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Delegations will find attached document COM(2015) 11 final.

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**DRAFT AMENDING BUDGET N° 1
TO THE GENERAL BUDGET 2015**

**ACCOMPANYING THE PROPOSAL FOR A REGULATION OF THE
EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE EUROPEAN FUND
FOR STRATEGIC INVESTMENTS AND AMENDING REGULATIONS (EU)
N°1291/2013 AND (EU) N°1316/2013**

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N°1291/2013 AND (EU) N°1316/2013**

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 2015 adopted on 17 December 2014²,

The European Commission hereby presents to the budgetary authority the Draft Amending Budget No 1 to the 2015 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 XX, XX.XX.2015, p. X.

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1. INTRODUCTION

On 26 November 2014 the Commission proposed "An Investment Plan for Europe"³ aiming at the mobilisation of at least EUR 315 billion in additional investment over the next three years. To this end, a new European Fund for Strategic Investments (EFSI) will be set up in partnership between the Commission and the European Investment Bank (EIB). EFSI will be supported by a guarantee of EUR 16 billion from the EU budget, backed by a guarantee fund covering 50% of the EFSI outstanding liabilities.

The legislative proposal for the establishment of EFSI was adopted by the Commission on 13 January 2015⁴. According to the conclusions of the European Council held on 18 December 2014⁵, the Union legislators are invited to agree on the proposals by June 2015, so that new investment can be activated as early as mid-2015.

In accordance with the legislative proposal, Draft Amending Budget (DAB) No 1 for the year 2015 creates the budgetary structure for the provisioning of the guarantee fund, and possible calls on the EU guarantee, as well as the budgeting of the appropriations for the provision of advisory support for investment project identification, preparation and development.

The purpose of DAB No 1 is to propose the necessary changes to the budget nomenclature and to make the corresponding reallocation of EUR 1 360 million in commitment appropriations and EUR 10 million in payment appropriations. The overall impact in terms of expenditure or revenue is neutral.

2. EUROPEAN FUND FOR STRATEGIC INVESTMENTS (EFSI)

The abovementioned draft regulation establishing the EFSI foresees the creation of an EU guarantee fund from which the EIB may be paid in the event of a call on the EU guarantee. Furthermore, Article 2(2) of the draft regulation foresees a Union contribution to the financing of the European Investment Advisory Hub (EIAH), which should provide strengthened support for project development and preparation across the EU by establishing a single point of entry for questions related to technical assistance for investments within the Union.

2.1. Proposed changes to the budget nomenclature

Three new budget articles need to be created to accommodate the budgetary implications of the establishment of the EFSI: two articles which would mirror the existing structure of the guarantee fund for external actions and a third article to include the Union contribution to the financing of the EIAH. This DAB therefore proposes the inclusion of the following new lines in the budget nomenclature:

- 01 04 04: Guarantee for the European Fund for Strategic Investments (EFSI)
- 01 04 05: Provisioning of the EFSI guarantee fund
- 01 04 06: European Investment Advisory Hub (EIAH)

Article 01 04 04 has only a token entry ("p.m.") which will only require appropriations in case of calls on the EU guarantee in excess of the resources of the guarantee fund.

³ COM(2014) 903 of 26.11.2014.

⁴ COM(2015) 10 of 13.01.2015.

⁵ EUCO 237/14 of 18 December 2014, p.1.

2.2. Provisioning of the guarantee fund – commitments 2015-2018 and payments 2016-2020

The **commitment appropriations** required for the provisioning of the guarantee fund mirror the annual amount of the corresponding sources of financing identified in the legislative and financial statement accompanying the draft regulation (see table below):

	2015	2016	2017	2018	2019	2020	Total
Provisioning of the guarantee fund in commitments (EUR million)	1 350	2 030	2 641	1 979	0	0	8 000

According to Article 6 of the EFSI draft regulation, the amount of the guarantee fund shall be gradually increased to reach the target amount of EUR 8 billion, i.e. 50% of the total EU guarantee of EUR 16 billion. **Payment appropriations** from the general budget of the Union shall be phased in by 2020 following the indicative schedule provided in Annex I of the draft regulation:

	2015	2016	2017	2018	2019	2020	Total
Resources of the guarantee fund (cumulative % of the EU total guarantee)	0	3%	8%	22%	36%	50%	50%
Annual provisioning of the guarantee fund in payments (EUR million)	0	500	1 000	2 000	2 250	2 250	8 000

No payment appropriations are required for the budgetary year 2015.

