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REPORT

on Draft amending budget No 5/2007 of the European Union for the financial year 2007
(11707/2007 – C6-0232/2007– 2007/2162(BUD))

Section III – Commission

Committee on Budgets

Rapporteur: James Elles

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**on Draft amending budget No 5/2007 of the European Union for the financial year 2007,
Section III – Commission
(11707/2007 – C6-0232/2007 – 2007/2162(BUD))**

The European Parliament,

- having regard to Article 272 of the EC Treaty and Article 177 of the Euratom Treaty,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities¹, and particularly Articles 37 and 38,
 - having regard to the general budget of the European Union for the financial year 2007, as finally adopted on 14 December 2006²,
 - having regard to the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management³,
 - having regard to Preliminary draft amending budget No 5/2007 of the European Union for the financial year 2007, which the Commission presented on 21 June 2007 (COM(2007)0340),
 - having regard to Draft amending budget No 5/2007, which the Council established on 13 July 2007 (11707/2007 – C6-0232/2007),
 - having regard to Rule 69 and Annex IV of its Rules of Procedure,
 - having regard to the report of the Committee on Budgets (A6-0300/2007),
- A. whereas Draft amending budget No 5/2007 foresees modifications to the budget structure as a result of the revision of the forecast of traditional own resources (TOR, i.e. customs duties, agricultural duties and sugar levies), VAT and GNI bases and the budgeting of the relevant UK corrections as well as their financing, resulting in a change in the distribution between Member States of their own resources contributions to the EU budget, the repayment of the surplus from the Guarantee Fund for external measures as well as the impact of changes in the Financial Regulation on the revenue side,
- B. whereas the purpose of Draft amending budget No 5/2007 is to formally enter these budgetary resources into the 2007 budget,
1. Takes note of Draft amending budget No 5/2007;

¹ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

² OJ L 77, 16.3.2007.

³ OJ C 139, 14.6.2006, p. 1.

2. Approves Draft amending budget No 5/2007 unamended;
3. Instructs its President to forward this resolution to the Council and Commission.

EXPLANATORY STATEMENT

The Preliminary Draft Amending Budget No 5 to the Budget for 2007 (PDAB 5/2007) covers the following points:

- The revision of the forecast of traditional own resources (TOR, i.e. customs duties, agricultural duties and sugar levies), VAT and GNI bases and the budgeting of the relevant UK corrections as well as their financing, resulting in a change in the distribution between Member States of their own resources contributions to the EU budget.
- The repayment of the surplus from the Guarantee Fund for external measures.

Article 7 of Council Decision (EC, Euratom) 2000/597 states that "...surplus from the Guarantee Fund arising from external measures, transferred to the revenue account in the budget, shall be regarded as constituting own resources". Thus in addition to the revision of the forecasts of own resources, the PDAB 5/2007 enters an amount of EUR 260 940 125 as a result of the repayment referred to in Article 1(2) of Council Regulation (EC, Euratom) No 2273/2004¹.

The reason for this surplus is that all operations carried out for the benefit of a third country or for the purpose of financing projects in a third country shall fall outside the scope of Council Regulation (EC, Euratom) No 2728/94 of 31 October 1994 establishing a Guarantee Fund for external actions, with effect from the date on which that country accedes to the EU. The above amount results from the repayment to the general budget of the amount corresponding to the provision of outstanding capital liabilities for Bulgaria and Romania at 1 January 2007.

- The impact of changes in the Financial Regulation on the revenue side.

All the recent amendments to the Financial Regulation have entered into force by 1 May 2007². Moreover Regulation (EC, Euratom) No 2342/2002 laying down detailed rules for the implementation of the Financial Regulation has been also amended³. Therefore appropriate changes will need to be made in the PDAB 5/2007.

Three new budget lines (6330, 6331 and 6332) have been created to accommodate financial contributions from Member States and other donor countries, including in both cases their public and parastatal agencies, or from international organisations to certain external aid projects or programmes financed by the Community and managed by the Commission on their behalf, pursuant to the relevant basic act. This is a consequence of the new point (aa) that has been inserted into Article 18 (1) of the Financial Regulation.

Some budget remarks in the statement of revenue contain references to articles of the Financial Regulation that have been modified and they need to be adjusted accordingly. This

¹ Council Regulation (EC, Euratom) No 2273/2004 of 22 December 2004 amending Regulation (EC, Euratom) No 2728/94 establishing a Guarantee Fund for external actions (OJ L 396, 31.12.2004, p. 28–29).

² Council Regulation (EC, Euratom) No 1995/2006 of 13 December 2006 amending Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 390, 30.12.2006, p. 1–26).

³ Commission Regulation (EC, Euratom) No 478/2007 of 23 April 2007 amending Regulation (EC, Euratom) No 2342/2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 111, 28.4.2007, p. 13–45).

is a purely technical update and concerns the following articles/items: 5000, 5001, 522, 6113, 6701, 6702, 6703, 6711, 6712 and 6802.

