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**DRAFT AMENDING BUDGET N° 4
TO THE GENERAL BUDGET 2013**

**STATEMENT OF EXPENDITURE BY SECTION
Section III – Commission
Section IV – Court of Justice of the European Union**

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Having regard to:

- the Treaty on the Functioning of the European Union, and in particular Article 314 thereof, in conjunction with the Treaty establishing the European Atomic Energy Community, and in particular Article 106a thereof,
- the Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the Financial Regulation applicable to the general budget of the Union¹, and in particular Article 41 thereof,
- the general budget of the European Union for the financial year 2013 adopted on 12 December 2012²,
- the draft amending budget No 1/2013³, adopted on 18 March 2013,
- the draft amending budget No 2/2013⁴, adopted on 27 March 2013,
- the draft amending budget No 3/2013⁵, adopted on 15 April 2013,

The European Commission hereby presents to the budgetary authority the Draft Amending Budget No 4 to the 2013 budget.

CHANGES TO THE STATEMENT OF REVENUE AND EXPENDITURE BY SECTION

The changes to the statement of revenue and expenditure by section are available on EUR-Lex (<http://eur-lex.europa.eu/budget/www/index-en.htm>). An English version of the changes to this statement is attached for information as a budgetary annex.

¹ OJ L 298, 26.10.2012, p. 1.
² OJ L 66, 8.3.2013, p. 1.
³ COM(2013) 156.
⁴ COM(2013) 183.
⁵ COM(2013) 224.

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1. INTRODUCTION

Draft Amending Budget (DAB) No 4 for the year 2013 covers the following:

- the modification of the establishment plan of the European GNSS Agency (GSA), reflecting a request for 20 additional establishment plan posts (all AD posts). The corresponding increase in the EU contribution to the GSA amounts to EUR 1 750 000, and is proposed to be financed by internal redeployment of resources within the existing budgetary envelope of the GNSS programme;
- the modification of the establishment plan of the Education, Audiovisual and Culture Executive Agency (EACEA), reflecting a request for 2 additional establishment plan posts (both AD posts), offset by 2 freed posts in the Commission's establishment plan. This is part of an extension of the mandate of the agency, which also entails a transfer of contract agents (13 FTE) from the Commission to the EACEA. This translates into an overall increase in the EU contribution to the running costs of the agency, amounting to EUR 1 516 000, which is proposed to be financed by a corresponding reduction of appropriations for staff and administrative support expenditure in the Commission;
- the modification of the establishment plan of the Court of Justice of the European Union, reflecting the creation of an additional Advocate General and a corresponding request for 7 additional establishment plan posts (4 AD and 3 AST posts). This is proposed to be financed by the available appropriations within the Court's section of the budget.

These adjustments are budgetary neutral, since the proposed reinforcements of the EU contribution to the two agencies are fully offset by corresponding reductions in related expenditure in the Commission's section of the budget, whereas the additional staff for the Court of Justice is to be financed by the available appropriations within its own section.

2. EUROPEAN GNSS AGENCY

On 30 November 2011, the Commission adopted a proposal for a new GNSS Regulation⁶, putting forward a new governance structure for EGNOS and Galileo and their financing for the period 2014-2020. Under this structure, the European GNSS Agency (GSA) would be entrusted with programme management tasks, including the exploitation of both systems from 1 January 2014. To deliver effective results and avoid delays or disruption of services, already in 2013 the GSA will need to carry out preparatory tasks. In this regard, the Agency will ensure the coordination of all tasks relating to the exploitation of the systems, such as maintenance, operations and service provision, as well as providing feedback on changing operational needs and users' requirements for future generations of the systems.

With a view to providing the European Parliament and the Council with a full picture of the conditions under which the GSA will carry out the tasks entrusted to it under the new governance model, on 6 February 2013 the Commission adopted a revised GSA Regulation amending Regulation (EU) No 912/2010⁷. The financial statement accompanying the revised GSA Regulation foresees 20 additional temporary agents in 2013, which would increase the total number of establishment posts from 57 to 77 posts. The detailed tasks and job descriptions of each temporary agent requested have been carefully analysed by the Commission services.

