Amending budget 6/2006: revision of the forecasts for traditional own resources and of VAT and GNI balances, decrease of appropriations for the EAGGF and the Structural Funds and Cohesion Fund

2006/2265(BUD) - 31/10/2006 - Commission preliminary draft budget

PURPOSE: to present the Preliminary Draft Amending Budget No 6 to the General Budget 2006.

CONTENT: the Commission presents this Preliminary Draft Amending Budget (PDAB) No 6 for the year 2006 (Section III-Commission) to take into account the following exceptional circumstances:

- the need to budget a substantial increase in the forecast of revenue, in particular for the revision of the forecasts of VAT and GNI balances and traditional own resources (**EUR 2 470 million**);

- the need for a decrease of payment appropriations in budget lines for the following Headings:

§ **1a: EAGGF-Guarantee**: the Commission has identified for sub-heading 1a a significant surplus of appropriations, for which this PDAB proposes to annul the commitments where there is an important excess of the budget. The under-utilisation is due to more favourable developments of agricultural markets in 2005/2006 also relates to some agricultural direct aids so that savings are generated;

§ **2: Structural Funds and Cohesion Fund**: this PDAB proposes a reduction of EUR 2 500 million in payment appropriations. The bulk of the downward revision sought by this PDAB concerns the 2000-2006 Structural Funds programmes and is linked to the Spanish payment claims. This may lead the Commission to revise the figure in the course of the procedure concerning this PDAB;

§ **7: Pre-accession**: essentially due to the under-utilisation of expenditure relating to SAPARD, ISPA and the aid programme for Cyprus.

The total reduction of payment appropriations for all the headings amounts **EUR 3 906 million**, after taking into account redeployments from other headings proposed in the global transfer.

- the Commission proposes the modification of the remarks of budget article 1 1 1 concerning the sugar storage, as well as of article 13 03 08 – European Development Fund (ERDF), Technical assistance and innovative measures.

Overall, the budget shall be reduced by EUR 860 million in commitment appropriations and EUR 3 906 million in payment appropriations.