



EUROPEAN COMMISSION

Brussels, 27.4.2010
SEC(2010) 473

STATEMENT OF ESTIMATES OF THE COMMISSION FOR 2011

(Preparation of the 2011 Draft Budget)

Document I

Political presentation

TABLE OF CONTENTS

1. PRIORITIES FOR THE 2011 EU BUDGET.....	3
1.1. SUPPORTING THE EU ECONOMY POST-CRISIS	3
1.2. ADAPTING TO NEW REQUIREMENTS.....	3
2. THE MULTIANNUAL FINANCIAL FRAMEWORK AND THE 2011 DRAFT BUDGET	4
2.1. CEILINGS OF THE MULTIANNUAL FINANCIAL FRAMEWORK FOR THE 2011 BUDGET	4
2.2. OVERVIEW ON THE 2011 DRAFT BUDGET	5
3. KEY ASPECTS OF DB 2011 BY FINANCIAL FRAMEWORK HEADINGS	7
3.1. COMPETITIVENESS FOR GROWTH AND EMPLOYMENT: HEADING 1A	7
3.2. COHESION FOR GROWTH AND EMPLOYMENT: HEADING 1B	14
3.3. PRESERVATION AND MANAGEMENT OF NATURAL RESOURCES: HEADING 2	18
3.4. FREEDOM, SECURITY AND JUSTICE: HEADING 3A.....	25
3.5. CITIZENSHIP: HEADING 3B	29
3.6. EU AS A GLOBAL PLAYER: HEADING 4.....	32
3.7. ADMINISTRATION: HEADING 5	43
4. HORIZONTAL ISSUES	50
4.1. BODIES SET UP BY THE EUROPEAN UNION AND HAVING LEGAL PERSONALITY	50
4.2. ADMINISTRATIVE EXPENDITURE OUTSIDE HEADING 5	52
4.3. THE FINANCIAL REGULATION AND ACTIONS WITHOUT LEGAL BASE	54
5. ANNEX — DETAILED FIGURES.....	56
5.1. ANNEX I — MULTIANNUAL FINANCIAL FRAMEWORK 2007-2013, AT CURRENT PRICES	56
5.2. ANNEX II — 2011 DRAFT BUDGET BY FINANCIAL FRAMEWORK HEADINGS.....	57
5.3. ANNEX III — 2011 DRAFT BUDGET BY POLICY AREA	67
5.4. ANNEX IV — BODIES SET UP BY THE EUROPEAN UNION AND HAVING LEGAL PERSONALITY	68
5.5. ANNEX V — SEVENTH RESEARCH FRAMEWORK PROGRAMME.....	78
5.6. ANNEX VI — COMPETITIVENESS AND INNOVATION FRAMEWORK PROGRAMME (CIP).....	86
5.7. ANNEX VII — STRUCTURAL FUNDS AND COHESION FUND	88

1. PRIORITIES FOR THE 2011 EU BUDGET

2011 is expected to be the year for accelerating the economic recovery with the support of more active and dynamic business and public sectors. Based on the current forecasts, it is expected that the European economy will further recover from deep recession, building on positive growth rates since the third quarter of 2009 and following the expected upswing by the end of 2010. In this post-crisis period some uncertainties remain, and both the Union and Member States face major challenges in the aftermath of the economic and financial crisis.

Within this context of a fragile recovery in progress, the EU budget could act as a stimulus by supporting appropriate initiatives, immediately and in the longer term. In 2011 the key objective should be to fully support the European economy in its recovery from the recent recession, and EU citizens by reinforcing growth and employment opportunities. In this regard, the 2011 budget also addresses the objectives of smart, sustainable and inclusive growth as identified by the Europe 2020 strategy¹. For 2011, the EU budget has established the following priorities:

1.1. Supporting the EU economy post-crisis

Competitiveness for growth and employment, with EUR 13,4 billion, and Cohesion for growth and employment, allocated with EUR 51,0 billion, support the EU economy by reinforcing the conditions for future growth. Investments in research, development, and innovation, infrastructure and human capital are at the heart of economic modernisation and are reinforced through relevant key programmes. These actions are in line with the priority areas identified by the Europe 2020 strategy.

In these key policy areas, the 2011 Draft Budget foresees significant increases in payment appropriations, delivering real implementation on the ground. In particular, increased payment levels for activities under Competitiveness for Growth and Employment (+ 6,8 %) and for Cohesion for growth and employment (+ 16,9 %) prove that these policies are implemented vigorously to accelerate the recovery process. Accompanied by actions in favour of education, training and lifelong learning, the European Microfinance facility and the support of programmes addressed to youth will contribute in consolidating our exit from the crisis and assist the younger generations.

Reinforced payment levels for growth and employment are combined in the 2011 Draft Budget with stable funding levels for market related expenditure and direct aids under the Common Agricultural Policy (CAP) as well as for rural development.

1.2. Adapting to new requirements

In the area of financial services and supervision, three new EU Authorities will assist national authorities in applying EU rules and link national supervisors into a strong EU network. The financial supervision authorities will be part of the European System of Financial Supervisors (ESFS). In addition, the financing of Global Monitoring for Environment and Security (GMES) begins in 2011 with the allocation of EUR 10 million. This initiative provides better environmental monitoring and management, and increased security.

The substantial increase foreseen for the area of Freedom, Security and Justice (heading 3a, + 12,8 % in commitment appropriations and + 15,4 % in payment appropriations), and in particular for Solidarity and management of migration flows, reflects the importance attached to the implementation of the recently adopted 'Stockholm programme' for which an Action Plan² has been proposed by the Commission.

Other new initiatives are preparatory actions on 'Mainstreaming climate action and adaptation' (heading 2), the 'European Year of Volunteering' (heading 3b on citizenship) and, under heading 4, the new 'European Voluntary Humanitarian Aid Corps'.

Finally, the sustained level of commitment appropriations for the EU as a global player (heading 4) will allow the Union, reinforced by the new European External Action Service, to continue to play its role on the

¹ COM(2010)2020, 3.3.2010.

² COM(2010)171, 20.4.2010.

world stage, including in the area of climate action (additional commitment appropriations amounting to EUR 65 million) further to the Copenhagen Accord reached in December 2009.

The new budget procedure and the preparation of the next Multiannual Financial Framework

Over and above the consolidation of existing EU policies and priorities, 2011 will also be a year of transition. The Draft Budget for 2011, as presented by the new Commission, marks the beginning of the first full budgetary procedure under the completely revised Lisbon Treaty provisions, on the basis of which a single reading of each arm of the budgetary authority will culminate in a Conciliation procedure in the autumn.

The profound changes brought about by the implementation of the Lisbon Treaty, including increased responsibilities at EU level, come at a time when the Commission steps up its reflections on the current and future shape of the EU budget. Along with the 2011 Draft Budget, the Commission presents a report on the functioning of the current Interinstitutional Agreement³. Building on the work for the upcoming budget review, this process will lead to the Commission proposals for the next multi-annual financial framework, which will be presented in the first semester of 2011.

2. THE MULTIANNUAL FINANCIAL FRAMEWORK AND THE 2011 DRAFT BUDGET

2.1. Ceilings of the Multiannual Financial Framework for the 2011 Budget

In the Multiannual Financial Framework (MAFF), the ceilings for commitment appropriations for each expenditure heading for 2011 are as follows:

Heading	In million EUR, at current prices
1. Sustainable Growth	63 974
1a Competitiveness for Growth and Employment	12 987
1b Cohesion for Growth and Employment	50 987
2. Preservation and Management of Natural Resources	60 338
of which: Market related expenditure and direct payments	47 617
3. Citizenship, Freedom, Security and Justice	1 889
3a Freedom, Security and Justice	1 206
3b Citizenship	683
4. EU as a Global Player	8 430
5. Administration	8 334
TOTAL	142 965

In the MAFF, the overall ceiling for commitment appropriations (EUR 142 965 million) represents 1,15 % of EU gross national income (GNI). The ceiling for payment appropriations is EUR 134 280 million, or 1,08 % of GNI.

³ COM(2010) 185, 27.4.2010.

2.2. Overview on the 2011 Draft Budget

	Budget 2010		DB 2011		Difference	
	CA	PA	CA	PA	CA	PA
1. Sustainable Growth	64 249,4	47 727,1	64 406,9	54 650,5	0,2%	14,5%
Excluding energy projects to aid economic recovery (EERP)	62 269,4	46 669,7	64 406,9	53 575,7	3,4%	14,7%
<i>Margin (1)</i>			<i>67,0</i>			
— Competitiveness for growth and employment	14 862,9	11 343,3	13 436,9	12 109,7	-9,6%	6,8%
Excluding energy projects to aid economic recovery (EERP)	12 882,9	10 315,8	13 436,9	11 034,9	4,4%	7,0%
<i>Margin (1)</i>			<i>50,1</i>			
— Cohesion for growth and employment	49 386,6	36 383,9	50 970,1	42 540,8	3,2%	16,9%
<i>Margin</i>			<i>16,9</i>			
2. Preservation and Management of Natural Resources	59 498,8	58 135,6	59 486,2	58 136,0	0,0%	0,0%
<i>Margin</i>			<i>851,8</i>			
3. Citizenship, Freedom, Security and Justice	1 674 ,5	1 398,0	1 801,9	1 490 ,4	7,7%	6,7%
<i>Margin</i>			<i>87,1</i>			
— Freedom, security and justice	1 006,5	738,6	1 135,3	852,4	12,8%	15,4%
<i>Margin</i>			<i>70,7</i>			
— Citizenship	668,0	659,4	667,8	639,0	0,0%	-3,1%
<i>Margin</i>			<i>15,2</i>			
4. EU as a Global Player	8 160,2	7 787,7	8 613,5	7 601,8	5,6%	-2,4%
<i>Margin (2)</i>			<i>70,3</i>			
5. Administration	7 909,0	7 908,5	8 266,6	8 267,7	4,5%	4,5%
<i>Margin (3)</i>			<i>149,4</i>			
Total	141 491,9	122 956,9	142 576,5	130 147,3	0,8%	5,8%
Excluding energy projects to aid economic recovery (EERP)	139 511,9	121 929,4	142 576,5	129 072,5	2,2%	5,9%
<i>Margin</i>			<i>1 224,4</i>	<i>4 417,8</i>		
Appropriations as % of GNI	1,18%	1,02%	1,15%	1,05%		

(1) The margin for heading 1a does not take into account the appropriations related to the European Globalisation adjustment Fund (EUR 500 million).

(2) The margin for heading 4 does not take into account the appropriations related to the Emergency Aid Reserve (EUR 253,9 million).

(3) 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 82 million for the staff contributions to the pensions scheme.

In terms of *commitment* appropriations, **the total expenditure requested in the draft budget (DB) 2011** is EUR 142 576,4 million, corresponding to 1,15 % of GNI⁴, that is EUR 1 084,5 million more than in 2010. This leaves a combined margin of EUR 1 224,4 million under the ceilings.

For *payment* appropriations, the total amounts to EUR 130 147,2 million, corresponding to 1,05 % of GNI. This is an increase of EUR 7 190.3 million compared to payment appropriations in the 2010 budget, and leaves a margin of EUR 4 417,8 million under the ceiling.

The latest revision of the financial framework⁵, in order to respond swiftly to the economic and financial crisis, has significantly reinforced the level of commitment appropriations in the 2010 budget, in view of the additional funding for the European Economic Recovery Plan (EERP). If the impact of the energy projects under the EERP (EUR 2,0 billion of additional commitment appropriations) is excluded from the 2010 budget, the overall increase in the level of commitment appropriations in 2011 reaches 2,2 %, as compared to 2010.

⁴ The Draft Budget is based on the April 2010 forecast of GNI. A new forecast will be issued on 18 May 2010 after the Advisory Committee on Own Resources (ACOR) meeting.

⁵ OJ L 347, 24.12.2009.

Commitment appropriations for **Competitiveness for Growth and Employment (heading 1a)** are set at EUR 13 436,9 million, which is a decrease of 9,6 % compared to the 2010 budget. This leaves a margin of EUR 50,1 million⁶. Payment appropriations increase by 6,8 % to EUR 12 109,7 million. The apparent reduction in commitment appropriations for this heading must be seen in the context of the inclusion in the 2010 budget of the second tranche of additional appropriations for the funding of energy projects to aid economic recovery, as mentioned above. Once this element is excluded, commitment and payment appropriations increase by 4,4 % and 7,0 % respectively.

For **Cohesion for Growth and Employment (heading 1b)** commitment appropriations increase by 3,2 % to EUR 50 970,1 million, leaving a margin of EUR 16,9 million. Payment appropriations increase by 16,9 %, to EUR 42 540,8 million. The substantial increase in the level of payments shows the momentum of the 2007 – 2013 Cohesion policy on the ground, thus contributing to economic recovery in Europe. With the Management and Control Systems in place and the programmes up and running, further significant increases are expected in the annual payment needs, towards the end of the current programming period.

Commitment appropriations of EUR 59 486,2 million are proposed for **Preservation and Management of Natural Resources (heading 2)**. This level of funding is stable compared to 2010 and leaves a margin of EUR 851,8 million under the ceiling. Payment appropriations amount to EUR 58 136,7 million, which is also stable compared to 2010. Within this heading the amount foreseen for market related expenditure and direct aids reaches EUR 43 747,4 million in commitment appropriations, and EUR 43 656,8 million in payment appropriations.

Freedom, Security and Justice (heading 3a) sees an important increase in commitment appropriations of 12,8 %, rising to EUR 1 135,3 million, leaving a margin of EUR 70,7 million. Payment appropriations also increase significantly, by 15,4 % to EUR 852,4 million.

For **Citizenship (heading 3b)**, commitment appropriations amount to EUR 667,8 million, leaving a margin of EUR 15,2 million. Payment appropriations for this heading decrease by 3,1 % to EUR 639,0 million. The annual ceiling for this heading, which supports various actions close to European citizens, remains broadly stable in the current financial framework. The Commission has deliberately left a margin for unforeseen expenditure and political fine-tuning in the course of the budgetary procedure; as a result the level of commitment appropriations remains stable as compared to the 2010 budget, where no margin is available.

Heading 4, the EU as a Global Player sees an increase in commitment appropriations of 5,6 % to EUR 8 613,5 million, with a margin of EUR 70,3 million available under the ceiling⁷. Payment appropriations decrease by 2,4 % to EUR 7 601,8 million. The total amount of payment appropriations is lower compared to 2010, since outstanding commitments (the so-called 'RAL', *reste à liquider*) on many 'completion' lines for previous programmes that are being closed have diminished substantially.

Commitment and payment appropriations for **Administrative expenditure (heading 5)** increase by 4,5 %, with commitments set at EUR 8 266,6 million and payments at EUR 8 267,7 million. This leaves a margin of EUR 149,4 million⁸. The Commission has made particular efforts to limit its administrative expenditure, leading to an increase of 2,9 %, which is partially due to the higher than expected salary increase in 2009. This moderate increase of administrative expenditure also results from the fact that the Commission does not request any additional posts; the Commission plans to meet its priorities, including those resulting from the entry into force of the Lisbon Treaty, by an important redeployment effort.

⁶ The margin for heading 1a does not take into account the appropriations related to the European Globalisation Adjustment Fund (EUR 500 million).

⁷ The margin for heading 4 does not take into account the appropriations related to the Emergency Aid Reserve (EUR 253,9 million).

⁸ For calculating the margin under the ceiling for heading 5, account is taken of footnote (1) of the financial framework 2007-2013 for an amount of EUR 82 million for the staff contribution to the pension scheme. The 2011 level of expenditure taken into account for the other institutions is based on the latest available estimates.

3. KEY ASPECTS OF DB 2011 BY FINANCIAL FRAMEWORK HEADINGS

3.1. Competitiveness for growth and employment: heading 1a

This heading is at the heart of the drive to turn the EU into a smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion. Heading 1a brings together many of the flagship initiatives set out in the Europe 2020 strategy including ‘innovation Union’, ‘youth on the move’, ‘resource efficiency Europe’, ‘new skills and jobs’ and ‘industrial policy for the globalisation era’. The main programmes of this heading are the 7th **Framework Programme for research and technological development (FP7)**, the **Lifelong Learning Programme**, the **Competitiveness and Innovation Programme (CIP)**, the **Trans-European Networks (TENs)**, **GALILEO/EGNOS and Marco Polo II**, and the **PROGRESS Programme**. Other actions contributing to the goals of the priority themes of the Europe 2020 strategy concern the internal market, statistics, financial services and supervision, the fight against fraud, taxation and the customs union.

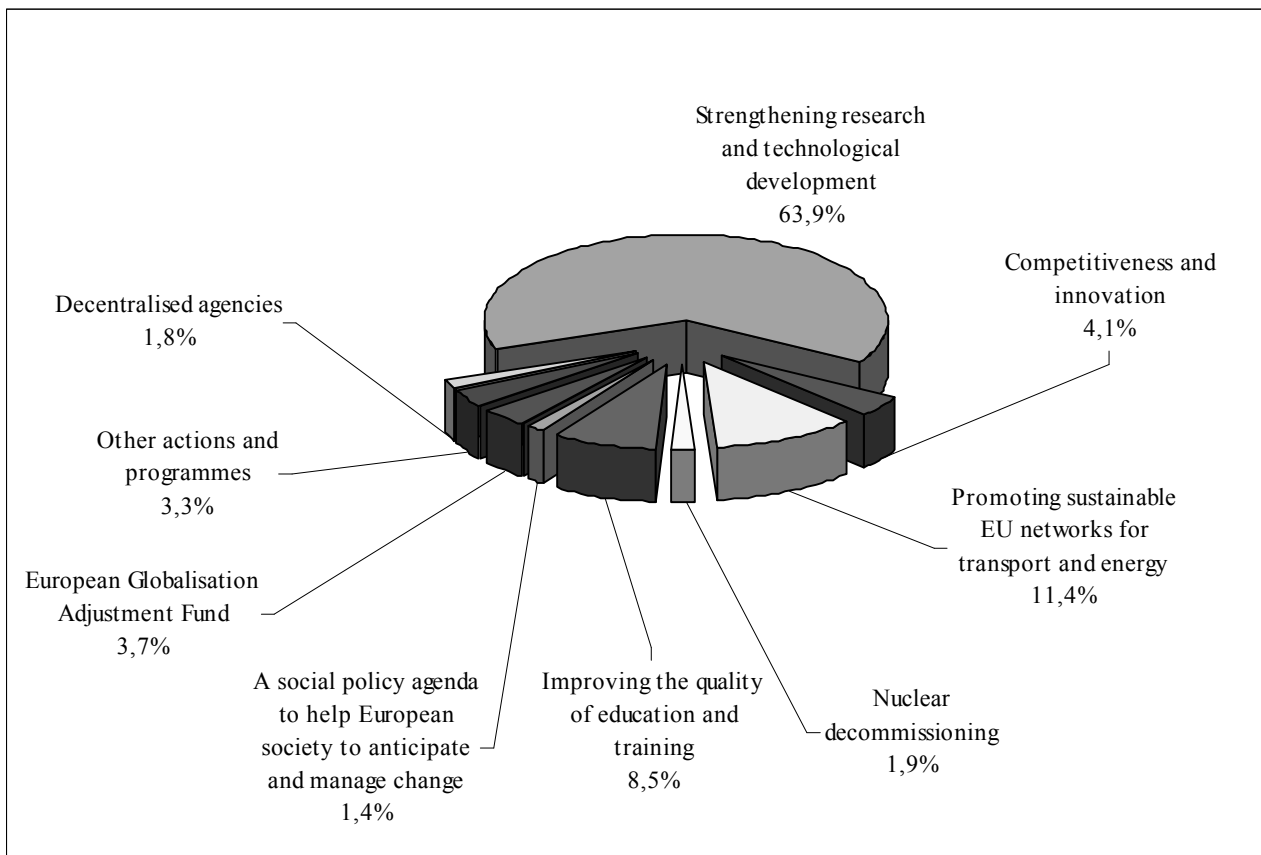
3.1.1. Summary Table

(in million EUR, at current prices)

Budget		FF	Draft budget		Difference	
2010		2011	2011		2011 / 2010	
CA	PA	CA	CA	PA	CA	PA
14 862,9	11 343,3	12 987	13 436,9	12 109,7	-9,6 %	6,7 %
Excluding energy projects to aid economic recovery (EERP)					4,4 %	7,0 %
Margin ⁹ = 50,1						

The margin of heading 1a amounts to EUR 50,1 million, an increase compared to the margin foreseen for 2011 in the January 2010 update of the financial programming (EUR 37,0 million). This net increase of EUR 13,1 million stems from lower than initially foreseen appropriations for administrative and technical support expenditure (‘former BA lines’ and research administrative expenditure, see also sections 4.2.2 and 4.2.3 below), as well as for decentralised and executive agencies (see in this regard also sections 4.1.1 and 4.1.4 below). In addition, reductions compared to the financial programming are proposed for the Customs 2013 programme (- EUR 1,8 million), in light of past implementation and actual needs, and the Competitiveness and Innovation – Entrepreneurship and Innovation Programme (- EUR 5,6 million), as explained below. On the other hand, an increase of EUR 5 million compared to the January 2010 financial programming is foreseen for the PROGRESS programme in line with the agreement reached on the financing of the Microfinance Facility, whereas an increase of EUR 2,85 million is proposed for the energy strand of the Trans-European Networks (TEN-E). Finally, a ‘frontloading’ of EUR 4,1 million is foreseen for the Safer Internet Programme, for the reasons set out below.

⁹ The margin for heading 1a does not take into account the appropriations related to the European Globalisation adjustment Fund (EUR 500 million).



Heading 1a: Competitiveness for growth and employment (commitment appropriations)	Draft budget 2011	
	EUR	%
Strengthening research and technological development	8 586 667 000	63,9 %
Competitiveness and innovation	548 644 000	4,1 %
Promoting sustainable EU networks for transport and energy	1 527 956 800	11,4 %
Nuclear decommissioning	258 000 000	1,9 %
Improving the quality of education and training	1 135 635 000	8,5 %
A social policy agenda to help the European society to anticipate and manage change	191 330 000	1,4 %
European Globalisation Adjustment Fund	500 000 000	3,7 %
Other actions and programmes	450 475 000	3,3 %
Decentralised agencies	237 994 470	1,8 %
Total	13 436 852 270	100,0 %

3.1.2. Strengthening research and technological development

In its fifth year, the 7th Framework Programmes (EC and EURATOM) will contribute to the flagship initiative ‘innovation Union’ by consolidating and developing a leading role in supporting European research and stimulating cooperation across the Union and between the EU and third countries. The implementation of these programmes will help develop, as a cornerstone of the construction of the **European Research Area** in 2011, a strategic research agenda focused on challenges such as energy security, transport, climate change, energy and resource efficiency and remain a key component in the drive to ensure that innovative ideas can be turned into products and services that create growth and jobs. The 7th Framework Programmes' (FP7) content, organisation, implementation modes and management tools are designed as a key contribution to the Europe 2020 strategy. The appropriations proposed for the 7th Framework Programmes (EUR 8 587 million) increase by 13,8 % compared to the 2010 budget.

Broadening and deepening the **European Research Area (ERA)** policy agenda will be a major objective in 2011 in line with the Europe 2020 strategy. Further support will be provided to the governance of ERA, including implementation of the ERA 2020 Vision and additional work on overall ERA monitoring, indicators, and economic analysis of progress made in terms of the levels, effectiveness, and efficiency of research and development (R&D) investment in the EU and its overall contribution to a knowledge-based economy.

Three major partnerships between the public and private sectors will support research and innovation, namely:

- **European green cars initiative** - in the automobile sector to support research on a broad range of technologies and smart energy infrastructures essential to achieve a breakthrough in the use of renewable and non-polluting energy sources, safety and traffic fluidity;
- **European energy-efficient buildings initiative** - in the construction sector to promote green technologies and the development of energy-efficient systems and materials in new and renovated buildings with a view to reducing radically their energy consumption and CO₂ emissions;
- **Factories for the future initiative** - to help EU manufacturers across sectors, in particular small and medium sized enterprises (SMEs), to adapt to global competitive pressures by increasing the technological base of EU manufacturing through the development and integration of the enabling technologies of the future, such as engineering technologies for adaptable machines and industrial processes, information and communication technology (ICT), and advanced materials.

Clean energy, energy efficiency as well as energy independence are at the centre of search for solutions in the Europe 2020 strategy. The research activities in this field aim at supporting the flagship initiative on ‘resource efficient Europe’, in particular those of the **European Strategic Energy Technology Plan (SET-Plan)**, through development and demonstration of selected technology areas (including large scale demonstration programmes) which should produce significant improvements in terms of potential market share for renewable energies (in particular through cost reductions and service improvements), reduction of energy emissions (including greenhouse gas emissions), with a focus on ‘clean coal’ aiming at ‘zero emission power generation’ using CO₂ capture and storage technologies as well as increase of energy efficiency and savings, to develop smart energy networks.

In the field of nuclear fusion and fission, research will include ensuring early industry participation in the preparation of demonstration actions for fusion, and the launching of a European Industrial Initiative to prepare for the demonstration of a new generation (Gen-IV) of fission reactors for increased sustainability for which the plans and legal structure for the demonstration plants should be in place before 2012.

Action will also be taken under FP7 towards the greening of European transport systems, in the development and implementation of a European Knowledge Based Bio-Economy (KBBE), support for science education and ethics in research, and in development and implementation of construction concepts that have the technical, economic and societal potential to drastically cut energy consumption and reduce CO₂ emissions.

Several activities under the research themes of FP7 contribute to tackling the problems related to climate change and energy, either by developing the research structures in Europe, or by creating new knowledge through the research projects.

Also in 2011 emphasis will be put on implementing the policy framework for international scientific and technological (S&T) cooperation, aiming to integrate international collaboration throughout the Framework Programme and to enable both geographical and thematic targeting, promoting relevant collaborative projects.

The Cooperation Programme of FP7 foresees support for long-term public-private partnerships in the form of Joint Technology Initiatives (JTIs). These JTIs will pool industry, Member States and Commission resources into targeted research programmes. More information on the current six JTIs is given in Annex V, which covers the Seventh Framework Programme, as well as in Annex IV.2 (Bodies set up by the European Union and having legal personality – Joint Undertakings).

3.1.3. *Competitiveness and innovation*

The **Competitiveness and Innovation Framework Programme (CIP)** comprises three specific programmes: the Entrepreneurship and Innovation Programme (EIP), the Information and Communications Technologies Policy Support programme (ICT-PSP) and the Intelligent Energy-Europe Programme. Further details on these programmes are provided in Annex VI (CIP). While still growing by more than 4 % as compared to the 2010 budget, the overall level of commitment appropriations requested for 2011 is slightly below the level foreseen in the financial programming, for the reasons set out in the paragraph below.

The financial instruments under the Entrepreneurship and Innovation Programme (EIP) aim to improve the access to finance for small and medium sized enterprises (SMEs) by addressing persistent and recognised market gaps, the insufficient level of capital and collateral of SMEs, and by providing leverage to national instruments. Helping innovative and high-growth SMEs to access appropriate financial instruments is a key aim. These financial instruments become all the more relevant in the context of the financial and economic crisis where the whole corporate sector and small business in particular, is exposed to an unprecedented credit crunch. In practice, however, the restricted access to capital that SMEs currently are facing has an impact on the actual level of payments for some of the financial instruments under the EIP, in particular related to venture capital, which illustrates the severity of the financial crisis. Accordingly, the Commission proposes to make some readjustments in the level of commitment appropriations for the various specific programmes under the Competitiveness and Innovation Framework Programme. In addition, as a net result as compared to the financial programming for 2011, an amount of EUR 5,6 million has been added to the margin under heading 1a.

In 2011 the ICT Policy Support Programme will, in line with the Europe 2020 strategy flagship initiative ‘a digital agenda for Europe’, focus on the best use and wider uptake of ICTs by European citizens, businesses and governments, and boost competitiveness and innovation in the context of the Competitiveness and Innovation Framework Programme. In addition, from 2009 onwards the activities to improve the conditions for the development of digital content (the former ‘eContent’ Plus programme) are implemented as part of the CIP/ICT Policy Support Programme.

The Intelligent Energy for Europe II programme will contribute to achieving the objectives of the EU energy policy and meeting the target of clean and efficient energy of the Europe 2020 strategy.

The initiative on Global Monitoring for Environment and Security (GMES) will continue the gradual move from research to operational services, which has started in 2008. **GMES** responds to the growing demands from European citizens for better environmental monitoring and management, and for increased security. It contributes directly to competitiveness and innovation by providing an institutional market for high technology industry, and at the same time by stimulating the creation of a European downstream services market. GMES will be partially financed from redeployment and partially from the margin under heading 1a. The level of funding proposed for 2011 amounts to EUR 10 million.

3.1.4. *Promoting sustainable EU networks for transport and energy*

Transport policy will contribute to achieving the priority of sustainable growth of the Europe 2020 strategy. High-performing trans-European networks are essential for the sustainable mobility of goods, citizens and energy, and offer a tangible symbol of European integration.

In the period 2007-2013, the **Trans-European Networks (TEN)** for transport will concentrate on 30 priority projects, in particular special attention will be given to the financing of the cross-border sections and of the projects aiming to eliminate bottlenecks. Compared to 2010, the dedicated commitment appropriations (EUR 1,241 billion) increase by 14,3 %.

The other priorities for EU funding within the TEN-T programme will be: European Railway Traffic Management System (ERTMS), River Information Services (RIS), Intelligent Transport Systems (ITS), and a TEN loan guarantee instrument.

In the field of **Inland, Air and Maritime Transport**, the Commission will develop its actions aiming at the sustainable mobility of our continent, namely:

- Continuing the Marco Polo programme to promote innovation in logistics and inter-modalities;

- Continuing the strengthening of the level of safe transport;
- Consolidating and extending the work of the European Aviation Safety Agency (EASA), the European Maritime Safety Agency (EMSA) and the European Railway Agency (ERA). As previously signalled in the multiannual financial programming 2010 – 2013 accompanying the 2010 PDB¹⁰, some additional appropriations are required to enable these three agencies to carry out their new tasks, as compared to the EU contribution foreseen in the indicative financial programming for 2011. The Commission proposes to finance these additional needs by redeployment, for instance from Support activities to the European transport policy and passenger rights, and from various administrative support lines ('former BA lines').

The implementation of the EU satellite navigation programmes (**EGNOS** and **GALILEO**) will provide an important contribution to the Europe 2020 strategy and, in particular, to the flagship initiative 'an industrial policy for the globalisation era' in continuing to deliver an effective space policy.

Energy policy is a priority area for the European Union. For Conventional and renewable energies, the '20/20/20' climate and energy target of the Europe 2020 strategy should be met: reducing greenhouse gas emissions by 20 % (up to 30 % if the conditions are right), increasing the use of renewable energy sources to 20 % and improving energy efficiency by 20 % to promote a more resource efficient, greener and more competitive economy. The newly created Agency for the Cooperation of the Energy Regulators (ACER) will ensure a good functioning of the internal electricity and gas market. In the same context of the internal energy market, the Commission will pursue the implementation of the Trans-European Energy Network (TEN-E) by supporting projects of common interest. Compared to 2010, the proposed commitment appropriations increase by 15,3 % to EUR 24,75 million.

In the field of **Nuclear Energy** the Commission will provide further financial assistance to Lithuania, Slovakia and Bulgaria with respect to the decommissioning of nuclear reactors. This includes a sustained level of funding for the decommissioning of the nuclear power plant of Kozloduy (Bulgaria), as foreseen in the Commission proposal for a Council Regulation to extend the EU financial assistance to Bulgaria in this regard (EUR 75 million)¹¹.

3.1.5. *Improving the quality of education and training*

Quality **education and training** are fundamental to ensuring growth and prosperity.

The **Lifelong Learning Programme** aims to contribute to the success of the flagship initiative 'youth on the move' through promoting the development of Europe's higher education institutions and raising the overall quality of education and training in the EU, combining both excellence and equity in developing the European Union as an advanced knowledge society, with sustainable economic development, more and better jobs and greater social cohesion. It integrates major programmes focusing on specific sectors (Comenius, Erasmus, Leonardo da Vinci, Grundtvig, and Jean Monnet), as well as a transversal programme supporting specific key activities, such as language learning. The Programme will also support activities promoting policy cooperation in the field of Education and Training. In 2011, the programme Erasmus Mundus II will continue to finance new categories of individual grants (to doctoral candidates and to European students who attend Erasmus Mundus Master courses). Altogether, in 2011, the commitment appropriations amount to EUR 1 036 million, or an increase by 2,7 % compared to 2010.

Stimulation of innovation is closely linked to the research, entrepreneurship and education policies and a specific example is the **European Institute of Innovation and Technology** (EIT) and its Knowledge and Innovation Communities which is mentioned in the Europe 2020 strategy as an important element in the flagship initiative 'innovation Union' to promote entrepreneurship by supporting Young Innovative Companies.

¹⁰ SEC(2009)610, 29.4.2009, p. 8.

¹¹ COM(2009)581, 27.10.2009.

3.1.6. *A social policy agenda to help the European society to anticipate and manage change*

The **employment and social policy** will focus on two main areas:

- The integrated programme for Employment and Social Solidarity (PROGRESS) supporting the implementation of the social policy agenda;
- Sustaining social dialogue, free movement of workers and studies and special reports in the social field.

Moreover, a new ‘**European Microfinance Facility** for Employment and Social Inclusion (Progress Microfinance Facility)’ has been created in 2010¹², to make it easier for workers who have lost or risk losing their jobs to obtain credit to start their own small businesses. The level of funding proposed for the Microfinance Facility for 2011 amounts to EUR 25 million, of which EUR 20 million stems from redeployment from the Progress programme, rather than the EUR 25 million initially foreseen in the January 2010 update of the financial programming for 2011.

The **European Globalisation Adjustment Fund (EGF)** is intended to provide additional support for workers who suffer from the consequences of major structural changes in world trade patterns, to assist them with their reintegration into the labour market and, additionally, until the end of 2011 for workers made redundant as a direct result of the global financial and economic crisis. As set out in the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management (IIA)¹³, it may not exceed EUR 500 million in any given year. It is proposed to enter this amount in the reserve, and should the conditions for mobilising the Fund be met, the procedures for mobilisation, laid out in the IIA will be initiated. In order to be able to respond more quickly to new cases, the Commission proposes to enter an amount of EUR 50 million in payment appropriations in the reserve as well.

