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COVER NOTE

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Delegations will find attached document COM(2013) 669 final.

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Brussels, 25.9.2013
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**DRAFT AMENDING BUDGET N° 8 (DAB2 bis)
TO THE GENERAL BUDGET 2013**

GENERAL STATEMENT OF REVENUE

**STATEMENT OF EXPENDITURE BY SECTION
Section III – Commission**

**DRAFT AMENDING BUDGET N° 8 (DAB2 bis)
TO THE GENERAL BUDGET 2013**

GENERAL STATEMENT OF REVENUE

**STATEMENT OF EXPENDITURE BY SECTION
Section III – Commission**

Having regard to:

- the Treaty on the Functioning of the European Union, and in particular Article 314 thereof, in conjunction with the Treaty establishing the European Atomic Energy Community, and in particular Article 106a thereof,
- the Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the Financial Regulation applicable to the general budget of the Union¹, and in particular Article 41 thereof,
- the general budget of the European Union for the financial year 2013 adopted on 12 December 2012²,
- the amending budget No 1/2013, adopted on 4 July 2013,
- the amending budget No 2/2013, adopted on 11 September 2013,
- the amending budget No 3/2013, adopted on 11 September 2013,
- the amending budget No 4/2013, adopted on 11 September 2013,
- the amending budget No 5/2013, adopted on 11 September 2013,
- the draft amending budget No 6/2013³, adopted on 10 July 2013, as amended on 18 September 2013⁴
- the draft amending budget No 7/2013⁵, adopted on 25 July 2013,

The European Commission hereby presents to the budgetary authority the draft amending budget No 8 to the 2013 budget.

CHANGES TO THE STATEMENT OF REVENUE AND EXPENDITURE BY SECTION

The changes to the statement of revenue and expenditure by section are available on EUR-Lex (<http://eur-lex.europa.eu/budget/www/index-en.htm>). An English version of the changes to this statement is attached for information as a budgetary annex.

¹ OJ L 298, 26.10.2012, p. 1.

² OJ L 66, 8.3.2013, p. 1.

³ COM(2013) 518.

⁴ COM(2013) 655.

⁵ COM(2013) 557.

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1. INTRODUCTION

Draft amending budget No 8 for the year 2013 (DAB 8/2013) concerns the increase of payment appropriations of EUR 3,9 billion across headings 1a, 1b, 2, 3a, 3b and 4 of the multi-annual financial framework (MFF) to the overall level proposed already in DAB 2/2013. This is with the aim of meeting the outstanding needs to the end of the year, so that legal obligations stemming from past and current commitments can be honoured, financial penalties avoided, and beneficiaries can receive the funds envisaged by the agreed EU policies, for which Parliament and Council authorised the related commitment appropriations in previous annual budgets. The requested additional payment appropriations will reduce the level of outstanding commitments ('reste à liquider', RAL) as well as the risk of rolling over onto 2014 abnormally high levels of unpaid bills.

This DAB 8/2013 updates DAB 2/2013, presented by the Commission in March 2013 for an amount of EUR 11,2 billion and only partially approved by the budgetary authority in September 2013 for an amount of EUR 7,3 billion. It is consistent with the political agreement reached between the Presidents of the three Institutions on the 2014-2020 MFF which states that: "*The Council commits to take all necessary additional steps to ensure that the Union's obligations for 2013 are fully honoured. On the basis of a proposal to be made by the Commission in early autumn on the basis of the latest updated estimates regarding payment appropriations, the Council commits to decide, without delay, on a further draft amending budget to avoid any shortfall in justified payment appropriations*".

In accordance with Article 41(2) of the Financial Regulation, the Commission has examined the scope for internal redeployment within an overall review of year-end payment needs, against the background of consistently high payment implementation across all major programmes with no or little appropriations left on a considerable number of budget items to pay incoming bills. This has led the Commission to propose the redeployment of EUR 509,8 million in the so-called 'global transfer' (DEC 26/2013, made available in parallel with DAB 8/2013). The updated request (EUR 3 940 million) in this DAB 8/2013 reflects the outstanding additional payment appropriations required to meet year-end needs across the 2013 budget, making use of the available payments ceiling in 2013.

The requested payment appropriations will allow the legal obligations arising in 2013 to be met. This will avoid any abnormal carry-over into 2014 of payment needs that should have been addressed in the financial year 2013. Since the 'N+3' decommitment rule under cohesion policy ends in 2013, the Commission expects to receive an increased share of payment claims very late in the year, and consequently to be able to pay these claims only in early 2014.

The request for EUR 3 940 million is detailed below.

2. SHORTAGE OF PAYMENT APPROPRIATIONS IN THE 2013 BUDGET

2.1 Amending budget 2/2013

The Commission pointed out on several occasions that the level of payment appropriations in the 2013 budget was artificially underbudgeted. On 27 March 2013, the Commission presented a draft amending budget (DAB 2/2013) requesting EUR 11,2 billion in additional payment appropriations to cover payment needs until the end of the year. The budgetary authority accepted the DAB 2/2013 in part, authorising only two thirds of the request for each budget line concerned. At the same time, the Commission was requested to present a further amending budget in early autumn to cover outstanding payment needs until year-end.

