

# Procedure file

| Basic information   |                                |                               |
|---|--------------------------------|-------------------------------|
| BUD - Budgetary procedure   | <a href="#">2010/2246(BUD)</a> | Procedure lapsed or withdrawn |
| Amending budget 10/2010: Section III, Commission: increase in the forecast of revenue; decrease in payment appropriations; modifications in Heading 1a; preservation and management of natural resources; type 2 European Schools |                                |                               |
| Subject<br>8.70.60 Previous annual budgets  |                                |                               |

| Key players                   |   |                      |            |
|-------------------------------|---|----------------------|------------|
| European Parliament           |   |                      |            |
| Council of the European Union |   |                      |            |
| Council configuration         | <a href="#">Economic and Financial Affairs ECOFIN</a> | Meeting              | Date       |
|                               |   | <a href="#">3044</a> | 15/11/2010 |
| European Commission           |   |                      |            |
| Commission DG                 | <a href="#">Budget</a>                                | Commissioner         |            |
|                               |   | LEWANDOWSKI Janusz   |            |

| Key events |  |                               |         |
|------------|--|-------------------------------|---------|
| 20/10/2010 | Non-legislative basic document published   | <a href="#">COM(2010)0598</a> | Summary |
| 11/11/2010 | Debate in Council                          |                               | Summary |
| 09/12/2010 | Council position on draft budget published | <a href="#">17634/2010</a>    | Summary |
| 13/12/2010 | Committee referral announced in Parliament |                               |         |
| 31/12/2010 | Additional information                     |                               |         |

| Technical information      |                               |
|----------------------------|-------------------------------|
| Procedure reference        | 2010/2246(BUD)                |
| Procedure type             | BUD - Budgetary procedure     |
| Procedure subtype          | Budget                        |
| Stage reached in procedure | Procedure lapsed or withdrawn |
| Committee dossier          | BUDG/7/04359                  |

| Documentation gateway              |  |                               |            |    |         |
|------------------------------------|--|-------------------------------|------------|----|---------|
| Non-legislative basic document     |  | <a href="#">COM(2010)0598</a> | 20/10/2010 | EC | Summary |
| Document attached to the procedure |  | COM(2010)0770                 | 26/11/2010 | EC | Summary |
|                                    |  |                               |            |    |         |

|                                  |  |                            |            |     |         |
|----------------------------------|--|----------------------------|------------|-----|---------|
| Committee draft report           |  | <a href="#">PE454.456</a>  | 30/11/2010 | EP  |         |
| Council position on draft budget |  | <a href="#">17634/2010</a> | 10/12/2010 | CSL | Summary |

## Amending budget 10/2010: Section III, Commission: increase in the forecast of revenue; decrease in payment appropriations; modifications in Heading 1a; preservation and management of natural resources; type 2 European Schools

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PURPOSE: presentation of the Draft Amending Budget No 10 to the general budget 2010.

CONTENT: the Draft Amending Budget (DAB) No 10 for the year 2010 covers the following elements:

- a net increase in the forecast of revenue (EUR 466 million) after the revision of the forecasts of own resources and other revenue;
- a decrease of payment appropriations in budget lines for headings 1a, 1b, 2 and 4 (EUR 755.6 million), after taking into account the redeployments proposed in the so-called "Global Transfer" rebalancing payments across budget lines to take account of progress in budget implementation thus far;
- the creation of a new budget item 06 04 14 04 for the financing of projects in areas of energy efficiency and energy from renewable sources under the European Economic Recovery Plan;
- a decrease in commitment appropriations of EUR 15 million for some measures under heading 1a;
- a decrease in commitment and payment appropriations of EUR 330 million under heading 2 on the budget article 05 02 03 Refunds on non-Annex 1 products and on the budget article 05 02 12 Milk and milk products, and a further reduction of EUR 28 million in commitment appropriations and EUR 5 million in payment appropriations from the reserve;
- the creation of budget item 26 01 51 31 EU contribution to the so-called "Type 2" European Schools. These schools belong to the national system in a Member State, with one or more language sections capable of delivering the European Baccalaureate. These schools are normally located near a Union body, e.g. an institution, an agency or a research centre, and host pupils from the Member State where the school is located as well as the children of the Union personnel working there. The EUR 4.83 million to be allocated to budget item 26 01 51 31 will be made available by reducing existing appropriations (commitments and payments) of heading 5 in the 2010 budget for which the needs in 2010 are lower than originally estimated. Globally, the total appropriations available to the Commission will not be modified. It should be noted that five schools received an accreditation on the European schooling (Parma (IT), Dunshauglin (IRL), Heraklion (GR), Helsinki (FIN), Strasbourg (FR).

The overall consequence on expenditure is a reduction of EUR 373 million in commitments and EUR 1 090,6 million in payments.

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The Conciliation Committee reached convergence on Draft amending budget No 10 for the year 2010 aims to reduce the expenditure by EUR 373 million in commitments and EUR 1.09 billion in payments following the revision of the forecasts of own resources and other revenue.

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The Commission presented the Draft Amending Budget No. 10 to the general budget 2010 (DAB 10/2010) on 20 October 2010.

In this letter of amendment to the DAB 10/2010, the Commission wants to suppress the reduction of commitment appropriations foreseen in Heading 2 linked to the article 05 02 12 "Milk and milk products" (- EUR 280 million) and article 05 02 03 "Refunds on non-Annex 1 products" (- EUR 50 million).

At the completion of the execution 2010 (October 15, 2010), the needs for the EAGF are indeed higher than the available commitment appropriation voted by the Budgetary Authority.

All the voted appropriations may hence be consumed as well as some assigned revenue generated in 2010. Assigned revenue generated in 2010 and not consumed in 2010 will be carried over in 2011, lowering therefore 2011 need for voted appropriation.

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On 20 October 2010, the Commission forwarded to the Council draft amending budget (DAB) No 10 to the general budget for 2010. This DAB was amended by letter of amendment No 1 of 29 November 2010. This draft amending budget takes account of an increase in the forecast of revenue as well as a decrease in appropriations on the expenditure side, in line with the latest estimates of needs. It also includes the creation, budgetary neutral, of two new budget items.

As regards revenue, a net increase of EUR 466.1 million results from the revision of the forecasts for:0

- VAT and GNI balances (-EUR 627.9 million);
- traditional own resources (-EUR 100 million);
- other revenue (+EUR 1 194 million, of which EUR 995 million for fines, periodic penalty payments and other penalties).

The two new items are:

- 06 04 14 04, with a token entry, for the financing of projects in areas of energy efficiency and energy from renewable sources under the European Economic Recovery Plan;
- 26 01 51 31, "EU contribution to the so-called "Type 2" European Schools", with an amount of EUR 4.83 million in c/a and p/a which will be made available by redeployment within the same title 26 (Commission's administration).

As regards expenditure, taking into account letter of amendment No 1 to DAB No 10/2010, the total decrease of EUR 43 million in commitment appropriations (c/a) and of EUR 760.6 million in payment appropriations (p/a) results from the following main adjustments, which take into account also the redeployments proposed in transfer DEC 53/2010 ("global transfer"): (a) within sub-heading 1a Competitiveness for growth and employment); (b) within sub-heading 1b (Cohesion for growth and employment); (c) within heading 2 (Preservation and management of natural resources); (d) within heading 4 (The EU as a global player).

On 10 December 2010, the Council adopted its position on draft amending budget No 10 of the European Union for the financial year 2010 as set out in the technical annex to this explanatory memorandum (see [Doc 17634/10 ADD](#)).