

034950/EU XXIII.GP
Eingelangt am 14/04/08

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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 14.4.2008
COM(2008) 201 final

**PRELIMINARY DRAFT AMENDING BUDGET N° 3
TO THE GENERAL BUDGET 2008**

**STATEMENT OF EXPENDITURE BY SECTION
Section III - Commission
Section VI - Economic and Social Committee**

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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 amended by Council Regulation (EC, Euratom) No 1995/2006², and in particular Article 37 thereof,

The European Commission hereby presents to the budgetary authority the Preliminary Draft Amending Budget No 3 to the 2008 budget.

¹ OJ L 248, 16.9.2002, p. 1.

² OJ L 390, 30.12.2006, p. 1.

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CHANGES TO THE GENERAL STATEMENT OF REVENUE

CHANGES TO THE STATEMENT OF REVENUE AND EXPENDITURE BY SECTION

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

1. INTRODUCTION

Preliminary Draft Amending Budget (PDAB) No 3 for the year 2008 covers the following elements:

- The budgeting of the revenue accruing from the Microsoft case.
- The budgeting of part of the savings arising from the smaller than estimated increase for pay and pensions in 2007, leading to a reduction of EUR 2,3 million in commitment and payment appropriations under heading 5.
- Reinforcement of the emergency fund for veterinary measures due to the bluetongue crisis by EUR 130 million in commitment appropriations, and EUR 63,95 million in payment appropriations.
- The creation of the necessary budgetary structure to accommodate four Joint Technology Initiatives: Innovative Medicines Initiative (IMI), Clean Sky, ARTEMIS (Joint Technology Initiative in Embedded Computing Systems) and ENIAC (European Technology Platform on Nanoelectronics).
- Mobilisation of the EU Solidarity Fund for an amount of EUR 98 million in commitment and payment appropriations relating to forest fires in Greece in August 2007 and floods in Slovenia in September 2007.
- Modifications to the establishment plan of the European Institute for Gender Equality.
- Modifications to the establishment plan of the European Economic and Social Committee.

The net effect of the modifications to expenditure is an increase of EUR 225,7 million in commitment appropriations, and an increase of EUR 159,6 million in payments. There will be no call for additional revenue.

2. MICROSOFT

On 24 March 2004, the Commission addressed a decision to the Microsoft Corporation, relating to a proceeding under Article 82 of the EC Treaty (Decision C(2004) 900). In the Decision, the Commission found that Microsoft had infringed Article 82 of the EC Treaty by engaging in acts that constituted various abuses of a dominant position. A fine of EUR 497,2 million was imposed on the Microsoft Corporation. The Commission also imposed a number of measures, aimed at bringing to an end, in an effective manner, the infringement in question.

On 10 November 2005, the Commission warned Microsoft, pursuant to Article 24(1) of Regulation 1/2003³, that should Microsoft not comply with these obligations by 15 December 2005, it would face a daily penalty payment of up to EUR 2 million. The definitive amount of the periodic penalty payment imposed on the Microsoft Corporation for failure to comply

³ Council Regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty, OJ L1, 4.1.2003, p.1.

with its obligation was fixed at EUR 280,5 million by Article 2 of Commission Decision of 12 July 2006.

The fine imposed on 24 March 2004 and the daily penalty definitely imposed on 12 July 2006 became final following the final judgement of the Court of First Instance of 10 November 2007 in the case T-201/04, and the order for removal from the register of 6 December 2007 in the case T-271/06). In 2008, the Commission has received the principal of EUR 777,7 million (EUR 497,2 million and EUR 280,5 million), as well as banking interest of EUR 71,5 million, accumulating since the provisional deposit, giving a total amount of EUR 849,2 million.

3. SALARIES ADJUSTMENT

The Preliminary Draft Budget (PDB) for 2008 presented by the Institutions was based upon an estimate of a 2,2% increase for pay and pensions.

