COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 11.2.2003
COM(2003) 70 final

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND THE COUNCIL

on the Adjustment of the Financial Perspective for Enlargement

Presented by the Commission in accordance with point 25 of the Interinstitutional Agreement of 6 May 1999 on Budgetary Discipline and Improvement of the Budgetary Procedure

EXPLANATORY MEMORANDUM

Point 25 of the Interinstitutional Agreement (IIA) of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure[1] provides for the Commission to present, when the Union is enlarged, a proposal to adjust the financial perspective to take account of the expenditure requirements resulting from enlargement. Changes in the headings concerned should not exceed the amounts shown in the indicative financial framework contained in the IIA (Annex II).

The Copenhagen European Council of 12 and 13 December 2002 endorsed the results of the negotiations which determined expenditure requirements resulting from the accession of ten new Member States in 2004 (Annex 1 of the present memorandum), and invited the Commission to take this expenditure into account in its proposal to adjust the financial perspective.

The purpose of this document is to propose to the budgetary authority the adjustments necessary to cater for enlargement, namely:

– To adjust the financial perspective (EU-15) in order to reconcile this financial framework for the period 2004-2006, at 1999 prices, to the situation of an enlarged Union of 25 members;

– For the year 2004, to make the technical adjustment of these amounts in line with the evolution of prices and GNI (gross national income).

1. ADJUSTMENT OF THE EU-15 FRAMEWORK AT 1999 PRICES TO THE SITUATION OF AN ENLARGED EU OF 25 FOR THE PERIOD 2004-2006

- Concerning Headings 1 (including sub-headings 1a, 1b), 2, 3 and 5, the ceilings for EU-15 are raised by the corresponding amounts presented in Annex 1 of the present memorandum (as provided for in point 25 of the IIA).

- The ceilings of Headings 4 and 6 are not affected by the present exercise.

- As for Heading 7, it is proposed to maintain the ceiling unchanged. Without prejudice to future developments which could concern pre-accession expenditure, Heading 7 is at this stage set to cover the following expenditure:

  a) For Bulgaria and Romania the amounts foreseen for the pre-accession instruments (Phare, SAPARD and ISPA) are increased for the remaining years of the period by respectively 20%, 30% and 40% compared to the average of the preceding years, in accordance with the roadmaps for Bulgaria and Romania[2] adopted by the Commission and as mentioned in the conclusions of the Copenhagen European Council. For both countries taken together the proposed amounts are as follows: €1,228 million in 2004; €1,330 million in 2005 and €1,432 million in 2006. The breakdown between the three instruments will be detailed in the

[1] OJ C 172, 18.6.1999, p.1.
[2] COM (2002) 624 final, 13.11.2002.

budgetary documents in the course of the annual budget procedure.

Moreover, the Phare appropriations will also include the supplementary amounts concerning the nuclear decommissioning of the Kozloduy nuclear plant in Bulgaria. It is estimated that of the €200 million pledge made in 1999 to help compensate for the decommissioning of non-upgradable units, €60 million (at 1999 prices) remains to be committed in the period 2004-2006. In addition, following the Bulgarian Government's decision in November 2002 on the early closure of Units 3 and 4, a further pledge is now considered necessary. Specific financing proposals will be made when detailed estimates are available;

b) pre-accession appropriations for support expenditure, including salaries for outside personnel at Delegations in the ten acceding countries, necessary for the phasing out of the pre-accession financial instruments and for a smooth transition between the rules applicable before and after accession in the management of the pre-accession assistance;

c) the pre-accession programme concerning Turkey (at present appropriations for assistance to Turkey are classified under Heading 4). Following the Commission Strategy Paper of October 2002 - which proposed that total assistance could at least double by 2006 -, the Copenhagen European Council confirmed that the Union will significantly increase its pre-accession assistance to Turkey.

As some amounts of Heading 7 are to be specified or could change during this period, it is proposed that the breakdown in sub-headings for this category of expenditure be dropped.

- A new Heading 8 '*Compensations*' is introduced including the amounts corresponding to the sum of the so-called 'temporary budgetary compensation' and 'special lump-sum cash-flow facility' in favour of the ten acceding countries agreed at the Copenhagen European Council.

- Provision should be made for supplementary amounts for each of the headings concerned against a political settlement being reached concerning Cyprus and allowing unification of the island. When appropriate, these amounts will be added to the ceilings in question. The budgetary implications resulting from the implementation of a political settlement are estimated for the period at € 273 million, at 1999 prices (see Annex 2 of the present memorandum).