2.3. Sources of financing for the provisioning of the guarantee fund commitments 2015-2018

The EUR 8 billion in commitment appropriations required for provisioning the guarantee fund will be financed as follows:

- EUR 3.3 billion from the Connecting Europe Facility (CEF);
- EUR 2.7+ billion from Horizon 2020 (H2020)⁶;
- EUR 2.0 billion from unallocated margins under the expenditure ceilings of the multi-annual financial framework (MFF), including the possible use of the Global Margin for Commitments.

2.4. Redeployment of commitment appropriations for provisioning the guarantee fund in 2015

An amount of EUR 1 350 million in commitment appropriations is proposed to be redeployed to the new budget article (01 04 05) to provision the EFSI guarantee fund for the year 2015.

The Commission proposes to reduce the CEF commitment appropriations by EUR 790 million as shown in the table below. The proposed reductions take into account the expected delivery of the programme as well as the respective sector-specific multi-annual work programmes so that the activities already planned for 2015 are not undermined.

⁶ As set out in section 2.4, ITER will contribute to the provisioning of the guarantee fund in 2015 for an amount of EUR 490 million. The latter will be given back to ITER through a equivalent reduction of H2020 commitment appropriations for the period 2018-2020.

Budget line	Description	EUR million
06 02 01 01	Removing bottlenecks, enhancing rail interoperability, bridging missing links and improving cross-border sections	560.3
06 02 01 02	Ensuring sustainable and efficient transport systems	34.9
06 02 01 03	Optimising the integration and interconnection of transport modes and enhancing interoperability	104.8
32 02 01 01	Further integration of the internal energy market and the interoperability of electricity and gas networks across borders	30.0
32 02 01 02	Enhancing Union security of energy supply	30.0
32 02 01 03	Contributing to sustainable development and protection of the environment	30.0
Total CONNECTING EUROPE FACILITY		790.0

As regards the contribution from H2020, the reduction of commitment appropriations is limited to EUR 70 million (see table below) to take account of the consortia planning activities and the proposals already prepared by the European research community for the year 2015.

Budget line	Description	EUR million
02 04 02 01	Leadership in space	11.0
02 04 02 03	Increasing innovation in small and medium-sized enterprises (SMEs)	1.8
02 04 03 01	Achieving a resource-efficient and climate change resilient economy and a sustainable supply of raw materials	3.7
02 04 03 02	Fostering secure European societies	7.5
10 02 01	Horizon 2020 — Customer-driven scientific and technical support to Union policies	11.0
15 03 05	European Institute of Innovation and Technology – integrating the knowledge triangle of higher education, research and innovation	25.0
32 04 03 01	Making the transition to a reliable, sustainable and competitive energy system	10.0
Total HORIZON 2020		70.0

Finally, the remaining EUR 490 million will be reallocated in 2015 from ITER (budget item 08 04 01 02). On 17 December 2014, the governing board of the Fusion For Energy Joint Undertaking (F4E) – the European Union’s Joint Undertaking for ITER and the Development of Fusion Energy – officially informed the Commission that a large proportion of the 2014 commitment appropriations will actually be used to cover 2015 needs. Combined with the postponement of the signature of high value contracts to the end of 2015, this makes it possible to redeploy a large part of the ITER commitment appropriations authorised in the 2015 budget for the provisioning of the EFSI guarantee fund. The Commission intends to offset the ITER reduction in 2015 by an equivalent increase in the ITER financial programming over the period 2018-2020, as foreseen in the legislative financial statement accompanying the draft regulation.

The combined reduction in commitments from CEF (EUR 790 million), H2020 (EUR 70 million) and ITER (EUR 490 million) corresponds to the amount of commitments (EUR 1 350 million) proposed for the new budget article for the provisioning of the EFSI guarantee fund (01 04 05).

In addition, for the year 2015, the Commission proposes to budget EUR 10 million in both commitment and payment appropriations on the new budget article 01 04 06 as contribution from the general budget of the Union to the financing of the European Investment Advisory Hub (EIAH). The

European Investment Bank and the Commission estimate the level of the required annual contribution from the Union to the EIAH at EUR 20 million. Given the envisaged date of June 2015 for the adoption of the EFSI regulation, the Commission proposes to budget EUR 10 million for 2015. The Commission proposes to offset these amounts through a corresponding reduction of the ITER budget item 08 04 01 02 in commitments and payments.

The table below summarises the sources of redeployment of commitment and payment appropriations requested in this Draft Amending Budget.

