



A7-0080/2009

3.12.2009

REPORT

on the proposal for a decision of the European Parliament and of the Council on mobilisation of the Flexibility Instrument, in accordance with point 27 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management
(COM(2009)0660 – C7-0303/2009 – 2009/2207(BUD))

Committee on Budgets

Rapporteur: Reimer Böge

PR_BUD_Funds

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the proposal for a decision of the European Parliament and of the Council on mobilisation of the Flexibility Instrument, in accordance with point 27 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (COM(2009)0660 – C7-0303/2009 – 2009/2207(BUD))

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2009)0660 – C7-0303/2009),
 - having regard to the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management¹(IIA), and in particular point 27 thereof,
 - having regard to its first reading of 22 October 2009 on the 2010 draft general budget²,
 - having regard to the declaration adopted by the three institutions on the financing of the European Economic Recovery Plan on 2 April 2009,
 - having regard to the results of the conciliation of 18 November 2009,
 - having regard to the report of the Committee on Budgets (A7-0080/2009),
- A. whereas the EU institutions consider it imperative to finance the second phase of the European Economic Recovery Plan (EERP),
- B. whereas during its accession negotiations, Bulgaria committed itself to the closure of the Kozloduy nuclear power plant with the help of financial support by the European Community in 2007-2009,
- C. whereas the decommissioning of the Kozloduy will continue after 2009 and require financing of EUR 300 million for the period 2010-2013,
- D. whereas the two arms of the budgetary authority decided at the conciliation meeting of 18 November 2009 to mobilise the Flexibility Instrument to:
- complement the financing of the European Economic Recovery Plan for an amount of EUR 120 million in the budget 2010;
 - finance the decommissioning of the Kozloduy power plant for an amount of EUR 75 million in 2010;
1. Notes that, despite the redeployment of funds from the 2009 and the 2010 margins, the

¹ OJ C 139, 14.6.2006, p. 1.

² Texts adopted, P7_TA(2009)0051 and P7_TA(2009)0052.

ceiling of subheading 1a did not allow for an adequate financing of the EERP and the decommissioning of Kozloduy nuclear power plant; welcomes, therefore, the agreement reached during the conciliation on the use of the Flexibility Instrument for these purposes for a total amount of EUR 195 million;

2. Deplores the fact that the Commission presented the financing needs for Kozloduy only in Letter of amendment No 2/2010, i.e. after Parliament's first reading, where Parliament had set its priorities for the 2010 budget; considers that the late arrival of the proposal, which created an additional pressure on subheading 1a, considerably affected the dynamics of the negotiations on the 2010 budget and Parliament's ability to pursue its political priorities;
3. Considers it, however, essential to stick to the political commitments given in the Protocol concerning the conditions and arrangement for the admission of Bulgaria to the European Union, and thus to continue financing the decommissioning of Kozloduy in 2010;
4. Points out that further financing of Kozloduy in 2011-2013 should be without prejudice to the financing of the existing multi-annual programmes and actions;
5. Approves the decision annexed to this resolution;
6. Instructs its President to sign the decision with the President of the Council and arrange for its publication in the Official Journal of the European Union;
7. Instructs its President to forward this resolution, including its annex, to the Council and the Commission.

ANNEX: DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of ... December 2009

on the mobilisation of the Flexibility Instrument, in accordance with point 27 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION, having regard to the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management¹, and in particular the fifth paragraph of point 27 thereof,

having regard to the proposal from the Commission,

Whereas, after examining all the possibilities for re-allocating appropriations under subheading 1a at the conciliation meeting on 18 November 2009, the two arms of the budgetary authority agreed to mobilise the Flexibility Instrument to complement the financing in the 2010 budget, beyond the ceiling of subheading 1a, of:

- EUR 120 million towards the financing of projects in the field of energy in the context of the European Economic Recovery Plan;
- EUR 75 million for the decommissioning of the Kozloduy nuclear power plant.

HAVE DECIDED AS FOLLOWS:

Article 1

For the general budget of the European Union for the financial year 2010, the Flexibility Instrument shall be used to provide the sum of EUR 195 million in commitment appropriations under subheading 1a.

That amount shall be used to complement the financing of:

- EUR 120 million towards the financing of projects in the field of energy in the context of the European Economic Recovery Plan;
- EUR 75 million for the decommissioning of the Kozloduy nuclear power plant.

