




Basic information	
<p>2007/2213(ACI)</p> <p>ACI - Interinstitutional agreement procedure</p>	Procedure completed
<p>Revision of the multiannual financial framework 2007-2013 (amend. Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management)</p> <p>Subject</p> <p>8.70.01 Financing of the budget, own resources</p>	

Key players				
European Parliament	Committee responsible		Rapporteur	Appointed
	BUDG Budgets		BÖGE Reimer (PPE-DE)	20/09/2004
	Committee for opinion		Rapporteur for opinion	Appointed
	ITRE Industry, Research and Energy		The committee decided not to give an opinion.	
	TRAN Transport and Tourism		The committee decided not to give an opinion.	09/10/2007
	CULT Culture and Education		The committee decided not to give an opinion.	
	Council of the European Union	Council configuration		Meetings
General Affairs		2864	2008-04-29	
European Commission	Commission DG		Commissioner	
	Budget		GRYBAUSKAIT Dalia	

Key events			
Date	Event	Reference	Summary
19/09/2007	Non-legislative basic document published	COM(2007)0549 	Summary
11/10/2007	Committee referral announced in Parliament		
10/12/2007	Vote in committee		Summary
10/12/2007	Committee report tabled for plenary	A6-0500/2007	

12/12/2007	Decision by Parliament	T6-0604/2007	Summary
12/12/2007	End of procedure in Parliament		
10/01/2008	Final act published in Official Journal		

Technical information	
Procedure reference	2007/2213(ACI)
Procedure type	ACI - Interinstitutional agreement procedure
Procedure subtype	Mobilisation of funds
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/6/53675

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A6-0500/2007	10/12/2007	
Text adopted by Parliament, single reading		T6-0604/2007	12/12/2007	Summary
European Commission				
Document type	Reference	Date	Summary	
Non-legislative basic document	COM(2007)0549 	19/09/2007	Summary	
Supplementary non-legislative basic document	COM(2007)0783 	05/12/2007	Summary	

Final act	
Decision 2008/0029 OJ L 006 10.01.2008, p. 0007	Summary

Revision of the multiannual financial framework 2007-2013 (amend. Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management)

2007/2213(ACI) - 12/12/2007 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution on the amended 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.

In doing so, Parliament approved the position of its Budgets Committee and the report drafted by Reimer **BÖGE** (EPP-ED, DE).

Overall, Parliament approved the conclusions of the Conciliation committee of 23 November 2007 (see [BUD/2007/2017](#)). It stressed that the agreement reached on the revision of the multiannual financial framework (MFF) is the result of a highly successful interinstitutional cooperation and a politically relevant step towards the development of the European satellite radio navigation programme. It welcomed the use of the instruments provided for by points 21, 22 and 23 of the Interinstitutional Agreement of 17 May 2006 with regard to the first revision of the financial framework since 1994.

At the conciliation meeting the two arms of the budgetary authority agreed to provide part of the financing required for the European Global Navigation Satellite System GNSS programmes (EGNOS – GALILEO) by a revision of the multiannual financial framework 2007–2013, so as to raise the ceilings for commitment appropriations under sub-Heading 1a for the years 2008 to 2013 by an amount of **EUR 1 600 million** in current prices. This raising will be offset by lowering the ceiling for commitment appropriations under Heading 2 for the year 2007 by the same amount.

Parliament recalled that following the agreement on the MFF 2007-2013 and the related Interinstitutional Agreement of 17 May 2006, a number of deficits were left unsolved in the outcome of the negotiations.

Revision of the multiannual financial framework 2007-2013 (amend. Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management)

2007/2213(ACI) - 18/12/2007 - Final act

PURPOSE: to amend the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management as regards the multiannual financial framework in order to finance the Galileo programme.

LEGISLATIVE ACT: Decision 2008/29/EC 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.

CONTENT: the Council and the European Parliament adopted a decision adjusting the EU's multiannual financial framework via an amendment to the agreement between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (IIA of 17 May 2006).

