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COMMISSION OF THE EUROPEAN COMMUNITIES

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**AMENDING LETTER No 2
TO THE PRELIMINARY DRAFT BUDGET 2009**

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 Communities¹, as last amended by Council Regulation (EC, Euratom) No 1525/2007², 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 2009 for the reasons set out in the explanatory memorandum.

¹ OJ L 248, 16.9.2002, p. 1.
² OJ L 343, 27.12.2006, 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 Interinstitutional Agreement on budgetary discipline and sound financial management of 17 May 2006³ 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.

This ad hoc amending letter (AL No 2/2009) to the preliminary draft budget 2009, contains a careful, line by line update 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.

The AL is based, in the same way as the PDB itself, on the needs of the Community as a whole. As far as the market measures are concerned, no breakdown of the appropriations between Member States is available. In addition, 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 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 56 495,5 million, leaving a margin of EUR 3 143,5 million in commitment appropriations below the corresponding ceiling of the Financial Framework.

The commitment appropriations for agricultural expenditure (including veterinary and fisheries expenditure financed under EAGF) amount to EUR 41 579,9 million, a reduction of EUR 1 280,4 million compared to the PDB 2009.

As far as the international fisheries agreements are concerned, no change is foreseen.

This amending letter also proposes the creation of new budget lines for the "Food Facility" (rapid response to food price increases in developing countries) in 2009, pending the adoption of the legal base.

As announced by the Commission at the Agriculture Council of 29 September 2008, the Commission is presently revising the 2009 budgetary needs for the eradication of bluetongue disease, at the request of many Member States. After analysis of past execution and

³ OJ C 139, 14.6.2006, p.1.

assessment of the situation, the Commission will in early 2009 make the necessary proposals for adjusting the 2009 budget with an additional amount of approximately EUR 100 million on top of the amount of EUR 62 million proposed in the PDB 2009, as part of a multi-annual strategy for dealing with this disease in a sustainable way.

2. PRESERVATION AND MANAGEMENT OF NATURAL RESOURCES

2.1. Summary Table

EUR million	PDB 2009		AL 2/2009		Difference	
	(a)		(b)		(c)=(b)-(a)	
	CA	PA	CA	PA	CA	PA
Total Appropriations Heading 2	57 525,7	54 834,9	56 495,5	54 457,2	-1 030,2	-377,7
Ceiling Financial Framework	59 639		59 639		-	
<i>margin</i>	2 113,3		3 143,5		1 030,2	
Of which						
Agricultural expenditure (market related expenditure and direct payments)⁴	42 860,3	42 814,2	41 579,9	41.536,4	-1 280,4	-1 277,9
Rapid response to food price increases			250,0	900,0	+250,0	+900,0

2.2. Agricultural Expenditure (market-related expenditure and direct payments)

2.2.1 Overall Picture

The purpose of the AL No 2/2009 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 2008, which is the basis for any reliable estimate of the budgetary needs for 2009.

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.

Total needs are increased by EUR 361 million. This is mostly due to additional foreseen needs in chapter 05 02 (Intervention in Agricultural markets: + EUR 421 million), 05 07 and 05 08 (+ EUR 26,3 million) and to some marginal savings foreseen in chapter 05 03 (Direct Aids: - EUR 87 million)

However, the total commitment appropriations requested for Agricultural Expenditure (EAGF) are EUR 41 579,9 million, less than estimated in the PDB 2009 (- EUR 1 280,4 million). This change must be interpreted taking into account the existence of the assigned revenue and its modifications between PDB and AL.

In the PDB, appropriations requested from the Budgetary Authority were lower than estimated needs because part of the needs were covered by EUR 735 million of revenues forecast to be generated in 2009 and assigned to EAGF.

Appropriations for this AL are lower than estimated needs because of EUR 2 376 million of the needs being covered by revenues assigned to EAGF. The increase of EUR 1 641 million in assigned revenue, in comparison with PDB 2009, is due

⁴ 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.

- To an updated estimation of the assigned revenue that will be generated in 2009 (+ EUR 307 million for a total of EUR 1 042 million), and
- Because of unspent assigned revenue of EUR 1 334 million of 2008 that will be carried over (out of an estimated total revenue of EUR 1 534 million in 2008).

