

# Procedure file

Basic information	
ACI - Interinstitutional agreement procedure <a href="#">2013/2055(ACI)</a>	Procedure completed
Multiannual financial framework 2007-2013: expenditure requirements resulting from the accession of Croatia	
Amending Interinstitutional Agreement of 17 May 2006 <a href="#">2004/2099(ACI)</a>	
Subject 8.20 Enlargement of the Union 8.70.01 Financing of the budget, own resources 8.70.03 Budgetary control and discharge, implementation of the budget	
Geographical area Croatia	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>BUDG</b> Budgets		26/03/2013
		PPE <a href="#">BÖGE Reimer</a>	
		Shadow rapporteur S&D <a href="#">GARDIAZABAL RUBIAL Eider</a> ALDE <a href="#">JENSEN Anne E.</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>AFCO</b> Constitutional Affairs		The committee decided not to give an opinion.
	<b>CONT</b> Budgetary Control		The committee decided not to give an opinion.
	<b>AFET</b> Foreign Affairs		The committee decided not to give an opinion.
Council of the European Union European Commission	Commission DG <a href="#">Budget</a>	Commissioner LEWANDOWSKI Janusz	

Key events			
18/03/2013	Non-legislative basic document published	<a href="#">COM(2013)0157</a>	Summary
16/04/2013	Committee referral announced in Parliament		
01/07/2013	Vote in committee		
01/07/2013	Committee report tabled for plenary	<a href="#">A7-0247/2013</a>	Summary
04/07/2013	Decision by Parliament	<a href="#">T7-0331/2013</a>	Summary
04/07/2013	End of procedure in Parliament		
03/08/2013	Final act published in Official Journal		

Technical information
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Procedure reference	2013/2055(ACI)
Procedure type	ACI - Interinstitutional agreement procedure
Procedure subtype	Interinstitutional agreement
	Amending Interinstitutional Agreement of 17 May 2006 <a href="#">2004/2099(ACI)</a>
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/7/12278

#### Documentation gateway

Non-legislative basic document		COM(2013)0157	18/03/2013	EC	Summary
Committee draft report		<a href="#">PE508.135</a>	26/06/2013	EP	
Amendments tabled in committee		<a href="#">PE514.783</a>	28/06/2013	EP	
Committee report tabled for plenary, single reading		<a href="#">A7-0247/2013</a>	01/07/2013	EP	Summary
Text adopted by Parliament, single reading		<a href="#">T7-0331/2013</a>	04/07/2013	EP	Summary

#### Final act

[Decision 2013/419](#)  
[OJ L 209 03.08.2013, p. 0014](#) Summary

## Multiannual financial framework 2007-2013: expenditure requirements resulting from the accession of Croatia

**PURPOSE:** to amend 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.

**CONTENT:** on 9 December 2011, the Treaty concerning the Accession of the Republic of Croatia to the European Union from 1 July 2013 was signed.

Article 312(2) of the Treaty on the Functioning of the European Union provides that the Council shall unanimously adopt a Regulation laying down the multiannual financial framework after obtaining the consent of the European Parliament. On 3 March 2010, the Commission made a [proposal for a Council Regulation laying down the multiannual financial framework for the years 2007 to 2013](#) and for an accompanying [draft Interinstitutional Agreement](#) to take into account the entry into force of the Lisbon Treaty.

So far, the European Parliament and the Council have failed to agree on these proposals.

Pending that agreement, the IIA remains applicable.

This proposal is thus based on Point 29 of the IIA (adjustment of the financial framework to cater for enlargement). Point 29 of the IIA provides that, if new Member States accede to the European Union during the period covered by the financial framework, the European Parliament and the Council, acting on a proposal from the Commission, will jointly adjust the financial framework to take account of the expenditure requirements resulting from the outcome of the accession negotiations.

Adjustment of the allocations: from a technical point of view, the amendment of the IIA takes the form of a revision of the table of the 2007-2013 financial framework allocations; this revision covers the period from 1 July 2013 to 31 December 2013:

- EUR 47 million for subheading 1a,
- EUR 450 million for subheading 1b,
- EUR 21 million for heading 2,
- EUR 42 million for subheading 3a,
- EUR 31 million for subheading 3b, and
- EUR 75 million under Heading 6 (compensations).

As part of its ongoing commitment to limit the costs of administering EU policies, the Commission proposes not to increase the ceiling for commitment appropriations for heading 5.

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 at current prices. The total for commitment appropriations is EUR 666 million at current prices.

## Multiannual financial framework 2007-2013: expenditure requirements resulting from the accession of Croatia

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The Committee on Budgets adopted the report by Reimer BÖGE (EPP, DE) 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.

The Commission, 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.

The proposed increase of EUR 666 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.

Members emphasise the purely technical nature of this revision, which is simply the consequence of the unanimous agreement on the Treaty concerning the Accession of Croatia to the European Union (the Accession Treaty) as the 28th Member State of the Union.

They stress that 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](#).

The committee 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. It 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.

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. They warn that this must not become a precedent for further enlargements.

Payment issues: 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 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 and that such decision sends a wrong political signal not only to Croatia but to the other candidate countries as well. Members 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 decide to approve the decision annexed to this resolution, as amended by the Council which aims to incorporate the commitment and payment appropriations needed to cover expenditure related to the accession of Croatia (see the annexed table which includes the proposed budget modifications to finance these needs in 2013).

## Multiannual financial framework 2007-2013: expenditure requirements resulting from the accession of Croatia

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The European Parliament adopted a resolution by 495 votes to 64, with 14 abstentions, 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.

Parliament recalls that the Commission, 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.

The proposed increase of EUR 666 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.

Parliament emphasises the purely technical nature of this revision, which is simply the consequence of the unanimous agreement on the Treaty concerning the Accession of Croatia to the European Union (the Accession Treaty) as the 28th Member State of the Union.

It stresses that 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](#).

Delayed agreement: Parliament 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. It 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. 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.

Payment issues: 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 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 and that such decision sends a wrong political signal not only to Croatia but to the other candidate countries as well.

Parliament 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).

Nevertheless, considering the political importance and the legal urgency of ensuring the necessary funding to Croatia, Parliament approves the decision annexed to this resolution, as amended by the Council which aims to incorporate the commitment and payment appropriations needed to cover expenditure related to the accession of Croatia to the EU.

Adjustment of the financial framework: to recall, the accession of Croatia requires an adjustment of the multiannual financial framework as follows:

- 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 subheading 1a,
- EUR 450 million for subheading 1b,
- EUR 31 million for subheading 3b,
- 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,

- rise of EUR 374 million in payments appropriations.

## Multiannual financial framework 2007-2013: expenditure requirements resulting from the accession of Croatia

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PURPOSE: to revise 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.

NON-LEGISLATIVE ACT: Decision 2013/419/EU 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.

CONTENT: this Decision provides for the adjustment of the IIA. The amendment takes the form of a revision of the table of the 2007-2013 financial framework allocations to take account of the accession of Croatia to the European Union.

This revision covers the period from 1 July 2013 to 31 December 2013 and increases the amounts of commitments to EUR 603 million at current prices as follows:

- EUR 47 million for subheading 1a,
- EUR 450 million for subheading 1b,
- EUR 31 million for subheading 3b, and
- EUR 75 million under Heading 6 (compensations which is entirely covered by a reduction of commitments under Heading 5 of the 2013 budget).

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 at current prices.

ENTRY INTO FORCE: 22.07.2013.