The following summary table shows the distribution of total own resources payments between Member States as budgeted in the Budget 2007, in the Amending Budget (AB) 1/2007 (that modifies the 2007 budget in order to integrate the necessary technical adjustments needed from the amending letter No 2/2007, which could not be taken on board during the last phase of the 2007 budget procedure), in the Preliminary Draft Amending Budget (PDAB) 2/2007 (that modifies the AB 1/2007 in order to mobilise the EU Solidarity Fund for the floods that hit Hungary and Greece in March and April 2006 and that modifies the structure of the budget for Research following the adoption of the 7th Framework Programme), in the PDAB 3/2007 (that modifies the PDAB 2/2007 as far as agencies are concerned), in the PDAB 4/2007 (that modifies the PDAB 3/2007 in order to budget the surplus from the previous year of EUR 1 847,6 million) and in the present PDAB 5/2007.

amounts in euro

	Budget 2007, AB 1/2007, PDAB 2/2007 & PDAB 3/2007	PDAB 4/2007	PDAB 5/2007		PDAB 5/2007 vs. PDAB 4/2007	PDAB 4/2007 vs. PDAB 3/2007
	(1)	(2)	(3)	<i>in %</i>	(4) = (3) – (2)	(4) = (2) – (1)
BE	4 498 323 986	4 446 910 910	4 390 488 352	3.91%	-56 422 558	- 51 413 076
BG	322 612 813	318 651 339	293 143 638	0.26%	-25 507 701	- 3 961 474
CZ	1 216 863 719	1 199 458 884	1 223 785 422	1.09%	+24 326 538	- 17 404 835
DK	2 344 743 747	2 309 042 179	2 266 698 313	2.02%	-42 343 866	- 35 701 569
DE	22 461 580 633	22 095 850 077	22 174 684 364	19.77%	+78 834 287	- 365 730 557
EE	138 567 103	136 596 493	168 181 465	0.15%	+31 584 972	- 1 970 610
IE	1 676 005 781	1 651 304 984	1 635 073 079	1.46%	-16 231 905	- 24 700 796
EL	2 104 756 564	2 072 642 795	2 012 841 276	1.79%	-59 801 519	- 32 113 769
ES	10 828 853 860	10 669 617 389	10 259 967 494	9.15%	-409 649 895	- 159 236 471
FR	18 338 461 530	18 047 137 597	17 558 049 732	15.65%	-489 087 865	- 291 323 932
IT	14 603 278 351	14 371 367 371	14 505 207 714	12.93%	+133 840 343	- 231 910 980
CY	178 627 328	176 289 632	172 731 514	0.15%	-3 558 118	- 2 337 696
LV	188 436 582	185 803 783	194 006 510	0.17%	+8 202 727	- 2 632 799
LT	270 700 006	266 837 405	270 938 730	0.24%	+4 101 325	- 3 862 601
LU	258 243 690	254 133 890	283 183 213	0.25%	+29 049 323	- 4 109 800
HU	928 912 076	915 038 321	916 214 240	0.82%	+1 175 919	- 13 873 755
MT	57 460 366	56 699 730	56 165 063	0.05%	-534 667	- 760 636
NL	6 378 649 329	6 294 174 245	6 282 581 555	5.60%	-11 592 690	- 84 475 084
AT	2 390 769 693	2 349 306 043	2 381 673 253	2.12%	+32 367 210	- 41 463 650
PL	2 747 200 785	2 705 502 259	2 810 883 270	2.51%	+105 381 011	- 41 698 526
PT	1 552 361 077	1 527 960 076	1 469 429 185	1.31%	-58 530 891	- 24 401 001
RO	1 067 905 902	1 051 655 237	1 134 803 437	1.01%	+83 148 200	- 16 250 665
SI	321 017 791	316 200 393	312 679 822	0.28%	-3 520 571	- 4 817 397
SK	461 026 947	453 852 073	512 062 631	0.46%	+58 210 558	- 7 174 874
FI	1 659 737 105	1 633 061 970	1 652 037 445	1.47%	+18 975 475	- 26 675 135
SE	3 022 806 250	2 973 502 645	3 073 512 103	2.74%	+100 009 458	- 49 303 604
UK	14 270 042 046	13 961 715 629	14 168 350 404	12.63%	+206 634 775	- 308 326 417
EU	114 287 945 060	112 440 313 349	112 179 373 224	100%	- 260 940 125	- 1 847 631 711

PROCEDURE

Title	Draft amending budget No 5/2007 of the European Union for the financial year 2007	
References	11707/2007 - C6-0232/2007 - 2007/2162(BUD)	
Committee responsible Date announced in plenary	BUDG 0.0.0000	
Committee(s) asked for opinion(s) Date announced in plenary		
Rapporteur(s) Date appointed	James Elles 11.1.2006	
Previous rapporteur(s)		
Date draft amending budget established by the Council	13.7.2007	
Date draft amending budget forwarded by the Council	0.0.0000	
Discussed in committee	17.7.2007	
Date adopted	17.7.2007	
Result of final vote	+: -: 0:	16 0 0
Members present for the final vote	Richard James Ashworth, Reimer Böge, James Elles, Salvador Garriga Polledo, Brigitte Douay, Louis Grech, Catherine Guy-Quint, Jutta Haug, Vladimír Maňka, Rovana Plumb, Nathalie Griesbeck, Anne E. Jensen, Kyösti Virrankoski, Gérard Onesta, Petre Popeangă.	
Substitute(s) present for the final vote	Paul Rübig.	
Substitute(s) under Rule 178(2) present for the final vote		
Date tabled	24.7.2007	
Comments (available in one language only)	...	