⁶ COM(2011) 814.

⁷ COM(2013) 40.

Immediately upon the adoption of the proposal for a revised GSA Regulation the GSA launched the necessary preparations, in order to ensure a swift start-up of preparatory tasks. Nonetheless, formal recruitment will only be finalised upon adoption of this Draft Amending Budget, given that prior agreement of the Budget Authority to the modifications of the establishment plan of the GSA is required before the agency can proceed with actual recruitment.

The total additional costs for the 2013 budget of the agency are estimated at EUR 1 750 000, assuming recruitments as from mid-July 2013. This requires a corresponding reinforcement of the EU contribution to the agency. The commitment and payment appropriations are proposed to be made available by redeployment through a Commission internal transfer within budget chapter 02 05 from the Galileo programme to the agency, more specifically from budget article 02 05 01 'European satellite navigation programmes (EGNOS and Galileo)' to budget item 02 05 02 01 'European GNSS Agency — Contribution to Titles 1 and 2'.

The amended establishment plan is included in the budgetary annex. It incorporates 20 additional AD posts, of which 3 AD 10, 3 AD 9, 6 AD 8, 7 AD 7 and 1 AD 6 posts.

3. EDUCATION, AUDIOVISUAL AND CULTURE EXECUTIVE AGENCY

In 2012, the Commission adopted an extension of the mandate of the Education, Audiovisual and Culture Executive Agency (EACEA), to enlarge the agency's tasks in the implementation of the MEDIA Mundus programme, as well as expanding its school education and youth activities under heading 4 of the multiannual financial framework, and extends to the Youth programme those activities that it already implements within the Eurydice European Unit within the field of education. The delegation of additional tasks in the management of growing 2007-2013 spending programmes to EACEA provides clear qualitative and quantitative benefits by extending the agency's existing expertise in the relevant policy areas, which proves the most cost effective.

In qualitative terms, the delegation of additional tasks to EACEA is justified by its track record in delivering high quality management of programmes. In quantitative terms, management by EACEA leads to cost savings in 2013 amounting to EUR 574 000, as compared to "in house" Commission management. These cost savings are mainly generated by efficiency gains at EACEA, which enabled the Commission to minimise the additional contribution to the running costs of the agency. In turn, this translates into a reinforcement of the operational appropriations of the programmes to be managed, within the overall financial envelope of each of the programmes concerned.

In October 2012, the extension of the agency's mandate received a positive opinion of the Committee for Executive Agencies, and the European Parliament did not raise objections within the time period set by the 'working arrangements'. After thus receiving approval from both the European Parliament and the Council, in December 2012 the Commission adopted the decision to extend the agency's mandate (C(2012) 9474 and 9475).

This Draft Amending Budget contains the budgetary aspects of the extension of EACEA's mandate for 2013, in terms of the increase of the EU contribution to the agency and its staffing levels, which is fully offset by a corresponding reduction of staffing levels and related appropriations for staff and administrative support expenditure in the Commission, as set out in more detail below.

The additional tasks delegated to EACEA related to the extension will lead to an increase in the EU contribution to the Executive Agency, amounting to EUR 1 516 000, of which EUR 458 000 for programmes managed under heading 3b (budget item 15 01 04 31 'Education, Audiovisual and Culture Executive Agency — Contribution from programmes under Heading 3b') and EUR 1 058 000 for programmes managed under heading 4 (budget item 19 01 04 30 'Education, Audiovisual and Culture Executive Agency — Contribution from external relations programmes'). This will be

covered by the existing appropriations under items XX 01 01 01 ‘Expenditure related to staff’, 15 01 02 01 ‘External staff in the education and culture policy area’, 15 01 04 68 ‘MEDIA Mundus — Expenditure on administrative management’, 15 05 55 ‘Youth in Action’, 19 01 04 01 ‘Financing instrument for development cooperation (DCI) — Expenditure on administrative management’, and 19 01 04 02 ‘European Neighbourhood and Partnership Instrument (ENPI) — Expenditure on administrative management’.