Article 2

This Decision shall be published in the *Official Journal of the European Union*.

¹ OJ C 139, 14.6.2006, p. 1.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

EXPLANATORY STATEMENT

During the conciliation held on 18 November 2009 the European Parliament and the Council reached an agreement on the mobilisation of the Flexibility Instrument in favour of the European Economic Recovery Plan and the decommissioning of the Kozloduy nuclear power plant in Bulgaria.

European Economic Recovery Plan (EERP)

In April 2009, the three institutions reached an agreement on the financing of the EERP in 2009. The first branch of EERP, the energy projects under Heading 1a, were agreed to be financed by offsetting the increase of Heading 1a, EUR 2 billion, by a corresponding decrease of Heading 2. The second branch, the broadband internet in rural areas, was financed from Rural Development budget line, within the margin of Heading 2.

In April, the three institutions also agreed, in the form of a joint declaration, on the basic modalities of the financing of the second phase of the EERP. The declaration stated that the remaining parts of the EERP should be financed by redeploying funds without touching the overall amounts for MFF in 2007-2013.

Given the relatively small margin in Heading 1a, it was clear for the Parliament that a mere redeployment of funds would not be enough to finance the EERP in 2010. In first reading, it asked for "fresh money" by adopting "asterisk amendments" going beyond the margin of Heading 1a by EUR 1 980 million. In conciliation, following the proposal by the Commission for an Amending Letter 2 and other subsequent information, the situation on funds available in 2009 and 2010 in different headings became clear. By redeploying money it was possible to finance a major part of the energy projects of EERP in 2010. However, an amount of EUR 120 million would have to be covered by mobilising the Flexibility Instrument.

Kozloduy

Financial Community assistance is provided to Lithuania, Slovakia and Bulgaria to support their efforts in implementing their commitment of closing down first generation nuclear reactors. The support to Bulgaria has been governed by the Accession Treaty and it was due to end in 2009. At the time of the negotiations on the multiannual financial framework Bulgaria was not yet an EU Member State and furthermore, it took the decision on the dismantling rather late. Therefore, no provision was included in the MFF 2007-2013 for the prolonged funding.

The proposal for a continued funding in 2010 was included in Amending Letter 2 of Commission, which usually updates only the estimates for expenditure on agriculture. Adopted in the end of October, the amending letter, which contained a substantial new proposal, placed the budgetary authority before a major challenge: it did not have to find financing only for the EERP energy projects but also for the decommissioning of Kozloduy in 2010, and all this in Heading 1a.

Considering the political commitment made in the accession negotiations as well the overall

commitment to ensure a safe dismantling of old nuclear technology, it is necessary to find the financing for Kozloduy. Therefore, the solution found in the budget conciliation, i.e. financing the decommissioning in 2010 by mobilising the Flexibility Instrument, is the most appropriate available. Since the additional financing needs will continue in 2011-2013, totalling EUR 225 million, it is indispensable to address the matter in a mid-term review of MFF. Financing of Kozloduy must be guaranteed, but not at the expense of other programmes and actions in Heading 1a.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	2.12.2009
Result of final vote	+: 34 -: 2 0: 1
Members present for the final vote	Damien Abad, Marta Andreasen, Francesca Balzani, Reimer Böge, Giovanni Collino, Andrea Cozzolino, Jean-Luc Dehaene, James Elles, Göran Färm, José Manuel Fernandes, Eider Gardiazábal Rubial, Salvador Garriga Polledo, Ivars Godmanis, Ingeborg Gräßle, Carl Haglund, Jiří Havel, Monika Hohlmeier, Anne E. Jensen, Ivailo Kalfin, Sergej Kozlík, Alain Lamassoure, Janusz Lewandowski, Vladimír Maňka, Barbara Matera, Claudio Morganti, Nadezhda Neynsky, Miguel Portas, László Surján, Angelika Werthmann
Substitute(s) present for the final vote	Cristian Silviu Buşoi, Frédéric Daerden, Constanze Angela Krehl, Giovanni La Via, Paul Rübig, Peter Šťastný, Derek Vaughan
Substitute(s) under Rule 187(2) present for the final vote	Bart Staes