



COMMISSION OF THE EUROPEAN COMMUNITIES

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**AMENDING LETTER No 2
TO THE PRELIMINARY DRAFT BUDGET 2007**

GENERAL STATEMENT OF REVENUE

**STATEMENT OF REVENUE AND EXPENDITURE BY SECTION
Section III - Commission**

(presented by the 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,
- 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 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 2007 for the reasons set out in the explanatory memorandum.

¹ OJ L 248, 16.9.2002, p. 1.

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GENERAL STATEMENT OF REVENUE

STATEMENT OF REVENUE AND EXPENDITURE BY SECTION

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

EXPLANATORY MEMORANDUM

1. INTRODUCTION

The adaptations to the Preliminary Draft Budget for 2007 (PDB 2007), included in Amending Letter No 2 (AL 2) fall into two broad categories: those which have a net financial impact, and those which merely concern adjustments to the budgetary remarks and other technical corrections.

Those changes with a net financial effect are as follows:

- The budgetary aspects of the creation of the European Globalisation Adjustment Fund (EGF), must be taken into account following the approval on 17 May 2006 of the Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management. EUR 500 million in commitment appropriations are thus entered into the reserve.
- Pending adoption of the proposal for a new Council Regulation on Community financial contributions to the International Fund for Ireland (IFI), it is proposed to enter EUR 15 million in commitment appropriations into the reserve.
- Following the adoption by the Commission on 28 June 2006 of the proposal for a Decision amending and extending Decision No 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), it is proposed to increase the level of commitment (+EUR 6 million) and payment appropriations (+ EUR 4,4 million) entered in the reserve for this programme.
- 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 contribution of Heading 1b to the European Neighbourhood and Partnership Instrument has now been entered in the budget. For commitment appropriations the net financial impact is zero but there is an increase in payment appropriations of EUR 8,4 million. There are also changes of a similar nature, reflecting variations in the “convergence” and “non-convergence” envelopes of the European Fisheries Fund, though in this case the financial impact is zero for both commitment and payment appropriations.

To summarise, these modifications primarily concern commitment appropriations to be entered in the reserve (EUR 500 million for the EGF, EUR 15 million for the IFI, and EUR 6 million for Hercule II, all under Heading 1a). For payment appropriations EUR 4,4 million relates to payment appropriations for Hercule II, to be entered into the reserve for Heading 1a. EUR 8,4 million in additional payment appropriations are requested for Heading 1b.

The second category of adjustments is technical in nature, and mostly involves the updating of the budgetary remarks:

- The modification of the budgetary remarks to take account of the revised legislative package, adopted by the Commission on 24 May 2006. The amended legislative acts proposed are consistent with the annual expenditure ceilings agreed in the new multi-annual financial framework.

- For the Structural Funds and the European Fisheries Fund, updates take account of the adoption of the legal acts.
- In order to ensure a homogenous promotion system for all Commission staff, adaptations to the establishment plan of the Joint Research Centre (JRC) are proposed.
- Following the modernisation of the accounting system, there is also a need to put forward a proposal to create, with a token “p.m.” entry, two new budget lines: 27 01 12 02 “Coverage of expenditure incurred in connection with treasury management” and 21 01 04 10 “EDF contribution to common administrative support expenditure”, both already proposed in PDAB 5/2006.
- In order to take account of the forthcoming legislative proposal on the European Investment Fund capital increase, the budget remarks of expenditure item 01 04 09 01 “EIF-Provision of paid-up shares of subscribed capital”, and revenue Article 850 “Dividends paid by the EIF” should be updated.
- A technical correction is necessary to finance budget Article 04 04 09 “Support for the running costs of the Platform of European Social Non-governmental organisations” under Heading 3b of the new multi-annual financial framework, instead of Heading 1a as in the PDB. This involves moving EUR 620 000 in both commitments and payments from Heading 1a to Heading 3b.
- The budget remarks of a number of Community programmes (Community Statistical Programme, Lifelong, Learning, Youth in Action, Media, European Environmental Agency) should be updated to reflect an agreement on the participation of the Swiss Confederation.