In terms of human resources, the following adjustment is required to staff and establishment plans of the agency: 15 additional full time equivalents (FTEs), of which 13 contract agents (calculated on the basis of the average costs at the agency) and 2 temporary agents (2 AD 8), since the transfer of the ‘Media Mundus’ programme and the agency’s activities for ‘Youth in Action’ require two temporary agents of this grade. The additional staff numbers necessary at the agency are strictly compensated by a corresponding staff reduction at the Commission. Appropriations corresponding to 13 contract agents and 2 posts of the establishment plan (2 AST 7) are freed and herewith removed from the Commission budget.

Full details of the impact of the mandate extension on appropriations of an administrative nature and on staff of the Commission and the EACEA are given in the budgetary annex.

4. COURT OF JUSTICE OF THE EUROPEAN UNION

4.1 Court of Justice request

In accordance with Declaration No 38 annexed to the final act of the Intergovernmental Conference which adopted the Lisbon Treaty, in January 2013 the Court of Justice requested three additional Advocate Generals, of which one Advocate General would take up positions on 1 July 2013, followed by two further Advocate Generals on 7 October 2015. To allow the first additional Advocate General to take up his / her position on 1 July 2013 (the other two are expected to take office in 2015), the Court requests a modification of its establishment plan to create additional establishment plan posts for the staff in the private office (‘Cabinet’) of the Advocate General, existing of seven persons (1 AD 14, 1 AD 12, 1 AD 11, 1 AD 10, 1 AST 5, 1 AST 3 and 1 AST 2 posts). The corresponding cost for the 2013 budget of the Court are estimated at EUR 910 000.

In parallel, to better face its increasingly high workload, the Court requested 9 additional law clerks (‘référéndaires’, 1 AD 14, 3 AD 12, 3 AD 11 and 2 AD 10 posts), one for each Chamber of the General Court. The Court estimates the corresponding additional costs for its 2013 budget at EUR 930 000, which would bring the total additional costs for the 2013 budget of the Court of the additional Advocate General (plus Cabinet) and the additional law clerks to EUR 1 840 000.

4.2 Commission proposal

As part of Draft Amending Budget No 4/2013, the Commission proposes to modify the Court’s establishment plan to include the staff in the private office of the additional Advocate General (1 AD 14, 1 AD 12, 1 AD 11, 1 AD 10, 1 AST 5, 1 AST 3 and 1 AST 2 posts) but not to include corresponding additional appropriations in the Court’s section of the 2013 budget. The Commission takes note of the Court’s intention to use existing appropriations under budget chapter 14 (external personnel) of the Court’s section of the budget to finance one additional contract agent (function group I), which is linked to the creation of the new Cabinet.

However, the Commission does not propose to include in Draft Amending Budget No 4/2013 the request for 9 additional law clerks. The Commission recalls, in this regard, the letter sent by the

Commissioner for Financial Programming and Budget to the other Institutions⁸ on the key political importance to follow the Commission's approach to apply a 1 % staff reduction, as a follow-up to the Commission's proposal to reduce the staffing levels of all EU Institutions and bodies by 5 % over five years. More in particular, the Commission points to the uncertainty surrounding the Court's proposal dating from March 2011 to create twelve additional Judges for the General Court to face its growing workload, and it suggests to await the decisions to be taken by the legislative authority in this regard.

As regards appropriations, the Commission notes that Draft Amending Budget No 2/2013 does not leave any margin under the payment ceiling for 2013, except for covering the payment needs related to the mobilisation of the EU Solidarity Fund, for which the Commission intends to present Draft Amending Budget No 5/2013 shortly. Moreover, taking into account the lead time usually required to recruit the additional staff requested in Draft Amending Budget No 4/2013, the Commission is of the opinion that the Court will be in a position to fine-tune its recruitments in function of the appropriations currently available in the Court's budget for this type of expenditure. That is why the Commission does not include additional appropriations linked to the request for the Advocate General and the corresponding seven additional posts. For the same reason, it is proposed not to budget the additional revenue contributions to be made by the additional Cabinet members in 2013, which the Court estimates at EUR 121 000.

