COMMISSION OF THE EUROPEAN COMMUNITIES

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AMENDING LETTER No 2
TO THE PRELIMINARY DRAFT BUDGET 2010

STATEMENT OF EXPENDITURE BY SECTION
Section III – Commission

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Having regard to:

– the Treaty establishing the European Community, and in particular Article 272 thereof,

– the Treaty establishing the European Atomic Energy Community, and in particular Article 177 thereof,

– the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities[1], as last amended by Council Regulation (EC) No 1525/2007[2], and in particular Article 34 thereof,

the European Commission hereby presents to the budgetary authority the Amending Letter No 2 to the Preliminary Draft Budget for 2010 for the reasons set out in the explanatory memorandum.

[1] OJ L 248, 16.9.2002, p. 1.
[2] OJ L 343, 27.12.2007, p.9.

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STATEMENT OF EXPENDITURE BY SECTION

The statement of expenditure by section is forwarded separately via the SEI-BUD system. An English version of the expenditure by section is attached for information as a budgetary annex.

1. INTRODUCTION

The Amending Letter No 2 (AL 2) to the Preliminary Draft Budget for 2010 (PDB 2010) covers the following:

- the line by line updating of the estimated needs for agricultural expenditure. In addition to changing market factors, the AL also incorporates legislative decisions adopted in the agricultural sector since the PDB was drawn up, revised estimates of needs for some direct payments, as well as any proposals, which are expected to have effect during the coming budget year. It also includes the financing of the second part of the European Economic Recovery Plan (EERP) as far as Rural Development is concerned and specific measures for the Dairy sector;

- the inclusion of EUR 1 587 million in commitment appropriations and EUR 377,5 million in payment appropriations on article 06 04 14 Energy projects to aid economic recovery to cover the second stage of the EERP[3]. It is also proposed to lift the reserve of EUR 650 million for payment appropriations on the same article 06 04 14, in order to proceed with the timely implementation of the EERP;

- the inclusion of EUR 75 million in commitment appropriations on article 06 05 05 Nuclear safety – Transitional measures (decommissioning) to provide continued support for the decommissioning of the Kozloduy nuclear power plant in Bulgaria. This amount will be entered in the reserve, pending adoption of the related legal basis.

2. PRESERVATION AND MANAGEMENT OF NATURAL RESOURCES

2.1. Introduction

The Interinstitutional Agreement on budgetary discipline and sound financial management of 17 May 2006[4] provides that, "if it considers it necessary, the Commission may present to the two arms of the budgetary authority an ad hoc letter of amendment to update the figures underlying the estimate of agricultural expenditure in the preliminary draft budget (PDB) and/or to correct, on the basis of the most recent information available concerning fisheries agreements in force on 1 January of the financial year concerned, the amounts and their breakdown between the appropriations entered in the operational items for international fisheries agreements and those entered in reserve." This letter of amendment must be sent to the budgetary authority by the end of October.

The AL is based, in the same way as the PDB itself, on the needs of the Community as a whole. It must be stressed that these appropriations are to be understood as a forecast and not as an objective of expenditure. The actual expenditure will depend, in particular, on actual market conditions, on the actual euro-dollar exchange rate, and on the rhythm of the payments

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3 The Commission is also presenting a proposal for a Decision of the European Parliament and the Council amending the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management as regards the multiannual financial framework. This proposal revises the ceilings of the multiannual financial framework to allow for the changes proposed in this amending letter.

4 OJ C 139, 14.6.2006, p.1, annex II, point B.

by Member States. Since this is compulsory expenditure, whatever the amount a Member State is obliged to pay in accordance with the regulations – within the limits set by the financial framework - will be reimbursed in full.

For clarification and transparency purposes, some budgetary comments have been updated.

According to the present Amending Letter, overall appropriations for heading 2 are estimated at EUR 59 689 million, leaving a margin of EUR 424 million in commitment appropriations below the corresponding ceiling of the Financial Framework (before adjustment of the ceiling, see below). The proposed level of appropriations includes EUR 324 million of additional expenditure for the Dairy sector (including EUR 280 million for exceptional measures) and EUR 420 million that will be made available to rural development in the 2010 tranche of the European Economic Recovery Plan (EERP), reducing accordingly the sub-ceiling in line with the provisions of Article 12, 1(b) of Regulation 1290/2005.

