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| From:            | Secretary-General of the European Commission,<br>signed by Mr Jordi AYET PUIGARNAU, Director  |
| date of receipt: | 14 October 2015   |
| To:              | Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of<br>the European Union  |
| No. Cion doc.:   | COM(2015) 513 final   |
| Subject:         | Letter of amendment No 2 to the draft general budget for 2016: Updating of<br>the estimated needs for agricultural expenditure and fisheries and<br>Managing the refugee crisis: immediate budgetary measures under the<br>European Agenda on Migration |

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Delegations will find attached document COM(2015) 513 final.

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Encl.: COM(2015) 513 final



EUROPEAN  
COMMISSION

Brussels, 14.10.2015  
COM(2015) 513 final

**AMENDING LETTER N° 2  
TO THE DRAFT GENERAL BUDGET 2016**

**Updating of the estimated needs for agricultural expenditure and fisheries  
Managing the refugee crisis: immediate budgetary measures under the European  
Agenda on Migration**

Having regard to:

- the Treaty on the Functioning of the European Union, and in particular Article 314 thereof, in conjunction with the Treaty establishing the European Atomic Energy Community, and in particular Article 106a thereof,
- the Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the Financial Regulation applicable to the general budget of the Union<sup>1</sup>, and in particular Article 39 thereof,
- the draft general budget of the European Union for the financial year 2016 adopted by the Commission on 24 June 2015<sup>2</sup>,
- the Amending Letter 1/2016 adopted by the Commission on 26 June 2015<sup>3</sup>,

the European Commission hereby presents to the budgetary authority the amending letter No 2 to the draft general budget of the European Union for the financial year 2016 for the reasons set out in the explanatory memorandum.

### **STATEMENT OF REVENUE AND EXPENDITURE BY SECTION**

The changes to the statement of revenue and expenditure by section are available on EUR-Lex (<http://eur-lex.europa.eu/budget/www/index-en.htm>). An English version of the changes to this statement is attached for information as a budgetary annex.

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<sup>1</sup> OJ L 298, 26.10.2012, p. 1.

<sup>2</sup> COM(2015) 300, 24.6.2015.

<sup>3</sup> COM(2015) 317, 26.6.2015.

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## 1 INTRODUCTION

This Amending Letter No 2 (AL2) to the draft budget for the year 2016 covers the following:

- The updating of the estimated needs, assigned revenue and appropriations for agricultural expenditure. In addition to changing market factors, the AL 2/2016 also incorporates the impact of decisions in the agricultural sector since the draft budget (DB) 2016 was presented in May 2015 as well as other proposals expected to have a significant effect during the budget year. After taking into account of the additional revenue assigned to the EAGF, the net result for heading 2 is a decrease of EUR 477,3 million for both commitment and payment appropriations.
- An update of the situation for Sustainable Fisheries Partnership Agreements, to take account of the latest estimates, on the basis of which the necessary expenditure is EUR 11 million lower, for both commitment and payment appropriations, than originally estimated.
- The necessary reinforcements for immediate measures to manage the refugee crisis under the European Agenda on Migration, building on the measures proposed in draft amending budget 7/2015, as follows:
  - Heading 3: Security and Citizenship. A reinforcement of emergency assistance in favour of Member States more exposed, the increased capacity of the three front-line agencies, as well as the integration of the two relocation decisions taken in September 2015 and the need for a further top-up of funding under the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF). Altogether, the proposed measures for 2016 require a reinforcement of EUR 1 380 million in commitment appropriations and EUR 778,8 million in payment appropriations. Consequently, the Commission proposes to mobilise the Flexibility Instrument for an amount of EUR 1 504,0 million in heading 3. This includes EUR 124,0 million, which the Commission already proposed to mobilise from the Flexibility Instrument together with the initial draft budget 2016; such a proposal is now repealed and replaced by the new draft act accompanying this amending letter.
  - Heading 4: Global Europe. An increase for Humanitarian Aid of EUR 150 million in commitment appropriations and EUR 405 million in payment appropriations, and a reinforcement of the payment appropriations for the European Neighbourhood Instrument of EUR 210 million.
  - Heading 5: Administration. An increase of EUR 23,9 million in commitment and payment appropriations to cover salaries and missions.
- An increase of EUR 5 million in commitment and payment appropriations to cover the fees obligations towards the European Investment Fund (EIF) for the implementation of the new small and medium-sized enterprise (SME) window products under the European Fund for Strategic Investments (EFSI).
- A budgetary neutral amendment to the structure of the establishment plan of the Agency for the Cooperation of Energy Regulators (ACER).
- A reduction of EUR 20,0 million in payment appropriations under the Food and Feed programme.

The net budgetary impact of these changes across all headings is an increase in commitment appropriations of EUR 1 070,6 million, and in payment appropriations of EUR 914,5 million.

## 2 AGRICULTURE AND FISHERIES

### 2.1 Main changes proposed

With this amending letter, the Commission is proposing to reinforce expenditure for agriculture by EUR 660,7 million compared to DB 2016. This increase of needs is mainly due to the financial consequences of the temporary support measures following the extension of the Russian embargo on imports of certain agricultural products from the EU as well as for some additional measures to support sectors facing difficult market situations, in particular dairy and pigmeat. When excluding the impact of these extraordinary measures, amounting to almost EUR 700 million (see table below), the updated estimates for EAGF expenditure are EUR 37 million lower compared to the DB 2016.

