



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 26 June 2013**

**11588/13**

**FIN 374**

**"A" ITEM NOTE**

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from: Permanent Representatives Committee  
to: Council

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No. prev. doc.: 9195/13 FIN 243

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

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Subject : 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 European Union

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1. On 18 March 2013, the Commission submitted to the Council the abovementioned proposal in order to accommodate in the multiannual financial framework (MFF) 2007-2013 the additional financing needs for the accession of Croatia to the EU on 1 July 2013 in line with the financial package agreed at the Accession Conference of 30 June 2011<sup>1</sup>. This proposal was submitted in parallel with draft amending budget (DAB) No 1/2013<sup>2</sup> which incorporates into the 2013 Union budget the commitment appropriations (c/a) and payment appropriations (p/a) necessary to cover expenditure related to the accession of Croatia.

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<sup>1</sup> Treaty of Accession (OJ L 112, 24.4.2012, p. 10).

<sup>2</sup> Doc. 7657/13.

In its proposal for a revision of the MFF the Commission aimed at increasing in 2013 the overall ceiling for c/a by EUR 666 million and the overall ceiling for p/a by EUR 374 million<sup>1</sup>.

2. On 26 June 2013, the Permanent Representatives Committee reached a unanimous agreement on a Presidency compromise proposal for the revision of the MFF 2007-2013 to accommodate the additional financing needs for the accession of Croatia, as recorded in document 9195/13.
3. Therefore, the Council is invited to:
  - confirm the unanimous agreement on the revision of the MFF 2007 - 2013, as recorded in document 9195/13;
  - adopt the 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 European Union, as recorded in ANNEX 1;
  - enter into the Council's minutes the Council declaration recorded in ANNEX 2.

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<sup>1</sup> The amounts proposed are in current prices.

**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 European Union**

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 management<sup>1</sup>,

Having regard to the proposal from the Commission,

Whereas:

- (1) The Treaty concerning the accession of the Republic of Croatia to the European Union<sup>2</sup> lays down transitory provisions in budgetary matters.
- (2) The Accession Conference of 30 June 2011 has endorsed the results of the negotiations which have determined expenditure requirements resulting from the accession of Croatia to the European Union on 1 July 2013.
- (3) The accession of Croatia requires an adjustment of the multiannual financial framework 2007-2013 for the year 2013 and the increase of the ceilings for commitment appropriations for the year 2013 by a total amount of EUR 603 million in current prices, composed of EUR 47 million for sub-heading 1a, EUR 450 million for sub-heading 1b, EUR 31 million for sub-heading 3b and EUR 75 million for Heading 6, which will be fully offset by a decrease of the ceiling for commitment appropriations for the year 2013 under heading 5 for the same amount.

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<sup>1</sup> OJ C 139, 14.6.2006, p. 1.

<sup>2</sup> OJ L 112, 24.4.2012, p. 10.

- (4) The accession of Croatia also requires an adjustment of the ceiling for payment appropriations for 2013, to be raised by an amount of EUR 374 million in current prices.
- (5) The financial framework for the European Union agreed upon in the Interinstitutional Agreement on budgetary discipline and sound financial management should be adjusted to take account of the accession of Croatia for the period from 1 July to 31 December 2013.
- (6) Annex I of the Interinstitutional Agreement on budgetary discipline and sound financial management should therefore be amended accordingly<sup>1</sup>,

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 [...], [...] 2013.

*For the European Parliament*

*For the Council*

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<sup>1</sup> For that purpose, the figures resulting from the above agreement are converted into 2004 prices.

(EUR million - constant 2004 prices)

COMMITMENT APPROPRIATIONS	2007	2008	2009	2010	2011	2012	2013	Total 2007-2013
<b>1. Sustainable Growth</b>	<b>50.865</b>	<b>53.262</b>	<b>55.879</b>	<b>56.435</b>	<b>55.693</b>	<b>57.708</b>	<b>59.111</b>	<b>388.953</b>
1a Competitiveness for Growth and Employment	8.404	9.595	12.018	12.580	11.306	12.677	13.112	79.692
1b Cohesion for Growth and Employment	42.461	43.667	43.861	43.855	44.387	45.031	45.999	309.261
<b>2. Preservation and Management of Natural Resources</b>	<b>51.962</b>	<b>54.685</b>	<b>51.023</b>	<b>53.238</b>	<b>52.136</b>	<b>51.901</b>	<b>51.284</b>	<b>366.229</b>
of which: market related expenditure and direct payments	43.120	42.697	42.279	41.864	41.453	41.047	40.645	293.105
<b>3. Citizenship, freedom, security and justice</b>	<b>1.199</b>	<b>1.258</b>	<b>1.375</b>	<b>1.503</b>	<b>1.645</b>	<b>1.797</b>	<b>2.014</b>	<b>10.791</b>
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	624	4.166
<b>4. EU as a global player</b>	<b>6.199</b>	<b>6.469</b>	<b>6.739</b>	<b>7.009</b>	<b>7.339</b>	<b>7.679</b>	<b>8.029</b>	<b>49.463</b>
<b>5. Administration<sup>(1)</sup></b>	<b>6.633</b>	<b>6.818</b>	<b>6.816</b>	<b>6.999</b>	<b>7.044</b>	<b>7.274</b>	<b>7.106</b>	<b>48.690</b>
<b>6. Compensations</b>	<b>419</b>	<b>191</b>	<b>190</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>63</b>	<b>863</b>
<b>TOTAL COMMITMENT APPROPRIATIONS</b>	<b>117.277</b>	<b>122.683</b>	<b>122.022</b>	<b>125.184</b>	<b>123.857</b>	<b>126.359</b>	<b>127.607</b>	<b>864.989</b>
as a percentage of GNI	1,08%	1,09%	1,06%	1,06%	1,03%	1,03%	1,01%	1,05%
<b>TOTAL PAYMENT APPROPRIATIONS</b>	<b>115.142</b>	<b>119.805</b>	<b>109.091</b>	<b>119.245</b>	<b>116.394</b>	<b>120.649</b>	<b>120.731</b>	<b>821.057</b>
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 EUR 500 million at 2004 prices for the period 2007-2013.

**Draft Council declaration**  
**on the adoption of amending budget No 1/2013**

"The Council being firmly dedicated to ensure an orderly accession of Croatia has adopted amending budget No 1/2013 covering the financial commitments for 2013 given to Croatia in the accession treaty. Fulfilling its obligations and respecting the Interinstitutional Agreement on budgetary discipline and sound financial management of 17 May 2006 and the Council Declaration on the Financial and Budgetary Provisions for Croatia's Accession to the EU of July 2011, the Council has also adopted a revision of the commitment ceilings for budget headings within the overall ceiling for commitment appropriations and a revision of the payment ceiling in 2013 of EUR 374 million.

The decision to revise the payment ceiling by EUR 374 million is on the basis that this increase is only used for programmes related to Croatia after its accession. As part of its consideration of any further amending budget, the Council will require an update on the implementation of programmes related to Croatia.

The decision to revise the payment ceiling does not prejudice the Council position on possible proposals for further amending budgets in the course of 2013. The Council, in this regard, recalls the provisions of the Financial Regulation and urges the Commission to actively manage the EU budget over the rest of 2013 in a prudent way and to continue to try to fund additional needs by redeployment in the first instance."

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