On 17 December 2007 the Council, acting on a Commission proposal, adopted Regulation 1558/2007⁴, increasing with effect from 1 July 2007 the remuneration and pensions of officials and other servants of the European Communities by 1%. This is the increase that has been applied to pay and pensions in 2007.

However, after the submission of the Commission proposal to the Council, Italy communicated new data concerning the increase in the remuneration of its civil servants with effect from 1 February 2007. Therefore the Commission has presented a revised proposal increasing pay and pensions by a further 0,4% with effect from 1 July 2007.

The consequence for 2008 is that appropriations for pay and pensions can be reduced by about 0,6%. This is the result of two technical adjustments:

- the reduction of pay and pensions expenditure by about 0,8% due to the difference between the 2,2% estimated increase and the 1,4% actual increase.
- the increase of pay and pensions expenditure by about 0,2% due to the one off backdated payment of 0,4% for the last 6 months of 2007.

In absolute terms the net effect on heading 5 expenditure for Commission staff salaries, and for pensions for all institutions, is a saving of EUR 18,9 million. It is proposed to decrease the budgetary appropriations for the pensions budget line by EUR 2,3 million.

The remainder of the savings will be used to cover previously unforeseen needs linked to the Microsoft judgement of 17 September 2007 in Case T-201/04, and a transfer request is being submitted separately.

The Court of First Instance annulled part of Article 7 of the Decision, insofar as it provided that all the costs associated with the Monitoring Trustee be borne by Microsoft.

The Trustee was appointed in 2005 following the procedure set out in the Commission's "Trustee Decision". Microsoft has funded the Trustee's operation, including his remuneration,

⁴ Council Regulation (EC, Euratom) No 1558/2007 of 17 December 2007 adjusting with effect from 1 July the remuneration and pensions of officials and other servants of the European Communities and the correction coefficients applied thereto, OJ L340, 22.12.2007, p.1.

since October 2005. Based on the cash disbursements of Microsoft, the cost borne by the Trustee to implement the Commission Decision up to 17 September 2007 is estimated at EUR 14,2 million.

The Monitoring Mechanism's task is to support the Commission in monitoring Microsoft's compliance with the Decision. It delivers technical reports and expert opinions on the state of the interoperability information and practical testing of the information's correctness. It also acts as a mediator between licensees and Microsoft in all matters regarding the licensing conditions and the licensed materials. Its work is very important for the effective enforcement of the Decision and in the pending procedure under Article 24(2) of Regulation 1/2003 concerning Microsoft's failure to comply with the Decision. A continuation of the Monitoring Mechanism's work must therefore be ensured. An additional EUR 2,4 million will be needed in 2008 to cover the costs of ensuring the necessary continuity of the Monitoring Mechanism's services. Thus, the combined needs for the Monitoring Trustee in 2008 amount to EUR 16,6 million.

4. BLUE TONGUE VACCINATION CAMPAIGN

In 2007 outbreaks of bluetongue have occurred in several Member States, and more particularly bluetongue serotype 8 in Belgium, the Czech Republic, Denmark, Germany, Spain, France, Luxembourg, the Netherlands and bluetongue serotype 1 in France, Spain and Portugal. Bluetongue is a vector-borne disease, for which slaughter of animals of susceptible species is not in general an appropriate measure except in the case of animals clinically affected with bluetongue. The emergence of this disease may represent a serious risk to the Community's livestock population

Vaccination is the most efficient veterinary measure that may be used to fight bluetongue, and a mass emergency vaccination campaign is the best option to achieve the objectives of reducing clinical disease and losses, containing the spread of the disease, protecting free territories in the Member States and facilitating safe trade in live animals.

In order to prevent the spread of the disease as rapidly as possible, the Community should contribute financially to the eligible expenditure incurred by the Member States concerned in the context of the emergency measures taken to combat the disease, as provided for in Decision 90/424/EEC⁵. According to this Decision, the contribution must be 100% of the cost of supply of the vaccine and 50% of the costs incurred in carrying out the vaccination

The Member States have presented their plans for emergency vaccination indicating the approximate number of vaccine doses to be used in 2007 and 2008 and the estimated costs of carrying out those vaccinations. The Commission has assessed these plans from both the veterinary and the financial point of view and the plans were found to comply with relevant Community veterinary legislation.