The amended establishment plan is included in the budgetary annex.

⁸ Ref. Ares(2013) 14771, 7.1.2013.

5. SUMMARY TABLE BY HEADING OF THE FINANCIAL FRAMEWORK

Financial framework Heading/subheading	Revised 2013 Financial framework		Budget 2013 (incl. DAB 1-3/2013)		DAB 4/2013		Budget 2013 (incl. DAB 1-4/2013)	
	CA	PA	CA	PA	CA	PA	CA	PA
1. SUSTAINABLE GROWTH								
1a. Competitiveness for growth and employment	15 670 000 000		16 168 150 291	12 886 628 095			16 168 150 291	12 886 628 095
<i>Margin</i>			1 849 709				1 849 709	
1b. Cohesion for growth and employment	54 974 000 000		54 958 049 037	56 349 544 736			54 958 049 037	56 349 544 736
<i>Margin</i>			15 950 963				15 950 963	
Total	70 644 000 000		71 126 199 328	69 236 172 831			71 126 199 328	69 236 172 831
<i>Margin⁹</i>			17 800 672				17 800 672	
2. PRESERVATION AND MANAGEMENT OF NATURAL RESOURCES								
Of which market related expenditure and direct payments	48 583 000 000		43 956 548 610	43 934 188 711			43 956 548 610	43 934 188 711
Total	61 310 000 000		60 159 241 416	58 095 492 961			60 159 241 416	58 095 492 961
<i>Margin</i>			1 150 758 584				1 150 758 584	
3. CITIZENSHIP, FREEDOM, SECURITY AND JUSTICE								
3a. Freedom, Security and Justice	1 703 000 000		1 440 827 200	1 046 033 652			1 440 827 200	1 046 033 652
<i>Margin</i>			262 172 800				262 172 800	
3b. Citizenship	746 000 000		738 364 000	654 249 615	316 000	316 000	738 680 000	654 565 615
<i>Margin</i>			7 636 000				7 320 000	
Total	2 449 000 000		2 179 191 200	1 700 283 267	316 000	316 000	2 179 507 200	1 700 599 267
<i>Margin¹⁰</i>			269 808 800				269 492 800	
4. EU AS A GLOBAL PLAYER	9 595 000 000		9 583 118 711	6 898 914 260			9 583 118 711	6 898 914 260
<i>Margin¹¹</i>			275 996 289				275 996 289	
5. ADMINISTRATION	9 095 000 000		8 430 690 740	8 430 365 740	-316 000	-316 000	8 430 374 740	8 430 049 740
<i>Margin¹²</i>			750 309 260				750 625 260	
6. COMPENSATION	75 000 000		75 000 000	75 000 000			75 000 000	75 000 000
<i>Margin</i>								
TOTAL	153 168 000 000	144 285 000 000	151 553 441 395	144 436 229 059			151 553 441 395	144 436 229 059
<i>Margin^{13,14}</i>			2 464 673 605	14 770 941			2 464 673 605	14 770 941

⁹ The European Globalisation adjustment Fund (EGF) is not included in the calculation of the margin under Heading 1a (EUR 500 million).

¹⁰ The European Union Solidarity Fund (EUSF) amount is entered over and above the relevant headings as foreseen by the IIA of 17 May 2006 (OJ C 139 of 14.6.2006)

¹¹ The 2013 margin for heading 4 does not take into account the appropriations related to the Emergency Aid Reserve (EUR 264,1 million).

¹² For calculating the margin under the ceiling for heading 5, account is taken of the footnote (1) of the financial framework 2007-2013 for an amount of EUR 86 million for the staff contributions to the pension scheme.

¹³ The global margin for commitments does not take into account the appropriations related to the EGF (EUR 500 million), the EAR (EUR 264,1 million), and the staff contributions to the pensions scheme (EUR 86 million).

¹⁴ The global margin for payments does not take into account the appropriations related to the EAR (EUR 80 million), and to the staff contributions to the pensions scheme (EUR 86 million).