#### Temporary support measures already adopted and currently under preparation by the Commission since DB 2016

| Budget line   | Measure  | Amount (EUR million) |
|---|--|----------------------|
| <b>Measures already adopted (EUR 197,3 million), of which</b>                               |  |                      |
| 05 02 08 03   | Extension of the temporary exceptional support measures for producers of certain fruit and vegetables (Commission Delegated Regulation (EU) 2015/1369)                 | 191,0                |
| 05 02 08 99   |  |                      |
| 05 02 12 02   | Private storage and public intervention for skimmed milk powder (Commission Implementing Regulation (EU) 2015/1548 and Commission Delegated Regulation (EU) 2015/1549) | 2,3                  |
| 05 02 12 04   | Private storage and public intervention for butter (Commission Implementing Regulation (EU) 2015/1548 and Commission Delegated Regulation (EU) 2015/1549)              | 4,0                  |
| <b>Measures under preparation (EUR 500,7 million), of which</b>                             |  |                      |
| 05 02 12 02   | Extended private storage for skimmed milk powder (Commission Implementing Regulation (EU) 2015/xx currently under preparation)   | 11,7                 |
| 05 02 12 09   | Distribution of dairy products as urgent response to humanitarian crises (Directly implementable by the Commission under Regulation (EC) No 1257/96)                   | 30,0                 |
| 05 02 12 99   | Temporary exceptional private storage aid scheme for certain cheeses (Commission Delegated Regulation (EU) 2015/xx currently under preparation)                        | 10,0                 |
| 05 02 12 99   | Temporary exceptional aid to milk producers in the form of national envelopes (Commission Delegated Regulation (EU) 2015/xx currently under preparation)               | 420,0                |
| 05 02 15  | Private storage for pigmeat (open when market price development justifies measure)   | 29,0                 |
| <b>Total of all additional emergency measures included in AL 2/2016 compared to DB 2016</b> |  | <b>698,0</b>         |

Some of these measures may also have an impact on expenditure in 2017, depending on their final modalities and the timing of the declaration to be presented to the Commission by the Member States under EAGF shared management. Furthermore, the table above does not include EUR 30 million that will be added in the next call for proposals to be launched in early 2016 for further reinforcing promotion activities for dairy products and pigmeat in third countries as the financial impact will be reflected as from 2017.

These additional temporary measures of EUR 698,0 million will mainly fall under the EAGF (EUR 668,0 million), except for the distribution of dairy products as urgent response to humanitarian crises (EUR 30 million).

Appropriations for agricultural expenditure financed under the EAGF in AL 2/2016 are budgeted at EUR 42 360,3 million, which is below its 2016 net balance available for EAGF expenditure ('net sub-ceiling') of EUR 43 949,3 million<sup>4</sup>. Despite an increase of the EAGF needs by EUR 630,7 million, EAGF appropriations compared to DB 2016 are reduced as this increase is more than compensated for by the additional revenue assigned to the EAGF (+ EUR 1 138,0 million).

<sup>4</sup> Under the 2014-2020 MFF, the initial EAGF sub-ceiling for 2016 amounted to EUR 44 628 million. After taking into account a net amount of EUR 678,7 million to be transferred to Rural Development, which had already been incorporated in the DB 2016, the net balance available for EAGF expenditure ('net sub-ceiling') amounts to EUR 43 949,3 million. The EAGF needs for 2016 are assessed against this EAGF 'net sub-ceiling'.

The following table summarises the effect of AL 2/2016 on heading 2 as a whole:

(in million EUR, rounded figures at current prices)

|  | Draft Budget 2016 (1) |                 | Amending Letter No 2/2016 |               | Draft Budget 2016 (incl. AL2/2016) |                 |
|--|-----------------------|-----------------|---------------------------|---------------|------------------------------------|-----------------|
|  | Commitments           | Payments        | Commitments               | Payments      | Commitments                        | Payments        |
| — European Agricultural Guarantee Fund (EAGF)  | 42 867,6              | 42 859,3        | -507,3                    | -507,3        | 42 360,3                           | 42 352,0        |
| — European Agricultural Fund for Rural Development (EAFRD)   | 18 676,3              | 11 866,4        |                           |               | 18 676,3                           | 11 866,4        |
| — European Maritime and Fisheries Fund (EMFF), Regional Fisheries Management Organisations (RFMOs) and Sustainable Fisheries Partnership Agreements (SFPAs), of which: | 1 047,0               | 720,6           | -11,0                     | -11,0         | 1 036,0                            | 709,6           |
| — Sustainable Fisheries Partnership Agreements (SFPAs) — Operational line (11 03 01)   | 51,1                  | 51,1            | -0,4                      | -0,4          | 50,7                               | 50,7            |
| — Sustainable Fisheries Partnership Agreements (SFPAs) — Reserve (40 02 41)  | 93,9                  | 93,9            | -10,6                     | -10,6         | 83,3                               | 83,3            |
| — Environment and climate action (Life)  | 462,8                 | 355,3           |                           |               | 462,8                              | 353,3           |
| — Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission   | 0,3                   | 0,8             |                           |               | 0,3                                | 0,8             |
| — Pilot projects and preparatory actions   | p.m.                  | 13,1            |                           |               | p.m.                               | 13,1            |
| — Decentralised agencies   | 50,3                  | 50,3            |                           |               | 50,3                               | 50,3            |
| — Other expenditure under Heading 2  | 0,0                   | 0,0             | 30,0                      | 30,0          | 30,0                               | 30,0            |
| <b>Total</b>   | <b>63 104,4</b>       | <b>55 865,9</b> | <b>-488,3</b>             | <b>-488,3</b> | <b>62 616,1</b>                    | <b>55 377,6</b> |
| <b>Ceiling</b>   | <b>64 262,0</b>       |                 |                           |               | <b>64 262,0</b>                    |                 |
| <b>Margin</b>  | <b>1 157,6</b>        |                 | <b>+488,3</b>             |               | <b>1 645,9</b>                     |                 |
| <b>Of which EAGF</b>   | <b>42 867,6</b>       | <b>42 859,3</b> | <b>-507,3</b>             | <b>-507,3</b> | <b>42 360,3</b>                    | <b>42 352,0</b> |
| <b>EAGF Sub-Ceiling (after technical adjustment of the MFF 2014-2020) (2)</b>  | <b>43 950,0</b>       |                 |                           |               | <b>43 950,0</b>                    |                 |
| <b>Net balance available for EAGF expenditure (3)</b>  | <b>43 949,3</b>       |                 |                           |               | <b>43 949,3</b>                    |                 |
| <b>EAGF margin</b>   | <b>1 081,7</b>        |                 | <b>+507,3</b>             |               | <b>1 588,9</b>                     |                 |

