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Committee on Budgets

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WORKING DOCUMENT

on Council's position on DB 2011

Committee on Budgets

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A. general comments

On 8 July, Coreper adopted its position on DB 2011, to be officially endorsed by the Council in mid-August after the consultation period of national parliaments. Your rapporteur notes that, despite the new procedural and institutional environment stemming from the Lisbon Treaty, the Council has shown reluctances to take on board priorities put forward by the European parliament for 2011 Budget. As a consequence, the trilogue held on 30 June brought to the light the divergences between the two branches of the budgetary authority and did not leave real margin of manoeuvre for potential compromises.

As a reminder, the mandate of the EP delegation comprised points of specific interest for the trilogue, such as:

- budgetary implications of the European Stabilisation Financial Mechanism;
- budgetary implications of the EU 2020 Strategy;
- youth-related programmes;
- financial sustainability and manageability of heading 1a, including the changes made by the Lisbon Treaty;
- heading 4, including the setting up of the European External Action Service;
- the limited margins in the DB 2011 and the need for a revision of the current MFF.

Council put forward several political messages that are reflected in its position on DB 2011:

- budget 2011 should be marked by budgetary discipline, to be understood as further decreases in appropriations;
- margins have to be increased to allow political evolution of the EU and unforeseen events;
- the volume of payment appropriations should be closely monitored and contained

On global figures, the Council voted a decrease of commitment appropriations in DB 2011 by EUR 788 million across all headings, reducing the increase over Budget 2010 to only 0.21 % (compared to an already limited 0.77% proposed by the Commission).

On the payments' side, Council voted its now recurring sharp decrease across all headings, proposing a global reduction of EUR 3.6 billion, to EUR 126 538 million. Council's position therefore puts forward a discrepancy of more than EUR 15 billion between CA and PA.

B. Situation by headings

Heading	Council position		Difference from DB 2011 (amount)		Difference from budget 2010 (ABs 1 and 2 included) (%)		Margin below existing FF
	Commitments	Payments	Commitments	Payments	Commitments	Payments	
1. Sustainable growth							
1a. Competitiveness for growth and employment	12 890 302 270	11 218 574 170	-46 550 000	-841 140 000	-10.25	-1.10	96 697 730
European Globalisation Adjustment Fund	500 000 000	0	0	-50 000 000			
Total 1a	13 390 302 270	11 218 574 170	-46 550 000	-891 140 000	-9.91	-1.10	96 697 730
1b. Cohesion for growth and employment	50 970 093 784	41 465 796 740	0	-1 075 000 000	+3.21	+13.97	16 906 216
Total 1 (EGF included)	64 360 396 054	52 684 370 910	-46 550 000	-1 966 140 000	+0.17	+10.39	113 603 946
2. Preservation and management of natural resources	59 011 601 738	57 314 977 696	-474 646 651	-820 707 600	-0.82	-1.41	1 326 398 262
of which Market related expenditure and direct aids	43 277 214 300	43 181 073 758	-470 187 600	-475 687 600	-1.24	-1.19	1 189 375 700
3. Citizenship, freedom, security and justice							
3a. Freedom, security and justice	1 124 342 740	802 963 740	-10 910 000	-49 610 000	+11.71	+8.72	81 657 260
3b. Citizenship	667 977 000	619 674 000	+160 000	-19 305 000	0	-6.02	15 023 000
Total 3	1 792 319 740	1 422 637 740	-10 750 000	-68 915 000	+7.04	+1.77	96 680 260
4. The EU as a global player	8 265 929 377	7 010 864 867	-93 740 000	-387 899 000	+4.74	-7.00	
Emergency Aid Reserve	253 860 000	0	0	-203 000 000	+2.00	-100.00	
Total 4	8 519 789 377	7 010 864 867	-93 740 000	-590 899 000	+4.65	-9.98	164 070 623
5. Administration	8 093 227 556	8 094 282 556	-162 146 733	-162 146 733	+2.47	+2.49	
GENERAL TOTAL	141 777 334 465	126 527 133 769	-787 833 384	-3 608 808 333	+0.22	+2.91	2 023 525 535
Payment appropriations, as a % of GNI		1.02					

1. Heading 1a "Competitiveness for growth and employment"

Council decreases appropriations by EUR 43,5 million in commitments and EUR 889 million in payments (respectively decrease of 0,3% and 7,3%, comparing to DB 2011). These cuts concern mainly a number of policy areas directly contributing to the European economic recovery, the boosting of the competitiveness and encouraging mobility: enterprise (-9,7 million in CA and -102,4 million in PA), employment and social affairs (-1,65 million in CA and -63,55¹ million in PA), mobility and transport (-8,5 million in CA and -130,0 million in PA), research (-9,2 million in CA and -344,7 million in PA), energy (-0,9 million in CA and -29,0 million in PA), education and culture (-2,9 million in CA and -136,4² million in PA) and information society and media (-8,3 million in CA and -67,9 million in PA).

It is to be noted that PA have been cut in Progress, Marco Polo II and FP7

¹ Of which EUR 50 million decrease in EGF payments

² Of which EUR 100 million decrease in People programme payments

programmes (by EUR 7,45 million for Progress, EUR 9 million for Marco Polo II and by almost EUR 400 million for FP7).

