Amending budget 8/2005: exceptional increase in the forecast of revenue, increase of payment appropriations for the structural funds

2005/2179(BUD) - 05/10/2005 - Commission preliminary draft budget

PURPOSE : to present the preliminary draft amending budget No 8 to the 2005 budget for exceptional reasons.

CONTENT : The Commission presents this Preliminary Draft Amending Budget No 8 for the year 2005 to take into account the following exceptional circumstances:

-the need to budget an exceptional increase in the forecast of revenue, in particular for the revision of the forecasts of VAT and GNI balances (EUR 2 600 million);

-the need for an increase of payment appropriations for most of the budget lines in heading 2 (EUR 650 million), after taking into account redeployments from other headings proposed in the global transfer.

Additionally, the Commission proposes the modification of the remarks of budget line 17 04 02 - Other measures in the veterinary, animal welfare and public-health field – by adding Regulation 178/2002/EC as legal base to this budget line.

Increase in the forecast of revenue: the Commission proposes to revise the forecasts of VAT and GNI balances on the basis of the available information by an increase of EUR 2 600 million. These modifications concern chapters 31 and 32 of the revenue side of the budget. Other revenue concerns repayment of unused Community aid (where EUR 360 million is proposed to be budgeted) and Interest on late payments and fines (with an additional amount of EUR 200 million).

Heading 2: Increase of payment appropriations for the structural funds: The Budget for 2005 was adopted with a reduction of EUR 3 billion in payment appropriations for heading 2 relative to the Commission’s proposal, together with a declaration on payment appropriations for heading 2. In essence, this stated that if the execution of payment appropriations for the Structural Funds exceeded 40% the Commission would present as soon as possible a PDAB to the budgetary authority. Of the EUR 1 040 million required to reinforce the lines of heading 2, EUR 390 million can be re-allocated from other headings in the context of the Global Transfer, in order to reinforce the EAGGF line 05 04 02 01 by EUR 190 million and the ESF line 04 02 06 with EUR 200 million. This decreases the net reinforcement required in heading 2 to EUR 650 million.

This proposal contains a table shows the changes sought in heading 2 lines by means of this PDAB.