2.2.2 Detailed Comments

05 02 Interventions in agricultural markets (appropriations – EUR 8,7 million)

needs in preliminary draft budget:	EUR 3 548 million
appropriations requested in preliminary draft budget:	EUR 3 463 million
estimated assigned revenue available in 2009 in preliminary draft budget:	EUR 85 million
needs after letter of amendment:	EUR 3 969 million
appropriations requested after letter of amendment:	EUR 3 454 million
estimated assigned revenue available in 2009 after letter of amendment:	EUR 515 million

The hypotheses underlying this Amending Letter (AL) for agricultural markets do not change significantly compared to the PDB. Favourable prospects for most agricultural markets are still prevailing. The reason for the increased needs is twofold: residual amounts to be paid in 2009 for market expenditure which was not paid in the 2008 budget as foreseen, due to a slower than expected rhythm of payments, and the increased needs for food programmes.

The decrease in appropriations of EUR 8,7 million is to be explained by the increase of assigned revenue (from EUR 85 million to EUR 515 million) and by some increase of the needs in various sectors.

It is first to be noted that the reduction in appropriations for **fruits and vegetables** (- EUR 341 million) mostly reflects an estimate revised upwards for revenues assigned to that article (+ EUR 430 million). Actually the needs for fruits and vegetables increase by + EUR 89 million compared to the PDB. This increase is mainly due to delayed advance payments by Member States for operational funds for producer organisations for the 2008 plans (first plan after the reform of the market organisation for fruits and vegetables) that were initially expected for 2008 but will now have an impact on the 2009 budget.

Increases are also significant for **refunds on non-Annex 1** products (+ EUR 57 million), **pig meat** (+ EUR 42 million) and **sugar** (+ EUR 79 million). In particular for sugar, budgetary appropriations increase as expenditure in the 2008 budget is paid at a slower rate, and as export refunds absorb more money than was assumed in the PDB 2009 because outstanding payments from the transitional marketing year 2006/07, which lasted three month longer than usual, need to be covered.

The AL shows also a considerable increase for **food programmes** (+ EUR 185 million) because of the updated actual annual distribution plans for 2009, as communicated by Member States. Furthermore, appropriations were revised upwards for promotion measures (+ EUR 8 million), settlement of disputes (+ EUR 25 million), as well as for EAGF operational technical assistance (+ EUR 1,3 million).

There is also a slight adjustment in relation with the application of the wine reform (-EUR 0,16 million) with a equal increase of rural development (budget line 05 04 05 01).

The comments below explain the main differences between the appropriations of the PDB and those of the AL for some sectors.

05 02 03 – Refunds on non-Annex 1 products (appropriations + EUR 57 million)

appropriations in preliminary draft budget: EUR 70 million

appropriations after letter of amendment: EUR 127 million

Most of the appropriations foreseen (EUR 127 million) are for export refunds for products incorporating sugar. Compared to the PDB, the difference of some EUR 57 million concerns new certificates granted up to the end of September 2008 and not foreseen in the PDB. Furthermore, the validity of these certificates was extended from five to ten months, explaining the impact on the 2009 budget. However, it is still assumed that no new export certificates will be issued as from 1 October 2008.

05 02 04 – Food programmes (appropriations + EUR 185 million)

appropriations in preliminary draft budget: EUR 315 million

appropriations after letter of amendment: EUR 500 million

Appropriations increase because of the updated needs for the distribution of food to the most deprived persons in the Community.

The PDB was established with the hypothesis to cover the same quantities of food granted in 2008, taking account of only the food price inflation. The AL must take account of the actual annual distribution plan for 2009 as communicated by Member States. The plan, which is worth EUR 500 million, is based on the latest notification from Member States, aiming to improve the current food distribution programme for the most deprived persons.

05 02 05 – Sugar (appropriations + EUR 79 million)

appropriations in preliminary draft budget: EUR 103 million

appropriations after letter of amendment: EUR 182 million

Appropriations for the sugar sector increase from EUR 103 million in the PDB to EUR 182 million in the AL due to two items: 05 02 05 01 Export refunds (+ EUR 75 million) and 05 02 05 08 Storage measures for sugar (+ EUR 4 million).

