



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 6 May 2013

9195/13

FIN 243

NOTE

from: Presidency
to: Permanent Representatives Committee

No Cion prop.: 7657/13 FIN 142 - COM(2013) 156 final
7658/13 FIN 143 - COM(2013) 157 final

Subject: - Draft amending budget No 1 to the general budget for 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 take account of the expenditure requirements resulting from the accession of Croatia to the EU
- Political agreement

1. On 19 March 2013, the Commission submitted to the Council the abovementioned proposals in order to accommodate in the Union budget for 2013 and in the multiannual financial framework (MFF) 2007-2013 the additional financing needs for the accession of Croatia¹.

In its proposal for a revision of the MFF the Commission aimed at increasing in 2013 the overall ceiling for commitment appropriations (c/a) by EUR 666 million and the overall ceiling for payment appropriations (p/a) by EUR 374 million².

¹ Treaty of Accession (OJ L 112, 24.4.2012, p. 10).

² The amounts proposed are in current prices.

2. On 23 April, the Presidency presented to the Budget Committee a compromise proposal for a revision of the MFF for a total amount of EUR 603 million in c/a. Taking into account the Council declaration of 12 July 2011 on the financial package for Croatia¹, the Presidency proposed to maintain unchanged the overall ceiling for c/a by offsetting the increases in sub-headings 1a, 1b and 3b, as well as the creation of heading 6 by a reduction of the ceiling under heading 5, making use of the existing margin. As for p/a, the Presidency suggested to accept the increase proposed by the Commission.

(EUR million - current prices)

PRESIDENCY PROPOSAL			
Commitment appropriations			
MFF heading⁽¹⁾	MFF ceiling 2013 before revision	Presidency proposal	MFF ceiling 2013 after revision
- Sub-heading 1a (Competitiveness for growth and employment)	15 623	+47	15 670
- Sub-heading 1b (Cohesion for growth and employment)	54 524	+450	54 974
- Sub-heading 3b (Citizenship)	715	+31	746
- Heading 5 (Administration)	9 095	-603	8 492
- Heading 6 (Compensation)	0	+75	75
TOTAL	152 502	0	152 502
Payment appropriations			
MFF	MFF ceiling 2013 before revision	Presidency proposal	MFF ceiling 2013 after revision
TOTAL	143 911	+374 ⁽²⁾	144 285
⁽¹⁾ The proposed DAB amounts of EUR 10.2 million in heading 2 and EUR 42.1 million in sub-heading 3a can be accommodated from the margins under these headings. ⁽²⁾ Out of the amount of EUR 374 million, Croatia contributes with EUR 234.3 million to the financing of the general budget and EUR 34 million are financed from Article 302 (<i>Surplus own resources resulting from repayment of the surplus from the Guarantee Fund for external actions</i>).			

¹ In this declaration the Council stressed that any additional financing needs related to the Croatia accession "have to be firmly inscribed in the EU's general effort for budgetary discipline" and "should not require any revision of the EU's overall ceiling for commitment appropriations".

3. In the Budget Committee, no major concerns were raised concerning draft amending budget (DAB) No 1/2013 as proposed by the Commission. At the same time, although a large majority of delegations could support the Presidency compromise proposal, it was not possible to find the necessary unanimity on the revision of the MFF 2007-2013, in particular as regards the increase of the ceiling for p/a.
4. Therefore, the Permanent Representatives Committee is invited to:
- reach an agreement on the revision of the MFF 2007-2013 on the basis of the Presidency compromise proposal under point 2;
 - confirm its agreement on DAB No 1/2013, as set out in document 7657/13.