2.2 Payment implementation 2013 to date

Overall, implementation of payment appropriations at 16 September 2013 stood at EUR 106,9 billion, corresponding to 78 % of available appropriations (including the recently approved reinforcement in amending budget 2/2013). This is EUR 7,3 billion more than the implementation at the same date in 2012. The particularly high level of budget implementation is all the more striking against the background of cash-flow constraints experienced in the course of 2013, which have led to temporary restrictions on the outflow of payments, particularly for Cohesion (heading 1b) and Rural Development (heading 2). These constraints have kept implementation artificially below what it would have been under normal conditions in the first half of the year. Moreover, for some time now no further disbursement could be made for a number of budget lines, since authorised payment appropriations had already been exhausted.

The current rate of implementation underpins the request for a substantial further reinforcement in payments, also given that payment implementation is traditionally concentrated towards the end of the year (usually one fifth of implementation takes place in the last two months of the year) and that all programmes at the end of the MFF period are running at full speed.

The Commission has made full use of the existing scope for redeployment in the annual ‘global transfer’ exercise aimed at adjusting authorised payment appropriations across budget lines according to the latest updated needs. The ‘global transfer’ has allowed to shift EUR 509,8 million, corresponding to 0,4 % of the total authorised payment appropriations in the 2013 budget, towards programmes with outstanding needs. However, it also confirmed the general need for further reinforcements, over and above the reinforcement authorised in amending budget 2/2013, given the order of magnitude of the shortage of payment appropriations in the 2013 budget.

2.3 Overview of proposed reinforcements

As outlined above, the Commission has carefully reviewed the needs to meet legal obligations in 2013. On that basis this DAB 8/2013 aims at adjusting the level of payment appropriations available across budget lines to address identified payment shortages, taking into account transfers made over the course of the year to meet urgent needs.

In general, the review of year-end needs has confirmed the needs assessment contained in the initial DAB 2/2013. Therefore, this DAB 8/2013 confirms and by and large requests the second ‘tranche’ of the initial reinforcement requested for each budget line included in DAB 2/2013. Unless explained otherwise in the text below, the underlying reasons for the requests as provided in DAB 2/2013 remain valid as well. Likewise, most (80 %) of the requested additional payment appropriations by MFF heading are concentrated in heading 1b (see table below).

Payment appropriations in EUR million, rounded figures

MFF Heading	2013 Budget (incl. AB 1)	2013 Budget (incl. AB 1-5 & DAB 6-7)	Of which AB 2	DAB 8	AB 2 + DAB 8	Share in AB 2 + DAB 8	2013 Budget (incl. AB 1-5 & DAB 6-8)	Difference
	(1)	(2)	(3)	(4)	(5) = (3)+(4)		(6)	(6)/(1) (*)
Heading 1a	11 904,0	12 543,0	639,0	343,6	982,6	8,7 %	12 886,6	8,3 %
Heading 1b	47 348,4	53 202,0	5 853,6	3 147,5	9 001,1	80,1 %	56 349,5	19,0 %
Heading 2	57 487,0	57 882,7	395,7	185,3	581,0	5,2 %	58 068,0	1,0 %
Heading 3a	917,7	1 001,2	83,5	49,3	132,7	1,2 %	1 050,4	14,5 %
Heading 3b	639,1	663,9	9,9	0,9	10,8	0,1 %	664,8	4,0 %
Heading 4	6 409,4	6 727,7	318,3	213,4	531,7	4,7 %	6 941,1	8,3 %
Heading 5	8 430,4	8 430,0					8 430,0	
Heading 6	75,0	75,0					75,0	
Total	133 211,0	140 525,6	7 300,0	3 940,0	11 240,0	100,0 %	144 465,6	8,4 %
<i>Of which headings 1a, 2, 3a, 3b, 4, 5 and 6</i>	<i>85 862,6</i>	<i>87 323,5</i>	<i>1 446,4</i>	<i>792,5</i>	<i>2 238,9</i>	<i>19,9 %</i>	<i>88 116,0</i>	<i>2,6 %</i>

(*) Excluding European Union Solidarity Fund (EUSF)

The sections below set out the net impact of the updated year-end needs for payment appropriations, by MFF heading. In summary, even if certain adjustments are proposed for individual budget lines, the overall increase in payments up to the level foreseen in DAB 2/2013 is confirmed for headings 1a and 1b, as well as for headings 3a and 3b taken together, whereas a minor downward revision for heading 2 is proposed as well as an upward adjustment in heading 4 to meet further urgent needs for humanitarian aid.

