Amending budget 10/2009: increase in the forecast of revenue; decrease in payment appropriations; European Economic Recovery Plan

2009/2185(BUD) - 23/11/2009 - Council draft budget

On 27 October 2009, the Commission forwarded to the Council preliminary draft amending budget (PDAB) No. 10 to the general budget for 2009. The updated figures to be taken into consideration were forwarded to the Council on 11 November 2009.

This preliminary draft amending budget takes account of:

- an increase in the forecast of revenue;
- a decrease of payment appropriations for certain budget lines under headings 1a, 2 and 4, in order to align them more closely with the latest estimates of needs; and
- a decrease of commitment appropriations in budget lines under heading 2, combined with a decrease of non-differentiated appropriations in budget lines under heading 5, allowing for an increase in the remaining margins under the 2009 ceilings to be used for the financing of the European Economic Recovery Plan (EERP).

As regards revenue, a net increase of EUR 241.6 million results from the revision of the forecasts for: (i) VAT and GNI balances (-EUR 1 386.4 million); (ii) traditional own resources (+EUR 600 million); (iii) other revenue (+EUR 1 028 million).

As regards the **decrease in payment appropriations** under headings 1a, 2 and 4, a total reduction of EUR 3 203.7 million results from the following adjustments, which take into account the redeployments proposed in transfer ("Global"):

1. within **sub-heading 1a** (Competitiveness for growth and employment), a reduction of EUR 98.6 million for the Competitiveness and Innovation Framework Programme, one of EUR 355.6 million for various research programmes as well as a reduction of EUR 51.2 million for EU satellite navigation programmes (EGNOS and Galileo);
2. within **heading 2** (Preservation and management of natural resources) a reduction of EUR 2 109 million for the Rural Development, one of EUR 15 million for the LIFE+ programme, as well as a reduction of EUR 112.4 million for the European Fisheries Fund, one of EUR 28.1 million for the reserve for Fisheries Agreements and one of EUR 135 million for the European Agriculture Guarantee Fund (EAGF);
3. within **heading 4** (The EU as a global player) a reduction of EUR 243.8 million, for the Completion of PHARE pre-accession assistance;
4. within **heading 5** (Administration) a reduction of EUR 55 million for the Commission.

As regards the **decrease in commitment appropriations**, it concerns, within heading 2, Rural Development (-EUR 249.8 million), Climate Change (-EUR 20 million), Maritime Affairs and Fisheries (-EUR 34.1 million) and EAGF (- EUR 135 million) as well as within heading 5, Commission (- EUR 55 million).

The combined effect of the increase in the forecast of revenue (EUR 241.6 million) and the decrease in payment appropriations in the budget lines under headings 1a, 2, 4 and 5 (EUR 3 203.7 million) is to reduce Member States' contributions to the 2009 budget by EUR 3 445.3 million.

Outcome of the Council's proceedings: further to the conclusions reached at the conciliation meeting with the European Parliament on 18 November 2009, the Council agreed to the Commission proposal as updated by the Commission on 11 November 2009, with the following amendments, related to administrative expenditure:

- a reduction of EUR 40 million for the Council (Section II),
- a reduction of EUR 2 million for the Economic and Social Committee (Section VI) and
- a reduction of EUR 0.5 million for the Committee of the Regions (Section VII).

These amendments result in an additional decrease of EUR 42.5 million in non-differentiated appropriations under heading 5, thus bringing the total reduction in payments resulting from **draft amending budget No. 10 for the financial year 2009 to 3 246.2 million**.

Combined with the above-mentioned increase in the forecast of revenue (EUR 241.6 million) (point 3 above), the effect is to reduce **Member States' contributions to the 2009 budget by EUR 3 487.8 million**.

In conclusion, the Council established draft amending budget No. 10 for the financial year 2009, on the basis of the elements stated above and which are set out in the technical annex of the Council's document 16327/09 ADD 1 BUDGET 70.