At the conciliation meeting on 23 November 2007, the two arms of the budgetary authority agreed to provide part of the financing required for the European Global Navigation Satellite System GNSS programmes (EGNOS — GALILEO) by a revision of the multiannual financial framework 2007-2013 in accordance with Points 21, 22 and 23 of the Interinstitutional Agreement, so as to raise the ceilings for commitment appropriations under **sub-Heading 1a for the years 2008 to 2013** by an amount of **EUR 1 600 million** in current prices. This raising will be offset by lowering the ceiling for commitment appropriations under Heading 2 for the year 2007 by the same amount.

In order to keep an appropriate relationship between commitments and payments, the annual ceilings for payment appropriations will be adjusted. The adjustment will be neutral.

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

It should be noted that this modification has been directly integrated into the 2008 budget (see [BUD/2007/2019](#)).

Revision of the multiannual financial framework 2007-2013 (amend. Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management)

2007/2213(ACI) - 05/12/2007 - Supplementary non-legislative basic document

PURPOSE: to amend the first amending proposal of the Interinstitutional Agreement (IIA) on budgetary discipline and sound financial management as regards the multiannual financial framework to take account of the latest interinstitutional budget negotiations.

CONTENT: at the conciliation meeting on 23 November 2007 the two arms of the budgetary authority agreed to provide part of the financing required for the European Global Navigation Satellite System GNSS programmes (EGNOS – GALILEO) by a revision of the multiannual financial framework 2007–2013 in accordance the Interinstitutional Agreement, so as to raise the ceilings for commitment appropriations under sub-Heading 1a for the years 2008 to 2013 by an amount of EUR 1 600 million in current prices.

This raising will be offset by lowering the ceiling for commitment appropriations under Heading 2 for the year 2007 by the same amount.

This proposal only intends to amend Annex I to the Interinstitutional Agreement on budgetary discipline and sound financial management. The revised amount under Heading 1A for the period 2007-2013 is EUR 75.55 billion (as opposed EUR 76.258 billion set out in the previous proposal).

Revision of the multiannual financial framework 2007-2013 (amend. Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management)

2007/2213(ACI) - 19/09/2007 - Non-legislative basic document

PURPOSE: to revise the multiannual financial framework (2007-2013) to allow for additional financing for Galileo and the European Institute of Technology.

PROPOSED ACT: 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.

CONTENT: this proposal aims to revise the multiannual financial framework in accordance with Points 21 to 23 of the Interinstitutional Agreement (IIA) of 17 May 2006 on budgetary discipline and sound financial management (see [ACI/2004/2099](#)).

Point 21 of the IIA provides that, in the event of unforeseen circumstances, the Commission may propose the revision of the financial framework in compliance with the own resources ceiling. According to Point 22, any decision to revise the financial framework by up to 0.03% of the European Union GNI needs to be taken jointly by both arms of the budgetary authority in compliance with the voting rules laid down in the fifth subparagraph of Article 272(9) of the Treaty establishing the European Community. Any revision above 0.03% of the European Union GNI will be taken jointly by both arms of the budgetary authority, with the Council acting unanimously.

Point 23 of the IIA introduces a number of specific conditions the institutions need to respect:

- the institutions will examine the scope for reallocating expenditure between the programmes covered by the heading concerned by the revision, with particular reference to any expected under-utilisation of appropriations;
- the institutions will examine the scope for offsetting any raising of the ceiling for one heading by the lowering of the ceiling for another;
- any revision of the compulsory expenditure in the financial framework must not lead to a reduction in the amount available for non-compulsory expenditure;
- any revision must maintain an appropriate relationship between commitments and payments.

This proposed Decision examines the following issues:

Additional financing needs for Galileo and the European Institute of Technology (EIT):

