was agreed.

- As for Administrative expenditure, the Council recalls the common objective of increasing administrative efficiency along the same line adopted by Member States to optimise the use of resources. The Council intends to continue to monitor and to improve EU institutions' effectiveness with a view to increasing administrative efficiency and stresses the crucial importance of redeployment and reorganisation.

The Council expects all the institutions to provide in advance all the necessary information for a clear, comprehensive, and consolidated picture of all administrative expenditure, including administrative expenditure financed under other headings and sub-headings of the Multiannual Financial Framework, thus allowing the budgetary authority to evaluate the situation and take well-founded decisions on the allocation and use of resources. Due attention should be given to the comprehensiveness and comparability of information presented by the institutions, including in particular information in the areas of buildings, as well as to staff issues, including external staff, contractual agents and vacancy rates.

The Council is concerned about the evolution in appropriations for pensions and their impact on the administrative expenditure in the future. It insists that the Commission provides an updated estimate of annual pension expenditure at least up to 2013 well before the PDB. Moreover, the Council recalls its conclusions of 4 December 2008, where it invites the Commission to undertake a study of the budgetary implications of pension costs covering the next 30 years and to submit its findings to the Council by 1st July 2009⁴.

- The Council reiterates the importance it attaches to the recruitment process in the context of enlargement. In line with the joint statement agreed during the 2009 budgetary procedure, it recalls that the budgetary authority "intends to continue to monitor closely the ongoing recruitment process" and expects all institutions to take the necessary steps in order to comply with the requirements of the joint statement.

- As far as the European Union's decentralised agencies are concerned, the Council reiterates the importance of keeping their funding under firm control, so as to provide for the real needs and to avoid over-budgeting.

The Council recalls the statements on agencies adopted during the 2008 and 2009 budgetary procedures and calls on the Commission and the agencies to comply with their requirements. It expects the Commission to continue providing a comprehensive picture concerning decentralised agencies, including their building policy, in due time for the PDB for 2010.

The Council strongly urges the Commission to continue to take into account agencies' unused appropriations when establishing the PDB, with the aim of bringing down the agencies' annual surpluses. It urges the Commission as well to carefully check, and if necessary revise, the requirements of funds and posts as proposed by the agencies taking into account proven problems with implementation and recruitment with the aim of presenting a realistic budget proposal.

Regarding executive agencies, the Council will continue to monitor closely their activities, financing and staffing.

- As far as revenues are concerned, the Council strongly believes that increasing transparency concerning assigned revenue is part of a sound financial management of EU funds. It recalls the joint statement on assigned revenue agreed during the 2008 budgetary procedure and calls on all the institutions as well as agencies and other bodies to continue to provide all the requested information on a regular basis and in time for the PDB for 2010.

13. The Council recalls that the budget is one of the most significant tools to guarantee the accountability of the European Union towards its citizens; likewise it is fully aware that an accurate and accountable use of the EU resources is one of the essential means to reinforce the trust of the European citizens. Therefore, it attaches the greatest importance to these guidelines and expects them to be fully taken into account already in the PDB for 2010.

These guidelines will be forwarded to the European Parliament and the Commission as well as to the other institutions.

DRAFT STATEMENT FOR ENTRY IN THE COUNCIL MINUTES

Unilateral statement by the Bulgarian delegation:

"Referring to its Declaration attached to the documents relating to the European Council meeting in Brussels on 16 December 2005, the Republic of Bulgaria would like to confirm its expectations that the continuation in the period 2010-2013 of the Community financing, supporting the decommissioning efforts related to the early closure of four nuclear units at Kozloduy Nuclear Power Plant, will be examined within the context of the reassessment of the financial framework in 2009, in accordance with the statement of the President of the European Council at its Brussels meeting on 16 December 2005, during the discussions on the Financial Perspective 2007-2013."