Most importantly, budget lines covering EP priority on Youth-Education-Mobility are drastically reduced in PA: EURES (European Employment Services) by EUR 1 million, Erasmus Mundus by EUR 8 million, Lifelong learning programme by EUR 25,5 million and People programme by EUR 100 million.

2. Heading 1b "Cohesion for growth and employment"

Council's position on the DB does not modify Commission's proposal in commitments. They remain therefore at the level of EUR 50 970 million (+3.2% as compared to 2010), EUR 39 891.5 million of which are for the Structural Funds (ERDF and ESF) – an amount similar to the 2010 figure – and EUR 11 078.6 million for the Cohesion Fund.

This position on commitment appropriations is well in line with the allocations set out in the MFF, taking into account the technical adjustment to the financial framework for 2011 (increase of EUR 336 million), as provided for in point 17 of the IIA.

On the other hand, the Council has adopted a restrictive approach on payments, which decrease by EUR 1 075 million as compared to Commission's estimates of payment needs for 2011, that were already assessed as possibly underestimated by the European Parliament³. Half of these cuts (EUR 560 million) concern the previous programming period appropriations, and mainly the completion of 2000-2006 Cohesion Fund projects. As far as the current 2007-2013 programming period appropriations are concerned, the main cut concerns the payments devoted to the completion of the European Regional Development Fund - Regional Competitiveness and Employment objective (- EUR 328 million).

Such an approach does not take account of the slow start of programme implementation at the beginning of the 2007-2013 period, which will therefore need to catch up strongly, particularly in 2011, nor the following circumstances, identified in Parliament's mandate for the Trilogue referred to above, which also plead for a more ambitious increase in payment appropriations:

- recent legislative changes, which notably aim at facilitating the management of EU funding and accelerating investments;
- 2011 will be the first full year when all Management and Control Systems will be approved, which is a precondition for interim payments, which means that the implementation of programmes will reach cruising speed, projects being already selected for more than 93 billion or 27% of the total financial volume for the period, as per end of March 2010;

³ European Parliament resolution of 15 June 2010 on the mandate for the trilogue on the 2011 draft budget (A7-0183/2010)

- the closure of the 2000-2006 programmes is expected to continue in 2011, thereby requiring final payments to be made but also freeing up some resources to further speed up implementation of 2007-2013 programmes.

The level of EUR 1 075 million in payments withdrawn from Commission's proposal, which limits the 2011 increase to 13.9% to a level of EUR 41 466 million can therefore be considered as worrying. Nevertheless, it should be noted that the draft declaration on a specific procedure regarding payment appropriations under 1b⁴ is completely in line with Parliament's position as presented in the mandate for the Trilogue.

3. Heading 2 "Preservation and management of natural resources"

The Councils attitude to use agriculture as a reservoir to meet other obligations is confirmed, as savings are being made of EUR 474 million in CA and EUR 820 million in PA. It could already be foreseen that the margin created by this exercise (EUR 1.326,4 million) will serve to finance other EU priorities. This happened four times in the recent years (it was only possible to agree the annual budgets either by using up the existing margins in the different headings of the MFF or through recourse to the revision provided for by paragraph 23 of the IIA of 17 May 2006 by using the margins available below the ceilings of Heading 2).

The artificial small margin so created by the cuts under Heading 2 makes it very difficult for the EU to respond appropriately to market crises, animal diseases, market volatilities and unexpected global events.

As regards the severe cuts in payments (EUR 820 million, of which EUR 98 million from Rural development and 38 million from LIFE+), it is likely to endanger execution of commitment appropriations in 2011 also : actually, in order to have sufficient credits to meet payments arising from existing commitments (and also to avoid the risk of late payment and the associated costs), Finance Unit in the Commission would first allocate payment appropriations to honour the legal obligations already entered and which fall due in 2011 (such as interim & final payments) as the total value of commitments actually signed will be less than the amount of commitment appropriations in the budget. Severe cuts in payments could possibly encourage Finance Units to slow down the rate of signing of new legal commitments, especially in the final quarter of the year.

It is to be noted that the share of CAP expenditure in the EU budget has steadily decreased from nearly 75% in 1985 to a projected 39,3% in 2013, and the decline in budgetary expenditure on market measures is even more significant, from 74% of all CAP expenditure in 1992 to less than 10% at present.

Finally, it should be underlined that the political signification of the common fisheries

⁴ Presentation and quick consideration of a draft amending budget in case payment appropriations are not sufficient to cover the needs

policy (CFP) is not adequately reflected in DB 2011 and the Council's Position aggravates the situation by reducing sharply the PA in European Fisheries Fund lines (by EUR 95 and EUR 44 million).

4. Heading 3a "Freedom, security and justice"

In its conclusions on the budget guidelines for 2011, the only comment Council made regarding 3a was to recall "the importance of allocating sufficient resources to EU policies such as immigration". Nevertheless, its main cuts in payment appropriations (EUR 25,65 million out of EUR 41,25 million) relate to three main funds implementing the immigration policy (the External Borders Fund, the European Fund for the Integration of Third-country nationals and the European Return Fund), a reduction of 7,37% compared to DB 2011.