Regarding export refunds, the AL still retains the hypothesis of no export refund for the campaign 2008/2009. However on top of the payments already foreseen for the campaign 2007/2008, additional appropriations are needed to cover refund payments for the campaign 2006/2007 (transition marketing year which exceptionally lasted fifteen months from 1 July 2006 until 30 September 2007), which were not made, as originally expected, from the 2008 budget, with resulting under-implementation this year.

For storage of sugar, the hypothesis underlining the PDB foresaw a level of white sugar, at 1 October 2008, of zero tonnes. In view of the current market situation 334 000 tonnes are in the stocks at the beginning of the 2008/2009 period. Financing and technical costs to manage these quantities of sugar explain the increase.

05 02 08 – Fruit and vegetables (appropriations - EUR 341 million)

needs in preliminary draft budget:	EUR 770 million
appropriations in preliminary draft budget:	EUR 685 million
estimated assigned revenue in preliminary draft budget:	EUR 85 million
needs after letter of amendment:	EUR 859 million
appropriations after letter of amendment:	EUR 344 million
estimated assigned revenue after letter of amendment:	EUR 515 million

The AL proposed appropriations for the fruit and vegetables sector much lower than the PDB (- EUR 341 million). However, this is the net result of somewhat increasing needs (+ EUR 89 million) and much higher estimates for revenue assigned to this article (+ EUR 430 million), which reduces budget appropriations accordingly.

The increasing needs are mainly due to revised estimates for payments to operational funds for producer organisations (+ EUR 95 million), taking into account the latest available information from Member States regarding plans 2008 and 2009 as well as the level of advance payments made in 2008 for the 2008 plans. Further small increases are proposed for items 05 02 08 11 Aid to producer groups for preliminary recognition (+ EUR 4 million) and 05 02 08 02 Compensation for withdrawals and buying-in (+ EUR 1 million), while appropriations needed for item 05 02 08 09 Compensation to encourage processing of citrus fruits are reduced (- EUR 11 million).

As far as assigned revenue is concerned, the PDB has been drafted on the basis of an estimated amount of EUR 85 million. Taking into account budget execution in 2008, part of the revenue generated in 2008 will not be used and carried over into 2009. This amount adds to the updated revenue estimate for 2009. Overall, the AL is now calculated at an amount of EUR 515 million of revenue assigned to article 05 02 08, reducing budget appropriations for item 05 02 08 03 Operational funds for producer organisations.

It is worth noting that a new line (05 02 08 12) with a p.m. is introduced for the new School Fruit Scheme, in order to reflect the proposal. However, the programme will start from the school year 2009/2010. EAGF – operational technical assistance (05 08 09) has been increased by EUR 1,3 million in order to cover advanced preparatory work (networking and conferences) for the scheme.

05 02 09 – Products of the wine-growing sector (appropriations - EUR 59 million)

appropriations in preliminary draft budget:	EUR 1 406 million
appropriations after letter of amendment:	EUR 1 347 million

Appropriations for the wine sector decrease by EUR 59 million, resulting from two factors: updated figures on quantities involved taking into account the latest available information from Member States and balancing actual payments made in 2008 with payment forecasts for 2009. The most significant changes concern storage of wine and grape must (- EUR 22 million), permanent abandonment premiums for areas under vines (- EUR 32 million) and distillation measures (- EUR 12 million). However, appropriations for storage measures for alcohol increase slightly (+ EUR 8 million) because final stocks at the

end of 2008 will be somewhat higher than initially expected. This market measure has been abolished, but products from distillation still need to be put into storage.

05 02 10 – Promotion (appropriations + EUR 8 million)

appropriations in preliminary draft budget: EUR 50 million

appropriations after letter of amendment: EUR 58 million

The appropriations for payments by Member States (budget item 05 02 10 01) are revised upwards on the basis of the latest data on budget execution for 2008, where higher implementation is foreseen (+ EUR 8 million).

The same payment rhythm is estimated for 2009 with, in particular, an increase for the olive oil programmes.

05 02 12 – Milk and milk products (appropriations + EUR 2 million)

appropriations in preliminary draft budget: EUR 140 million

appropriations after letter of amendment: EUR 142 million

The small increase of appropriations (+ EUR 2 million) is due to the school milk scheme (item 05 02 12 08), reflecting a recent change of legislation allowing additional milk products to enter the scheme.