Finally, by means of this amending letter, the Commission draws the attention of the European Parliament and the Council on the consequences of a possible delay in the adoption of certain new legal bases in the field of external actions, and the proposed remedial actions that might be required before the new legal bases enter into force. In the framework of the negotiations on the Interinstitutional Agreement (IIA) on budget discipline and sound financial management, political agreement was reached on the need for the new programmes and the related financial envelopes. Despite this, the legal bases of certain programmes might not be approved by the end of 2006. This would create a legal vacuum, in particular for the ongoing programmes expiring at the end of 2006, which are going to be consolidated in new instruments. Therefore, the Commission intends to ensure the means for the ongoing actions to be properly completed and the preparatory work for the new programmes to be operational once the relevant legal bases are eventually adopted. With deconcentration, the Commission is partly relying on technical assistance and administrative support charged to the programme being implemented (the so-called former BA-lines). To ensure the administrative continuity of the on-going programmes (already approved), and given the underlying political agreement reached in the IIA on the new programmes and the related financial envelopes, the Commission intends to continue to charge to the relevant programmes the cost of the technical assistance and administrative support necessary for a proper implementation, also in the event of a transitional phase before final adoption of the new legal bases.

2. EUROPEAN GLOBALISATION ADJUSTMENT FUND (EGF)

The European Globalisation Adjustment Fund is set out under Point 28 of the IIA:

“The European Globalisation Adjustment Fund is intended to provide additional support for workers who suffer from the consequences of major structural changes in world trade patterns, to assist them with their reintegration into the labour market.

The Fund may not exceed a maximum annual amount of EUR 500 million (current prices) which can be drawn from any margin existing under the global expenditure ceiling of the previous year, and/or from cancelled commitment appropriations from the previous two years, excluding those related to Heading 1b of the financial framework.

The appropriations will be entered in the general budget of the European Union as a provision through the normal budgetary procedure as soon as the Commission has identified the sufficient margins and/or cancelled commitments, in accordance with the second paragraph.

(...)

The corresponding commitment appropriations will be entered in the budget under the relevant heading, if necessary over and above the ceilings laid down in Annex I.”

Accordingly, the Commission proposes the creation of a new article in the Preliminary Draft Budget, 40 02 43, entitled “Reserve for the European Globalisation Adjustment Fund”, and to allocate the maximum amount permissible of EUR 500 million as commitment appropriations. In fact, the margins available are greater than EUR 500 million as the following data illustrates:

- The margin under the global expenditure ceiling for the financial year 2006 amounts to EUR 2 504 090 676 i.e. the difference between the total appropriations for commitments (EUR 121 190 909 324) and the ceiling of the Financial Perspective for 2006 (EUR 123 695 000 000).
- The total lapsing commitment appropriations identified in the Provisional Annual Accounts of the European Communities for the financial year 2005 (excluding those related to Heading 1b) amount to EUR 612 430 585,24².

The needs for payment appropriations will be established at the same time that the Commission presents the budgetary authority with a proposal for a decision to mobilise the EGF, and for the transfer to the relevant budget line (04 05 01). Therefore, the reserve budget line will carry a token entry (“p.m.”) for payment appropriations at this stage. Only if payment appropriations cannot be made available by a transfer from Title 04, or from other titles, to the EGF, will an amending budget be needed.

² Amount drawn from the difference between the total lapsing commitment appropriations and the commitment appropriations of the structural operations (Heading 2 under the 2000-2006 Financial Perspectives and the future Heading 1b under the new multi-annual financial framework 2007-2013).

3. INTERNATIONAL FUND FOR IRELAND 2007-2010

The International Fund for Ireland (IFI) was established in 1986 in order to contribute to the implementation of Article 10(a) of the Anglo-Irish Agreement of 15 November 1985 which provides that *"the two governments shall co-operate to promote the economic and social development of those areas of both parts of Ireland which have suffered most severely from the consequences of the instability of recent years, and shall consider the possibility of securing international support for this work"*. The objectives of the IFI are "to promote economic and social advance and to encourage contact, dialogue and reconciliation between nationalists and unionists throughout Ireland".