3. REINFORCEMENT OF PAYMENTS BY MFF HEADING

3.1. Heading 1a — Competiveness for Growth and Employment

The need for a significant increase of payment appropriations for heading 1a in 2013 is confirmed on the basis of budget implementation to date, combined with a careful analysis of year-end needs of individual budget lines. The overall request for reinforcement of payment appropriations in heading 1a for AB 2/2013 and the present DAB 8/2013 combined amounts to EUR 982,6 million (of which EUR 343,6 million in DAB 8/2013), broken down as follows:

In EUR million, rounded figures

Budget Line	Heading	Additional payments AB 2	Additional payments DAB 8	Total reinforcement of payments	Difference compared to DAB 2
Research Framework Programmes		441,068	243,164	684,232	6,000
02 04 01 01	Space research	22,436	18,064	40,500	6,000
02 04 01 02	Security research	32,516	17,484	50,000	
02 04 01 03	Research related to transport (Galileo)	26,013	13,987	40,000	
08 02 01	Cooperation — Health	130,064	75,065	205,129	5,129
08 03 01	Cooperation — Food, agriculture and fisheries, and biotechnology	42,271	22,729	65,000	
08 05 01	Cooperation — Energy	13,006	6,994	20,000	
08 06 01	Cooperation — Environment (including climate change)	26,013	13,987	40,000	
08 08 01	Cooperation — Socioeconomic sciences and the humanities	8,126	4,369	12,495	
08 10 01	Ideas	22,761	12,239	35,000	
08 13 01	Capacities — Research for the benefit of small and medium-sized enterprises (SMEs)	13,006	6,994	20,000	
08 14 01	Capacities — Regions of knowledge	1,773	0,954	2,727	

Budget Line	Heading	Additional payments AB 2	Additional payments DAB 8	Total reinforcement of payments	Difference compared to DAB 2
08 15 01	Capacities — Research potential	0,524	0,281	0,805	
08 16 01	Capacities — Science in society	5,203	2,797	8,000	
08 18 01	Capacities — Risk-sharing finance facility (RSFF)	0,488	0,263	0,751	
08 21 01	Euratom — Nuclear fission and radiation protection	4,650	0,100	4,750	2,400
08 22 03 01	Completion of the sixth EC framework programme (2003 to 2006)	5,075	-	5,075	-2,729
09 04 01 01	Support for research cooperation in the area of information and communication technologies (ICTs — Cooperation)	55,277	29,723	85,000	
10 02 01	Non-nuclear activities of the Joint Research Centre (JRC)	1,301	0,699	2,000	
10 03 01	Nuclear activities of the Joint Research Centre (JRC)	1,301	0,699	2,000	
15 07 77	People	29,264	15,736	45,000	
Competitiveness and Innovation Framework Programme		59,829	26,171	86,000	-6,000
02 02 01	Competitiveness and Innovation Framework Programme — Entrepreneurship and Innovation Programme	39,019	14,981	54,000	-6,000
09 03 01	Competitiveness and Innovation Framework Programme — Information and Communication Technologies Policy Support Programme (ICT PSP)	20,810	11,190	32,000	
GMES, EGNOS and Galileo		19,834	10,666	30,500	0,000
02 02 15	European Earth monitoring programme (GMES)	6,828	3,672	10,500	
02 05 01	European satellite navigation programmes (EGNOS and Galileo)	13,006	6,994	20,000	
Lifelong Learning and Erasmus Mundus		81,940	50,884	132,824	6,824
15 02 02	Erasmus Mundus	3,902	2,098	6,000	
15 02 22	Lifelong learning programme	78,038	48,786	126,824	6,824
Other programmes and actions		36,333	12,711	49,044	-6,824
02 03 01	Operation and development of the internal market, particularly in the fields of notification, certification and sectoral approximation	0,423	0,227	0,650	
02 03 04 01	Support to standardisation activities performed by CEN, Cenelec and ETSI	1,236	0,664	1,900	
04 05 01	European Globalisation Adjustment Fund (EGF)	8,454	-	8,454	-4,456
10 05 01	Decommissioning of nuclear installations and waste management	2,601	1,399	4,000	
12 04 01	Specific activities in the field of financial services, financial reporting and auditing	0,938	0,505	1,443	
14 02 01	Implementation and development of the internal market	0,325	0,175	0,500	
14 04 02	Customs 2013	5,853	3,147	9,000	
14 05 03	Fiscalis 2013	3,902	2,098	6,000	
26 03 01 01	Interoperability Solutions for European Public Administrations (ISA)	6,503	3,497	10,000	
29 02 03	Completion of the Union Statistical Programme 2008 to 2012	6,097	1,000	7,097	-2,279
Total		639,005	343,596	982,601	0,000

Research Framework Programmes

The request for additional payment appropriations for heading 1a is mostly related to the payment needs of the 7th *Research Framework Programmes (FP7)*, which were heavily cut in the voted budget 2013. The review of year-end payment needs carried out in September 2013 confirmed the Commission's request contained in DAB 2/2013. Overall, the Research Framework Programmes also benefit from an additional net reinforcement through the 'global transfer' of EUR 227,0 million (when excluding the specific situation of the ITER Joint Undertaking).

As compared to DAB 2/2013, a minor adjustment in the breakdown of the overall reinforcement of the research programmes is foreseen, notably to take account of the sustained high needs for the *FP7 Health* programme, for which a further reinforcement amounting to EUR 5,7 million is requested. This is offset by a lower reinforcement for the *Euratom Fission* programme (- EUR 2,4 million) and the *FP6 completion* line (- EUR 2,7 million), compared to the initial DAB 2/2013. As regards the *Euratom Fission programme*, this is due to the slightly delayed arrival of interim and final reports of the research projects, which in turn leads to delays in payments. The downward revision of payments needed for the completion of FP6 is mainly related to the *FP6 Health programme*, for which payment needs until year-end will now be covered by additional assigned revenues which have become available.