05 02 13 – Beef and veal (appropriations + EUR 15 million)

appropriations in preliminary draft budget: EUR 36 million

appropriations after letter of amendment: EUR 51 million

The additional amount of EUR 15 million is needed because of updated estimates as far as export refunds (05 02 13 01) are concerned (+ EUR 5 million), and for settling outstanding payments in the UK related to the 'Older Cattle Disposal Scheme' (OCDS), which are paid from budget item 05 02 13 03 Exceptional support measures (+ EUR 10 million). Initially, it was expected that this amount would be paid in 2008, but the actual payment is delayed.

05 02 15 – Pigmeat, eggs and poultry, bee-keeping and other animal products (appropriations + EUR 42 million)

appropriations in preliminary draft budget: EUR 161 million

appropriations after letter of amendment: EUR 203 million

Additional appropriations of EUR 46 million are needed to settle remaining payments following the introduction of export refunds for pig carcasses for a certain period in 2008. While the refund rate is set again to zero since August 2008, and most of the export refunds are paid from the 2008 budget, a part of the total expenditure will have an impact on the 2009 budget taking into account the validity of export licences issues and the technical delay linked to reimbursement requests both at the level of economic operators and at the level of Member States. On the other hand, updated figures for the temporary private storage of pig meat allow to reduce somewhat appropriations for budget item 05 02 15 02 (- EUR 4 million).

05 03 Direct Aids (appropriations – EUR 1 298 million)

needs in preliminary draft budget:	EUR 39 727 million
appropriations requested in preliminary draft budget:	EUR 39 077 million
estimated assigned revenue available in 2009 in preliminary draft budget:	EUR 650 million
needs after letter of amendment:	EUR 39 640 million
appropriations requested after letter of amendment:	EUR 37 779 million
estimated assigned revenue available in 2009 after letter of amendment:	EUR 1 861 million

The appropriations for this chapter are revised downwards by EUR 1 298 million. However the forecasted needs remain roughly at the level of PDB. The downward revision is mainly due to assigned revenue carried over from 2008 and the increase in estimated assigned revenue for 2009. The sum of assigned revenue reduced from the line Single Payment Scheme (SPS) is EUR 1 861 million (an increase by EUR 1 211 million compared to the PDB). Other downward revisions are made to the Single Area Payment Scheme (SAPS) (- EUR 19 million) and other direct aids (- EUR 68 million). The decrease in needs for some direct aids, and the increase in assigned revenue, balance out the increased costs from phasing-in of direct aids in EU-12.

05 03 01 – Decoupled direct aids (appropriations - EUR 1 230 million)

needs in preliminary draft budget:	EUR 33 175 million
appropriations in preliminary draft budget:	EUR 32 525 million
estimated assigned revenue in preliminary draft budget:	EUR 650 million
needs after letter of amendment:	EUR 33 156 million
appropriations after letter of amendment:	EUR 31 295 million
estimated assigned revenue after letter of amendment:	EUR 1 861 million

For the Single Payment Scheme (SPS) the assumption made in the PDB 2009 that Member States will execute the budget up to 98,5 % of the ceilings is maintained. Therefore, no changes are made concerning needs. Nevertheless, budgetary appropriations requested are decreased because of assigned revenues that are much higher than anticipated at the moment of the PDB.

Concerning Single Area Payment Scheme (SAPS), the annual budgetary forecasts were slightly reduced (- EUR 19 million) reflecting under-execution experienced for budget year 2008.

05 03 02 – Other direct aids (appropriations - EUR 68 million)

appropriations in preliminary draft budget: EUR 5 990 million

appropriations after letter of amendment: EUR 5 922 million

The requested appropriations show some savings (- EUR 68 million) which are the result of marginal increases and savings at the level of individual budget items.

Savings are in particular foreseen for item 05 03 02 27 Aid for energy crops (- EUR 19 million), for item 05 03 02 36 Payments for specific types of farming and quality production (- EUR 13 million), for item 05 03 02 40 Area aid for cotton (- EUR 21 million) and for item 05 03 02 13 Sheep and goat premium (- EUR 6 million). Some other small savings concern items 05 03 02 05 (- EUR 2 million), 05 03 02 07 (- EUR 1 million), 05 03 02 19 (- EUR 4 million), 05 03 02 50 (- EUR 4 million) and 05 03 02 52 (- EUR 1 million), while small increases are proposed for items 05 03 02 06, 05 03 02 29 and 05 03 02 39 (+ EUR 1 million each one).

