

Procedure file

Basic information		
BUD - Budgetary procedure	2013/2054(BUD)	Procedure completed
Amending budget 1/2013: expenditure related to the accession of Croatia		
Subject 8.20 Enlargement of the Union 8.70.60 Previous annual budgets		
Geographical area Croatia		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets		18/03/2013
		PPE LA VIA Giovanni	
		Shadow rapporteur	
		S&D GARDIAZABAL RUBIAL Eider	
		ALDE MULDER Jan	
		ALDE PICKART ALVARO Alexander Nuno	
	Committee for opinion	Rapporteur for opinion	Appointed
	AFET Foreign Affairs	The committee decided not to give an opinion.	
	EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
REGI Regional Development	The committee decided not to give an opinion.		
PECH Fisheries	The committee decided not to give an opinion.		
LIBE Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.		
Council of the European Union			
European Commission	Commission DG Budget	Commissioner LEWANDOWSKI Janusz	

Key events			
18/03/2013	Commission draft budget published	COM(2013)0156	Summary
26/06/2013	Council position on draft budget published	11607/2013	Summary

26/06/2013	Draft budget approved by Council		
01/07/2013	Vote in committee		
01/07/2013	Budgetary report tabled for plenary	A7-0246/2013	Summary
02/07/2013	Committee referral announced in Parliament		
04/07/2013	Results of vote in Parliament		
04/07/2013	Decision by Parliament	T7-0330/2013	Summary
04/07/2013	End of procedure in Parliament		
27/09/2013	Final act published in Official Journal		

Technical information

Procedure reference	2013/2054(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/7/12240

Documentation gateway

Commission draft budget	COM(2013)0156	18/03/2013	EC	Summary
Committee draft report	PE508.178	26/06/2013	EP	
Council position on draft budget	11607/2013	26/06/2013	CSL	Summary
Amendments tabled in committee	PE514.780	28/06/2013	EP	
Budgetary report tabled for plenary, 1st reading	A7-0246/2013	01/07/2013	EP	Summary
Budgetary text adopted by Parliament	T7-0330/2013	04/07/2013	EP	Summary

Final act

Budget 2013/464
[OJ L 256 27.09.2013, p. 0001](#) Summary

Amending budget 1/2013: expenditure related to the accession of Croatia

PURPOSE: to present draft amending budget No 1 to the General Budget 2013 providing for expenditure relating to the accession of Croatia to the European Union from 1 July 2013.

CONTENT: the draft amending budget No 1 for the year 2013

concerns the incorporation into the 2013 Budget of both the commitment and payment appropriations necessary to cover expenditure related to the accession of Croatia to the European Union on 1 July 2013, in full respect of the Accession Treaty.

In parallel with this exercise, the Commission is presenting a [proposal for the revision of the multiannual financial framework 2007-2013](#), in order to accommodate these changes, as foreseen under point 29 of the [Interinstitutional Agreement](#) on budgetary discipline and sound financial management.

The increases proposed in DAB No 1 amount to:

- EUR 655.1 million in commitment appropriations ,and

- EUR 374 million in payment appropriations.

These reflect the financial package agreed at the Accession Conference of 30 June 2011, but exclude heading 5, in line with the Commission's restricted approach on administrative expenditure, and since the needs related to accession are already included in the 2013 budget.

The Treaty of Accession defines pre-allocated amounts for:

- the Transition Facility,
- the Schengen Facility,
- the Cash-Flow Facility (a temporary instrument to help Croatia between the date of accession and the end of 2014 to improve cash-flow in the national budget),
- the Structural Funds, the Cohesion Fund and the European Fisheries Fund.

The allocation of both the commitment and payment appropriations on the budget lines has been made according to the repartition proposed by the Treaty of Accession, while taking also into account the possibility to properly implement the additional funding before the end of the year.

Indicative sectorial allocations: the document provides details of the amounts envisaged for the funding of Croatia's participation in the main European programmes:

- the 7th Framework Programme for Research (FP7) in which Croatia has already participated as a candidate country: the additional commitment appropriations (EUR 37.4 million) will be allocated proportionally to the activities and actions foreseen in the annual 2013 FP7 Work Programmes;
- education and lifelong learning: EUR 9.8 million in commitments and EUR 6.4 million in payments.

Croatia and pre-accession assistance: the total commitments outstanding for Croatia under the Instrument for Pre-Accession Assistance (IPA) amounted to EUR 220 million under the IPA-components 'Transition Assistance and Institution Building' and 'Rural development'. As the payment claims to be received in 2013 will exceed the availabilities in the 2013 budget, it is proposed to reinforce these two IPA-components by EUR 86.8 million in payment appropriations. This is especially important as the Treaty of Accession specifies that the amounts of the rural development for Croatia should stay in Heading 4 even after the accession.

Amending budget 1/2013: expenditure related to the accession of Croatia

On 18 March 2013, the Commission submitted to the Council draft amending budget (DAB) No 1/2013 regarding additional commitment (c/a) and payment appropriations (p/a) necessary to cover expenditure related to the accession of Croatia to the EU on 1 July 2013.

In parallel, it submitted a proposal for a revision of the multiannual financial framework (MFF) 2007-2013 to take account of the expenditure requirements resulting from the accession of Croatia to the EU.

DAB No 1/2013 proposes to increase c/a by EUR 655.1 million and p/a by EUR 374 million across different headings of the MFF.