3.1.7. *Financial services and supervision*

In the field of financial services, financial reporting and statutory audit, a new programme grants financial support for the activities of certain bodies, both European and international, to ensure the effectiveness of EU policies in these areas. These contributions ensure stable, diversified, sound and adequate funding to enable such bodies to accomplish their mission in an independent, efficient and satisfactory manner.

As a response to the financial crisis, the Commission has proposed to transform as from 2011 the existing European supervisory committees into three new EU Authorities¹⁴, which will be part of the European System of Financial Supervisors (ESFS). The economic and financial crisis has highlighted the need for maintaining a stable and reliable financial system. The task of the agencies will be to assist the national authorities in the consistent interpretation and application of the EU rules and linking up national supervisors into a strong EU network.

3.1.8. *Electronic Communications Policy and Network Security*

The Electronic communications policy and network security activity contributes to the flagship initiative ‘a digital agenda for Europe’. The main objectives are: to promote and monitor the **eCommunications** regulatory framework, to promote an effective EU radio spectrum policy and to support the safe use of the internet, the prevention of information security problems, and internet governance.

The activities of the Safer Internet Programme (2009 – 2013) on protecting children using the internet and other communication technologies, for 2011 will reinforce the security of networks and information by combating illegal and harmful content in the Internet and implement new on-line technologies in support of these activities. To this end, the Commission proposes a limited ‘frontloading’ amounting to EUR 4,1 million in commitment appropriations as compared to the indicative financial programming, to be compensated in 2013.

¹² OJ L 87, 7.4.2010.

¹³ OJ C 139 of 14.6.2006, point 28.

¹⁴ *European Banking Authority (EBA)*, COM(2009)501, *European Insurance and Occupational Pensions Authority (EIOPA)*, COM(2009)502, and *European Securities and Markets Authority (ESMA)*, COM(2009)503, 23.9.2009.

3.1.9. Statistics to provide key input for policy making

In the policy area **Statistics**, the five-year statistical programme 2008-2012 comprises the production and supply of products and services to the users, the improvement of the quality of statistics and the continuation of the development of the European Statistical System (ESS).

The modernisation and simplification effort will be supported by the programme MEETS (Modernisation of European Enterprise and Trade Statistics). The programme plays a major role in the development of all business statistics (from 2009 to 2013) and will be used to develop target sets of indicators and review priorities and reduce the response burden by more efficient ways of collecting data.

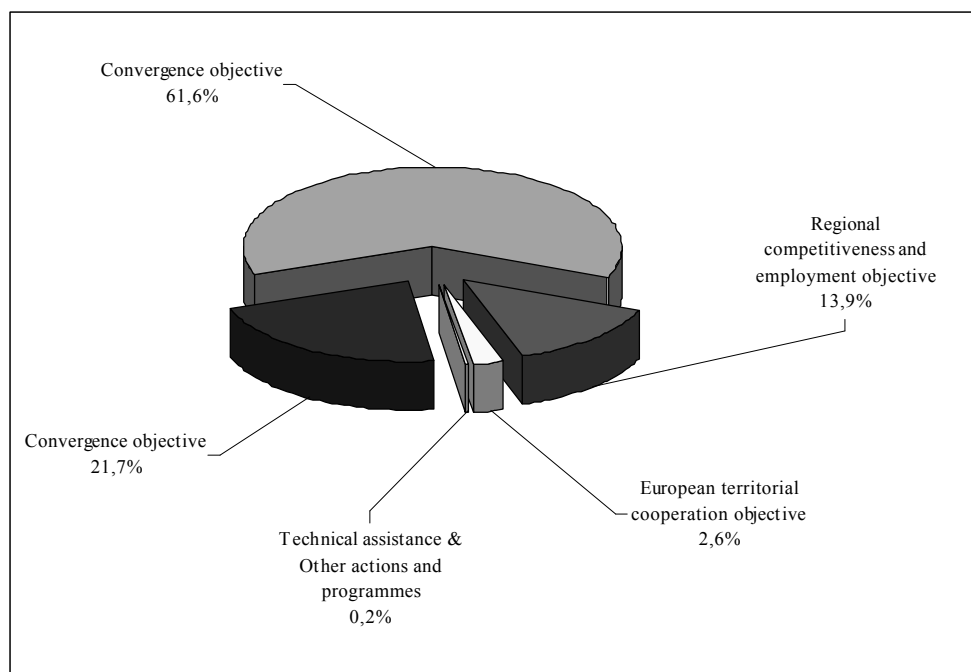
Key areas to develop are economic statistics, national accounts and price statistics, external trade, migration statistics and social statistics. In addition, energy and environment statistics – and, more broadly, sustainable development indicators – will remain a priority for the Commission in 2011 and beyond.

3.2. Cohesion for growth and employment: heading 1b

3.2.1. Summary table

(in million EUR, at current prices)

Headings	Budget 2010		FF 2011	Draft budget 2011		Difference 2011 / 2010	
	CA	PA	CA	CA	PA	CA	PA
Structural Funds	39 196,3	29 528,9		39 891,5	34 788,0	1,8 %	17,8 %
Cohesion Fund	10 190,3	6 855,0		11 078,6	7 752,8	8,7 %	13,1 %
Total	49 386,6	36 383,9	50 987	50 970,1	42 540,8	3,2 %	16,9 %
				Margin = 16,9			



Heading 1b: Cohesion for growth and employment (commitment appropriations)		Draft budget 2011	
		EUR	%
Structural Funds		39 891 497 591	78,3 %
█	– Convergence objective	31 406 373 076	61,6 %
█	– Regional competitiveness and employment objective	7 084 823 108	13,9 %
█	– European territorial cooperation objective	1 312 201 407	2,6 %
█	– Technical assistance & Other actions and programmes	88 100 000	0,2 %
Cohesion Fund		11 078 596 193	21,7 %
█	– Convergence objective	11 055 206 106	21,7 %
█	– Technical assistance	23 390 087	0,05 %
Total		50 970 093 784	100,0 %
Of which Convergence objective		42 461 579 182	83,3 %

3.2.2. Key aspects of heading 1b

Heading 1b of the financial framework covers the Structural Funds, i.e. the **European Regional Development Fund (ERDF)** and the **European Social Fund (ESF)**, as well as the **Cohesion Fund (CF)**. It relates essentially to the following policy areas:

- **Regional policy**, for the ERDF and the CF, and
- **Employment and social affairs**, for the ESF.

The principal objective of the Structural Funds and the Cohesion Fund is to strengthen economic, social and territorial cohesion between regions and Member States of the EU, by providing additional resources for those regions and countries whose economic development is lagging behind. The Structural Funds also aim at strengthening regions' competitiveness and attractiveness, as well as employment, and at strengthening cross-border, trans-national and interregional cooperation. The resources available are concentrated on promoting economic convergence, in particular on sustainable growth, competitiveness and employment in line with the Europe 2020 strategy. As emphasised in the Communication on 'A European Economic Recovery Plan' and the Communication 'A Shared Commitment for Employment'¹⁵, these resources are also essential tools to fight financial, economic and social crisis and the Commission has proposed practical measures such as simplification of the management, additional advance payments and facility for reprogramming, in order to maximise their use.

To achieve these goals, the ERDF, the ESF and the Cohesion Fund contribute towards three objectives during the 2007-2013 period:

- The **Convergence** objective aims at speeding up the convergence of the least-developed Member States and regions, in line with the priorities defined by the Community Strategic Guidelines on Cohesion policy 2007-2013. This objective covers, with funding from the ERDF and the ESF, those regions whose gross domestic product (GDP) per capita is below 75 % of the EU average, as well as the regions that would otherwise have been eligible had it not been for the statistical effect of enlargement ('phasing-out regions'). The objective also covers, with funding from the Cohesion Fund, those Member States with a Gross National Income (GNI) lower than 90 % of the Community average. This objective constitutes the priority of the funds and accounts for over 80 % of the total resources.
- The **Regional Competitiveness and Employment** objective aims at strengthening regions' competitiveness, attractiveness and employment, in line with the priorities identified in the Community Strategic Guidelines, outside the least developed regions. Moreover, those former Objective 1 regions that would have found themselves above the EU-15 75 % threshold for convergence funding, even without enlargement (the so-called 'phasing-in' regions), benefit from a transitional and specific financing under this objective. It is funded by the ERDF and ESF.
- Under the **Territorial Co-operation** objective, funding supports cross-border, trans-national and interregional cooperation on a range of actions linked to the Europe 2020 strategy. This objective also provides support for the development of co-operation networks and exchange of experience between regions. It is funded solely by the ERDF.

Overall priorities for funding by the Structural Funds and the Cohesion Fund are set out in the Structural and the Cohesion Fund Regulations and the Community Strategic Guidelines, which govern the types of intervention considered eligible for EU funding. However, the precise allocation of funding to different priorities and projects depends on the actual programming that is undertaken by Member States, in co-operation with the Commission.

Priorities for 2011

In 2011, work will continue to focus on the effective and efficient implementation of the 2007-13 programmes, which will be fully operational. The impact of the legislative changes made in the context of the European Economic Recovery Plan will in 2011 continue to make the structural funds a valuable instrument for the recovery of the European economy. The changes under the second legislative package, including further simplification of rules governing cohesion policy and additional advances for the Structural Funds, are expected to facilitate the management of EU funding and accelerate investments in Member States and regions. By their nature, the Cohesion policy objectives contribute to the Europe 2020 strategy in terms of promoting smart greener and competitive growth of regional economies based on

¹⁵ COM(2008)800, 26.11.2008, and COM(2009)257, 3.6.2009.

knowledge, innovation and resource efficiency. Finally, the closure of the 2000-2006 programmes is expected to reach its peak in 2011 in full accordance with the principles of sound financial management.

Summary of appropriations

The following table summarises the main amounts needed in heading 1b by period (2000-2006 and 2007-2013) and by fund, comparing 2011 with 2010.

Period	Fund	Budget 2010		Draft budget 2011		Difference payments 2010 - 2011
		Commitments	Payments	Commitments	Payments	
2000-2006	ERDF		2 416,2		2 402,1	- 0,6 %
	CF		2 500,0		1 500,0	- 40,0 %
	ESF		532,5		1 073,5	101,6 %
	SF		2 948,7		3 475,6	17,9 %
	All		5 448,7		4 975,6	- 8,7 %
2007-2013	ERDF	28 347,4	18 872,8	28 911,2	23 354,0	23,7 %
	CF	10 190,2	4 355,0	11 078,6	6 252,8	43,6 %
	ESF	10 844,5	7 700,4	10 980,3	7 950,4	3,2 %
	SF	39 191,8	26 573,2	39 891,5	31 304,4	17,8 %
	All	49 382,1	30 928,2	50 970,1	37 557,2	21,4 %
Total	ERDF	28 347,4	21 289,0	28 911,2	25 756,1	21,0 %
	CF	10 190,2	6 855,0	11 078,6	7 752,8	13,1 %
	ESF	10 844,5	8 232,9	10 980,3	9 023,9	9,6 %
	SF	39 191,8	29 521,9	39 891,5	34 780,0	17,8 %
	All	49 382,1	36 376,9	50 970,1	42 532,8	16,9 %
<i>Pilot projects & preparatory actions</i>		5,5	8,0	0,0	8,0	0,0 %
Total Heading 1b		49 387,6	36 384,9	50 970,1	42 540,8	16,9 %

The main justifications for the commitment and payment appropriations are described below. More detailed explanations for the figures may be found in Annex VII – Structural Funds and Cohesion Fund.

3.2.3. Commitment appropriations

For 2011, total commitment appropriations for **heading 1b** amount to EUR 50 970,1 million, an increase of 3,2 % relative to 2010. Of these, EUR 39 891,5 million are for the **Structural Funds** (ERDF and ESF), an amount similar to the 2010 envelope, and EUR 11 078,6 million for the **Cohesion Fund**. The latter figure represents an increase of 8,7 % relative to 2010, which basically results from the increasing annual allocation for EU-12 Member States as originally foreseen at the beginning of the programming period.

All figures for the Structural and Cohesion funds are in line with the envelopes decided in the legal basis and are fully consistent with the ceilings of the multi-annual financial framework, taking into account the impact of Point 17 of the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management¹⁶. Point 17 of the IIA relates to the adjustment of amounts allocated from funds supporting cohesion to the Member States concerned by divergence between estimated and actual GDP for the period 2007-2009. The impact of this is specified in the technical adjustment of the financial framework for 2011¹⁷ and involves additional commitment appropriations, in 2011, totalling EUR 335,7 million.

Typically, the Structural and Cohesion Funds fully use up the resources made available for programming by the Member States within the heading, and this is again the case. Thus there is no margin left under heading 1b, save for some EUR 17 million mostly from the technical assistance envelope.

3.2.4. Payment appropriations

For heading 1b, overall payment appropriations are set at EUR 42 540,8 million, an increase of 16,9 % over 2010. This figure comprises a main component, relating to interim payments for the 2007-2013 programmes, and a second element namely reimbursements to clear the outstanding commitments of 2000-2006 programmes and projects.

¹⁶ OJ C 139, 14.6.2006. The content of Point 17 of the IIA is also found in paragraph 10 of Annex II to Regulation 1083/2006.

¹⁷ COM(2010)160, 16.4.2010.

2007-2013 programmes

For the programmes of the 2007-2013 period, payment appropriations for the Structural Funds amount to EUR 31 304,4 million representing an increase of 17,8 % relative to the 2010 budget. If the Cohesion Fund is included, the amount reaches EUR 37 557,2 million. The corresponding figure in the 2010 budget for payments is EUR 30 928,2 million.

Payment appropriations for the 2007-2013 programmes, relating to the ERDF, ESF and the Cohesion Fund, have been calculated on the basis of the historical payment rates against the corresponding commitment tranches of the 2000-2006 programming period (details are provided in Annex VII).

For the ERDF and for the Cohesion Fund, the resulting initial estimates have been adjusted to take into account the potential impact of the major projects, and an adjustment has also been applied to the ESF on the basis of the implementation since 2007.

2000-2006 programmes and projects

For the outstanding commitments of the 2000-2006 period, total payment appropriations amount to EUR 4 975,6 million, split between the ERDF (EUR 2 402,1 million), the ESF (EUR 1 073,5 million) and the Cohesion Fund (EUR 1 500,0 million). Relative to the 2010 budget, this represents a decrease of 8,7 %.

For the structural funds, the payment appropriations have been established on the basis of the current estimates of the responsible spending departments of the expected rate of closure. The amount reserved for closure can only be paid after Member States send to the Commission the closure documents for each programme.

The pre-2007 projects of the Cohesion Fund are not subject to the 'n+2' rule¹⁸ and thus their payment profile is not comparable to that of the Structural Funds. Furthermore, the final date of eligibility of a large number of such projects has been extended to the end of 2010. For projects adopted in 2004 or later, the Commission intends also to introduce a certain degree of flexibility for the final eligibility date. Therefore, a number of projects are likely to be extended to the end of 2011 and some very large projects, for which Cohesion Fund assistance is of at least EUR 100 million, may even be extended to the end of 2012.

¹⁸ In order to avoid an increasing build-up of outstanding commitments being rolled forward each year, the so-called n+2 rule allows the Commission to de-commit resources when no payments claim has been received by the end of the 2nd calendar year following the year of commitment. In the 2007-2013 programming period the rule also applies to the Cohesion Fund.

3.3. Preservation and management of natural resources: heading 2

For the 2011 Draft Budget the Commission proposes EUR 59 486 million for Heading 2. Compared to the 2010 budget, the commitment appropriations remain virtually unchanged (- EUR 13 million), leaving a margin of EUR 852 million under the ceiling fixed for 2011 in the financial framework.

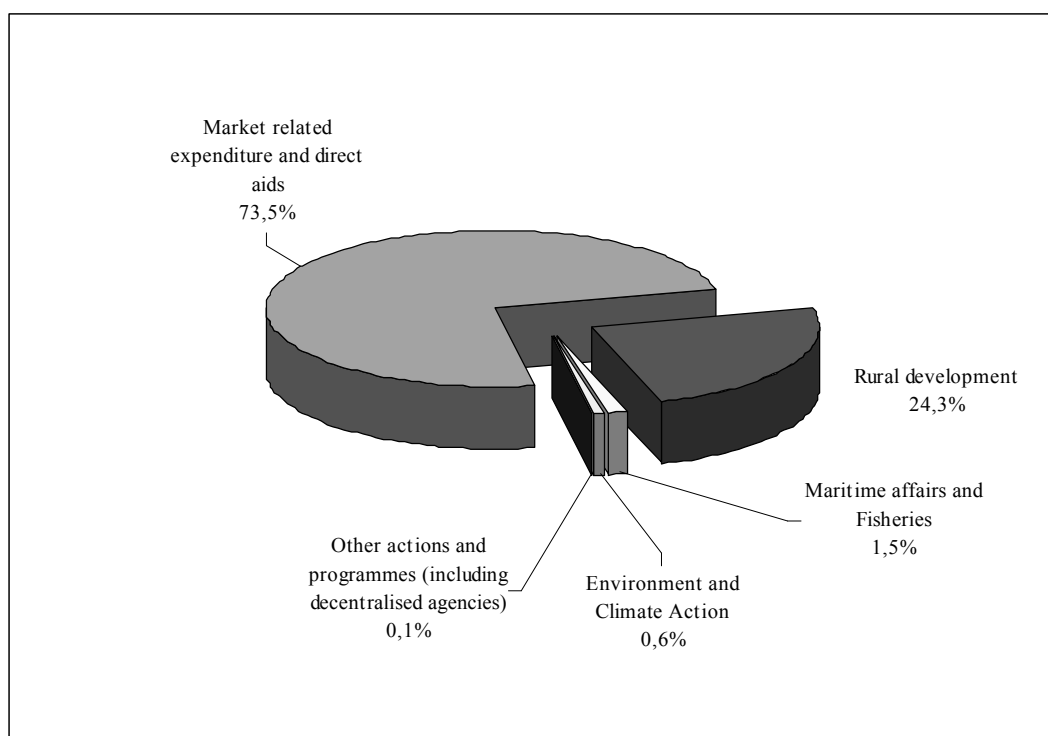
The increase in the margin compared to 2010 (which stood at EUR 456 million) is mostly due to lower expenditure for interventions on agricultural markets, which is only partially offset by higher direct aids and lower assigned revenue (EUR 922 million in 2010 versus 688 million in 2011). At this time of the budgetary procedure, no assigned revenue is foreseen to be carried over from 2010.

The continuing phasing-in of direct aids to EU-12 and the improved situation on agricultural markets are the main factors explaining this evolution, as explained in more detail below.

3.3.1. Summary table

(in million EUR, at current prices)

Budget		FF	Draft budget		Difference	
2010		2011	2011		2011 / 2010	
CA	PA	CA	CA	PA	CA	PA
59 498,3	58 135,6	60 338	59 486,2	58 136,7	0,0%	0,0%
			Margin = 851,8			



Heading 2: Preservation and management of natural resources (commitment appropriations)	Draft budget	
	2011	
	EUR	%
Market related expenditure and direct aids	43 747 401 900	73,5 %
Rural development	14 436 116 552	24,3 %
Maritime affairs and Fisheries	920 460 042	1,5 %
Environment and Climate Action	333 500 000	0,6 %
Other actions and programmes (including decentralised agencies)	48 769 895	0,1 %
Total	59 486 248 389	100,0 %

The following table summarises the main movements in Heading 2:

			2010		2011		Difference		
			Budget	Assigned revenue	DB request	Assigned revenue	Budget	Needs	%
Title 05	05 02	Market support	4 395,3	222,0	3 491,1	100,0	-904,2	-1 026,2	-20,6 %
	05 03	Direct aid	39 273,0	700,0	39 911,1	588,0	638,1	526,1	1,6 %
	05 03 01	Decoupled direct aid	32 272,0	700,0	36 489,0	588,0	3 217,0	3 105,0	9,7 %
	05 03 02	Other direct aid	5 995,0		3 422,0		-2 573,0	2 573,0	-42,9 %
	05 04	Rural development	14 363,6		14 436,1		72,5	72,5	0,5 %
	Other agriculture in Heading 2		-246,4		-27,7		218,3	218,3	-88,7 %
	<i>Total Title 05 (Agriculture and rural development)</i>		<i>57 785,5</i>	<i>922,0</i>	<i>57 810,6</i>	<i>688,0</i>	<i>25,1</i>	<i>-208,9</i>	<i>0,0 %</i>
Title 17	17 04	Veterinary and Phyto-sanitary actions	371,9		342,9		-29,0	-29,0	-7,8 %
	17	Others	2,0		0,0		-2,0	-2,0	-100,0 %
	<i>Total Title 17 (Health and Consumer Protection)</i>		<i>373,9</i>		<i>342,9</i>		<i>-31,0</i>	<i>-31,0</i>	<i>-8,3 %</i>
Title 11	11 02	Fishery market	30,5		30,0		-0,5	-0,5	-1,6 %
	11 03	Common Fisheries Policy (CFP)	International fisheries & law sea	173,9	154,8		-19,1	-19,1	-11,0 %
	Other CFP		Conservation, control, govern	103,6	107,4		3,8	3,8	3,6 %
	11 08 05	Community Fisheries Control Agency (CFCA)		7,7	8,7		1,0	1,0	12,6 %
	11 09	Maritime policy		5,6	0,0		-5,6	-5,6	-100,0 %
	11 06 + BA	Fisheries fund		644,0	658,3		14,3	14,3	2,2 %
	<i>Total Title 11 (Maritime Affairs and Fisheries)</i>		<i>965,4</i>		<i>959,1</i>		<i>-6,2</i>	<i>-6,2</i>	<i>-0,6 %</i>
Title 07	07 03 07	+Life + (Environment)	293,1		314,1		21,0	21,0	7,2 %
	BA								
	07 12 01	+Life + (Climate Action)	13,8		19,4		5,6	5,6	0,0 %
	BA								
	07 03 09	European Environment Agency (EEA)		35,3	35,1		-0,2	-0,2	-0,4 %
	07 03 60	European Chemicals Agency (ECHA)		0,0	0,0		0,0	0,0	0,0 %
07	Others		32,0	5,0		-27,0	-27,0	-84,4 %	
<i>Total Title 07 (Environment and Climate Action)</i>		<i>366,6</i>		<i>373,6</i>		<i>7,0</i>	<i>7,0</i>	<i>1,9 %</i>	
Total Heading 2			59 498,8	922,0	59 486,2	688,0	-12,6	-246,6	0,0 %

3.3.2. Agricultural expenditure (market related expenditure and direct aids)

Context

The present round of Common Agricultural Policy (CAP) reforms, which began in 2003/2004 with the fundamental shift towards decoupled direct aids, have been complemented in 2008 by the reforms for fruit and vegetables (and the School Fruit Scheme), the mini-package milk and the reform of the wine sector. In 2008 a political agreement on the 'Health Check' of the CAP has also been reached and the legislative texts published on 31 January 2009. The 'Health Check' modernises, simplifies and streamlines the CAP and removes restrictions on farmers, thus helping them to respond better to signals from the market and to face new challenges. The financial impact of the 'Health Check' is, for the first year, fully reflected in the 2011 Draft Budget proposal.

The reform abolishes arable set-aside, further decouples direct aids from production, increases milk quotas gradually leading up to their abolition in 2015, and converts market intervention into a genuine safety net. It was also agreed to increase modulation and to add a progressive element, whereby direct payments to farmers are reduced and the money is transferred to the European Agricultural Fund for Rural Development (EAFRD). This will allow a better response to the new challenges faced by European agriculture, including climate change, the need for better water management, the protection of biodiversity, and the production of green energy. Member States will also be able to assist dairy farmers in sensitive regions to adjust to the new market situation.

As a result of the market reform process, there has been a continuous fall in recent years of the market expenditure. However, in 2010, due to the exceptional market conditions taking into account the prevailing economic crisis, the proportion of market expenditure increased to 7,4 % of the total agricultural expenditure. The share of market expenditure is expected to decrease to 5,9 % in 2011. Around 91 % of all direct aids to farmers are decoupled from production compared to 85 % in 2010.

Appropriations and assigned revenue

For the 2011 Draft Budget the **proposed appropriations** for expenditure related to agricultural markets and direct aids amount to EUR 43 747 million¹⁹, showing a very small decrease by EUR 73 million (-0,2 %) compared with the 2010 budget. This is the net result of several factors with compensating effects. On the one hand, there is the continued phasing-in of direct aids for the new Member States leading to higher expenditure. Furthermore, as mentioned above, assigned revenues in the 2011 Draft Budget are lower than in the 2010 budget. On the other hand, expenditure for interventions on agricultural markets are significantly reduced compared to 2010. When the amounts for veterinary and phyto-sanitary measures (EUR 343 million) and expenditure related to fisheries markets (EUR 30 million) are added, there remains a margin of EUR 719 million under the sub-ceiling of heading 2 for market-related expenditure and direct aids. Therefore, at this point in time, the Commission does not consider that it will be necessary to apply the financial discipline mechanism²⁰ in 2011.

Due to the existence of assigned revenues, it is important to distinguish between requested budget **appropriations** and **actual needs**. According to the Financial Regulation²¹ and the Council Regulation on the financing of the CAP, certain operations (namely conformity clearance correction, irregularities and milk super levy) generate assigned revenues going to the European Agricultural Guarantee Fund (EAGF) in general and used to cover the needs of specific lines²².

Appropriations for the 2011 Draft Budget are lower than estimated needs because of EUR 688 million revenues assigned to the EAGF. The **assigned revenues** have been attributed to chapter 05 02 in the Operational Funds for Producer Organisations (EUR 100 million on item 05 02 08 03) and to chapter 05 03 for the Single Payment Scheme (SPS) (EUR 588 million on item 05 03 01 01). The difference in assigned revenues compared to the 2010 budget is mainly due to the fact that milk production in Member States is below the established quotas so that no super-levy revenues are foreseen. As mentioned above, at this time of the budget procedure, no assigned revenues from 2010 are expected to be carried over to 2011.

Intervention on the market

The 2011 Draft Budget shows a decrease of around EUR 900 million in appropriations for **interventions in agricultural markets** compared with the 2010 budget. This decrease is due for a large part to improved market situation and prospects, especially for the dairy sector but also to the transfer of market expenditure for wine to the Single Payment Scheme. In fact, while the reform process reduces market expenditure, the very fast turnaround in the situation for the cereals and in particular dairy markets – due to the current economic crisis – was at the origin of the additional expenditure in 2010 compared to 2009. In the meantime, the market situation has improved and budget appropriations asked for intervention measures are back to a more normal level if compared to the exceptionally high needs in the 2010 budget. Part of these high needs in 2010 was due to specific ad-hoc compensation measures for dairy, amounting to EUR 300 million. As the dairy market situation has largely normalised, and appropriate measures for encouraging the restructuring of the dairy sector are available to Member States in the context of Rural Development and Direct Aid for specific support (Article 68 of Regulation 73/2009), the Commission is not proposing to continue this one-off action.

Direct aid and modulation

The increase in **direct aids** appropriations (coupled and decoupled) of EUR 638 million, compared to the 2010 budget is mostly due to the continued phasing-in of direct aids in the new Member States²³ and to a small decrease in assigned revenue available in 2011 compared to 2010.

¹⁹ After transfer of modulation (compulsory and voluntary modulation) and other, specific amounts (cotton, wine and tobacco) from direct aids to Rural Development.

²⁰ Art 11 of Council Regulation (EC) No 73/2009. More detailed rules on budget discipline are laid down in Chapter II of Title II of Council Regulation (EC) 1290/2005 on the financing of the CAP.

²¹ Council Regulation (EC, Euratom) No 1605/2002, as amended by Council Regulation (EC, Euratom) No 1995/2006.

²² Moreover, the reform of the Common Market Organisation for sugar established a temporary fund for the restructuring of the sugar industry which is funded by ad hoc assigned revenue, to be paid by the sugar quota holders and not by the Community own resources. This specific assigned revenue amount, however, can only be used within the sugar restructuring fund.

²³ For the calendar year 2010, with impact on the 2011 budget year, EU-10 Member States reach 70 % of the EU-15 level for direct payments, while BG and RO reach 40 %.

Decoupled direct aids increases by EUR 3,2 billions mainly because of the increase in needs for Single Payment Scheme (SPS: EUR 2 billion) and Single Area Payment Scheme (SAPS: EUR 0,6 billion). The needs for **SPS** increase mainly due to a shift from coupled direct aids. In 2011, the arable crops area payments, the aid for olive groves, the specific quality premium for durum wheat and the hops area aid have been fully decoupled. Certain Member States have also chosen to decouple other aids (i.e. ewe and goat premiums, beef and veal payments, protein crop premium, area payment for nuts, crop specific payment for rice, seed aid).

Moreover, the Health Check also allowed²⁴ the Member States to use the previously unspent amount on the SPS, which triggered under-execution in the past, as an additional source of financing some specific support measures (mutual funds and activities entailing additional agro-environment benefits), for an amount of EUR 486 million on the new budget item 05 03 01 05.

Appropriations for **coupled direct aids** decrease compared to the 2010 budget by EUR 2,6 billion. Needs decrease notably due to the decoupling and the transfers to Rural Development. On the other hand, there are additional needs because of the implementation of the specific support for coupled measures (similar to the specific support for the decoupled measures as mentioned above) amounting to EUR 806 million on the new budget item 05 03 02 44.

The 2011 budget is the sixth consecutive budget that is affected by **modulation**. For the calendar year 2010, direct aids²⁵ in EU-15 will be reduced by a compulsory modulation rate of 8 %²⁶ and by progressive modulation for farmers receiving more than EUR 300 000. In addition, voluntary modulation applies in the United Kingdom, while Portugal has eventually decided not to apply it after compulsory modulation changes in the CAP 'Health Check'. As a consequence, for the 2011 budget an amount of EUR 29 million, which had already been transferred to Rural Development, needs to be re-transferred to the EAGF. The 2011 Draft Budget anticipates the upcoming Commission Decision in this regard.

Veterinary and phyto-sanitary measures

The appropriations for **veterinary and phyto-sanitary measures** (Policy Area 17 – Health and Consumer Protection) show a decrease in commitments from EUR 374 million in 2010 to EUR 343 million proposed for the 2011 DB. This decrease results from the fact that the financing by heading 2 of the 'Community tobacco fund' has expired as foreseen in the legal base, as well as from a decrease in appropriations in the field of animal disease eradication reflecting the improved disease situation and, hence, lower need for vaccination, fewer tests and lower costs for eradication.

3.3.3. Transfers from agricultural expenditure to rural development

For the 2011 DB, the amount additionally available to the European Agricultural Fund for Rural Development (EAFRD) totals EUR 3 150 million which is an increase from 2010 by around EUR 782 million.

These include compulsory modulation (EUR 2 095 million including EUR 805 million resulting from the Health Check)²⁷, the voluntary modulation of the UK (EUR 375 million)²⁸, and other transfers from the reform of the cotton sector (EUR 22 million)²⁹, the wine sector (EUR 123 million)³⁰, the tobacco sector (EUR 484 million)³¹ as well as from unused direct aids (EUR 52 million)³².

3.3.4. Rural development

Support provided through the European Agricultural Fund for Rural Development (EAFRD) makes a vital contribution to the sustainability of the rural environment and helps to maintain a balance between urban

²⁴ Article 68 of Council Regulation (EC) No 73/2009.

²⁵ With the exception of aids granted in the Ultra-Peripheral Regions.

²⁶ Articles 7 and 9 (1) of Council Regulation (EC) No 73/2009.

²⁷ Article 9(1) of Council Regulation (EC) No 73/2009.

²⁸ Article 4(1) of Council Regulation (EC) No 378/2007.

²⁹ Article 134 of Council Regulation (EC) No 73/2009.

³⁰ Article 1 of Council Regulation (EC) No 1246/2008.

³¹ Article 135 of Council Regulation (EC) No 73/2009.

³² Article 136 of Council Regulation (EC) No 73/2009.

and rural areas in a competitive and knowledge-based economy. In order to reinforce this contribution, the EAFRD is further strengthened in 2011 with increased funds from modulation (mainly the additional modulation to address the new challenges as specified in the 'Health Check') and specific transfers, of which EUR 484 million for restructuring of the tobacco sector, for the first time.

The EAFRD also benefited from EUR 1 020 million for 2009-2010 in the context of the European Economic Recovery Plan (EERP), half of which (EUR 510 million) is expected to be paid in 2011.

The programmes remain built around three thematic axes dedicated to improving the competitiveness of the agricultural and forestry sector, improving the environment and the countryside, and improving the quality of life in rural areas and encouraging diversification of the rural economy. These thematic axes are complemented by one horizontal axis allowing locally based bottom-up approaches to rural development.

For 2011 an amount of EUR 14 436 million in commitment appropriations is needed. This is an increase of 0,5 % compared to 2010. The Commission proposes EUR 13 404 million for Rural Development in payment appropriations, including EUR 510 million related to the EERP (in relation with the EUR 1 020 million of commitment appropriations of 2009 and 2010). Excluding EERP payments in 2010 and 2011, the amount of EUR 12 894 million represents a decrease of 1,6 % relative to 2010, due principally to the fact that payment levels are stable for the 2007-2013 programmes, which are expected to have reached cruising speed, and that the transitional instrument for EU-10 is expected to be closed in 2010 (consequently payments for the 2000-2006 period decrease by 11,4 %). The figure comprises two main components:

- Interim payments for the new 2007-2013 programmes with payment appropriations of EUR 12 190 million (excluding technical assistance of EUR 9 million and EERP of EUR 510 million) foreseen for payments concerning mainly agro-environmental and less-favoured areas.
- Reimbursements, amounting to EUR 690 million, to clear outstanding commitments from those budget lines that formed part of the 2000-2006 Structural Funds programmes under the Guidance Section of the European Agriculture Guidance and Guarantee Fund (EAGGF). In the context of closure for former Objective 1 and Leader+ programmes, the largest part of the remaining RAL is expected to be paid in 2011.

3.3.5. *Maritime affairs and fisheries*

Instruments

Apart from a relatively small amount of EUR 30 million for fisheries markets which is spent under the CAP, there are two main instruments: (a) the European Fisheries Fund (EFF), and (b) the so called 'second instrument', covering all other actions related to the Common Fisheries Policy (CFP), including International fisheries and the Law of the Sea.

European Fisheries Fund (EFF)

For the EFF, the Commission proposes EUR 658 million in commitment appropriations and EUR 488 million in payment appropriations, respectively + 2,2 % and + 1,5 % relative to the 2010 budget. The increase for commitment appropriations is fully in line with the EFF envelope decided in the legal basis.

