Basic information

2009/2211(ACI) ACI - Interinstitutional agreement procedure	Procedure completed
Financial framework 2007-2013: financing energy projects under the European Economic Recovery Plan (amend. Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management) **Subject** 3.60 Energy policy 5.03 Global economy and globalisation 8.40.10 Interinstitutional relations, subsidiarity, proportionality, comitology 8.70 Budget of the Union 8.70.03 Budgetary control and discharge, implementation of the budget	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	BÖGE Reimer (PPE)	30/11/2009
	Shadow rapporteur GARDIAZABAL RUBIAL Eider (S&D)	

Committee for opinion	Rapporteur for opinion	Appointed
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	

Council of the European Union

Key events

Date	Event	Reference	Summary
30/11/2009	Non-legislative basic document published	COM(2009)0662	Summary
02/12/2009	Vote in committee		Summary
08/12/2009	Committee report tabled for plenary	A7-0085/2009	
14/12/2009	Committee referral announced in Parliament		
15/12/2009	Debate in Parliament		
17/12/2009	Decision by Parliament	T7-0114/2009	Summary

17/12/2009	End of procedure in Parliament		
24/12/2009	Final act published in Official Journal		

Technical information

Procedure reference	2009/2211(ACI)
Procedure type	ACI - Interinstitutional agreement procedure
Procedure subtype	Interinstitutional agreement
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/7/01678

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE430.876	30/11/2009	
Committee report tabled for plenary, single reading		A7-0085/2009	08/12/2009	
Text adopted by Parliament, single reading		T7-0114/2009	17/12/2009	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2009)0662	30/11/2009	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2009/1005
OJ L 347 24.12.2009, p. 0026 Summary

Financial framework 2007-2013: financing energy projects under the European Economic Recovery Plan (amend. Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management)

2009/2211(ACI) - 17/12/2009 - Final act

PURPOSE: to review the multiannual financial framework 2007-2013 in order to finance projects in the field of energy in the context of the European Economic Recovery Plan.

LEGISLATIVE ACT: Decision 2009/1005/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 — Financing projects in the field of energy in the context of the European Economic Recovery Plan.

CONTENT: with this decision, the European Parliament and the Council amended the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management (IIA of 17 May 2006) in order to finance a certain number of projects.

At the budgetary conciliation meeting of 18 November 2009 the European Parliament, the Council and the Commission agreed on the modalities for providing additional financing, in the framework of the European Economic Recovery Plan, to projects in the field of energy and broadband Internet as well as investments for strengthening operations related to the "new challenges" defined in the context of the assessment of the 2003 mid-term reform of the common agricultural policy ("Health Check").

The financing requires a revision of the multiannual financial framework 2007-2013 in accordance with points 21, 22, and 23 of the Interinstitutional Agreement, so as to r**aise the ceiling for the year 2010 for commitment appropriations under subheading 1a by an amount of EUR 1779 million** in current prices.

The increase of the ceiling for subheading 1a for the year 2010 will be fully offset by decreasing the ceilings for commitment appropriations under headings 1a, 1b, 2, 3a and 5 for the year 2009 as well as the ceilings for commitment appropriations under headings 1a, 2 and 5 for 2010.

In order to keep an appropriate relationship between commitments and payments, the annual ceilings for payment appropriations will be adjusted. **The adjustment will be neutral**.

Annex I of the Interinstitutional Agreement on budgetary discipline and sound financial management should therefore be amended accordingly.

Financial framework 2007-2013: financing energy projects under the European Economic Recovery Plan (amend. Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management)

2009/2211(ACI) - 30/11/2009 - Non-legislative basic document

PURPOSE: to review the multiannual financial framework 2007-2013 in order to finance **projects in the field of energy** in the context of the **European Economic Recovery Plan**.

PROPOSED ACT: Decision of the European Parliament and of the Council (Interinstitutional Agreement).

BACKGROUND: at the trilogue meeting of 2 April 2009, the European Parliament, the Council and the Commission agreed on the financing, in the framework of the European Economic Recovery Plan (EERP), of projects in the field of energy and broadband internet in rural areas as well as activities related to 'new challenges' identified in the Common Agricultural Policy's Health Check.