The commitment appropriations for agricultural expenditure (including veterinary and fisheries expenditure financed under the EAGF) amount to EUR 44 050 million, an increase of EUR 305 million compared with the PDB 2010 mostly explained by the exceptional "milk" action.

The figures for the sub-ceiling "Market related expenditure and direct payments" have changed (+ EUR 31,6 million) also because of the latest information from Member States about the application of voluntary modulation and other transfer to rural development has been taken into account.

As far as the international fisheries agreements are concerned, the AL proposes to decrease the reserve for new/to be renewed agreements by EUR 8 million.

Finally, attention is drawn on the fact that the Commission has proposed to reduce the 2010 ceiling for heading 2 of the Financial Framework by EUR 124 million due to the proposal on the 2010 tranche of the European Economic Recovery Plan (EERP).

The following table shows the evolution of the heading 2 margin according to the different elements related to the EERP:

		Appropriations		Margin H2
Appropriation evolution	PDB 2010	59.004		1.109
	Amending budget before exceptional Milk action and EERP	58.989	*-15*	1.124
	Exceptional Milk action	59.269	*280*	844
	Rural development for EERP	59.689	*420*	424
Ceiling variation	Adjustment of ceiling proposed (-124 M€) leaving a sum corresponding to the amount necessary to avoid the application of the financial discipline mechanism.			**300**

2.2. Summary Table

EUR million	PDB 2010 (a)		AL 2/2010 (b)		Difference (c)=(b)-(a)	
	CA	PA	CA	PA	CA	PA
Ceiling Financial Framework	***60 113***		***59 989***		***-124***	
margin	*1 109*		*300*		*-809*	
Total Appropriations Heading 2	**59 004**	**58 075**	**59.689**	**58.339**	**685**	**264**
of which:						
Agricultural expenditure (market related expenditure and direct payments)[5]	43 745	43 626	44 050	43 931	305	305
Rural development (modulation +EERP)	13 975	13 432	14 364	13 399	+388	-33
Reserve International Fisheries Agreements	21	21	13	13	-8,0	-8,0

2.3. EAGF expenditure (market-related expenditure and direct payments)

2.3.1. Overall Picture

Taking into account the latest information available from Member States regarding the application of voluntary modulation[6] the new 2010 sub-ceiling for "Market related expenditure and direct aids" is EUR 44 777,79 million[7]. However, after the deduction foreseen by article 12 (a) of regulation 1290/2005 (in respect of the 2010 tranche of the European Economic Recovery Plan (EERP) for rural development, the amount will become EUR 44 473,79 million).

The purpose of the AL No 2/2010 is to ensure that the agricultural budget is based on the most up-to-date economic data and legislative framework. By the month of September, the Commission has at its disposal a first indication of the level of production (harvests) for 2009, which is the basis for any reliable estimate of the budgetary needs for 2010.

As in the past, the Commission has carefully reviewed all its estimates of agricultural expenditure line by line. Besides taking into account market factors, this AL also incorporates any legislative decisions adopted in the agricultural sector since the PDB was drawn up, as well as proposals.

EAGF needs are increased by EUR 472 million. This is mostly due to additional needs in chapter 05 02 (Intervention in Agricultural markets: + EUR 415 million). This takes into account additional amount of EUR 31,6 million following the transfer back from rural development to the EAGF of the amount related to the voluntary modulation scheme for

[5] European Agricultural Guarantee Fund (EAGF) expenditure, including EUR 30 million under title 11 Fisheries and Maritime Affairs and EUR 315 million under title 17 Health and Consumer Protection.

[6] Portugal has decided not to apply voluntary modulation in the calendar year 2009. Consequently, an amount of EUR 32,8 million has to be transferred back from Rural Development to "Market related expenditure and direct payments". However, the net transfer amount is somewhat lower, i.e. EUR 31,6 million because of EUR 1,2 million linked to an increase in modulation due to the additional amount of direct payments for sugar beet and cane producers in Spain.