For the 2011 DB, the payment appropriations proposed concern the 2007-2013 EFF programmes and the clearance of outstanding commitments (RAL) of the lines that formed part of the 2000-2006 Structural Funds programmes (completion of the Financial Instrument for Fisheries Guidance (FIFG)).

Regarding the EFF programming period 2007-2013, there is a slight increase in payment appropriations of 3,3 % (from EUR 452 million in 2010 to EUR 467 million in 2011). The approach for establishing payment appropriations for the 2007-2013 programmes is similar to the one that is used for the Structural Funds (see explanation under section 3.2.4 above), and is based on the historical payment rates against the corresponding commitment tranches of the 2000-2006 programming period. The resulting initial estimate for the 2011 DB has however been adjusted slightly to take into account the slower start in implementation in the 2007-2013 period.

Regarding the FIG covering the 2000-2006 period, the closure exercise is expected to continue in 2011 with an estimated closure rate of 30 % of the programmes. For this reason, an amount of EUR 21,4 million for payment appropriations is requested.

Common Fisheries Policy (CFP)

For the CFP, the appropriations proposed are, in total, EUR 262 million for commitments and EUR 250 million for payments. Compared to 2010, this represents a decrease of around EUR 15 million or - 5,5 %, mainly reflecting lower appropriations for International Fisheries Agreements. In addition, EUR 8,7 million is foreseen for the Community Fisheries Control Agency (CFCA).

Expenditure for international activities (EUR 154,5 million in commitment appropriations and EUR 159 million in payment appropriations) decreases compared to 2010. This decrease is mainly due to re-negotiated and adjusted amounts for several Fisheries Partnership Agreements with third countries, and to lower needs for preparatory work for new international fisheries organisations and other non-compulsory contributions to international organisations. Most of the appropriations asked for are intended to finance Fisheries Agreements in force (EUR 93 million). For the renewal of some existing fisheries agreements about to expire and some new agreements to be negotiated an amount of EUR 52 million is requested on the reserve line. The remaining part is needed to guarantee the Community participation in an increasing number of international and regional fisheries organisations, as well as for related preparatory work.

Regarding the governance of the CFP, conservation, management and exploitation of resources as control and enforcement of the CFP, the Commission proposes some EUR 98 million for commitments and EUR 83 million for payments, somewhat more than in 2010 especially for payments reflecting the improved situation as far as budget execution is concerned.

3.3.6. Environment and climate change

In the field of environment, Heading 2 of the Financial Framework 2007-2013 covers expenditure for the LIFE+ financial instrument, several preparatory actions and pilot projects, as well as the EU contribution to the European Environment Agency (EEA).

Climate action is a key priority for the new Commission, as set out in the Europe 2020 strategy. This is also shown in the importance attached to the follow-up to the Copenhagen Accord, the proposed reinforcement of Life+, the proposed preparatory action on 'Mainstreaming climate and adaptation', as well as in the reorganisation of the Commission services concerned.

At the Copenhagen Summit, the EU offered to increase its emissions reduction to 30 % by 2020, under specific conditions, starting from 2013 when the Kyoto Protocol's first commitment period will have expired. The Copenhagen Accord reached in December 2009 represents a step towards such an agreement and the follow-up to this conference will have an impact on both the internal and the external policies of the EU. The EU will continue to play a leading role in international negotiations, also during 2011 and beyond, in order to reach global climate change goals.

As far as LIFE+ is concerned, the Commission proposes a substantial increase in commitment appropriations, from EUR 306,9 million in 2010 to EUR 333,5 million in 2011. Compared to the financial programming for the year 2011, this amount leads to a reinforcement of EUR 7,4 million, with a view to the importance of this instrument, and to enable the Commission to put more emphasis on the actions related to climate change. This increase is proposed to be confirmed for 2012 and 2013, which would lead to a total increase of the LIFE+ envelope of EUR 22,2 million over three years. Payment appropriations for LIFE+ will increase significantly, from EUR 215,8 million in 2010 to EUR 268,2 million in 2011. For the following years, a gradual increase in payment appropriations will be necessary, with a peak expected at the end of the programming period.

The core amount of LIFE+ will be spent to finance measures related to nature and biodiversity, environment and public health as well as for water and waste management. This entails supporting innovative and demonstrative projects at national, regional and local levels to reduce waste production and greenhouse gas emissions, to increase resource efficiency, to develop clean technologies and to improve air quality management (especially in urban areas). LIFE+ also finances studies and modelling to support the knowledge base for effective environment policy making and analysis of the complex impact of climate

change and the policy measures to deal with it, as well as the maintenance and improvement of the necessary IT structure to implement crucial policy elements such as the Emissions Trading System (ETS). The threats from biodiversity loss are becoming clearer and the failure to meet interim goals on biodiversity loss cannot continue. The real value of ecosystems must be recognised and the link between biodiversity conservation and greenhouse gas mitigation should be fully explored. LIFE+ will support, both with demonstration projects and with studies, the resilience of European ecosystems and biodiversity resources and to improve resource efficiency. It will also support proposals to exploit the resource potential of waste streams, an action plan on eco-innovation and a roadmap towards a resource efficient, sustainable and competitive economy. Eco-innovation will provide the technologies, business processes and management techniques to decrease the environmental impact of our actions while contributing to green growth, innovation, resource efficiency and new jobs.

In addition to the actions financed under LIFE+, a preparatory action on ‘Mainstreaming climate and adaptation’ will be implemented, with EUR 5 million in commitment appropriations. These appropriations are intended to cover the needs to further develop EU policy on mainstreaming of climate action and adaptation to climate change, as a basis for impact assessments and preparation of future policy decisions. Furthermore, the preparatory action will pave the way for future legislative proposals to move to a low carbon economy through the mainstreaming of climate action and adaptation in many other EU policies. In this regard, studies and preparatory work will be carried out.

As part of the rising importance of climate change, the Commission has created a new Directorate General for Climate Action, which will deal specifically with EU policies and legislation on climate action and promote innovation in this sector in particular concerning greenhouse gases and emissions. It will gather the relevant activities previously in DG Environment, activities related to international negotiations on climate change and the activities in the Enterprise and Industry DG related to climate change.

Biocide legislation, which was expected to be implemented from 2012 onwards, will be enforced through the European Chemicals Agency. However, it is possible that the legislation be already adopted by mid-2011. To allow the European Chemicals Agency to quickly become operational in this field, two new budget lines have been created, with a token entry (‘p.m.’), so as to be able to transfer a limited amount of appropriations for preparatory measures in the course of 2011, in case of early adoption of legislation.

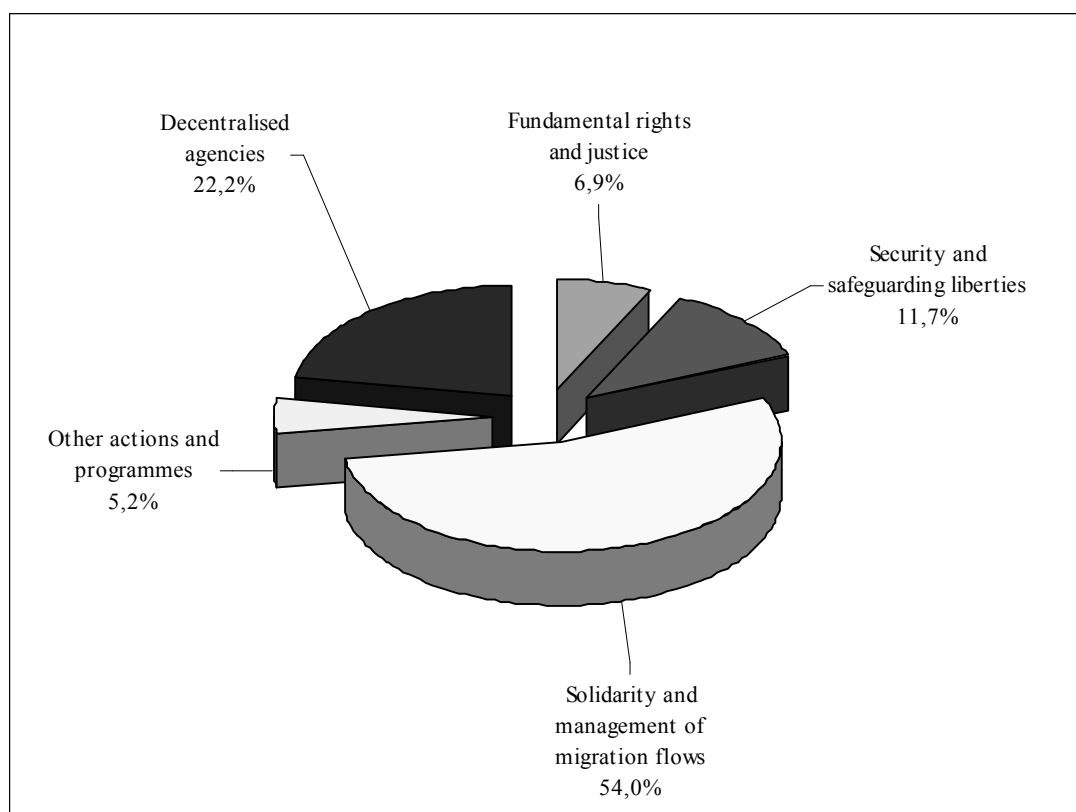
3.4. Freedom, security and justice: heading 3a

3.4.1. Summary table

(in million EUR, at current prices)

Budget		FF	Draft budget		Difference	
2010		2011	2011		2011 / 2010	
CA	PA	CA	CA	PA	CA	PA
1 006,5	738,6	1 206	1 135,3	852,6	12,8 %	15,4 %
			Margin = 70,8			

The margin of heading 3a amounts to EUR 70,8 million, an increase compared to the margin foreseen for 2011 in the January 2010 update of the financial programming (EUR 19,7 million). This net increase of EUR 51,1 million stems essentially from lower than initially foreseen appropriations for the Visa Information System (VIS) and the Schengen Information System (SIS), for a total amount of EUR 60 million, which in part is used to finance the proposed new agency for the operational management of large-scale IT systems in this field (EUR 10,6 million), as set out below. In addition, the increase in the margin results from lower than initially foreseen appropriations for administrative and technical support expenditure ('former BA lines', see also section 4.2.2 below).



Heading 3a: Freedom, security and justice (commitment appropriations)	Draft budget	
	2011	
	EUR	%
Fundamental rights and justice	78 000 000	6,9 %
Security and safeguarding liberties	133 000 000	11,7 %
Solidarity and management of migration flows	612 590 000	54,0 %
Other actions and programmes	59 200 000	5,2 %
Decentralised agencies	252 462 740	22,2 %
Total	1 135 252 740	100,0 %

3.4.2. *Strengthening the EU as an Area of Freedom, Security and Justice*

Five years after the launch of the Hague Programme (2005-2009), it is opportune for the Union to review its policy to effectively meet new challenges and to take full advantage of the opportunities presented by the Lisbon Treaty. To this end, the European Council has adopted in December 2009 the Stockholm Programme which sets out the priorities for further developing the European area of freedom, security and justice over the next five years (2010-2014). This will put the citizen at the heart of EU action and deal, among other things, with questions of citizenship, justice and security as well as with asylum, migration and the external dimension of justice and home affairs.

The Stockholm Programme will be financed within the ceiling of heading 3a of the current financial framework. Many of the measures and actions will be implemented through a more effective use of existing instruments and funds. In particular, for 2011, the increase in appropriations foreseen in the financial programming for some activities (external borders, return, visa policy and free movement of people; common immigration and asylum policies; security and safeguarding liberties) will allow the financing of the new initiatives of the Stockholm Programme.

The Commission is presenting to the Council and the European Parliament an Action Plan³³ for implementing the Stockholm Programme, with a view to its adoption by the European Council in June 2010, and submit a midterm review before June 2012.

Solidarity and Management of Migration

The general programme **Solidarity and Management of Migration** encompasses four distinct financial instruments, so-called Funds.

The appropriations proposed for the **External Borders Fund** (EUR 254 million) increase by 22 % compared to the 2010 budget. The Fund is a solidarity mechanism, supporting those Member States who assume a lasting and heavy financial burden in the area of external borders and visa policy. Built on previous experience, the 2011 forecasts are mainly linked to the need to further develop IT systems for the EU legal instruments. In this regard, the European Borders Fund provides a limited EU contribution to the development of the national components of the IT systems. Regarding the actions of interest to the EU, the substantial increase should foster the application of the Visa Code and Handbook and consular cooperation between Member States in third countries, including the development of common application centres.

In the field of migration, increased resources are foreseen for the **European Return Fund** (EUR 114 million, + 29 %), which is intended to support the Member States in the application of an integrated management of returns, and to provide for joint actions by Member States, thereby promoting the pooling of resources and expertise, and resulting in common gains through better value for money and better sharing of information and experiences. Based on previous experience, the 2011 estimates reflect the expected increase in illegal influx of third country nationals.

The appropriations for the **European Fund for the Integration of Third Country Nationals** (EUR 132 million) increase by 19 % compared to the 2010 budget, reflecting the importance of, and the challenges presented by, this new form of solidarity among Member States, in respect of the immigrants legally resident in the EU. The Fund shall contribute to the development and implementation of national integration strategies for third-country nationals in all aspects of society. The need to develop and to implement the integration process is increasing each year. 2011 appropriations will mainly focus on the implementation of the Common Basic Principles for immigrant integration policy. Trainings, vocational and civic orientation courses are strongly required to facilitate the integration of third-country nationals.

The **European Refugee Fund (ERF)** will continue to support the following actions: capacity building for the asylum systems of the Member States in general; the voluntary efforts of Member States to provide a durable solution in their territories to refugees and displaced persons identified as eligible for resettlement by the United Nations High Commissioner for Refugees (UNHCR) and the voluntary burden sharing between Member States consisting of the transfer of beneficiaries of international protection from one Member State to another. An amount of EUR 94 million is proposed for 2011, in line with the financial programming.

³³ COM(2010)171, 20.4.2010.

Following the planned entry into force of the **European Asylum Support Office (EASO)** Regulation in mid 2010³⁴, the new agency should become fully operational in 2011. EASO will in particular aim at supporting transnational cooperation between Member States in asylum related questions. The appropriations for 2011 will increase to EUR 8 million, in order to ensure the full functioning and additional staffing of the Agency.

For the **External Borders, Return, Visa Policy and Free Movement of People** activity, the development of the Visa Information System (VIS) should be completed in mid 2011, leading to a constant level of appropriations for 2011. The situation regarding the Schengen Information System (SIS II) depends on the test results and the follow up decisions taken in 2010. In this regard, the Justice and Home Affairs (JHA) Council conclusions of 4-5 June 2009 confirmed support for continuing the project on the basis of the SIS II solution, subject to accomplishing two milestones, the results of which will require analysis. The amount proposed for SIS II in 2011 decreases to EUR 30 million. The appropriations for the **Frontex** agency were considerably reinforced in the 2010 budget (EUR 83 million), in line with its growing tasks to develop integrated border management. It is proposed to allocate for 2011 an amount of EUR 78 million, as foreseen in the financial programming. Over and above this amount, EUR 3 million of assigned revenues stemming from the recovery of the agency's 2009 surplus will be made available to Frontex³⁵, leading to an overall funding level in 2011 of EUR 81 million.

The new **Agency for the operational management of large scale JLS IT systems** should be legally established in January 2011³⁶. Awaiting the formal adoption of the basic act, the appropriations included in the legislative financial statement (EUR 10,6 million) are put in reserve.

Fundamental Rights and Justice

This general programme is based on five specific programmes.

The specific programme **Fundamental Rights and Citizenship** will promote the development of a European society founded on the respect of the rights set out in the Charter of Fundamental Rights of the EU, the strengthening of civil society, and the fight against racism, xenophobia and anti-Semitism. For 2011 it is proposed to keep the same level of appropriations (EUR 14,1 million) as for 2010. This level of appropriations allows the Commission to meet its objectives in this matter and reflects the needs of the programme. In 2011, the Commission aims to focus actions on in the field of data protection and on children's rights.

The programme **Fight against Violence (Daphne III)** promoting actions for the prevention of violence against women and children, through support for NGOs, research bodies, and local authorities amounts to EUR 18 million in 2011. The appropriations for the programme **Drugs prevention and information** (EUR 3 million) are intended for action aimed at preventing and reducing drug use and at promoting awareness.

The specific programmes **Civil Justice** (EUR 16 million) and **Criminal Justice** (EUR 26,85 million) aim at the promotion of cooperation between the different legal systems, improving contacts between the legal, judicial and administrative authorities of the Member States, and training members of the judiciary. The slight variation is due to an increased volume of procurement actions which are linked to the developments in E-justice (further development of the portal and technical improvements).

In addition, appropriations for **EUROJUST** will increase by 5 %, in order to enable the agency to carry out its new tasks as defined in the Decision of the Council of 16 December 2008 on the strengthening of Eurojust³⁷. The new tasks aim at increasing the role of coordination of the agency (e.g. around the clock contact centre) and cooperation between Member States (e.g. posting liaison magistrates in third countries).

Security and Safeguarding Liberties

There are two specific programmes in this strand.

³⁴ COM(2009)66, 18.2.2009.

³⁵ Over the financial year 2008, Frontex did not have a surplus to be recovered, which is why the full EU contribution in 2010 of EUR 83 million has been entered in the 2010 budget as fresh appropriations.

³⁶ COM(2009)293, 24.6.2009.

³⁷ OJ L 121, 15.5.2009.

The first programme, **Prevention, Preparedness and Consequence Management of Terrorism** (EUR 23,4 million, +14 %), aims to develop and monitor the implementation of tools and policies in the field of fighting terrorism, including the reduction of chemical, biological, radiological and nuclear (CBRN) threats. In 2011, activities will focus more on the exchanges of experience and best practices between the Member States and between different organisations or bodies responsible for the protection of critical infrastructures.

The second programme, **Prevention of and Fight against Crime** (EUR 109,6 million, +27 %) targets law enforcement, cross-border cooperation, training and other exchanges among law enforcement officers, and the protection of witnesses and victims. The priority actions to be implemented in 2011 will be: fight against trafficking in human beings, fight against child pornography, fight against cybercrime and illegal use of the internet.

In addition, the **European Police office (EUROPOL)** operates as a Union agency from 2010; its aim is to help the EU Member States co-operate more closely and effectively in preventing and combating serious international crime. A contribution of EUR 82,917 million is proposed in 2011, in line with the financial programming.

3.5. Citizenship: heading 3b

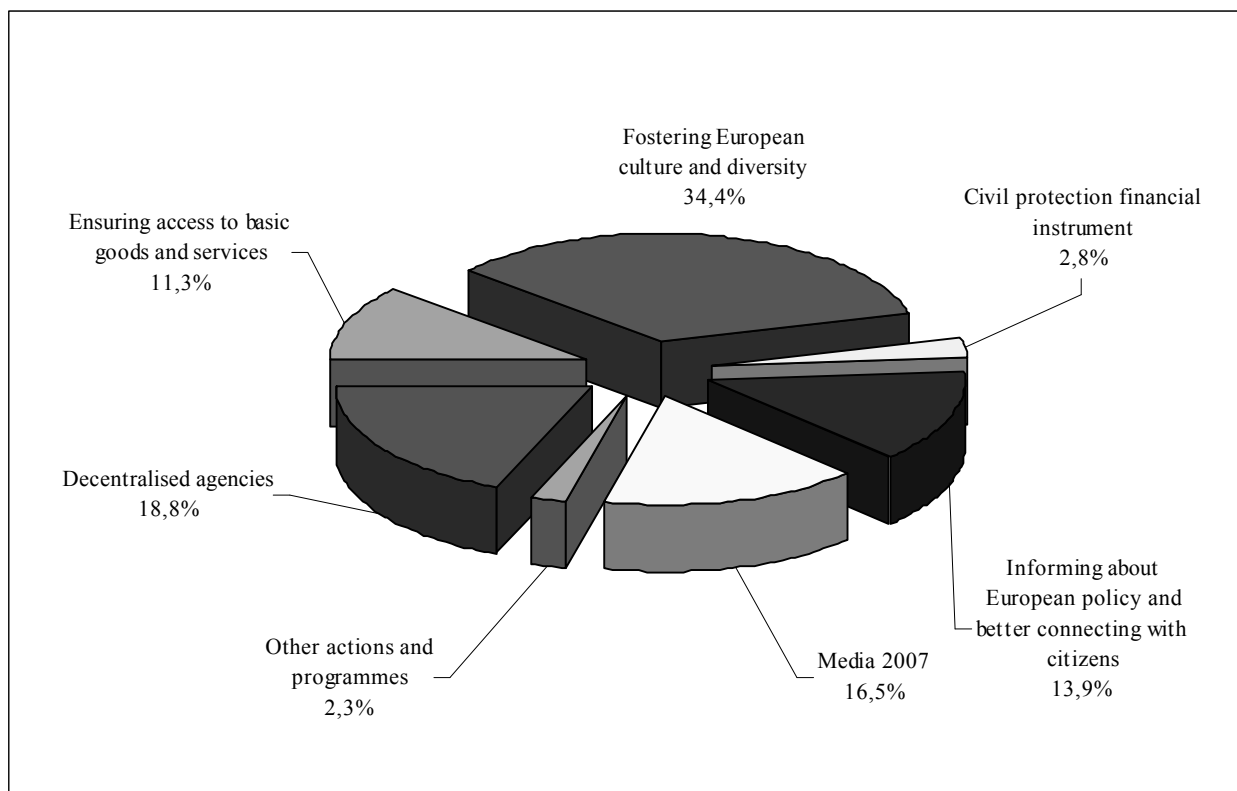
This heading contributes to numerous Europe 2020 strategy flagship initiatives including ‘youth on the move’, ‘an agenda for new skills and jobs’, ‘European platform against poverty’ and ‘innovative Union’. In particular this heading covers issues which are of key concern to the citizens of Europe, including **health**, **consumer protection**, and **civil protection**. The crucial task of reaching out to the citizens and communicating Europe also fall within this heading, through the funding of **cultural programmes** and the policy area **Communication**.








3.5.1. Summary table

(in million EUR, at current prices)

Budget		FF	Draft budget		Difference	
2010		2011	2011		2011 / 2010	
CA	PA	CA	CA	PA	CA	PA
668,0	659,4	683	667,8	639,0	0,0 %	-3,1 %
			Margin = 15,2			

The margin of heading 3b amounts to EUR 15,2 million, an increase compared to the margin foreseen for 2011 in the January 2010 update of the financial programming (EUR 9,3 million). This net increase of EUR 5,9 million stems mostly from lower than initially foreseen appropriations for the decentralised agencies under this heading (see also section 4.1.1 below), as well as for administrative and technical support expenditure (‘former BA lines’, see also section 4.2.2 below). In addition, a reduction of appropriations of EUR 1,6 million as compared to the financial programming is proposed for the Civil protection financial instrument, in light of past implementation and actual needs. On the other hand, an additional amount of EUR 1,2 million as compared to the financial programming for 2011 is proposed for communication activities of the Representations, to remain in line with the 2010 budget. Finally, both for Youth in Action and for the European Year of Volunteering additional appropriations amounting to EUR 2 million are proposed, as set out below.



Heading 3b: Citizenship (commitment appropriations)		Draft budget 2011	
		EUR	%
	Ensuring access to basic goods and services	75 350 000	11,3 %
	Fostering European culture and diversity	229 634 000	34,4 %
	Civil protection Financial instrument	18 350 000	2,8 %
	Informing about European policy and better connecting with citizens	93 685 000	14,0 %
	Media 2007	110 035 000	16,5 %
	Other actions and programmes	15 660 000	2,3 %
	Decentralised agencies	125 103 000	18,7 %
Total		667 817 000	100,0 %

3.5.2. *Ensuring access to basic goods and services*

Good health is key to the well-being and quality of life of citizens as well as to economic growth and sustainable development. Investing in the good health of the population and prevention activities provides real social and economic benefits. It also contributes to Europe's competitiveness by enhancing productivity, labour force participation and sustainable growth.

With this in mind, the **Health Programme** (with EUR 51,37 million in commitment appropriations in 2010 and EUR 52,6 million proposed for 2011, or an increase of 2,4 %) aims to complement national policies, and to encourage co-operation between Member States, accession countries and international organisations. Its three main objectives are to improve citizens' health security, to improve health, and to generate and disseminate health information and knowledge.

With particular regard to health, the focus will be on health information and health security, such as preparing for and counteracting emerging health threats. A further priority is to deal with safe products including safe food and safe services, and furthering crisis preparedness and business continuity in case of crisis. Work will continue on a health strategy for Europe, including mental health issues.

The overall goal of **consumer policy** (with EUR 21,92 million in commitment appropriations in 2010 and EUR 22,75 million proposed for 2011, or an increase of 3,8 %) is to contribute to the development of an internal market where products and services are safe and where Consumers have an equally high level of confidence in products, traders, technologies and selling methods in markets throughout the EU, based on equally high levels of protection.

The ongoing strengthening of consumer policy is a cornerstone in establishing citizen confidence in the internal market. Implementation and better enforcement of existing legislation will continue to be a key feature, with an added emphasis on ensuring consistent, effective and coherent enforcement in all Member States.

Specific objectives for consumer policy are a better understanding of consumers and the markets, better consumer protection regulation, better enforcement, monitoring and redress, and better informed, educated and responsible consumers. This should be achieved by developing knowledge and evidence, cooperating in enforcement, market surveillance and product safety, consumer education, and capacity building for consumer organisations.

3.5.3. *Fostering European culture and diversity*

Fostering mutual understanding and a shared European identity is essential in a Union characterised by social and cultural diversity. Three programmes aim to support these objectives by developing links in the fields of culture, youth and citizenship.

The programme **Culture 2007 – 2013** has three specific objectives namely, the promotion of mobility among those working in the cultural sector, encouraging the circulation of art-work, and intercultural dialogue. The programme is also open to candidate and potential candidate countries. Actions in this area aim both to support policy modernisation, and to encourage networking among actors with a view to

developing innovative approaches and techniques. In this framework, the role of the creative industries in contributing both to cultural objectives and to economic growth should be addressed. With EUR 57 million proposed in 2011, this represents an increase by 6,3 % compared to 2010.

The **Youth in Action** programme aims at promoting active citizenship among the young, and their European citizenship in particular. It includes the European Voluntary Service, which aims at boosting young people's participation in various forms of voluntary activities, as well as a grant to the European Youth Forum. Further actions will encourage networking between youth workers and NGOs.

On 11 July 2007, the Commission adopted the White Paper on **Sport**³⁸, which is the first comprehensive policy document of the Commission in this area. In line with this, the 2011 will see the continuation of a preparatory action in the field of sport into its third year.

Dialogue with the EU citizens and fostering civic participation is sought through two main strategies – directly involving citizens with the EU institutions through traineeships and visits, and co-funding projects by civil society through calls for proposals. At the heart of the objective to foster European citizenship is the **Europe for Citizens** programme, which includes the support to civil society and a variety of organisations promoting the European interest, as well as town-twinning and other activities directly involving citizens, support to various civil-society organisations promoting the European idea, as well as European bodies and think tanks.

Building on the preparatory action undertaken in 2010, the **European Year of Volunteering** will be launched in 2011 with a requested budget of EUR 8 million. This will create an enabling environment for volunteering and promote better recognition of the value of volunteering in Europe.

In addition to these programmes, the **Media 2007** programme (EUR 104 million in 2011, or an increase of 2,6 % compared to 2010) has as its objectives, the preservation and enhancement of European cultural diversity and its cinematographic and audiovisual heritage, guaranteeing its accessibility for European citizens and promoting intercultural dialogue, increasing the circulation of European audiovisual works inside and outside the Union, and strengthening the competitiveness of the European audiovisual sector in the framework of an open and competitive market.

³⁸ COM(2007)391, 11.7.2007.

3.6. EU as a global player: heading 4

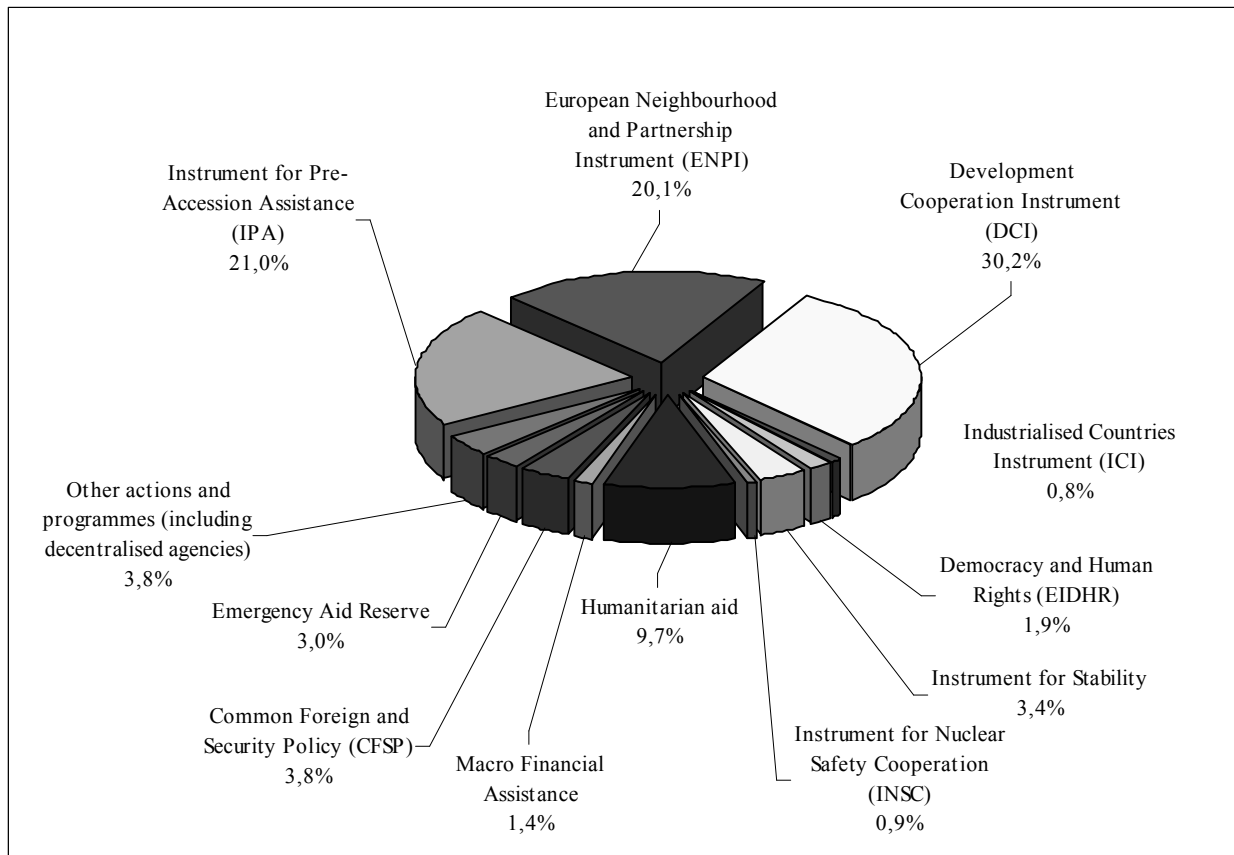
3.6.1. Summary table

(in million EUR, at current prices, including the Emergency Aid Reserve)

Budget		FF	Draft budget		Difference	
2010		2011	2011		2011 / 2010	
CA	PA	CA	CA	PA	CA	PA
8 160,2	7 787,7	8 430	8 613,5	7 601,8	5,6 %	-2,4%
			Margin = 70,3			

The margin of heading 4 amounts to EUR 70,3 million³⁹, a decrease compared to the margin foreseen for 2011 in the January 2010 update of the financial programming (EUR 128,1 million). The reasons for this net decrease of EUR 57,8 million are set out in section 3.6.2 below.

The commitment appropriations requested in the 2011 DB increase by 5,6 % compared to the 2010 budget. The total amount of payment appropriations requested is 2,4 % lower compared to 2010 since outstanding commitments (the so-called 'RAL', *reste à liquider*) on 'completion' lines have diminished substantially.



³⁹ As provided for in the IIA of May 2006, the margin of heading 4 does not take into account the appropriations related to the Emergency Aid Reserve (in 2011: EUR 253,9 million at current prices).

Heading 4: EU as a global player (commitment appropriations)	Draft budget 2011	
	EUR	%
Instrument for Pre-Accession Assistance (IPA)	1 796 793 000	20,9 %
European Neighbourhood and Partnership Instrument (ENPI)	1 729 526 000	20,1 %
Development Cooperation Instrument (DCI)	2 613 762 240	30,3 %
Industrialised Countries Instrument (ICI)	70 640 000	0,8 %
Democracy and Human Rights (EIDHR)	163 113 000	1,9 %
Instrument for Stability	290 188 000	3,4 %
Instrument for Nuclear Safety Cooperation (INSC)	75 813 000	0,9 %
Humanitarian Aid	824 693 000	9,6 %
Macro Financial Assistance	114 868 567	1,3 %
Common Foreign and Security Policy (CFSP)	327 374 000	3,8 %
Emergency Aid Reserve	253 860 000	2,9 %
Other actions and programmes (including decentralised agencies)	352 898 570	4,1 %
Total	8 613 529 377	100,0 %

3.6.2. Introduction

The main legislative instruments which underpin the core external relations policies are the Pre-accession Assistance Instrument (IPA), the European Neighbourhood and Partnership Instrument (ENPI), the Development Cooperation Instrument (DCI), the Instrument for Cooperation with Industrialised and other High-income Countries (ICI) and the European Instrument for Democracy and Human Rights (EIDHR). These main geographic and ‘policy-driven’ financing instruments are complemented by instruments designed to address specific needs and in particular to provide a response to crisis situations: the Instrument for Stability (IFS), the Instrument for Nuclear Safety Cooperation (INSC), the Civil Protection Financial Instrument (CPFI), Humanitarian Aid, Macro-Financial Assistance (MFA), and the Common Foreign and Security Policy (CFSP).

The Mid-Term Review of the external aid instruments⁴⁰ carried out in 2009 confirmed that the Regulations have thus far provided a reliable and well functioning legal and policy framework for activities under the strategic priority of the ‘EU as a global player’. Innovative mechanisms, such as cross-border cooperation have also shown their added value. In 2011 implementation of almost all programmes is expected to continue to proceed at cruising speed.