- As a consequence of the proposed adaptations, Annex II of the Interinstitutional Agreement of 6 May 1999 becomes void and is therefore deleted.

Table 1a annexed to this proposed Decision shows the result of the adjustment of the financial perspective for EU-25 at 1999 prices, excluding the budgetary implications of a political settlement in Cyprus. Compared to the situation foreseen in the IIA, the overall ceiling for commitment appropriations, at 1999 prices, is reduced by € 410 million for 2004, € 387 million for 2005 and € 939 million for 2006.

In the event that a political settlement allows for the unification of Cyprus, the financial perspective applicable will correspond to the amounts shown in Table 1b.

In accordance with the Copenhagen European Council conclusions, the corresponding overall ceiling in payments (EU-25) for the years 2004-2006 is unchanged compared to the corresponding ceiling set out in Annex 1 of the IIA.

2. TECHNICAL ADJUSTMENT AT 2004 PRICES

The **consolidated results** of the technical adjustment for EU-15 at 2004 prices presented on 23 December 2002[3] and the expenditure requirements of an enlargement taking in ten new members agreed upon at the Copenhagen European Council are shown in **Table 2a** concerning the **financial perspective for EU-25 at 2004 prices** (excluding the budgetary implications of a unified Cyprus).

Table 2b shows the consolidated amounts foreseen if a political settlement allows the unification of Cyprus, adjusted at 2004 prices.

2.1. Own resources ceiling

In compliance with the conclusions of the Berlin European Council of March 1999, the own resources ceiling for EU-25 remains unchanged in percentage terms and is established at 1.24% of GNI-25.

2.2. Parameters used for the adjustment of expenditure

The adjustment at 2004 prices is calculated by applying the same deflators used in the exercise of the technical adjustment of the financial perspective (EU-15) for 2004, namely:

- A cumulative deflator of 10.41% for the period 2000-2004, applied to the amounts reserved to new Member States entered in Heading 1 and in the Structural Funds subheading of Heading 2, in accordance with point 15 of the Interinstitutional Agreement (fixed rate of 2% a year).

- The GNI deflator in euros for 2000-2004 (10.72624%), applied to the amounts entered in all other headings and subheadings (actual deflator).

- In accordance with the financial perspective adopted at the Berlin European Council, the monetary reserve has been eliminated from 2003.

Appropriations for payments are adjusted by the same deflators, based upon the amounts estimated for each heading when the financial perspectives were drawn up (in 1999 prices), added to the appropriations for payments planned for the new Member States and agreed at the Copenhagen European Council. The following table details the calculation for the payment appropriations listed in Table 2a:

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[3] COM (2002) 756 final, 23.12.2002.

		EU-15: 2004 *(€ million)*	10 new Member States 2004 *(€ million)*	Cumulative deflator 2000-2004 *(%)*	EU-25 2004 *(€ million)*
Appropriations for payments		***1999 prices***			***2004 prices***
Heading 1		42,760	911	10.41	48,217
Heading 2-Structural Funds		28,035	1,546	10.41	32,660
Heading 6	Monetary reserve	0	0	0	0
	Other reserves	400	0	10.72624	443
Other appropriations for payments under the global ceiling for payments		27,148		10.72624	30,060
Total appropriations for payments		100,800			111,380

For the calculation of the margin, the macroeconomic parameters such as the growth rate and the deflator used for the present adaptation are the same than those used for the technical adjustment of the financial perspective for EU-15 at 2004 prices. These parameters are set out in Table 3.

2.3. Overall results of the financial perspective for EU-25 at 2004 prices

The overall ceiling on appropriations for commitments (EU-25) for 2004 is €115,379 million, equivalent to 1.12 % of GNI-25 (€115,445 million or 1.12% GNI-25 if the budgetary implications of a settlement in Cyprus are included).

At 1999 prices, the overall ceilings for commitments (EU-25) for each year over the period 2004-2006 remain below the figures established in the indicative financial framework for EU-21, in compliance with point 25, §2 of the Interinstitutional Agreement of 6 May 1999.

In 2004, the overall ceiling on appropriations for payments is € 111,380 million, i.e. 1.08 % of GNI-25 which, on the basis of current economic forecasts, leaves a margin beneath the own resources ceiling of € 16,680 million (0.16% of GNI for EU-25).

3. FINAL REMARKS

For enlargement to take effect on 1 May 2004 as confirmed at the Copenhagen European Council, each signatory State's instruments of ratification must be deposited with the Government of the Italian Republic on 15 April 2004 at the latest, in compliance with Article 313 of the Treaty establishing the European Community.