The main cut in CA (by EUR 1 million, representing a decrease by 18,52%) concerns Prince (information measures in relation to the establishment of an area of freedom, security and justice, such as internal web sites, public events, communication products, Eurobarometer surveys, etc.). This gives rise to questions concerning the success of the Stockholm Programme, especially in view of the recent draft Council conclusions on the Commission's Action Plan for implementing the Stockholm Programme, stating that "some of the actions proposed by the Commission are not in line with the Stockholm Programme and that others, being included in the Stockholm Programme, are not reflected in the Communication of the Commission", and calling "on all parties concerned to ensure due implementation of all necessary measures and actions stemming from the Stockholm Programme, including those not present in the above Commission proposal".

Concerning SIS II, for which Parliament advocated to hold funds in reserve, Council does not amend CA, and only proposes to reduce payments by 11,9% (- EUR 2.5 million).

5. Heading 3b "Citizenship"

The unique increase for appropriations proposed by the Council throughout the whole DB 2011 concerns a new preparatory action (EUR 4 million) for the preservation of commemorative sites in Europe such as the Auschwitz-Birkenau concentration camp. This new budget line counterbalances the decrease in CA for Civil Protection Instrument (a reduction by EUR 2.1 million, representing a drop by more than 11 %).

As regards PA, main cuts concern EU action in the field of health (- EUR 8.1 million, a drop by nearly 23%) and Culture Programme 2007-2013 (- EUR 3.85 million).

In total, as compared to DB 2011, Council reduces payments by EUR 19,3 million (- 3,02%), and increase commitments by EUR 1,65 million (+ 0,25%).

6. Heading 4 "the EU as a global player"

The Council intends to create a margin under this heading, in order to face potential arising crisis in third countries. Compared to DB 2011 (EUR 70.3 million), the margin increases to an amount of EUR 164 million.

In order to allow such an increase of the margin, the proposed cuts by nearly EUR 94 million are mainly for:

- Operational expenditure under instruments for enlargement / cross border cooperation with accession countries (- EUR 52 million): this approach is questionable since all parties agree on the fact that 2011 will be a milestone for all countries at the different steps of the accession process. In its DB 2011, the Commission had actually proposed an increase by more than 13 % of CA for enlargement, a proposal that EP welcome in its resolution on the mandate for trilogue.
- Expenditure on administrative management: a decrease by EUR 24.65 million, out of which EUR 16 million from DCI, EUR 4.75 million from IPA, EUR 1.2 million from ENPI, EUR 1.2 million from IfS, EUR 1 million from EIDHR, and EUR 0.5 million from HUMA). It is to be noted that the proposed decreases in administrative expenditure are neither correlated in proportion to the overall allocations of operational expenditure by instruments, not linked to the implementation rate which are all above 80 % by mid-June 2010 (with the exception of administrative expenditure for Humanitarian Aid).
- Macro financial Assistance (decrease by EUR 15 million in CA): Council proposes to almost restore the level of appropriations adopted in Budget 2010.

As regards payment appropriations, the proposed cuts amount to EUR 591 million (including total emptying of PA for the Emergency Aid reserve, from EUR 203 million). In its DB 2011, the Commission had already proposed a decrease by EUR 186 compared to budget 2010, stating that outstanding commitments (RAL) on completion lines had diminished substantially.

This further cut by EUR 591 million by the Council, leading to a decrease by nearly 10 % in payment appropriations compared to 2010, does not affect completion lines but operational lines of all running programmes (with the noticeable exception of CFSP).

7. Heading 5 "Administration"

Council's position is to cut Commission's DB proposal by EUR 162.15 million, reducing the level of administrative expenditure for all institutions to EUR 8 094 million, i.e. an increase of 2.5% as compared to 2010, leaving a margin of EUR 323 million.

Some of the assumptions underlying the cuts and Council's approach consisting of

applying a standard flat rate abatement on salaries taking into account the current vacancy rate may potentially have a detrimental effect on the smooth functioning of the institutions. It is important to stress that, as called for in Parliament's guidelines, an individual analysis is necessary for each one of them.

Council's overall cuts reduce by some 2% Commission's initial proposal. They mainly affect:

- European Commission's expenditure, including European Offices (- EUR 80 million or -2.1%, among which cuts for offices range from -0.75% for EPSO to -3.15% for PMO),
- European schools (- EUR 13 million or -7.5%),
- The Economic and Social Committee (EESC) (- EUR 14 million or -10.3%),
- The Committee of Regions (COR) (- EUR 10 million or -11.2%),
- Pensions (- EUR 23 million or -1.8%).

It is also interesting to note that, after Parliament (for which the gentlemen's agreement apply) and the Ombudsman (the expenditure of which is marginal), Council's smaller cut was brought to its own expenditure (only -1.3%), when the cuts made to the EESC and the COR go beyond 10%.

In general, the Council wishes to limit the increase of all Institutions to a maximum of 2 % except for the EDPS, no new posts are created except for European Council and the Council is also rejecting the budgeting of 1.85% salary and pension annual adjustment pending the outcome of the Court proceedings. This is not good budgetary management since the original full 3.7% salary adjustment proposed in 2009 could become fully payable should the Court of Justice rule in the Commission's favour. It would therefore be more prudent to budget it now.