In line with the financial framework 2007-2013, the DB 2011 on the whole continues to respect the profile of the multiannual financial envelopes of the respective instruments. However, a number of deviations from the indicative financial programming are highlighted below:

- EUR 65 million are proposed as follow up to the Copenhagen Accord reached in December 2009. This amount, which reinforces the ‘Environment and Sustainable Management of Natural Resources’ (ENRTP) thematic programme within the DCI, will finance measures for adaptation, mitigation and technology transfer in the Least Developed Countries and emerging economies.
- EUR 43 million are proposed for the financing of the Banana Accompanying Measures (BAM) in favour of the main ACP banana supplying countries affected by the Most Favoured Nation (MFN) liberalisation in the framework of the World Trade Organisation (WTO), following the proposal of amending the DCI Regulation (EC) No 1905/2006⁴¹. Of this amount, EUR 25 million stem from the margin of heading 4, EUR 13 million from redeployment within the DCI programme and EUR 5 million from redeployment from the Civil Protection Financial Instrument.

⁴⁰ COM(2009)196, 21.4.2009.

⁴¹ COM(2010)102, 17.3.2010.

- EUR 25 million are proposed to continue to support the Turkish Cypriot Community.
- EUR 20 million are proposed to meet the continued needs of the Palestinian population, after repeated reinforcements in previous years. Further support to the Middle East Peace Process, to UNWRA and to socio-economic development in the occupied Palestinian Territories will continue to be provided under other external aid instruments as well.
- EUR 15 million are proposed in order to strengthen the Union's contribution to the Global Fund to Fight Aids Tuberculosis and Malaria, in view of the Millennium Development Goals.
- EUR 5 million are proposed to continue the ‘Baltic Sea strategy’, under the European Neighbourhood and Partnership financial cooperation with Eastern Europe (budget item 19 08 01 03). In addition to this amount, EUR 6 million will be carried over from 2010 from budget item 19 08 02 03 (‘EU Baltic Sea strategy’).
- In order to start preparatory work for setting up a European Voluntary Humanitarian Aid Corps as stipulated in art. 214 (5) of the Lisbon Treaty, the creation of a new budget line is proposed in policy area 23 Humanitarian Aid, with an amount of EUR 1 million.
- Appropriations under the Instrument for Cooperation with Industrialised Countries (ICI) are proposed to be increased by EUR 1 million compared to the financial programming in order to step up bilateral cooperation in the fields of mutual recognition of diploma and mobility with countries such as Australia, South Korea and Japan.
- The provisioning of the Guarantee Fund for external actions, on the other hand, is set at EUR 138,9 million, i.e. lower than originally foreseen in the financial programming for 2011. As a result of the introduction of the new provisioning mechanism and the accession of new Member States, the Guarantee Fund was exceptionally in surplus at the beginning of the period 2007-2013. However, the budgetary needs to finance the Guarantee Fund are expected to grow strongly until the end of the present financial framework for the two following reasons: the EIB net disbursements are expected to increase and the financial and economic crisis has triggered increases in requests by third countries for macro financial assistance. Therefore savings observed in 2007-2011 cannot be extrapolated over the next years, and it cannot be excluded that in 2012 or 2013 the appropriations programmed (EUR 200 million per year) may be insufficient.

3.6.3. *Policy-driven instruments*

The key action envisaged for 2011 is the on-going intensification of the bilateral, regional and thematic programmes on the basis of the **Instrument for Pre-accession Assistance (IPA)**, **European Neighbourhood and Partnership Instrument (ENPI)**, **Development Cooperation instrument (DCI)**, **Cooperation with industrialised and high income countries (ICI)** and the **European Instrument for Democracy and Human Rights (EIDHR)**. Tackling the challenges of climate change has been identified as a key area of intervention in the Mid-term review of most external aid instruments. As they do not appear explicitly in the budget nomenclature, it should be underlined that enhanced efforts to address the causes and consequences of climate change in third countries will be financed increasingly through funds committed under the Annual Action Plans of the geographical instruments.

3.6.3.1. Helping candidate and potential candidate countries (IPA)

The EU continues to prepare future enlargements. Accession negotiations are ongoing with Croatia and Turkey; the former Yugoslav Republic of Macedonia has candidate status; other Western Balkan countries are potential candidates. In July 2009, Iceland presented its application for membership of the European Union. In February 2010, upon the Council's request, the Commission delivered its opinion on Iceland's application. The opinion recommended the award of candidate status and the opening of accession negotiations. The participation of Iceland in the IPA programme will be budget neutral through internal redeployments within the IPA financial envelope. The Commission is currently preparing its opinion on Montenegro's and Albania's applications for membership.

Key milestones for the year 2011 include the possible conclusion of accession negotiations with Croatia unless achieved earlier. Other milestones are progress with the accession negotiations with Turkey, and advances with possible accession negotiations with Iceland. The Commission has recommended starting accession negotiations with the former Yugoslav Republic of Macedonia. If launched, accession negotiations could enter into a fully operational phase in 2011. With respect to Turkey, accession negotiations will proceed, and might gain a new momentum following a comprehensive settlement of the Cyprus issue; a positive development would allow for the opening of more new negotiation chapters as well as closing of other chapters which will require a new impetus for reform.

In 2011 further progress is expected in the Western Balkans towards the region's European future. The Stabilisation and Association Agreements (SAAs) with the Western Balkan countries are at different stages of the ratification and implementation process; for certain countries this is likely to run into 2011. The implementation of Stabilisation and Association Agreements is essential for promoting the necessary reforms in the countries and also preparing them for future membership. This will require a large effort from the Commission in providing policy guidance and assistance and in working closely with the other international stakeholders. The Commission is likely to be requested by the Council to present an opinion on Serbia's EU membership application in 2011 at the latest. The Commission will continue implementing measures to promote Kosovo's political and socio-economic development. This follows on major EU financial efforts provided to Kosovo since 2008 with additional appropriations under IPA to secure the EU's engagement in Kosovo.

Since 1 January 2007, pre-accession assistance is provided on the basis of the **Instrument for Pre-accession Assistance (IPA)**, which has replaced a range of former instruments (PHARE, ISPA, SAPARD, CARDS, Turkey instrument). Under IPA, pre-accession assistance is available to candidate countries and potential candidates. The instrument addresses the need for a flexible approach in order to accommodate new priorities quickly. It covers transition assistance and institution-building, cross-border cooperation, regional development, human resources development and rural development. The last three components are accessible only to recognised candidate countries as preparation for the Structural and Cohesion Funds and for the European Agricultural Fund for Rural Development. They are budgeted under their respective policy areas i.e. Enlargement, Regional Policy, Employment and Social Affairs and Agriculture and Rural Development.

The IPA envelope has been budgeted between the different components according to the multi-annual indicative financial framework (MIFF) presented to the European Parliament and the Council in October 2009 with the Commission's annual enlargement package, in line with article 5 of the IPA Regulation. The MIFF will be modified in November 2010 to take into account the likely inclusion of Iceland as a beneficiary country under IPA.

Summary of IPA commitment appropriations in 2011 (in million EUR, at current prices):

Transition and Institution Building Assistance	784
Regional and cross border cooperation (including ERDF)	70
Regional Development	391
Human Resources development	103
Rural Development	215
Multi-Beneficiary Programmes	182
Support expenditure, including subsidy to the EAC Executive Agency	52
TOTAL	1 797

3.6.3.2. Support to the Turkish Cypriot Community

There is a need to continue the support to the Turkish Cypriot community in order to bring it closer to the European Union and to prepare for reunification of the island. The funds proposed in the budget (EUR 25 millions) are to be used, in particular, for grant schemes addressed to a large variety of beneficiaries within the civil society of the community: NGOs, students and teachers, schools, farmers, small villages, SMEs. These activities are reunification driven. Priority should be given, where possible, to reconciliation projects which create bridges between the two communities and build confidence. These measures underline the strong desire and commitment of the EU to a Cyprus settlement and reunification.

3.6.3.3. Working together with neighbours (ENPI)

In 2011 the Commission will pursue its efforts to create an area of peace, stability and prosperity between the EU and its neighbours through the development of the partnerships in the context of the European Neighbourhood Policy (ENP). The activities in 2011 will be based on the new ENPI Multi-Annual Indicative Programmes for the period 2011 to 2013. The relationship between the EU and the Russian Federation is distinct from the ENP and is covered by a wide-ranging strategic partnership expressed through the Common Spaces.

Financial assistance is delivered through the **European Neighbourhood and Partnership Instrument (ENPI)** which covers the countries targeted by the European Neighbourhood Policy i.e. the countries of the south and eastern Mediterranean, including occupied Palestinian Territory as well as Ukraine, the Republic of Moldova and Belarus, and the countries of the southern Caucasus. This instrument also supports the strategic partnership with the Russian Federation.

2011 will be the second full year of implementation of the enhanced **Eastern Partnership**⁴², that will bring about a significant strengthening of EU policy with regard to its Eastern partners by seeking to create the necessary conditions for political association and further economic integration between the European Union and its Eastern partners through the development of a specific Eastern dimension of the European Neighbourhood Policy. To achieve this, the Eastern Partnership seeks to support political and socio-economic reforms, facilitating approximation and convergence towards the European Union. Work on new Association Agreements and Comprehensive and Deep Free Trade Agreements will continue. The recently launched Comprehensive Institution Building Programme initiative (a medium term planning and implementation framework to promote institution building in the Eastern partner countries) and the negotiations on the contractual modalities allowing the partner countries to participate in EU spending programmes are concrete cases in point. In the same vein, the Eastern Partnership will help to build trust and develop closer ties among the six Eastern partners themselves. In the 2011 Draft Budget, the Commission proposes a reinforcement of the funding of the cooperation with Eastern Europe, and in particular in view of the 'Baltic Sea strategy', of EUR 5 million, as compared to the financial programming for 2011.

With regard to the Mediterranean region, in complement to the ENP, the EU pursues its objectives within the overall framework provided by the **Union for the Mediterranean** launched in Paris on 13 July 2008. While preserving the *acquis* of the Barcelona Process, the Union for the Mediterranean aims to reinforce a long established partnership, offering more balanced governance of the process, increased visibility, as well as stronger focus on projects promoting intra- and interregional cooperation. In March 2010 the permanent secretariat has taken up work in Barcelona. The first flagship projects should soon be launched.

The assistance and financial cooperation with the Neighbourhood is disbursed through four channels, namely: (i) country-specific programmes, (ii) inter-regional and regional programmes, (iii) two thematic facilities (the Neighbourhood Investment Fund and the Governance Facility), and (iv) a cross-border cooperation component. The latter is a specific feature under the ENPI, which will be implemented in the form of joint programmes bringing together regions of Member States and partner countries sharing a common border. After complex multilateral negotiations, the programming and implementation of the cross border co-operation has reached cruising speed in 2010. The ENPI countries will benefit also from the funds

⁴² Commission Communication COM(2008)823, and Declaration of the European Council of 20.3.2009.

under the thematic programmes covered by the Development Cooperation Instrument (DCI – see below) for which a part of the respective envelopes is set aside, in particular within the migration and asylum programme.

Actions are guided by the insights of regular country specific and sectoral progress reports which identify policy fields of promising and successful cooperation as well as areas where efforts might still be intensified on the side of the EU. Issues of migration, education, energy and climate change and the further development of financial instruments in particular will remain in the focus of attention.

The Middle East Peace Process (MEPP) will continue to require significant financial resources. Through its political interventions, notably its membership of the Quartet, the EU will continue to push for a comprehensive solution to the MEPP making full use of the opportunities provided for by the new institutional set up under the Treaty of Lisbon. The Commission will continue to focus assistance on Palestinian state-building and to deliver aid to occupied Palestinian Territory as well as to the reconstruction efforts in Gaza. Nevertheless, the exceptionally high allocations of previous years cannot be maintained without jeopardising the funding for other countries in the region at a time when the EU is in a process of upgrading relations with many of them. At the more sustainable level of EUR 200 million as proposed for 2011, which includes EUR 20 million from the margin under heading 4, the occupied Palestinian Territory will remain the largest ENPI aid recipient in per capita terms. The Commission will also endeavour to help unblock access to other sources of income for the Palestinian National Authority, such as revenues from customs clearance which are currently unavailable due to the Israeli blockade. Progress on that front and an increase of contributions from other donors are required to adequately support the implementation of the Palestinian National Plan (2011-2013). The Commission will keep developments under close review. While budgetary possibilities of further topping up the ENPI envelope are thus becoming increasingly scarce, it should be stressed that the urgent and emergency needs can and will also be accommodated by drawing on a variety of other, complementary external aid instruments as well as multi-country and regional programmes. The commitment appropriations for the European Neighbourhood Policy and the cooperation with Russia in 2011 amounts to EUR 1 730 million in total, including the proposed reinforcement of EUR 20 million for the «Middle East Peace Process» and EUR 5 million for the ‘Baltic Sea strategy’.

Summary of ENPI commitment appropriations by components and programmes (in million EUR, at current prices):

Mediterranean countries	843
Palestine and the peace process	200
Eastern Europe	555
Cross border cooperation (contribution from Heading 4)	84
Support expenditure	48
TOTAL	1 730

3.6.3.4. Tackling poverty in developing countries

The Development Cooperation Instrument (DCI)

The Development Cooperation Instrument (DCI) is endowed with the largest financial envelope of the EU instruments in the area of External Actions.

The overall goal of the instrument is the eradication of poverty in partner countries and regions in the context of sustainable development, including pursuit of the Millennium Development Goals (MDGs), as well as the promotion of democracy, good governance and respect for human rights and for the rule of law.

The DCI has proven to be an instrument able to respond to the objectives set in terms of coherence, effectiveness and efficiency regarding the development cooperation. The DCI includes geographic and thematic programmes and is composed of three main components to which a fourth new one is proposed to be added.

The first component is to provide assistance to South Africa and 47 developing countries in Latin America, Asia and Central Asia, and the Middle East (Iraq, Iran and Yemen). The second component supports the restructuring of sugar production in 18 ACP countries. The third component is to run five thematic programmes: investing in people, environment and sustainable management of natural resources including energy, non-state actors and local authorities in development, food security, as well as migration and

asylum. The fourth component is related to the amendment proposed for the Banana Accompanying Measures (BAM) in favour of the main ACP banana supplying countries affected by the Most Favoured Nation (MFN) liberalisation in the framework of the World Trade Organisation (WTO).

The five thematic programmes support actions in all developing countries, including those covered by ENPI and the European Development Fund (EDF) and should provide distinctive added value and complement programmes of a geographic nature, which constitute the main framework for EU cooperation with third countries. The thematic programmes encompass a specific area of activity of interest to a group of partner countries not determined by geography, or cooperation activities addressed to various regions or groups of partner countries, or an international operation that is not geographically specific.

The requested level of financial assistance for 2011 is in line with the co-decided envelopes as fixed in the Regulation, the proposed amendment and the updated financial programming of January 2010.

The reinforcements proposed vis-à-vis the financial programming are related to 'Fast Start Funding for Climate Change Action', the «Global Fund to Fight Aids, Tuberculosis and Malaria» and to the 'Banana Accompanying Measures', as set out below.

The Commission considers climate change to be one of its key priorities and therefore proposes a reinforcement of EUR 65 million intended as a follow up to the Copenhagen Accord reached. Of this amount, EUR 50 million relates to the pledge made at the European Council in December 2009, half of which will be used to support climate adaptation measures (through support to the «Global Climate Change Alliance») and half for mitigation (e.g. Low Emissions Development Strategies; Monitoring, Reporting and Verification of greenhouse gases emissions; Capacity building to participate in carbon market-based mechanisms; Technology cooperation; Capacity building to reduce emissions from deforestation and forest degradation – REDD). In so far as this pledge of EUR 50 million is above the level programmed for the thematic ENRTP line, the reinforcement for 'Fast-Start' funding provides new and additional resources compared to budgeted and programmed official development aid in line with the agreement reached in Copenhagen. Moreover, within the same programme an additional amount of EUR 15 million is proposed to consolidate the support to the Global Climate Change Alliance, in order to increase the resilience to climate change of poor and vulnerable countries.

Furthermore, the Commission proposes an amount of EUR 43 million for the financing of the 2011 tranche of the Banana Accompanying Measures (EUR 25 million from the margin of heading 4, EUR 13 million from redeployment within the DCI, and EUR 5 million from the Civil Protection Financial Instrument).

Finally, the Commission proposes to reinforce the Union's contribution to the Global Fund to Fight Aids, Tuberculosis and Malaria by EUR 15 million, over and above the EUR 50 million already foreseen in the financial programming for 2011.

Summary of DCI commitment appropriations by components and programmes (in million EUR, at current prices):

Latin America	363
Asia	729
Central Asia	107
Cooperation with Iraq, Iran and Yemen	39
South Africa	138
Human and social development	168
Environment and sustainable management of natural resources, including energy	199
Non-state actors in development	230
Food security	242
Cooperation with third countries in the areas of migration and asylum	54
Adjustment support for sugar protocol countries	197
Banana Accompanying Measures (BAM)	43
Support expenditure	104
TOTAL	2 613

3.6.3.5. Financing Instrument for cooperation with industrialised and other high income countries and territories (ICI)

Cooperation with these countries is an important factor in strengthening the Union's role and place in the world, in consolidating multilateral institutions and in contributing to a balanced development of the world economy. The overarching objectives for 2011 are the management and development of the existing frameworks for bilateral relations with the EU's main industrialised partners and high income countries, the enhancement of the EU economic interests through economic cooperation and business promotion activities, as well as to advance EU interests on key policies issues such as security, energy and climate change. It also includes the facilitation of people-to-people exchanges through educational, scientific and academic contacts. Particular attention will also be given to bilateral cooperation in the fields of mutual recognition of diploma and mobility with countries such as Australia, South Korea and Japan. The envelope for 2011 amounts to EUR 25,6 million.

The Mid-Term Review of the external action financial instruments has identified an 'eligibility gap' for the so-called Non-ODA activities (non Official Development Assistance) in DCI countries and that normally should fall under the activities covered by the ICI instrument. The Commission has thus proposed⁴³ to extend the scope of the ICI instrument to the DCI countries in order to give a legislative follow up to the preparatory actions (business and scientific exchanges with India, China and cooperation with Middle Income Countries in Asia and Latin America) and over actions formerly financed under DCI or from preparatory actions. The new legal basis is expected to be adopted in 2010. The envelope linked to the extension of the ICI instrument amounts to EUR 45 million in 2011. The total amount of commitment appropriations requested for 2011 is therefore set at EUR 70,6 million, including support expenditure.

3.6.3.6. European Instrument for Democracy and Human Rights (EIDHR)

Assistance under this instrument is meant to complement the various other tools for the implementation of EU policies on democracy and human rights, which range from political dialogue and diplomatic efforts to various instruments of financial and technical cooperation, including both geographic and thematic programmes, as well as crisis-related interventions of the Instrument for Stability. This instrument reflects the high political profile and specific Treaty mandates relating to the development and consolidation of democracy and the rule of law, and respect for human rights and fundamental freedoms. It addresses global, regional, national and local human rights and democratisation issues mainly in partnership with civil society and independently from the consent of third countries' government and other public authorities. This independence facilitates cooperation with civil society and interventions at international level which are neither geographically linked nor crisis related, and which require a trans-national approach.

⁴³ COM(2009)197, 22.4.2009.

The funding for democracy and human rights measures included under this activity will contribute to attaining three specific policy objectives, namely:

1. to promote democracy and human rights through the support to civil society and to victims of human rights abuses;
2. to promote democracy and human rights through support to multilateral action and existing international frameworks, and;
3. to build confidence in and to enhance the reliability and transparency of democratic electoral processes through deployment of European Union Election Observation Missions (EU EOMs).

The requested level of commitment appropriations for 2011 is set at EUR 163,1 million.

3.6.4. *Specific instruments responding to crises*

3.6.4.1. The Instrument for Stability (IfS) and Instrument for Nuclear Safety Cooperation (INSC)

The Instrument for Stability (IfS) consists of two components: while the first part is intended to provide adequate response to instability and crisis, the second part is planned to address longer term challenges with stability or security aspects.

The geographical distribution of IfS support for crises (first part of IfS) in 2011 will likely remain similar to the first three years of implementation, during which a total amount of around EUR 350 million has been mobilised for nearly 100 individual actions worldwide. The main share of support was provided in Africa (mainly Democratic Republic of Congo, Central African Republic, Chad, Zimbabwe, Somalia – around 25 %), followed by actions in Asia (mainly Pakistan, Sri Lanka, Nepal – around 20 %), the Middle East (Lebanon, Palestine, refugees in Syria – 18 %), Kosovo and Georgia. Apart from crisis response, the first part of IfS will also support measures aiming at increasing crisis preparedness, the so-called Peace-building Partnership. The Commission will also continue to be active in the Kimberley Process, addressing the issue of conflict resources such as diamonds.

In the context of stable conditions, the second part of IfS will continue financing the Expert Support Facility (ESF) and providing support for tackling trafficking of firearms, light arms as well as drugs, fight against organised crime and counter-terrorism. It will also continue providing support to alternative employment of former weapon scientists and engineers through International Science and Technology Centres in Moscow, Russia (ISTC) and the Science and Technology Centre in Kiev, Ukraine (STCU). Strengthening of civilian capabilities and exchange of information to fight illicit trafficking of chemical, biological, radiological and nuclear (CBRN) materials and export controls of dual-use goods will also maintain on the list of long-term priorities. In addition, it is foreseen to establish CBRN Centres of Excellence in ASEAN and Middle East regions and potentially in Sub-Saharan Africa, depending on the assessment of needs.

At the centre of intervention of the Instrument for Nuclear Safety Cooperation (INSC) in 2011 will remain the promotion of an effective nuclear safety culture. The support for regulatory bodies and to the effective safety culture in nuclear operations as well as safe treatment and disposal of spent nuclear fuel and radioactive waste will be key components of the EU action in partner countries (the major beneficiaries so far have been Russia and Ukraine and to a lesser extent Kazakhstan and Armenia). Another important activity remains development and implementation of strategies for decommissioning of existing installations and the remediation of former nuclear sites. In 2009 exploratory missions have been conducted in new countries and regions (e.g. Brazil, Argentina and South East Asia), which might lead to new projects in 2011. In addition to these activities, around 30 % of the INSC appropriations will be allocated to the Chernobyl Shelter Fund (CSF). The EU is a major donor to the CSF, with a contribution of some EUR 250 million since 1997. Taking into account the rising needs for continuation, the EU will have to assume its role in the future with additional funds above the average of the previous years.

The requested funding in 2011 amounts to EUR 290,2 million for the Instrument for Stability and EUR 75,8 million for the Instrument for Nuclear Safety Cooperation. These amounts are broken down by components and programmes as follows (in million EUR, at current prices):

Crisis response and preparedness	203
----------------------------------	-----

Actions in the area of non-proliferation of weapons of mass destruction	49
Trans-regional actions in the areas of organised crime, trafficking, protection of critical infrastructure and threats to public health and fight against terrorism	30
Assistance in the nuclear sector	75
Support expenditure	9
TOTAL	366

3.6.4.2. The Humanitarian Aid Instrument and the Civil Protection Financial Instrument (CPFI)

In 2011 humanitarian aid activities will continue to fund assistance in forgotten and complex crisis situations in the most vulnerable countries (especially in Africa), as well as to provide aid to regions affected by the consequences of natural disasters such as cyclones/hurricanes, droughts, earthquakes, floods or extreme cold. Based on the evaluation of needs by experts in the field and taking into account the figures of the Global Needs Assessment, around 85 % of the funding is planned to be allocated to the high priority areas (such as Sudan, Chad and other countries of Central Africa and Horn of Africa as well as number of countries from Asia, Latin America, Pacific and Caribbean regions). Around 12 % will be traditionally allocated to forgotten crises, where the media and donor attention is lacking and where the EU remains the most important, if not the only donor. Part of the budget will continue being allocated to efforts in the area of disaster preparedness and response capacity of the countries and regions vulnerable to natural disasters such as floods/landslides, drought, earthquakes, tsunamis, cyclones and forest fires. Ensuring a rapid, efficient and effective delivery of humanitarian food will continue being crucial for saving and preserving lives of most severely affected populations, especially since the consequences of the food crisis that had its peak in 2008 will have an impact on those populations for a number of years. Only in 2009, additional EUR 95 million had to be mobilised from the Emergency Aid Reserve (EAR) in order to respond to a very critical situation in Horn of Africa and in Pakistan.

The proposed level of commitments in 2011 is set at EUR 824,7 million.

The Civil Protection Financial Instrument (CPFI) aims at helping Member States to ensure a rapid, cost-effective and efficient mobilisation of European civil protection assistance in any type of major emergency in third countries. In 2009 the EU provided civil protection assistance in 14 third countries mostly affected by natural disasters (e.g. Fiji, Namibia, Tajikistan, Benin, Indonesia). However, compared to the initial amount of appropriations, the implementation rate remained very low (similarly to previous 2 years) and therefore the Commission proposes to adapt the foreseen amount for 2011 to a level corresponding to the implementation rate. In case of need, the Commission will endeavour to identify all the possibilities available for additional funding.

The proposed level of commitments in 2011 is set at EUR 4,0 million.

3.6.4.3. Macro Financial Assistance

Macro Financial Assistance is an instrument for economic stabilisation and a driver for structural reforms in the beneficiary third countries. The speeding up of reforms in neighbouring countries in line with the neighbourhood policy, and the adjustment and reform efforts of candidate and potential candidate countries during the pre-accession period will entail financial implications for these countries. The consequences of the global financial and economic crisis are expected to continue to foster requests by third countries for macro-economic assistance, as was the case in 2009. In 2009, EUR 35 million were provided to Armenia and EUR 46 million to Georgia under the grant component.

The proposed level of commitments in 2011 is set at EUR 114,9 million.

3.6.5. *Common Foreign and Security Policy (CFSP)*

Activities in the area of **Common Foreign and Security Policy (CFSP)** will continue with an increased budget in line with the financial framework 2007-2013. The bulk of the 2011 resources is expected to be used to finance the European Security and Defence Policy (ESDP) operation EULEX in Kosovo, which is now established with around 3 000 staff and fully operational. In line with the EU political and security priorities, the police mission in Afghanistan (EUPOL) will aim at increasing the number of staff (from 270 up to 400) in order to continue to be active in the capital and in a number of provinces (training and

coaching Afghan police forces). The budget allocated to this mission will need to be increased proportionally to the increase of staff (to EUR 48 million). Following the successful deployment of the EU Monitoring Mission (EUMM) in Georgia, it is foreseen to continue at its current strength with an amount comparable to 2010 (EUR 30 million). The EU will still have to assure its international role in conflict resolution and stabilisation activities in Middle East, Africa and other difficult regions of the globe, as well as play its active role in the area of non-proliferation of weapons of mass destruction (WMD) and small arms and light weapons (SALW).

The proposed level of commitment appropriations in 2011 is EUR 327,4 million, an increase of nearly EUR 46 million compared to budget 2010, in line with the financial programming.

3.6.6. *Guarantee Fund for External Actions*

Under the current financial framework, the resources for the provisioning of the Guarantee Fund for External Actions are budgeted directly under Heading 4 in the regular annual budget procedure. Following the adoption of the new provisioning mechanism, a provisioning of EUR 138,9 million is requested for 2011.

3.6.7. *Emergency Aid Reserve (EAR)*

The Emergency Aid Reserve is financed outside of the multiannual financial framework and will be called on to provide a rapid response to specific aid requirements of non-member countries following unforeseen events only if the need arises during the year. It will be made available, first and foremost for humanitarian purposes, but also for civil crisis management and protection where circumstances so require. In the last three years the request of budgetary reinforcement for humanitarian and crisis purposes has been on average around EUR 125 million per year (excluding the effect of the 'Food Facility'). Most of the mobilised amounts (EUR 272 million) have been used for financing Humanitarian and Food Aid in the most affected countries following the food crisis starting in 2008 and continuing in 2009. An extremely serious humanitarian situation following the earthquake that struck Haiti in early 2010 required an extraordinary effort (EUR 112 million).

The proposed level of EAR commitment appropriations for 2011 is EUR 253,9 million. Taking into account the unpredictability of the crises and at the same time to ensure the Commission's capacity to respond rapidly to any urgent crisis a sufficient level of payment appropriations needs to be assured. Given that the Commission in general makes a pre-financing payment of around 80 % at the start of the humanitarian operations, it is proposed to set the level of payment appropriations at 80 % of the level of commitment appropriations.

3.7. Administration: heading 5

3.7.1. Summary table

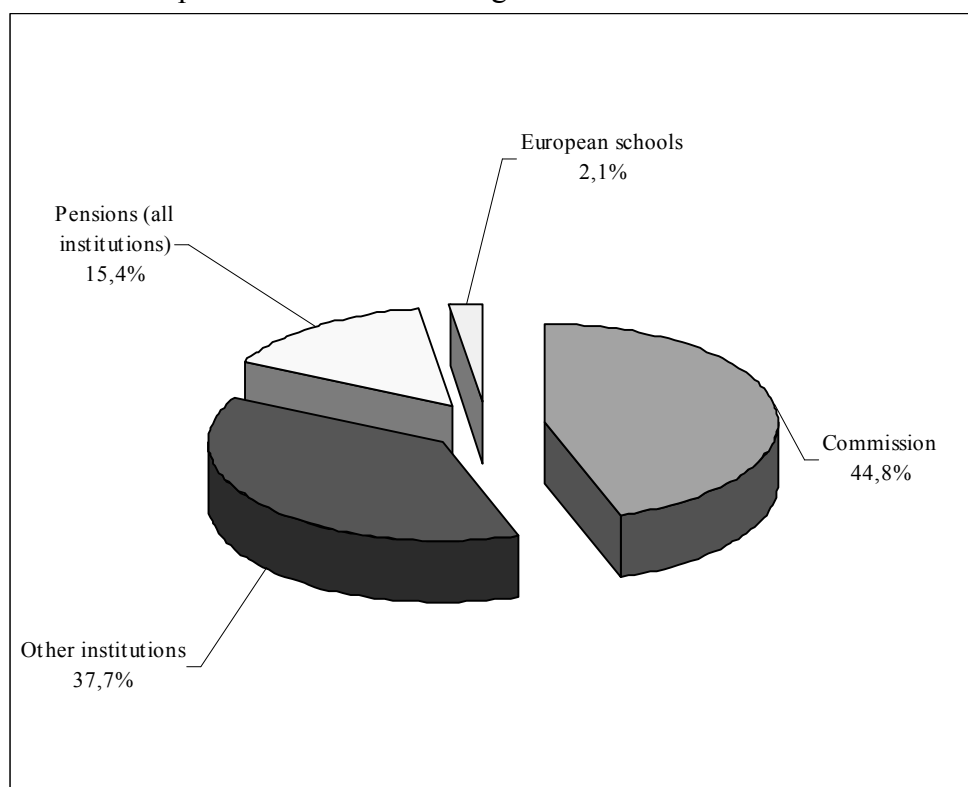
Total expenditure for administration for all Institutions in 2011 is estimated at EUR 8 266,6 million, leaving a margin of EUR 149,4 million.

(in million EUR, at current prices)

	Budget 2010	FF 2011	Draft budget 2011	Difference 2011-2010	
	Appropriations	Appropriations	Appropriations	Appropriations	%
Commission	3 604,6		3 709,0	104,4	2,9 %
Other institutions	2 957,4		3 109,1	151,8	5,1 %
Pensions (all institutions)	1 192,8		1 275,0	82,2	6,9 %
European schools	154,2		173,5	19,3	12,5 %
Total expenditure heading 5	7 909,0	8 334	8 266,6	357,7	4,5 %
			Margin = 149,4		

The calculation of the margin includes an amount of EUR 82 million related to staff contributions to the pension scheme⁴⁴.

The share of the estimated expenditure is the following:



⁴⁴

Footnote (1) in the multiannual financial framework 2007-13 table annexed to the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management, OJ C 139 of 14.6.2006, states that: "The expenditure on pensions included under the ceiling for heading 5 is calculated net of the staff contributions to the relevant scheme, within the limit of EUR 500 million at 2004 prices for the period 2007-13".

Heading 5: Administration (commitment appropriations)	Draft budget	
	2011	
	EUR	%
Commission	3 709 15 000	44,9 %
Other institutions	3 109 135 929	37,6 %
Pensions (all institutions)	1 274 979 000	15,4 %
European schools	173 514 000	2,1 %
Total	8 266 156 929	8 266 644 929

3.7.2. Specificities of heading 5

Heading 5 covers the administrative expenditure of all Institutions. The total level of appropriations required for 2011 as calculated above is based on the sum of the Institutions' individual draft statement of estimates as they currently stand⁴⁵. The individual draft estimates take into account the additional needs related with the entry into force of the Lisbon Treaty, notably as regards the Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. The additional needs for these Institutions for 2011 build on the needs that have already been identified for the 2010 financial year, in Amending Letter 3/2010 (Council), Draft Amending Budget 1/2010 (Parliament) and Draft Amending Budget 2/2010 (European Economic and Social Committee and Committee of the Regions), respectively. The margin left under the ceiling is expected to be sufficient to cover the foreseen needs for 2011. It is important to emphasise that an adequate margin is necessary to cater for possible variations of the annual pay and pension adaptations and deviations from the fixed 2 % deflator, as explained in more detail below. This section presents the expenditure requests for which the Commission is directly responsible (Commission, Offices, pensions and European schools). Explanations for the requests of the other Institutions are provided directly by the Institutions concerned, in their respective draft statements of estimates.

As a specific case at this point in time, the Commission's Draft Budget has been drawn up without prejudice to the creation of the European External Action Service (EEAS). In other words, the Commission appropriations and personnel which will become part of the EEAS are included in the Commission request. At a later stage, once the EEAS is established and the relevant budget section is created, the relevant posts and appropriations are expected to be transferred from the Commission's and Council's through an Amending Letter to the 2011 Draft Budget. As the creation of the EEAS may not be entirely budgetary neutral, a sufficient margin under this heading is required.

3.7.3. Main factors explaining the evolution of heading 5

The main drivers for the evolution of administrative expenditure are the number of posts and the adjustment of remunerations and pensions.

As explained in more detail in section 3.7.4 below, for 2011 the Commission does not request any new additional posts. This means that all Commission needs, including those related to new priorities and to the entry into force of the Lisbon Treaty, will be met by internal redeployment of existing human resources.

As regards the adjustment of salaries and pensions, the 2011 Draft Budget is built on the increase as proposed by the Commission in November 2009 for the 2009 adjustment (3,7 %).

