Procedure file

Basic information

BUD - Budgetary procedure	2008/2017(BUD)	Procedure completed
Amending budget 1/2008: EU Solidarity Fund, budgetary structure for the REA and the ERCEA, establishment plan of FRONTEX, Galileo Programme, budget article on Exceptional crisis expenditure Subject 8.70.60 Previous annual budgets		

Key players

European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets		13/12/2006
		ALDE VIRRANKOSKI Kyösti	
Council of the European Union	Council configuration	Meeting	Date
	Transport, Telecommunications and Energy	2861	07/04/2008
European Commission	Commission DG	Commissioner	
	Budget	GRYBAUSKAITĖ Dalia	

Key events

18/01/2008	Commission preliminary draft budget published	COM(2008)0015	Summary
28/02/2008	Vote in committee		Summary
04/03/2008	Council draft budget published	07259/2008	Summary
04/03/2008	Budgetary report tabled for plenary	A6-0058/2008	
10/03/2008	Debate in Parliament		
11/03/2008	Results of vote in Parliament		
11/03/2008	Committee referral announced in Parliament		
11/03/2008	Decision by Parliament	T6-0084/2008	Summary
11/03/2008	Decision by Parliament	T6-0083/2008	Summary
07/04/2008	Draft budget approved by Council		
09/04/2008	End of procedure in Parliament		

04/07/2008	Final act published in Official Journal		

Technical information

Procedure reference	2008/2017(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/6/58476

Documentation gateway

Commission preliminary draft budget		COM(2008)0015	18/01/2008	EC	Summary
Council draft budget		07259/2008	04/03/2008	CSL	Summary
Budgetary report tabled for plenary, 1st reading		A6-0058/2008	04/03/2008	EP	
Budgetary text adopted by Parliament		T6-0083/2008	11/03/2008	EP	Summary
Parliament's opinion on budgetary estimates/guidelines		T6-0084/2008	11/03/2008	EP	Summary
Commission response to text adopted in plenary		SP(2008)2060	09/04/2008	EC	

Final act

Budget 2008/488
OJ L 175 04.07.2008, p. 0001 Summary

Amending budget 1/2008: EU Solidarity Fund, budgetary structure for the REA and the ERCEA, establishment plan of FRONTEX, Galileo Programme, budget article on Exceptional crisis expenditure

PURPOSE: to present the Preliminary Draft Budget N°1 to the General Budget 2008.

CONTENT: Preliminary Draft Amending Budget (PDAB) No 1 for the year 2008 incorporates the following elements:

The mobilisation of the EU Solidarity Fund for an amount of EUR 162.4 million in commitment and payment appropriations, relating to the major storm in the United Kingdom in June and July 2007: the total annual budget available for the Solidarity Fund is EUR 1 billion. In 2008, no resources have yet been earmarked for earlier applications. Following calculation and evaluation of the requested aid, the Commission considers that the level of Community aid to be allocated through the Fund can be as much as EUR 162 387 985;

The creation of the necessary budgetary structure to accommodate the Research Executive Agency (REA) and the European Research Council Executive Agency (ERCEA): in its proposals for the Research Framework Programmes, the Commission also announced its intention to "externalise, under its responsibility, activities which generate a large number of small operations, [?]?. It is in this context that the Commission plans a series of new budget lines (without affecting the budget itself as no additional appropriations are requested in the framework of the creation of these two new budget lines, with appropriations being deducted from the budget lines corresponding to the support expenditure of the corresponding policy areas); Savings that result from the creation of the agencies will be used to increase the operational appropriations of the corresponding programme areas (note that in 2008, the operational appropriations are for the following areas: 02 04 01 01 ? Space Research; 02 04 01 01 ? Security Research; 08 10 01 ? Ideas);

Modification of the establishment plan of FRONTEX (the European Agency for theManagement of the Operational Cooperation at the External Borders of the Members States of the European Union): for 2008, the budgetary authority allocated an additional amount of EUR 30 million to FRONTEX (EUR 2.8 million for administrative and EUR 27.2 million for operational expenditure). This represents an increase of 79% when compared to the Commission's 2008 Preliminary Draft Budget. Consequently, Frontex has prepared a revised Work Programme for 2008. The 2008 establishment plan will increase the number of posts from 69 to 94. The additional staff will be mainly allocated to operational tasks (17 posts). The proposed modifications do not require any additional spending, as the corresponding additional administrative appropriations have already been authorised in the 2008 budget;

GALILEO: the creation of the budget item 06 01 04 12 (expenditure on administrative management) as provided for in the Commission's revised proposal COM(2007)0535 (procedure file COD/2004/0156). The line will be allocated EUR 2 million in both commitment and payment appropriations, which will be taken from the operational line 06 02 10 GALILEO Programme;