An additional Council reduction relates to the possible accession date of Croatia which the Council is now calculating as from 1 July 2012. This does not correspond to the current/previous working assumptions and the Parliament could therefore maintain the current scenario of 1 January 2012. As far as we know, the Commission, for its part, also used the 1 January 2012 as its working assumption in the DB and has not made any other announcement. It is important that the Council clarifies its position in more detail.

8. Agencies

Council's position on EU decentralised agencies was based on the following principles regarding the evolution of their appropriations as compared to 2010:

- limitation of the increase to 1.5% for 'cruising speed' agencies,

- limitation of the increase to 3% for agencies entrusted with new tasks, with only half of the post requested,
- no modifications brought to Commission's proposal for new agencies.

This adds to Commission's own limitations concerning the deduction of agencies' assigned revenue stemming from previous year's surpluses and previous year's budgetary under implementation. This approach though permitted the overall stabilisation of EU budget expenditure on decentralised agencies at EUR 679 million, which is now being decreased to EUR 666 million.

In total, EUR 13.5 and 11.8 million are withdrawn from agencies' budget, respectively in commitment and payment appropriations, as compared to Commission's initial proposal. This discrepancy between commitment and payment appropriations stems from cuts brought in commitments, but not in payments for the European Environment Agency and the European Food Safety Authority.

These cuts affect about half (15) of EU decentralised agencies in a differentiated manner: when the cuts proposed for most agencies are below 1%, they are close to or even above 5% for the European Railway Agency and the European Police College. Cuts in additional staff amount to 4 AD and 3 AST-grade posts.

Half of the appropriations initially foreseen for the Agency for the operational management of large-scale IT systems in the area of freedom, security and justice is put in reserve by the Council, under the assumption that the advancement of the legislative process will not allow the agency to be operational before mid-2011.

C. Annexes:

- **Summary by Category and MFF programme, as adopted by Coreper**
- **Council's draft declarations on payment appropriations**
- **Conclusions adopted in trilogue on dates and modalities for the functioning of the Conciliation committee**
- **2011 budgetary procedure: indicative timing**

C. Annexes:

Summary by Category and MFF programme, as adopted by Coreper

Heading Title and Ceiling	2010 Budget		2011 Draft Budget		2011 Council Position		Difference (Council:DB)			
	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments	Payments		
1: Sustainable Growth	64.249.445.345	47.727.155.803	64.406.946.054	54.650.510.910	64.360.396.054	52.684.370.910	-46.550.000	-0,07%	-1.966.140.000	3,60%
63.974.000.000 <i>Margin*</i>			67.053.946		113.603.946					
1.1: Competitiveness for growth and employment	14.862.853.253	11.343.270.803	13.436.852.270	12.109.714.170	13.390.302.270	11.218.574.170	-46.550.000	-0,35%	-891.140.000	7,36%
12.987.000.000 <i>Margin*</i>			50.147.730		96.697.730					
Seventh Research framework programme (including sixth Research framework programme)	7.542.425.000	6.373.875.000	8.586.667.000	7.018.286.100	8.558.552.000	6.462.771.100	-28.115.000	-0,33%	-555.515.000	7,92%
Nuclear Decommissioning (Slovakia, Lithuania, Bulgaria)	255.000.000	220.000.000	258.000.000	200.000.000	258.000.000	200.000.000	0	0		
Energy projects to aid economic recovery	500.000.000	0	500.000.000	50.000.000	500.000.000	0	0	0	-50.000.000	100%
Energy projects to aid economic recovery	1.980.000.000	1.027.482.000	0	1.074.766.600	0	1.074.766.600	0	0		
Decommissioning (Direct research)	26.900.000	33.000.000	26.270.000	30.000.000	26.270.000	30.000.000	0	0		
Ten	1.083.900.000	931.794.000	1.266.150.000	935.300.000	1.265.070.000	824.720.000	-1.080.000	-0,09%	-110.580.000	-11,82
Galileo	894.400.000	453.500.000	195.941.800	554.000.000	194.491.800	552.550.000	-1.450.000	-0,74%	-1.450.000	0,26%
Marco Polo	63.940.000	36.675.000	65.865.000	33.665.000	65.725.000	24.525.000	-140.000	-0,21%	-9.140.000	-27,15
Lifelong learning and Erasmus Mundus	1.107.288.500	1.075.812.000	1.135.635.000	1.076.240.000	1.135.435.000	1.042.540.000	-200.000	-0,02%	-33.700.000	3,13%
CIP Entrepreneurship and innovation	302.113.000	198.622.200	316.044.000	163.069.000	314.744.000	97.769.000	-1.300.000	-0,41%	-65.300.000	-40,04
CIP ICT policy support	112.400.000	95.160.000	120.600.000	103.400.000	120.600.000	88.400.000	0	0	-15.000.000	-14,51
CIP Intelligent energy	111.195.000	65.903.300	112.000.000	53.301.000	111.300.000	46.601.000	-700.000	-0,63%	-6.700.000	-12,57
Social policy agenda	214.550.000	180.510.000	191.330.000	175.110.000	189.290.000	161.560.000	-2.040.000	-1,07%	-13.550.000	7,74%
Customs 2013 and Fiscalis 2013	75.450.000	47.432.000	81.932.000	58.932.000	81.932.000	58.932.000	0	0		