In December 2009 the Council adopted Regulation (EU, Euratom) No 1296/2009 which limited the adjustment of remuneration and pensions to half the rate proposed by the Commission, i.e. to 1,85 %. The rate of the 2009 adjustment used for the 2011 Draft Budget (3,7 %) is 1,6 % higher than the rate used when the 2010 Budget was drawn up (2,1 %). The 2011 Draft Budget is based on the expected salary adjustment of 2,2 % at the end of 2010, and 1,3 % for 2011.

⁴⁵ At the time of writing, the draft estimates of Parliament and Council still had to be formally approved in accordance with their respective internal procedures.

Some additional expenditure is linked to the growing security requirements in Delegations and at Headquarters. Furthermore, some costs are not under the control of the Institution, such as higher price for energy and the maintenance of buildings.

However, through a thorough review of each expenditure item and reprioritisations the Commission has contained the **increase in administrative appropriations to only 2,9 %**, excluding Pensions and European schools (which are of an interinstitutional nature).

More details on the Commission's request for administrative appropriations, including for Pensions and European schools, are given under section 3.7.5 below.

3.7.4. *Human resources*

The new Commission's ambition is to address the challenges of the 21st century by using the new tools and procedures offered by the Lisbon Treaty and to deliver on the targets of the **Europe 2020 strategy for smart, sustainable and inclusive growth** by implementing the seven flagship initiatives identified therein⁴⁶: this high ambition requires a major reorganisation of the Commission's services with the redeployment of **some 2 200 staff** designed to meet identified needs.

Under the working hypothesis of a stable linguistic regime for 2011, and without prejudice to the creation of the EEAS, **the Commission remains, however, committed to meeting all staffing needs up to 2013 under constant resources**, as announced in the 'screening' of human resources exercise⁴⁷.

The identified needs will be served through the following mechanisms:

- In order to serve these priorities under constant resources, the ongoing **reorganisation** of Commission services to adjust to political priorities (creation of new Directorates-General, transfer of responsibilities, redesign of portfolios, etc.) **affects some 1 730 posts**.
- In addition, the Commission will **redeploy almost 150 posts between Directorates-General (DGs)**, in order to reinforce policy making profiles (67 % of this redeployment) and law making profiles (20 %).
- Finally, individual **DGs intend to redeploy internally almost 300 posts** in the course of 2011, to reinforce operational activities, essentially with policy making profiles as illustrated in the table below.

⁴⁶ 'Innovation Union', 'Youth on the move', 'A digital agenda for Europe', 'Resources efficient Europe', 'An industrial policy for the globalisation era', 'An agenda for new skills and jobs' and 'European Platform against poverty' as set out in the Communication of 3.3.2010 "*Europe 2020 – A strategy for smart, sustainable and inclusive growth*" (COM(2010)2020).

⁴⁷ "*Planning & optimising Commission human resources to serve EU priorities*", (SEC(2007)530) of 24.4.2007), expressly established under the baseline scenario of a stable financial framework, a stable linguistic regime and stable competencies for the Commission.

Internal redeployment within individual DGs			
Establishment Plan Posts	Work profiles affected	Work profiles reinforced	Net result
Admin Support	-57	30	-27
General coordination	-14	10	-4
Budgetary management & antifraud	-48	47	-1
Law making, monitoring and enforcement	-22	24	2
Linguistic	-26	29	3
Programme management	-67	59	-8
Policy making and coordination	-48	91	43
Communication	-9	1	-8
Totals DGs	-291	291	0

This cumulated effort enables the **Commission to present a 2011 Draft Budget which, for the second year in a row, requests no new posts** and a stable level of establishment plan posts. This result derives from: the return of former D-posts as they become vacant (to be converted into appropriations for contract agents as agreed in the framework of the reform of the Staff Regulations), the gradual return of posts agreed at the creation of the administrative offices (also to be converted into contract agents) and a request to transform a limited number of appropriations for contract agents into posts to ensure the required stability of staff in representation offices, external aid action and audit.

Operating budget (heading 5)	Movements between establishment plans	Transformation of posts into appropriations	Transformation of appropriations into posts
Commission operating budget	+8	-14	47
OPOCE			
OLAF			
EPSO (including EAS)			
OIB *	-1	-19	
OIL		-2	
PMO	-8	-15	
Total	-1	-50	47

** 1 AST post returns to the Council establishment plan (end of management of the Council Crèche by OIB)*

On the basis of the existing stock of establishment plan posts, the 2007 screening exercise revealed a potential mismatch between the existing structure of staff and future needs. In particular, the screening report pointed to the desirable gradual reduction of clerical tasks as a result of IT developments and the growing need for administrators. The 2011 Draft Budget follows up on the trend agreed by the budgetary authority in the last budgetary procedures and requests the following **budgetary neutral upgrading** of the existing establishment plans in order to allow the Commission to serve its political priorities in an optimal manner:

- The transformation of 186 AST6 into 186 AD5 posts on the Commission establishment plan,
- The transformations of 5 AST6 posts into 5 AD5 posts on the research establishment plan,
- A limited transformation in the establishment plans of the Offices: 4 AST6 posts into 4 AD5 posts for OIB, 1 AST6 post into 1 AD5 post for OIL and 1 AST6 post into 1 AD5 post for EPSO. Finally, a limited non budget neutral upgrading is requested for OLAF (10 posts) in line with the agreed rebalancing of its establishment plan between temporary and permanent staff.

As a general rule, the Commission will continue to **allocate staff temporarily** to serve time-limited activities. This mechanism has proved a dynamic and flexible way to allow adequate staffing to face peaks in workload and to return posts when the peak is over, contributing to dynamic human resources management over time.

Moreover, as announced in the 2007 screening report, the Commission continues to explore and encourage all flexible arrangements. The mechanism of **pooling expertise for specific time-bound tasks** is still being used to allow temporary posting of officials within services facing a huge and unexpected workload linked to the financial crisis (notably DG COMP, ECFIN and MARKT), but is also more and more resorted to

within individual services in order to temporarily reprioritise and strictly adjust to higher peaks and relative troughs of workload to make the most of existing resources.

Economies of scale are further derived from the **pooling of support infrastructures** between Directorates-General and the creation of shared resource directorates in the case of the two newly created DGs (a Single Resources Directorate serving DG Transport and DG Energy and a Single Resources Directorate serving DG Environment and DG Climate Action).

Finally, regarding **geographical balance**, the Commission had set itself the objective of recruiting at least an overall number of nationals from the new Member States similar to the overall number of new posts granted for enlargement and has been successful so far in meeting this target. The Commission intends to proceed with its close and regular monitoring of recruitment of nationals from the new Member States to ensure respect of recruitment targets as well as a balanced representation of EU-2 and EU-10 nationals in each function group.

3.7.5. Financial resources

The following table shows the evolution by nature of the administrative expenditure for the Commission:

Type of expenditure		Budget 2010	DB 2011	Difference 2011 - 2010	
Members	Members (excl. pensions)	13 665 000	13 954 000	2,1 %	289 000
	Members (pensions)	9 209 000	8 096 000	-12,1 %	-1 113 000
Staff	Remuneration and normal entitlement	2 149 807 000	2 257 461 000	5,0 %	107 654 000
	Recruitment costs	38 395 000	34 396 000	-10,4 %	-3 999 000
	Termination of service ('dégagement')	12 094 000	8 710 000	-28,0 %	-3 384 000
	Training costs	31 186 000	31 536 000	1,1 %	350 000
	Social	30 088 000	31 679 000	5,3 %	1 591 000
	External	External staff (CEOS)	165 863 000	164 820 000	-0,6 %
	Other external (END, Agency staff)	86 123 000	89 226 000	3,6 %	3 103 000
	IT services	49 496 000	52 042 000	5,1 %	2 546 000
	Linguistic external staff	41 796 000	39 303 000	-6,0 %	-2 493 000
Rent, purchase and linked to buildings	Rents and purchases	363 191 000	367 023 000	1,1 %	3 832 000
	Expenditure linked to buildings	113 268 000	120 548 000	6,4 %	7 280 000
	Security	88 069 000	91 609 000	4,0 %	3 540 000
Meeting people	Mission and representation	84 203 000	85 049 000	1,0 %	846 000
	Meetings, committees, conferences	53 563 000	52 839 000	-1,4 %	-724 000
Information	Official Journal	13 520 000	12 178 000	-9,9 %	-1 342 000
	Publications	21 331 000	19 665 000	-7,9 %	-1 686 000
	Acquisition of information	6 731 000	6 541 000	-2,8 %	-190 000
	Studies & investigations	19 870 000	18 930 000	-4,7 %	-940 000
General administrative expenditure	General equipment, vehicle, furniture	26 775 000	25 625 000	-4,3 %	-1 150 000
	IT hardware and information systems	114 056 000	115 491 000	1,3 %	1 435 000
	Other administrative expenditure	69 213 000	58 960 000	-14,8 %	-10 253 000
	Mobility	3 110 000	3 202 000	3,0 %	92 000
Specific	European schools	154 212 044	173 514 000	12,6 %	19 301 956
	Staff Pensions	1 192 789 000	1 274 979 000	6,9 %	82 190 000
Total		4 951 623 044	5 157 508 000	4,2 %	205 884 956

As explained in section 3.7.3 above, the main elements that influence the evolution of remuneration for staff and external staff are the evolution of the basic salary in 2009 in coherence with Commission's proposal (i.e. 3,7 %), and the expected adjustment of the salaries and pensions at the end of 2010 (2,2 %) and 2011 (1,3 %).

Including the impact of the higher than expected salary increase in 2009, the 2011 increase of expenditure compared to the 2010 Budget is 2,9 %, excluding Pensions and the European Schools.

For Staff Pensions, the increase of appropriations (5,1 %, when excluding the impact of the 2009 salary increase), which also results from the growing number of pensioners, is not higher than in the 2010 Budget.

The relatively moderate overall increase for the Commission is the net result of savings and additional needs, as set out below.

Substantial reductions of expenditure are proposed for Recruitment costs, Termination of service, Linguistic external staff, Meetings of committees, Official Journal, Publications, Acquisition of information, Studies and investigations, General equipment and Other administrative expenditure. These savings result from a thorough review of the items of expenditure and taking into account, amongst others, the decreasing costs of some goods, the phasing in of renegotiated contracts with better terms and the consequences of policy reorientations. As a specific case, the decrease in Member Pensions is due to the change of Commission in 2010.

The expected evolution of inflation (1,4 % in Brussels and 1,6 % in Luxembourg) has an impact on indexed contracts. The increasing cost of energy and maintenance of the buildings and the works for a second childcare facility are the main factors for the evolution of expenditure linked to buildings. However, expenditure for Rents remains under the level of the inflation rate thanks to the contractual reduction of the expenditure for the Jean Monnet building in Luxembourg, a favourable evolution of indexations in 2009, and the termination of rental parking places related with the Staff Mobility Plan, for which the level of appropriations coordinated between all Institutions is maintained.

The Commission needs to be present in politically important but risky zones. This entails substantial security costs in delegations. Security measures are being taken at headquarters as well. In addition, the will to automate and streamline procedures, in order to achieve the productivity gains necessary to allow staff redeployments, explains the increase of expenditure for IT services. Expenditure for Missions and representation, on the other hand, remains more or less stable in real terms.

The growing number of external staff in childcare facilities influences the evolution of this type of appropriations. The accomplishment of the plan for transformation of establishment plan posts into external staff in the administrative offices, which generates savings on remunerations, is spread over a supplementary four years period which takes into account the real possibilities.

Apart from the normal adaptations, the increase in appropriations for European schools matches the expected growth of the number of pupils, the increasing share of pupils not paying a fee (so-called 'Category I' pupils, i.e. children of EU statutory staff), the evolution of staff salaries under the same circumstances as the Institutions, and a new contribution to national schools in Member States which offer EU curriculum sections equivalent to European schools (so-called 'Type 2' European schools).

There are various European offices included in the budget of the Commission. The evolution of the budget for each office is the following:

(in EUR, at current prices)

<i>Of which for the offices</i>	Budget 2010	DB 2011	Difference 2011 - 2010	
OPOCE	84 082 000	85 330 000	1,5 %	1 248 000
OLAF	57 145 000	58 933 000	3,1 %	1 788 000
EPSO	30 993 000	26 973 000	-13,0 %	-4 020 000
PMO	33 728 000	35 523 000	5,3 %	1 795 000
OIB	67 343 000	69 911 000	3,8 %	2 568 000
OIL	24 430 000	25 371 000	3,9 %	941 000
Total	297 721 000	302 054 000	1,5 %	4 333 000

A large number of promotions of staff recruited from new Member States after enlargement and a higher occupancy rate for their establishment plans explain the increase for offices of the Commission, in addition to the above-mentioned higher than expected salary increase in 2009.

For OIB, the recruitment of external staff for the new childcare facilities also explains the level of the requested appropriations. The important decrease of the EPSO budget is linked to the expected occupation of a new building with no budgetary impact in 2011, and a lower level of expenditure for competitions following the new system proposed in the EPSO Development Programme adopted in 2009.

The development for delegations and representations is the following:

(in EUR, at current prices)

<i>Of which</i>	Budget	DB	Difference
-----------------	---------------	-----------	-------------------

	2010	2011	2011 - 2010	
Delegations (RELEX-SEU)	418 132 000	433 918 000	3,8 %	15 786 000
Representation offices (external + infrastructure)	41 455 000	41 020 000	-1,0 %	-435 000
Total	459 587 000	474 938 000	3,3 %	15 351 000

The limited decrease for the Representation Offices is the result of a continued rationalisation effort. The increase for Delegations, on the other hand, is mainly due to the impact of the remuneration adjustments, to a higher occupancy rate for its establishment plan, to buildings expenditure (start of the construction of the Tokyo Delegation and the reconstruction of the Haiti Delegation), as well as to security needs.

4. HORIZONTAL ISSUES

This section presents some major horizontal issues for the 2011 Draft Budget, as follows:

- Bodies set up by the European Union and having legal personality: decentralised agencies, joint undertakings, EIT and executive agencies;
- Administrative expenditure outside heading 5: budget lines for technical and administrative assistance, including the so-called ‘former BA-lines’ and administrative expenditure under the Research budget;
- The Financial Regulation and actions without legal bases: this concerns notably programmes, activities and decentralised agencies for which the legal base is currently outstanding, pilot projects and preparatory actions, and actions financed under the prerogatives of the Commission.

4.1. Bodies set up by the European Union and having legal personality

Key budgetary information for all EU bodies (decentralised agencies, executive agencies, joint undertakings and EIT) is provided in Annex IV. Furthermore, a dedicated Working Document III accompanying the 2011 DB presents very detailed information on ‘agencies’, so as to respond in a coherent manner to repeated requests of the Budgetary Authority for more information and transparency with regard to revenue, expenditure and staff levels of various Union bodies.

4.1.1. Decentralised agencies

In the 2011 Draft Budget, the Commission confirms its policy with regard to the assigned revenue of decentralised agencies, which was introduced in the 2009 PDB: assigned revenues stemming from the recovery of decentralised agency surpluses for the year 2009 have been deducted from the 2011 EU contribution to the agencies in question⁴⁸, so as to reduce the need for ‘fresh appropriations’ entered in the 2011 DB. As a consequence, the level of appropriations to be entered in the budget is typically below the amount foreseen in the financial programming for 2011.

Moreover, when assessing the decentralised agency's needs for the financial year 2011, the Commission has taken into account the relative size of the agency surplus for the year 2009 (as compared to agency revenue received in 2009). In doing so, the Commission responds to the new requirements of the Framework Financial Regulation, Regulation (EC, Euratom) No 2343/2002⁴⁹, as revised in July 2008⁵⁰.

As shown in the decentralised agency overview table (annex IV.1), the total foreseen EU contribution to the decentralised agencies amounts to EUR 705,9 million. This overall amount is composed of the amounts entered in the 2011 DB (EUR 679,2 million) and the assigned revenues stemming from the recovery of the 2009 surplus (EUR 26,6 million).

This represents a marginal decrease of the total EU contribution as compared to the 2010 budget of some EUR 0,8 million, or - 0,1 %. However, this marginal decrease is the net result of:

- the additional needs related to the financing of the ‘to be created’⁵¹ and ‘start-up phase’⁵² agencies, and;
- the fact that the European Chemicals Agency (ECHA) in 2011 will have become fully self-financed (on a temporary basis) for its chemicals activities under heading 1a⁵³, which means that

⁴⁸ Account has been taken, however, of the need to make a technical adjustment in this regard for the *Galileo Supervisory Authority* (GSA) in 2010.

⁴⁹ OJ L 357, 31.12.2002, p. 72.

⁵⁰ OJ L 181, 10.7.2008, p. 23.

⁵¹ *European Banking Authority* (EBA), *European Insurance and Occupational Pensions Authority* (EIOPA), *European Securities and Markets Authority* (ESMA), *European Asylum Support Office* (EASO) and the *Agency for the operational management of large-scale JLS IT systems*.

⁵² *Gender Institute*, *European Agency for the Cooperation of Energy Regulators* (ACER) and the *Office of the Body of European Regulators for Electronic Communications* (BEREC – Office).

no EU contribution will be required, contrary to 2010 when EUR 43,9 million is foreseen to be made available to ECHA.

As regards staffing of the decentralised agencies, the increase of 258 posts foreseen for 2011 relates largely to the ‘to be created’ and ‘start-up phase’ agencies, for which 231 posts are requested.

The total number of posts, as shown in Annex IV.1, includes both posts financed from the EU contribution to the agencies as well as posts financed by other agency revenue, such as fees from industry.

4.1.2. *Joint undertakings*

Annex IV.2 presents an overview table for the current 7 joint undertakings.

Compared to the 2010 budget, the total EU contribution to the joint undertakings increases by 10 % to EUR 1 010,3 million, which is funded from the Research Framework Programmes (EC, Euratom) and the Trans-European Networks (for SESAR, specifically). However, the staffing of the joint undertakings remains broadly stable, with a foreseen increase of six posts, to 357 posts in 2011.

The actual EU contribution is somewhat below the financial programming for the ARTEMIS (- EUR 34,8 million) and the ENIAC joint undertakings (- EUR 44,5 million), due to the lower than expected contribution from industry. In addition, the needs for administrative expenditure for FCH are EUR 2,2 million lower than previously foreseen. On the other hand, the actual EU contribution is EUR 20,6 million above the financial programming for the Clean Sky joint undertaking, in order to catch up with the overall aircraft evolution cycle. The above-mentioned adjustments compared to the financial programming have been offset with corresponding changes to the operational FP7 budget lines concerned.

4.1.3. *European Institute of Innovation and Technology (EIT)*

Annex IV.3 presents an overview table for EIT. Reflecting its start-up phase and in line with the financial programming, the foreseen EU contribution to EIT increases from EUR 30,2 million to EUR 62,8 million, with 28 posts requested, as compared to 20 posts authorised under the 2010 budget.

The significant increase of the EU contribution to the EIT relates by and large to the planned reinforcement of operational expenditure (Title 3), principally through the Knowledge and Innovation Communities (KICs), which are meant to promote and integrate higher education, research and innovation of the highest standards.

4.1.4. *Executive agencies*

When preparing the 2011 DB, the Commission has again made a careful assessment of needs for the executive agencies. As last year, this has resulted in a reduction of appropriations for the executive agencies as compared to the 2011 amount foreseen in the indicative financial statement accompanying the creation or latest mandate extension of the agency in question. The reductions of appropriations compared to the financial programming amount to EUR 21,0 million.

The increase of the overall EU contribution foreseen for the executive agencies (from EUR 143,1 million in the 2010 budget to EUR 152,1 million in the 2011 DB) in practice relates to the ongoing phasing-in of the research executive agencies (ERCEA and REA), and is due to the progressive recruitment of personnel as foreseen when setting up the agencies. The increase for the four ‘cruising speed’ executive agencies (EACI, EACEA, EAHC and TEN-T EA, from EUR 79,0 million in the 2010 budget to EUR 79,3 million in the 2011 DB) remains well below inflation correction.

Within this overall attempt to further consolidate the budgetary needs of the executive agencies, the Commission proposes to allow the research executive agencies to recruit the temporary agents and external personnel needed for the management of the programmes delegated to the agencies, as planned when creating the agencies. Similarly, the Commission proposes to allow EACI and EACEA to recruit four

⁵³

In addition to ECHA's currently self-financed chemicals activities, the Commission proposes to extend this agency's mandate to activities in the field of biocides legislation, under heading 2. For 2011, only a token entry ('p.m.') is foreseen in this regard (see section 3.3.6 above, for more details).

additional contract agents. EAHC and TEN-T EA, on the other hand, have already reached their foreseen staffing levels, and remain stable.

Annex IV.4 presents an overview for the executive agencies, both for the EU contribution to the agencies from operational programmes managed, and for the establishment plans and external personnel.

4.2. Administrative expenditure outside heading 5

4.2.1. Summary table

The table below presents a summary overview of administrative expenditure outside heading 5.

	Budget	Draft budget	Difference
	2010 ⁽¹⁾	2011	2011 / 2010
Technical and administrative support lines (ex-BA lines)	341 672 500	363 863 200	6,5 %
Executive agencies (outside research agencies)	78 972 500	79 398 000	0,5 %
Sub Total Administrative expenditure outside research and heading 5 ⁽²⁾	420 645 000	443 261 200	5,4 %
Research establishment plan posts	379 315 000	385 213 000	1,6 %
External personnel	94 423 000	90 155 000	-4,5 %
Other administrative expenditure	156 180 000	181 745 000	16,4 %
Executive agencies for Research	64 103 000	72 717 000	13,4 %
Sub Total Administrative expenditure direct and indirect research ⁽³⁾	694 021 000	729 830 000	5,2 %
TOTAL ADMINISTRATIVE EXPENDITURE OUTSIDE HEADING 5	1 114 666 000	1 173 091 200	5,2 %

(1) Budget 2010 includes Draft Amending Budgets 1 to 4.

(2) XX 01 04 excluding research executive agencies and ITER administrative management expenditure.

(3) Financed under the administrative ceiling of the research framework programmes (XX 01 05, Joint Research Centre and research executive agencies).

The sections below explain the purpose of technical and administrative support expenditure which is directly linked to operational programmes, for the so-called ‘former BA lines’ (section 4.2.2) and for the research administrative expenditure (section 4.2.3).

The executive agencies (see section 4.1.4 above for more details) are included in this summary table as well, as they are a more cost-effective alternative to ‘in-house’ management by the Commission services, as demonstrated in a cost-benefit analysis carried out before delegating the management of (part of) the operational programme concerned to the executive agency. This goes both for the research executive agencies (ERCEA and REA) financed from the Research budget, as well as for those financed from other programmes (EACI, EACEA, EAHC and TEN-T EA).

4.2.2. Technical and administrative support expenditure

Many EU multi-annual programmes foresee amounts for technical and administrative support expenditure, directly linked to the implementation of the operational programmes and financed from the financial envelopes for the programme. This technical and administrative support expenditure is clearly identified in the EU budget, on dedicated budget lines (XX 01 04 lines, without executive agencies, also known as ‘former BA lines’).

The appropriations for technical and administrative support are used to carry out activities such as evaluation of calls for proposals, studies, expert meetings and audits, which are key to achieving value for money and ensuring sound financial management. Furthermore, in delegations and on a limited number of pre-identified budget lines, support staff can be financed within the limits of a ceiling defined in the budget. Whereas it is true that amounts spent on administrative support, which are taken from the financial envelope of the programme, cannot be used as operational expenditure, it is equally true that proper implementation of programmes comes at a cost. The practice of taking administrative support appropriations directly from the operational programme makes the cost of managing programmes more transparent.

The Commission has taken careful note of the choices that the budgetary authority made in the 2010 budgetary procedure. Accordingly, the Commission has taken the budget 2010 appropriations for administrative support as a starting point for the 2011 Draft Budget. On that basis, the Commission has taken into account both execution 2009 and the growth of the 2011 programmes to be managed. In doing so, the Commission has arrived at an increase of 1 % compared to the overall PDB 2010 amount, leading to a foreseen overall amount for 2011 of EUR 364,1 million. This represents a substantial growth over the

amounts budgeted for 2010. However, the overall amount remains well below the multi-annual financial programming for this type of expenditure, and the Commission considers the requested increase necessary to ensure proper implementation of operational programmes, as set out below.

This increase compared to the 2010 budget centres around the support lines for a limited number of key programmes, in particular in the field of environment and climate action (heading 2, + EUR 2,6 million) and external relations (heading 4, + EUR 16,2 million).

For environment and climate action, this reflects the importance attached to this policy area, further to the Copenhagen Accord of December 2009 (see also section 3.3.6 above). However, the increase remains below the level of appropriations foreseen for this budget line in the financial programming for 2011. For the EU as a Global Player, the increase is in particular due to higher security costs in delegations, especially in high-risk areas, and an increase in the number of contract agents (as opposed to local agents) to manage the ‘deconcentrated’ external aid action in delegations that is gradually increasing over the period 2007-2013. This possibility was one of the conditions under which the Commission committed in the 2007 ‘screening’ of Commission human resources⁵⁴ to meet staffing needs through redeployment up to 2013. The ongoing ‘deconcentration’ of external action in turn leads to reduced management at headquarters, which for instance is shown in the decreasing payments for outstanding commitments for pre-accession aid to Bulgaria and Romania, now that these programmes have reached the closure phase.

The increase foreseen for heading 4 for 2011 relates mostly to the growing level of commitment appropriations, to be managed in delegations, for the major instruments in the field of *Development Cooperation* (DCI, both for policy area 19 (external relations), + EUR 4,3 million, and for policy area 21 (development and relations with ACP states), + EUR 8,7 million, which is largely due to the high number of small grants involved, whereas the management of the outstanding commitments for the *Food Facility* is still ongoing), *Pre-Accession Assistance* (IPA, + EUR 5,1 million, due for instance to the absorption of tasks from the European Agency for Reconstruction (EAR), the increase in assistance to Kosovo and the need to reinforce delegations in candidate countries), *Neighbourhood and Partnership* (ENPI, + EUR 2,3 million, which is due to the large increase in appropriations as well as the Eastern Partnership), the *Instrument for Stability* (IfS, + EUR 2,3 million, idem), and the *European Instrument for Democracy and Human Rights* (EIDHR, + EUR 0,7 million, due to the large number of NGOs involved).

Detailed information on technical and administrative support expenditure which is directly linked to the management of EU programmes is provided as part of Working Document II (‘Commission Human Resources and administrative expenditure’) accompanying the 2011 DB.

4.2.3. Administrative expenditure under the Research budget

As shown in the summary table 4.2.1, administrative expenditure financed under the Research budget includes:

- Indirect research expenditure related to staff (XX 01 05 01);
- Indirect research expenditure related to external personnel (XX 01 05 02);
- Indirect research other management expenditure (XX 01 05 03);
- Direct research (Joint Research Centre, 10 01 05);
- Research executive agencies (ERCEA and REA).

As regards indirect research expenditure related to staff (XX 01 05 01), detailed information on (the occupation of) research establishment plan posts on the Research budget is provided as part of Working Document II (‘Commission Human Resources and administrative expenditure’) accompanying the 2011 DB. As explained in section 3.7.4 above, the Commission does not request new posts for 2011. Nonetheless, the redeployment of posts also affects the allocation of indirect research posts, whereas the Commission

⁵⁴ ‘Planning & optimising Commission human resources to serve EU priorities’, Report from the Commission, SEC (2007) 530, 24.4.2007, footnote 17.

also requests a budgetary neutral upgrading of the research establishment plan, similar to the upgrading of posts requested for the Commission's establishment plan.

A substantial decrease in appropriations for indirect research expenditure related to external personnel (XX 01 05 02) is foreseen for 2011, which should also be seen in the context of the progressive build-up of the research executive agencies, as set out in section 4.1.4 above.

As regards direct research, no substantial changes are foreseen for the 2011 establishment plan of the JRC, whereas JRC appropriations for external personnel remain fairly stable.

The appropriations for other management expenditure for research were significantly reduced in the 2010 budget, as compared to both the level proposed in the 2010 PDB and the actual execution in 2009. The substantial increase proposed for the 2011 DB should therefore also be seen in this light, as well as in regard to the sharp increase in the level of operational credits to be managed for FP7, towards the end of the programming period. The level of appropriations proposed for 2011 remains below both the financial programming and the ceilings foreseen for this type of expenditure in the legal bases. In turn, this has led to an increase in operational expenditure as compared to the financial programming.

The appropriations for other management expenditure are used to finance actions which are key to proper implementation, such as external audits, workshops, communication activities, IT systems and evaluations of proposals, across the Framework Programmes.

4.3. The Financial Regulation and actions without legal base

Article 49 of the Financial Regulation⁵⁵ states that, 'a basic act shall first be adopted before the appropriations entered in the budget for any action by the European Union may be used.' However, the Financial Regulation also provides for five exceptions to this rule: 1) pilot schemes; 2) preparatory actions; 3) preparatory measures in the field of Title V of the Treaty on European Union (concerning CFSP), 4) actions undertaken on the basis of the institutional prerogatives and specific powers conferred on the Commission by the Treaties; and 5) operations of each institution arising from its administrative autonomy.

4.3.1. Programmes, activities and decentralised agencies for which the legal base is outstanding

As set out above, appropriations are to be entered into the reserve until such time as the legal base is adopted by the legislative authority. Accordingly, commitment and payment appropriations for the following programmes, activities and decentralised agencies have been entered into the reserve, for a total amount of EUR 252,1 million (in commitment appropriations):

- European Earth observation programme (GMES), EUR 10 million;
- International fisheries agreements, EUR 52 million;
- European Banking Authority (EBA), EUR 5,0 million;
- European Insurance and Occupational Pensions Authority (EIOPA), EUR 5,2 million;
- European Securities and Markets Authority (ESMA), EUR 5,7 million;
- Schengen evaluation, EUR 0,6 million;
- Agency for the operational management of large-scale JLS IT systems, EUR 10,6 million;
- Cooperation activities other than Official Development Assistance (ICI+, Latin America, Asia, Central Asia, Iraq, Iran and Yemen, South Africa), EUR 45 million;
- Banana Accompanying Measures (BAM), EUR 43 million;
- Nuclear safety – Transitional measures (decommissioning for Kozloduy), EUR 75 million.

⁵⁵ Council Regulation (EC, Euratom) No 1995/2006 of 13 December 2006 amending Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 390, 30.12.2006, p. 1).

More detailed information on these new initiatives is given under the corresponding headings of the financial framework (see section 3 – key aspects of DB 2011 by financial framework headings).

4.3.2. Pilot projects and preparatory actions

In the 2011 DB, the Commission has included the following proposals for preparatory actions, for a total amount of EUR 18 million (in commitment appropriations):

- Preparatory action Erasmus for Young Entrepreneurs (third year), EUR 2 million;
- Preparatory action on Environmental monitoring of the Black sea basin (second year), EUR 1 million;
- Preparatory action on Mainstreaming climate action and adaptation (new), EUR 5 million;
- Preparatory action in the field of Sport (third year), EUR 1 million;
- European year of Volunteering (building on the 2010 preparatory action), EUR 8 million;
- Preparatory action for the setting up of a European Voluntary Humanitarian Aid Corps (new), EUR 1 million.

Furthermore, the Commission proposes to continue the pilot project to cover costs of studies for students from the ENP countries and for related academic activities, for an amount of EUR 1,5 million (both in commitment and payment appropriations).

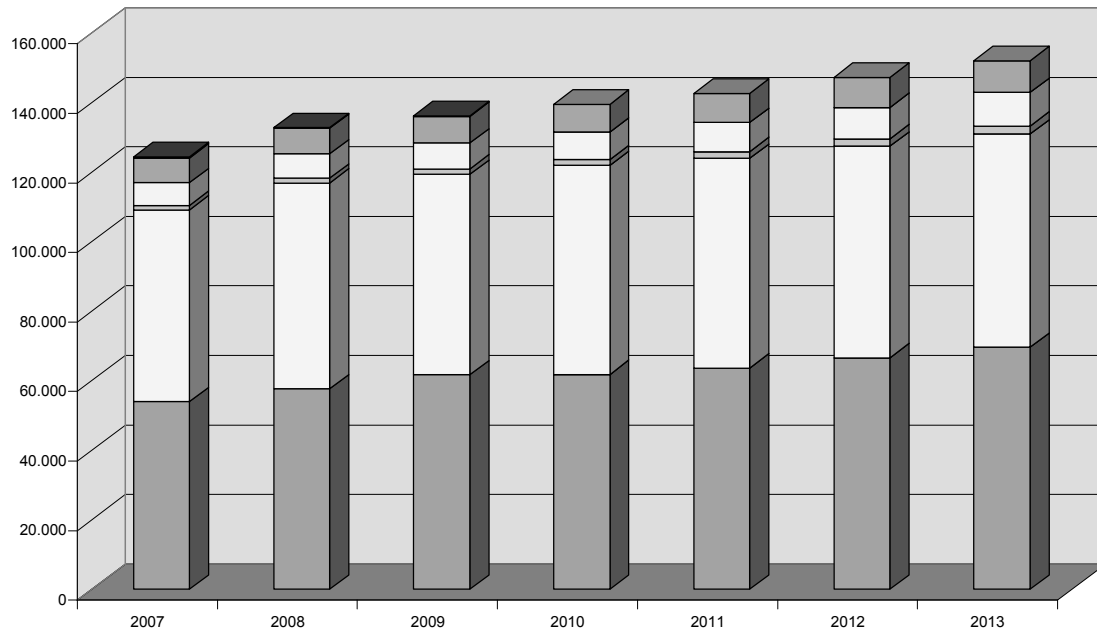
Detailed information on pilot projects and preparatory actions is presented in Working Document IV accompanying the 2011 DB.

4.3.3. Actions financed under the prerogatives of the Commission

In the 2011 Draft Budget, the actions financed under the prerogatives of the Commission amount to EUR 268,3 million. This overall amount represents a decrease compared to both the 2010 budget (EUR 276,8 million) and the financial programming for 2011 as updated in January 2010, which stood at EUR 273,3 million. The Commission has made significant efforts in order to arrive at this result; the corresponding reductions in appropriations mainly concentrate on budget lines under headings 1a (Competitiveness), 3b (Citizenship) and 4 (EU as a global player). More details on the actions financed under the Commission's prerogatives can be found in the financial programming 2011 – 2013, table 9.12.