Based on that agreement and the amended Commission proposal of 8 April 2009, the European Parliament and the Council adopted a Decisionon 6 May 2009 by which the 2007- 2013 financial framework was revised (see ACI/2008/2332). The 2009 ceiling for commitment appropriations under heading 1A was increased by EUR 2 000 million to finance energy projects to aid economic recovery. This increase was fully offset by lowering the ceiling for 2009 for commitment appropriations under Heading 2 by the same amount. The ceilings for payment appropriations for the years 2009-2013 was modified accordingly. In parallel to that Decision, EUR 600 million were made available within the 2009 budget for broadband internet in rural areas as well as activities related to 'new challenges'.

According to the agreement of 2 April 2009, the **financing of the remaining amount** (EUR 1 980 million for energy and EUR 420 million for developing broadband internet in rural areas and strengthening operations related to the "new challenges" defined in the context of the CAP Health Check) is to "be secured through a **compensation mechanism at the conciliation of the 2010 budgetary procedure** by using all budgetary means foreseen in its legal framework, to be completed, if needed, at the latest at the conciliation of the 2011 budgetary procedure".

On 27 October 2009, the Commission presented a proposal to 'compensate' the remaining amount based on the above agreement.

The present amended proposal for a Decision of the European Parliament and of the Council **takes into account the final execution data for EAGF measures under Heading 2**, which were not available when the Commission made its initial proposal, as well as the results of the **budgetary conciliation meeting of 18 November 2009**.

CONTENT: consequently, the Commission proposes to revise the financial framework so as to **increase the 2010 ceiling for commitment appropriations under Heading 1A by an amount of EUR 1 779 million**.

In addition, EUR 120 million will be made available by mobilising the Flexibility Instrument under Point 27 of the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management (IIA), and EUR 81 million by using the unallocated margin left under the 2010 ceiling for commitment appropriations under Heading 1A. **This allows for the provision of the full remaining amount of EUR 1 980 million for energy projects under the EERP** as agreed between the three institutions. In parallel, **EUR 420 million will be made available within the 2010 budget for broadband internet in rural areas** as well as activities related to 'new challenges'.

Scope for reallocating expenditure under the ceiling of Heading 1A: the increase of the ceiling for sub-Heading 1 A for the year 2010 will be fully offset by decreasing the ceilings for commitment appropriations under Headings 1A, 1B, 2, 3A and 5 for the year 2009 as well as the ceilings for commitment appropriations under Heading 1B, 2 and 5 for 2010.

The institutions agreed at the budgetary conciliation meeting of 19 November 2009 to 'compensate' the raising of the ceiling for commitment appropriations under Heading 1A in the following way:

- **Transfers from Heading 1B**: a margin of EUR 1 million is left under the 2009 ceiling and of EUR 6 million under the 2010 ceiling for commitment appropriations under Heading 1B due to unused technical assistance. It was agreed to use these amounts for financing energy projects under the Recovery Plan.
- **Transfers from Heading 2**: the final amount left under the 2009 expenditure ceiling for commitment appropriations under Heading 2 is EUR 1 036 million. This includes EUR 34 million resulting from under-execution of fisheries programmes which have been inserted in Amending Budget No 10/2009. In addition, appropriations amounting to EUR 250 million for rural development and EUR 20 million for climate change were entered into the 2009 budget, but cannot be used because there is no appropriate legal basis.

  Given that the agricultural year is now closed, it was agreed to make the remaining 2009 margin and the unused appropriations under Heading 2 available to the energy projects of the European Economic Recovery Plan to be financed under Heading 1A. The initial margin under the 2010 expenditure ceiling for commitment appropriations under Heading 2 amounts to EUR 1 083 million after Council second reading of the 2010 budget. It was agreed to use this margin for providing, (i) under Heading 2, the EUR 420 million required under the European Economic Recovery Plan for developing broadband internet in rural areas and strengthening operations related to the "new challenges" defined in the context of Health Check; (ii) a further EUR 158 million, which can be made available for energy projects under Heading 1A.

  This leaves a margin of EUR 505 million available for agriculture under the expenditure ceiling in 2010. In any case, the Commission has undertaken to take all appropriate measures to ensure that decisions taken on CAP expenditure and its financing, including the agreement on the Health Check, are respected.

