2007 budget: section III, Commission

2006/2018(BUD) - 30/11/2006 - Amending/supplementary letter on draft budget

PURPOSE: to present the revised letter of amendment 2 to the draft budget 2007.

CONTENT: on 28 September 2006, the Commission forwarded to the Council Letter of Amendment No. 2 to the Preliminary Draft Budget for the financial year 2007.

This Letter of Amendment concerns expenditure under Section III – Commission – of the Community budget and covers the following elements:

a) Changes with net financial effect:

- § creation of a new article 40 02 43 (Reserve for the European Globalisation Adjustment Fund) with **EUR 500 million** in commitment appropriations for the European Globalisation Adjustment Fund (EGF);

- § inclusion of **EUR 15 million** in commitment appropriations into the reserve for line 13 03 12 (Community contribution to the International Fund for Ireland) pending the adoption of the proposal for a new Council Regulation on Community financial contributions to the International Fund for Ireland (IFI);

- § increase of **EUR 6 million** in commitment appropriations and of EUR 4.4 million in payment appropriations in the reserve of line 24 02 01 (General measures to combat fraud (Hercule II)), following the proposal for a Decision amending and extending Decision 804/2004/EC on a Community action programme to promote activities in the field of the protection of the Community's financial interests (Hercule II);

- § changes reflecting the variation in the components of Heading 1b in the legal bases that have been adopted, relative to the respective envelopes that were known at the time of preparation of the PDB 2007. The net increase is **EUR 8.4 million** in payment appropriations.

b) Changes with no financial effects which mostly involve the updating of budgetary remarks and other technical adjustments.

On 28 November 2006, the European Parliament and the Council reached an agreement on Letter of Amendment No.2 on the following elements:

- to accept the creation of a new article 40 02 43 (Reserve for the European Globalisation Adjustment Fund) with **EUR 500 million** in commitment appropriations for the European Globalisation Adjustment Fund (EGF);

- to accept the increase of **EUR 6 million** in commitment appropriations and of EUR 4.4 million in payment appropriations in the reserve of line 24 02 01 (General measures to combat fraud (Hercule II)).

Other elements included in the Letter of Amendment No.2 to the Preliminary Draft Budget for the financial year 2007 were not accepted.

Regarding the increase of **EUR 15 million** in commitment appropriations in the reserve proposed by the Commission for the International Fund for Ireland (IFI), the Council has already included them when establishing its 2007 Draft Budget, therefore the amount remains as adopted in the Draft Budget.

On 30 November 2006, the Council established the revised Letter of Amendment 2/2007 to the Draft Budget on the basis of the above mentioned (and as set out in the technical annex to this explanatory memorandum : Council document *15783/06*).