3.1. Non-ratification of the Accession Treaty by a candidate country

If any candidate country rejects the Accession Treaty, the ceilings of the concerned headings of the financial perspective will accordingly be reduced by the amounts foreseen for that country.

3.2. Non-ratification of the Accession Treaty by a Member State

Should any Member State of the EU, according to its own ratification procedure, reject the Accession Treaty or not approve it within the prescribed period, the process of enlargement of the EU to 10 new members would be suspended.

ANNEX 1: EXPENDITURE REQUIREMENTS OF ENLARGEMENT RESULTING FROM THE COPENHAGEN EUROPEAN COUNCIL (12 & 13 December 2002)

Commitments in Million euros, 1999 prices

	2004	2005	2006
1: AGRICULTURE of which	**1.897**	**3.747**	**4.147**
1a: common agricultural policy	327	2.032	2.322
1b: rural development	1.570	1.715	1.825
2: STRUCTURAL ACTIONS (after capping) of which	**6.070**	**6.907**	**8.770**
Structural Fund	3.453	4.755	5.948
Cohesion Fund	2.617	2.152	2.822
3: INTERNAL POLICIES and SUPPLEMENTARY TRANSITORY EXPENDITURE of which	**1.457**	**1.428**	**1.372**
Existing internal policies	846	881	916
Nuclear safety	125	125	125
Institution building	200	120	60
Schengen	286	302	271
5: ADMINISTRATION	**503**	**558**	**612**
Total	**9.927**	**12.640**	**14.901**

	2004	2005	2006
Cash flow lump sums	1.011	744	644
Budgetary compensations	262	429	296
Total	**1.273**	**1.173**	**940**

ANNEX 2: AMOUNTS FORESEEN IN THE CASE OF A POLITICAL SETTLEMENT IN CYPRUS IN 1999 PRICES

	2004	2005	2006
Heading 1A	3	9	10
Heading 1B	-10	-11	-12
Heading 2: structural funds	22	37	51
Heading 2: cohesion fund	15	13	17
Heading 2: special programme	16	27	44
Heading 3: existing policies	5	5	5
Heading 3: Schengen facility	9	9	9
TOTAL	**60**	**89**	**124**

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THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to the Interinstitutional Agreement (IIA) of 6 May 1999 between the European Parliament, the Council and the Commission on Budgetary Discipline and Improvement of the Budgetary Procedure, and in particular Point 25 thereof[1],

Having regard to the proposal from the Commission[2],

Acting in accordance with the procedure laid down in the fifth subparagraph of Article 272 (9) of the Treaty,

Whereas:

(1) The financial perspective for the European Union (with 15 members) agreed upon in the Interinstitutional Agreement of 6 May 1999 should be adjusted to take account of the situation of an enlarged European Union of 25 Members for the period 2004-2006, at 1999 prices.

(2) The Copenhagen European Council of 12 and 13 December 2002 has endorsed the results of the negotiations which have determined expenditure requirements resulting from the accession of ten new Member States in 2004.

(3) It has clearly stated that pre-accession financial assistance for Turkey would be financed under the "pre-accession heading" from 2004.

(4) The consequences for the financial perspective of a political settlement in Cyprus during the current financial framework should be taken into account.

(5) In compliance with the second subparagraph of Point 25 of the Interinstitutional Agreement of 6 May 1999, changes in the headings concerned by this adjustment should not exceed the amounts shown in the indicative financial framework contained in Annex II of that Agreement.

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1 OJ C 172/1, 18.6.1999.
2 OJ C , […], […], p. […].

HAVE DECIDED AS FOLLOWS:

Article 1

Over the period 2004-2006, the annual ceilings for appropriations for commitments of Headings 1, 2, 3 and 5 of the financial perspective contained in Annex I of the Interinstitutional Agreement of 6 May 1999 shall be raised by the corresponding expenditure requirements resulting from the accession of ten new Member States.

The ceiling of Heading 7 shall include appropriations for pre-accession assistance concerning Turkey.

A new Heading 8 shall be created in order to enter budgetary compensations agreed upon at the Copenhagen European Council.

Article 2

1. As a consequence, Annex I of the Interinstitutional Agreement of 6 May 1999 is replaced by the adjusted financial perspective at 1999 prices for a European Union with 25 Members (excluding the budgetary implications resulting from a political settlement in Cyprus), as presented in Table 1a attached to this decision.

