



COMMISSION OF THE EUROPEAN COMMUNITIES

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**PRELIMINARY DRAFT AMENDING BUDGET No 3  
TO THE GENERAL BUDGET 2007**

**GENERAL STATEMENT OF REVENUE**

**STATEMENT OF REVENUE AND EXPENDITURE BY SECTION  
Section III - Commission**

(presented by the Commission)

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Having regard to:

- the Treaty establishing the European Community, and in particular Article 272 thereof,
- the Treaty establishing the European Atomic Energy Community, and in particular Article 177 thereof,
- the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>1</sup>, and in particular Article 37 thereof,

The European Commission hereby presents to the budgetary authority the preliminary draft amending budget No 3 to the 2007 budget for the reasons set out in the explanatory memorandum.

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<sup>1</sup> OJ L 248, 16.9.2002, p. 1. as last amended by Regulation 1995/2006 of 13 December 2006 (OJ L 390, 30.12. 2006, p.1).

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## GENERAL STATEMENT OF REVENUE AND STATEMENT OF REVENUE AND EXPENDITURE BY SECTION

The general statement of revenue and the statement of revenue and expenditure by section are forwarded separately via the SEI-BUD system. An English language version is attached as a budgetary annex by way of example.

## **1. INTRODUCTION**

The purpose of the present Preliminary Draft Amending Budget (PDAB) 3/2007 is to set the necessary budgetary structure and allocations to allow for the financing of the Executive Agency for Competitiveness and Innovation in 2007.

The present PDAB further foresees modifications to the budget structure as a result of the extension of the mandate of the Executive Agency for Education, Audiovisual and Culture; and the modification of the establishment plans of three other agencies: Eurojust, the European Agency for Fundamental Rights and Frontex.

## **2. EXECUTIVE AGENCY FOR COMPETITIVENESS AND INNOVATION**

In the framework of the Lisbon strategy for growth and employment, the European Union has taken measures aimed at promoting and developing competitiveness and innovation in order to contribute to growth and to make Europe a more attractive place to invest and work.

These measures include the Decision of the European Parliament and of the Council establishing a Competitiveness and Innovation Framework Programme (CIP) 2007-2013,<sup>2</sup> consisting of the Entrepreneurship and Innovation Programme (EIP), the Information and Communication Technology Policy Support Programme (ICT) and the Intelligent Energy-Europe Programme (IEE). These measures also include the Regulation of the European Parliament and of the Council establishing the Marco Polo II programme 2007-2013.<sup>3</sup>

Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies gives the Commission, assisted by a regulatory committee and subject to certain conditions, the power to use Community bodies with a legal personality (executive agencies) for the purpose of carrying out certain tasks relating to the management of Community programmes, including budget implementation tasks. This enables the Commission to dispose of sufficient technical expertise for the management of such programmes, to focus on its core activities, and to keep better control over the tasks it entrusts to outside bodies.

The Commission has used this possibility by establishing the Intelligent Energy Executive Agency (IEEA) by Commission Decision 2004/20/EC of 23 December 2003, to manage the Community action in the field of energy carried out in the framework of the first Intelligent Energy-Europe programme.

Following a favourable opinion by the Regulatory Committee for Executive Agencies on 14 February 2007, Decision 2004/20/EC is now being amended to entrust the “Intelligent Energy Executive Agency” with certain management tasks related to the implementation of the second IEE programme (the successor of the current IEE programme that has been integrated into the CIP), and enlarging its area of activity to include certain management tasks related to the execution of the Entrepreneurship and Innovation Programme (EIP) and certain management tasks related to the Marco Polo II Programme.

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<sup>2</sup> OJ L 310, 9.11.2006, p. 15.

<sup>3</sup> OJ L 328, 24.11.2006, p. 1.

In concrete terms this will mean an extension of the duration, the size and the remit of the existing IEEA as well as a new name “Executive Agency for Competitiveness and Innovation” in order to reflect the new programmes and tasks entrusted to the agency.

The present PDAB 3/2007 proposes to set the necessary budgetary structure and allocations to allow for the financing of the Executive Agency for Competitiveness and Innovation during the budget year 2007.