- **Galileo: EUR 2 400 million;**
- **EIT: EUR 309 million.**

Galileo: further to the financial framework agreed between the institutions, an amount of EUR 1.005 billion at current prices has been programmed under heading 1A "Competitiveness for growth and employment" according to the Commission's proposal for the financing of the deployment and operational phases of the Galileo programme during the period from 2007 to 2013 (COD/2004/0156). That proposal was based on the initial road map, which foresaw three phases: (i) development and in-orbit validation; (ii) deployment; (iii) operations. The development phase was to be entirely financed by the public sector, whereas the deployment and operational phases were to be financed by both the public and the private sectors in the framework of a public-private-partnership (PPP) and implemented under a concession contract. The concession call was launched on 17 October 2003 and resulted in a single negotiating partner, "Euro-GNSS", stemming from a merged consortium composed of 8 partners. The negotiations effectively started in January 2006, following internal industrial disagreement and a mediation with regard to the division of role and responsibilities (and locations of major ground installations of the system). However, the negotiations on the concession contract came to a stop at the beginning of 2007. The Council (Transport Ministers) which met on 22 March 2007 asked the Commission a detailed report setting out the progress made in the negotiations with the consortium and alternative scenarios for the rapid deployment of the space infrastructure, including financing aspects. The European Parliament called also on the Commission to come forward with appropriate proposals.

In parallel, the European Parliament adopted a resolution on 20 June 2007 (RSP/2007/2584) recalling its strong support to continue the Galileo programme, but opposing any solution which would combine Community funding with intergovernmental additional funding. The resolution called for a full financing of the programme under the Community Budget and invited the Commission to take the initiative of proposing a revision of the financial framework.

After having examined the various financing options, the Commission proposes that the additional financing for Galileo requires the mobilisation of additional EUR 2.4 billion under Heading 1A.

Funding the European Institute of Technology (EIT): on 18 October 2006, the Commission presented a proposal for a Regulation establishing the European Institute of Technology (EIT) (see COD/2006/0197) with a specific Community budget contribution of EUR 308.7 million to finance the governing structure of the EIT and the coordination activities of the "Knowledge and Innovation Communities". No specific provision was made for the EIT in the course of the negotiations on the financial framework 2007-2013. The Commission considered that the unallocated margins beneath the ceilings of heading 1A could be sufficient to finance the launching of the EIT. Thus, the proposed amount of EUR 308.7 million was included in the financial programming of heading 1A, leaving a margin of EUR 788.2 million over the 2008-2013 period. However, no agreement was reached by Council and the European Parliament, neither on the proposed source of financing nor on alternative financing solutions discussed at various trilogue meetings. The Commission thus sees no alternative to proposing to cover the financing needs for the EIT through an increase of the ceiling of heading 1A by means of a revision of the financial framework.

Revised amounts of the financial perspectives: in accordance IIA, the Commission has analysed the possibilities to mobilise the additional financing needs of EUR 2 400 million for Galileo and EUR 309 million for the EIT (that is EUR 2 709 million in total) under the current ceiling of heading 1A. It appears that the programmes have all been adopted with their respective envelopes without possibility at this stage to redeploy or re-profile significantly the envelopes within the annual ceilings. As regards possible under-utilisation with respect to appropriations, it is unrealistic to make any assumptions at this very early stage of the programming period. However, the Commission proposes that EUR 300 million be made available within the transport related research activities financed under the 7th Research Framework Programme.

Heading 1A : the required increase of the global ceiling of heading 1A can be offset by a decrease of the ceilings for heading 2 "Preservation and Management of Natural Resources" and heading 5 "Administration" for the years 2007 and 2008. The current 2007 Budget and the Preliminary Draft Budget (PDB) for 2008 result in substantial margins being available under heading 2, respectively EUR 2.1 billion in 2007 and EUR 2.5 billion in 2008.

Consequently, the Commission proposes to decrease the annual ceilings for commitment appropriations under heading 2 by EUR 1 689 million for 2007 and by EUR 500 million for 2008.

In addition, the Commission proposes to decrease the ceilings of Heading 5 "Administration" by EUR 120 million in 2007 and by EUR 100 million in 2008, which to-date leaves a margin of EUR 16 million in 2007 and of EUR 70 million in 2008.

In conclusion, **the Commission thus proposes to increase the annual ceilings of heading 1 A for the years 2008 to 2013 by a total amount of EUR 2 409 million to be offset by a decrease of the ceilings of headings 2 and 5 for the years 2007 and 2008.**

In order to keep an appropriate relationship between commitments and payments, the annual ceilings for payment appropriations should be adjusted taking into account the margins available in 2007 and 2008.