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REPORT

on the proposal for a decision of the European Parliament and of the Council amending the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management as regards the multiannual financial framework, to take account of the expenditure requirements resulting from the accession of Croatia to the European Union
(COM(2013)0157 – C7-0074/2013 – 2013/2055(ACI))

Committee on Budgets

Rapporteur: Reimer Böge

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PROPOSAL FOR A EUROPEAN PARLIAMENT RESOLUTION

on the proposal for a decision of the European Parliament and of the Council amending the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management as regards the multiannual financial framework, to take account of the expenditure requirements resulting from the accession of Croatia to the European Union
(COM(2013)0157 – C7-0074/2013 – 2013/2055(ACI))

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2013)0157),
 - 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 of 17 May 2006), and in particular to its point 29,
 - having regard to the general budget of the European Union for the financial year 2013, as adopted on 12 December 2012²,
 - having regard to Draft amending budget No 1/2013 of the European Union for the financial year 2013, which the Commission adopted on 18 March 2013 (COM(2013)0156),
 - having regard to the position on the draft amending budget No 1/2013, which the Council adopted on 26 June 2013 (11607/2013 – C7-0000/2013),
 - having regard to the report of the Committee on Budgets (A7-0247/2013),
- A. whereas the Commission, in conformity with point 29 of the IIA of 17 May 2006, in parallel to Amending budget No 1/2013 has submitted to the budgetary authority a proposal aimed at adjusting the multiannual financial framework to incorporate into the 2013 Budget the commitment and payment appropriations needed to cover expenditure related to the accession of Croatia to the Union as from 1 July 2013,
- B. whereas the proposed increase of EUR 666 million in commitments and EUR 374 million in payments reflects the financial package agreed at the Accession Conference of 30 June 2011, excluding heading 5 since the administrative expenditure linked to the accession of Croatia is already included in Budget 2013,
1. Takes note of the proposal for a decision amending the IIA of 17 May 2006, as submitted by the Commission and of the Council's position thereon;
 2. Emphasises the purely technical nature of this revision, which is simply the consequence of the unanimous agreement on the Treaty concerning the Accession of the Republic of Croatia to the European Union (the Accession Treaty) as the 28th Member State of the

¹ OJ C 139, 14.6.2006, p. 1.

² OJ L 66, 8.3.2013.

Union; stresses that for this reason this revision of the IIA accompanying Amending budget No 1/2013 has been kept separate from the ongoing political inter-institutional debate on how to settle the issue of outstanding payments from 2012 and from the negotiations on Amending budget No 2/2013;

3. Recalls that according to point 29 of the IIA of 17 May 2006, the resources to finance the accession of a new Member State to the Union are to be covered through an adjustment of the financial framework that is a revision of the ceilings for 2013 in commitments and payments;
4. Reiterates its position that the eight-week period laid down in Article 4 of Protocol (No 1) on the Role of National Parliaments in the European Union to inform national parliaments of any draft legislative act does not apply to budgetary issues; regrets therefore that despite the very tight timeframe for the entry into force of this adjustment and of Amending Budget No 1/2013, the Council has nevertheless let this period elapse before adopting its position, thus squeezing the time for adoption by Parliament as foreseen by the Treaty;
5. Regrets furthermore the difficulty with which, even after the eight weeks deadline had elapsed, the Council reached an agreement on this revision, which has led to a delay in the availability of the funding for Croatia due as from 1 July 2013; warns that this must not become a precedent for further enlargements;
6. Welcomes that the Council could eventually agree on a revision without any offsetting of the 2013 ceilings for payments by the required EUR 374 million; considers that, given the limited amount concerned and the current shortage of payment appropriations in the 2013 budget, this is the proper way to fulfil the obligation that the Member States took out when signing the Accession Treaty and to respect the provisions of point 29 of the IIA of 17 May 2006;
7. Deplores however that as regards the revision in commitments the Council decided to neglect the political importance of adopting the Commission's proposal as such, opting instead for an offset of the appropriations required; denounces that this contradicts the spirit of the unanimous decision taken when signing the Treaty of Accession as well as of the IIA of 17 May 2006; highlights that such decision sends a wrong political signal not only to Croatia but to the other candidate countries as well; stresses that this decision of the Council is accepted only because it concerns the last 6 months of the current MFF (2007-2013); points out that this should not constitute a precedent for future enlargements that might occur under the next MFF (2014-2020);
8. Regrets that heading 5 has been identified as the main source for the offsetting in commitments, since this could lead to the lack of the necessary resources to cover the challenged salary adjustments in case the ruling of the Court of Justice comes still in 2013;
9. Nevertheless, considering the political importance and the legal urgency of ensuring the necessary funding to Croatia, decides to approve the decision annexed to this resolution, as amended by the Council;

10. Instructs its President to sign the decision with the President of the Council and to arrange for its publication in the Official Journal of the European Union;
11. Instructs its President to forward this resolution, including its annexes, to the Council and the Commission.