Furthermore, an overall higher increase of payment appropriations (+ EUR 6,0 million) for the research programmes as compared to the initial DAB 2/2013 is requested for *Space research*, to allow the Commission to fulfil the contractual obligations of the delegation agreement with the European Space Agency (ESA) for implementing 'Research and Development' for the Space component of GMES. This is offset by a corresponding slightly reduced increase for the *Entrepreneurship and Innovation Programme* under the Competitiveness and Innovation Framework Programme (CIP). Nevertheless, within the 'global transfer' the CIP benefits from an overall reinforcement beyond the initial DAB 2/2013 through an increase of payment appropriations of EUR 24,3 million.

Erasmus Mundus

The voted budget 2013 combined an increase in commitment appropriations for *Erasmus Mundus* with a reduction in payment appropriations, as compared to the draft budget. Taking into account the high level of payment implementation in recent years and the assessment of year-end needs, a further reinforcement amounting to EUR 6,8 million is proposed, to be offset by the reduced request for the *European Globalisation Adjustment Fund (EGF)*, - EUR 4,5 million), for which previously not expected assigned revenues stemming from the financial closure of previous years' applications have been received, as well as from the *completion of the Union Statistical programme 2008-2012* (- EUR 2,3 million), due to some delays compared to the initial closure schedule.

3.2. Heading 1b — Cohesion for Growth and Employment

The overall request for reinforcement of payment appropriations in heading 1b for AB 2/2013 and the present DAB 8/2013 combined amounts to EUR 9 001 million (of which EUR 3 147,5 million in DAB 8/2013), broken down as follows:

In EUR million, rounded figures

Budget Line	Heading	Additional payments AB 2	Additional payments DAB 8	Total reinforcement of payments	Difference compared to DAB 2
Closure of 2000-2006 programmes		1 112,795	179,280	1 292,075	-419,075
04 02 01	Completion of the European Social Fund (ESF) — Objective 1 (2000 to 2006)	559,275	146,725	706,00	-154,000
13 03 01	Completion of European Regional Development Fund (ERDF) — Objective 1 (2000 to 2006)	334,915	32,555	367,470	-147,530

13 03 04	Completion of European Regional Development Fund (ERDF) — Objective 2 (2000 to 2006)	55,928	-	55,928	-30,072
13 03 06	Completion of Urban (2000 to 2006)	0,098	-	0,098	-0,052
13 04 01	Cohesion Fund — Completion of previous projects (prior to 2007)	162,580	-	162,580	-87,420
2007-2013 programmes		4 740,834	2 968 241	7 709,075	419,075
04 02 17	European Social Fund (ESF) — Convergence	1 053,519	566,481	1 620,000	
04 02 19	European Social Fund (ESF) — Regional competitiveness and employment	502,697	424,303	773,000	154,000
13 03 16	European Regional Development Fund (ERDF) — Convergence	1 168,625	628,375	1 797,000	
13 03 18	European Regional Development Fund (ERDF) — Regional competitiveness and employment	541,717	320,000	833,000	28,717
13 03 19	European Regional Development Fund (ERDF) — European territorial cooperation	118,358	300,000	182,000	236,358
13 04 02	Cohesion Fund	1 355,917	729,083	2 085,000	
Total		5 853,629	3 147,521	9 001,150	0,000

Within an overall unchanged reinforcement of payment appropriations for heading 1b as compared to the initial DAB 2/2013, a relatively minor readjustment from the closure lines for the 2000-2006 Structural Funds programmes to the current 2007-2013 programmes is foreseen, for the reasons set out below.

Closure of 2000-2006 programmes

The Commission confirms its intention to close most of the *2000-2006 Structural Funds* programmes this year. However, despite the reinforcement authorised in the recently approved AB 2/2013, the appropriations on the various budget lines concerned are virtually exhausted (ERDF) or will be exhausted before the end of the year (ESF). The Commission therefore proposes an amount of EUR 179,3 million in DAB 8/2013 for the Structural Funds, in order not to delay unduly the 2000-2006 closure process nor to burden the budget 2014 with requests for these closures, for which no payment appropriations were foreseen in the Draft Budget 2014. The overall amount requested is in line with the initial assessment of year-end needs, after taking into account assigned revenues that have been collected during closure operations, amounting to some EUR 450 million in total.

Regarding the closure of the *Cohesion Fund* projects from 2000-2006 period, for which different rules applied, the Commission has revised its assessment. Hence, additional appropriations for 2013 beyond the reinforcement authorised in AB 2/2013, are no longer required: in line with the current closure planning, these appropriations have been requested in the Draft Budget 2014.

2007-2013 programmes

As far as the 2007-2013 programmes are concerned, EUR 16,3 billion of payment claims received before the end of last year had to be charged on the appropriations available in the 2013 budget. Accordingly, out of the EUR 45,2 billion in the initial 2013 budget for the 2007-2013 programmes, only EUR 28,9 billion remained available for the payment claims to be submitted in 2013. After the reinforcement of some EUR 4,7 billion authorised in AB 2/2013, the total budget available for the payment claims in 2013 now reaches EUR 33,6 billion.

