2009 budget: Section III, Commission

2008/2026(BUD) - 27/11/2008 - Amending/supplementary letter on draft budget

On 28 October 2008, the Commission forwarded to the Council letter of amendment No. 2 to the preliminary draft budget for 2009. Since then, the Commission has made a new estimate of agricultural expenditure as compared with the preliminary draft budget (PDB) for 2009. The new estimates drawn up by the Commission take account of the situation on the various agricultural markets and of all the legislative decisions and proposals adopted in the agricultural sector since the PDB was established.

New estimates: the new estimates lead to an overall reduction of EUR 1 280.4 million in c/a and EUR 1 227.9 in p/a as against the estimates in the 2009 PDB.

These figures result from:

- on the one hand, an updating of estimates to the tune of + EUR 361 million broken down into an increase in requirements in certain sectors relating to Interventions in agricultural markets (+ EUR 421 million), certain savings in the Direct aid sector (- EUR 87 million) and certain minor adjustments (+ EUR 26.3 million);
- on the other hand, an increase in assigned revenue of + EUR 1 641 million resulting from the updating of the estimate of assigned revenue for 2009 (+ EUR 307 million) and the carryover of assigned revenue not spent in 2008 (+ EUR 1 334 million).

Letter of amendment No. 2 to the preliminary draft budget for 2009 also proposes the creation of new budget lines for the **Food Facility in Title 2** and the placing in reserve of a total of EUR 250 million in commitment appropriations and EUR 900 million in payment appropriations, pending adoption of the legal basis.

Finally, the letter of amendment proposes amendments to the budgetary remarks concerning various items and changes to the nomenclature concerning the new Items 05 02 08 12 (School fruit scheme) and 05 03 01 99 (Other (Decoupled direct aids), giving them a "p.m." entry.

Following the conclusions of the Conciliation meeting with the European Parliament and the Commission of 21 November 2008, the Council agreed to accept the letter of amendment as proposed by the Commission with:

1. the exception of the creation of the new Item 05 02 08 12 (School fruit scheme);
2. the inclusion of the following **new amounts** regarding the financing of the Food Facility:
    - **EUR 480 million** in c/a and EUR 440 million in p/a on Article 21 02 03 (Rapid response to food price increases in developing countries) and EUR 10 million in c/a and p/a on Item 21 01 04 05 (Rapid response to food price increases in developing countries - Expenditure on administrative management);
    - **- EUR 134.77 million in c/a and EUR 140 million in p/a** on Item 19 06 01 01 (Crisis response and preparedness(Instrument for Stability);
3. the inclusion of modified comments for Article 40 02 42 (Emergency Aid Reserve).

On 27 November 2008, the Council established letter of amendment No. 2 to the draft budget for the financial year 2009 on the basis of the elements set out above and as set out in the technical annex to this explanatory memorandum (see Council doc. *16259/08 ADD 1*).