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Heading Title and Ceiling	2010 Budget		2011 Draft Budget		2011 Council Position		Difference (Council:DB)			
	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments	Payments		
Decentralised agencies	251.081.753	247.397.803	237.994.470	237.994.470	234.949.470	234.949.470	-3.045.000	-1,28%	-3.045.000	1,28%
Other actions and programmes	342.210.000	356.107.500	342.423.000	345.650.000	333.943.000	318.490.000	-8.480.000	-2,48%	-27.160.000	7,86%
1.2: Cohesion for growth and employment	49.386.592.092	36.383.885.000	50.970.093.784	42.540.796.740	50.970.093.784	41.465.796.740	0	0	-1.075.000.000	2,53%
50.987.000.000 <i>Margin</i>		16.906.216			16.906.216					
Convergence objective	30.255.996.999	22.519.800.000	31.406.373.076	25.831.400.000	31.406.373.076	25.831.400.000	0	0		
Regional competitiveness and employment objective	7.604.832.146	6.095.900.000	7.084.823.108	7.835.400.000	7.084.823.108	7.093.400.000	0	0	-742.000.000	9,47%
European territorial cooperation objective	1.242.911.613	818.200.000	1.312.201.407	1.040.300.000	1.312.201.407	982.300.000	0	0	-58.000.000	5,58%
Technical assistance	88.106.454	88.035.000	88.100.000	72.900.000	88.100.000	72.900.000	0	0		
Cohesion fund	10.190.244.880	6.854.950.000	11.078.596.193	7.752.750.000	11.078.596.193	7.477.750.000	0	0	-275.000.000	3,55%
Other actions and programmes	4.500.000	7.000.000	0	8.046.740	0	8.046.740	0	0		
2: Preservation and Management of Natural Resources	59.498.833.302	58.135.640.809	59.486.248.389	58.135.685.296	59.011.601.738	57.314.977.696	-474.646.651	-0,80%	-820.707.600	1,41%
60.338.000.000 <i>Margin</i>			851.751.611		1.326.398.262					
Agriculture markets	43.417.420.000	43.416.522.586	43.374.505.132	43.376.461.358	42.913.692.532	42.915.648.758	-460.812.600	-1,06%	-460.812.600	1,06%
Fisheries markets	30.496.768	31.000.000	29.996.768	27.500.000	29.996.768	27.500.000	0	0		
Animal and plant health	371.885.000	253.685.000	342.900.000	252.800.000	333.525.000	237.925.000	-9.375.000	-2,73%	-14.875.000	5,88%
Rural development	14.363.564.633	13.399.280.000	14.436.116.552	13.404.365.000	14.435.651.552	13.260.900.000	-465.000	0,00%	-143.465.000	1,07%
European Fisheries Fund	644.028.678	481.080.000	658.285.042	488.822.859	658.020.991	345.772.859	-264.051	-0,04%	-143.050.000	-29,26%
Fisheries governance and international agreements	277.530.000	252.460.000	262.175.000	250.473.000	260.510.000	245.378.000	-1.665.000	-0,64%	-5.095.000	2,03%
Life+	306.855.000	215.820.000	333.500.000	268.225.000	331.900.000	215.125.000	-1.600.000	-0,48%	-53.100.000	-19,8%
Decentralised agencies	42.953.223	43.113.223	43.769.895	43.769.895	43.304.895	43.459.895	-465.000	-1,06%	-310.000	0,71%

Heading Title and Ceiling	2010 Budget		2011 Draft Budget		2011 Council Position		Difference (Council:DB)			
	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments		Payments	
Other actions and programme	44.100.000	42.680.000	5.000.000	23.268.184	5.000.000	23.268.184	0	0		
3: Citizenship, Freedom, Security and Justice	1.674.487.370	1.397.957.870	1.803.069.740	1.491.552.740	1.792.319.740	1.422.637.740	-10.750.000	<i>-0,60%</i>	-68.915.000	4,62%
<i>1.889.000.000</i> Margin			<i>85.930.260</i>		<i>96.680.260</i>					
3.1: Freedom, security and justice	1.006.487.370	738.570.370	1.135.252.740	852.573.740	1.124.342.740	802.963.740	-10.910.000	<i>-0,96%</i>	-49.610.000	5,82%
<i>1.206.000.000</i> Margin		<i>70.747.260</i>	<i>81.657.260</i>							
Solidarity and management of migration flows	517.150.000	349.290.000	612.590.000	431.110.000	611.340.000	403.410.000	-1.250.000	<i>-0,20%</i>	-27.700.000	6,43%
Security and safeguarding liberties	106.900.000	73.729.000	133.000.000	66.700.000	133.000.000	62.400.000	0	0	-4.300.000	6,45%
Fundamental rights and justice	77.500.000	58.690.000	78.000.000	64.920.000	77.700.000	60.620.000	-300.000	<i>-0,38%</i>	-4.300.000	6,62%
Decentralised agencies	239.837.370	213.837.370	252.462.740	241.137.740	244.102.740	232.777.740	-8.360.000	<i>-3,31%</i>	-8.360.000	3,47%
Other actions and programmes	65.100.000	43.024.000	59.200.000	48.706.000	58.200.000	43.756.000	-1.000.000	<i>-1,69%</i>	-4.950.000	-10,16
3.2: Citizenship	668.000.000	659.387.500	667.817.000	638.979.000	667.977.000	619.674.000	160.000	<i>0,02%</i>	-19.305.000	3,02%
<i>683.000.000</i> Margin			<i>15.183.000</i>		<i>15.023.000</i>					
Public health and consumer protection programme	73.290.000	63.300.000	75.350.000	73.850.000	75.350.000	65.750.000	0	0	-8.100.000	-10,97
Culture 2007	54.165.000	44.529.000	57.572.000	49.550.000	57.572.000	45.700.000	0	0	-3.850.000	7,77%
Youth in action	124.886.000	122.380.000	126.888.000	118.280.000	126.888.000	118.030.000	0	0	-250.000	0,21%
Media 2007	102.078.500	93.500.000	110.035.000	101.210.000	109.810.000	100.985.000	-225.000	<i>-0,20%</i>	-225.000	0,22%
Europe for citizens	32.505.000	23.365.000	28.530.000	21.700.000	28.500.000	21.670.000	-30.000	<i>-0,11%</i>	-30.000	0,14%
Civil Protection Financial Instrument	18.450.000	12.450.000	18.350.000	18.350.000	16.250.000	12.250.000	-2.100.000	<i>11,44%</i>	-6.100.000	-33,24
Press and communication actions	95.280.000	86.540.000	93.685.000	86.400.000	93.685.000	84.900.000	0	0	-1.500.000	1,74%
European Solidarity Fund	0	0	0	0	0	0	0	0		
Decentralised agencies	125.296.000	116.557.000	125.103.000	125.305.000	123.618.000	125.305.000	-1.485.000	<i>-1,19%</i>	0	
Other actions and programmes	42.049.500	96.766.500	32.304.000	44.334.000	36.304.000	45.084.000	4.000.000	<i>12,38%</i>	750.000	1,69%

