



EUROPEAN COMMISSION

Brussels, 20.4.2011
COM(2011) 226 final

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management as regards the multiannual financial framework, to address additional financing needs of the ITER project

EXPLANATORY MEMORANDUM

1. INTRODUCTION

The present proposal replaces the Commission's proposal of 20 July 2010 for a decision of the European Parliament and of the Council amending the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management as regards the multiannual financial framework, to address additional financing needs of the ITER project¹.

The proposal takes progress made so far in negotiations into account, notably with regard to the level of redeployment within Heading 1A and the amounts for additional commitment and payment appropriations required for ITER under Heading 1A in 2012 and 2013. It aims at facilitating a rapid agreement by the budgetary authority with a view to securing the success of the ITER project.

The proposal is fully consistent with the Draft Budget 2012, as well as with the Commission's proposal for a Council Decision concerning the framework programme of the European Atomic Energy Community for nuclear research and training activities (2012-2013)². Final adoption of the Euratom Framework Programme by the Council will be conditional upon a positive outcome of the parallel budgetary procedure to provide additional funds for ITER.

2. USE OF MARGINS AND REDEPLOYMENT WITHIN HEADING 1A

No margin is left for 2011 under the expenditure ceiling of Heading 1A, and the margins available in 2012 and 2013 are insufficient to meet the ITER requirements and to leave, at the same time, sufficient margins for unforeseen needs as provided for in Point 13 of the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management (IIA)³.

In accordance with Point 23, first paragraph, of the IIA the Commission has examined the scope for reallocating expenditure between the programmes covered by Heading 1A with the objective that a significant amount, in absolute terms and as a percentage of the new expenditure planned, is made available within the existing ceiling for this Heading. As a result, it proposes to redeploy an amount of EUR 100 million in 2012 and of EUR 360 million in 2013 from the Seventh Research Framework Programme.

¹ COM(2010) 403 final of 20.7.2010.

² COM(2011) 72 final of 7.3.2011.

³ OJ C 139, 14.6.2006, p. 1.

3. TRANSFERS FROM ONE HEADING TO ANOTHER (COMMITMENT APPROPRIATIONS)

In accordance with Point 23, second paragraph, of the IIA the Commission has examined the scope for offsetting any raising of the ceiling for one heading by the lowering of the ceiling for another.

The margins left under the expenditure ceilings for the Headings other than Heading 1A for the years 2011 to 2013 are currently estimated as follows:

	2011	2012	2013
Heading 1B	6.4	22.1	0.4
Heading 2	1678.8	651.6	112.8
Heading 3 A	67.0	65.6	34.3
Heading 3 B	0.1	15.5	25.3
Heading 4	0	246.7	112.0
Heading 5	243.2	472.6	521.6

With a view to Point 13 of the IIA the Commission considers that the margins left under the ceilings of Headings 1B, 3A and 3 B are too tight to contribute to cover the additional financing needs of the ITER project and that the likely additional needs under Heading 4 do not allow for a reduction of the related expenditure ceiling.

On the other hand, the margins for the year 2011 under Headings 2 and 5 are at a level that allows for a reduction in the respective expenditure ceilings to offset the increase required in the expenditure ceiling of Heading 1A for ITER in 2012 and 2013. Therefore, the Commission proposes to lower the ceiling of Heading 2 for the year 2011 by an amount of EUR 650 million, and the ceiling of Heading 5 for the same year by EUR 190 million, and to increase the expenditure ceilings of Heading 1A by EUR 650 million for the year 2012 and by EUR 190 million for the year 2013.

The proposed adjustment between expenditure ceilings leaves a margin of EUR 1028.8 million available under the ceiling of Heading 2 and of EUR 53.2 million under Heading 5 in 2011. The Commission has undertaken to take all appropriate measures to ensure that decisions taken on CAP expenditure and its financing, including the agreement on the Health Check, are respected.

