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

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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 applicabl**e.

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 and 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.