(1) Draft Budget 2016 includes AL No 1/2016.  
(2) The related amounts are rounded up in EUR million.  
(3) Net balance available for EAGF expenditure as fixed in the Annex of Commission Implementing Regulation (EU) No 367/2014 as last modified by Commission Implementing Regulation (EU) No 2015/141. The sub-margin for the EAGF is calculated against these amounts.

Thus, overall appropriations requested for heading 2 in 2016 are estimated at EUR 62 616,1 million. This leaves a margin of EUR 1 645,9 million in commitment appropriations below the corresponding MFF ceiling. The modifications proposed in this amending letter compared to the DB 2016 increase the margin by EUR 488,3 million, of which EUR 477,3 million from Title 05 (Agriculture) and EUR 11 million from Sustainable Fisheries Partnership Agreements (SFPAs) in Title 11 (Maritime affairs and fisheries). Payment appropriations in AL 2/2016 are revised by the same amount as the commitment appropriations.

## 2.2 European Agricultural Guarantee Fund (EAGF)

### 2.2.1 Overview

The purpose of AL 2/2016 is to update estimates for agricultural expenditure based on the most up-to-date economic data and legislative framework. By late September, the Commission has at its disposal a first indication of the level of production for 2015 and perspectives for the agricultural markets, which are the basis for the updated estimates of the budgetary needs for 2016. Apart from taking into account market factors, this AL 2/2016 also incorporates the impact of legislative decisions, either already adopted or currently under preparation, in the agricultural sector since the DB 2016 was drawn up in late May 2015. This relates in particular to a series of Commission Delegated and Implementing Acts on temporary support measures following the extension of the Russian embargo on imports of certain agricultural products from the EU, for fruit and vegetables and dairy products, and for dealing with market difficulties in certain sectors, mainly dairy and pigmeat.

Overall, **2016 EAGF needs** (after taking into account EAGF provisions related to 'financial discipline') are now estimated at EUR 45 200,3 million, compared to EUR 44 569,6 million in DB 2016 (+ EUR 630,7 million). This increase is mostly due to the temporary support measures budgeted in chapter 05 02 *Improving the competitiveness of the agricultural sector through interventions in agricultural markets*, for a total amount of EUR 668,0 million. There are, however, small reductions for mainstream market measures (- EUR 10,0 million), such as for chapter 05 03 *Direct payments aimed at contributing to farm incomes, limiting farm incomes variability and meeting environment and climate objectives* (- EUR 12,6 million), and for chapter 05 07 *Audit of agricultural expenditure financed by the European Agricultural Guarantee Fund (EAGF)* (- EUR 15 million), which are also incorporated into AL 2/2016.

The amount of **assigned revenue**, expected to be available in 2016 increases from EUR 1 702 million in DB 2016 to EUR 2 840 million (+ EUR 1 138 million). This increase results from higher revenue from the milk superlevy (+ EUR 369 million), based on Member States' notifications for the overshooting of reference quantities of the last milk quota year 2014/15, and from updated estimates for amounts from clearance of accounts decisions (+ EUR 25 million) and irregularities (- EUR 6 million). Furthermore, the AL 2/2016 incorporates an expected carry-over of assigned revenues from 2015 to 2016 (+ EUR 750 million). This was not included in the DB 2016, since at that time it was too early in the year to make a solid assumption for the execution of the EAGF in 2015. Moreover, as the agricultural crisis reserve (EUR 433 million) will not be called on in 2015, the non-used appropriations will be carried over for reimbursement to farmers subject to the financial discipline in 2016

As a result of these updates, commitment appropriations of EUR 42 360,3 million, which includes an amount of EUR 441,6 million for the *Reserve for crises in the agricultural sector*, are required to cover EAGF needs for 2016. As was the case for the DB 2016, this overall amount remains below the EAGF net sub-ceiling of EUR 43 949,3 million. This means that the financial discipline mechanism will only be applied to establish the agricultural crisis reserve 2016<sup>5</sup>.

## 2.2.2 Detailed comments

### 05 02 — Improving competitiveness of the agricultural sector through interventions in agricultural markets (*appropriations + EUR 458,3 million*)

(in million EUR, rounded figures at current prices)

| Interventions in agricultural markets         | Draft Budget 2016 | Amending Letter No 2/2016 | Draft Budget 2016 (incl. AL 2/2016) |
|---|-------------------|---------------------------|-------------------------------------|
| Needs   | 2 614,7           | +658,3                    | 3 273,0                             |
| -Estimated assigned revenue available in 2016 | 400,0             | +200,0                    | 600,0                               |
| <b>Appropriations requested</b>               | <b>2 214,7</b>    | <b>+ 458,3</b>            | <b>2 673,0</b>                      |

Overall, the needs for intervention measures on agricultural markets increase by EUR 658,3 million compared to the DB 2016. As the assigned revenues expected to be available for chapter 05 02 (amounting to EUR 600,0 million) are EUR 200 million higher compared to the DB 2016, the appropriations requested in AL 2/2016 increase by EUR 458,3 million).

