2014 general budget: all sections

2013/2145(BUD) - 18/09/2013 - Document attached to the procedure

PURPOSE: presentation of Amending Letter No 1 to the draft General Budget 2014.

CONTENT: this amending letter to the 2014 general budget concerns:

- t**he frontloading of commitment appropriations** for the 'Framework Programme for Research and Innovation' (Horizon 2020), 'Education, Training, Youth and Sport' (Erasmus), 'Competitiveness of enterprises and small and medium-sized enterprises' (COSME), over and above the frontloading of the 'Youth Employment Initiative' (YEI) already proposed in the DB 2014, **as a result of the political agreement reached at the end of June 2013 on the 2014-2020 multiannual financial framework (MFF)**;
- **the additional assistance to Cyprus** under the Structural Funds, for which an amount of EUR 100 million is proposed to be financed from the margin of heading 1b (EUR 21.6 million) and by the mobilisation of the Flexibility Instrument (EUR 78.4 million);
- the consequences, in terms of human and financial resources, of the proposed **new generation of Joint Technology Initiatives (JTIs)**;
- the creation of budget lines with a 'p.m.' in order to allow part of the technical assistance national envelope of the European Structural and Investment Funds (ESI) Funds to be managed by the Commission at the request of Member States under temporary budget difficulties.

The net budgetary impact of these changes is an **increase in commitment appropriations of EUR 100 million** compared to the Draft Budget 2014. The Amending Letter does not propose **any change to payment appropriations**.

Details of the budgetary amendments:

1. **Frontloading of commitment appropriations:** in line with the political agreement reached on the 2014-2020 MFF, up to EUR 2 543 million (in 2011 prices) may be frontloaded in 2014 and 2015, as part of the annual budgetary procedure, for specific policy objectives relating to youth employment, research, Erasmus, in particular for apprenticeships, and SMEs.

   In particular, the agreement envisages:

   - EUR 2 143 million for Youth Employment,
   - EUR 200 million for Horizon 2020,
   - EUR 150 million for Erasmus and
   - EUR 50 million for COSME)

   are fully offset against appropriations within and/or between headings in order to leave unchanged the total annual ceilings of each heading and sub-heading over the period 2014-2020.

   The Amending Letter No 1 to the 2014 Draft Budget takes account of the political agreement reached on the new MFF by adjusting the 2014 financial envelopes of the corresponding programmes under heading 1a (Competitiveness for growth and jobs) and heading 1b (Economic, social and territorial cohesion) accordingly. No changes are proposed as regards the frontloading for the 'Youth Employment Initiative' (YEI) which was already included in the DB 2014. However, the frontloading of programmes under heading 1a impacts on the amounts frontloaded under heading 1b.

2. **Assistance to Cyprus:** during its meeting held on 27-28 June 2013, the European Council concluded that additional assistance should be granted to Cyprus. The June European Council invited the European Parliament and the Council to examine the opportunities provided by the flexibilities in the MFF, including the Flexibility Instrument, to address the particularly difficult situation of Cyprus. The Commission proposes to grant an additional allocation from the Structural Funds to Cyprus over two years (spread in two equal tranches in 2014 and 2015) for a total amount of EUR 200 million in current prices. It proposes to reinforce commitment appropriations by EUR 100 million (in current prices) on top of the 2014 Draft Budget. As this additional amount exceeds the margin under the expenditure ceiling of heading 1b, **the Commission proposes simultaneously to mobilise the Flexibility Instrument for 2014 for a total amount of EUR 78.4 million in heading 1b**, after having used the remaining available margin under the ceiling.
3. **Impact on human and financial resources:** as far as the JTIs are concerned, it is proposed to fund the operational and support expenditure for each of the JTIs and SESAR in 2014 (in commitment and payment appropriations) by redeployment from the major operational budget lines of the Horizon 2020 programmes concerned, which serve the same policy objectives. The total EU contribution to the running costs of each of the JTIs, amounting to EUR 3.5 million, will be taken from existing administrative support expenditure budget lines under Horizon 2020 programmes.

Creation of budget lines: this last point has no effect from a budgetary point of view.