Budget line	Description	EUR million
REDEPLOYMENT OF COMMITMENT APPROPRIATIONS		
06 02 01 01	Removing bottlenecks, enhancing rail interoperability, bridging missing links and improving cross-border sections	560.3
06 02 01 02	Ensuring sustainable and efficient transport systems	34.9
06 02 01 03	Optimising the integration and interconnection of transport modes and enhancing interoperability	104.8
32 02 01 01	Further integration of the internal energy market and the interoperability of electricity and gas networks across borders	30.0
32 02 01 02	Enhancing Union security of energy supply	30.0
32 02 01 03	Contributing to sustainable development and protection of the environment	30.0
Sub-Total CONNECTING EUROPE FACILITY		790.0
02 04 02 01	Leadership in space	11.0
02 04 02 03	Increasing innovation in small and medium-sized enterprises (SMEs)	1.8
02 04 03 01	Achieving a resource-efficient and climate change resilient economy and a sustainable supply of raw materials	3.7
02 04 03 02	Fostering secure European societies	7.5
10 02 01	Horizon 2020 — Customer-driven scientific and technical support to Union policies	11.0
15 03 05	European Institute of Innovation and Technology – integrating the knowledge triangle of higher education, research and innovation	25.0
32 04 03 01	Making the transition to a reliable, sustainable and competitive energy system	10.0
Sub-Total HORIZON 2020		70.0
08 04 01 02	Construction, operation and exploitation of the ITER facilities – European Joint Undertaking for ITER – Fusion for Energy (F4E)	500.0
TOTAL redeployment of commitment appropriations		1 360.0
REDEPLOYMENT OF PAYMENT APPROPRIATIONS		
08 04 01 02	Construction, operation and exploitation of the ITER facilities – European Joint Undertaking for ITER – Fusion for Energy (F4E)	10.0
Total redeployment of payment appropriations		10.0

3. SUMMARY TABLE BY MFF HEADING

Heading	Budget 2015		Draft Amending Budget 1/2015		Budget 2015 (incl. DAB 1/2015)	
	CA	PA	CA	PA	CA	PA
1. Smart and inclusive growth	66 781 974 020	66 922 960 910			66 781 974 020	66 922 960 910
<i>Of which under Flexibility Instrument</i>	83 285 595				83 285 595	
<i>Ceiling</i>	66 813 000 000				66 813 000 000	
<i>Margin</i>	114 311 575				114 311 575	
1a Competitiveness for growth and jobs	17 551 688 425	15 798 230 895			17 551 688 425	15 798 230 895
<i>Ceiling</i>	17 666 000 000				17 666 000 000	
<i>Margin</i>	114 311 575				114 311 575	
1b Economic social and territorial cohesion	49 230 285 595	51 124 730 015			49 230 285 595	51 124 730 015
<i>Of which under Flexibility Instrument</i>	83 285 595				83 285 595	
<i>Ceiling</i>	49 147 000 000				49 147 000 000	
<i>Margin</i>						
2. Sustainable growth: natural resources	58 808 572 540	55 998 594 806			58 808 572 540	55 998 594 806
<i>Ceiling</i>	59 599 000 000				59 599 000 000	
<i>Margin</i>	790 427 460				790 427 460	
Of which: European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments	43 455 780 762	43 447 624 585			43 455 780 762	43 447 624 585
<i>Sub-ceiling</i>	44 313 000 000				44 313 000 000	
<i>Net transfer between EAGF and EAFRD</i>	123 215 000				123 215 000	
<i>Margin</i>	734 004 238				734 004 238	
3. Security and citizenship	2 146 731 538	1 859 513 793			2 146 731 538	1 859 513 793
<i>Ceiling</i>	2 246 000 000				2 246 000 000	
<i>Margin</i>	99 268 462				99 268 462	
4. Global Europe	8 408 418 991	7 422 489 906			8 408 418 991	7 422 489 906
<i>Ceiling</i>	8 749 000 000				8 749 000 000	
<i>Margin</i>	340 581 009				340 581 009	
5. Administration	8 660 469 063	8 658 756 180			8 660 469 063	8 658 756 180
<i>Ceiling</i>	9 076 000 000				9 076 000 000	
<i>Margin</i>	415 530 937				415 530 937	
Of which: Administrative expenditure of the institutions	6 941 188 663	6 939 475 780			6 941 188 663	6 939 475 780
<i>Sub-ceiling</i>	7 351 000 000				7 351 000 000	
<i>Margin</i>	409 811 337				409 811 337	
6. Compensations						
<i>Ceiling</i>						
<i>Margin</i>						
Total	144 806 166 152	140 862 315 595			144 806 166 152	140 862 315 595
<i>Of which under Flexibility Instrument</i>	83 285 595	11 315 595			83 285 595	11 315 595
<i>Ceiling</i>	146 483 000 000	141 901 000 000			146 483 000 000	141 901 000 000
<i>Margin</i>	1 760 119 443	1 050 000 000			1 760 119 443	1 050 000 000
Other special Instruments	515 365 000	351 724 968			515 365 000	351 724 968
Grand Total	145 321 531 152	141 214 040 563			145 321 531 152	141 214 040 563