



EUROPEAN PARLIAMENT

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*Committee on Budgets*

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# **NOTICE TO MEMBERS**

## **INTERPARLIAMENTARY COMMITTEE MEETING**

**European Parliament - national Parliaments**

### **COMMITTEE ON BUDGETS**

#### **"THE EUROPEAN SEMESTER 2011: HOW TO COORDINATE EU AND NATIONAL BUDGETS?"**

13 April 2011  
European Parliament  
JAN 2Q2  
15.00-18.30

#### **An orientation to the debate**

On the occasion of the first European Semester, the Committee on Budgets wishes to put forward some issues for discussion on how to enhance coordination of strategies between the European budget and the national budgets from an operational point of view with a particular focus on the targets set in the Europe 2020 strategy.

The European Union and the Member States have jointly decided to fix for themselves a set of objectives for growth and employment for the next ten years. It is to be expected that those strategic priorities are now reflected in a consistent budgetary planning, allowing for them to be carried out successfully.

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Although Europe 2020 is a medium to long-term strategy, such coordination needs to start immediately in order to give the time to planned investments to start a trend and produce an impact.

Already in the preparation of the EU budget for 2011 it could be seen how Europe 2020 was put at the centre of the financial programming and how the planned allocations both in the initial draft budget (DB) of the Commission as well as in the budget eventually adopted (in particular in Headings 1a and 1b) have been conceived as a contribution to this strategy. All in all 41% of the DB 2011 reflected the Europe 2020 strategy.<sup>1</sup>

This was possible despite, and in the limits set by, the economic crisis which understandably led to a considerable reduction in the level of payments due to the shortage of liquidity in the national economies.

In the procedure for the adoption of the EU budget 2012, the European Parliament has set Europe 2020 even more clearly as first and central priority, calling already in its Resolution on the Guidelines for the budget (adopted in the EP plenary of 24 March 2011) for a strategic concentration of resources around those areas which directly feed the strategy, namely research, development and innovation as well as more and more qualitative jobs in Europe.

The inauguration of the European Semester in 2011 obliges decision-makers to now reflect seriously on how investments at European and national level must be best intertwined and combined to represent a coherent approach to growth and development in the EU and so to avoid duplication or dispersal of expenditure.

EU spending for 2010 amounted to EUR 122,9 billion. This is relatively small in comparison to national budgets (some 1% of EU GDP). Since the bulk of the investment obviously comes from the national budgets, it is indispensable to achieve a better synergy between EU and national level spending.

Nevertheless, a recent study commissioned by the European Parliament has shown that national budgets, apart from some exceptions – mainly in regional policy – seldom refer to their contribution to achieving either the objectives of the previous Lisbon Strategy or the current Europe 2020 agenda.

Indeed a stronger combination, or better coordination, of budgetary approaches is likely to produce a so called "European added value" where policy targets are achieved more effectively as they derive from commonly agreed objectives and where at the same time the need for parallel national expenditure is considerably reduced in those areas which are shifted from the national to the European competence.

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The debate for the present inter-parliamentary meeting could therefore focus on the following issues:

- Are the Europe 2020 objectives considered as a reference at the present stage of your national budgetary debate? If so, which of them are deemed as the main priority for triggering

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<sup>1</sup> Source: Commission table on the contribution of the EU budget to Europe 2020 Flagship Initiatives

development?

- Has the economic crisis resulted in a change of strategy and programming as regards priorities to be financed in the next years? If so, to what extent and in favour of which areas?
- Which are the policy areas where coordination between EU and national budgets is easier to achieve/supposed to bring a greater European added value? Where on the contrary stronger efforts are still needed?
- Which specific mechanisms could be put in place in the short and medium term to enhance budgetary coordination between the EU and the national level?
- How can a regular and timely exchange of information be ensured between the European and the national Parliaments on respective budgetary priorities so as to reinforce future coordination?

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At the end of the debate, a summary note could be drafted as feedback information to be disseminated to the European institutions, national governments and, of course, national Parliaments.