4. PAYMENT APPROPRIATIONS

Point 23, fourth paragraph, of the IIA provides that any revision must maintain an appropriate relationship between commitments and payments. The proposal keeps the overall ceiling for payment appropriations under the 2007-2013 financial framework unchanged, whilst ensuring an orderly progression in relation to appropriations for commitments.

5. SUMMARY TABLE AND CONCLUSION

The table below summarises the proposed changes to the ceilings for commitment and payment appropriations in the financial framework. Amounts are expressed in current prices:

(EUR million)	2007	2008	2009	2010	2011	2012	2013	2007-2013
1a. Competitiveness for Growth and Employment						650	190	840
2. Preservation and Management of Natural Resources					-650			-650
3a. Freedom, security and justice								0
3b. Citizenship								0
4. EU as a global player								0
5. Administration					-190			-190
6. Compensations								0
Total change in commitment appropriations	0	0	0	0	-840	650	190	0
Total change in payment appropriations				0	-840	0	840	0

The revision keeps unchanged the global ceilings for commitment and payment appropriations over the period 2007-2013 expressed in current prices.

The table below shows the revised annual expenditure ceilings of the financial framework resulting from the above changes in current prices.

The formal decision amending the IIA as regards the financial framework must refer to the basic table agreed in the IIA, which is expressed in constant 2004 prices. The amounts in current values are thus to be converted into 2004 prices by means of a fixed deflator of 2% a year, in accordance with Point 16 of the IIA (see below annex to the proposed Decision of the European Parliament and of the Council).

FINANCIAL FRAMEWORK 2007-2013: ADJUSTED FOR ITER

(EUR million - current prices)

COMMITMENT APPROPRIATIONS	2007	2008	2009	2010	2011	2012	2013	Total 2007-2013
1. Sustainable Growth	53.979	57.653	61.696	63.555	63.974	67.614	70.147	438.618
1a Competitiveness for Growth and Employment	8.918	10.386	13.269	14.167	12.987	14.853	15.623	90.203
1b Cohesion for Growth and Employment	45.061	47.267	48.427	49.388	50.987	52.761	54.524	348.415
2. Preservation and Management of Natural Resources	55.143	59.193	56.333	59.955	59.688	60.810	61.289	412.411
of which: market related expenditure and direct payments	45.759	46.217	46.679	47.146	47.617	48.093	48.574	330.085
3. Citizenship, freedom, security and justice	1.273	1.362	1.518	1.693	1.889	2.105	2.376	12.216
3a Freedom, Security and Justice	637	747	867	1.025	1.206	1.406	1.661	7.549
3b Citizenship	636	615	651	668	683	699	715	4.667
4. EU as a global player	6.578	7.002	7.440	7.893	8.430	8.997	9.595	55.935
5. Administration ⁽¹⁾	7.039	7.380	7.525	7.882	8.144	8.670	9.095	55.735
6. Compensations	445	207	210	0	0	0	0	862
TOTAL COMMITMENT APPROPRIATIONS	124.457	132.797	134.722	140.978	142.125	148.196	152.502	975.777
as a percentage of GNI	1,02%	1,08%	1,16%	1,18%	1,15%	1,13%	1,12%	1,12%
TOTAL PAYMENT APPROPRIATIONS	122.190	129.681	120.445	134.289	133.440	141.360	144.171	925.576
as a percentage of GNI	1,00%	1,05%	1,04%	1,12%	1,08%	1,08%	1,06%	1,06%
Margin available	0,24%	0,19%	0,20%	0,11%	0,15%	0,15%	0,17%	0,17%
Own Resources Ceiling as a percentage of GNI	1,24%	1,24%	1,24%	1,23%	1,23%	1,23%	1,23%	1,23%

(1) The expenditure on pensions included under the ceiling for this heading is calculated net of the staff contributions to the relevant scheme, within the limit of € 500 million at 2004 prices for the period 2007-2013.