The economic and social development in support of peace and reconciliation is a long term process. As an instrument towards this goal, the IFI complements the action carried out by the EU Programmes for Peace and Reconciliation in Northern Ireland and the Border Region of Ireland ("PEACE I" 1995-1999, "PEACE II" 2000-2006 and "PEACE III" 2007-2013)³ set up in accordance with Council Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds.

The Community has provided financial contributions to the Fund from 1989. For the period 2005 to 2006 EUR 15 million was committed from the EU budget for each of the years, in accordance with Council Regulation (EC) No 177/2005 of 24 January 2005 on Community financial contributions to the International Fund for Ireland. That Regulation will expire on 31 December 2006.

The International Fund, aware that the current level of international support cannot be maintained indefinitely, performed a review of its structures and priorities in 2005, in order to redefine its mission in light of the new realities, and has adopted a strategic framework which will bring the life of the Fund to an end in 2010. This strategy is entitled "Sharing this Space" and launches the final phase of activities of the Fund (2006–2010). During this closing period the Fund will target the areas of greatest need and will seek to ensure that its work is made sustainable in the longer term.

At its meeting in Brussels on 15 and 16 December 2005, the European Council called on the Commission to take the necessary steps with a view to continued EU support for the Fund as it enters the crucial final phase of its work up to 2010⁴. In light of the above assessment, EU contributions of EUR 15 million are proposed for each of the years 2007, 2008, 2009 and 2010, amounting to a total contribution, over these years, of EUR 60 million.

The new Council Regulation should also reflect the observations made in the Commission report on the Fund, in particular those reinforcing synergy of objectives and co-ordination with Structural Funds interventions. The Fund should give priority to projects of a cross-border community nature, in such a way as to complement the activities funded by the PEACE Programme for the period 2006 to 2010.

4. PROTECTION OF THE COMMUNITY'S FINANCIAL INTERESTS (HERCULE)

Decision No 804/2004/EC of the European Parliament and of the Council of 21 April 2004 established a Community action programme to promote activities in the field of the protection of

³ Hereinafter "the PEACE Programme".

⁴ Presidency Conclusion – Brussels European Council 15-16 December 2005; Council of the EU No 15914/1/05 (Concl 3) of 16.12.2005.

the Community's financial interests (Hercule). A proposal for a Decision amending and extending Decision No 804/2004/EC was adopted by the Commission on 28 June 2006, and transmitted to the Budget Authority and the Court of Auditors (SEC(2006) 826). It is now necessary to update the PDB 2007 to reflect the extended nature of the programme, which should now cover activities in the fight against cigarette smuggling and counterfeiting and should also be expanded to cover certain third countries.

The PDB 2007 foresaw commitment appropriations of EUR 7,7 million, in the reserve for the relevant budget item 24 02 01. Payment appropriations amounted to EUR 4,62 million on the line, with a further EUR 1,98 million in the reserve, pending the adoption of the revised Decision. Now, taking account of the expanded scope of the programme, it is proposed to add a further EUR 6 million in commitments, and EUR 4,4 million in payments, to be placed in the reserve until the legal base is adopted.

5. CHANGES ARISING FROM THE NEW MULTI-ANNUAL FINANCIAL FRAMEWORK

Following the adoption by the Commission on 24 May of the revised legislative package, consistent with the annual expenditure ceilings agreed in the new financial framework, and enshrined in the new Inter-Institutional Agreement, it is necessary to modify the budgetary remarks of a number of budget lines or even the budgetary nomenclature, in the different headings. The full details are provided in the budgetary annex to this Amending Letter.