In 2012 the Commission received around EUR 50,6 billion in payment claims. It is expected that payment claims submitted in 2013 will exceed this amount of EUR 50,6 billion, since the end of the 'N+3' rule will force Member States that previously benefitted from this rule to submit at the end of 2013 payment claims covering up to two annual tranches. This would also constitute a continuation of the trend observed over the last three years, during which payment claims have substantially increased

on a yearly basis. At 16 September 2013, payment claims are 11 % higher than the level of payment claims received at the same time last year.

Member States' forecasts for 2013, submitted in mid-September 2013 and corrected to take account of past experience of forecast accuracy, suggest that payment claims amounting to some EUR 57,7 billion are expected by the end of the year. This remains in the same order of magnitude as the Commission's own assessment and the current pattern of payment claims, which confirms the request included in DAB 2/2013. However, the end of the 'N+3' rule is likely to lead to an increased share of payment claims sent only in the very last days of the year, as Member States will seek to minimise decommitment risks. Such late claims cannot be processed by the Commission before the end of the year.

Based on the assumptions described above, the Commission requests an overall reinforcement of EUR 2 968 million in DAB 8/2013. This will allow the Commission to proceed with payments and avoid shortfalls in justified payment claims received within the legal deadline, and without shifting an unsustainable level of unpaid claims into 2014. The reinforcement requested for 2013, amounting to EUR 7 709 million for AB 2/2013 and DAB 8/2013 combined, is slightly above the overall amount proposed in the initial DAB 2/2013, so as to take account of the current inflow of payment claims, in particular for budget lines 04 02 19 (ESF – Competitiveness), 13 03 18 (ERDF – Competitiveness) and 13 03 19 (ERDF – Territorial Cooperation). These budget lines show implementation rates ranging between 82 % and 100 % at 16 September 2013, even after taking account of the appropriations recently authorised in AB 2/2013. For Convergence and the Cohesion Fund the initial estimates remain unchanged.

3.3. Heading 2 — Preservation and Management of Natural Resources

The overall request for reinforcement of payment appropriations in heading 2 for AB 2/2013 and the present DAB 8/2013 combined amounts to EUR 581 million (of which EUR 185,3 million in DAB 8/2013), broken down as follows:

In EUR million, rounded figures

Budget Line	Heading	Additional payments AB 2	Additional payments DAB 8	Total reinforcement of payments	Difference compared to DAB 2
05 04 02 01	Completion of the European Agricultural Guidance and Guarantee Fund, Guidance Section — Objective 1 regions (2000 to 2006)	62,376	121,133	183,509	87,593
05 04 02 02	Completion of the special programme for peace and reconciliation in Northern Ireland and the border counties of Ireland (2000 to 2006)	1,424	0,765	2,189	
05 04 05 01	Rural development programmes	299,147	39,102	338,249	-121,751
07 03 07	LIFE+ (Financial Instrument for the Environment — 2007 to 2013)	6,503	13,497	20,000	10,000
11 03 01	International fisheries agreements	142,560	-43,696	98,864	-43,696
11 06 12	European Fisheries Fund (EFF) — Convergence objective	22,108	52,280	74,388	40,393
11 06 13	European Fisheries Fund (EFF) — Outside convergence objective	4,155	2,234	6,390	
	Total	395,714	185,316	581,029	-27,461

The net decrease in the request for additional payment appropriations for this heading as compared to the initial DAB 2/2013 results from the proposed release of appropriations currently in the reserve for a number of international fisheries agreements, which are no longer expected to be concluded by the end of 2013. Part of these appropriations are proposed to be used for further reinforcement of budget lines initially included in DAB 2/2013, as set out below.

05 04 02 01 — Completion of the European Agricultural Guidance and Guarantee Fund, Guidance Section — Objective 1 regions (2000 to 2006)

In its DAB 6/2012, the Commission identified an amount of around EUR 110 million that was needed to proceed with closure of old programmes. As this reinforcement was not approved in 2012 and as no appropriations had been budgeted on this budget line in 2013, the Commission proposed a total reinforcement of EUR 95,9 million in DAB 2/2013, after taking into account amounts that could be covered by assigned revenues. However, since other programmes are now ready to be closed, a further reinforcement of EUR 87,6 million is requested as compared to the initial amount included in DAB 2/2013.

05 04 05 01 — Rural development programmes

Following payments made in the first three quarters charged on the 2013 budget, including unpaid amounts from 2012, the payment appropriations remaining available at 16 September 2013 stood at EUR 3 189 million, taking into account already the reinforcement authorised in AB 2/2013.

The revised Member States' forecasts for the last quarter to be charged on budget 2013 (Q3/2013) amount to EUR 4 065 million. However, taking into account past experience of forecast accuracy and the higher than previously expected availability of assigned revenues, the Commission has revised its needs assessment slightly downwards as compared to DAB 2/2013. Based on the currently expected payment claims, a reinforcement amounting to EUR 39 million would allow to pay the declarations by Member States for the third quarter of 2013.

07 03 07 — LIFE+ (Financial Instrument for the Environment — 2007 to 2013)

After a noticeable increase in 2012, the implementation of payment appropriations for LIFE+ has again significantly increased in 2013. At 16 September 2013, the implementation rate is twice as high as last year's (83 % compared to 40 %), whereas the last quarter is traditionally the most intensive from a payment implementation point of view. This demonstrates that the programme is now at cruising speed. Based on a detailed assessment of year-end needs, the Commission has revised its request upwards, for an additional amount of EUR 13,5 million.