Heading Title and Ceiling	2010 Budget		2011 Draft Budget		2011 Council Position		Difference (Council:DB)			
	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments	Payments		
4: The EU as a Global Player	8.141.006.470	7.787.695.183	8.613.529.377	7.601.763.867	8.519.789.377	7.010.864.867	-93.740.000	-1,09%	-590.899.000	7,77%
8.430.000.000 <i>Margin*</i>			70.330.623		164.070.623					
Instrument for Preaccession (IPA)	1.587.100.000	1.782.174.400	1.796.793.000	1.513.666.157	1.740.043.000	1.317.757.157	-56.750.000	-3,16%	-195.909.000	-12,94
Industrialised Countries Instrument (ICI)	23.740.000	17.063.000	25.121.000	20.100.000	24.121.000	14.100.000	-1.000.000	-3,98%	-6.000.000	-29,85
Democracy and Human Rights (EIDHR)	164.198.200	157.974.000	163.113.000	148.673.000	162.113.000	117.673.000	-1.000.000	-0,61%	-31.000.000	-20,85
Instrument for Nuclear Safety Cooperation (INSC)	70.452.882	61.800.000	75.813.000	71.268.300	75.813.000	71.268.300	0	0		
Industrialised Countries Instrument (ICI+)	34.500.000	9.500.000	45.000.000	7.060.000	45.000.000	7.060.000	0	0		
European Neighbourhood and Partnership Instrument (ENPI)	1.672.867.627	1.359.833.000	1.726.993.000	1.348.092.600	1.725.793.000	1.321.892.600	-1.200.000	-0,07%	-26.200.000	1,94%
Development Cooperation Instrument (DCI)	2.467.932.439	2.061.364.301	2.612.193.240	2.255.997.488	2.596.193.240	2.194.997.488	-16.000.000	-0,61%	-61.000.000	2,70%
Instrument for Stability	219.559.000	191.405.160	290.188.000	207.088.000	288.988.000	161.888.000	-1.200.000	-0,41%	-45.200.000	-21,83
Humanitarian aid	800.518.000	800.518.000	824.693.000	824.693.000	824.193.000	824.193.000	-500.000	-0,06%	-500.000	0,06%
Macroeconomic assistance	98.985.000	90.000.000	114.868.567	103.500.000	99.868.567	88.000.000	-15.000.000	13,06%	-15.500.000	-14,98
Common and Foreign Security Policy (CFSP)	281.541.000	225.650.000		327.374.000	286.036.000	327.374.000	286.036.000	0	0	
Ec guarantees for lending operations	93.810.000	93.810.000	138.880.000	138.880.000	138.880.000	138.880.000	0	0		
Emergency aid reserve	248.882.000	248.882.000	253.860.000	203.000.000	253.860.000	0	0	0	-203.000.000	100%
Decentralised agencies	18.282.000	18.282.000	19.850.000	19.850.000	19.760.000	19.760.000	-90.000	-0,45%	-90.000	0,45%
Other actions and programmes	358.638.322	669.439.322	198.789.570	453.859.322	197.789.570	447.359.322	-1.000.000	-0,50%	-6.500.000	1,43%
5: Administration	7.898.452.499	7.897.947.499	8.255.374.289	8.256.429.289	8.093.227.557	8.094.282.557	-162.146.732	-1,96%	-162.146.732	1,96%
8.334.000.000 <i>Margin*</i>			160.625.711		322.772.443					
Commission	3.604.622.000	3.604.117.000	3.709.015.360	3.710.070.360	3.629.405.560	3.630.460.560	-79.609.800	-2,15%	-79.609.800	2,15%
Pensions (all institutions)	1.192.789.000	1.192.789.000	1.274.979.000	1.274.979.000	1.252.318.000	1.252.318.000	-22.661.000	-1,78%	-22.661.000	1,78%
European Schools	154.212.044	154.212.044	173.514.000	173.514.000	160.611.000	160.611.000	-12.903.000	-7,44%	-12.903.000	7,44%