However, with regard to agricultural expenditure, it should be noted that the Commission also proposes to change the classification of expenditure, from non-compulsory expenditure to compulsory expenditure for the following budget lines: 05 04 03 02 “Plant and animal genetic resources — Completion of earlier measures”; 05 07 01 05 “Checks on application of the rules in agriculture”; 05 08 01 “Farm Accountancy Data Network (FADN)”; 05 08 02 “Surveys on the structure of agricultural holdings”; 05 08 03 “Restructuring of systems for agricultural surveys”; 05 08 07 “Completion of earlier measures in the field of information” and 05 08 08 “External study on the impact of Council Directive 2000/36/EC”. The newly established Interinstitutional Agreement confirms that agricultural expenditure financed by the European Agricultural Guarantee Fund (EAGF) must be considered as compulsory expenditure. The expenditure eligible for financing by the EAGF is listed on Articles 3 and 5 of the Council Regulation on the financing of the common agricultural policy, which shall apply from 1 January 2007⁵. By comparison with the Regulation previously in place, additional interventions can be financed by the EAGF. Therefore, the lines relating to these interventions, which were previously financed under Heading 3 of the financial perspectives, should be considered as compulsory expenditure.

6. STRUCTURAL AND COHESION FUNDS AND THE EUROPEAN FISHERIES FUND

For the Structural and the Cohesion Funds, the adopted legal basis changes the distribution of the overall Heading 1b envelope amongst some of its components, and the PDB needs to be adapted accordingly. The contribution of Heading 1b to the European Neighbourhood and Partnership Instrument (ENPI, Cross-Border Cooperation) has now been determined and the corresponding transfer is made from the Territorial Cooperation line of the European Regional Development Fund

⁵ Council Regulation (EC) No 1290/2005 of 21 June 2005.

(ERDF) to the ENPI line. There is no change in the overall Heading 1b envelope for commitment appropriations. There are also a number of technical corrections.

For the European Fisheries Fund, there is a shift from the “Convergence objective” to “Outside Convergence” to reflect the most recent agreement of the split between convergence and non-convergence regions.

The following table summarises the changes. They are explained in more detail below.

		PDB 2007		AL No 2/2007		Difference	
		CA	PA	CA	PA	CA	PA
European Fisheries Fund (EFF) - Convergence objective	11 06 12	425.522.172	227.778.312	425.295.599	227.668.652	-226.573	-109.660
European Fisheries Fund (EFF) - Outside convergence objective	11 06 13	141.368.451	73.568.120	141.595.024	73.677.780	226.573	109.660
HEADING 2 net change						0	0
Cohesion Fund (CF)	13 04 02	7.116.881.844	1.691.967.816	7.121.426.147	1.693.079.985	4.544.303	1.112.169
Cohesion Fund net change						4.544.303	1.112.169
ERDF - Convergence	13 03 16	20.713.696.132	3.048.644.731	20.676.478.574	3.043.946.283	-37.217.558	-4.698.448
ERDF - Regional competitiveness	13 03 18	5.349.761.046	596.004.134	5.381.768.585	633.338.124	32.007.539	37.333.990
ERDF European territorial cooperation	13 03 19	1.110.410.848	170.883.799	1.055.259.758	158.130.591	-55.151.090	-12.753.208
ERDF Operational Technical Assistance	13 03 20	55.056.904	22.022.762	54.869.515	21.947.806	-187.389	-74.956
Cross-Border Co-operation – Contribution from Heading 1b	19 08 02 02	p.m.	p.m.	47.579.371	20.000.000	47.579.371	20.000.000
ESF Convergence	04 02 17	7.416.571.011	1.092.393.287	7.403.245.207	1.089.889.685	-13.325.804	-2.503.602
ESF - Regional competitiveness	04 02 19	3.648.156.721	461.831.532	3.669.983.587	431.891.576	21.826.866	-29.939.956
ESF operational technical assistance 2007-13	04 02 20	10.000.000	5.000.000	9.923.762	4.961.881	-76.238	-38.119
Structural Funds net change						-4.544.303	7.325.701
HEADING 1b net change						0	8.437.870

