Amending budget 9/2008: increase in the forecast of revenue; decrease in payment appropriations

2008/2311(BUD) - 27/11/2008 - Council draft budget

On 31 October 2008, the Commission forwarded to the Council preliminary draft amending budget (PDAB) No 10 to the general budget for 2008.

The preliminary draft amending budget takes account of an increase in the forecast of revenue and a reduction in payment appropriations for the budget lines for headings 1a, 1b, 2, 3b and 4.

As regards revenue, the net increase of EUR 2 044,9 million results from revisions of the forecasts for:

- VAT and GNI balances (+ EUR 2 505.4 million);
- traditional own resources (- EUR 1 600 million);
- other revenue (+ EUR 1 139.5 million) including EUR 313 million for financial corrections in connection with the Structural Funds and EUR 793.5 million for interest on late payments and fines.

As regards expenditure, the total reduction of EUR 4 891.3 million results from the Commission's proposal to reduce payment appropriations for the following budget lines, in order to align them more closely on the latest estimates of needs:

a) within sub-heading 1a (Competitiveness for growth and employment) a reduction of EUR 50 million for the Article Completion of programme for enterprises;

b) within sub-heading 1b (Cohesion for growth and employment) a total reduction of EUR 4 514.7 million, including EUR 1 614.7 million for the ESF, EUR 1 485 million for the ERDF and EUR 1 415 million for the Cohesion Fund;

c) within sub-heading 2 (Preservation and management of natural resources) a reduction of EUR 20.7 million for the item Reserve for international fisheries agreements;

d) within sub-heading 3b (Citizenship) a total reduction of EUR 40.3 million, including EUR 13.6 million for Completion of public health programme (2003 to 2008) and EUR 26.7 million for the Transition facility for institution building after accession;

e) within heading 4 (The EU as a global player) a total reduction of EUR 265.6 million, including EUR 217.6 million for the various pre-accession instruments and EUR 48 million for Cooperation with developing countries in Asia.

The combined effect of the increase in the forecast of revenue (EUR 2 044.9 million) and the decrease in payment appropriations in the budget lines for headings 1a, 1b, 2, 3b and 4 (EUR 4 891.3 million) is to r **educe Member States' contributions to the 2008 budget by EUR 6 936.2 million**.

Further to the conclusions reached at the conciliation meeting with the European Parliament on 21 November 2008, the Council agreed to:

- the Commission proposal as updated by the Commission on 12 November 2008,

- the creation in the draft budget of the budget line relating to the Food Facility (Article 21 02 03 – Rapid response to food price increases in developing countries) **with a pm, in heading 4 of the Multiannual Financial Framework**, and the entry of an additional amount of EUR 240 million in commitment appropriations on the budget line "Emergency Aid Reserve" (Article 40 02 42).

On 27 November 2008 the Council established draft amending budget No 9 for 2008 (and not 10), on the basis of the items listed under section II above and as it is set out in the technical annex to this statement of reasons (see Council doc. *16263/08 ADD 1*).