These variations reflect mostly adjustments due to updated data received from Member States, specifying the current level of execution of the measure, and information, where available, on the 2008 applications payable in 2009. The PDB was mostly based on the ceilings.

05 07 02 – Settlement of disputes (appropriations + EUR 25 million)

appropriations in preliminary draft budget: p.m.

appropriations after letter of amendment: EUR 25 million

This amount concerns the compensation plus damages to be paid for a case still pending at the European Court of Justice. An amount of EUR 21 million was foreseen in the 2008 budget for the same reason, but not used as the final decision on these damages has not yet been taken. Interest will have to be added to the final amount to be paid, which is why the amount in the AL 2/2009 is higher than that foreseen in the 2008 budget.

Other modifications within the EAGF

In addition to the more substantial variations mentioned above, the AL comprises some smaller adjustments of EAGF appropriations that can be summarised as follows: 05 02 06 Olive oil (- EUR 2,3 million), 05 02 11 Other plant products/measures (+ EUR 5,1 million), and, finally, 11 02 03 01 Fisheries programmes for the outermost regions – New measures (+ EUR 2,5 million in payment appropriations, no change for commitment appropriations).

2.3. Other Actions: Rapid response to food price increases in developing countries

Rising food prices in 2007 and 2008 have had negative effects on many developing countries and their populations. Poverty for many millions of people has worsened, and recent progress towards achieving the Millennium Development Goals is at risk. Moreover, rising food prices have resulted in riots, unrest and instability in several countries, risking the achievements of years of political, developmental and peacekeeping investment.

At the same time, high agricultural prices have contributed to a reduction in market-related agricultural expenditure in the 2008 Community budget, and to lower estimates for the 2009

budget within heading 2 of the financial framework. Current estimates indicate that a significant margin will be available in this heading in 2008 and 2009.

The European Council of 19-20 June 2008 concluded that action is required from the EU from a development and humanitarian assistance perspective. The European Council welcomed the Commission's intention to come forward with a proposal for a new fund to support agriculture in developing countries, within the framework of the current multi-annual financial framework, and stated that the EU would support a strong agricultural supply response in developing countries, providing in particular the necessary financing for agricultural inputs and assistance in using market-based risk management instruments. The Council also stated that in its response strategy, the Union would work in close liaison with the United Nations and other international organisations, and within the framework of partner countries' own policies and strategies.

On 18 July 2008 the European Commission adopted a proposal for the Regulation establishing a facility for rapid response to soaring food prices in developing countries (hereafter referred to as the "Facility")⁵. It is proposed that part of the margin under heading 2 of the multi-annual financial framework would be used in 2008 and 2009 in favour of the most affected developing countries. The "Facility" would be implemented through international and regional organisations, and would primarily support agriculture in developing countries and enable them to enhance production levels. It will also help those countries to rapidly mitigate the negative effects of the high food prices on the poorest. The Regulation will be valid only for a limited period of two years (2008-2009), and the total financial reference amount proposed for its implementation over that period is EUR 1 billion.

From this overall amount, EUR 750 million have been proposed as commitment appropriations under the 2008 budget in the reserve pending adoption of the legal base⁶, while the remaining EUR 250 million of commitments as well as the related payment appropriations need to be budgeted in 2009. The Commission therefore proposes to create in the PDB 2009 the budget line 21 02 03 Rapid response to food price increases in developing countries, with commitment appropriations of EUR 240 million and payment appropriations of EUR 890 million in reserve, pending adoption of the legal base. It also proposes the creation of an additional line 21 01 04 40 intended to finance the necessary administrative support expenditure related to that action with EUR 10 million in 2009, both for commitments and payments, in reserve, pending adoption of the legal base.

⁵ COM(2008) 450 of 18.07.2008.

⁶ PDAB 8/2008, COM(2008) 564 of 16.09.2008.