Commitment appropriations for the Structural and Cohesion Funds have been adjusted to reflect the final figures in the agreed legal basis. Overall, the Cohesion Fund gains EUR 4,544 million, and the Structural Fund loses EUR 4,544 million. Within the Structural Funds, there is a reduction in appropriations for “Convergence”, and an increase for “Regional Competitiveness”. Commitment appropriations for the “Territorial Cooperation” objective decrease. Also for this objective, the contribution from Heading 1b to the European Neighbourhood and Partnership Instrument (Cross-Border Co-operation), i.e. EUR 47,579 million, has been transferred by decreasing the ERDF European Territorial Cooperation line and increasing correspondingly the ENPI line for Cross-Border Cooperation. Technical assistance is marginally lower than in the PDB. Concerning the breakdown of appropriations between the ERDF and the ESF, the percentage split used for the PDB was kept.

Overall payment appropriations increase even if there is no net change in commitment appropriations. This is essentially because advance payments, calculated as a percent of the overall programming envelopes, are slightly higher for the Cohesion Fund and the legal basis recently adopted has increased the Cohesion Fund allocation at the expense of the Structural Funds. Besides, the payment appropriations now budgeted for Cross-Border Cooperation under the ENPI line are higher than the corresponding reduction in the ERDF Territorial Cooperation line, which reflects higher estimation of needs by the ENPI. However, in all other cases, the overall amount of appropriations for each Objective has been changed in line with changes in commitments, so as to reflect the expected change in advances. A technical correction has also been made to the PDB by adjusting the balance between ESF and ERDF payment appropriations for the “Regional Competitiveness” objective, reducing payments for the ESF and increasing those for the ERDF. The

adjustment means that payments are now in the same ratio to commitments for both ESF and ERDF.

7. JOINT RESEARCH CENTRE (JRC)

Further to the request made by the Commission for 2006 via flexibility in the establishment plan (Article 47 of the Financial Regulation), the JRC establishment plan for 2007 needs to be adjusted in order to guarantee a promotion policy that is the same for all Commission staff.

The amendment proposed makes the appropriate changes in the grade structure of the JRC establishment plan, allowing also for the expected promotions for 2006, without altering the total number of posts or the breakdown by function group.

It also incorporates a conversion of AD5 posts into AD6 posts so that successful candidates in research competitions can be recruited at that level. The reason for this is the need to recruit highly qualified and specialist staff.

The changes proposed do not require any adjustment of the appropriations proposed for the JRC, as career development is covered within the GVT (*Glissement Vieillesse Technicité* - drift, ageing, technical content) parameter.

Changes to JRC establishment plan - AL PDB 2007

Research and technological development – Joint Research Centre

Category and grade	Posts PDB 2007	Changes AL PDB 2007	Posts 2007 after AL
AD 16	2	0	2
AD 15	10	0	10
AD 14	36	0	36
AD 13	9	0	9
AD 12	204	20	224
AD 11	178	37	215
AD 10	166	-29	137
AD 9	30	0	30
AD 8	69	-8	61
AD 7	10	0	10
AD 6	94	20	114
AD 5	60	-40	20
Total AD	868	0	868
AST 11	14	0	14
AST 10	69	0	69
AST 9	42	4	46
AST 8	106	2	108
AST 7	124	11	135
AST 6	243	-4	239
AST 5	122	-2	120
AST 4	135	-11	124
AST 3	151	0	151
AST 2	35	0	35
AST 1	48	0	48
Total AST	1 089	0	1 089
Grand total	1 957	0	1 957

8. BUDGETARY ADJUSTMENTS FOLLOWING MODERNISATION OF THE ACCOUNTING SYSTEM

8.1. Coverage of expenditure incurred in connection with treasury management

Following the Commission's modernisation of its accounting system, and the need to close a number of non-budget accounts that have had outstanding balances for a number of years, the Commission has already proposed, in PDAB 5/2006, the creation of a new item 27 01 12 02 – "Coverage of expenditure incurred in connection with treasury management", with the following remarks:

“This appropriation is intended to cover budgetary adjustments:

- for imprest accounts, where all appropriate measures have been taken by the authorising officer to deal with the situation and where the adjustment expenditure cannot be booked to another specific budget line,
- in situations where a claim is cancelled in full or in part, after it has been booked to the accounts as revenue (in particular in the event of offsetting against a debt),
- in cases where VAT has not been recovered and where it is no longer possible to book the amount to the line that covered the principal expenditure,
- for any interest relating to the above cases, where it cannot be booked to another specific budget line.”