[7] Commission Decision 2009/379/EC, setting the amounts which, pursuant to Council Regulations (EC) No 1782/2003, (EC) No 378/2007, (EC) No 479/2008 and (EC) No 73/2009 are made available to the EAFRD and the amounts available for EAGF expenditure will be amended as soon as possible. This amendment will also incorporate the decision of Germany and Sweden to make use of Article 136 of Council Regulation (EC) 73/2009 starting in 2010. However, this decision will have an impact the EU budget only from 2011 onwards.

Portugal, and the transfer to rural development of modulation from the additional sugar payments for Spain.

There is also a modification in the level of EAGF assigned revenue available in 2010. Firstly, assigned revenue amounting to EUR 133 million will be carried over from 2009 to 2010. Secondly, the Commission expects some increase in the assigned revenue generated in 2010 (+ EUR 34 million) bringing the total increase in assigned revenue to EUR 167 million.

As a result, total commitment appropriations requested for Agricultural Expenditure (EAGF) are EUR 44 050 million, more than in the PDB 2010 (+ EUR 305 million), mostly because of a specific milk action (+ EUR 280 million). Because of the adjustment of the EAGF sub-ceiling in relation with the change in voluntary modulation for Portugal, the margin under the EAGF sub-ceiling is now EUR 424 million before the adjustment of the ceiling (and after taking into account the impact of rural development part of the EERP).

2.3.2. Detailed Comments

05 02 Interventions in agricultural markets ***(appropriations + EUR 353,4 million)***

needs in preliminary draft budget:	**EUR 4 201,9 million**
appropriations requested in preliminary draft budget:	**EUR 4 041,9 million**
estimated assigned revenue available in 2010 in preliminary draft budget:	**EUR 160 million**
needs after letter of amendment:	**EUR 4 617,3 million**
appropriations requested after letter of amendment:	**EUR 4 395,3 million**
estimated assigned revenue available in 2010 after letter of amendment:	**EUR 222 million**

The hypotheses underlying this Amending Letter (AL) for the majority of agricultural markets do not change significantly compared to the PDB. While favourable prospects for most agricultural markets are still prevailing, market forecasts for cereals are somewhat less positive. For dairy, the PDB had already anticipated the difficult market situation. However the AL includes emergency aid for milk producers due to the severe crisis in the sector. Overall needs for intervention measures on agricultural markets increase by EUR 415,4 million compared to the PDB. EUR 62 million in additional assigned revenues are estimated to be available for chapter 05 02. The most important modifications are shortly explained below; a table with the full set of modifications (at the level of Articles) can be found at the end of this section.

As regards **cereals**, after a record harvest 2008/09, EU production will be lower in 2009/2010 but still higher than in previous years. Most recent market forecasts suggest lower prices, both on the internal and on world markets, in 2010. The AL proposes EUR 30 million in addition to the PDB for intervention measures that may be needed, in particular for barley. Taking into account a small change for potato starch, appropriations for cereals (article 05 02 01) are proposed to be increased by EUR 29 million compared to the PDB.

For **fruits and vegetables**, appropriations remain unchanged but this effect results from two substantial changes that have a compensation effect. Firstly, it is proposed to reduce the budget appropriations requested for operational funds for producer organisations (budget item 05 02 08 03) by EUR 62 million, fully reflecting updated estimates for revenue assigned to that item without any change in needs. Secondly, additional needs (+ EUR 62 million) have been identified for aid for producer groups for preliminary recognition (budget item 05 02 08 11). In fact, latest 2009 execution figures show a much more important uptake of that measure in the new EU Member States than initially expected.

It is proposed to increase **refunds on non-Annex 1 products** by + EUR 21 million, mostly for settling outstanding payments for export certificates issued in the past for sugar products.