The main modifications are set out below.

For **fruit and vegetables**, the estimated needs for operational funds for producer organisations (budget item 05 02 08 03) are higher (+ EUR 111,0 million) than assumed for the DB 2016. Only a small revision (- EUR 2,7 million) results from an updated assessment of the actual uptake of the measures and slightly revised figures for their annual national plans as well as of the estimated financial impact of the possible partial reimbursement by the EU budget of national financial

<sup>5</sup> The rate of financial discipline is established in Regulation (EU) 2015/1146 of the European Parliament and of the Council of 8 July 2015 fixing the adjustment rate provided for in Regulation (EU) No 1306/2013 for direct payments in respect of the calendar year 2015. Based on the AL 2/2016 it is not expected to modify this rate as the impact of the new amounts allocated to the different direct aid schemes is negligible.



assistance granted by certain Member States<sup>6</sup>. The largest variation (+ EUR 113,7 million) corresponds to the financial impact of the extension of the temporary crisis measures (withdrawal for free distribution and other destinations, non-harvesting and green harvesting measures as well as reinforced promotion for fruits and vegetables), carried out by producer organisations on top of their normal annual plans<sup>7</sup>. A further EUR 77,3 million is estimated to be required for the same crisis measures carried out by producers that are not members of such recognised producer organisations, which will be financed from budget item 05 02 08 99 (other measures for fruit and vegetables). In total, the financial impact of this extension is estimated at EUR 191 million. Furthermore, AL 2/2016 proposes a small downward revision (- EUR 10 million) for aid to producer groups for preliminary recognition (budget item 05 02 08 11) based on the latest information of provisional implementation in 2015.

Appropriations for the **wine sector** on budget item 05 02 09 08 financing the national support programmes are proposed to be reduced by EUR 8 million, while appropriations for **promotion measures** in favour of agricultural products on budget item 05 02 10 01 are increased by EUR 6 million, reflecting the most recent execution figures for both measures. For promotion measures, the DB 2016 already included an amount of EUR 13,5 million, based on the estimated financial impact for 2016 of a specific call for proposals that the Commission launched already in 2015 to encourage the reorientation of exports after the closure of the Russian market. Further reinforcing of promotion activities in other third countries is foreseen, especially as a follow-up of the current situation in the dairy and pigmeat market, but the financial impact of an additional amount of EUR 30 million in the next call for proposals to be launched in early 2016 will be for budget 2017 at the earliest (reimbursement of expenditure actually incurred by Member States after implementation of the individual projects).

For **other plant products/measures** (budget article 05 02 11), the AL 2/2016 updates the estimates for the use of the ceilings for the POSEI regions<sup>8</sup>, resulting in a minor increase of appropriations (+ EUR 1,0 million) for market support measures financed from budget item 05 02 11 04.

The largest modification proposed in AL 2/2016 for agricultural measures concerns **milk and milk products** (budget article 05 02 12) with an increase of EUR 478 million, of which EUR 30 million are foreseen for distribution of EU dairy products under the EU humanitarian aid assistance to third countries (see section 2.3 below). The whole additional needs are for additional extra-ordinary measures supporting the sector, which is together with the fruit/vegetables and pigmeat sector, the most concerned by the Russian embargo on EU imports. Furthermore, a strong increase of the production in the EU in the first months after the end of the milk quota system (at the end of March 2015) and weaker demand on world markets is currently putting pressure on producer prices in the EU. Part of the additional appropriations (+ EUR 28 million) are for continuing and reinforced storage operations, of which + EUR 14 million for skimmed milk powder on budget item 05 02 12 02, + EUR 4 million for butter on item 05 02 12 04 and + EUR 10 million for cheese on budget item 05 02 12 99. The largest amount (+ EUR 420 million), is proposed for providing temporary exceptional aid in the form of one-time financial envelopes, for which Member States will have substantial flexibility to target the support to those farmers particularly affected.<sup>9</sup>

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<sup>6</sup> Article 35 of Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 (OJ L 347, 20.12.2013, p. 674).

<sup>7</sup> This extension was adopted by the Commission in August 2015 through Commission Delegated Regulation (EU) 1369/2015 of 7.8.2015 amending Delegated Regulation (EU) No 1031/2014 laying down further temporary exceptional support measures for producers of certain fruit and vegetables (OJ L 211, 8.8.2015).

<sup>8</sup> Regulation (EU) No 228/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in the outermost regions of the Union and repealing Council Regulation (EC) No 247/2006 (OJ L 78, 20.3.2013, p. 23).

<sup>9</sup> The corresponding legal acts for these additional measures will be adopted as soon as possible by the Commission in the form of Implementing or Delegated Regulations.

The Commission proposes to increase by EUR 33 million appropriations for budget article 05 02 15 (**pigmeat, eggs and poultry, bee-keeping and other animal products**). A small amount of EUR 1 million is for bee-keeping (budget item 05 02 15 06) reflecting further improvement in the implementation of national programmes. Another additional EUR 3 million are needed for budget item 05 02 15 02 to cover residual payments for the private storage scheme for pigmeat that was opened for several weeks in spring 2015<sup>10</sup>. The AL 2/2016 is also proposing another EUR 29 million for private storage of pigmeat in case market price developments required the opening of a new scheme.