The total cost of the above mentioned vaccination action is estimated at EUR 130 million. Payment requirements for 2008 amount to EUR 63,95 million. This amount was, having regard to the timing of the emergency situation, not taken into account when the 2008 budget was prepared and decided upon. At this time of the year, no appropriations are foreseen to be available within the 2008 FEAGA budget. Therefore, the Commission requests to increase the

⁵ OJ L224, 18.8.1990, p.19.

level of appropriations in budget item "*emergency fund for veterinary complaints and other animal contaminations which are a risk for public health*" (17 04 03 01) by EUR 130 million in commitments and EUR 63,95 million in payments. The increased budget remains within the ceiling of heading 2.

5. JOINT TECHNOLOGY INITIATIVES

In accordance with Article 166 of the EC Treaty, the European Parliament and the Council adopted Decision 2006/1982/EC of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities, (2007-2013) - the *Framework Programme*⁶. The Council subsequently adopted Decision 2006/971/EC of 19 December 2006 concerning the specific programme 'Cooperation' implementing the Seventh Framework Programme of the European Community – the *Specific Programmes*⁷.

Across all the themes determined for the Community action, and between the existing different instruments, the Seventh Research Framework Programme can be implemented, in a very limited number of cases, through Joint Technology Initiatives (JTIs).

The proposed draft amending budget follows the adoption of four Council regulations⁸ establishing the corresponding public private partnerships on the basis of Article 171 of the Treaty and Article 185 of the Financial Regulation:

- Council Regulation (EC) No 73/2008 of 20 December 2007 setting up the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines (IMI);
- Council Regulation (EC) No 71/2008 of 20 December 2007 setting up the Clean Sky Joint Undertaking;
- Council Regulation (EC) No 72/2008 of 20 December 2007 setting up the ENIAC (European Technology Platform on Nanoelectronics) Joint Undertaking;
- Council Regulation (EC) No 74/2008 of 20 December 2007 on the establishment of the 'ARTEMIS Joint Undertaking' to implement a Joint Technology Initiative in Embedded Computing Systems.

All Joint Undertakings are bodies set up by the Communities, and discharge for the implementation of their budgets should be given by the European Parliament, on a recommendation from the Council, taking however into account the particular characteristics resulting from the nature of JTIs as public-private partnerships and in particular from the private sector contribution to the budget.

This amending budget concerns the creation of the corresponding new items for the subsidies to the four Joint Undertakings. No additional appropriations are requested in the framework of the creation of these new budget lines: the appropriations will be deducted from the budget

⁶ OJ L412, 30.12.2006, p. 1.

⁷ OJ L400, 30.12.2006, p.86

⁸ OJ L30, 04.02.2008, p.1.

lines corresponding to the Seventh Framework Programme priorities of the corresponding policy areas. The new items to be created are the following:

08 02 02 Cooperation – Health – Innovative Medicines Initiative Joint Undertaking (IMI)

08 02 03 Cooperation – Health – Support expenditure for Innovative Medicines Initiative Joint Undertaking (IMI)

08 07 02 Cooperation – Transport – Clean Sky Joint Undertaking

08 07 03 Cooperation – Transport – Support expenditure for Clean Sky Joint Undertaking

09 04 01 02 Cooperation – Information and communication technologies – ARTEMIS Joint Undertaking

09 04 01 03 Cooperation – Information and communication technologies – Support expenditure for ARTEMIS Joint Undertaking

09 04 01 04 Cooperation – Information and communication technologies – ENIAC Joint Undertaking

09 04 01 05 Cooperation – Information and communication technologies – Support expenditure for ENIAC Joint Undertaking

For 2008, it is proposed to allocate the following amounts, as already set out in the legislative financial statements annexed to the corresponding legislative proposals:

- IMI: EUR 125 000 000 in commitment appropriations and EUR 125 000 000 in payment appropriations;
- Clean Sky: EUR 47 000 000 in commitment appropriations and EUR 40 250 000 in payment appropriations;
- ARTEMIS: EUR 42 500 000 in commitment appropriations and EUR 13 950 000 in payment appropriations;
- ENIAC: EUR 43 000 000 in commitment appropriations and EUR 15 350 000 in payment appropriations.