For **Milk and milk products**, the PDB estimates already anticipated some of the budgetary impact of the current difficult market situation (increasing from EUR 139 million in 2009 budget to EUR 619 million in the PDB 2010). However, the revised needs resulting from this AL are significant (+ EUR 324,1 million). The main new expenditure item is for an emergency aid payable to dairy farmers as a result of the crisis in the sector. The measure would be financed in accordance with the revised Article 186 of Council Reg. No 1234/2007 (budget item 05 02 12 99 + EUR 280 million in reserve, waiting for the approval of the modification to the legal bases). More expenditure (+ EUR 20 million) is also expected for export refunds (budget item 05 02 12 01). For storage of butter (budget item 05 02 12 04) and skimmed milk powder (budget item 05 02 12 02), the modifications compared to the PDB estimates (+ EUR 25 million and - EUR 12 million respectively) are due to revised interest rates, standard amounts, updated assumption for stock depreciation and, the most recent information on quantities entering and leaving stocks. Another, rather minor additional need (+ EUR 5 million) has been identified for private storage of cheese (budget item 05 02 12 06) after checking the most up-to-date information on outstanding payments for this scheme. There is also an adjustment (+ EUR 7 million) for the school milk to reflect past implementation and the wider range of products eligible.

05 03 Direct Aids ***(appropriations – EUR 52,5 million)***

needs in preliminary draft budget:	**EUR 39 920,5 million**
appropriations requested in preliminary draft budget:	**EUR 39 325,5 million**
estimated assigned revenue available in 2010 in preliminary draft budget:	**EUR 595 million**
needs after letter of amendment:	**EUR 39 973,0 million**
appropriations requested after letter of amendment:	**EUR 39 273,0 million**
estimated assigned revenue available in 2010 after letter of amendment:	**EUR 700 million**

Budget appropriations requested for this chapter are revised downwards by EUR 52,5 million. However the forecasted needs **increase** by EUR 52,5 million compared to the level of PDB. Most of this change in amounts (+ EUR 32,8 million) is due to the decision made by Portugal not to apply voluntary modulation for 2009 (budget year 2010).

Despite somewhat higher needs, the lower request for budget appropriations is mainly due to an increase in assigned revenue carried over from 2009 and more than initially estimated assigned revenue generated in 2010. In total, assigned revenue reduced from the line Single Payment Scheme (SPS) is EUR 700 million (an increase by EUR 105 million compared to the PDB).