  A margin of EUR 5 million is left under the ceiling for commitment appropriations under Heading 3A in 2009 which will also contribute to the financing of the energy projects under the EERP.

- **Transfers from Heading 5**: the margin under the expenditure ceilings of Heading 5 (Administration) amounts to EUR 174 million in 2009 (including an increase of the margin by EUR 98 million which results from under-execution in the budgets of the Commission, the Council, the Economic and Social Committee and the Committee of Regions and was made available by Amending Budget No 10/2009). For 2010, it was agreed to keep a margin of EUR 72 million after taking into consideration the amendments of the European Parliament's first reading and the proposed Amending Letter 3/2010. Part of this margin may be necessary to cover additional needs related to the entry into force of the Lisbon Treaty. Taking that into account, it is proposed to make EUR 300 million (EUR 174 million from the 2009 margin and EUR 126 million from the 2010 margin) available for the financing of the energy projects under the EERP.

Payment appropriations: Point 23, fourth paragraph, of the IIA provides that any revision must maintain an appropriate relationship between commitments and payments. Hence, the annual ceilings for payment appropriations need to be modified on the basis of the payment profiles foreseen for the additional commitments under Heading 1A and the reduction of payments corresponding to the reduction of commitment appropriations for Headings 1b, 2 and 5 in 2009 and 2010.

Financial framework 2007-2013: financing energy projects under the European Economic Recovery Plan (amend. Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management)

2009/2211(ACI) - 17/12/2009 - Text adopted by Parliament, single reading

The European Parliament adopted by 536 votes to 18, with 22 abstentions, a resolution calling on the European Parliament to approve the amended 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: Financing projects in the field of energy in the context of the European Economic Recovery Plan.

With this resolution, Parliament approves the conclusions of the Conciliation meeting of 18 November 2009. The main conclusions are as follows:

- setting the modalities for providing additional financing, in the framework of the European Economic Recovery Plan, to projects in the field of energy and broadband internet as well as the Common Agricultural Policy ("Health Check");
- a revision of the multiannual financial framework 2007-2013 in accordance with points 21, 22, and 23 of the Interinstitutional Agreement, so as to raise the ceiling for the year 2010 for commitment appropriations under subheading 1a by an amount of **EUR 1 779 million** in current prices;
- the increase of the ceiling for subheading 1a for the year 2010 will be **fully offset** by decreasing the ceilings for commitment appropriations under headings 1a, 1b, 2, 3a and 5 for the year 2009 as well as the ceilings for commitment appropriations under headings 1a, 2 and 5 for 2010;
- in order to keep an appropriate relationship between commitments and payments, the annual ceilings for payment appropriations will be adjusted. The adjustment will be neutral.

In the resolution accompanying the IIA amended proposal, Parliament underlines that the agreement reached on the revision of the multiannual financial framework (MFF) is the result of successful interinstitutional cooperation in responding to the financial and economic crisis that Member States are experiencing, and that the agreement builds on the principles declared by the three institutions on 2 April 2009 (at the time of adoption of the previous IIA modification – see ACI/2008/2332).

Parliament accepts the political compromise which mobilises various budgetary means available in the budgetary legal framework, including the revision of the 2007-2013 MFF for the years 2009 and 2010 and the use of the Flexibility Instrument in order to allow the full financing of the Recovery Plan in 2010. It expresses its satisfaction that **no financing of the Recovery Plan has been postponed to 2011**. On the other hand, it deplores the fact that after the revision of the MFF for the financing of the Recovery Plan, the **margins available in headings 1a, 1b, 2, and 5 are extremely tight in 2010**, leaving little room for manoeuvre should unexpected financial needs arise during the year. In parallel, Parliament stresses that financing of the decommissioning of Kozloduy should not jeopardise the financing of multiannual programmes and actions under subheading 1a.

Lastly, Parliament considers that the current MFF does not correspond to the financial needs of the European Union. It calls, therefore, on the Commission to submit a proposal for a mid-term review of the current MFF without delay. Parliament approves the annexed decision amending the Interinstitutional Agreement (IIA) of 2006 which contains an annex with the revised amounts for the 2007-2013 Financial Framework.