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management as regards the multiannual financial framework, to address additional financing needs of the ITER project

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Interinstitutional Agreement between the European Parliament, the Council and the Commission of 17 May 2006 on budgetary discipline and sound financial management⁴, and in particular to points 21, 22 and 23 thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) At the [trilogue]/[budgetary conciliation] meeting of ... 2011 the European Parliament, the Council and the Commission have agreed on the modalities for providing additional financing to the ITER project. The financing requires a revision of the multiannual financial framework 2007-2013 in accordance with Points 21, 22, and 23 of the Interinstitutional Agreement, so as to raise the ceilings for commitment appropriations under sub-Heading 1A by EUR 650 million for the year 2012 and by EUR 190 million for the year 2013 in current prices.
- (2) The increase of the ceilings for commitment appropriations under sub-Heading 1 A for the years 2012 and 2013 will be fully offset by a decrease of the ceilings for commitment appropriations for the year 2011 under Heading 2 and Heading 5.
- (3) In order to keep an appropriate relationship between commitments and payments, the annual ceilings for payment appropriations will be adjusted. The adjustment will be neutral in terms of payment requirements over the period 2007-2013.
- (4) Annex I of the Interinstitutional Agreement on budgetary discipline and sound financial management should therefore be amended accordingly⁵,

⁴ OJ C 139, 14.6.2006, p. 1.

⁵ For that purpose, the figures resulting from the above agreement are converted into 2004 prices.

HAVE DECIDED AS FOLLOWS:

Sole Article

Annex I to the Interinstitutional Agreement on budgetary discipline and sound financial management is replaced by the Annex to this Decision.

Done at Brussels,

For the European Parliament

For the Council

ANNEX

FINANCIAL FRAMEWORK 2007-2013

(EUR million - constant 2004 prices)

COMMITMENT APPROPRIATIONS	2007	2008	2009	2010	2011	2012	2013	Total 2007-2013
1. Sustainable Growth	50.865	53.262	55.879	56.435	55.693	57.708	58.696	388.538
1a Competitiveness for Growth and Employment	8.404	9.595	12.018	12.580	11.306	12.677	13.073	79.653
1b Cohesion for Growth and Employment	42.461	43.667	43.861	43.855	44.387	45.031	45.623	308.885
2. Preservation and Management of Natural Resources	51.962	54.685	51.023	53.238	51.962	51.901	51.284	366.055
of which: market related expenditure and direct payments	43.120	42.697	42.279	41.864	41.453	41.047	40.645	293.105
3. Citizenship, freedom, security and justice	1.199	1.258	1.375	1.503	1.645	1.797	1.988	10.765
3a Freedom, Security and Justice	600	690	785	910	1.050	1.200	1.390	6.625
3b Citizenship	599	568	590	593	595	597	598	4.140
4. EU as a global player	6.199	6.469	6.739	7.009	7.339	7.679	8.029	49.463
5. Administration ⁽¹⁾	6.633	6.818	6.816	6.999	7.090	7.400	7.610	49.366
6. Compensations	419	191	190	0	0	0	0	800
TOTAL COMMITMENT APPROPRIATIONS	117.277	122.683	122.022	125.184	123.729	126.485	127.607	864.987
as a percentage of GNI	1,08%	1,09%	1,06%	1,06%	1,03%	1,03%	1,01%	1,049%
TOTAL PAYMENT APPROPRIATIONS	115.142	119.805	109.091	119.245	116.168	120.649	120.636	820.736
as a percentage of GNI	1,06%	1,06%	0,95%	1,01%	0,97%	0,98%	0,96%	1,00%
Margin available	0,18%	0,18%	0,29%	0,22%	0,26%	0,25%	0,27%	0,23%
Own Resources Ceiling as a percentage of GNI	1,24%	1,24%	1,24%	1,23%	1,23%	1,23%	1,23%	1,23%

(1) The expenditure on pensions included under the ceiling for this heading is calculated net of the staff contributions to the relevant scheme, within the limit of €500 million at 2004 prices for the period 2007-2013.