5. ANNEX — DETAILED FIGURES

5.1. Annex I — Multiannual financial framework 2007-2013, at current prices



(in million EUR, at current prices)

APPROPRIATIONS FOR COMMITMENTS	2007	2008	2009	2010	2011	2012	2013	Total 2007-2013
1. SUSTAINABLE GROWTH	53 979	57 653	61 696	63 555	63 974	66 967	69 957	437 778
Competitiveness for growth and employment	8 918	10 386	13 269	14 167	12 987	14 203	15 433	89 363
Cohesion for growth and employment	45 061	47 267	48 427	49 388	50 987	52 761	54 524	348 415
2. PRESERVATION AND MANAGEMENT OF NATURAL RESOURCES	55 143	59 193	56 333	59 955	63 338	60 810	61 289	413 061
Of which: Market related expenditure and direct payments (1)	45 759	46 217	46 679	47 146	47 617	48 093	48 574	330 085
3. CITIZENSHIP, FREEDOM, SECURITY AND JUSTICE	1 273	1 362	1 518	1 693	1 889	2 105	2 376	12 216
Freedom, security and justice	637	747	867	1 025	1 206	1 406	1 661	7 549
Citizenship	636	615	651	668	683	699	715	4 667
4. EU AS A GLOBAL PLAYER	6 578	7 002	7 440	7 893	8 430	8 997	9 595	55 935
5. ADMINISTRATION (2)	7 039	7 380	7 525	7 882	8 334	8 670	9 095	55 925
6. COMPENSATION	445	207	210					862
TOTAL COMMITMENTS APPROPRIATIONS	124 457	132 797	134 722	140 978	142 965	147 546	152 312	975 777
as a percentage of GNI (3)	1,02 %	1,08 %	1,16 %	1,18 %	1,16 %	1,15 %	1,14 %	1,13 %
TOTAL PAYMENTS APPROPRIATIONS	122 190	129 681	120 445	134 289	134 280	141 360	143 331	925 576
as a percentage of GNI (3)	1,00 %	1,05 %	1,04 %	1,12 %	1,09 %	1,10 %	1,07 %	1,07 %
Margin available	0,24%	0,19 %	0,20 %	0,11 %	0,14 %	0,13 %	0,16 %	0,16 %
Own resources ceiling as a percentage of GNI	1,24 %	1,24 %	1,24 %	1,23 %	1,23 %	1,23 %	1,23 %	1,23 %

(1) This amount is before taking account of modulation and other transfers to rural development.

(2) The expenditure on pensions included under the ceiling for this heading is calculated net of the staff contributions to the relevant scheme, within the limit of EUR 500 million at 2004 prices for the period 2007-2013.

(3) The figures are based on the technical adjustment of the financial framework for 2010 in line with movements in GNI, adopted by the Commission on 16 April 2010 (COM(2010)160).

5.2. Annex II — 2011 Draft Budget by financial framework headings

5.2.1. 2011 Draft Budget by financial framework headings (aggregate)

	Budget 2010 ⁽¹⁾		Financial framework 2011		Draft budget 2011		Difference 2011 / 2010		Difference 2011 – 2010	
	(1)		(2)		(3)		(3 / 1)		(3 – 1)	
	EUR		EUR		EUR		%		EUR	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
1. SUSTAINABLE GROWTH ⁽²⁾	64 249 445 345	47 727 155 803	63 974 000 000		64 406 946 054	54 650 510 910	0,2%	14,5%	157 500 709	6 923 355 107
Excluding energy projects to aid economic recovery							3,4%	14,7%		
<i>Margin</i>					<i>67 053 946</i>					
— Competitiveness for growth and employment ⁽²⁾	14 862 853 253	11 343 270 803	12 987 000 000		13 436 852 270	12 109 714 170	-9,6%	6,8%	-1 426 000 983	766 443 367
Excluding energy projects to aid economic recovery							4,4%	7,0%		
<i>Margin</i>					<i>50 147 730</i>					
— Cohesion for growth and employment	49 386 592 092	36 383 885 000	50 987 000 000		50 970 093 784	42 540 796 740	3,2%	16,9%	1 583 501 692	6 156 911 740
<i>Margin</i>					<i>16 906 216</i>					
2. PRESERVATION AND MANAGEMENT OF NATURAL RESOURCES	59 498 833 302	58 135 640 809	60 338 000 000		59 486 248 389	58 135 685 296	-0,0%	0,0%	-12 584 913	44 487
Of which: Market related expenditure and direct payments	43 819 801 768	43 701 207 586	47 617 000 000		43 747 401 900	43 656 761 358	-0,2%	-0,1%	-72 399 868	-44 446 228
<i>Margin</i>					<i>851 751 611</i>					
<i>Of which: Market related expenditure and direct payments ⁽³⁾</i>					<i>719 188 100</i>					
3. CITIZENSHIP, FREEDOM, SECURITY AND JUSTICE	1 674 487 370	1 397 957 870	1 889 000 000		1 803 069 740	1 491 552 740	7,7%	6,7%	128 582 370	93 594 870
<i>Margin</i>					<i>85 930 260</i>					
— Freedom, security and justice	1 006 487 370	738 570 370	1 206 000 000		1 135 252 740	852 573 740	12,8%	15,4%	128 765 370	114 003 370
<i>Margin</i>					<i>70 747 260</i>					
— Citizenship	668 000 000	659 387 500	683 000 000		667 817 000	638 979 000	-0,0%	-3,1%	-183 000	-20 408 500
<i>Margin</i>					<i>15 183 000</i>					
4. EU AS A GLOBAL PLAYER ⁽⁴⁾	8 160 182 000	7 787 695 183	8 430 000 000		8 613 529 377	7 601 763 867	5,6%	-2,4%	453 347 377	-185 931 316
<i>Margin</i>					<i>70 330 623</i>					
5. ADMINISTRATION ⁽⁵⁾	7 908 983 423	7 908 478 423	8 334 000 000		8 266 204 929	8 267 259 929	4,5%	4,5%	357 221 506	358 781 506
<i>Margin</i>					<i>149 795 071</i>					
Total	141 491 931 440	122 956 928 088	142 965 000 000	134 280 000 000	142 575 998 489	130 146 772 742	0,8%	5,8%	1 084 067 049	7 189 844 654
Excluding energy projects to aid economic recovery							2,2%	5,8%		
<i>Margin ^(6,7)</i>					<i>1 224 861 511</i>	<i>4 418 227 258</i>				

	Budget 2010 ⁽¹⁾		Financial framework 2011		Draft budget 2011		Difference 2011 / 2010		Difference 2011 – 2010	
	(1)		(2)		(3)		(3 / 1)		(3 – 1)	
	EUR		EUR		EUR		%		EUR	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
Appropriations as % of GNI ⁽⁸⁾	1,18%	1,02%	1,15%	1,08%	1,15%	1,05%				

(1) Budget 2010 includes draft amending budgets 1 to 4.

(2) The margin for heading 1a does not take into account the appropriations related to the European Globalisation adjustment Fund (EUR 500 million).

(3) After the transfer from modulation to Rural Development and from cotton and wine for restructuring in the respective regions (EUR 3 150,4 million).

(4) The margin for heading 4 does not take into account the appropriations related to the Emergency Aid Reserve (EUR 253,9 million).

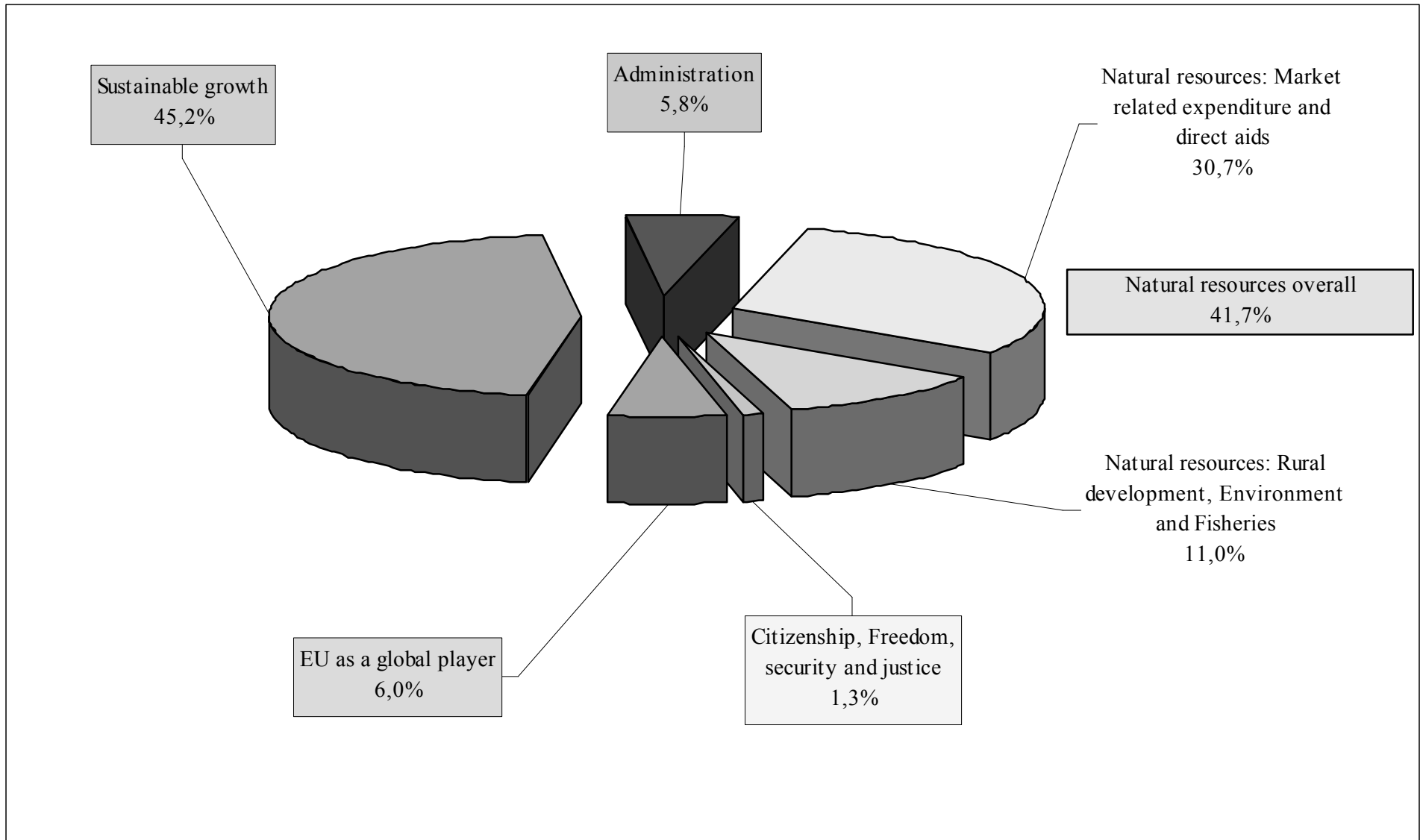
(5) For calculating the margin under the ceiling for heading 5, account is taken of the footnote (1) of the financial framework 2007-2013 for an amount of EUR 82 million for the staff contributions to the pensions scheme.

(6) The global margin for the commitments does not take into account the appropriations related to the European Globalisation adjustment Fund (EUR 500 million), the Emergency Aid Reserve (EUR 253,9 million) and to the staff contributions to the pensions scheme (EUR 82 million).

(7) The global margin for the payments does not take into account the appropriations related to the Emergency Aid Reserve (EUR 203 million) and to the staff contributions to the pensions scheme (EUR 82 million).

(8) The Draft Budget is based on the April 2010 forecast of GNI. A new forecast will be issued on 18 May 2010 after the Advisory Committee on Own Resources (ACOR) meeting.

2010 Budget and 2011 Draft Budget by financial framework headings, in commitment appropriations (aggregate)



5.2.2. 2011 Draft Budget by financial framework headings (detailed)

	Budget 2010 ⁽¹⁾		Financial framework 2011		Draft budget 2011		Difference 2011 / 2010		Difference 2011 – 2010	
	(1)		(2)		(3)		(3 / 1)		(3 – 1)	
	EUR		EUR		EUR		%		EUR	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
I. SUSTAINABLE GROWTH ⁽²⁾	64 249 445 345	47 727 155 803	63 974 000 000		64 406 946 054	54 650 510 910	0,2%	14,5%	157 500 709	6 923 355 107
Excluding energy projects to aid economic recovery							3,4%	14,7%		
Margin					67 053 946					
Ia. Competitiveness for growth and employment ⁽²⁾	14 862 853 253	11 343 270 803	12 987 000 000		13 436 852 270	12 109 714 170	-9,6%	6,8%	-1 426 000 983	766 443 367
Excluding energy projects to aid economic recovery							4,4%	7,0%		
Margin					50 147 730					
— Seventh Research framework programme (including completion of sixth Research framework programme)	7 542 425 000	6 373 875 000			8 586 667 000	7 018 286 100	13,8%	10,1%	1 044 242 000	644 411 100
— 02 – Enterprise	476 333 008	376 078 662			540 939 000	426 155 000	13,6%	13,3%	64 605 992	50 076 338
— 06 – Mobility and transport	101 687 889	95 117 235			70 505 000	76 285 000	-30,7%	-19,8%	-31 182 889	-18 832 235
— 08 – Research	4 595 576 000	3 840 460 000			5 322 258 000	4 294 252 000	15,8%	11,8%	726 682 000	453 792 000
— 09 – Information society and media	1 328 764 000	1 290 436 000			1 340 185 000	1 199 926 100	0,9%	-7,0%	11 421 000	-90 509 900
— 10 – Direct research	356 421 000	358 547 000			368 708 000	369 638 000	3,4%	3,1%	12 287 000	11 091 000
— 15 – Education and culture	536 202 000	286 012 000			757 407 000	503 000 000	41,3%	75,9%	221 205 000	216 988 000
— 32 – Energy	147 441 103	127 224 103			186 665 000	149 030 000	26,6%	17,1%	39 223 897	21 805 897
— Decommissioning (10 – Direct research)	26 900 000	33 000 000			26 270 000	30 000 000	-2,3%	-9,1%	-630 000	-3 000 000
— Ten	1 083 900 000	931 794 000			1 266 150 000	935 300 000	16,8%	0,4%	182 250 000	3 506 000
— 06 – Mobility and transport	1 062 440 000	913 594 000			1 241 400 000	913 200 000	16,8%	-0,0%	178 960 000	-394 000
— 32 – Energy	21 460 000	18 200 000			24 750 000	22 100 000	15,3%	21,4%	3 290 000	3 900 000
— Energy projects to aid economic recovery (32 – Energy)	1 980 000 000	1 027 482 000			p.m.	1 074 766 600	-100,0%	4,6%	-1 980 000 000	47 284 600
— EGNOS and Galileo (02 – Enterprise)	894 400 000	453 500 000			195 941 800	554 000 000	-78,1%	22,2%	-698 458 200	100 500 000
— Marco Polo (06 – Mobility and transport)	63 940 000	36 675 000			65 865 000	33 665 000	3,0%	-8,2%	1 925 000	-3 010 000
— Lifelong Learning and Erasmus Mundus (15 – Education and culture)	1 107 288 500	1 075 812 000			1 135 635 000	1 076 240 000	2,6%	0,0%	28 346 500	428 000
— Competitiveness and innovation framework programme (CIP)	525 708 000	359 685 500			548 644 000	319 770 000	4,4%	-11,1%	22 936 000	-39 915 500
— CIP – Entrepreneurship and innovation	302 113 000	198 622 200			316 044 000	163 069 000	4,6%	-17,9%	13 931 000	-35 553 200
— 01 – Economic and financial affairs	161 000 000	126 900 000			165 000 000	30 000 000	2,5%	-76,4%	4 000 000	-96 900 000
— 02 – Enterprise	141 113 000	71 722 200			151 044 000	133 069 000	7,0%	85,5%	9 931 000	61 346 800
— CIP – ICT policy support (09 – Information society and	112 400 000	95 160 000			120 600 000	103 400 000	7,3%	8,7%	8 200 000	8 240 000

	Budget 2010 ⁽¹⁾		Financial framework 2011		Draft budget 2011		Difference 2011 / 2010		Difference 2011 – 2010	
	(1)		(2)		(3)		(3 / 1)		(3 – 1)	
	EUR		EUR		EUR		%		EUR	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
media)										
— CIP – Intelligent energy (32 – Energy)	111 195 000	65 903 300			112 000 000	53 301 000	0,7%	-19,1%	805 000	-12 602 300
— Social policy agenda (04 – Employment and social affairs)	214 550 000	180 510 000			191 330 000	175 110 000	-10,8%	-3,0%	-23 220 000	-5 400 000
— Customs 2013 and Fiscalis 2013 (14 – Taxation and customs union)	75 450 000	47 432 000			81 932 000	58 932 000	8,6%	24,2%	6 482 000	11 500 000
— Nuclear decommissioning (32 – Energy)	255 000 000	220 000 000			258 000 000	200 000 000	1,2%	-9,1%	3 000 000	-20 000 000
— European Globalisation adjustment Fund	500 000 000	p.m.			500 000 000	50 000 000	0,0%	100,0%		50 000 000
— 04 – Employment and social affairs	p.m.	p.m.			p.m.	50 000 000	0,0%	100,0%		50 000 000
— 40 – Reserve	500 000 000	p.m.			500 000 000	p.m.	0,0%	0,0%		
— Other actions and programmes	342 210 000	356 107 500			342 423 000	345 650 000	0,1%	-2,9%	213 000	-10 457 500
— 01 – Economic and financial affairs	22 000 000	22 045 000			6 500 000	7 000 000	-70,5%	-68,2%	-15 500 000	-15 045 000
— 02 – Enterprise	58 040 000	56 770 000			57 160 000	55 520 000	-1,5%	-2,2%	-880 000	-1 250 000
— 04 – Employment and social affairs	7 500 000	8 400 000			0	5 450 000	-100,0%	-35,1%	-7 500 000	-2 950 000
— 06 – Mobility and transport	19 201 000	22 211 280			19 245 000	21 540 000	0,2%	-3,0%	44 000	-671 280
— 08 – Research	p.m.	1 500 000			p.m.	500 000	0,0%	-66,7%		-1 000 000
— 09 – Information society and media	13 970 000	46 387 000			18 060 000	31 190 000	29,3%	-32,8%	4 090 000	-15 197 000
— 12 – Internal market	15 500 000	14 300 000			16 850 000	16 850 000	8,7%	17,8%	1 350 000	2 550 000
— 13 – Regional policy	15 000 000	15 000 000			p.m.	15 000 000	-100,0%	0,0%	-15 000 000	
— 14 – Taxation and customs union	2 600 000	2 600 000			3 120 000	2 620 000	20,0%	0,8%	520 000	20 000
— 15 – Education and culture	32 700 000	29 900 000			64 300 000	52 940 000	96,6%	77,1%	31 600 000	23 040 000
— 17 – Health and consumer protection	1 000 000	1 600 000			p.m.	300 000	-100,0%	-81,2%	-1 000 000	-1 300 000
— 24 – Fight against fraud	20 500 000	16 200 000			21 200 000	18 100 000	3,4%	11,7%	700 000	1 900 000
— 26 – Commission's administration	38 200 000	38 100 000			40 600 000	39 350 000	6,3%	3,3%	2 400 000	1 250 000
— 29 – Statistics	65 174 000	44 750 000			67 950 000	51 380 000	4,3%	14,8%	2 776 000	6 630 000
— 32 – Energy	30 825 000	36 344 220			27 438 000	27 910 000	-11,0%	-23,2%	-3 387 000	-8 434 220
— Decentralised agencies	251 081 753	247 397 803			237 994 470	237 994 470	-5,2%	-3,8%	-13 087 283	-9 403 333
1b. Cohesion for growth and employment	49 386 592 092	36 383 885 000	50 987 000 000		50 970 093 784	42 540 796 740	3,2%	16,9%	1 583 501 692	6 156 911 740
<i>Margin</i>					<i>16 906 216</i>					
— Structural Funds	39 191 847 212	29 521 935 000			39 891 497 591	34 780 000 000	1,8%	17,8%	699 650 379	5 258 065 000
— Convergence objective	30 255 996 999	22 519 800 000			31 406 373 076	25 831 400 000	3,8%	14,7%	1 150 376 077	3 311 600 000
— 04 – Employment and social affairs	7 473 667 217	5 540 500 000			7 748 847 361	5 992 500 000	3,7%	8,2%	275 180 144	452 000 000

	Budget 2010 ⁽¹⁾		Financial framework 2011		Draft budget 2011		Difference 2011 / 2010		Difference 2011 – 2010	
	(1)		(2)		(3)		(3 / 1)		(3 – 1)	
	EUR		EUR		EUR		%		EUR	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— 13 – Regional policy	22 782 329 782	16 979 300 000			23 657 525 715	19 838 900 000	3,8%	16,8%	875 195 933	2 859 600 000
— Regional competitiveness and employment objective	7 604 832 146	6 095 900 000			7 084 823 108	7 835 400 000	-6,8%	28,5%	-520 009 038	1 739 500 000
— 04 – Employment and social affairs	3 343 826 311	2 661 400 000			3 204 966 611	3 007 400 000	-4,2%	13,0%	-138 859 700	346 000 000
— 13 – Regional policy	4 261 005 835	3 434 500 000			3 879 856 497	4 828 000 000	-8,9%	40,6%	-381 149 338	1 393 500 000
— European territorial cooperation objective	1 242 911 613	818 200 000			1 312 201 407	1 040 300 000	5,6%	27,1%	69 289 794	222 100 000
— 13 – Regional policy	1 152 279 167	755 100 000			1 195 966 628	954 300 000	3,8%	26,4%	43 687 461	199 200 000
— 19 – External relations	90 632 446	63 100 000			116 234 779	86 000 000	28,2%	36,3%	25 602 333	22 900 000
— Technical assistance	88 106 454	88 035 000			88 100 000	72 900 000	-0,0%	-17,2%	-6 454	-15 135 000
— 04 – Employment and social affairs	26 971 454	31 000 000			26 500 000	24 000 000	-1,7%	-22,6%	-471 454	-7 000 000
— 13 – Regional policy	61 135 000	57 035 000			61 600 000	48 900 000	0,8%	-14,3%	465 000	-8 135 000
— Other actions and programmes (13 – Regional policy)	4 500 000	7 000 000			p.m.	8 046 740	-100,0%	15,0%	-4 500 000	1 046 740
— Cohesion Fund (13 – Regional policy)	10 190 244 880	6 854 950 000			11 078 596 193	7 752 750 000	8,7%	13,1%	888 351 313	897 800 000
2. PRESERVATION AND MANAGEMENT OF NATURAL RESOURCES	59 498 833 302	58 135 640 809	60 338 000 000		59 486 248 389	58 135 685 296	-0,0%	0,0%	-12 584 913	44 487
Of which: Market related expenditure and direct payments	43 819 801 768	43 701 207 586	47 617 000 000		43 747 401 900	43 656 761 358	-0,2%	-0,1%	-72 399 868	-44 446 228
<i>Margin</i>					<i>851 751 611</i>					
<i>Of which: Market related expenditure and direct payments ⁽³⁾</i>					<i>719 188 100</i>					
— Market related expenditure and direct aids	43 819 801 768	43 701 207 586			43 747 401 900	43 656 761 358	-0,2%	-0,1%	-72 399 868	-44 446 228
— Agriculture markets (05 – Agriculture and rural development)	43 417 420 000	43 416 522 586			43 374 505 132	43 376 461 358	-0,1%	-0,1%	-42 914 868	-40 061 228
— Fisheries market (11 – Maritime affairs and Fisheries)	30 496 768	31 000 000			29 996 768	27 500 000	-1,6%	-11,3%	-500 000	-3 500 000
— Animal and plant health (17 – Health and consumer protection)	371 885 000	253 685 000			342 900 000	252 800 000	-7,8%	-0,3%	-28 985 000	-885 000
— Rural development (05 – Agriculture and rural development)	14 363 564 633	13 399 280 000			14 436 116 552	13 404 365 000	0,5%	0,0%	72 551 919	5 085 000
— European Fisheries Fund (11 – Maritime affairs and Fisheries)	644 028 678	481 080 000			658 285 042	488 822 859	2,2%	1,6%	14 256 364	7 742 859
— Fisheries governance and international agreements (11 – Maritime affairs and Fisheries)	277 530 000	252 460 000			262 175 000	250 473 000	-5,5%	-0,8%	-15 355 000	-1 987 000
— Life+ (07 – Environment and Climate Action)	306 855 000	215 820 000			333 500 000	268 225 000	8,7%	24,3%	26 645 000	52 405 000
— Other actions and programmes	44 100 000	42 680 000			5 000 000	23 268 184	-88,7%	-45,5%	-39 100 000	-19 411 816
— 05 – Agriculture and rural development	4 500 000	4 500 000			p.m.	p.m.	-100,0%	-100,0%	-4 500 000	-4 500 000
— 07 – Environment and Climate Action	24 500 000	16 980 000			5 000 000	7 620 000	-79,6%	-55,1%	-19 500 000	-9 360 000

	Budget 2010 ⁽¹⁾		Financial framework 2011		Draft budget 2011		Difference 2011 / 2010		Difference 2011 – 2010		
	(1)		(2)		(3)		(3 / 1)		(3 – 1)		
	EUR		EUR		EUR		%		EUR		
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA	
— 11 – Maritime affairs and Fisheries	5 600 000	11 200 000			p.m.	7 148 184	-100,0%	-36,2%	-5 600 000	-4 051 816	
— 15 – Education and culture											
— 17 – Health and consumer protection	2 000 000	3 000 000			p.m.	3 500 000	-100,0%	16,7%	-2 000 000	500 000	
— 23 – Humanitarian aid	7 500 000	7 000 000			p.m.	5 000 000	-100,0%	-28,6%	-7 500 000	-2 000 000	
— Decentralised agencies	42 953 223	43 113 223				43 769 895	1,9%	1,5%	816 672	656 672	
3. CITIZENSHIP, FREEDOM, SECURITY AND JUSTICE	1 674 487 370	1 397 957 870	1 889 000 000			1 803 069 740	1 491 552 740	7,7%	6,7%	128 582 370	93 594 870
<i>Margin</i>						85 930 260					
3a. Freedom, security and justice	1 006 487 370	738 570 370	1 206 000 000			1 135 252 740	852 573 740	12,8%	15,4%	128 765 370	114 003 370
<i>Margin</i>						70 747 260					
— Solidarity and management of migration flows	517 150 000	349 290 000				612 590 000	431 110 000	18,5%	23,4%	95 440 000	81 820 000
— Security and safeguarding liberties	106 900 000	73 729 000				133 000 000	66 700 000	24,4%	-9,5%	26 100 000	-7 029 000
— Fundamental rights and justice	77 500 000	58 690 000				78 000 000	64 920 000	0,6%	10,6%	500 000	6 230 000
— Other actions and programmes	65 100 000	43 024 000				59 200 000	48 706 000	-9,1%	13,2%	-5 900 000	5 682 000
— Decentralised agencies	239 837 370	213 837 370				252 462 740	241 137 740	5,3%	12,8%	12 625 370	27 300 370
3b. Citizenship	668 000 000	659 387 500	683 000 000			667 817 000	638 979 000	-0,0%	-3,1%	-183 000	-20 408 500
<i>Margin</i>						15 183 000					
— Public health and consumer protection programme (17 – Health and consumer protection)	73 290 000	63 300 000				75 350 000	73 850 000	2,8%	16,7%	2 060 000	10 550 000
— Culture 2007 – 2013 (15 – Education and culture)	54 165 000	44 529 000				57 572 000	49 550 000	6,3%	11,3%	3 407 000	5 021 000
— Youth in action (15 – Education and culture)	124 886 000	122 380 000				126 888 000	118 280 000	1,6%	-3,4%	2 002 000	-4 100 000
— Media 2007 (15 – Education and culture)	102 078 500	93 500 000				110 035 000	101 210 000	7,8%	8,2%	7 956 500	7 710 000
— Europe for Citizens (16 – Communication)	32 505 000	23 365 000				28 530 000	21 700 000	-12,2%	-7,1%	-3 975 000	-1 665 000
— Civil protection Financial instrument (23 – Humanitarian aid)	18 450 000	12 450 000				18 350 000	18 350 000	-0,5%	47,4%	-100 000	5 900 000
— Communication actions (16 – Communication)	95 280 000	86 540 000				93 685 000	86 400 000	-1,7%	-0,2%	-1 595 000	-140 000
— European Solidarity Fund (13 – Regional policy)	p.m.	p.m.				p.m.	p.m.	0,0%	0,0%		
— Other actions and programmes	42 049 500	96 766 500				32 304 000	44 334 000	-23,2%	-54,2%	-9 745 500	-52 432 500
— 04 – Employment and social affairs	p.m.	150 000				p.m.	p.m.	0,0%	-100,0%		-150 000
— 09 – Information society and media	1 500 000	1 750 000				1 000 000	1 350 000	-33,3%	-22,9%	-500 000	-400 000
— 15 – Education and culture	28 639 500	30 549 500				16 644 000	21 134 000	-41,9%	-30,8%	-11 995 500	-9 415 500
— 16 – Communication	9 410 000	9 320 000				14 660 000	14 220 000	55,8%	52,6%	5 250 000	4 900 000
— 17 – Health and consumer protection	1 000 000	1 347 000				p.m.	1 247 000	-100,0%	-7,4%	-1 000 000	-100 000

	Budget 2010 ⁽¹⁾		Financial framework 2011		Draft budget 2011		Difference 2011 / 2010		Difference 2011 – 2010	
	(1)		(2)		(3)		(3 / 1)		(3 – 1)	
	EUR		EUR		EUR		%		EUR	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— 18 – Area of freedom, security and justice	1 500 000	1 500 000			p.m.	p.m.	-100,0%	-100,0%	-1 500 000	-1 500 000
— 22 – Enlargement	—	49 900 000			0	6 383 000	0,0%	-87,2%		-43 517 000
— 23 – Humanitarian aid	p.m.	2 250 000			p.m.	p.m.	0,0%	-100,0%		-2 250 000
— Decentralised agencies	125 296 000	116 557 000			125 103 000	125 305 000	-0,2%	7,5%	-193 000	8 748 000
4. EU AS A GLOBAL PLAYER ⁽⁴⁾	8 160 182 000	7 787 695 183	8 430 000 000		8 613 529 377	7 601 763 867	5,6%	-2,4%	453 347 377	-185 931 316
<i>Margin</i>					70 330 623					
— Instrument for Pre-Accession assistance (IPA)	1 587 100 000	1 782 174 400			1 796 793 000	1 513 666 157	13,2%	-15,1%	209 693 000	-268 508 243
— 04 – Employment and social affairs	88 475 000	30 810 000			103 798 000	64 398 000	17,3%	109,0%	15 323 000	33 588 000
— 05 – Agriculture and rural development	170 000 000	131 700 000			215 220 000	75 120 000	26,6%	-43,0%	45 220 000	-56 580 000
— 13 – Regional policy	362 133 079	596 625 000			431 421 141	451 277 154	19,1%		69 288 062	-145 347 846
— 22 – Enlargement	963 303 671	1 019 851 150			1 043 414 856	919 932 000	8,3%	-9,8%	80 111 185	-99 919 150
— 32 – Energy	3 188 250	3 188 250			2 939 003	2 939 003	-7,8%	-7,8%	-249 247	-249 247
— European Neighbourhood and Partnership Instrument (ENPI) (19 – External relations)	1 672 867 627	1 359 833 000			1 726 993 000	1 348 092 600	3,2%	-0,9%	54 125 373	-11 740 400
— Development Cooperation Instrument (DCI)	2 513 607 969	2 061 364 301			2 612 193 240	2 255 997 488	3,9%	9,4%	98 585 271	194 633 187
— 07 – Environment and Climate Action	—	1 000 000			0	250 000	0,0%	-75,0%		-750 000
— 19 – External relations	1 316 983 500	1 170 439 871			1 351 832 240	1 215 145 500	2,6%	3,8%	34 848 740	44 705 629
— 21 – Development and relations with ACP states	1 196 624 469	888 924 430			1 260 361 000	1 040 501 988	5,3%	17,1%	63 736 531	151 577 558
— 32 – Energy	—	1 000 000			0	100 000	0,0%	-90,0%		-900 000
— Industrialised Countries Instrument (19 – External relations)	23 740 000	17 063 000			25 121 000	20 100 000	5,8%	17,8%	1 381 000	3 037 000
— Industrialised Countries Instrument (ICI+) (19 – External relations)	34 500 000	9 500 000			45 000 000	7 060 000	30,4%	-25,7%	10 500 000	-2 440 000
— Democracy and Human Rights (19 – External relations)	164 198 200	157 974 000			163 113 000	148 673 000	-0,7%	-5,9%	-1 085 200	-9 301 000
— Instrument for Nuclear Safety Cooperation (19 – External relations)	70 452 882	61 800 000			75 813 000	71 268 300	7,6%	15,3%	5 360 118	9 468 300
— Instrument for Stability (19 – External relations)	219 559 000	191 405 160			290 188 000	207 088 000	32,2%	8,2%	70 629 000	15 682 840
— Humanitarian aid (23 – Humanitarian aid)	800 518 000	800 518 000			824 693 000	824 693 000	3,0%	3,0%	24 175 000	24 175 000
— Macro Financial Assistance (01 – Economic and financial affairs)	98 985 000	90 000 000			114 868 567	103 500 000	16,0%	15,0%	15 883 567	13 500 000
— Common and Foreign Security Policy (CFSP) (19 – External relations)	281 541 000	225 650 000			327 374 000	286 036 000	16,3%	26,8%	45 833 000	60 386 000
— EC guarantees for lending operations (01 – Economic and	93 810 000	93 810 000			138 880 000	138 880 000	48,0%	48,0%	45 070 000	45 070 000

	Budget 2010 ⁽¹⁾		Financial framework 2011		Draft budget 2011		Difference 2011 / 2010		Difference 2011 – 2010	
	(1)		(2)		(3)		(3 / 1)		(3 – 1)	
	EUR		EUR		EUR		%		EUR	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
financial affairs)										
— Emergency aid reserve (40 – Reserve)	248 882 000	248 882 000			253 860 000	203 000 000	2,0%	-18,4%	4 978 000	-45 882 000
— Other actions and programmes	332 138 322	669 439 322			198 789 570	453 859 322	-40,1%	-32,2%	-133 348 752	-215 580 000
— 01 – Economic and financial affairs	—	—			34 460 570	4 308 000	100,0%	100,0%	34 460 570	4 308 000
— 05 – Agriculture and rural development	6 275 322	6 275 322			6 360 000	6 360 000	1,3%	1,3%	84 678	84 678
— 07 – Environment and Climate Action	3 800 000	6 355 000			4 300 000	4 800 000	13,2%	-24,5%	500 000	-1 555 000
— 14 – Taxation and customs union	2 000 000	2 000 000			1 300 000	1 300 000	-35,0%	-35,0%	-700 000	-700 000
— 15 – Education and culture	9 662 000	6 642 000			9 680 000	7 410 000	0,2%	11,6%	18 000	768 000
— 17 – Health and consumer protection	400 000	400 000			200 000	200 000	-50,0%	-50,0%	-200 000	-200 000
— 19 – External relations	62 820 000	82 170 000			37 721 000	54 049 112	-40,0%	-34,2%	-25 099 000	-28 120 888
— 20 – Trade	13 930 000	16 930 000			13 930 000	13 930 000	0,0%	-17,7%		-3 000 000
— 21 – Development and relations with ACP States	215 001 000	457 726 000			55 838 000	271 523 710	-74,0%	-40,7%	-159 163 000	-186 202 290
— 22 – Enlargement	10 250 000	84 941 000			30 000 000	85 478 500	192,7%	0,6%	19 750 000	537 500
— 23 – Humanitarian aid	8 000 000	6 000 000			5 000 000	4 500 000	-37,5%	-25,0%	-3 000 000	-1 500 000
— Decentralised agencies	18 282 000	18 282 000			19 850 000	19 850 000	8,6%	8,6%	1 568 000	1 568 000
5. ADMINISTRATION ⁽⁵⁾	7 908 983 423	7 908 478 423	8 334 000 000		8 266 204 929	8 267 259 929	4,5%	4,5%	357 221 506	358 781 506
<i>Margin</i>					<i>149 795 071</i>					
— Commission	3 604 622 000	3 604 117 000			3 708 576 000	3 709 631 000	2,9%	2,9%	103 954 000	105 514 000
— Other institutions	2 957 360 379	2 957 360 379			3 109 135 929	3 109 135 929	5,1%	5,1%	151 775 550	105 514 000
— Pensions (all institutions)	1 192 789 000	1 192 789 000			1 274 979 000	1 274 979 000	6,9%	6,9%	82 190 000	82 190 000
— European schools	154 212 044	154 212 044			173 514 000	173 514 000	12,5%	12,5%	19 301 956	19 301 956
Total	141 491 931 440	122 956 928 088	142 965 000 000	134 280 000 000	142 575 998 489	130 146 772 742	0,8%	5,8%	1 084 067 049	7 189 844 654
Excluding energy projects to aid economic recovery							2,2%	5,8%		
<i>Margin ^(6,7)</i>					<i>1 224 861 511</i>	<i>4 418 227 258</i>				
Appropriations as % of GNI ⁽⁸⁾	1,18%	1,02%	1,15%	1,08%	1,15%	1,05%				

(1) Budget 2010 includes draft amending budgets 1 to 4.

