2014 general budget: all sections

2013/2145(BUD) - 16/10/2013 - Document attached to the procedure

PURPOSE: presentation of an Amending Letter No 2 (AL 2) to the Draft Budget for 2014.

CONTENT: the AL 2 to the Draft Budget for 2014 covers the following:

- **the revision of the forecast of Traditional Own Resources** (TOR, i.e. customs duties and sugar sector levies) to be received in 2014, to take account of the trend observed in TOR received to date in 2013;
- the line by line updating of the estimated needs for agricultural expenditure. In addition to changing market factors, the AL 2/2014 also incorporates the impact of decisions in the agricultural sector since the DB 2014 was drawn up, revised estimates of needs for some direct payments, as well as any proposals, which are expected to have a significant effect during the coming budget year;
- an **update of the situation for International Fisheries Agreements**;
- the consequences, in terms of human and financial resources, of the foreseen delegation of the management of operational programmes under the new multiannual financial framework (MFF) to executive agencies: the 2014 Draft Budget was based on a ‘steady state’ approach, whereby the staffing and subsidy levels of each executive agency was kept constant at the 2013 level, awaiting the results of the cost-benefit analysis and the subsequent review of the results of this analysis as part of the Commission’s proposals for the delegation of spending programmes. The adjustments made in this Amending Letter take account of the resources implications of the foreseen delegation of the 2014-2020 programmes, both on the side of the executive agencies and on the side of the Commission;
- **the integration of the new function group AST/SC** in the establishment plans of the EU institutions and bodies.

Budgetary impact of these changes: the net budgetary impact of these changes is a **reduction of EUR 4.9 million** compared to the Draft Budget 2014 (including AL 1/2014), in commitment and payment appropriations.

N.B. : by means of this Amending Letter the Commission draws the attention of the European Parliament and the Council to some necessary measures in case of a delay in the adoption of certain new legal bases under the 2014-2020 multiannual financial framework (MFF), and the proposed remedial action that might be required before the new legal bases enter into force.

The political agreement on the new MFF was reached in June 2013 and work concerning the legal bases of certain 2014-2020 programmes is still ongoing. In case some of these programmes would not be adopted before the end of 2013, this would create a **legal vacuum**, in particular for the ongoing programmes which expire at the end of 2013 and which will be consolidated in new programmes and instruments.

In order to ensure the continuity of implementation of the ongoing programmes (which are already approved), and given the underlying political agreement reached in the MFF negotiations on the new programmes and the related financial envelopes, the Commission intends to **continue to make use of the appropriations for technical assistance and administrative support expenditure necessary for the proper implementation of programmes**, also in the event of a transitional phase before the final adoption of the new legal bases.