Heading Title and Ceiling	2010 Budget		2011 Draft Budget		2011 Council Position		Difference (Council:DB)			
	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments		Payments	
European Parliament	1.616.760.399	1.616.760.399	1.706.547.354	1.706.547.354	1.706.547.354	1.706.547.354	0	0		
Council	633.552.000	633.552.000	651.580.000	651.580.000	643.155.000	643.155.000	-8.425.000	-1,29%	-8.425.000	1,29%
Court of Justice	329.300.000	329.300.000	345.293.000	345.293.000	334.388.440	334.388.440	-10.904.560	-3,16%	-10.904.560	3,16%
Court of Auditors	147.945.731	147.945.731	146.879.500	146.879.500	144.265.731	144.265.731	-2.613.769	-1,78%	-2.613.769	1,78%
Economic & Social Committee	123.173.749	123.173.749	139.220.719	139.220.719	124.845.420	124.845.420	-14.375.299	10,33%	-14.375.299	-10,33
Committee of the Regions	79.660.950	79.660.950	91.067.355	91.067.355	80.842.683	80.842.683	-10.224.672	11,23%	-10.224.672	-11,23
European Ombudsman	9.332.275	9.332.275	9.395.100	9.395.100	9.395.100	9.395.100	0	0		
European Data Protection Officer	7.104.351	7.104.351	7.882.901	7.882.901	7.453.269	7.453.269	-429.632	-5,45%	-429.632	5,45%
Total Budget	141.462.224.986	122.946.397.164	142.565.167.849	130.135.942.102	141.777.334.466	126.527.133.770	-787.833.383	-0,55%	-3.608.808.332	2,77%
<i>Global MFF Ceiling: 131.487.000.000</i>		<i>Global Margin</i>	<i>1.235.692.151</i>		<i>2.023.525.534</i>					

* NOTE on Margins:

- The margin in heading 1 (sub-heading 1.1) does not take into account appropriations related to the Globalisation Adjustment fund (€ 500m)
- The margin in heading 2 includes the transfer from modulation to Rural Development, and from cotton and wine for restructuring in the respective regions (€ 3 150,4m)
- The margin for heading 4 does not take into account the appropriations related to the Emergency Aid Reserve (€ 253,9 m)
- The margin for heading 5 takes account of the footnote of the MFF 2007-2013 for an amount of € 82m for staff contributions to the pension scheme

Council's draft declarations on payment appropriations

1. Payment appropriations

"The Council asks the Commission to submit an amending budget if the appropriations entered in the 2011 budget are insufficient to cover expenditure under sub-heading 1a (Competitiveness for growth and employment), sub-heading 1b (Cohesion for growth and employment), heading 2 (Preservation and management of natural resources) and heading 4 (EU as a global player)."

2. Specific procedure regarding payment appropriations under sub-heading 1b

"The Council urges the Commission to present by the end of September 2011 at the latest updated figures concerning the state of affairs and estimates regarding payment appropriations under sub-heading 1b (Cohesion for growth and employment) and, if necessary, to present a draft amending budget for this sole purpose.

The Council will take position on the draft amending budget as quickly as possible in order to avoid any shortfall in payment appropriations."

<p style="text-align: center;">Conclusions adopted in trilogue on 30 June 2010 on dates and modalities for the functioning of the Conciliation committee</p>

Dates and modalities for the functioning of the Conciliation Committee in 2010

The European Parliament, the Council and the Commission recall their joint declaration of 30 November 2009 on transitional measures and in particular its point 7, in which they agreed to define principles and modalities for the organisation of the Conciliation Committee.

In this regard, they agree on the following key dates for 2010:

1. A trilogue will be called on 11 October before the reading of the European Parliament;
2. In agreement with the provisions of Article 314(4)(c) of the TFEU, the Conciliation Committee, if needed, will be convened on 26 October 2010, the 21 day-period foreseen in article 314 expiring on 15 November 2010 included, in accordance with the pragmatic calendar approved in the above-mentioned joint declaration;
3. The Conciliation Committee will meet on 27 October afternoon hosted by the European Parliament and on 11 November hosted by Council; the sessions of the Conciliation Committee will be prepared by trilogues held on 27 October morning, 4 November and 8 November; additional trilogues could be called during the three-week conciliation period.

They also agree on the modalities attached in annex for the functioning of the Conciliation Committee.

Annex on the modalities for the functioning of the Conciliation Committee in 2010

1. If the European Parliament votes amendments on the Council's position, the President of the Council would take note of differences between the two institutions in the plenary session after the vote. A letter by the President of the European Parliament convening the Conciliation Committee would then be sent in agreement with the President of the Council before the end of week 42. If the Council cannot agree on all the amendments voted by the European Parliament, it would be confirmed by a letter sent by the Council on 25 October 2010.

