

# 2010 budget: section III, Commission

2009/2002(BUD) - 27/10/2009 - Document attached to the procedure

PURPOSE : presentation of Amending Letter No 2 to the Preliminary Draft Budget for 2010.

CONTENT : the Amending Letter No 2 (AL 2) to the Preliminary Draft Budget for 2010 (PDB 2010) covers the following:

1. updating of the estimated needs for agricultural expenditure;
2. the inclusion of funds for energy projects to aid economic recovery;
3. the inclusion of funds to provide continued support for the decommissioning of the Kozloduy nuclear power plant in Bulgaria.

**1) updating of requirements for agricultural expenditure:** in accordance with the [Interinstitutional Agreement](#) on budgetary discipline and sound financial management, the Commission presents an Amending Letter (AL) to update the figures underlying the estimate of agricultural expenditure. According to the Amending Letter, overall appropriations for **heading 2 are estimated at EUR 59 689 million**, leaving a margin of EUR 424 million in commitment appropriations below the corresponding ceiling of the Financial Framework (before adjustment of the ceiling).

The proposed level of appropriations includes **EUR 324 million of additional expenditure for the dairy sector** (including EUR 280 million for exceptional measures) and EUR 420 million that will be made available to rural development in the 2010 tranche of the European Economic Recovery Plan (EERP), reducing accordingly the sub-ceiling in line with the provisions of Article 12, 1(b) of Regulation 1290 /2005.

The commitment appropriations for **agricultural expenditure** (including veterinary and fisheries expenditure financed under the EAGF) amount to **EUR 44 050 million**, an increase of EUR 305 million compared with the PDB 2010 mostly explained by the exceptional "milk" action.

The figures for the sub-ceiling "**Market related expenditure and direct payments**" have changed (+ EUR 31.6 million) also because of the latest information from Member States about the application of voluntary modulation and other transfer to rural development has been taken into account.

As far as the **international fisheries agreements** are concerned, the AL proposes to decrease the reserve for new/to be renewed agreements by EUR 8 million.

Lastly, attention is drawn on the fact that the Commission has proposed to reduce the 2010 ceiling for heading 2 of the Financial Framework by EUR 124 million due to the proposal on the 2010 tranche of the European Economic Recovery Plan (EERP).

It should be noted that the AL sets out, line by line, all the budgetary amendments envisaged.

**2) European Economic Recovery Plan – energy projects:** with this Amending Letter, the Commission proposes to make available **EUR 1 587 million** in commitment appropriations and EUR 377.5 million in payment appropriations on article 06 04 14 of the budget for the year 2010, and to lift the reserve of EUR 650 million for payment appropriations on the same article 06 04 14, in order to proceed with the timely implementation of the EERP Regulation.

To recall, the European Economic Recovery Plan (EERP) Regulation establishes a programme to aid [economic recovery](#) by granting Community financial assistance to **projects in the field of energy**. The financial envelope for the implementation of the Regulation is of EUR 3 980 million, of which EUR 2 365 million for electricity infrastructure projects, EUR 1 050 million for carbon capture and storage and EUR 565 million for offshore wind projects. The Budget Authority has already allocated EUR 2 000 million for the implementation of the Regulation in the budget for 2009 (article 06 04 14 Energy projects to aid economic recovery). The global commitment of these funds has already been made this year in order to book the necessary credits for the signature of the individual commitments at the end of 2009 and beginning of 2010.

**3) Kozloduy Nuclear power plant:** the AL proposes to make available commitment appropriations of EUR 75 million on Article 06 05 05 Nuclear safety – Transitional measures (decommissioning) of the budget for the year 2010. However, pending adoption of the legal basis, the amounts will be placed in the reserve.

Bulgaria has made good progress in the decommissioning preparation stage of the Kozloduy Programme, utilising the Community funds put in place until 2009. However, there is a need for further financial support beyond 2009, in order to continue the progress with the actual dismantling operations. The [proposal for a Council Regulation](#), presented separately by the Commission provides the framework for the continuation of decommissioning support to Bulgaria after 2009, making available a sum of EUR 300 million for the period 2010-2013. It is expected that the first payments would be made only in 2012.