2.4. Changes to the nomenclature and budgetary remarks

Expenditure			
Line	Action	Appropriations AL 2/2009	
		Commitments	Payments
05 02 08 12 School fruit scheme	New budget item	p.m.	p.m.
05 03 01 99 Other (Decoupled direct aids)	New budget item	p.m.	p.m.
21 02 03 Rapid response to food price increases in developing countries	New budget article	240 000 000	890 000 000
21 01 04 40 Rapid response to food price increases in developing countries – Expenditure on administrative management	New budget item	10 000 000	10 000 000

In addition to these nomenclature changes, the following budget remarks are new and/or have been updated:

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

Article 05 02 08 – Fruits and vegetables (update of legal basis)

Item 05 02 08 12 – School fruit scheme (new item)

Article 05 02 09 – Products of the wine-growing sector (update of legal basis)

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

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

Item 05 03 01 99 – Other (Decoupled direct aids) (new item)

Article 05 08 09 – European Agricultural Guarantee Fund (EAGF) – Operational technical assistance (budgetary remarks)

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)

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)

Article 21 02 03 – Rapid response to food price increases in developing countries (new article)

Item 21 01 04 40 – Rapid response to food price increases in developing countries – Expenditure on administrative management (new item)

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

SUMMARY TABLE BY HEADING OF THE FINANCIAL FRAMEWORK

Financial framework Heading/subheading	2009 Financial Framework		PDB 2009 + AL No 1/2009		AL 2/2009		PDB 2009 + AL No 1 and 2/2009	
	CA	PA	CA	PA	CA	PA	CA	PA
1. SUSTAINABLE GROWTH								
1a. Competitiveness for growth and employment	11.272.000.000		11.689.966.000	10.285.190.500			11.689.966.000	10.285.190.500
1b. Cohesion for growth and employment	48.428.000.000		48.413.884.669	34.914.134.166			48.413.884.669	34.914.134.166
Total	59.700.000.000		60.103.850.669	45.199.324.666			60.103.850.669	45.199.324.666
<i>Margin⁷</i>			<i>96.149.331</i>				<i>96.149.331</i>	
2. PRESERVATION AND MANAGEMENT OF NATURAL RESOURCES								
Of which market related expenditure and direct payments ⁸	46.679.000.000		42.860.252.000	42.814.219.000	-1.280.360.000	-1.277.860.000	41.579.892.000	41.536.359.000
Total	59.639.000.000		57.525.729.686	54.834.932.000	-1.030.200.000	-377.700.000	56.495.529.686	54.457.232.000
<i>Margin</i>			<i>2.113.270.314</i>				<i>3.143.470.314</i>	
3. CITIZENSHIP, FREEDOM, SECURITY AND JUSTICE								
3a. Freedom, Security and Justice	872.000.000		839.125.000	596.670.000			839.125.000	596.670.000
3b. Citizenship	651.000.000		628.733.000	669.010.000			628.733.000	669.010.000
Total	1.523.000.000		1.467.858.000	1.265.680.000			1.467.858.000	1.265.680.000
<i>Margin⁹</i>			<i>55.142.000</i>				<i>55.142.000</i>	
4. EU AS A GLOBAL PLAYER¹⁰	7.440.000.000		7.619.432.000	7.759.456.769			7.619.432.000	7.759.456.769
<i>Margin</i>			<i>64.568.000</i>				<i>64.568.000</i>	
5. ADMINISTRATION¹¹	7.699.000.000		7.655.255.982	7.655.255.982			7.655.255.982	7.655.255.982
<i>Margin</i>			<i>121.744.018</i>				<i>121.744.018</i>	
6. COMPENSATION	210.000.000		209.112.912	209.112.912			209.112.912	209.112.912
<i>Margin</i>			<i>887.088</i>				<i>887.088</i>	

⁷ The European Globalisation adjustment Fund (EGF) is not included in the calculation of the margin under Heading 1a.

⁸ The 2009 Financial Framework sub-ceiling for market related expenditure and direct payments is reduced to €44.887.000.000 when taking into account modulation and financial transfers (cotton, tobacco and wine) to EAFRD.

⁹ 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).

¹⁰ The 2008 margin for heading 4 does not take into account the appropriations related to the Emergency Aid Reserve (EUR 244 million).

¹¹ 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 78 million for the staff contributions to the pensions scheme.

TOTAL	136.211.000.000	123.858.000.000	134.581.239.249	116.923.762.329	-1.030.200.000	-377.700.000	133.551.039.249	116.546.062.329
<i>Margin</i>			<i>2.451.760.751</i>	<i>7.256.237.671</i>			<i>3.481.960.751</i>	<i>7.633.937.671</i>