

Brussels, 10 December 2008

## Commission to reopen financial framework to fund energy and broadband projects

*Today the European Commission has proposed to revise the EU financial framework to source the €5 billion required by the Economic Recovery Plan (IP/08/1771) for trans-European energy interconnections and broadband infrastructure investment. The money will help improve energy supply security and boost the number of faster internet connections in the EU-27. The proposal uses part of the financial margins available in the EU budget under agriculture for 2008 and 2009 and shifts them to the budget heading for Competitiveness for Growth and Employment in 2009 and 2010. This means using funds that would otherwise remain unspent, while staying within the overall ceiling of the EU budget. The proposal does not change the total amount set out in the 2007-2013 financial framework, nor does it compromise spending for agriculture. The next step is to reach an agreement with Council and European Parliament.*

Dalia Grybauskaitė, EU Commissioner for Financial Programming and Budget, called on Council and Parliament to endorse the proposal without delay: "Today's proposal is about creating a more competitive, low-carbon economy, putting a much needed €5 billion into European energy interconnections and faster internet, helping to boost economic recovery in the EU. I am confident that Council and the European Parliament will rise to the challenge and make the necessary funds available by the end of this year so that work on the ground can start as quickly as possible".

Last November 26<sup>th</sup>, the Commission proposed a €200 billion economic recovery plan, including €14.4 billion from the EU budget. The €5 billion for trans-European energy interconnections and broadband infrastructures will contribute to long-term competitiveness based on a greener economy.

The Commission has analysed current financial programming to identify the best way to finance the energy and broadband infrastructure projects. There are sufficient margins (the difference between the voted budget and the ceiling) under the budget heading for agriculture in the years 2008 and 2009 (almost EUR 7.5 billion). The table below summarises the proposed shift in the financial framework:

| Commitment appropriations<br>(EUR million)                                  | 2007 | 2008   | 2009   | 2010  | 2011 | 2012 | 2013 | 2007-<br>2013 |
|---|------|--------|--------|-------|------|------|------|---------------|
| <b>Heading<br/>1A/Competitiveness<br/>for Growth and<br/>Employment</b>     | 0    | 0      | 3 000  | 2 000 | 0    | 0    | 0    | <b>5 000</b>  |
| <b>Heading 2 - Preservation<br/>and Management of<br/>Natural Resources</b> | 0    | -3 500 | -1 500 | 0     | 0    | 0    | 0    | <b>-5 000</b> |

**Note for the editors:**

Transfers between budget headings require modifying the multi-annual financial framework (MAFF) so the Commission can include the relevant funds in the budgets for the year 2009 and 2010. The Interinstitutional Agreement (IIA) of 17 May 2006 between the European Parliament, the Council and the Commission foresees that, within certain thresholds, such a revision can be adopted jointly by the European Parliament and Council, with the Council acting by qualified majority.

**For more information see:**

Financial Programming and Budget website:  
[http://ec.europa.eu/budget/index\\_en.htm](http://ec.europa.eu/budget/index_en.htm)

**Annex - FINANCIAL FRAMEWORK 2007-2013 REVISED FOR EUROPEAN ECONOMIC RECOVERY PLAN**  
(EUR million – current prices)

| COMMITMENT APPROPRIATIONS                                  | 2007           | 2008           | 2009           | 2010           | 2011           | 2012           | 2013           | Total<br>2007-2013 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| <b>1. Sustainable Growth</b>                               | <b>53 979</b>  | <b>57 653</b>  | <b>62 700</b>  | <b>63 782</b>  | <b>63 638</b>  | <b>66 628</b>  | <b>69 621</b>  | <b>438 001</b>     |
| 1a Competitiveness for Growth and Employment               | 8 918          | 10 386         | 14 272         | 14 388         | 12 987         | 14 203         | 15 433         | 90 587             |
| 1b Cohesion for Growth and Employment                      | 45 061         | 47 267         | 48 428         | 49 394         | 50 651         | 52 425         | 54 188         | 347 414            |
| <b>2. Preservation and Management of Natural Resources</b> | <b>55 143</b>  | <b>55 693</b>  | <b>58 139</b>  | <b>60 113</b>  | <b>60 338</b>  | <b>60 810</b>  | <b>61 289</b>  | <b>411 525</b>     |
| of which: market related expenditure and direct payments   | 45 759         | 46 217         | 46 679         | 47 146         | 47 617         | 48 093         | 48 574         | 330 085            |
| <b>3. Citizenship, freedom, security and justice</b>       | <b>1 273</b>   | <b>1 362</b>   | <b>1 523</b>   | <b>1 693</b>   | <b>1 889</b>   | <b>2 105</b>   | <b>2 376</b>   | <b>12 221</b>      |
| 3a Freedom, Security and Justice                           | 637            | 747            | 872            | 1 025          | 1 206          | 1 406          | 1 661          | 7 554              |
| 3b Citizenship   | 636            | 615            | 651            | 668            | 683            | 699            | 715            | 4 667              |
| <b>4. EU as a global player</b>                            | <b>6 578</b>   | <b>7 002</b>   | <b>7 440</b>   | <b>7 893</b>   | <b>8 430</b>   | <b>8 997</b>   | <b>9 595</b>   | <b>55 935</b>      |
| <b>5. Administration <sup>(1)</sup></b>                    | <b>7 039</b>   | <b>7 380</b>   | <b>7 699</b>   | <b>8 008</b>   | <b>8 334</b>   | <b>8 670</b>   | <b>9 095</b>   | <b>56 225</b>      |
| <b>6. Compensations</b>                                    | <b>445</b>     | <b>207</b>     | <b>210</b>     |                |                |                |                | <b>862</b>         |
| <b>TOTAL COMMITMENT APPROPRIATIONS</b>                     | <b>124 457</b> | <b>129 297</b> | <b>137 711</b> | <b>141 489</b> | <b>142 629</b> | <b>147 210</b> | <b>151 976</b> | <b>974 769</b>     |
| as a percentage of GNI                                     | 1.04%          | 1.03%          | 1.05%          | 1.03%          | 1.00%          | 0.99%          | 0.98%          | 1.02%              |
| <b>TOTAL PAYMENT APPROPRIATIONS</b>                        | <b>122 190</b> | <b>126 181</b> | <b>122 748</b> | <b>134 575</b> | <b>135 042</b> | <b>141 650</b> | <b>142 908</b> | <b>925 294</b>     |
| as a percentage of GNI                                     | 1.02%          | 1.01%          | 0.93%          | 0.98%          | 0.94%          | 0.95%          | 0.92%          | 0.96%              |
| Margin available   | 0.22%          | 0.23%          | 0.31%          | 0.26%          | 0.30%          | 0.29%          | 0.32%          | 0.28%              |
| Own Resources Ceiling as a percentage of GNI               | 1.24%          | 1.24%          | 1.24%          | 1.24%          | 1.24%          | 1.24%          | 1.24%          | 1.24%              |

(1) 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 € 500 million at 2004 prices for the period 2007-2013.