(2) The margin for heading 1a does not take into account the appropriations related to the European Globalisation adjustment Fund (EUR 500 million).

(3) After the transfer from modulation to Rural Development and from cotton and wine for restructuring in the respective regions (EUR 3 150,4 million).

(4) The margin for heading 4 does not take into account the appropriations related to the Emergency Aid Reserve (EUR 253,9 million).

(5) 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 82 million for the staff contributions to the pensions scheme.

(6) The global margin for the commitments does not take into account the appropriations related to the European Globalisation adjustment Fund (EUR 500 million), the Emergency Aid Reserve (EUR 253,9 million) and to the staff contributions to the pensions scheme (EUR 82 million).

	Budget 2010 ⁽¹⁾		Financial framework 2011		Draft budget 2011		Difference 2011 / 2010		Difference 2011 – 2010	
	(1)		(2)		(3)		(3 / 1)		(3 – 1)	
	EUR		EUR		EUR		%		EUR	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA

(7) The global margin for the payments does not take into account the appropriations related to the Emergency Aid Reserve (EUR 203 million) and to the staff contributions to the pensions scheme (EUR 82 million).

(8) The Draft Budget is based on the April 2010 forecast of GNI. A new forecast will be issued on 18 May 2010 after the Advisory Committee on Own Resources (ACOR) meeting.

5.3. Annex III — 2011 Draft Budget by policy area

(Commitment appropriations, EUR million, post and/or person/years)

Title	Budget 2010 ⁽¹⁾		Draft budget 2011		Difference 2011-2010	
	Commitment appropriations	Human resources ⁽²⁾	Commitment appropriations	Human resources ⁽²⁾	Commitment appropriations	Human resources ⁽²⁾
	1	2	3	4	3/1	4-2
01 Economic and financial affairs	448,67	612	533,96	610	19,01%	-2
02 Enterprise ⁽⁶⁾	1 696,10	991	1 040,80	990	-38,64%	-1
03 Competition	90,81	907	95,04	896	4,66%	-11
04 Employment and social affairs	11 273,75	856	11 398,80	855	1,11%	-1
05 Agriculture and rural development	58 080,71	1 133	58 154,42	1 126	0,13%	-7
06 Mobility and transport	1 407,52	565	1 555,38	583	10,51%	18
07 Environment and Climate Action	445,41	703	454,13	712	1,96%	9
08 Research	4 605,88	1 972	5 332,93	1 826	15,79%	-146
09 Information society and Media	1 516,31	1 148	1 537,58	1 139	1,40%	-9
10 Direct research	383,32	2 725	394,98	2 720	3,04%	-5
11 Maritime affairs and Fisheries	1 001,19	370	996,49	371	-0,47%	1
12 Internal market	73,98	605	93,07	606	25,80%	1
13 Regional policy	38 895,65	757	40 373,46	748	3,80%	-9
14 Taxation and customs union	135,18	539	142,63	535	5,51%	-4
15 Education and culture	2 104,85	643	2 388,68	644	13,48%	1
16 Communication	259,59	1 065	268,23	1 075	3,33%	10
17 Health and consumer protection	707,95	939	684,66	948	-3,29%	9
18 Area of freedom, security and justice	1 067,61	631	1 200,60	634	12,46%	3
19 External relations ⁽³⁾	4 250,32	3 515	4 482,45	3 807	5,46%	292
20 Trade ⁽³⁾	79,04	610	81,07	608	2,56%	-2
21 Development and relations with African, Caribbean and Pacific (ACP) States ^{(3), (4), (7)}	1 672,74	2 545	1 587,61	2 315	-5,09%	-230
22 Enlargement ⁽³⁾	1 022,42	954	1 124,38	959	9,97%	5
23 Humanitarian aid	854,36	271	873,52	273	2,24%	2
24 Fight against fraud	77,64	431	80,13	435	3,20%	4
25 Commission's policy coordination and legal advice	187,90	1 576	194,98	1 576	3,77%	
26 Commission's administration	1 013,70	3 825	1 045,02	3 791	3,09%	-34
27 Budget ⁽⁵⁾	68,25	478	75,65	517	10,85%	39
28 Audit	10,62	109	11,58	111	9,12%	2
29 Statistics	140,92	805	146,63	801	4,05%	-4
30 Pensions and related expenditure	1 214,09	0	1 291,78	0	6,40%	
31 Language services	388,92	3 940	399,02	3 925	2,60%	-15
32 Energy ⁽⁸⁾	2 610,30	592	673,31	576	-74,21%	-16
40 Reserves	748,88	0	753,86	0	0,66%	
Total	138 534,57	36 812	139 466,86	36 712	0,67%	-100
Other institutions (excluding pensions)	2 957,36		3 109,14			
Grand total	141 491,93	36 812	142 576,—	36 712	0,77%	-100

(1) Budget 2010 includes Draft Amending Budgets 1 to 4.

(2) Covers both regular and support staff.

(3) Includes appropriations for regular staff working in the European Commission delegations covered by the Policy Area.

(4) Includes staff employed with the European Development Fund.

(5) Human resources figures for Title 27 'Budget' include staff (40 in 2011) currently not allocated to a specific policy area or awaiting reallocation, and attributed for technical reasons to the policy area 'Budget'.

(6) The reduction of commitment appropriations for this Title, as compared to 2010, is mainly due to Galileo, now that the temporary reinforcement (2008–2010, in the context of the revision of the multiannual financial framework of December 2007) of commitment appropriations for this programme has come to an end.

(7) The reduction of commitment appropriations for this Title, as compared to 2010, mostly results from the phasing out of commitment appropriations for the Food Facility (2008–2010, in the context of the revision of the multiannual financial framework of December 2008).

(8) The reduction of commitment appropriations for this Title, as compared to 2010, is due to the fact that the additional commitment appropriations for the financing of energy projects under the European Economic Recovery Plan (2009–2010, in the context of the revision of the multiannual financial framework of December 2009) are no longer available.

5.4. Annex IV — Bodies set up by the European Union and having legal personality

5.4.1. Decentralised agencies

5.4.1.1. Decentralised agencies of heading 1a – Competitiveness for growth and employment

(in million EUR)

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2010 ⁽¹⁾				2011					Variation		Classification DB 2011
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution 2011 / 2010	DB 2011 / Budget 2010	
					Total EU contribution	Of which Budget 2010	Of which assigned revenues			Total EU contribution	Of which DB 2011	Of which assigned revenues			
Chemicals Legislation and Chemicals Agency (ECHA)	02 03 03	Helsinki	2006	86,482	43,917	35,150	8,767	226,200	p.m.	p.m.	p.m.		-100,0%	-100,0%	Cruising speed
<i>Authorised establishment plan</i>				426	426			456		456			30		
European (GNSS) Supervisory Authority (GSA)	02 05 02	Brussels	2004	7,890	7,890	5,135	2,755	8,450	8,450	8,200	8,200		3,9%	59,7%	New tasks
<i>Authorised establishment plan</i>				28	28			31		29			1		
Institute for Gender Equality	04 04 02	Vilnius	2006	6,940	6,940	6,940		7,530	7,530	7,530	7,530		8,5%	8,5%	Start-up phase
<i>Authorised establishment plan</i>				25	25			27		27			2		
European Foundation for the Improvement of Living and Working Conditions (EUROFOUND)	04 04 03	Dublin	1975	20,440	20,130	19,067	0,762	20,450	20,210	20,210	20,210		0,4%	6,0%	Cruising speed
<i>Authorised establishment plan</i>				101	101			101		101			0		
European Agency for Safety and Health at Work (EU-OSHA)	04 04 04	Bilbao	1994	14,790	14,250	13,743	0,506	14,666	14,540	14,540	14,315	0,224	2,0%	4,2%	Cruising speed
<i>Authorised establishment plan</i>				44	44			44		44			0		
European Aviation Safety Agency (EASA)	06 02 01	Köln	2002	126,503	34,195	32,879	1,316	132,314	37,060	34,400	33,316	1,083	0,6%	1,3%	Cruising speed
<i>Authorised establishment plan</i>				570	570			574		574			0		
European Maritime Safety Agency (EMSA)	06 02 02	Lisbon	2002	53,791	52,449	52,449		56,598	55,311	54,936	50,696	4,240	4,7%	-3,3%	New tasks
<i>Of which anti-pollution measures</i>	06 02 02 03				20,500	20,500		23,000	23,000	23,000	23,000		12,2%	12,2%	
<i>Authorised establishment plan</i>				200	200			208		208			8		
European Railway Agency (ERA)	06 02 08	Lille Valenciennes	2004	24,147	23,474	23,260	0,214	27,747	26,976	25,303	24,374	0,929	7,8%	4,8%	New tasks
<i>Authorised establishment plan</i>				139	139			148		144			5		
European Network and Information Security Agency (ENISA)	09 02 03	Heraklion	2004	7,928	7,928	7,288	0,640	8,113	7,932	7,932	7,188	0,684	0,0%	-1,4%	Cruising speed
<i>Authorised establishment plan</i>				44	44			44		44			0		

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2010 ⁽¹⁾				2011					Variation		Classification DB 2011
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution 2011 / 2010	DB 2011 / Budget 2010	
					Total EU contribution	Of which Budget 2010	Of which assigned revenues			Total EU contribution	Of which DB 2011	Of which assigned revenues			
Body of European Regulators for Electronic Communications (BEREC) — Office	09 02 04	—	2009	3,670	3,470	3,470		3,779	3,579	3,579	3,579		3,1%	3,1%	Start-up phase
<i>Authorised establishment plan</i>				10	10			12		12			2		
Office for Harmonisation in the Internal Market (OHIM)	12 03 01	Alicante	1993	347,031				166,273	p.m.	p.m.	p.m.	p.m.	0,0%	0,0%	Cruising speed
<i>Authorised establishment plan</i>				644	644			628		628			-16		
European Securities and Markets Authority (ESMA)	12 04 01	[Paris]	2010					14,159	5,664	5,664	5,664		100,0%	100,0%	To be created
<i>Authorised establishment plan</i>								43		43			43		
European Banking Authority (EBA)	12 04 02	[London]	2010					12,543	5,017	5,017	5,017		100,0%	100,0%	To be created
<i>Authorised establishment plan</i>								40		40			40		
European Insurance and Occupational Pensions Authority (EIOPA)	12 04 03	[Frankfurt]	2010					10,547	4,219	4,219	4,219		100,0%	100,0%	To be created
<i>Authorised establishment plan</i>								40		40			40		
European Centre for the Development of Vocational Training (CEDEFOP)	15 02 25	Thessaloniki	1975	17,436	16,920	16,920		17,757	17,270	17,270	15,742	1,528	2,1%	-7,0%	Cruising speed
<i>Authorised establishment plan</i>				101	101			101		101			0		
European Medicines Agency (EMA)	17 03 10	London	1993	198,187	37,112	32,780	4,332	218,934	47,056	38,420	32,943	5,477	3,5%	0,5%	Cruising speed
<i>Of which special contribution for orphan medicinal products</i>	17 03 10 03				4,500	4,500			7,000	4,901	4,901		8,9%	8,9%	
<i>Authorised establishment plan</i>				567	567			615		567			0		
European Agency for the Cooperation of the Energy Regulators (ACER)	32 04 10	Ljubljana	2009	2,000	2,000	2,000		5,126	5,000	5,000	5,000		150,0%	150,0%	Start-up phase
<i>Authorised establishment plan</i>				25	25			40		40			15		
Total decentralised agencies - heading 1a				917,235	270,675	251,081	19,292	951,186	265,814	252,220	237,478	14,680	-6,8%	-5,2%	
Of which special contribution for orphan medicinal products and anti-pollution measures					25,000	25,000			30,000	27,901	27,901		11,6%	11,6%	
<i>Authorised establishment plan</i>				2 924	2 924			3 152		3 098			174		

⁽¹⁾ Budget 2010 includes Draft Amending Budgets 1 to 4.

5.4.1.2. Decentralised agencies of heading 2 – Preservation and management of natural resources

(in million EUR)

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2010 ⁽¹⁾				2011					Variation		Classification DB 2011
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution 2011 / 2010	DB 2011 / Budget 2010	
					Total EU contribution	Of which Budget 2010	Of which assigned revenues			Total EU contribution	Of which DB 2011	Of which assigned revenues			
European Environment Agency (EEA)	07 03 09	Copenhagen	1990	50,486	35,258	35,258		41,285	35,957	35,957	35,105	0,852	2,0%	-0,4%	Cruising speed
<i>Authorised establishment plan</i>				133	133			134		134			1		
Chemicals Legislation and Chemicals Agency (ECHA) - Biocides activities	07 03 60	Helsinki	2011										0,0%	0,0%	To be created
<i>Authorised establishment plan</i>													0		
Community Fisheries Control Agency (CFCA)	11 08 05	Vigo	2005	11,013	8,410	7,695	0,715	8,850	8,850	8,850	8,665	0,185	5,2%	12,6%	Cruising speed
<i>Authorised establishment plan</i>				53	53			53		53			0		
Community Plant Variety Office (CPVO)	17 04 05	Angers	1994	13,037				12,671					0,0%	0,0%	Cruising speed
<i>Authorised establishment plan</i>				46	46			46		46			0		
Total decentralised agencies - heading 2				74,536	43,668	42,953	0,715	62,806	44,807	44,807	43,770	1,037	2,6%	1,9%	
<i>Authorised establishment plan</i>				232	232			233		233			1		

⁽¹⁾ Budget 2010 includes Draft Amending Budgets 1 to 4.

5.4.1.3. Decentralised agencies of heading 3a – Freedom, security and justice

(in million EUR)

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2010 ⁽¹⁾				2011					Variation		Classification DB 2011
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution 2011 / 2010	DB 2011 / Budget 2010	
					Total EU contribution	Of which Budget 2010	Of which assigned revenues			Total EU contribution	Of which DB 2011	Of which assigned revenues			
European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX)	18 02 03	Warsaw	2004	87,917	85,550	83,000	2,550	88,210	84,000	81,000	78,000	3,000	-5,3%	-6,0%	Cruising speed
<i>Authorised establishment plan</i>				143	143			170		143			0		
Agency for the operational management of large scale JLS IT systems	18 02 11	-	2010					10,600	10,600	10,600	10,600		100,0%	100,0%	To be created

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2010 ⁽¹⁾				2011					Variation		Classification DB 2011
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution 2011 / 2010	DB 2011 / Budget 2010	
					Total EU contribution	Of which Budget 2010	Of which assigned revenues			Total EU contribution	Of which DB 2011	Of which assigned revenues			
<i>Authorised establishment plan</i>								75		75			75		
European Asylum Support Office (EASO)	18 03 14	Valetta	2010	5,250	5,250	5,250		8,000	8,000	8,000	8,000		52,4%	52,4%	To be created
<i>Authorised establishment plan</i>				24	24			38		38			14		
European Union Agency for Fundamental Rights (FRA)	18 04 05	Vienna	2007	20,002	20,000	19,100	0,900	20,000	20,000	20,000	20,000		0,0%	4,7%	Cruising speed
<i>Authorised establishment plan</i>				72	72			72		72			0		
European Police Office (EUROPOL)	18 05 02	The Hague	1995	80,068	79,724	79,724		83,659	82,917	82,917	82,917		4,0%	4,0%	Cruising speed
<i>Authorised establishment plan</i>				453	453			453		453			0		
European Police College (CEPOL)	18 05 05	Bramshill	2005	7,800	7,800	7,800		28,000	8,800	8,341	8,000	0,341	6,9%	2,6%	Cruising speed
<i>Authorised establishment plan</i>				26	26			28		26			0		
Eurojust	18 06 04	The Hague	2002	30,163	30,163	30,163		31,733	31,733	31,733	29,775	1,958	5,2%	-1,3%	New tasks
<i>Authorised establishment plan</i>				185	185			191		187			2		
European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)	18 07 01	Lisbon	1993	15,999	15,000	14,800	0,200	16,514	15,550	15,400	15,170	0,230	2,7%	2,5%	Cruising speed
<i>Authorised establishment plan</i>				84	84			86		84			0		
Total decentralised agencies - heading 3a				247,199	243,487	239,837	3,650	286,716	261,600	257,991	252,462	5,529	6,0%	5,3%	
<i>Authorised establishment plan</i>				987	987			1 113		1 078			91		

⁽¹⁾ Budget 2010 includes Draft Amending Budgets 1 to 4.

5.4.1.4. Decentralised agencies of heading 3b – Citizenship

(in million EUR)

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2010 ⁽¹⁾				2011					Variation		Classification DB 2011
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution 2011 / 2010	PB 2011 / Budget 2010	
					Total EU contribution	Of which Budget 2010	Of which assigned revenues			Total EU contribution	Of which DB 2011	Of which assigned revenues			
European Centre for Disease Prevention and Control (ECDC)	17 03 03	Stockholm	2004	57,900	56,400	56,255	0,145	59,000	57,500	55,400	52,770	2,630	-1,8%	-6,2%	Cruising speed
<i>Authorised establishment plan</i>				200	200			200		200			0		
European Food Safety Authority	17 03 07	Parma	2002	73,491	72,996	69,041	3,955	84,070	84,070	75,610	72,333	3,277	3,6%	4,8%	Cruising speed

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2010 ⁽¹⁾				2011					Variation		Classification DB 2011
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution 2011 / 2010	PB 2011 / Budget 2010	
					Total EU contribution	Of which Budget 2010	Of which assigned revenues			Total EU contribution	Of which DB 2011	Of which assigned revenues			
(EFSA)															
<i>Authorised establishment plan</i>				355	355			365		355			0		
Total decentralised agencies - heading 3b				131,391	129,396	125,296	4,100	143,070	141,570	131,010	125,103	5,907	1,2%	-0,2%	
<i>Authorised establishment plan</i>				555	555			565		555			0		

⁽¹⁾ Budget 2010 includes Draft Amending Budgets 1 to 4.

5.4.1.5. Decentralised agency of heading 4 – EU as a global player

(in million EUR)

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2010 ⁽¹⁾				2011					Variation		Classification DB 2011
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution 2011 / 2010	DB 2011 / Budget 2010	
					Total EU contribution	Of which Budget 2010	Of which assigned revenues			Total EU contribution	Of which DB 2011	Of which assigned revenues			
European Training Foundation (ETF)	15 02 27	Turin	1990	19,460	19,460	18,282	1,178	20,928	20,928	19,850	19,850		2,0%	8,6%	Cruising speed
<i>Authorised establishment plan</i>				96	96			96		96			0		
Total decentralised agencies - heading 4				19,460	19,460	18,282	1,178	20,928	20,928	19,850	19,850		2,0%	8,6%	
<i>Authorised establishment plan</i>				96	96			96		96			0		

⁽¹⁾ Budget 2010 includes Draft Amending Budgets 1 to 4.

5.4.1.6. Decentralised agency of heading 5 – Administration

(in million EUR)

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2010 ⁽¹⁾				2011					Variation		Classification DB 2011
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution 2011 / 2010	DB 2011 / Budget 2010	
					Total EU contribution	Of which Budget 2010	Of which assigned revenues			Total EU contribution	Of which DB 2011	Of which assigned revenues			
Translation Centre for the bodies of the European Union	31 01 09	Luxembourg	1994	48,115				49,310					0,0%	0,0%	Cruising speed
<i>Authorised establishment plan</i>				225	233			225		225			-8		
Total decentralised agencies - heading 5				48,115				49,310					0,0%	0,0%	

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2010 ⁽¹⁾			2011			Variation		Classification DB 2011	
				Total revenues of the Agency	EU contribution		Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution		EU contribution 2011 / 2010		DB 2011 / Budget 2010
					Total EU contribution	Of which Budget 2010			Of which assigned revenues	Total EU contribution			
<i>Authorised establishment plan</i>				225	233			225		225		-8	

⁽¹⁾ Budget 2010 includes Draft Amending Budgets 1 to 4.

5.4.1.7. Total of decentralised agencies

(in million EUR)

Name of the decentralised agencies	Budget line	Location	Year of creation	Budget 2010 ⁽¹⁾			2011			Variation		Classification DB 2011		
				Total revenues of the Agency	EU contribution		Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution		EU contribution 2011 / 2010		DB 2011 / Budget 2010	
					Total EU contribution	Of which Budget 2010			Of which assigned revenues	Total EU contribution				Of which DB 2011
Total decentralised agencies				1 437,936	706,686	677,449	28,935	1 514,016	734,719	705,878	679,178	26,639	-0,1%	0,3%
<i>Authorised establishment plan</i>				5 019	5 027			5 384		5 285			258	
Of which decentralised agencies 'to be created' and 'start-up phase'				17,860	17,660	17,660		72,284	49,609	49,609	49,609		180,9%	180,9%
<i>Authorised establishment plan</i>				84	84			315		315			231	

⁽¹⁾ Budget 2010 includes Draft Amending Budgets 1 to 4.

5.4.2. European joint undertakings

(in million EUR)

Name of the European joint undertaking	Budget line	Location	Year of creation	Budget 2010 ⁽¹⁾		2011			Variation	
				Total revenues ⁽²⁾ of the Joint Undertaking	Of which EU contribution	Revenues ⁽²⁾ estimated by the Joint Undertaking	Of which Joint Undertaking contribution request	EU contribution (DB 2011)	EU contribution 2011 / 2010	
European Joint Undertaking for ITER – Fusion for Energy (F4E)		Barcelona	2007							
European Joint Undertaking for ITER — Fusion for Energy (F4E) — Expenditure on administrative management	08 01 04 40			30,900	30,900	35,900	35,900	35,900	35,900	16,2%
Euratom — European Joint Undertaking for ITER — Fusion for Energy (F4E)	08 20 02			413,240	343,340	446,360	351,760	351,760	351,760	2,5%
Total European Joint Undertaking for ITER – Fusion for Energy (F4E)				444,140	374,240	482,260	387,660	387,660	387,660	3,6%
<i>Authorised establishment plan</i>				234	234	239		239		5
Innovative Medicines Initiative (IMI) Joint Undertaking		Brussels	2007							
Cooperation — Health — Innovative Medicines Initiative (IMI) Joint	08 02 02			98,645	96,220	159,316	155,400	155,400	155,400	61,5%

Name of the European joint undertaking	Budget line	Location	Year of creation	Budget 2010 ⁽¹⁾		2011			Variation
				Total revenues ⁽²⁾ of the Joint Undertaking	Of which EU contribution	Revenues ⁽²⁾ estimated by the Joint Undertaking	Of which Joint Undertaking contribution request	EU contribution (DB 2011)	EU contribution 2011 / 2010
Undertaking									
Cooperation — Health — Support expenditure for Innovative Medicines Initiative (IMI) Joint Undertaking	08 02 03			8,506	4,200	9,316	4,600	4,600	9,5%
Total Innovative Medicines Initiative Joint Undertaking (IMI)				107,151	100,420	168,632	160,000	160,000	59,3%
<i>Authorised establishment plan</i>				29	29	29		29	0
Clean Sky Joint Undertaking		Brussels	2007						
Cooperation — Transport — Clean Sky Joint Undertaking	08 07 02			125,376	121,139	153,771	149,991	149,991	23,8%
Cooperation — Transport — Support expenditure for Clean Sky Joint Undertaking	08 07 03			5,065	3,625	5,160	2,517	2,517	-30,6%
Total Clean Sky Joint Undertaking				130,441	124,764	158,931	152,508	152,508	22,2%
<i>Authorised establishment plan</i>				17	17	18		18	1
ARTEMIS Joint Undertaking		Brussels	2007						
Cooperation — Information and communication technologies — ARTEMIS Joint Undertaking	09 04 01 02			55,199	53,816	44,084	43,000	43,000	-20,1%
Cooperation — Information and communication technologies — Support expenditure for ARTEMIS Joint Undertaking	09 04 01 03			3,511	1,761	2,888	1,500	1,500	-14,8%
Total ARTEMIS Joint Undertaking				58,710	55,577	46,971	44,500	44,500	-19,9%
<i>Authorised establishment plan</i>				8	8	8		8	0
ENIAC Joint Undertaking		Brussels	2007						
Cooperation — Information and communication technologies — ENIAC Joint Undertaking	09 04 01 04			65,035	63,405	44,084	43,000	43,000	-32,2%
Cooperation — Information and communication technologies — Support expenditure for ENIAC Joint Undertaking	09 04 01 05			2,272	1,272	2,834	1,496	1,496	17,6%
Total ENIAC Joint Undertaking				67,307	64,677	46,917	44,496	44,496	-31,2%
<i>Authorised establishment plan</i>				6	6	6		6	0
Fuel Cells and Hydrogen (FCH) Joint Undertaking		Brussels	2008						
Research related to transport (including Aeronautics) — Fuel Cells and Hydrogen (FCH) Joint Undertaking	06 06 02 02			2,973	2,900	3,035	2,960	2,960	2,1%
Cooperation — Nanosciences, nanotechnologies, materials and new production technologies — Fuel Cells and Hydrogen (FCH) Joint Undertaking	08 04 02			53,343	52,032	55,566	54,200	54,200	4,2%
Cooperation — Energy — Fuels Cells and Hydrogen (FCH) Joint Undertaking	08 05 02			4,356	3,400	3,300	2,000	2,000	-41,2%
Support expenditure for Fuel Cells and Hydrogen (FCH) Joint Undertaking	08 05 03			9,842	9,600	10,467	10,210	10,210	6,4%
Cooperation — Environment — Fuel Cells and Hydrogen (FCH) Joint	08 06 02			3,486	3,400	4,024	3,925	3,925	15,4%

Name of the European joint undertaking	Budget line	Location	Year of creation	Budget 2010 ⁽¹⁾		2011			Variation
				Total revenues ⁽²⁾ of the Joint Undertaking	Of which EU contribution	Revenues ⁽²⁾ estimated by the Joint Undertaking	Of which Joint Undertaking contribution request	EU contribution (DB 2011)	EU contribution 2011 / 2010
Undertaking									
Cooperation — Transport — Fuel Cells and Hydrogen (FCH) Joint Undertaking	08 07 04			4,921	4,800	15,081	14,710	14,710	206,5%
Research related to energy — Fuel Cells and Hydrogen (FCH) Joint Undertaking	32 06 02			19,684	19,200	25,128	24,510	24,510	27,7%
Total Fuel Cells and Hydrogen (FCH) Joint Undertaking				98,605	95,332	116,600	112,515	112,515	18,0%
<i>Authorised establishment plan</i>				<i>18</i>	<i>18</i>	<i>18</i>		<i>18</i>	<i>0</i>
SESAR Joint Undertaking		Brussels	2007						
SESAR Joint Undertaking – Financial support from projects of common interest from the Trans-European Transport Network - TEN	06 03 05			50,000	50,000	50,000	50,000	50,000	0,0%
SESAR Joint Undertaking – Financial support from Research related to Transport (including Aeronautics) – FP7	06 06 02 03			71,083	53,700	83,963	58,600	58,600	9,1%
Total SESAR Joint Undertaking				121,083	103,700	133,963	108,600	108,600	4,7%
<i>Authorised establishment plan</i>				<i>39</i>	<i>39</i>	<i>39</i>		<i>39</i>	<i>0</i>
Total joint undertakings				1 027,436	918,710	1 154,274	1 010,279	1010,279	10,0%
<i>Authorised establishment plan</i>				<i>351</i>	<i>351</i>	<i>357</i>	<i>0</i>	<i>357</i>	<i>6</i>

(1) Budget 2010 includes Draft Amending Budgets 1 to 4.

(2) This amount may be increased by third party contributions and by the contributions from the private sector.

(2) The EFTA contribution included for 2011 is calculated on the basis of the 2010 contribution, i.e. 2,52 %.

5.4.3. European Institute of Innovation and Technology

(in million EUR)

European Institute of Innovation and Technology (EIT)	Budget line	Location	Year of creation	Budget 2010 ⁽¹⁾		2011			Variation
				Total revenues of the EIT	Of which EU contribution	Revenues estimated by the EIT	Of which EIT contribution request	EU contribution (DB 2011)	EU contribution 2011 / 2010
European Institute of Innovation and Technology	15 02 11	Budapest	2008	30,961	30,200	64,382	62,800	62,800	107,9%
<i>Authorised establishment plan</i>				<i>20</i>	<i>20</i>	<i>28</i>		<i>28</i>	<i>8</i>
Total European Institute of Innovation and Technology				30,961	30,200	64,382	62,800	62,800	107,9%
<i>Authorised establishment plan</i>				<i>20</i>	<i>20</i>	<i>28</i>		<i>28</i>	<i>8</i>

(1) Budget 2010 includes Draft Amending Budgets 1 to 4.

5.4.4. Executive agencies

(in million EUR)

Name of the executive agency	Operating budget line	Location	Year of creation	EU contribution to the Agency's operating budget		Variation in % DB 2011 / 2010	Staffing of the executive agency								
				Budget 2010 ⁽¹⁾	DB 2011		Authorised establishment plan		Contract agents ⁽²⁾		Seconded national experts ⁽²⁾		Total staff ⁽²⁾		
							Budget 2010 ⁽¹⁾	DB 2011	Budget 2010 ⁽¹⁾	DB 2011	Budget 2010 ⁽¹⁾	DB 2011	Budget 2010 ⁽¹⁾	DB 2011	
Executive agency for competitiveness and innovation (EACI)		Brussels	2004												
Contribution from the Competitiveness and Innovation Framework programme – 'Entrepreneurship and Innovation' Programme	02 01 04 30			7,342	7,544	2,8%									
Contribution from the Marco Polo II Programme	06 01 04 32			1,425	1,555	9,1%									
Contribution from the Competitiveness and Innovation Framework programme – 'Intelligent Energy – Europe' Programme	32 01 04 30			6,633	6,601	-0,5%									
Total EACI				15,400	15,700	1,9%	37	37	115	119	0	0	152	156	
Education, Audiovisual and Culture Executive Agency (EACEA)		Brussels	2005												
Contribution from programmes of Heading 1a	15 01 04 30			21,199	21,444	1,2%									
Contribution from programmes of Heading 3b	15 01 04 31			15,839	15,644	-1,2%									
Contribution from programmes of Heading 4	15 01 04 32			0,597	0,600	0,5%									
Contribution from programmes of Heading 3b	16 01 04 30			3,370	3,370	0,0%									
Contribution from External Relations programmes	19 01 04 30			4,320	4,621	7,0%									
Contribution from programmes of Heading 4 in the enlargement policy area	22 01 04 30			1,343	1,219	-9,2%									
Total EACEA				46,668	46,898	0,5%	102	102	310	314	0	0	412	416	
Executive agency for Health and Consumers (EAHC)		Luxemburg	2005												
Contribution from programmes of Heading 3b	17 01 04 30			6,000	5,800	-3,3%									
Contribution from programmes of Heading 2	17 01 04 31			1,100	1,100	0,0%									
Total EAHC				7,100	6,900	-2,8%	12	12	38	38	0	0	50	50	
Trans-European Transport Network Executive Agency (TEN-T EA)		Brussels	2006												
Contribution from programmes of Heading 4	06 01 04 31			9,794	9,900	1,1%									
Total TEN-T EA				9,794	9,900	1,1%	33	33	66	66	0	0	99	99	
European Research Council Executive Agency (ERCEA)		Brussels	2007												
Contribution from programmes of Heading 4	08 01 04 30			32,110	35,115	9,4%									
Total ERCEA				32,110	35,115	9,4%	100	100	215	253	15	7	330	360	

Name of the executive agency	Operating budget line	Location	Year of creation	EU contribution to the Agency's operating budget		Variation in % DB 2011 / 2010	Staffing of the executive agency								
							Authorised establishment plan		Contract agents ⁽²⁾		Seconded national experts ⁽²⁾		Total staff ⁽²⁾		
				Budget 2010 ⁽¹⁾	DB 2011		Budget 2010 ⁽¹⁾	DB 2011	Budget 2010 ⁽¹⁾	DB 2011	Budget 2010 ⁽¹⁾	DB 2011	Budget 2010 ⁽¹⁾	DB 2011	
Research Executive Agency (REA)	08 01 04 31	Brussels	2007	31,993	37,602	17,5%									
Total REA				31,993	37,602	17,5%	106	117	318	351	0	0	424	468	
Total Executive agencies				143,065	152,115	6,3%	390	401	1062	1141	15	7	1467	1549	

⁽¹⁾ Budget 2010 includes Draft Amending Budgets 1 to 4

⁽²⁾ Estimate (full-time equivalents) estimated on the basis of average costs.