Modifications at the level of Article

Code	Heading	PDB *(in million EUR)*	AL *(in million EUR)*	difference *(in million EUR)*	Comments
	Interventions in agricultural markets				
05 02 01	Cereals	86,10	115,10	29,00	Additional need for intervention measures (+ EUR 30 million) following updated market forecasts and a small decrease for potato starch (- EUR 1 million).
05 02 03	Refunds on non-Annex 1 products	93,00	114,00	21,00	Additional needs mostly due to updated information on outstanding payments for export certificates for sugar products (+ EUR 25 million), partly compensated for by decreases for eggs (- EUR 2 million) and dairy products (- EUR 2 million).
05 02 05	Sugar	10,50	1,50	-9,00	Somewhat higher needs for settling outstanding payments for export certificates already issued (+ EUR 2 million) and lower needs of intervention storage because of public stocks at the end of the year are estimated to become zero (- EUR 11 million).
05 02 06	Olive oil	48,50	57,50	9,00	Additional needs for private storage measures introduced after establishment of the PDB.
05 02 07	Textile plants	29,00	30,00	1,00	Small additional need following updated information related to the quantities of fibre flax and hemp produced.
05 02 08	Fruits and vegetables --- Appropriations --- Needs	 720,10 880,10	 720,10 942,10	 0,00 62,00	Additional needs because of stronger than expected uptake of aid for producer groups for preliminary recognition in the New Member States (+ EUR 62 million) and higher revenue assigned to budget item 05 02 08 03 Operational funds for producer organisations (- EUR 62 million).
05 02 09	Products of the wine-growing sector	1 335,00	1 338,30	3,30	Additional needs following updated information on outstanding payments for storage of alcohol.
05 02 11	Other plant products/measures	372,20	356,20	-16,00	Lower needs for aid related to dried fodder (- EUR 13 million) and for POSEI measures (- EUR 3 million).
05 02 12	Milk and milk products	619,00	943,10	324,10	Additional needs for export refunds (+ EUR 20 million) and storage measures for butter (+ EUR 25 million), settling outstanding payments related to private storage of cheese (+ EUR 5 million), school milk (+ EUR 7 million); decreased needs for storage measures for skimmed-milk powder (- EUR 12 million) and other measures (+EUR 280 million) as an emergency measure for milk farmers as compensation for the crisis in the dairy sector).
05 02 13	Beef and veal	35,10	26,10	-9,00	Decreased needs for export refunds for beef and veal (- EUR 7 million) and for live animals (- EUR 2 million).
	Directs Aids				
05 03 01	Decoupled directs aids --- Appropriations --- Needs	 33 374,00 33 969,00	 33 272,00 33 972,00	 -102,00 3,00	For the Single Payment Scheme (SPS), the (unchanged compared to PDB) hypothesis is that Member States will execute up to 98,25 % of the ceilings. However, the level of appropriation changes because of the change of voluntary modulation for PT. For the Single Area Payment Scheme (SAPS), taking into account the level of execution in comparison of the ceiling, it is proposed to reduce PDB 2010 (based on a 0,6 % under-execution in comparison with the ceiling) by EUR 14 million.
05 03 02	Other direct aids	5 951,50	5 995,00	43,50	Minor variations, leading to increases and decreases depending on the line, are necessary in order to take account of modifications in the legal framework or to adapt the needs to take account of the 2009 execution. Most relevant increases appear for item 05 03 02 36 Payments for specific types of farming and quality production (+ EUR 16 million) and item 05 03 02 39 Additional amount for sugar beet and cane producers (+ EUR 21 million).
05 03 03	Additional amounts of aid	p.m.	6,00	6,00	Additional needs for the settlement of still outstanding payments related to the scheme.
	Audit of Agricultural expenditure				
05 07 02	Settement of disputes	p.m.	3,00	3,00	Risk of expenditure for some cases outstanding at the Court of Justice.
	Policy strategy and coordination of 'Agriculture and Rural Development' Policy area				
	Fisheries market				
11 02 01	Intervention in fishery products	14,50	15,50	1,00	Weaker demand and lower prices for fishery products due to the financial crisis are likely to increase the need for intervention measures on fisheries markets financed by budget item 11 02 01 01.

2.4. International Fisheries Agreements

As foreseen by point B of Annex II to the IIA, the Commission has examined the most recent information available concerning fisheries agreements, in particular as far as the situation of the reserve line is concerned, and proposes to decrease appropriations for the reserve line 40 02 41 02 – Reserves/Differentiated appropriations (compulsory expenditure) by EUR 8 million both for commitments and payments.

2.5. Rural Development

2.5.1. Modulation

Commitments for Rural Development are decreased by EUR 31,6 million.

Portugal has decided not to apply voluntary modulation in the calendar year 2009. Consequently, an amount of EUR 32,8 million has to be transferred back from Rural Development to "Market related expenditure and direct payments". However, the net transfer amount is somewhat lower, i.e. EUR 31,6 million because of EUR 1,2 million linked to an increase in modulation due to the additional amount of direct payments for sugar beet and cane producers in Spain.

2.5.2. European Economic Recovery Plan (EERP)

In addition to its initial allocation, increased by funds from modulation and other, specific transfers from market-related expenditure and direct aids, the European Agricultural Fund for Rural Development (EAFRD) is benefitting from EUR 1 020 million foreseen in the context of the European Economic Recovery Plan (EERP). The compromise adopted by the European Council of 19-20 March 2009 foresees the commitment of EUR 600 million on the budget 2009, which was implemented by Amending Budget No 4/2009[8]. The PDB 2010 anticipated that by proposing an amount of EUR 300 million for payment appropriations onto the reserve line. Following the adoption of AB No 4/2009, AL No 2/2010 proposes to transfer these EUR 300 million from the reserve line 40 02 41 01 onto the operational line 05 04 05 01.

The financing of the remaining EUR 420 million was to be decided in the framework of the conciliation on the 2010 budget procedure in late 2009. In view of the margin available under heading 2, after taking into account the most up-to date information on the evolution of agricultural markets and direct aids, the AL No 2/2010 proposes to finance this amount fully within heading 2.