**05 03 — Direct payments aimed at contributing to farm incomes, limiting farm income variability and meeting environment and climate objectives (appropriations - EUR 950,6 million)**

(in million EUR, rounded figures at current prices)

| Direct payments   | Draft Budget 2016 | Amending Letter No 2/2016 | Draft Budget 2016 (incl. AL 2/2016) |
|---|-------------------|---------------------------|-------------------------------------|
| <i>After financial discipline (including credits for the 'Reserve for crises in the agricultural sector')</i> |                   |                           |                                     |
| Needs   | 41 838,3          | -12,6                     | 41 825,7                            |
| - Estimated assigned revenue available in 2016  | 1 302,0           | +938,0                    | 2 240,0                             |
| <b>Appropriations requested</b>   | <b>40 536,3</b>   | <b>-950,6</b>             | <b>39 585,7</b>                     |

Compared to the DB 2016, appropriations requested for chapter 05 03 are revised downwards by EUR 950,6 million. This change is mostly due to the higher amount of revenue assigned to item 05 03 01 10 *Basic Payment Scheme (BPS)*, for which the estimated needs are unchanged compared to DB 2016. The small decrease of needs (- EUR 12,6 million) is the net effect of some minor changes for several other budget items reflecting updated budgetary estimates: - EUR 18,0 million for item 05 03 01 01 *Single Payment Scheme*, + EUR 1,0 million for item 05 03 01 02 *Single Area Payment Scheme*, + EUR 6,0 million for 05 03 02 40 *Crop-specific payment for cotton*, - EUR 1,0 million for item 05 03 02 60 *Voluntary coupled support* and - EUR 0,6 million for item 05 03 02 99 *Other direct payments*.

**05 07 Audit of agricultural expenditure financed by the European Agricultural Guarantee Fund (EAGF) (appropriations - EUR 15,0 million)**

(in million EUR, rounded figures at current prices)

| Audit of agricultural expenditure   | Draft Budget 2016 | Amending Letter No 2/2016 | Draft Budget 2016 (incl. AL 2/2016) |
|---|-------------------|---------------------------|-------------------------------------|
| 05 07 01 06 — Expenditure for financial corrections in favour of Member States following decisions on accounting clearance of previous years' accounts with regard to shared management declared under the EAGGF-Guarantee Section (previous measures) and under the EAGF | 35,0              | -15,0                     | 20,0                                |
| <b>Total</b>  | <b>35,0</b>       | <b>-15,0</b>              | <b>20,0</b>                         |

Appropriations for budget article 05 07 01 06 *Financial corrections in favour of Member States following accounting clearance decisions* can be reduced by EUR 15,0 million reflecting updated budgetary estimates taking into account provisional execution in 2015.

**2.3 Other agricultural expenditure outside the EAGF**

As part of the emergency measures aiming to restore market balance in the EU dairy sector, an amount of EUR 30 million will be devoted to the distribution of dairy products of EU origin under the EU humanitarian aid assistance to third countries. The measure, which is considered exceptional and one-off, will be implemented together with international organisations active in the field of humanitarian aid. The amount will be financed from a proposed new budget item 05 02 12 09 *Dairy products distribution as urgent response to humanitarian crises*, in Title 05, but outside the EAGF.

<sup>10</sup> Commission Implementing Regulation (EU) 2015/360 of 5 March 2015 opening private storage for pigmeat and fixing in advance the amount of aid (OJ L 62, 6.3.2015, p. 16).

The Commission will implement it under Council Regulation (EC) No 1257/96 of 20 June 1996 concerning humanitarian aid<sup>11</sup>.

## 2.4 Sustainable Fisheries Partnership Agreements

As foreseen in point C of Part II of the Interinstitutional Agreement (IIA)<sup>12</sup>, the Commission has examined the most recent information available concerning Sustainable Fisheries Partnership Agreements. To reflect the latest known situation with regards to the financial counterpart to be paid for the agreements in force and those under negotiation, and taking into account the estimated assigned revenue, the Commission proposes to reduce commitment and payment appropriations from budget article 11 03 01 *Establishing a governance framework for fishing activities carried out by Union fishing vessels in third country waters* by EUR 0,4 million and from the reserve article 40 02 41 by EUR 10,6 million.

As the financial counterparts for most of the agreements show a stable profile throughout the period, the Commission intendeds to reprogramme EUR 11,0 million commitment and payment appropriations over the 2018-2020 period. This will result in a stable profile compared to the declining one foreseen in the MFF 2014-2020.

(in million EUR, rounded figures at current prices)

| Sustainable fisheries partnership agreements | Draft Budget 2016 |              | Amending Letter No 2/2016 |              | Draft Budget 2016 (incl. AL2/2016) |              |
|--|-------------------|--------------|---------------------------|--------------|------------------------------------|--------------|
|  | Commitments       | Payments     | Commitments               | Payments     | Commitments                        | Payments     |
| Operational line (11 03 01)                  | 51,1              | 51,1         | -0,4                      | -0,4         | 50,7                               | 50,7         |
| Reserve (40 02 41)                           | 93,9              | 93,9         | -10,6                     | -10,6        | 83,3                               | 83,3         |
| <b>Total</b>                                 | <b>145,0</b>      | <b>145,0</b> | <b>-11,0</b>              | <b>-11,0</b> | <b>134,0</b>                       | <b>134,0</b> |