The following table summarises the appropriations to be allocated to the new items:

New Items	Description	Commitments Appropriations (EUR million)	Payments Appropriations (EUR million)
08 02 02	Cooperation – Health – Innovative Medicines Initiative Joint Undertaking (IMI)	122,700	122,700
08 02 03	Cooperation – Health – Support expenditure for Innovative Medicines Initiative Joint Undertaking (IMI)	2,300	2,300
08 07 02	Cooperation – Transport – Clean Sky Joint Undertaking	45,000	38,250

08 07 03	Cooperation – Transport – Support expenditure for Clean Sky Joint Undertaking	2,000	2,000
09 04 01 02	Cooperation – Information and communication technologies – ARTEMIS Joint Undertaking	41,000	12,450
09 04 01 03	Cooperation – Information and communication technologies – Support expenditure for ARTEMIS Joint Undertaking	1,500	1,500
09 04 01 04	Cooperation – Information and communication technologies – ENIAC Joint Undertaking	41,500	13,850
09 04 01 05	Cooperation – Information and communication technologies – Support expenditure for ENIAC Joint Undertaking	1,500	1,500

The appropriations will be deducted from the following budget lines:

- For the IMI Joint Undertaking: 08 02 01 Cooperation – Health;
- For the Clean Sky Joint Undertaking: 08 07 01 Cooperation – Transport (including Aeronautics);
- For the ARTEMIS and ENIAC Joint Undertakings: 09 04 01 Cooperation – Information and communication technologies. In order to keep the current budgetary structure belonging to a single priority of the Seventh Framework Programme, it is proposed to transform this item into a new item 09 04 01 01.

Taking into consideration the envisaged contribution to the Joint Undertakings, the total amount on the budget lines corresponding to the related priorities will be the following:

Line	Description	Commitments Appropriations (EUR Million)	Payments Appropriations (EUR Million)
08 02 01	Cooperation - Health	570,341	303,286
08 07 01	Cooperation - Transport (including Aeronautics)	301,922	156,652
09 04 01 01	Support to research cooperation in the area of information and communication technologies (ICTs – Cooperation)	974,930	700,700

The Staff Regulations and the rules adopted jointly by the institutions of the Communities for the purpose of applying them shall apply to the staff of Joint Undertakings and their Executive Directors. Full details of the establishment plan of each Joint Undertaking are set out in the budgetary annex.

6. MOBILISATION OF THE EU SOLIDARITY FUND

In August 2007 a fairly extensive part of Greece was affected by forest fires. On 18 September 2007 a large part of Slovenia was affected by heavy rain and a storm, leading to severe flooding and landslides. Within the ten week deadline set by Article 4 of Council

Regulation (EC) No 2012/2002⁹, the Greek and Slovenian authorities applied for financial assistance from the EU Solidarity Fund.

The Commission services have carried out a thorough examination of the applications in accordance with Council Regulation (EC) No 2012/2002, and in particular with Articles 2, 3 and 4 thereof.

The most important elements of the assessment are summarised below.

6.1. Greece: Forest Fires August 2007

The application was presented to the Commission on 30 October 2007, within the deadline of 10 weeks after the first damage was recorded on 23 August 2007. Following a request for further information by letter of 20 December 2007, the Greek authorities completed the application on 24 January 2008.

The disaster is natural in origin. The Greek authorities estimated the total direct damage at EUR 2 118,3 million. As this amount exceeds the threshold of EUR 1 066,5 million (i.e. 0,6% of GNI) the disaster qualifies as a “major natural disaster” and thus falls within the main field of application of Regulation (EC) No 2012/2002. Total direct damage is the basis for the calculation of the amount of financial assistance. This financial assistance may only be used for essential emergency operations as defined in Article 3 of the Regulation.