Consequently, it is proposed to increase commitment appropriations for budget item 05 04 05 01 by EUR 388 million. (an increase of EUR 420 million for EERP and a reduction of EUR 31,6 million for modulation).

2.6. Changes to the nomenclature and budgetary remarks

The budgetary remarks for the following chapters, articles and items have been updated (explanation in brackets):

Chapter 05 02 – Interventions in agricultural markets (figures for assigned revenues)

[8] OJ L174, 3.7.2009, p.1.

Item 05 02 12 02 – Intervention storage of skimmed-milk powder (new reference act added)

Item 05 02 12 04 – Intervention storage of butter and cream (new reference act added)

Item 05 02 12 99 – Other measures (milk and milk products) (new article of the legal base added)

Article 05 02 16 – Sugar Restructuring Fund (figures for assigned revenue)

Chapter 05 03 – Direct aids (figures for assigned revenues)

Item 6 7 0 1 – Clearance of EAGF accounts – Assigned revenue (figures for assigned revenue)

Item 6 7 0 2 – EAGF irregularities – Assigned revenue (figures for assigned revenue)

Item 6 7 0 3 – Superlevy from milk producers – Assigned revenue (figures for assigned revenue and update of the legal base)

Item 6 8 0 1 – Temporary restructuring amounts – Assigned revenue (figures for assigned revenue)

Changes outside the EAGF:

Item 05 04 05 01 – Rural development programmes (figures related to modulation)

Article 11 03 01 – International fisheries agreements (table only)

3. EUROPEAN ECONOMIC RECOVERY PLAN – ENERGY PROJECTS

The European Economic Recovery Plan (EERP) Regulation[9] (referred to below as "the Regulation") establishes a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy. The financial envelope for the implementation of the Regulation is of EUR 3 980 million, of which EUR 2 365 million for electricity infrastructure projects, EUR 1 050 million for carbon capture and storage and EUR 565 million for offshore wind projects. The Budget Authority has already allocated EUR 2 000 million for the implementation of the Regulation in the budget for 2009 (article 06 04 14 Energy projects to aid economic recovery). The global commitment of these funds has already been made this year in order to book the necessary credits for the signature of the individual commitments at the end of 2009 and beginning of 2010.

As agreed last April, the Commission is presenting simultaneously a proposal for a Decision of the European Parliament and the Council amending the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management revising the ceilings of the multiannual financial framework to secure additional funding for the European Economic Recovery Plan.

With this Amending Letter, the Commission proposes to make available EUR 1 587 million in commitment appropriations and EUR 377,5 million in payment appropriations on article 06 04 14 of the budget for the year 2010, and to lift the reserve of EUR 650 million for payment appropriations on the same article 06 04 14, in order to proceed with the timely implementation of the EERP Regulation.

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9 Regulation (EC) No 663/2009 of the European Parliament and the Council of 13 July 2009 (OJ L 200, 31.07.2009)

4. DECOMMISSIONING OF THE KOZLODUY NUCLEAR POWER PLANT

Nuclear decommissioning is the final step in the lifecycle of a nuclear installation and requires long-term financial planning. During the accession negotiations, Bulgaria committed itself to the closure of Units 1 and 2 of the Kozloduy nuclear power plant by 31 December 2002 and to the closure of Units 3 and 4 by 31 December 2006 at the latest (all VVER 440/230 type reactors). These commitments to closure and subsequent decommissioning were included in Article 30 of the Protocol concerning the conditions and arrangements for admission of the Republic of Bulgaria and Romania to the European Union.

The Protocol provides, inter alia, for Community support under the Kozloduy Programme of EUR 210 million (2004 prices) for the period 2007-2009. The 2007-2009 support was implemented as an EU contribution to the Kozloduy International Decommissioning Support Funds (KIDSF) managed by the European Bank for Reconstruction and Development (EBRD), to which the Community is the main contributor.