Expenditure for the Executive Agency will be charged to the programmes indicated above, all covered by heading 1a of the Financial Framework 2007 – 2013.

The budgetary changes required by the set-up of the Executive Agency are summarised in the table at the end of the text. Their net effect will be neutral from a budgetary point of view.

More in detail and in line with the justification and financial statement presented by DG Budget to the Budget Authority<sup>4</sup>, the general budget of the European Communities should finance in 2007 a total subsidy of EUR 9,7 million<sup>5</sup> to the budget of the Executive agency, including the amount of EUR 5,3 already authorised in budget 2007 for the existing Executive agency.

The following new budget items have to be created:

- 02 01 04 30 – Executive Agency for Competitiveness and Innovation – Subsidy from the Competitiveness and Innovation Framework Programme – Entrepreneurship and Innovation Programme
- 06 01 04 32 – Executive Agency for Competitiveness and Innovation – Subsidy from the Marco Polo II Programme

The title of the existing budget item 06 01 04 30 will be amended as follows:

- 06 01 04 30 – Executive Agency for Competitiveness and Innovation – Subsidy from the Competitiveness and Innovation Framework Programme – 'Intelligent Energy – Europe' Programme

The allocations of the following budget items will accordingly be adjusted:

- 02 01 04 04 – Competitiveness and Innovation Framework Programme – Entrepreneurship and Innovation Programme – Expenditure on administrative management
- 02 02 01 – Competitiveness and Innovation Framework Programme – Entrepreneurship and Innovation Programme
- 06 02 06 – Marco Polo II Programme
- 06 04 06 – Competitiveness and Innovation Framework Programme 'Intelligent Energy – Europe' Programme

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<sup>4</sup> Letters LRR D(2007) 980 and 983 of 7.2.2007

<sup>5</sup> Excluding the EFTA contribution

In 2007, the Executive Agency for Competitiveness and Innovation will have a staff of 35 statutory agents in its establishment plan, of which 11 seconded officials from the Commission; the statutory staff of the current Intelligent Energy Executive Agency is 16 temporary agents, of which 5 are seconded officials from the Commission.

### **3. MODIFICATION OF THE BUDGET STRUCTURE OF THE EXECUTIVE AGENCY FOR EDUCATION, AUDIOVISUAL AND CULTURE (EACEA)**

The mandate of the Executive Agency for Education, Audiovisual and Culture (EACEA) was extended by Commission Decision 2007/114/EC of 8 February 2007, to include the management of the Youth, and Erasmus Mundus programmes in which IPA (Instrument for Pre-Accession) beneficiaries are involved.

In order to accommodate this change within the budget structure, it is now proposed to create the following item in budget 2007:

- 22 01 04 30 Executive Agency for Education, Audiovisual and Culture — Subsidy for programmes of heading 4 in the enlargement policy.

At this point, it is proposed to enter a "p.m." on the line.

The extended mandate also necessitates an adjustment to the establishment plan of the Executive Agency, which is outlined in the budgetary annexe. The three additional temporary agents are linked to the implementation of the Erasmus Mundus External Cooperation Window and the Erasmus Mundus Western Balkans Window which have been entrusted to the Agency by Commission Decision (2007/114/CE) of 8 February of 2007. Moreover, the repartition of temporary agents per grade is adjusted to correspond with the indications in the Legislative Financial Statement of the extension of the Agency's mandate.

### **4. MODIFICATION OF THE ESTABLISHMENT PLAN OF EUROJUST**

In the European Union budget for 2007, the budgetary authority amended the amount for Eurojust, increasing it to EUR 18,4 million compared with the EUR 17 million which had been entered in the preliminary draft budget. In order to employ the level of appropriations authorised by the Budgetary Authority Eurojust asks to increase its staffing request from 144 to 147 posts.

The planned number of 147 posts for the year 2007 results from the expansion of the tasks and functions to be carried out in both the operational and administrative areas of Eurojust.

The proposed Establishment Plan also includes a modification of the breakdown by category and grade of staff.