In the event that a political settlement is reached in Cyprus, the financial perspective for a European Union with 25 Members at 1999 prices, as presented in Table 1b, shall apply.

Accordingly, Annex II of the Interinstitutional Agreement of 6 May 1999 becomes void.

2. The corresponding financial perspective resulting from the technical adjustment for 2004, in line with movements in Gross National Income (GNI) and prices, are presented in Tables 2a and 2b attached to the present Decision.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

ANNEX

TABLE 1a: FINANCIAL PERSPECTIVE (EU-25) ADJUSTED FOR ENLARGEMENT AT 1999 PRICES

COMMITMENT APPROPRIATIONS	2000	2001	2002	2003	2004	2005	2006
1. AGRICULTURE	**40.920**	**42.800**	**43.900**	**43.770**	**44.657**	**45.677**	**45.807**
1a Common Agricultural Policy	36.620	38.480	39.570	39.430	38.737	39.602	39.612
1b Rural development	4.300	4.320	4.330	4.340	5.920	6.075	6.195
2. STRUCTURAL ACTIONS	**32.045**	**31.455**	**30.865**	**30.285**	**35.665**	**36.502**	**37.940**
Structural funds	29.430	28.840	28.250	27.670	30.533	31.835	32.608
Cohesion fund	2.615	2.615	2.615	2.615	5.132	4.667	5.332
3. INTERNAL POLICIES	**5.930**	**6.040**	**6.150**	**6.260**	**7.827**	**7.908**	**7.972**
4. EXTERNAL ACTIONS	**4.550**	**4.560**	**4.570**	**4.580**	**4.590**	**4.600**	**4.610**
5. ADMINISTRATION (1)	**4.560**	**4.600**	**4.700**	**4.800**	**5.403**	**5.558**	**5.712**
6. RESERVES	**900**	**900**	**650**	**400**	**400**	**400**	**400**
Monetary reserve	500	500	250	0	0	0	0
Emergency aid reserve	200	200	200	200	200	200	200
Guarantee reserve	200	200	200	200	200	200	200
7. PRE-ACCESSION AID	**3.120**	**3.120**	**3.120**	**3.120**	**3.120**	**3.120**	**3.120**
Agriculture	520	520	520	520			
Pre-accession structural instrument	1.040	1.040	1.040	1.040			
PHARE (applicant countries)	1.560	1.560	1.560	1.560			
8. COMPENSATION					**1.273**	**1.173**	**940**
TOTAL APPROPRIATIONS FOR COMMITMENTS	**92.025**	**93.475**	**93.955**	**93.215**	**102.935**	**104.938**	**106.501**
TOTAL APPROPRIATIONS FOR PAYMENTS	**89.600**	**91.110**	**94.220**	**94.880**	**100.800**	**101.600**	**103.840**
Ceiling, approps for payments as % of GNI (ESA 95)	1,07%	1,08%	1,11%	1,10%	1,08%	1,06%	1,06%
Margin for unforeseen expenditure	0,17%	0,16%	0,13%	0,14%	0,16%	0,18%	0,18%
Own resources ceiling	**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 staff contributions to the pension scheme, up to a maximum of 1 100 million euros at 1999 prices for the period 2000-2006.

TABLE 1b: FINANCIAL PERSPECTIVE (EU-25) ADJUSTED FOR ENLARGEMENT AT 1999 PRICES
(including budgetary implications of a political settlement in Cyprus)