The breakdown proposed by the Commission is as follows:

- Sub-heading 1a: +EUR 47.2 million in c/a and +EUR 17.6 million in p/a;
- Sub-heading 1b: +EUR 449.4 million in c/a and +EUR 149.8 million in p/a;
- Heading 2: +EUR 10.2 million in c/a and +EUR 2.6 million in p/a;
- Sub-heading 3a: +EUR 42.1 million in c/a and +EUR 41.1 million in p/a;
- Sub-heading 3b: +EUR 31.2 million in c/a and +EUR 1.1 million in p/a;
- Heading 4: +EUR 86.8 million in p/a;
- Heading 6 (Compensation): +EUR 75 million in c/a and p/a.

Heading 5 is excluded from the proposal since the needs related to the accession of Croatia were already included in the 2013 budget.

On 26 June 2013, the Council adopted its position on draft amending budget No 1/2013 as set out in the technical annex to this explanatory memorandum of the DAB (see [11607/13 ADD 1](#)).

Amending budget 1/2013: expenditure related to the accession of Croatia

The Committee on Budgets adopted the report by Giovanni LA VIA (EPP, IT) on the Council position on Draft amending budget No 1/2013 of the European Union for the financial year 2013, Section III Commission.

Members recall that the draft amending budget No 1/2013 aims 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. In parallel, the Commission submitted a proposal for the [adjustment of the multiannual financial framework](#) to accommodate these changes.

The proposed increase of EUR 655.1 million in commitments and EUR 374 million in payments, excluding heading 5, since the administrative expenditure linked to the accession of Croatia is already included in Budget 2013.

Whilst calling on the Council to adopt amending budget No 1/2013, Members regret that this Amending budget has been kept separate from the ongoing political interinstitutional debate on how to settle the issue of outstanding payments from 2012 and from the negotiations on [DAB No 2/2013](#).

They emphasise the purely technical nature of this Amending budget which is simply the consequence of the unanimous agreement on the Treaty concerning the accession of the Republic of Croatia to the European Union as the 28th Member State of the Union.

Delayed agreement: Members reiterate their position that the eight-week period provided for by the Treaty on the Functioning of the European

Union to inform the national parliaments of any draft legislative act does not apply to budgetary issues. They regret therefore that despite the very tight timeframe for the entry into force of this Amending budget, 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.

Members regret 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.

Members welcome that the Council could eventually agree on a revision without any offsetting of the 2013 ceilings for payments by the required EUR 374 million. They consider 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.

Members deplore 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. They denounce 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. Such a decision sends a wrong political signal not only to Croatia but to the other candidate countries as well.

They stress that this decision of the Council is accepted only because it concerns the last 6 months of the current MFF (2007-2013) and that this should not constitute a precedent for future enlargements that might occur under the next MFF (2014-2020).

Nevertheless, considering the political importance and the legal urgency of ensuring the necessary funding to Croatia, Members call on the European Parliament to approve, without amendment, Council's position on Draft amending budget No 1/2013.

Amending budget 1/2013: expenditure related to the accession of Croatia

PURPOSE: definitive adoption of amending budget No 1 of the European Union for the financial year 2013.

LEGISLATIVE ACT: 2013/464/EU, Euratom.

CONTENT: the European Parliament adopted amending budget No 1 of the European Union for the financial year 2013, in accordance with its resolution adopted on 4 July 2013 (please refer to the summary of the resolution).

This amending budget aims to increase the commitment appropriations by EUR 655.1 million and payment appropriations by EUR 374 million across different headings of the MFF to take account of the expenditure requirements resulting from the accession of Croatia to the EU from 1 July 2013.

These increases concern different headings and sub-headings with the exception of heading 5 (Administration) since the needs related to accession have already been included in the 2013 budget.

Amending budget 1/2013: expenditure related to the accession of Croatia

The European Parliament adopted by 559 votes to 25, with 16 abstentions, a resolution on the Council position on Draft amending budget No 1/2013 of the European Union for the financial year 2013, Section III Commission.

Parliament recalls that the draft amending budget No 1/2013 aims 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. In parallel, this amending budget is accompanied by an [adjustment of the multiannual financial framework](#) to accommodate these changes.

The proposed increase of EUR 655.1 million in commitments and EUR 374 million in payments, excluding heading 5, since the administrative expenditure linked to the accession of Croatia is already included in Budget 2013.

Whilst calling on the Council to adopt amending budget No1/2013, Parliament regrets that this Amending budget has been kept separate from the ongoing political interinstitutional debate on how to settle the issue of outstanding payments from 2012 and from the negotiations on [DAB No 2/2013](#).

It emphasises the purely technical nature of this Amending budget which is simply the consequence of the unanimous agreement on the Treaty concerning the accession of the Republic of Croatia to the European Union as the 28th Member State of the Union.

Delayed agreement: Parliament reiterates their position that the eight-week period provided for by the Treaty on the Functioning of the European Union to inform the national parliaments of any draft legislative act does not apply to budgetary issues. It regrets therefore that despite the very tight timeframe for the entry into force of this Amending budget, 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. It also regrets 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.

Budget adjustment: Parliament 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. It 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.

Parliament 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. It 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. Such a decision sends a wrong political signal not only to Croatia but to the other candidate countries as well.

It stresses that this decision of the Council is accepted only because it concerns the last 6 months of the current MFF (2007-2013) and that this should not constitute a precedent for future enlargements that might occur under the next MFF (2014-2020).

In conclusion and given the political importance and the legal urgency of ensuring the necessary funding to Croatia, Parliament calls on the European Parliament to approve, without amendment, Council's position on Draft amending budget No 1/2013.