The Greek authorities indicated that an extensive part of the country was affected by the fires, which were most intense and most widespread in the regions of Western Greece, the Peloponnese, Continental Greece and Attica. The disaster caused major damage to different sectors of the economy, in particular to agriculture, and destroyed infrastructure in the field of transport, telecommunications, energy distribution, water and waste water and natural disaster prevention. The disaster also caused important damage to the natural environment, cultural monuments, schools, hospitals and fire-fighting services. Substantive costs have been incurred for providing temporary accommodation and funding rescue services to meet the immediate needs of the population concerned. Sixty-five people died in the Peloponnese, in Western Greece and in Evvoia as a result of the fires.

The cost of essential emergency operations eligible under Article 3(2) of Regulation (EC) No 2012/2002 has been estimated by the Greek authorities at EUR 1 007,43 million and has been broken down by type of operation. The main bulk of operations concern the immediate restoration to working order of infrastructure, in particular in the field of transport, the funding of rescue services, the immediate securing of preventive infrastructures and cleaning-up operations in the disaster-stricken area. From the information provided by the Greek authorities, it is evident that the real cost of eligible operations far exceeds the amount of any possible grant from the Solidarity Fund. The types of operation to be financed from the Fund will be clearly defined in the Implementation Agreement.

The Greek authorities stated that the damages will not be financed by any other Community sources. The Greek authorities also declared that the eligible damage is not covered by insurance.

⁹ Council Regulation (EC) N° 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund (OJ L 311, 14.11.2002).

For the reasons set out above, it is proposed that the application made by Greece relating to the forest fires starting in August 2007 is accepted as a “major disaster” and that the Solidarity Fund should be used.

6.2. Slovenia: Floods September 2007

The application was presented to the Commission on 19 November 2007, within the deadline of 10 weeks after the first damage was recorded on 18 September 2007.

The disaster is of natural origin. The Slovenian authorities estimated the total direct damage at EUR 233,4 million. As this amount exceeds the threshold of EUR 164,3 million (i.e. 0,6% of GNI) the disaster qualifies as a “major natural disaster” and falls thus within the main field of application of Regulation (EC) No 2012/2002. Total direct damage is the basis for the calculation of the amount of financial assistance. The financial assistance may only be used for essential emergency operations as defined in Article 3 of the Regulation.

According to the Slovenian authorities, a greater part of the country was affected on 18 September 2007 by heavy rains and a storm, leading to floods, landslides and mud/debris flows. The disaster caused significant damage to infrastructure (transport, electricity, water). More than 350 km of national roads and more than 1 600 km of municipal and forest roads were damaged as well as more than 17 km of water infrastructure, more than 10 km of electricity grid, 48 water reservoirs and 147 bridges. In addition, the disaster caused significant damage to public and private buildings (more than 4 320 homes and 61 public institutions flooded), business (192 companies flooded), agriculture and monuments of cultural heritage. The application contains a break-down of damages.

The cost of essential emergency operations eligible under Article 3(2) of Regulation (EC) No 2012/2002 has been estimated by the Slovenian authorities at EUR 158,2 million and has been broken down by type of operation. The largest share of operations concerns cleaning up operations in the disaster stricken area as well as the immediate restoration to working order of water and transport infrastructure. The types of operation effectively to be financed from the Fund will be clearly defined in the Implementation Agreement.

The Slovenian authorities indicated that the damages will not be financed by any other Community sources. The Slovenian authorities declared that the eligible damage is not covered by insurance.

In conclusion, for the reasons set out above, it is proposed to accept the application made by Slovenia relating to the flooding in September 2007 as a “major disaster” and to propose the mobilisation of the Solidarity Fund.

6.3. Financing

The total annual budget available for the Solidarity Fund is EUR 1 billion. In 2008, it has already been proposed to mobilise EUR 162 387 985 for an earlier application, leaving EUR 837 612 015 available.