11 06 12 — European Fisheries Fund — Convergence objective

The initial payment appropriations on this budget line were exhausted before AB 2/2013 and the implementation rate including AB 2/2013 has already reached 96 % at 16 September 2013. As for the Cohesion Policy, the high level of unpaid payment claims at the end of 2012 has contributed to this situation. Based on the currently expected payment claims, a reinforcement of EUR 52,3 million would allow the Commission to proceed with payments within the legal deadline.

40 02 41 — Reserve for differentiated appropriations (linked to budget item 11 03 01 – International Fisheries Agreements)

Due to the delayed adoption of a number of international fisheries agreements (more specifically, the agreements with Morocco, Micronesia, Cook Islands and Solomon Islands as well as Guinea-Bissau), an amount of EUR 43,7 million in payment appropriations can be redeployed towards other needs.

3.4. Heading 3a — Freedom, Security and Justice

The overall request for reinforcement of payment appropriations in heading 3a for AB 2/2013 and the present DAB 8/2013 combined amounts to EUR 132,7 million (of which EUR 49,3 million in DAB 8/2013), broken down as follows:

In EUR million, rounded figures

Budget Line	Heading	Additional payments AB 2	Additional payments DAB 8	Total reinforcement of payments	Difference compared to DAB 2
Solidarity and management of migration flows		69,909	47,032	116,941	9,441
18 02 06	External Borders Fund	13,657	12,414	26,070	5,070
18 02 09	European Return Fund	17,559	9,441	27,000	
18 03 03	European Refugee Fund (ERF)	19,510	14,861	34,371	4,371
18 03 05	European Migration Network	0,650	0,350	1,000	
18 03 09	European Fund for the Integration of third-country nationals	18,534	9,966	28,500	
Security and safeguarding liberties		9,430	-	9,430	-5,070
18 05 08	Prevention, preparedness and consequence management of terrorism	1,301	-	1,301	-0,699
18 05 09	Prevention of and fight against crime	8,129	-	8,129	-4,371
Other programmes and actions		4,130	2,220	6,350	0,000
18 02 04	Schengen information system (SIS II)	1,951	1,049	3,000	
18 03 14 02	European Asylum Support Office — Contribution to Title 3	0,975	0,525	1,500	
18 03 17	Preparatory action — Enable the resettlement of refugees during emergency situations	0,423	0,227	0,650	
18 08 01	Prince — Area of freedom, security and justice	0,780	0,420	1,200	
Total		83,469	49,252	132,721	4,371

External Borders Fund and European Refugee Fund

The updated payment needs for the *External Borders Fund* and the *European Refugee Fund* under Solidarity and management of migration flows cover the intermediate and final payments to be made on grants and contracts from 2011 and 2012, as well as pre-financing payments on 2012 and 2013 calls. Also against the background of postponement of certain pre-financings for the year 2012, the need for reinforcement in 2013 is confirmed.

As far as the External Borders Fund is concerned, some 30 % of the appropriations have been in reserve linked to Schengen governance issues. In order to ensure equal treatment for all Member States, the Commission decided to suspend the implementation until the governance issues were resolved. This allowed to temporarily use payment appropriations from the External Borders Fund to urgently reinforce *Prevention, preparedness and consequence management of terrorism* (CIPS) and *Prevention of and fight against crime* (ISEC) through transfer DEC 11/2013. Now that the Schengen governance reserve has been lifted, the implementation of the External Borders Fund can resume. That is why the amounts initially foreseen for CIPS and ISEC can be re-assigned to the External Borders Fund, as a partial compensation (+ EUR 5,1 million). Similarly, the amounts proposed to be made available from the *Culture* and *Health* programmes under heading 3b, as set out below, are proposed to be re-assigned to the European Refugee Fund to help Member States that face increasing massive influxes of refugees.

3.5. Heading 3b — Citizenship

The overall request for reinforcement of payment appropriations in heading 3b for AB 2/2013 and the present DAB 8/2013 combined amounts to EUR 10,8 million (of which EUR 0,9 million in DAB 8/2013), broken down as follows:

In EUR million, rounded figures

Budget Line	Heading	Additional payments AB 2	Additional payments DAB 8	Total reinforcement of payments	Difference compared to DAB 2
09 02 06	Preparatory action — Erasmus for Journalists	0,098	0,052	0,150	

15 04 44	Culture Programme (2007 to 2013)	2,276	-	2,276	-1,224
15 04 66 01	MEDIA 2007 — Support programme for the European audiovisual sector	1,626	0,874	2,500	
17 03 06	Union action in the field of health	5,853	-	5,853	-3,147
Total		9,852	0,927	10,779	-4,371

The review of year-end needs for the budget lines included in DAB 2/2013 under heading 3b has shown that the second tranche of reinforcement of payment appropriations is no longer necessary for the Culture and Health programmes. As regards the Culture programme, the downwards revision of year-end needs (- EUR 1,2 million) is due to less pre-financing to be paid further to delays in the bank guarantee to be obtained by beneficiaries and in the receipt of intermediate and final reports. As for Health, the downward revision of payments needs (- EUR 3,1 million) reflects a slight delay in the implementation of the actions under the Public Health programme. The related amounts are proposed to be used for the further reinforcement of the European Refugee Fund, as set out above under heading 3a.