5.5. Annex V — Seventh Research Framework Programme

5.5.1. Introduction

The purpose of the Seventh Framework Programme of the European Community for research, technological development and demonstration activities⁵⁶, which covers the period between 2007 and 2013, is to pursue the objectives laid down in Article 163 of the EC Treaty by contributing to a knowledge-based society based on a European Research Area, i.e. supporting international cooperation at all levels throughout the EU, enhancing the dynamism, creativity and excellence of European research at the frontier of knowledge, boosting both the quantity and quality of human research and technology potential in Europe as well as research and innovation capacity throughout Europe, and ensuring optimal use is made of this.

The EC Research Framework Programme is organised in specific programmes, corresponding to the four major objectives of European research policy: trans-national cooperation based around themes defined in relation to policies (Cooperation), research proposed by researchers themselves (Ideas), support for individual researchers (People), and support for research capacities (Capacities).

The Seventh Framework Programme of the European Atomic Energy Community for nuclear research and training activities (2007-2011)⁵⁷, is set out in two specific programmes:

- fusion energy research, with the objective of developing the technology for a safe, sustainable, environmentally responsible and economically viable energy;
- nuclear fission and radiation protection, with the objectives of enhancing in particular the safety performances, resource efficiency and cost effectiveness of nuclear fission and other uses of radiation in industry and medicine.

Direct actions are foreseen under both Framework Programmes.

The Seventh Framework Programmes are both built on the achievements of its predecessors toward the creation of the European Research Area and carrying them further towards the development of a knowledge-based economy and society in Europe.

In 2011, the EC FP7 will have an operational budget of EUR 7 332 million for indirect actions, implementing four objectives, each supported by its own programme:

Cooperation (EUR 4 595 million)

This part of the programme will cover the whole range of research activities performed in trans-national cooperation, from collaborative projects and networks to the coordination of national research programmes. In 2011 the budget requested under this part of the programme will be devoted to the financing of collaborative research on health, food, agriculture and biotechnology, information and communication technologies, nano-sciences, nano-technologies, materials and new production technologies, energy, environment (including climate change), transport (including aeronautics) as well as research on socio-economic sciences and the humanities. Moreover, technological initiatives and actions focused on space and security will be implemented.

In particular, research activities funded under the Environment (including Climate Change) as well as Food, Agriculture and Fisheries, and Biotechnology themes (Bio-energy Europe initiative) will contribute to developing ways and means to mitigate or adapt to climate change. Moreover, climate as a security threat will be tackled by linking the socio-economic (with focus on conflicts), environmental and external relations aspects.

In the field of transport, the research initiatives aim at the development of the innovative systems for all the modes of surface transport (rail, roads and inland waterways) environmentally friendly and competitive and better integration of the various modes of transport. Priorities include the support of the European industry in the aeronautical (technologies relating to the implementation of the Single Sky) and space field (GALILEO:

⁵⁶ Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 (OJ L 412, 30.12.2006, p. 1).

⁵⁷ Council Decision No 2006/970/Euratom of 18 December 2006 (OJ L 400, 30.12.2006, p. 60).

research and continuous efforts of demonstration, in parallel with the Galileo programme financing the deployment phases directly).

In the field of energy, the research activities aim at supporting the current energy policy objectives, in particular those of the European Strategic Energy Technology Plan (SET-Plan), through development and demonstration of selected technology areas (including large scale demonstration programmes) which should produce significant improvements in terms of potential market share for renewable energies (in particular through cost reductions and service improvements), reduction of energy emissions (including greenhouse gas emissions), with a focus on "clean coal" aiming at "zero emission power generation" using CO₂ capture and storage technologies as well as increase of energy efficiency and savings, to develop smart energy networks.

The Cooperation Programme of FP7 foresees support for long-term public-private partnerships in the form of Joint Technology Initiatives (JTIs). The JTIs will cover fields of major European public interest, focused on subjects identified through dialogue with industry, in particular with the European Technology Platforms. They will combine private sector investment and national and European public funding, including grant funding from the framework. For the first time ever, these JTIs will pool industry, Member States and Commission resources into targeted research programmes. They will create critical mass for European research and innovation, consolidate the European research community in key strategic areas and streamline project funding to bring research results on-stream quicker.

In 2007-2008 the Commission proposed the setting up of 5 Joint Technology Initiatives (JTI) under Article 171 of the EC Treaty:

- Clean Sky - will seek to increase the competitiveness of the European aeronautics industry while reducing the environmental burden of air transport, by reducing emissions and noise and improving the fuel economy of aircrafts;
- Innovative Medicines (IMI) - improving the efficiency and effectiveness of the drug development process with the long-term aim that the pharmaceutical sector will produce more effective and safer innovative medicines;
- ARTEMIS (Embedded Computing Systems) - development of key technologies for Embedded Computing Systems across different application areas in order to strengthen European competitiveness and sustainability and allow the emergence of new markets and societal applications;
- ENIAC (European Technology Platform on Nanoelectronics) - development of key competences for nanoelectronics across different application areas in order to strengthen European competitiveness and sustainability and allow for the emergence of new markets and societal applications;
- Fuel Cells and Hydrogen (FCH) - will pursue market breakthrough of fuel cell and hydrogen technologies and aim at placing Europe at the forefront of fuel cell and hydrogen technologies worldwide, encouraging increased public and private research investment in fuel cells and hydrogen technologies in the Members States and Associated countries.

The IMI, Clean Sky, ARTEMIS, and ENIAC JTIs were adopted by the Council in December 2007, whereas the Commission proposal for the FCH JTI was adopted in May 2008. At the end of 2009 the ARTEMIS, Clean Sky and IMI JTIs became autonomous. It is expected that the FCH and ENIAC JTIs will become autonomous in April 2010.

The SESAR Joint Undertaking, which has become a Union body as from 1 January 2009, is responsible for the SESAR (Single European Sky - Air Traffic Management Research) development phase ensuring the modernisation of the European air traffic management system by rationalising and concentrating public and private research and development efforts in air traffic management in the Union.

Ideas (EUR 1 299 million)

The operational budget requested by the Commission under this part of the programme will be devoted to introducing a new dynamic in research, by putting a premium on excellence through competition and attracting the best.

The European Research Council (ERC) will be sustained to fund investigator-driven projects in all scientific and technological fields, including engineering, socio-economic sciences and the humanities. The implementation of the Ideas Programme is externalised to the ERC Executive Agency, which aims at designing and setting up ways to manage the ERC grants efficiently and effectively in a transparent and accountable way, building on existing good practice and simplifying practices where appropriate.

People (EUR 754 million)

This part of the programme is aimed to support researchers, focusing on key aspects of skills and career development, increasing mobility between universities and industry, and strengthening links with national systems.

By outsourcing the management of the activities of the People Programme, as well as actions relating to SMEs under the Capacities Programme to the Research Executive Agency, the Commission services are able to concentrate on policy development. The management of the programmes is entrusted to a dedicated service, which can focus on and develop specific management and technical skills to improve the FP administration. This results in increased effectiveness and flexibility in programme implementation, simplification of the procedures used, and increased proximity of the externalised action to the final beneficiaries by providing better responses to any information that (potential) beneficiaries might seek.

Capacities (EUR 684 million)

As in previous years, the operational budget proposed for 2011 will be devoted to ensuring optimal use and development of research infrastructures; supporting regional research-driven clusters; unleashing the full research potential existing in the EU's convergence regions and outermost regions; supporting research for the benefit of SMEs; bringing science and society closer together; and developing and coordinating an international science and technology co-operation policy. Through their combined impact, these programmes will allow for the emergence and reinforcement of European poles of excellence in various fields.

Euratom (Indirect Actions)

For 2011, an amount of EUR 448 million is proposed for the operational expenditure related to indirect actions financed by the **Euratom 7th Framework Programme** of which EUR 396 million for the fusion energy programme. Fusion offers the prospect of an almost limitless supply of clean energy, with ITER being the crucial next step in the progress towards this ultimate goal.

Joint Research Centre

During the 7th Research Framework Programmes, the **Joint Research Centre (JRC)** will continue to balance its activities between research and support to the policies of the European Union. The year 2011 will present a continuation and consolidation of the activities initiated in 2007 and implemented during 2008-2010. A total amount of EUR 368,7 million is proposed for the JRC in 2011.

For the European Community **non-nuclear activities** (EUR 258,2 million) the JRC will continue to serve the objectives of growth, sustainable development and security through a series of actions dedicated to the development and provision of scientific and technical support to the relevant policy items. For the **Euratom activities** (EUR 110,5 million), the JRC will continue and expand its activities in three main areas: the management of nuclear waste and its impact on the environment, nuclear safety and nuclear security.

The budgetary proposals for 2011 for the specific programmes topics and research activities are listed in the table below:

5.5.2. Summary table – Seventh Research Framework Programme – 2011 Draft Budget by policy area

(in million EUR, at current prices)

Draft Budget 2011								
Heading	Policy Area							Total
	JRC	RTD	EAC	INFSO	MOVE	ENER	ENTR	
Direct actions EC	258,227							258,227
Direct actions Euratom	110,481							110,481
Total Direct actions	368,708							368,708
Health		(*)830,789						830,789
Food, Agriculture and Fisheries, and Biotechnology		267,892						267,892
Information and Communication Technologies (ICT)				(*)1 170,285				1 170,285
Nanosciences, Nanotechnologies, Materials and new Production Technologies		(*)452,444						452,444
Energy		(*)157,410				(*)182,155		339,565
Environment (including Climate Change)		(*)252,505						252,505
Transport (including Aeronautics)		(*)414,351			(*)61,560			475,911
Socio-economic sciences and the humanities		84,366						84,366
Space Research							232,981	232,981
Security Research							225,698	225,698
Galileo							62,605	62,605
Risk Sharing Finance Facility		200,000						200,000
<i>Subtotal Cooperation</i>		2 659,757		1 170,285	61,560	182,155	521,284	4 595,041
<i>Subtotal Ideas</i>		1 298,731						1 298,731
<i>Subtotal People</i>			754,407					754,407
Research Infrastructures		156,304		90,970				247,274
Research for the benefit of SMEs		221,099						221,099
Regions of Knowledge		18,856						18,856
Research Potential		63,802						63,802
Science in Society		44,798						44,798
Activities of International Co-operation		28,265						28,265
Risk Sharing Finance Facility		50,000						50,000
Support for Coherent Development of research policies		9,804						9,804
<i>Subtotal Capacities</i>		592,928		90,970				683,898
<i>Indirect actions operational expenditure EC</i>		4 551,416	754,407	1 261,255	61,560	182,155	521,284	7 332,077
<i>Indirect actions administrative expenditure EC</i>		(**)249,958	3,000	78,930	8,945	4,510	19,655	364,998
Total Indirect actions EC		4 801,374	757,407	1 340,185	70,505	186,665	540,939	7 697,075
Fusion energy		44,330						44,330
Joint Undertaking ITER		351,760						351,760
Nuclear Fission and radiation protection		52,000						52,000
<i>Indirect actions operational expenditure Euratom</i>		448,090						448,090
<i>Indirect actions administrative expenditure Euratom</i>		72,794						72,794
<i>Indirect actions Euratom</i>		520,884						520,884
Total Indirect actions		5 322,258	757,407	1 340,185	70,505	186,665	540,939	8 217,959
GRAND TOTAL	368,708	5 322,258	757,407	1 340,185	70,505	186,665	540,939	8 586,667

(*) including Joint Undertaking / Joint Technology Initiative

(**) including Executive Agencies

5.5.3. Summary table – Seventh Research Framework Programme – Operational and administrative expenditure

Heading	Commitment appropriations 2011						Payment appropriations 2011					
	Operational expenditure	'Research' staff	External personnel	Other management expenditure	Other administrative expenditure	Total	Operational expenditure	'Research' staff	External personnel	Other management expenditure	Other administrative expenditure	Total
Direct actions												
EC specific programme	31,226	136,906	31,396	58,699		258,227	32,000	136,906	31,396	58,699		259,001
Euratom specific programme	9,544	55,407	10,202	35,328		110,481	9,500	55,407	10,202	35,328		110,437
Completion of previous actions							0,200					0,200
Direct actions — Total	40,770	192,313	41,598	94,027	0,000	368,708	41,700	192,313	41,598	94,027	0,000	369,638
Indirect actions												
<i>EC programme</i>												
Specific programme 'Cooperation'	4 595,041	149,682	41,441	67,645	12,060	4 865,869	3 568,470	149,682	41,441	67,645	12,060	3 839,298
Specific programme 'Ideas'	1 298,731	0,825	0,210	0,415	35,115	1 335,296	750,000	0,825	0,210	0,415	35,115	786,565
Specific programme 'People'	754,407	4,713	1,403	1,737	19,143	781,403	500,000	4,713	1,403	1,737	19,143	526,996
Specific programme 'Capacities'	683,898	13,429	4,008	6,773	6,399	714,507	668,186	13,429	4,008	6,773	6,399	698,795
<i>EC programme, indirect actions — Total</i>	7 332,077	168,650	47,062	76,569	72,717	7 697,075	5 486,656	168,650	47,062	76,569	72,717	5 851,654
Euratom programme	448,090	24,250	1,495	11,149	35,900	520,884	272,400	24,250	1,495	11,149	35,900	345,194
Completion of previous actions							452,300					452,300
Indirect actions — Total	7 780,167	192,900	48,557	87,718	108,617	8 217,959	6 211,356	192,900	48,557	87,718	108,617	6 649,148
Research — Grand total EU-27	7 820,937	385,213	90,155	181,745	108,617	8 586,667	6 253,056	385,213	90,155	181,745	108,617	7 018,786

Heading	Commitment appropriations								Payment appropriations							
	2007	2008	2009	2010	2011	2012	2013	Total	2007	2008	2009	2010	2011 + ⁵⁸	2012	2013 +	Total
Direct actions																
<i>EC specific programme</i>																
Appropriations for staff and resources	196,183	203,481	207,714	218,882	227,001	235,416	244,114	1 532,791	196,183	203,481	207,714	218,882	227,001	235,416	244,114	1 532,791
Operating appropriations	28,847	29,425	30,000	30,613	31,226	31,849	32,898	214,858	11,539	26,828	29,120	32,000	32,000	31,446	51,925	214,858
<i>EC specific programme — Total</i>	225,030	232,906	237,714	249,495	258,227	267,265	277,012	1 747,649	207,722	230,309	236,834	250,882	259,001	266,862	296,039	1 747,649
<i>Euratom specific programme</i>																
Appropriations for staff and resources	87,624	90,822	92,326	97,568	100,937			469,277	87,624	90,822	92,326	97,568	100,937			469,277
Operating appropriations	8,818	8,994	8,200	9,358	9,544			44,914	4,409	8,924	9,060	9,300	13,221			44,914
<i>Euratom specific programme — Total</i>	96,442	99,816	100,526	106,926	110,481	114,543 ⁵⁹	118,673 ⁶⁰	514,191	92,033	99,746	101,386	106,868	114,158			514,191
Direct actions — Total	321,472	332,722	338,240	356,421	368,708	267,265	277,012	2 261,840	299,755	330,055	338,220	357,750	373,159	266,862	296,039	2 261,840
Indirect actions																
<i>EC specific programme</i>																
<i>Administrative appropriations</i>																
Specific programme 'Cooperation'	194,211	203,514	233,598	241,646	270,828	293,817	304,940	1 742,553	194,211	203,514	233,598	241,646	270,828	293,817	304,940	1 742,553
Specific programme 'Ideas'	39,479	30,703	29,744	39,258	36,565	47,374	48,059	271,182	39,479	30,703	29,744	39,258	36,565	47,374	48,059	271,182
Specific programme 'People'	24,217	23,830	22,450	27,232	26,996	34,337	37,851	196,913	24,217	23,830	22,450	27,232	26,996	34,337	37,851	196,913
Specific programme 'Capacities'	23,884	22,986	30,419	32,307	30,609	29,838	31,487	201,529	23,884	22,986	30,419	32,307	30,609	29,838	31,487	201,529
<i>Administrative appropriations — EC specific programme — Subtotal</i>	281,791	281,033	316,211	340,443	364,998	405,365	422,336	2 412,177	281,791	281,033	316,211	340,443	364,998	405,365	422,336	2 412,177
<i>Operational appropriations</i>																
Specific programme 'Cooperation'	3 476,434	3 613,837	3 770,544	4 087,509	4 595,041	5 213,900	5 946,154	30 703,419	499,631	2 292,631	2 630,619	3 236,803	3 568,470	5 103,521	13 371,743	30 703,419
Specific programme 'Ideas'	260,843	516,123	778,926	1 098,000	1 298,731	1 575,082	1 707,111	7 234,816	2,000	318,308	219,787	536,009	750,000	1 445,490	3 963,222	7 234,816
Specific programme 'People'	430,179	471,887	503,034	534,190	754,407	900,644	964,252	4 558,593	6,000	232,731	393,004	284,000	500,000	811,679	2 331,179	4 558,593
Specific programme 'Capacities'	407,730	478,490	546,164	623,301	683,898	549,692	608,152	3 897,427	99,697	340,860	488,020	383,959	668,186	637,713	1 278,991	3 897,427
<i>Operational appropriations — EC specific programme — Subtotal</i>	4 575,186	5 080,337	5 598,668	6 343,000	7 332,077	8 239,318	9 225,669	46 394,255	607,328	3 184,530	3 731,430	4 440,771	5 486,656	7 998,404	20 945,135	46 394,255
<i>EC specific programmes — Total</i>	4 856,977	5 361,370	5 914,879	6 683,443	7 697,075	8 644,683	9 648,005	48 806,432	889,119	3 465,563	4 047,641	4 781,214	5 851,654	8 403,769	21 367,471	48 806,432

⁵⁸ For Euratom.

⁵⁹ The amount is indicated only for information and it is not comprised in the total.

⁶⁰ The amount is indicated only for information and it is not comprised in the total.

Heading	Commitment appropriations								Payment appropriations							
	2007	2008	2009	2010	2011	2012	2013	Total	2007	2008	2009	2010	2011 + ⁵⁸	2012	2013 +	Total
<i>Euratom programme</i>																
Administrative appropriations	44,870	69,510	70,621	68,028	72,794			325,823	44,870	69,510	70,621	68,028	72,794			325,823
Operational appropriations	262,881	326,660	428,143	434,533	448,090			1 900,307	78,000	271,000	266,500	253,935	1 030,872			1 900,307
<i>Euratom programme — Total</i>	307,751	396,170	498,764	502,561	520,884	507,433 ⁶¹	519,621 ⁶²	2 226,130	122,870	340,510	337,121	321,963	1 103,666			2 226,130
Indirect actions — Total	5 164,728	5 757,540	6 413,643	7 186,004	8 217,959	8 644,683	9 648,005	51 032,562	1 011,989	3 806,073	4 384,762	5 103,177	6 955,320	8 403,769	21 367,471	51 032,562
Research — Grand total	5 486,200	6 090,262	6 751,883	7 542,425	8 586,667	8 911,948	9 925,017	53 294,402	1 311,744	4 136,128	4 722,982	5 460,927	7 328,479	8 670,631	21 663,510	53 294,402

⁶¹ The amount is indicated only for information and it is not comprised in the total.

⁶² The amount is indicated only for information and it is not comprised in the total.

5.6. Annex VI – Competitiveness and innovation framework programme (CIP)

(in million EUR, rounded)

Summary table – Competitiveness and innovation framework programme (CIP)					
Draft Budget 2011					
CIP specific programmes	Policy area				
	ECFIN (*)	ENTR (*)	ENER	INFSO	Total
Entrepreneurship and innovation programme (*) including Eco-innovation (ENV)	165,0	151,1			316,1
ICT policy support programme				120,6	120,6
Intelligent energy – Europe II programme			112,0		112,0
Total	165,0	151,1	112,0	120,6	548,7

The Competitiveness and Innovation Framework Programme (CIP)⁶³ contributes to the enhancement of competitiveness and innovation capacity throughout the European Union, the advancement of the knowledge society and sustainable development based on balanced economic growth.

The CIP has an envelope of around EUR 3,6 billion for the period 2007-2013 and, in an effort to take due account of its multiple objectives, it is organised around three multi-annual specific programmes:

- 1) The Entrepreneurship and Innovation Programme (EIP);
- 2) The Information and Communication Technologies Policy Support Programme (ICT-PSP);
- 3) The Intelligent Energy Europe II Programme (IEE II)

5.6.1. The Entrepreneurship and Innovation Programme (EIP)

The specific Entrepreneurship and Innovation Programme (EIP) aims at supporting enterprises, particularly small and medium-sized enterprises, innovation (including eco-innovation) and industrial competitiveness.

The EIP facilitates access to finance for the start-up and growth of SMEs and investment in innovation activities, provides business services such as information on EU legislation, supports an environment suitable for business and innovation by promoting the exchange of best practices between Member States and strives for the optimisation of environmental technologies.

It has been allocated with around 60 % of the programme's overall envelope (around EUR 2,17 billion), one fifth of which (EUR 430 million) is devoted to the promotion of eco-innovation.

5.6.2. The Information and Communication Technologies Policy Support Programme (ICT-PSP)

The Information and Communication Technologies Policy Support Programme (ICT PSP) aims to stimulate innovation and competitiveness through the wider uptake and best use of ICT by citizens, governments and businesses, in particular SMEs.

The ICT PSP programme has been allocated with a total budget of EUR 730 million for the period from 2007 to 2013.

The programme contributes to a better environment for developing ICT based services and helps overcome hurdles such as the lack of interoperability and market fragmentation.

Focus is placed on driving this uptake in areas of public interest while addressing EU challenges such as moving towards a low carbon economy or coping with an ageing society.

The ICT-PSP programme supports among others:

- pilot actions, involving both public and private organisations, for validating in real settings, innovative and interoperable ICT based services in areas such as health, ageing and inclusion, Digital Libraries, improved public services, energy efficiency and smart mobility;
- Multilingual web and Internet evolution;

⁶³ Established by Decision 1639/2006/EC of the European Parliament and of the Council of 24 October 2006.

- Networking actions for sharing experiences and preparing the deployment of innovative ICT based solutions in such areas are also supported, as well as the monitoring of the Information Society through benchmarking, analyses and awareness raising actions.

5.6.3. *Intelligent Energy – Europe II Programme (IEE II)*

The ‘Intelligent Energy – Europe II’ Programme contributes to achieving the objectives of the EU energy policy and meeting the target of clean and efficient energy.

With about EUR 730 million of funds available between 2007 and 2013, the IEE II Programme helps deliver on the ambitious climate change and energy targets that the EU has set for itself.

The European Union has committed itself to the ‘20-20-20’ initiative:

- reducing greenhouse gas emissions by 20 % up to 30 % if the conditions are right),
- increasing the use of renewable energy sources to 20 %,
- and improving energy efficiency by 20 %, all by 2020.

The objective of the programme is to contribute to secure, sustainable and competitively priced energy for Europe, by providing for action:

- to foster energy efficiency and the rational use of energy resources;
- to promote new and renewable energy sources and to support energy diversification;
- to promote energy efficiency and the use of new and renewable energy sources in transport.

The programme also supports the implementation of energy-specific legislation.

5.7. Annex VII — Structural Funds and Cohesion Fund

5.7.1. Commitment appropriations for the 2011 Draft Budget

(in EUR)

Policy Area	EMPL	REGIO		AIDCO	TOTAL
Fund	ESF	ERDF	CF	ERDF	
<i>Convergence Objective</i>	7 748 847 361	23 657 525 715	11 055 206 106		42 461 579 182
<i>Regional Competitiveness Objective</i>	3 204 966 611	3 879 856 497			7 084 823 108
<i>Territorial Cooperation Objective</i>					1 312 201 407
- European Territorial Cooperation		1 111 613 323			
- PEACE programme		32 737 542			
- IPA CBC contribution		51 615 763			
- ENPI contribution				116 234 779	
<i>Technical Assistance</i>					
- Operational TA	10 000 000	50 000 000	18 440 087		78 440 087
- Administrative management	16 500 000	11 600 000	4 950 000		33 050 000
Total	10 980 313 972	28 794 948 840	11 078 596 193	116 234 779	50 970 093 784
ESF - European Social Fund					
ERDF - European Regional Development Fund					
CF - Cohesion Fund					
IPA - Instrument for Pre-Accession Assistance					
ENPI - European Neighbourhood and Partnership Instrument					
CBC – Cross-border cooperation					

All figures for the Structural and the Cohesion Funds are derived from the envelopes decided in the legal basis and are fully consistent with the ceilings of the Interinstitutional Agreement (IIA) of 17 May 2006, taking into consideration the impact of point 17 of this IIA.

Annual allocations in current prices for the Structural and Cohesion Funds are obtained by indexing the amounts defined in 2004 prices at a flat rate of 2 % per year. Technical Assistance represents 0,25 % of the overall total, subtracted pro-rata from each objective.

The technical adjustment of the financial framework for 2011⁶⁴ includes the adjustment of amounts allocated from funds supporting cohesion to the Member States concerned by divergence between estimated and actual GDP for the period 2007-2009 (point 17 of the IIA). This adjustment involves additional commitment appropriations, in 2011, totalling EUR 335,7 million. Of this amount, EUR 332,9 million is allocated to the Convergence objective (of which EUR 121,6 million under the Cohesion Fund) and EUR 2,8 million to the Regional Competitiveness and Employment objective.

Typically, the Structural and Cohesion Funds entirely exhaust the resources available within the Heading, and there will therefore be no margin available within sub-heading 1b, save for some EUR 17 million mostly from the non programmable envelope (technical assistance).

The Cohesion Fund does not have a separate line for Operational Technical Assistance. The amount entered above is calculated on the basis of the global Technical Assistance envelope of EUR 27,5 million for the Cohesion Fund and that EUR 4,95 million is allocated to Administrative expenditure. The amount for the Operational Technical Assistance amounts to EUR 18,44 million. This leaves a margin of EUR 4,1 million.

⁶⁴ COM(2010) xxx, 14.4.2010.

Only one budget line of heading 1b falls outside the policy areas ‘Regional policy’ and ‘Employment and social affairs’. This is the budget line for the European Neighbourhood and Partnership Instrument (ENPI), ‘Cross-border cooperation (CBC), contribution from heading 1b’, which is in the policy area ‘External Relations’.

5.7.2. Payment appropriations for the 2011 Draft Budget

(in million EUR)

Policy Area Fund	EMPL	REGIO		AIDCO	TOTAL
	ESF	ERDF	CF	ERDF	
2007-13 programming period					
<i>Convergence Objective</i>	5 430,0	18 000,5	6 247,8		29678,3
<i>Regional Competitiveness Objective</i>	2 496,4	4 390,4			6886,8
<i>Territorial Cooperation Objective</i>					916,5
- European Territorial Cooperation		790,3			
- PEACE programme		27,2			
- IPA CBC contribution		13,0			
- ENPI contribution				86,0	
<i>Technical Assistance</i>					
- Operational TA	7,5	35,0			42,5
- Administrative management	16,5	11,6	5,0		33,1
<i>Pilot Projects / Preparatory Actions</i>		8,0			8,0
Sub-total (2007-13)	7 950,4	23 276,0	6 252,8	86,0	37 565,2
Pre-2007 programming period					
<i>Cohesion Fund</i>			1 500,0		1500,0
<i>Objective 1</i>					2398,9
- Main programme	550,8	1 838,4			
- PEACE programme	9,7	0,0			
<i>Objective 2</i>	48,0	437,6			485,6
<i>Objective 3</i>	387,0				387,0
<i>Community Initiatives</i>					195,8
- EQUAL	72,0				
- URBAN		15,1			
- INTERREG III		108,7			
<i>Technical Assistance</i>	0,0	2,3			2,3
<i>Pre-2000 programmes</i>	6,0				6,0
Sub-total (Pre-2007)	1 073,5	2 402,1	1 500,0	0,0	4 975,6
Grand total	9 023,9	25 678,1	7 752,8	86,0	42 540,8

The overall payments budget is largely comprised of two components:

- Interim payments for the 2007-2013 programmes, which is the largest component,
- and reimbursements to clear the outstanding commitments of 2000-2006 programmes and projects.

There is also a very small residual amount for some remaining pre-2000 programmes.
2007-13 programmes

Payment appropriations relating to the Structural Funds (ERDF and ESF) have been calculated on the basis of the historical payment rates against the corresponding commitment tranches of the 2000-2006 programming period. This is based on the

assumption that the share of an equivalent commitment tranche paid in a given year does not change significantly between two programming periods.

For the ERDF and ESF, this involves examining the payment rates of the 2000-06 commitment tranches for the EU-15 (as this gives the longest time series). By subtracting any pre-payments made in both periods, a series of percentages can be obtained showing how each commitment tranche was paid out over the succeeding years.

Typically, because of the 'n+2' constraint, almost all payments made are over a range of three years. For example, the ERDF commitment tranche of 2004 was paid out as follows:

2004 (year n):	5 %
2005 (n+1):	23 %
2006 (n+2):	38 %
2007 (n+3):	31 %

The data from the 2000-2006 period can then be extracted and applied to the relevant year in the 2007-2013 data. Hence, in order to forecast payments for 2011, a series of percentages are applied to the 2007, 2008, 2009, 2010 and 2011 commitment tranches, the percentages relating to the corresponding commitment tranches in the previous period (2000 for 2007, 2001 and 2008, and so on).

For the n+2 countries, this means applying the following percentages for the ERDF and ESF in order to arrive at estimated payments for 2011:

	ESF	ERDF
CA tranche (n+2 MSs)	% to be applied to CA tranche	% to be applied to CA tranche
2007	0 %	0 %
2008	12 %	14 %
2009	32 %	41 %
2010	29 %	28 %
2011	4 %	5 %

For the new programming period, the 'n+2' rule is replaced by 'n+3' for a number of Member States. Therefore, two models are built for each Fund to take into account the fact that the likeliest effect of the extra year will be spreading out the rate of payments over time. This is built into the model by simply elongating the percentages used for the 'n+2' countries and distributing them proportionally to take account the extra year.

	ESF	ERDF
CA tranche (n+3 MSs)	% to be applied to CA tranche	% to be applied to CA tranche
2007	8 %	6 %
2008	19 %	29 %
2009	26 %	25 %
2010	16 %	16 %
2011	4 %	5 %

For the 2011 commitment tranche, the applicable percentages are identical for the n+2 and n+3 countries, given that the n+3 rule applies only to the 2007 to 2010 commitment tranches. For subsequent tranches the n+2 rule is applicable for all Member States.

For the Cohesion Fund, there is no comparable data from the previous programming period as the 'n+2' / 'n+3' rule is a new feature for the Cohesion Fund in 2007-2013 (previous Cohesion Fund projects were subject to separate rules and regulations). Therefore, for the new programming period, it was decided to apply the same percentage figures used for the ERDF to the Cohesion Fund commitments. As with the ERDF and ESF, there is also a separation between 'n+2' and 'n+3' Member States

to take into account the fact that Spain is the only country eligible for the Cohesion Fund not in the 'n+3' group.

An additional factor to take into account is the amount that has not been paid due to the slower than expected implementation of the new programmes, due to the need for prior approval of Management and Control Systems in order to receive interim payments. Given therefore that a certain amount of payments expected in 2008 and 2009 have not materialised, this results in a shortfall in the model as total payments throughout the programming period will not be completely accounted for. This shortfall is therefore distributed throughout the forthcoming years, as a ratio of expected payments in future years.

One final adjustment was made to the figures, where the resulting initial estimates have been adjusted to take into account the potential impact of the Major Projects on the ERDF and CF, with the possible effect that this may have on interim payments, as well as the slower than expected implementation of ESF programmes. In order to factor in the effect of these, the forecasts for the ESF, ERDF and CF have been reduced by 5 %, 7,5 % and 10 %, respectively. The table below shows the results for the ERDF.

Commitment year		Initial amount (in EUR million)	Amount less advance payments	Percentages (based on 2000-2006)	Estimated payments needs	Shortfall of 2008 and 2009	Estimated payments with shortfall	Reduction for Major projects
2007	N+2	11,963	5,854	0%	0			
	N+3	15,258	5,739	6%	344			
2008	N+2	12,144	12,025	14%	1,683			
	N+3	16,239	15,693	29%	4,473			
2009	N+2	12,057	12,057	41%	4,944			
	N+3	16,192	16,192	25%	4,008			
2010	N+2	11,915	11,915	28%	3,336			
	N+3	16,371	16,371	16%	2,538			
2011	N+2	11,783	11,783	5%	589			7.5%
	N+3	16,900	16,900	5%	845			7.5%
Total	N+2	59,862	53,633		10,552	1,676	12,228	11,311
	N+3	80,960	70,895		12,207	669	12,876	11,910
	All MS				22,759	2,345	25,104	23,221

When the amounts for the Technical Assistance and the contribution to Cross-border Cooperation ENPI are added, the total amounts for ERDF expenditure for 2007-2013 are obtained, as can be seen in the following table. A similar logic to that outlined above for the ERDF has also been applied to the ESF and Cohesion Fund.

	ERDF
ERDF from model	23,221
Administrative management	12
Operational technical assistance	35
CBC ENPI	86
Total ERDF	23,354
<i>Of which</i>	
AIDCO	86
REGIO	23,268

2000-2006 programmes

As most programmes are coming towards closure, forecasts are no longer based on the model used in previous years and as described above, but rather by considering the outstanding commitments in more detail, and expected closure patterns.

For the Structural Funds, it is assumed that the 2000-2006 programmes will, for the principal budget lines, have reached the 95 % threshold for advance and interim

payments by the beginning of 2011. As far as the remaining 5 % is concerned, payment of the final balance can only be made after the Member States send to the Commission the closure documents required for each programme, and once the Commission has carried out the necessary evaluations and audit controls. Payments for 2011 have thus been estimated on the basis of a 40 % closure rate.

As far as the Cohesion Fund is concerned, the RAL at the end of 2010 is estimated to be approximately EUR 4,7 billion. The assumption made is that the equivalent of approximately one third of the expected remaining RAL would be paid in 2011, amounting to some EUR 1,5 billion.