ANNEX:

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management as regards the multiannual financial framework, to take account of the expenditure requirements resulting from the accession of Croatia to the European Union

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Interinstitutional Agreement between the European Parliament, the Council and the Commission of 17 May 2006 on budgetary discipline and sound financial management¹,

Having regard to the proposal from the Commission,

Whereas:

- (1) The Treaty concerning the accession of the Republic of Croatia to the European Union² lays down transitory provisions in budgetary matters.
- (2) The Accession Conference of 30 June 2011 has endorsed the results of the negotiations which have determined expenditure requirements resulting from the accession of Croatia to the European Union on 1 July 2013.
- (3) The accession of Croatia requires an adjustment of the multiannual financial framework 2007-2013 for the year 2013 and the increase of the ceilings for commitment appropriations for the year 2013 by a total amount of EUR 603 million in current prices, composed of EUR 47 million for sub-heading 1a, EUR 450 million for sub-heading 1b, EUR 31 million for sub-heading 3b and EUR 75 million for Heading 6, which will be fully offset by a decrease of the ceiling for commitment appropriations for the year 2013 under heading 5 for the same amount.
- (4) The accession of Croatia also requires an adjustment of the ceiling for payment appropriations for 2013, to be raised by an amount of EUR 374 million in current prices.

¹ OJ C 139, 14.6.2006, p. 1.

² OJ L 112, 24.4.2012, p. 10.

- (5) The financial framework for the European Union agreed upon in the Interinstitutional Agreement on budgetary discipline and sound financial management should be adjusted to take account of the accession of Croatia for the period from 1 July to 31 December 2013.
- (6) Annex I of the Interinstitutional Agreement on budgetary discipline and sound financial management should therefore be amended accordingly¹,

HAVE DECIDED AS FOLLOWS:

Sole Article

Annex I to the Interinstitutional Agreement on budgetary discipline and sound financial management is replaced by the Annex to this Decision.

Done at [...], [...] 2013.

For the European Parliament

For the Council

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

ANNEX

(EUR million - constant 2004 prices)

COMMITMENT APPROPRIATIONS	2007	2008	2009	2010	2011	2012	2013	Total 2007-2013
1. Sustainable Growth	50.865	53.262	55.879	56.435	55.693	57.708	59.111	388.953
1a Competitiveness for Growth and Employment	8.404	9.595	12.018	12.580	11.306	12.677	13.112	79.692
1b Cohesion for Growth and Employment	42.461	43.667	43.861	43.855	44.387	45.031	45.999	309.261
2. Preservation and Management of Natural Resources	51.962	54.685	51.023	53.238	52.136	51.901	51.284	366.229
of which: market related expenditure and direct payments	43.120	42.697	42.279	41.864	41.453	41.047	40.645	293.105
3. Citizenship, freedom, security and justice	1.199	1.258	1.375	1.503	1.645	1.797	2.014	10.791
3a Freedom, Security and Justice	600	690	785	910	1.050	1.200	1.390	6.625
3b Citizenship	599	568	590	593	595	597	624	4.166
4. EU as a global player	6.199	6.469	6.739	7.009	7.339	7.679	8.029	49.463
5. Administration⁽¹⁾	6.633	6.818	6.816	6.999	7.044	7.274	7.106	48.690
6. Compensations	419	191	190	0	0	0	63	863
TOTAL COMMITMENT APPROPRIATIONS	117.277	122.683	122.022	125.184	123.857	126.359	127.607	864.989
as a percentage of GNI	1,08%	1,09%	1,06%	1,06%	1,03%	1,03%	1,01%	1,05%

TOTAL PAYMENT APPROPRIATIONS	115.142	119.805	109.091	119.245	116.394	120.649	120.731	821.057
as a percentage of GNI	1,06%	1,06%	0,95%	1,01%	0,97%	0,98%	0,96%	1,00%
Margin available	0,18%	0,18%	0,29%	0,22%	0,26%	0,25%	0,27%	0,23%
Own Resources Ceiling as a percentage of GNI	1,24%	1,24%	1,24%	1,23%	1,23%	1,23%	1,23%	1,23%

(1) The expenditure on pensions included under the ceiling for this heading is calculated net of the staff contributions to the relevant scheme, within the limit of EUR 500 million at 2004 prices for the period 2007-2013.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	1.7.2013
Result of final vote	+: 34 -: 2 0: 0
Members present for the final vote	Marta Andreasen, Reimer Böge, Zuzana Brzobohatá, Jean Louis Cottigny, Göran Färm, José Manuel Fernandes, Eider Gardiazábal Rubial, Salvador Garriga Polledo, Ivars Godmanis, Ingeborg Gräßle, Lucas Hartong, Jutta Haug, Monika Hohlmeier, Sidonia Elżbieta Jędrzejewska, Anne E. Jensen, Jan Kozłowski, Alain Lamassoure, Giovanni La Via, George Lyon, Jan Mulder, Vojtěch Mynář, Juan Andrés Naranjo Escobar, Nadezhda Neynsky, Dominique Riquet, Alda Sousa, Helga Trüpel, Oleg Valjalo, Derek Vaughan, Angelika Werthmann
Substitute(s) present for the final vote	Frédéric Daerden, Derk Jan Eppink, Jürgen Klute, Ivana Maletić, Jan Olbrycht, Paul Rübig, Nils Torvalds