COMMITMENT APPROPRIATIONS	2000	2001	2002	2003	2004	2005	2006
1. AGRICULTURE	**40.920**	**42.800**	**43.900**	**43.770**	**44.650**	**45.675**	**45.805**
1a Common Agricultural Policy	36.620	38.480	39.570	39.430	38.740	39.611	39.622
1b Rural development	4.300	4.320	4.330	4.340	5.910	6.064	6.183
2. STRUCTURAL ACTIONS	**32.045**	**31.455**	**30.865**	**30.285**	**35.718**	**36.578**	**38.052**
Structural funds	29.430	28.840	28.250	27.670	30.571	31.899	32.703
Cohesion fund	2.615	2.615	2.615	2.615	5.147	4.680	5.349
3. INTERNAL POLICIES	**5.930**	**6.040**	**6.150**	**6.260**	**7.841**	**7.922**	**7.986**
4. EXTERNAL ACTIONS	**4.550**	**4.560**	**4.570**	**4.580**	**4.590**	**4.600**	**4.610**
5. ADMINISTRATION (1)	**4.560**	**4.600**	**4.700**	**4.800**	**5.403**	**5.558**	**5.712**
6. RESERVES	**900**	**900**	**650**	**400**	**400**	**400**	**400**
Monetary reserve	500	500	250	0	0	0	0
Emergency aid reserve	200	200	200	200	200	200	200
Guarantee reserve	200	200	200	200	200	200	200
7. PRE-ACCESSION AID	**3.120**	**3.120**	**3.120**	**3.120**	**3.120**	**3.120**	**3.120**
Agriculture	520	520	520	520			
Pre-accession structural instrument	1.040	1.040	1.040	1.040			
PHARE (applicant countries)	1.560	1.560	1.560	1.560			
8. COMPENSATION					**1.273**	**1.173**	**940**
TOTAL APPROPRIATIONS FOR COMMITMENTS	**92.025**	**93.475**	**93.955**	**93.215**	**102.995**	**105.027**	**106.625**
TOTAL APPROPRIATIONS FOR PAYMENTS	**89.600**	**91.110**	**94.220**	**94.880**	**100.800**	**101.600**	**103.840**
Ceiling, approps for payments as % of GNI (ESA 95)	1,07%	1,08%	1,11%	1,10%	1,08%	1,06%	1,06%
Margin for unforeseen expenditure	0,17%	0,16%	0,13%	0,14%	0,16%	0,18%	0,18%
Own resources ceiling	**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 staff contributions to the pension scheme, up to a maximum of 1 100 million euros at 1999 prices for the period 2000-2006.

TABLE 2a: FINANCIAL PERSPECTIVE (EU-25) ADJUSTED FOR ENLARGEMENT AT 2004 PRICES

	Current prices					2004 prices	
COMMITMENT APPROPRIATIONS	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**
1. AGRICULTURE	**41.738**	**44.530**	**46.587**	**47.378**	**49.305**	**50.431**	**50.575**
1a Common Agricultural Policy	37.352	40.035	41.992	42.680	42.769	43.724	43.735
1b Rural development	4.386	4.495	4.595	4.698	6.536	6.707	6.840
2. STRUCTURAL ACTIONS	**32.678**	**32.720**	**33.638**	**33.968**	**41.035**	**41.685**	**42.932**
Structural funds	30.019	30.005	30.849	31.129	35.353	36.517	37.028
Cohesion fund	2.659	2.715	2.789	2.839	5.682	5.168	5.904
3. INTERNAL POLICIES	**6.031**	**6.272**	**6.558**	**6.796**	**8.667**	**8.756**	**8.827**
4. EXTERNAL ACTIONS	**4.627**	**4.735**	**4.873**	**4.972**	**5.082**	**5.093**	**5.104**
5. ADMINISTRATION (1)	**4.638**	**4.776**	**5.012**	**5.211**	**5.983**	**6.154**	**6.325**
6. RESERVES	**906**	**916**	**676**	**434**	**442**	**442**	**442**
Monetary reserve	500	500	250	0	0	0	0
Emergency aid reserve	203	208	213	217	221	221	221
Guarantee reserve	203	208	213	217	221	221	221
7. PRE-ACCESSION AID	**3.174**	**3.240**	**3.328**	**3.386**	**3.455**	**3.455**	**3.455**
Agriculture	529	540	555	564			
Pre-accession structural instrument	1.058	1.080	1.109	1.129			
PHARE (applicant countries)	1.587	1.620	1.664	1.693			
8. COMPENSATION					**1.410**	**1.299**	**1.041**
TOTAL APPROPRIATIONS FOR COMMITMENTS	**93.792**	**97.189**	**100.672**	**102.145**	**115.379**	**117.315**	**118.701**
TOTAL APPROPRIATIONS FOR PAYMENTS	**91.322**	**94.730**	**100.078**	**102.767**	**111.380**	**112.260**	**114.740**
Ceiling, approps for payments as % of GNI (ESA 95)	**1,07%**	**1,08%**	**1,11%**	**1,09%**	**1,08%**	**1,06%**	**1,06%**
Margin for unforeseen expenditure	**0,17%**	**0,16%**	**0,13%**	**0,15%**	**0,16%**	**0,18%**	**0,18%**
Own resources ceiling	**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 staff contributions to the pension scheme, up to a maximum of 1 100 million euros at 1999 prices for the period 2000-2006.