## 2.5 Nomenclature changes and budgetary remarks

The following table summarises the nomenclature changes and modifications of the budgetary remarks for several chapters, articles and items under heading 2:

| Heading            |  | Explanation   |
|--------------------|--|---|
| <b>Expenditure</b> |  |   |
| 05 02              | Interventions in agricultural markets  | Update of figures for assigned revenues   |
| 05 02 12 09        | Dairy products distribution as urgent response to humanitarian crises  | Creation of a new item for financing part of the emergency measures related to the dairy sector |
| 05 03              | Direct payments aimed at contributing to farm incomes, limiting farm income variability and meeting environment and climate objectives | Update of figures for assigned revenues   |
| 11 03 01           | Sustainable Fisheries Partnership Agreements   | Change in budgetary remarks: table  |
| <b>Revenue</b>     |  |   |
| 6 7 0 1            | Clearance of EAGF accounts – Assigned revenue  | Update of figures for assigned revenues   |
| 6 7 0 2            | EAGF irregularities – Assigned revenue   | Update of figures for assigned revenues   |
| 6 7 0 3            | Superlevy from milk producers – Assigned revenue   | Update of figures for assigned revenues   |

## 3 IMMEDIATE MEASURES TO MANAGE THE REFUGEE CRISIS UNDER THE EUROPEAN AGENDA ON MIGRATION

### 3.1 Introduction

On 23 September 2015, the Commission presented a *Communication to the European Parliament, the European Council and the Council – Managing the refugee crisis: immediate operational, budgetary and legal measures under the European Agenda on Migration*<sup>13</sup>. This Communication identified a set of priority actions to be taken within the next six months, including the adaptations to be made to the budget for 2015 and the draft budget 2016.

<sup>11</sup> OJ L 163, 2.7.1996, p. 1.

<sup>12</sup> OJ C 373, 20.12.2013, p. 1.

<sup>13</sup> COM(2015) 490, 23.9.2015.

On 30 September 2015, the Commission adopted draft amending budget 7/2015<sup>14</sup>, which included the following amendments to the 2015 budget:

- Under heading 3: Citizenship and Security: Additional emergency assistance under the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF), for a total amount of EUR 100 million in commitment appropriations; and an increase in the number of establishment plan posts for FRONTEX (+ 60 posts), EASO (+ 30) and EUROPOL (+ 30) to increase their capacity on the ground.
- Under heading 4 Global Europe: Additional funding for the European Neighbourhood Instrument (EUR 300 million in commitment appropriations), and an increase in payment appropriations for Humanitarian Aid of EUR 55,7 million through redeployment.

Furthermore, in parallel the Commission requested (DEC 32/2015) for the transfer of EUR 175 million in commitment appropriations from the Emergency Aid Reserve (EAR) to provide humanitarian aid to countries hosting displaced persons fleeing from the Syrian conflict.

The present amending letter to the 2016 draft budget builds on and expands the measures already proposed in the draft amending budget 7/2015 as regards emergency assistance and the agencies. Moreover, it integrates the budgetary support for 2016 related to the decisions taken with regard to the relocation of 160 000 persons from Italy and Greece. The initial draft budget already included the appropriations corresponding to 40 000 of these 160 000 persons. A top-up of the AMIF and ISF funding is proposed, so as to strengthen the reception and asylum systems of Member States facing unprecedented influxes of migrants and steep increases in asylum applications.

Under heading 4, the Commission proposes increased support for Humanitarian Aid and for the European Neighbourhood Instrument (ENI). Finally, to reinforce the frontline Commission services in response to the refugee crisis, the Commission requests an increase in administrative appropriations under heading for salaries and for missions.

### 3.2 Heading 3: Security and Citizenship

The additional measures proposed through this amending letter for 2016 are as follows:

1. **Emergency assistance:** building on the request for additional emergency assistance for 2015 as contained in DAB 7/2015 (EUR 100 million), a further reinforcement under AMIF (EUR 60 million) and ISF (EUR 34 million) is proposed for 2016. The additional amount would serve primarily to meet requests already received and expected to be received during the year. It would also allow the Commission to develop a coordinated approach with Italy and Greece in terms of structured emergency requests to address the implementation of the migrant support teams and the relocation schemes, as well as to face the increasing influx of migrants.

The additional emergency assistance for 2015 and 2016 (respectively EUR 100 million and EUR 94 million in commitment appropriations) requires a pre-financing of 80 % or EUR 155,2 million in payment appropriations in 2016.

2. **Agencies:** the EU agencies operating on migration-related areas need to step up their capacity, since they are now being asked to be far more active on the ground than originally envisaged. The Commission therefore proposes to maintain the increased staffing levels of the three key EU agencies (FRONTEX, EASO and EUROPOL) proposed in DAB 7/2015, as well as to strengthen the operational capacity of FRONTEX in the field of return and cooperation in the hotspots areas.

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<sup>14</sup> COM(2015) 485, 30.9.2015.