Bulgaria has made a significant effort and good progress in the decommissioning preparation stage of the Kozloduy Programme, utilising the Community funds put in place until 2009. However, there is a need for further financial support beyond 2009, in order to continue the progress with the actual dismantling operations.

The proposal for a Council Regulation, presented separately by the Commission provides the framework for the continuation of decommissioning support to Bulgaria after 2009, making available a sum of EUR 300 million for the period 2010-2013 It is expected that the first payments would be made only in 2012.

In view of the above, the Commission proposes to make available commitment appropriations of EUR 75 million on article 06 05 05 Nuclear safety – Transitional measures (decommissioning) of the budget for the year 2010. However, pending adoption of the legal basis, the amounts will be placed in the reserve.

5. SUMMARY TABLE BY HEADING OF THE FINANCIAL FRAMEWORK

Financial framework Heading/subheading	2010 Financial Framework		PDB 2010 + AL 1/2010 [1]		AL 2/2010		PDB 2010 + AL 1-2/2010 [2]	
	CA	PA	CA	PA	CA	PA	CA	PA
1. SUSTAINABLE GROWTH								
1a. Competitiveness for growth and employment	13.975.000.000		12.769.410.253	10.982.271.303	1.662.000.000	377.482.000	14.431.410.253	11.359.753.303
1b. Cohesion for growth and employment	49.383.000.000		49.382.092.092	36.382.385.000			49.382.092.092	36.382.385.000
Total	**63.358.000.000**		**62.151.502.345**	**47.364.656.303**	**1.662.000.000**	**377.482..000**	**63.813.502.345**	**47.742.138.303**
Margin[1]			*130.497.655*				*44.497.655*	
2. PRESERVATION AND MANAGEMENT OF NATURAL RESOURCES								
Of which market related expenditure and direct payments	47.146.000.000		43.744.926.768	43.626.432.586	304.900.000	304.800.000	44.049.826.768	43.931.232.586
Total	**59.989.000.000**		**59.003.698.302**	**58.074.905.809**	**685.300.000**	**264.000.000**	**59.688.998.302**	**58.338.905.809**
Margin[2]			*1.109.301.698*				*300.001.698*	
3. CITIZENSHIP, FREEDOM, SECURITY AND JUSTICE								
3a. Freedom, Security and Justice	1.025.000.000		980.187.370	720.010.370			980.187.370	720.010.370
3b. Citizenship	668.000.000		649.265.000	639.717.500			649.265.000	639.717.500
Total	**1.693.000.000**		**1.629.452.370**	**1.359.727.870**			**1.629.452.370**	**1.359.727.870**
Margin			*63.547.630*				*63.547.630*	
4. EU AS A GLOBAL PLAYER[3]	**7.893.000.000**		**8.066.091.270**	**7.744.618.753**			**8.066.091.270**	**7.744.618.753**
Margin			*75.790.730*				*75.790.730*	
5. ADMINISTRATION[4]	**7.858.000.000**		**7.851.402.677**	**7.851.897.677**			**7.851.402.677**	**7.851.897.677**
Margin			*236.597.323*				*86.597.323*	
TOTAL	**140.791.000.000**	**133.598.000.000**	**138.702.146.964**	**122.395.806.412**	**2.347.300.000**	**641.482.000**	**141.049.446.964**	**123.037.288.412**
Margin			*1.615.735.036*	*12.088.075.588*			*570.435.036*	*11.446.593.588*

1 These margins have been calculated on the base of previous MAFF' ceilings.

2 These margins have been calculated on the base of proposed new MAFF' ceilings.

3 The European Globalisation adjustment Fund (EGF) is not included in the calculation of the margin under Heading 1a.

4 The European Union Solidarity Fund (EUSF) amount is entered over and above the relevant headings as foreseen by the IIA of 17 May 2006 (OJ C 139 of 14.6.2006).

5 The 2010 margin for Heading 4 does not take into account the appropriations related to the Emergency Aid Reserve (EUR 248,9 million).

6 For calculating the margin under the ceiling for Heading 5, account is taken of the footnote (1) of the financial framework 2007-2013 for an amount of EUR 80 million for the staff contributions to the pensions scheme.