TABLE 2b: FINANCIAL PERSPECTIVE (EU-25) ADJUSTED FOR ENLARGEMENT AT 2004 PRICES
(including budgetary implications of a political settlement in Cyprus)

	Current prices					2004 prices	
COMMITMENT APPROPRIATIONS	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**
1. AGRICULTURE	**41.738**	**44.530**	**46.587**	**47.378**	**49.297**	**50.429**	**50.573**
1a Common Agricultural Policy	37.352	40.035	41.992	42.680	42.772	43.734	43.746
1b Rural development	4.386	4.495	4.595	4.698	6.525	6.695	6.827
2. STRUCTURAL ACTIONS	**32.678**	**32.720**	**33.638**	**33.968**	**41.094**	**41.770**	**43.055**
Structural funds	30.019	30.005	30.849	31.129	35.394	36.588	37.132
Cohesion fund	2.659	2.715	2.789	2.839	5.700	5.182	5.923
3. INTERNAL POLICIES	**6.031**	**6.272**	**6.558**	**6.796**	**8.682**	**8.772**	**8.843**
4. EXTERNAL ACTIONS	**4.627**	**4.735**	**4.873**	**4.972**	**5.082**	**5.093**	**5.104**
5. ADMINISTRATION (1)	**4.638**	**4.776**	**5.012**	**5.211**	**5.983**	**6.154**	**6.325**
6. RESERVES	**906**	**916**	**676**	**434**	**442**	**442**	**442**
Monetary reserve	500	500	250	0	0	0	0
Emergency aid reserve	203	208	213	217	221	221	221
Guarantee reserve	203	208	213	217	221	221	221
7. PRE-ACCESSION AID	**3.174**	**3.240**	**3.328**	**3.386**	**3.455**	**3.455**	**3.455**
Agriculture	529	540	555	564			
Pre-accession structural instrument	1.058	1.080	1.109	1.129			
PHARE (applicant countries)	1.587	1.620	1.664	1.693			
8. COMPENSATION					**1.410**	**1.299**	**1.041**
TOTAL APPROPRIATIONS FOR COMMITMENTS	**93.792**	**97.189**	**100.672**	**102.145**	**115.445**	**117.414**	**118.838**
TOTAL APPROPRIATIONS FOR PAYMENTS	**91.322**	**94.730**	**100.078**	**102.767**	**111.380**	**112.260**	**114.740**
Ceiling, approps for payments as % of GNI (ESA 95)	**1,07%**	**1,08%**	**1,11%**	**1,09%**	**1,08%**	**1,06%**	**1,06%**
Margin for unforeseen expenditure	**0,17%**	**0,16%**	**0,13%**	**0,15%**	**0,16%**	**0,18%**	**0,18%**
Own resources ceiling	**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 staff contributions to the pension scheme, up to a maximum of 1 100 million euros at 1999 prices for the period 2000-2006.

TABLE 3: MACROECONOMIC PARAMETERS USED FOR ADJUSTMENTS

	2000	2001	2002	2003	2004
Real growth rate EU-15 (%)					
-Adjustment for 2000	2,7				
-Adjustment for 2001	3,1	3			
-Adjustment for 2002	3,3	3,1	3,1		
-Adjustment for 2003	3,4	1,7	1,2	2,9	
-Adjustment for 2004	3,5	1,2	0,9	1,9	2,6
GNP deflator in euros EU-15 (%)					
-Adjustment for 2000	1,7				
-Adjustment for 2001	2,0	1,8			
-Adjustment for 2002	2,7	1,8	2		
-Adjustment for 2003	2,9	1,7	2	1,7	
-Adjustment for 2004	3	1,6	2,2	1,8	1,7

Comparison between deflator in national currency and deflator in euros EU-15	2000	2001	2002	2003	2004
Deflators in national currency (weighted average)	1,5%	2,3%	2,3%	2,0%	1,9%
Deflators in euros	3,0%	1,6%	2,2%	1,8%	1,7%

GNP-15 at current prices (EUR billion) ESA 79	2000	2001	2002	2003	2004
-Adjustment for 2000	8.058,5				
-Adjustment for 2001	8.138,6	8.533,3			
-Adjustment for 2002	8.275,0	8.682,5	9.127,3		
-Adjustment for 2003	8.333,2	8.621,1	8.908,7	9.320,2	
GNI-15 at current prices (EUR billion) ESA 95					
-Adjustment for 2003	8.501,2	8.794,3	9.087,4	9.506,6	
-Adjustment for 2004	8.527,0	8.775,0	9.056,0	9.400,0	9.815,0

GNI-10 at current prices (EUR billion) ESA 79	2004
-Adjustment for 2004	512,4