Exceptional crisis expenditure: the creation of the budget article 27 01 11, to enable the financing of exceptional expenditure linked to a declared crisis: the Commission has put in place a business continuity plan, designed to ensure the smooth running of its services, in the event of a major disruption. Indeed, procedures have been set up to facilitate and speed up urgent expenditure (and continue collection of resources), while respecting the rules laid down in the Financial Regulation and Implementing Rules. However, in case of expenditure linked to a declared crisis, the Commission might need to finance urgently exceptional expenditure not foreseen in its normal administrative budget. It is therefore proposed to create one single special line 27 01 11 Exceptional Crisis Expenditure in Section III of the budget, to cover all types of administrative expenditure not authorised elsewhere in the budget. Since the administrative budget of the Commission already covers almost all types of expenditure which could be necessary during a crisis, the new line would be restricted to expenditure which is (i) made during the crisis; (ii) which cannot be posted to other existing administrative lines; and (iii) for which the budget authority should be informed of its precise nature immediately after the crisis is over. Given the hypothetical nature of this expenditure, this line will be endowed with a "p.m." (pour mémoire). The amounts that will prove necessary will be transferred to this line from the budget item of Title "Budget", line 27 01 02 19 "other management expenditure- non-decentralised management".

Conclusion: only the mobilisation of the EU Solidarity Fund will have a net effect on the budget (EUR 162.4 million).

Amending budget 1/2008: EU Solidarity Fund, budgetary structure for the REA and the ERCEA, establishment plan of FRONTEX, Galileo Programme, budget article on Exceptional crisis expenditure

The Committee on Budgets unanimously adopted a report drawn up by Kyösti VIRRANKOSKI (ALDE, FI), and took note of Preliminary draft amending budget No 1/2008 established by the Council and recalled that the draft amending budget covered the following points:

-the mobilisation of the EU Solidarity Fund for an amount of EUR 162.4 million in commitment and payment appropriations, relating to major storm damage in the United Kingdom in June and July 2007,

?the creation of the necessary budgetary structure to accommodate the Research

Executive Agency (REA) and the European Research Council Executive Agency (ERCEA);

-modification of the establishment plan of the European Agency for the Management of the Operational Cooperation at the External Borders of the Member States of the European Union (FRONTEX),

?the creation of budget item 06 01 04 12 - Galileo Programme - expenditure on administrative management;

?the creation of budget article 27 01 11 - Exceptional crisis expenditure - to enable the financing of exceptional expenditure linked to a declared crisis. The line will be endowed with a "p.m."

With regard to the EUR 2 million in budgetary transfers for the Galileo Programme, the Commission had indicated that the expenditure on administrative management is not to be seen as "extra" appropriations but correspond to a reshuffle, within the global envelope allocated to Galileo for 2008, from an operational line to a line of administrative nature. The Committee felt that some doubts over the relevance of the proposal of EUR 2 million devoted to administrative management contained in the AB 1/2008 remain. An amendment has therefore been proposed re-establishing the operational line for Galileo with EUR 890 million in commitments.

Amending budget 1/2008: EU Solidarity Fund, budgetary structure for the REA and the ERCEA, establishment plan of FRONTEX, Galileo Programme, budget article on Exceptional crisis expenditure

PURPOSE: to present the Draft amending budget No 1/2008 for the financial year 2008 (Section III ? Commission).

CONTENT: on 18 January 2008, the Commission sent to the Council a Preliminary draft amending budget No 1/2008 of the European Union for the financial year 2008, which covered the following items:

-the mobilisation of the EU Solidarity Fund for an amount of EUR 162.387.985 in commitment and payment appropriations, relating to major storm damage in the United Kingdom in June and July 2007,

- the creation of budget line 08 01 04 30 to accommodate the European Research Council Executive Agency (ERCEA), to which the amount of EUR 19.994.000 is allocated in commitment and payment appropriations, and the creation of budget line 08 01 04 31 for the Research Executive Agency (REA), given EUR 14.601.000 in commitment and payment appropriations;

-creation of budget line 06 01 04 12 ? GALILEO Programme - expenditure on administrative management ? to which is allocated a sum of EUR 2 million in commitment and payment appropriations;

-modification of the establishment plan of the European Agency for the Management of the Operational Cooperation at the External Borders of the Members States of the European Union (FRONTEX), with the creation of 25 additional posts;

-creation of the budget article 27 01 11-Exceptional crisis expenditure, to enable the financing of exceptional expenditure linked to a declared crisis. The line will be endowed with a "p.m".

Only the mobilisation of the EU Solidarity Fund will have a net effect on the budget, entailing an increase of EUR 162 387 985 in both commitment and payment appropriations to be covered by fresh funds. The appropriations related to (b) and (c) will be fully covered by means of transfers, whereas the additional appropriations for (d) have already been authorised in the 2008 budget.