3.6. Heading 4 — EU as a Global Player

The overall request for reinforcement of payment appropriations in heading 4 for AB 2/2013 and the present DAB 8/2013 combined amounts to EUR 531,7 million (of which EUR 213,4 million for DAB 8/2013), broken down as follows:

In EUR million, rounded figures

Budget Line	Heading	Additional payments AB 2	Additional payments DAB 8	Total reinforcement of payments	Difference compared to DAB 2
Instrument for Pre-Accession assistance (IPA)		124,536	22,554	147,091	-44,409
04 06 01	Instrument for Pre-Accession Assistance (IPA) — Human resources development	23,086	12,414	35,500	
13 05 02	Instrument for Pre-Accession Assistance (IPA) — Regional development component	82,591	-	82,591	-44,409
13 05 03 02	Cross-border cooperation (CBC) and participation of candidate and potential candidate countries in Structural Funds' transnational and interregional cooperation programmes — Contribution from Heading 4	4,552	2,448	7,000	
22 02 07 01	Regional and horizontal programmes	14,307	7,693	22,000	
European Neighbourhood and Partnership Instrument (ENPI)		74,787	40,213	115,000	0,000
19 08 01 01	European Neighbourhood and Partnership financial cooperation with Mediterranean countries	6,503	3,497	10,000	
19 08 01 02	European Neighbourhood and Partnership financial assistance to Palestine, the peace process and UNRWA	45,522	24,478	70,000	
19 08 01 03	European Neighbourhood and Partnership financial cooperation with eastern Europe	22,761	12,239	35,000	
Development Cooperation Instrument (DCI)		40,320	18,183	58,503	-3,497
19 09 01	Cooperation with developing countries in Latin America	13,006	6,994	20,000	
19 10 01 01	Cooperation with developing countries in Asia	6,503	3,497	10,000	
21 03 01	Non-State actors in development	6,503	3,497	10,000	
21 03 02	Local authorities in development	4,552	2,448	7,000	
21 05 02	Global Fund to Fight Aids, Tuberculosis and Malaria (GFATM)	3,252	1,748	5,000	
21 06 02	Relations with South Africa	6,503	-	6,503	-3,497
Instrument for Stability (IFS)		34,467	3,846	38,313	-14,687
19 06 01 01	Crisis response and preparedness (Instrument for Stability)	27,313	-	27,313	-14,687

Budget Line	Heading	Additional payments AB 2	Additional payments DAB 8	Total reinforcement of payments	Difference compared to DAB 2
19 06 02 01	Actions in the area of risk mitigation and preparedness relating to chemical, nuclear and biological materials or agents (Instrument for Stability)	3,902	2,098	6,000	
19 06 03	Trans-regional actions in the areas of organised crime, trafficking, protection of critical infrastructure, threats to public health and the fight against terrorism (Instrument for Stability)	3,252	1,748	5,000	
European Instrument for Democracy and Human Rights (EIDHR)		13,006	6,994	20,000	0,000
19 04 01	European Instrument for Democracy and Human Rights (EIDHR)	13,006	6,994	20,000	
Humanitarian Aid		29,915	120,910	150,825	104,825
23 02 01	Humanitarian aid	27,964	119,861	147,825	104,825
23 02 02	Food aid	1,951	1,049	3,000	
Other programmes and actions		1,301	0,699	2,000	0,000
20 02 03	Aid for trade — Multilateral initiatives	1,301	0,699	2,000	
Total		318,332	213,400	531,732	42,232

Humanitarian aid

With the deteriorating situation in major crises such as Mali, Sahel, the Horn of Africa and especially Syria, thus far the *Humanitarian aid* and *Food aid* lines have been reinforced by EUR 377,7 million in commitment and only EUR 183 million in payment appropriations. That comes on top of a significant increase (+ EUR 167 million) in the level of outstanding commitments at the end of 2012 compared to a year earlier. This makes it extremely difficult for the Commission to honour its contractual obligations and to sign new contracts for the amounts pledged, as is the case for Syria. Payment implementation as at 16 September 2013 already stood at 88 %.

Therefore, the Commission proposes a substantial further reinforcement of payment appropriations for humanitarian aid, amounting to EUR 120,9 million. This represents an increase of EUR 104,8 million as compared to DAB 2/2013. The Commission proposes to partly offset these outstanding needs for humanitarian aid through redeployment (EUR 43,7 million) from the reserve for international fisheries agreements as set out in section 3.3 above, with lower requests for other budget lines in heading 4 (EUR 62,6 million), and additional appropriations (EUR 14,7 million) requested in this amending budget compared to DAB 2/2013. This amount is additional to the reinforcements of EUR 30 million approved through the budgetary authority transfer DEC 18/2013 and EUR 79,1 million proposed within the ‘global transfer’.