The proposed modifications do not have any budgetary effect

**5. MODIFICATION OF THE ESTABLISHMENT PLAN OF THE EUROPEAN UNION AGENCY FOR FUNDAMENTAL RIGHTS (FRA)**

The transformation of the European monitoring Centre on Racism and Xenophobia (EUMC) into the European Union Agency for Fundamental Rights (FRA) brings along a wider mandate compared to the current structures of the EUMC. The new expert tasks will require the recruitment of more specialists at University level. Therefore the Agency proposes a better distribution of the posts between Administrators and Assistants, by upgrading of the Establishment Plan combined with a reduction of the total number of posts (from 50 to 46 posts).

The proposed readjustment of the Establishment Plan will have no impact on the level of the budgetary appropriations.

**6. MODIFICATION OF THE ESTABLISHMENT PLAN OF THE EUROPEAN AGENCY FOR THE MANAGEMENT OF THE OPERATIONAL COOPERATION AT THE EXTERNAL BORDERS OF THE MEMBERS STATES OF THE EUROPEAN UNION (FRONTEX)**

In the European Union budget for 2007, the budgetary authority placed an additional amount of EUR 12,8 million in the reserve for Frontex. The additional amount (+60%) was given to the Agency to allow it to better fulfil its tasks. However, no corresponding change was made to the establishment plan. The conditions for releasing the reserve relate to the work programme and the staff policy.

Frontex has prepared a revised Work Programme 2007, approved by the Management Board. The release of the additional funds in the reserve is necessary for Frontex to fulfil its activities set out in the revised Work Programme 2007. It is also necessary to increase the establishment plan from 34 to 49, as mentioned in the same document.

The current staff numbers are insufficient to handle the increase in operational activities. The increase in the number of operations or projects (103 in total supported by tailored risk analysis) can only be successfully implemented in so far as Frontex has sufficient operational and administrative support staff.

For these reasons, it is proposed to amend the 2007 establishment plan of Frontex. The proposed modifications to the establishment plan are budgetary neutral.

### SUMMARY TABLE OF CHANGES PROPOSED BY PDAB 3/2007

Nomen- clature	Heading	FF	2007 Budget+AB 1+PDAB 2		PDAB 3/2007		New amount	
			Commitments Total	Payments Total	Commitments Total	Payments Total	Commitments Total	Payments Total
02 01 04 04	Competitiveness and Innovation framework programme — Entrepreneurship and Innovation Programme — Expenditure on administrative management	1	10.600.000	10.600.000	-1.582.000	-1.582.000	9.018.000	9.018.000
02 01 04 30	Executive Agency for Competitiveness and Innovation — Subsidy from the Competitiveness and Innovation Framework Programme — Entrepreneurship and Innovation Programme	1			3.082.000	3.082.000	3.082.000	3.082.000
02 02 01	Competitiveness and Innovation framework programme — Entrepreneurship and Innovation programme	1	112.600.000	60.000.000	-1.500.000	-1.500.000	111.100.000	58.500.000
06 01 04 30	Executive Agency for Competitiveness and Innovation — Subsidy from the Competitiveness and Innovation Framework Programme — Intelligent Energy - Europe Programme	1	5.277.000	5.277.000	460.000	460.000	5.737.000	5.737.000
06 01 04 32	Executive Agency for Competitiveness and Innovation — Subsidy from the Marco Polo II Programme	1			870.000	870.000	870.000	870.000
06 02 06	Marco Polo II programme	1	55.775.000	5.000.000	-870.000	-870.000	54.905.000	4.130.000
06 04 06	Innovation and competitiveness framework programme — 'Intelligent energy — Europe, programme	1	58.883.000	6.900.000	-460.000	-460.000	58.423.000	6.440.000
22 01 04 30	Executive Agency for Education, Audiovisual and Culture — Subsidy for programmes of heading 4 in the enlargement policy	4			p.m.	p.m.	p.m.	p.m.
<b>Total</b>			<b>243.135.000</b>	<b>87.777.000</b>			<b>243.135.000</b>	<b>87.777.000</b>