

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

2008/2017(BUD) - 18/01/2008 - Commission preliminary draft budget

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 the Management 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).