- a. Human resources: DAB 7/2015 proposed to increase the human resources of the three key EU agencies by 120 additional establishment plan posts, of which 60 for FRONTEX, 30 for EASO and 30 for EUROPOL. The additional 120 posts are proposed to be maintained in 2016, to be financed on a full-year basis (12 months). This requires EUR 15,6 million in both commitment and payment appropriations.
  - b. Operations: the operational capacity of FRONTEX in the field of return and cooperation in the hotspots areas is proposed to be reinforced by EUR 70 million in both commitment and payment appropriations:
    - i. Return: EUR 50 million to support the return of an additional 20 000 persons, who do not fall under international protection, with accompanying measures such as training and capacity building, focusing on bottlenecks, needs and other factors relevant to successful return in a swifter way.
    - ii. Hotspots: EUR 20 million to enhance the effectiveness of the implementation of the hotspots concept, in particular for operational activities such as: a) deployment of mobile offices in the hotspot areas and the places of arrival; b) providing good connectivity for transmission of digital (fingerprints) data; and c) costs for logistics and equipment for the Regional Task Force to strengthen the capacity for identification, so as to speed up the process of registering newly arrived migrants.
3. **Relocation:** on 14 and 21 September 2015, the Council took two relocation decisions, covering 40 000 and 120 000 persons respectively. To facilitate the integration of the new schemes into the national programmes, the Commission proposes to align the commitment appropriations for the first relocation decision to the second, as set out below:
- a. Second relocation package (120 000 persons): the decision to relocate 120 000 persons from Italy and Greece requires a total amount of EUR 780 million, to be budgeted in this amending letter to cover relocation and transfer costs as follows:
    - i. Relocation: receiving Member States are entitled to a lump sum of EUR 6 000 per person to be relocated. Consequently, the financial impact amounts to EUR 720 million (120 000 x EUR 6 000).
    - ii. Transfer: Italy and Greece will receive a lump sum of EUR 500 per person to cover the transfer costs. This requires an amount of EUR 60 million (120 000 x EUR 500).

A specific pre-financing rate of 50 % will provide receiving Member States with the cash-flow required to immediately start the relocation actions. Consequently, an amount of EUR 390 million in payment appropriations is required in 2016.
  - b. First relocation package (40 000 persons): The alignment of the first relocation package with the second increases the 2016 commitment appropriations by EUR 110 million and the payment appropriations by EUR 9,9 million:
    - i. Original proposal (May): the Commission proposal of 27 May 2015 included a lump sum of EUR 6 000 per person to be relocated. However, lump sums to cover the transfer costs of Italy and Greece were initially not planned. The financial impact of the May proposal amounted to EUR 240 million (120 000 x EUR 6 000). At that time, the related commitment appropriations were planned to be made over a period of 24 months, of which EUR 12 million in 2015, EUR 150 million in 2016 and EUR 78 million in 2017.

- ii. Alignment: to align the two relocation schemes an additional EUR 110 million in commitment appropriations are needed in 2016: the EUR 90 million which were originally not included in 2016 and EUR 20 million, to grant Italy and Greece a lump sum of EUR 500 per person to cover transfer costs (40 000 x EUR 500). The total budgetary impact in commitments would be to EUR 260 million in 2016, of which EUR 150 million was already proposed in the draft budget.

Payment appropriations for the first relocation package are based on the regular pre-financing rates set out in the so-called "horizontal" Regulation (EU) No 514/2014 laying down general provisions on the AMIF and the ISF<sup>15</sup>, i.e. a 5 % annual pre-financing rate plus a 4 % initial pre-financing. The topping-up of commitment appropriations (+ EUR 110 million in 2016) therefore requires additional payment appropriations of EUR 9,9 million

4. **Top-ups of AMIF and ISF in addition to emergency assistance:** finally, it is proposed to top-up the funding of AMIF-Asylum (+ EUR 190 million), AMIF-Return (+ EUR 38 million) and ISF-Borders (+ EUR 82,4 million). These reinforcements will allow strengthening the reception and asylum systems of Member States facing unprecedented influxes of migrants and steep increases in asylum applications, and will address urgent and specific needs resulting from exceptional migration pressure requiring immediate action on the external borders.
- a. AMIF: the additional funding under AMIF will also be used by the Member States for more structural medium-term actions in the area of reception, accommodation and asylum systems, as well as to increase their capacities for return.
- b. ISF: the additional funding under ISF will also contribute to reinforcing the first reception activities, such as identification, first medical aid, purchase of equipment in the context of border checks and transportation of migrants in the context of the screening process.

The additional commitment appropriations of EUR 310,4 million will increase the payment appropriations required for 2016 by EUR 138,1 million. This allows for the necessary flexibility in the delivery of the additional funding so that emergency situations that may occur in 2016 can be properly addressed.

The proposed measures for 2016 as set out above require a reinforcement of EUR 1 380 million in commitment appropriations and EUR 778,8 million in payment appropriations. The corresponding breakdown by budget line is set out in the table below:

| Budget line  | Name  | Commitment appropriations | Payment appropriations |
|--------------|---|---------------------------|------------------------|
| 18 02 01 01  | Support of border management and a common visa policy to facilitate legitimate travel   | 116 400 000               | 79 868 000             |
| 18 02 03     | European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX)   | 77 800 000                | 77 800 000             |
| 18 02 04     | European Police Office (EUROPOL)  | 3 900 000                 | 3 900 000              |
| 18 03 01 01  | Strengthening and developing the Common European Asylum System and enhancing solidarity and responsibility sharing between the Member States                  | 1 140 000 000             | 596 450 000            |
| 18 03 01 02  | Supporting legal migration to the Union and promoting the effective integration of third-country nationals and enhancing fair and effective return strategies | 38 000 000                | 16 910 000             |
| 18 03 02     | European Asylum Support Office (EASO)   | 3 900 000                 | 3 900 000              |
| <b>Total</b> |   | <b>1 380 000 000</b>      | <b>778 828 000</b>     |

<sup>15</sup> OJ L 150, 20.5.2014, p, 112.

Given the severe strain under which the Migration and Home affairs policy area has had to operate over the past months and the expected high needs in the near future, no possibilities for redeployment exist under this heading. Consequently, the Commission proposes to mobilise the Flexibility Instrument for an amount of EUR 1 504,0 million in heading 3 (Security and Citizenship), to finance the immediate measures to manage the refugee crisis under the European Agenda on Migration for 2016. The mobilisation of the Flexibility Instrument is proposed in a separate act, which repeals the proposed mobilisation of the Flexibility Instrument for the same purpose which accompanied the initial draft budget 2016<sup>16</sup>.