As solidarity was the central justification for the creation of the Fund, the Commission takes the view that aid from the Fund should be progressive. That means that, according to established practice, the portion of the damage exceeding the threshold (0,6 % of the GNI or EUR 3 billion in 2002 prices, whichever is the lower amount) should give rise to higher aid intensity than damage up to the threshold. The rate applied in the past for defining the

allocations for major disasters is 2,5 % of total direct damage under the threshold and 6 % above. It is proposed to apply the same percentages in this case.

The Commission's proposed allocation under the Fund is based on the information made available by the applicants, and is as follows:

(EUR)

	Direct damage	Threshold	Amount based on 2,5%	Amount based on 6%	Total amount of aid proposed
Greece forest fires	2 118 273 411	1 066 497 000	26 662 425	63 106 584	89 769 009
Slovenia flooding	233 395 389	164 272 000	4 106 800	4 147 403	8 254 203
Total					98 023 212

This amount of compensation will leave at least 25 % of the European Union Solidarity Fund available for allocation during the last quarter of the year, as required by Article 4(2) of Regulation (EC) 2012/2002.

7. MODIFICATION OF THE ESTABLISHMENT PLAN OF THE EUROPEAN INSTITUTE FOR GENDER EQUALITY

The establishment plan for the European Institute for Gender Equality foresees one post at grade AD 13. However, the 2007 selection procedure at grade AD 13 for the post of Director of the European Institute for Gender Equality has not identified suitable candidates with the required competencies.

It is therefore proposed to modify the establishment plan and upgrade the post from grade AD 13 to grade AD 14, in order to attract high quality candidates for the post of Director. This would also align the grade with that of directors of other decentralised agencies.

The proposed readjustment of the establishment plan will have no impact on the level of the budgetary appropriations.

8. MODIFICATION OF THE ESTABLISHMENT PLAN OF THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE

A number of adjustments are proposed to the establishment plan of the European Economic and Social Committee (EESC). This are detailed below.

Temporary posts

1. Conversion of the AD16-HC (hors classe) permanent post to AD16-HC temporary post

The EESC's Bureau has decided to transform the permanent post AD16-unclassified into a temporary post AD16-unclassified, in order to proceed with the recruitment of a temporary agent to replace the current Secretary General, who will depart as of 30 September 2008.

This status has been deemed more appropriate to conform to article 2 a) of the Conditions of Employment of other Servants of the European Communities, when granting the Secretary General a five year temporary contract.

2. Conversion of two permanent posts to temporary posts

As part of the redeployment of a number of posts from the translation units to other EESC services, two posts have been assigned to the President's private office and the Group II secretariat respectively. Since the President's private office and the Group secretariats are staffed by temporary agents employed under Article 2 c) of the Conditions of Employment of other Servants of the European Communities, and the two AST5 posts which have been assigned are permanent, they should be converted to temporary posts.

3. Conversion of two AD posts to AST and of two AST posts to AD

Both the President's private office and the Group III secretariat already have assistants who fit the profile for the new administrator posts. Since in both cases, the grade of the posts concerned (AD5) is too low for the two assistants (they are AST8), and since the appropriate grade is available (in the two posts they are currently occupying), it is proposed to adjust the situation by changing the function group of two temporary AD5 posts to AST5, one temporary AST8 to AD8 and one temporary AST10 to AD10.

4. Upgrading of one AD post and downgrading of one AD post

In order to upgrade one position within the President's private office, it is requested that one AD5 post be upgraded to AD6.

This upgrading will be paired with the downgrading of another post, also in the President's private office where it is requested that one AD10 post be downgraded to AD9.

Permanent post

Conversion of an AST post to AD

For reasons relating to the organisation of the IT unit's work, one AST10 post needs to be converted to AD10 so as to upgrade the position of Head of Unit of the Data Centre. In addition to performing complex tasks, the post holder is responsible for supervising three colleagues. Moreover, this is a sensitive sector subject to regular inspections.

