

## **SUBJECT: FINANCIAL PERSPECTIVES FOR 2007-2013**

From October 2002 the Prime ministers of the Member States of EU decided in Brussels during the European Council the overall ceiling for annual agricultural spending not only for the period 2000-2006 but also for the next, partly because of the entrance of the 10 new Member States. According to this agreement the total expenditure of market measures can not exceed in real terms the ceiling of the year 2006 and in nominal terms was to be kept below this 2006 figure, increased by 1% per year. Based on this financial plan the intermediate review was decided. Before the beginning of the new period 2007-2013, Commission proposed the new financial means to achieve the political goals of the new EU 25, which are development and prosperity, respecting the decisions of the European Council and setting a margin for total expenses the 1,14% of the Gross National Income (GNI). The proposal of Commission was:

### **TOTAL EXPENDITURE OF THE PERIOD 2007-2013**

| Commitment Appropriations  | 2006           | 2007           | 2008           | 2009           | 2010           | 2011           | 2012           | 2013           |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Sustainable growth   | 46621          | 58735          | 61875          | 64895          | 67350          | 69795          | 72865          | 75950          |
| Sustainable management and protection of natural resources, where as market measures | 56015<br>43735 | 57180<br>43500 | 57900<br>43673 | 58115<br>43354 | 57980<br>43034 | 57850<br>42714 | 57825<br>42508 | 57805<br>42293 |
| Citizenship, freedom, security, justice  | 2342           | 2570           | 2935           | 3235           | 3530           | 3835           | 4145           | 4455           |
| The EU as a global partner   | 11232          | 11280          | 12115          | 12885          | 13720          | 14495          | 15115          | 15740          |
| Administration   | 3436           | 3675           | 3815           | 3950           | 4090           | 4225           | 4365           | 4500           |
| Total  | 126688         | 133560         | 138700         | 143140         | 146670         | 150200         | 154315         | 158450         |

The total expenditure for the period 2007-2013 sums to 1.025.035 million euros. For market support measures/direct payments the total appropriations amount to 404.655 mil.euros, which means 301.074 for markets (293.105 for 25 countries and 7.969 for Bulgaria and Romania), 88.573 for Rural Development, 4.963 for Fisheries and 10.045 for environmental measures.

The first discussion took place during the Luxembourg Presidency June 2005 without final decision. The final decision was taken in December 2005 during the British presidency after two “negotiating boxes”. According to the decision taken, the total expenses for period 2007-2013 should not exceed the following level:

1. Total expenses for commitment appropriations 862.363 million euros, which corresponds to 1,045% of the GNI of EU.
2. For Heading 2(Preservation and management of natural resources) commitment appropriations should not exceed the following level:
  - Total amount 371.245 million euros, of which:

- Market related measures and direct payments 293.105, Bulgaria and Romania included
  - Rural Development 69,75
  - Fisheries instrument 3,8
  - New financial instrument for the environment 4,59
3. For Market related measures and direct payments the allocation of the amount of 293.105million euros will be 256.333 for 15 old Member States, 28.803 for the 10 new and 7.969 for Bulgaria and Romania.
  4. The decrease will have effect to the 15 old Member States after the application of art. 11 of Reg. 1782/2003 for the intermediate review of CAP.
  5. The amount of 69,75 mio euro before modulation for Rural Development will be allocated as following:
    - 33,01 for EU10
    - 4,07 for 8 countries (Austria, Italy, Finland, Ireland, Luxembourg, France, Sweden and Portugal)
    - The rest will be allocated to the 15 old MS
  6. The allocation for the new Fisheries instrument will be 3,8 mio euro and for the new instrument for the environment 4,59 mio euro.
  7. For market related measures and direct payments Greece is estimated to receive 16.025 mio euro or 6,25% of the total.

---

-Financial Perspectives are the multiannual financial agreements of the European Council.

-Financial discipline comprises of the rules that have been decided for expenditure not to exceed the financial limits for a certain period.