

Galileo Funding Agreement Reached

At a budgetary conciliation meeting on 23rd November 2007 the European Parliament and Council reached agreement on funding for the Galileo project. It was agreed that Galileo will be funded entirely by the Community.

The amount needed by 2013 (a shortfall of €2.4bn) will be found mainly from the revision of the Financial Perspective (€1.6bn of "new" money taken from agricultural expenditure not used in 2007). The rest will come from the redeployment of funds intended for a few programmes that do not come under co-decision (€200 million), the "re-prioritisation" (change in the order of priorities to be funded: €400 million) of certain amounts earmarked for research and the unused margins in Heading 1a (*Competitiveness and growth*: €300 million). Funding for the EIT (€300 million) is part of this financial package totalling €2.7bn (up to 2013).

Failing a satisfactory agreement on the Galileo programme, this project, which is politically, economically and symbolically crucial for the EU, may have collapsed. Since the start, the European Parliament has opposed a mixed financing system for Galileo, with funding drawn from both the Community budget and national budgets, pushing instead for it to be paid for entirely by the EU.

However, this budget agreement is subject to one condition: to put it into effect, the Member States must reach a compromise on the legal basis for Galileo at the Transport Council on 30th November.

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