Summary of the requests

Operation	Number
AD16-HC to AD16-HC T	1
AST5 to AST5-T	2
AD5-T to AST5-T	2
AST10-T to AD10-T	1
AST8-T to AD8-T	1
AD5-T to AD6-T	1
AD10-T to AD9-T	1
AST10 to AD10	1

In budget terms, the operation is neutral, since the only request for upgrading is offset by the downgrading of a higher grade.

The total number of authorised posts will remain unchanged.

SUMMARY TABLE BY HEADING OF THE FINANCIAL FRAMEWORK

Financial framework Heading/subheading	2008 Financial framework ¹⁰		Budget 2008 (incl. PDAB 1 and 2/2008)		PDAB 3/2008		Budget 2008 + PDAB 1, 2 and 3/2008	
	CA	PA	CA	PA	CA	PA	CA	PA
1. SUSTAINABLE GROWTH								
1a. Competitiveness for growth and employment	10 386 000 000		11 086 000 000	9 772 639 600			11 086 000 000	9 772 639 600
1b. Cohesion for growth and employment	47 267 000 000		47 255 948 720	40 551 565 026			47 255 948 720	40 551 565 026
Total	57 653 000 000		58 341 948 720	50 324 204 626			58 341 948 720	50 324 204 626
<i>Margin¹¹</i>			<i>-188 948 720</i>				<i>-188 948 720</i>	
2. PRESERVATION AND MANAGEMENT OF NATURAL RESOURCES								
Of which market related expenditure and direct payments	46 217 000 000		40 876 490 000	40 825 600 500	130 000 000	63 950 000	41 006 490 000	40 889 550 500
Total	59 193 000 000		55 434 715 538	53 177 320 053	130 000 000	63 950 000	55 564 715 538	53 241 270 053
<i>Margin</i>			<i>3 758 284 462</i>				<i>3 628 284 462</i>	
3. CITIZENSHIP, FREEDOM, SECURITY AND JUSTICE								
3a. Freedom, Security and Justice	747 000 000		728 034 000	533 196 000			728 034 000	533 196 000
3b. Citizenship	615 000 000		777 230 985	870 640 991	98 023 212	98 023 212	875 254 197	968 664 203
Total	1 362 000 000		1 505 264 985	1 403 836 991	98 023 212	98 023 212	1 603 288 000	1 501 860 203
<i>Margin¹²</i>			<i>19 123 000</i>				<i>19 123 000</i>	
4. EU AS A GLOBAL PARTNER¹³	7 002 000 000		7 311 218 000	8 112 728 400			7 311 218 000	8 112 728 400
<i>Margin</i>			<i>-70 000 000</i>				<i>-70 000 000</i>	
5. ADMINISTRATION¹⁴	7 380 000 000		7 283 860 235	7 284 420 235	-2 334 780	-2 334 780	7 281 525 455	7 282 085 455
<i>Margin</i>			<i>173 139 765</i>				<i>175 474 545</i>	
6. COMPENSATION	207 000 000		206 636 292	206 636 292			206 636 292	206 636 292
<i>Margin</i>			<i>363 708</i>				<i>363 708</i>	
TOTAL	132 797 000 000	129 681 000 000	130 083 643 770	120 509 146 597	225 688 432	159 638 432	130 309 332 202	120 668 785 029
			<i>3 691 962 215</i>	<i>9 650 459 388</i>			<i>3 564 296 995</i>	<i>9 588 844 168</i>

¹⁰ The Commission has presented a proposal for a decision of the European Parliament and of the Council on the adjustment of the financial framework to take account of implementation, in accordance with paragraph 48 of the Interinstitutional Agreement of 17 May 2006.

¹¹ The European Globalisation adjustment Fund (EGF) is not included in the calculation of the margin under Heading 1a. The Flexibility Instrument has been mobilised for an amount of EUR 200 million.

¹² 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)

¹³ The 2008 margin for heading 4 does not take into account the appropriations related to the Emergency Aid Reserve. The Flexibility Instrument has been mobilised for an amount of EUR 70 million.

¹⁴ 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 77 million for the staff contributions to the pensions scheme.