2. A common set of documents (input documents) comparing the various steps of the budgetary procedure will be made available for the Conciliation Committee⁵. It would include "line by line" figures, totals by financial framework headings and a consolidated document with figures and remarks for all budget lines deemed technically "open". Without prejudice to the final decision of the Conciliation Committee, a specific document will list all the budget lines deemed technically closed⁶. These documents will be classified by budgetary nomenclature.

Other documents will also be attached to the input documents for the Conciliation Committee⁷.

3. The first meeting of the Conciliation Committee could define the scope of the negotiations and the issues to be addressed during trilogues. It could also endorse the list of the budget lines deemed technically closed, although agreement is conditional until everything is agreed.

Issues identified during the first Conciliation Committee meeting and other remaining outstanding points would be discussed during trilogues in view of reaching possible agreements at the final Conciliation Committee meeting.

Trilogues could be organised around thematic issues, including by headings of the multi-annual financial framework. Tentative conclusions will be drawn jointly during or immediately after each trilogue, simultaneously with the agenda of the following meeting. The draft conclusions will be finalised by the

⁵ The various steps will include: 2010 budget (including adopted amending budgets); the initial draft budget; the Council's position on the draft budget; the European Parliament's amendments on the Council's position and the letters of amendment presented by the Commission (if not yet fully approved by all institutions).

⁶ A budget line deemed technically closed is a line for which there is no disagreement between the Council and the European Parliament and for which no letter of amendment has been presented.

⁷ Including a letter of executability of the Commission on the position of the Council and the amendments of the European Parliament; a letter of amendment for agriculture (and may be other areas); possibly, the autumn Budget Forecast Alert Note prepared by the Commission; and possible letter(s) from other Institutions on the position of the Council and the amendments of the European Parliament.

institution hosting the meeting and will be deemed approved after 24 hours without prejudice of the final decision of the Conciliation Committee.

The second meeting of the Conciliation Committee would have available conclusions of trilogues and a document with the budget lines for which an agreement has been tentatively reached during the trilogues for possible endorsement.

4. The Conciliation Committee may approve conclusions and possible joint statements. It would also have to agree on the joint text that will include a legal introductory document and annexes⁸.

The joint text will be translated in all languages (by the services of the European Parliament) and will be submitted to the approval of the two arms of the budgetary authority within 14 days.

The budget will be finalised after the adoption of the joint text by both arms of the budgetary authority by integrating the annexes of the joint text with the budget lines not modified during the conciliation process.

5. The institution hosting the meeting (trilogue or conciliation) will provide interpretation facilities with a full linguistic regime applicable to the Conciliation Committee meetings and an ad hoc linguistic regime for the trilogues.

The institution hosting the meeting will ensure reproduction and distribution of room documents.

The services of the three institutions will cooperate for the encoding of the results of the negotiations in order to finalise the joint documents.

⁸ The annexes to the joint text will include line by line figures for all budget items, summary figures by financial framework headings, a consolidated document (figures and final text of all the lines that have been modified during the conciliation), the list of the lines not modified compared to the draft budget or the Council's position.

2011 budgetary procedure: indicative timing

AS PER 09 JULY 2010

WEEK	ACTIVITIES
Week 26 (28 June - 2 July)	- 30 June: Trilogue
Week 28 (15-16 July)	- 8 July: COREPER - 13 August: Council Budget
Week 36 (6-10 September)	- 7 or 8 September: Presentation by the Minister of Council position in Plenary - 8 September (12:00 noon): DEADLINE to table amendments to Plenary by Committees and MEPs (40 signatures) - 8 September (12:00 noon): DEADLINE to table amendments to COBU by individual MEPs (with less than 40 signatures)
Week 37 (13-17 September)	- 15 September (12:00 noon) - DEADLINE for tabling amendments to Plenary by Political Groups
Week 40 (4 - 8 October)	- 4, 5, 7 October: BUDG Committee meeting: end of vote on amendments & resolution
Week 41 (11-15 October)	- 11 October: Trilogue
Week 42 (18-22 October)	- 20 October: Vote by EP - Commission presents Amending Letter on Agricultural expenses - After the vote, possible declaration by the Minister in plenary "takes note of the differences between Council's and EP's positions" - 22 October: EP President sends the letter to convene the Conciliation Committee
Week 43 (25-29 October)	- 25 October: Transmission by Council of official letter of accept/not accept EPs amend - 27 October am: - BUDG Committee - Possible Trilogue - 27 October pm : Official opening of the Conciliation Committee (Art 314.4 TFUE) by the President of the European Parliament (EP premises) (exact time to be confirmed)

WEEK	ACTIVITIES
Week 44 (1-5 November)	(4 Nov?) Preparatory meetings (rapporteurs) - 4 November: Trilogue (format to be defined)
Week 45 (8-12 November)	- 8 November: Trilogue - 9 November : BUDG Committee - 11 November: Second Conciliation meeting (CSL premises) <div style="text-align: center; border: 1px solid black; padding: 2px;">End of the Conciliation</div>
Week 46. (15-19 November)	- EP: preparation of Political Groups position on the Joint Text - 15 November: Trilogue (if needed)
Week 47 (22-26 November)	- Approval of Joint text by the Parliament and by the Council