The Commission also proposed to transfer to this new budget item the second paragraph of the remarks of budget item 27 01 12 01 “Financial charges “, reading as follows: “This item is also intended to accommodate, if necessary, an appropriation to cover any losses resulting from the liquidation or cessation of activities of a bank with which the Commission has accounts for the purposes of imprests.”

These changes should now also be introduced into PDB 2007, with a token entry (“p.m.”).

8.2. Creation of a new budget item 21 01 04 10 – EDF contribution to common administrative support expenditure

The Commission also proposes to create a new budget item 21 01 04 10, as was done in PDAB 5/2006.

Under the terms of the Internal Agreement for the 9th EDF, a part of the EDF envelope is used to defray the costs incurred by the Community budget in supporting the implementation of the EDF in EU delegations, such as external staff, rent, utilities etc. As the budget for the EDF is different from the Community budget, the Commission establishes a recovery order to the EDF at the beginning of each financial year based on an estimate of the previous year’s expenditure. During the year, a repartition of the expenditure fairly apportioned over the different administrative budget items, as well as over the EDF, is made on a special non-budgetary account designated for this purpose. This means that currently the budgetary reporting of the Commission does not include the amount of expenses financed by EDF.

To enable successive and efficient treatment, and complete budgetary implementation reporting, it is proposed to create a budget line on which commitment and payment appropriations are automatically inscribed after the cashing of the funds received from EDF. The proposed measure is technically required by the accrual accounting system that will be installed in the Delegations, and will considerably improve the accountability and transparency of the transactions. The change has no impact on the amounts of the in- or outflow nor on the level of the funding.

This line will allow the use of common reporting instruments for EDF revenues and expenditure. The financial contribution from the EDF is treated as assigned revenue, and a "p.m." is proposed for payment and commitments appropriations.

9. EUROPEAN INVESTMENT FUND

The European Investment Fund will exhaust its own resources by mid-2007, and therefore, the EIF's Board of Directors proposes to increase the subscribed capital by up to 50% in nominal terms. Article 3 of Council Decision 94/375/EC specifies that the possible capital increase should be decided unanimously by the Council, acting on proposal from the Commission and after consulting the European Parliament.

A legislative proposal on EIF capital increase is expected to be adopted by the Commission by the end of the year. The cost of the capital increase will be covered during the period 2007-2010 by budget item 01 04 09 01, as proposed in PDB 2007. The total share purchase price to be paid to the Fund comprises the nominal value of capital paid-in and the share premium, which reflects the financial performance of the Fund. In order to accommodate any price uncertainties, the Commission proposal foresees to use the dividends paid by the Fund to the Community during the four-year period to cover part of the cost of the capital increase.

Article 10 of the Implementing Rules of the Financial Regulation indicates that appropriate budgetary structure and comments are necessary to accommodate assigned revenue. Therefore, the amending letter proposes updated budgetary comments in expenditure budget item 01 04 09 01 "EIF-Provision of paid-up shares of subscribed capital", and revenue Article 850 "Dividends paid by the EIF".

10. PLATFORM OF THE EUROPEAN SOCIAL NON-GOVERNMENTAL ORGANISATIONS

The Commission proposal for establishing the programme "Citizens for Europe" to promote active European citizenship for the period 2007-2013, includes, among other actions, the structural support for organisations of civil society at European level (Action 2: Active Civil Society in Europe).

