

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

2013/2054(BUD) - 18/03/2013 - Commission draft budget

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.