At the simplified trilogue provided for in Point 26 of the Interinstitutional Agreement of 17 May 2006 on the financing of the EU Solidarity Fund, an agreement was reached on the mobilisation of the EU Solidarity Fund and on the amount as proposed by the Commission.

Conclusion: on 4 March, the Council established Draft Amending Budget No. 1 for the financial year 2008, as submitted by the Commission in its Preliminary Draft Amending Budget No. 1

and as set out in the technical annex to the amending budget (see Council document 7259/08 ADD 1).

Amending budget 1/2008: EU Solidarity Fund, budgetary structure for the REA and the ERCEA, establishment plan of FRONTEX, Galileo Programme, budget article on Exceptional crisis expenditure

The European Parliament adopted, by 617 votes to 11 with 17 abstentions, a legislative resolution, and took note of Preliminary draft amending budget N° 1/2008 established by the Council.

The resolution had been tabled for consideration in plenary by Kyösti VIRRANKOSKI (ALDE, FI) on behalf of the Committee on Budgets.

Parliament recalled that the draft amending budget covered the following points:

- the mobilisation of the EU Solidarity Fund for an amount of EUR 162.4 million in commitment and payment appropriations, relating to major storm damage in the United Kingdom in June and July 2007,
- the creation of the necessary budgetary structure to accommodate the Research
- Executive Agency (REA) and the European Research Council Executive Agency (ERCEA);
- modification of the establishment plan of the European Agency for the Management of the Operational Cooperation at the External Borders of the Member States of the European Union (FRONTEX),
- the creation of budget item 06 01 04 12 - Galileo Programme - expenditure on administrative management;
- the creation of budget article 27 01 11 - Exceptional crisis expenditure - to enable the financing of exceptional expenditure linked to a declared crisis. The line will be endowed with a "p.m.".

Amending budget 1/2008: EU Solidarity Fund, budgetary structure for the REA and the ERCEA, establishment plan of FRONTEX, Galileo Programme, budget article on Exceptional crisis expenditure

In accordance with its parallel resolution of 11 March 2008 (please see the summary of the resolution), the European Parliament approved by qualified majority a budgetary amendment to draft budget No 1/2008, in order to reinstate the sum originally allocated for the operational line for GALILEO.

Parliament added a « p.m. » to the budgetary post 06 01 04 12 GALILEO Programme - expenditure on administrative management (volume 4 (Section 3) ? Commission) in place of EUR 2 million allocated in the Commission?s preliminary draft budget and the Council?s draft budget.

At the same time, Parliament reinstated the same sum of EUR 2 million in commitment and payment appropriations in article 06 02 10 (GALILEO Programme), which brings draft budget 1/2008 to EUR 890 million in commitment appropriations and to EUR 200 million in payment appropriations (instead of respectively EUR 888 million in commitments and EUR 198 million in payments for the Council?s draft budget.

Parliament justified this amendment as follows: ?the creation of the line for expenditure on administrative management can be agreed upon. However, the outcome of the legislative proposal is still pending. Therefore, for the time being, there should be no increase of administrative expenditure to the detriment of operational expenditure as long as the Management structure (GSA, Commission, ESA) for Galileo is unclear.?

Amending budget 1/2008: EU Solidarity Fund, budgetary structure for the REA and the ERCEA, establishment plan of FRONTEX, Galileo Programme, budget article on Exceptional crisis expenditure

PURPOSE: final adoption of amending budget No 1 of the European Union for the financial year 2008.

LEGISLATIVE ACT: Decision 2008/488/CE, Euratom.

CONTENT: the European Parliament effected the final adoption of amending budget 1/2008 of the European Union.

The amending budget covers the following matters:

- the mobilisation of the EU Solidarity Fund for an amount of EUR 162.387.985 EUR in commitment and payment appropriations, relating to the major storm in the United Kingdom;
- the creation of the necessary budgetary structure to accommodate the Research Executive Agency (REA) and the European Research Council Executive Agency (ERCEA);
- modification of the establishment plan of FRONTEX (the European Agency for the Management of the Operational Cooperation at the External Borders of the Members States of the European Union);
- the creation of the budget article 27 01 11, to enable the financing of exceptional expenditure linked to a declared crisis (with a p.m mention).

The amending budget also includes the creation of a new budget item 06 01 04 12 (expenditure on administrative management ? Galileo Programme. Parliament added a ?p.m.? to the budgetary post 06 01 04 12 GALILEO Programme - expenditure on administrative management in place of EUR 2 million allocated in the Commission's preliminary draft budget and the Council's draft budget. A second

reading by Council took place on 7 April 2008.

On 9 April 2008, the Council informed the European Parliament by letter that it had accepted the amendment made by Parliament and that a ?p.m? was provided for GALILEO administrative expenditure.