Under the previous financial perspective, the Platform of European Social NGOs, as well as the other organisations of civil society were financed under Heading 3. Under the new multi-annual financial framework the legal basis Citizens for Europe is in Heading 3b. Since all the activities of DG EMPL are financed under Heading 1a, budget Article 04 04 09, corresponding to the running costs of the Platform of the European Social Non-Governmental Organisations, was inserted in PDB 2007 under Heading 1a. Therefore a technical correction is necessary to include this budget Article under Heading 3b in conformity with the legal base. This involves the reallocation of EUR 620 000 in both commitment and payment appropriations from Heading 1a to Heading 3b.

11. PARTICIPATION BY THE SWISS CONFEDERATION IN COMMUNITY PROGRAMMES

In order to take account of the implementation of the agreement between the European Community and the Swiss Confederation on Swiss participation in a number of Community programmes the related budgetary remarks of these programmes should be updated. The full details are set out in the budgetary annex, and concern the Community Statistical Programme, Lifelong Learning, Youth in Action, Media, and the European Environmental Agency.

SUMMARY TABLE BY HEADING OF THE FINANCIAL FRAMEWORK

Financial framework Heading/subheading	2007 Financial framework		APB 2007 (including AL No 1/2007 ⁶)		AL 2/2007		APB 2006 + AL No 1 and 2/2007	
	CA	PA	CA	PA	CA	PA	CA	PA
1. SUSTAINABLE GROWTH								
1a. Competitiveness for growth and employment	8 918 000 000		8 796 103 511	6 943 524 511	+520 380 000	+3 780 000	9 316 483 511	6 947 304 511
1b. Cohesion for growth and employment	45 487 000 000		45 486 558 504	37 790 265 808		+8 437 870	45 486 558 504	37 798 703 678
Total Margin	54 405 000 000		54 282 662 015 <i>122 337 985</i>	44 733 790 319		12 217 870	54 803 042 015 <i>101 957 985⁷</i>	44 746 008 189
2. PRESERVATION AND MANAGEMENT OF NATURAL RESOURCES								
Of which market related expenditure and direct payments	45 759 000 000		43 684 007 000	43 407 987 756			43 684 007 000	43 407 987 756
Total Margin	58 351 000 000		57 217 576 036 <i>1 133 423 964</i>	55 683 381 736			57 217 576 036 <i>1 133 423 964</i>	55 683 381 736
3. CITIZENSHIP, FREEDOM, SECURITY AND JUSTICE								
3a. Freedom, Security and Justice	637 000 000		571 339 000	426 989 000			571 339 000	426 989 000
3b. Citizenship	636 000 000		603 055 000	679 632 652	+620 000	+620 000	603 675 000	680 252 652
Total Margin	1 273 000 000		1 174 394 000 <i>98 606 000</i>	1 106 621 652			1 175 014 000 <i>97 986 000</i>	1 107 241 652
4. EU AS A GLOBAL PARTNER⁸	6 578 000 000		6 702 527 000 <i>110 000 000</i>	7 447 469 578			6 702 527 000 <i>110 000 000</i>	7 447 469 578
5. ADMINISTRATION⁹	7 039 000 000		7 002 283 649 <i>112 716 351</i>	7 002 183 649			7 002 283 649 <i>112 716 351</i>	7 002 183 649
6. COMPENSATION	445 000 000		444 646 152 <i>353 848</i>	444 646 152			444 646 152 <i>353 848</i>	444 646 152
TOTAL Margin	128 091 000 000	123 790 000 000	126 824 088 852 <i>1 577 438 148</i>	116 418 093 086 <i>7 447 906 914</i>	+521 000 000	+12 837 870	127 345 088 852 <i>1 556 438 148</i>	116 430 930 956 <i>7 435 069 044</i>

⁶ AL No 1/2007 did not have any effect on expenditure, only on revenue.

⁷ The EGF is not included in the calculation of the margin under Heading 1a.

⁸ The 2007 margin for Heading 4 does not take into account the appropriations related to the Emergency Aid Reserve (EUR 234,5 million).

⁹ For calculating the margin under the ceiling for Heading 5, account is taken of footnote (1) of the financial framework 2007-2013 for an amount of EUR 76 million for the staff contributions to the pensions scheme.