The redeployment within the amounts initially foreseen in DAB 2/2013 under heading 4 reflects the use of internal transfers to meet the initial needs assessment for *IPA – Regional development component* (- EUR 44,4 million), the already approved reinforcement of EUR 21 million through transfer DEC 21/2013 for the *Instrument for Stability – Crisis response and preparedness* (- EUR 14,7 million) as well as a revised schedule for the payment of the variable tranches of budget support for *DCI – Relations with South Africa* (- EUR 3,5 million).

4. CONCLUSION

The updated review of payment needs in the 2013 budget has confirmed a major shortage of payment appropriations, after taking into account the EUR 7,3 billion authorised in AB 2/2013 and all the possible sources for redeployment. Therefore, the Commission requests EUR 3,9 billion in additional payment appropriations available under the payment ceiling of the MFF for 2013.

5. SUMMARY TABLE BY MFF HEADING

Financial framework Heading/subheading	Revised 2013 Financial framework		Budget 2013 (incl. AB 1 to AB 5 + DAB 6 to DAB 7(2013))		DAB 8/2013 (DAB 2bis)		Budget 2013 (incl. AB 1 to AB 5 + DAB 6 to DAB 8/2013)	
	CA	PA	CA	PA	CA	PA	CA	PA
1. SUSTAINABLE GROWTH								
1a. Competitiveness for growth and employment <i>Margin</i>	15 670 000 000		16 168 150 291 <i>1 849 709</i>	12 543 032 370	343 595 725		16 168 150 291 <i>1 849 709</i>	12 886 628 095
1b. Cohesion for growth and employment <i>Margin</i> ⁶	54 974 000 000		55 108 049 037 <i>0</i>	53 202 023 518	3 147 521 218		55 108 049 037 <i>0</i>	56 349 544 736
Total Margin ⁷	70 644 000 000		71 276 199 328 <i>1 849 709</i>	65 745 055 888	3 491 116 943		71 276 199 328 <i>1 849 709</i>	69 236 172 831
2. PRESERVATION AND MANAGEMENT OF NATURAL RESOURCES Of which market related expenditure and direct payments	48 574 000 000		43 956 548 610	43 934 188 711			43 956 548 610	43 934 188 711
Total Margin	61 289 000 000		60 159 241 416 <i>1 129 758 584</i>	57 882 716 075	185 315 751		60 159 241 416 <i>1 129 758 584</i>	58 068 031 826
3. CITIZENSHIP, FREEDOM, SECURITY AND JUSTICE								
3a. Freedom, Security and Justice <i>Margin</i>	1 661 000 000		1 440 827 200 <i>220 172 800</i>	1 001 152 237	49 252 413		1 440 827 200 <i>220 172 800</i>	1 050 404 650
3b. Citizenship <i>Margin</i>	746 000 000		753 287 942 <i>7 320 000</i>	663 875 907	926 652		753 287 942 <i>7 320 000</i>	664 802 559
Total Margin ⁸	2 407 000 000		2 194 115 142 <i>227 492 800</i>	1 665 028 144	50 179 065		2 194 115 142 <i>227 492 800</i>	1 715 207 209
4. EU AS A GLOBAL PLAYER <i>Margin</i> ⁹	9 595 000 000		9 583 118 711 <i>275 996 289</i>	6 727 745 950	213 400 386		9 583 118 711 <i>275 996 289</i>	6 941 146 336
5. ADMINISTRATION <i>Margin</i> ¹⁰	8 492 000 000		8 430 374 740 <i>147 625 260</i>	8 430 049 740			8 430 374 740 <i>147 625 260</i>	8 430 049 740
6. COMPENSATION <i>Margin</i>	75 000 000		75 000 000	75 000 000			75 000 000	75 000 000
TOTAL Margin ^{11,12,13}	152 502 000 000	144 285 000 000	151 718 049 337 <i>1 782 722 642</i>	140 525 595 797 <i>3 940 012 145</i>	3 940 012 145		151 718 049 337 <i>1 782 722 642</i>	144 465 607 942 <i>0</i>

⁶ EUR 134,0 million above the ceiling are financed by the mobilisation of the Flexibility Instrument in 2013.

⁷ The European Globalisation adjustment Fund (EGF) is not included in the calculation of the margin under Heading 1a (EUR 500 million).

⁸ The European Union Solidarity Fund (EUSF) amount is entered over and above the relevant headings as foreseen by the IIA of 17 May 2006 (OJ C 139 of 14.6.2006).

⁹ The 2013 margin for heading 4 does not take into account the appropriations related to the Emergency Aid Reserve (EUR 264,1 million).

¹⁰ For calculating the margin under the ceiling for heading 5, account is taken of the footnote (1) of the financial framework 2007-2013 for an amount of EUR 86 million for the staff contributions to the pension scheme.

¹¹ EUR 134,0 million above the ceiling for commitments are financed by the mobilisation of the Flexibility Instrument in 2013.

¹² The global margin for commitments does not take into account the appropriations related to the EGF (EUR 500 million), the EUSF (EUR 14,7 million), the EAR (EUR 264,1 million), and the staff contributions to the pensions scheme (EUR 86 million).

¹³ The global margin for payments does not take into account the appropriations related to the EUSF (EUR 14,7 million), the EAR (EUR 80 million), and to the staff contributions to the pensions scheme (EUR 86 million).