### 3.3 Heading 4: Global Europe

With no immediate solution to the conflict in sight, the Syria crisis will continue generating in 2016 massive needs not only in the country itself but also in the whole region. With an average of 38 % of needs met to date, the United Nations appeals remain largely underfunded. Due to this shortfall, the UN World Food Programme, other UN agencies, and other international humanitarian organisations have been scaling down the delivery of aid in the recent months.

In order to reduce the growing gap between needs and available funding, the Commission is proposing to step up further the response to this crisis by reinforcing Humanitarian Aid with an additional amount of EUR 150 million in commitment appropriations in the 2016 budget compared to the original draft budget.

The requested reinforcement will be complemented by a separate proposal to mobilise the Emergency Aid Reserve, to be submitted in early 2016, so that commitment appropriations for humanitarian are EUR 300 million higher than in the original draft budget.

An amount of EUR 405 million in payment appropriations is also requested, consisting of: EUR 105 million corresponding to the outstanding balance to be paid in 2016 for the EUR 175 million in commitment appropriations transfer request from the Emergency Aid Reserve requested for the end of 2015 (DEC 32/2015), and EUR 300 million corresponding to the 2016 reinforcement in commitment appropriations (including the announced EUR 150 million transfer request in early 2016).

The funds will be used to meet the most urgent basic needs in terms of food, health, water, sanitation, hygiene, protection and other basic services for Syrian and Iraqi refugees in the neighbouring countries (Jordan, Lebanon and Turkey) and the Western Balkans (Serbia and the former Yugoslav Republic of Macedonia), as well as for people inside Syria and Iraq.

In addition, EUR 210 million in payment appropriations is requested for the European Neighbourhood Instrument, corresponding to 70 % of the reinforcement in commitment appropriations requested in DAB 7/2015. Since the commitments will to a large extent be made for large-scale grant projects with partner organisations, via the EU Trust Fund for Syria, payments follow relatively quickly upon the commitment to be made in late 2015.

The table below shows the distribution of the reinforcements in commitment and payment appropriations under heading 4 requested in this amending letter:

| Budget line  | Name   | Commitment appropriations | Payment appropriations |
|--------------|--|---------------------------|------------------------|
| 23 02 01     | Delivery of rapid, effective and needs-based humanitarian aid and food aid                             | 150 000 000               | 405 000 000            |
| 22 04 01 03  | Mediterranean countries — Confidence building, security and the prevention and settlement of conflicts |                           | 210 000 000            |
| <b>Total</b> |  | <b>150 000 000</b>        | <b>615 000 000</b>     |

<sup>16</sup> COM(2015) 238, 27.5.2015.

### 3.4 **Heading 5: Administration**

The Commission is undergoing a major redeployment effort to support the activities of frontline services in particular in response to the current migration crisis. To achieve this, the Commission is trying to make the best use of all the posts authorised in its establishment plan, which the Commission has reduced by 1 % every year since 2013 to achieve the 5 % staff reduction target set in the Interinstitutional Agreement. To address the new needs the Commission is striving to fill vacancies as quickly as possible. The appropriations proposed in the draft budget 2016 have been calculated on the basis of an average occupancy rate of 96,6 %. However, such a rate has already been reached and the Commission is currently constrained by the available appropriations. To allow the redeployment to be effective and strengthen the response capacity, the Commission requests a EUR 23,1 million increase in its administrative appropriations for salaries, which corresponds to an occupancy rate of 97,6 %, i.e. one percentage point higher (equivalent to 200 posts) than in the estimate retained in the draft budget 2016. Such a request does not increase the number of posts authorised for the Commission, nor does it affect the Commission's commitment to implement in full the 5 % reduction in staff over the agreed timeframe. It simply allows the occupation of authorised posts, which are currently vacant and cannot be filled because of insufficient appropriations.

An amount of EUR 0,8 million is also requested under heading 5 to cover additional costs related to staff missions in the framework of the refugee crisis. The missions are needed to ensure the presence of Commission staff on the ground in the countries where the situation is most critical. The deployed staff will coordinate and implement the emergency actions in response to the migration crisis and the situation of refugees, as well as support the Member States in evaluating the emergency measures and adapting their national programmes to better react to the crisis situation.

## 4 **COVERING EIF FUNDS DUE UNDER THE EUROPEAN FUND FOR STRATEGIC INVESTMENT (EFSI)**

In order to be able to meet the Commission's fee obligations towards the European Investment Fund (EIF), the Commission proposes to allocate an amount of EUR 5 million in commitment and payment appropriations to budget article 01 04 07 *Fees due to the European Investment Fund for increased assistance under the European Fund for Strategic Investments*, which currently has a token entry (p.m.).

The EIF will provide assistance in the implementation of the new small and medium-sized enterprise (SME) window products under the European Fund for Strategic Investments (EFSI). Start-up fees will need to be paid within a short period following the signature of the amendment to the EFSI agreement, which is expected to be finalised in early 2016.

As foreseen by the EFSI Regulation<sup>17</sup>, such fees may be met by the general budget of the Union to the extent they are not deducted from the remuneration or from revenues, recoveries or other payments received by the EIF. However, very limited revenues are expected to materialise at the beginning of 2016, when the EFSI will be in its early phase of implementation, while costs incurred by the EIF will increase consistently in parallel with the speeding up of the implementation of new instruments.

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<sup>17</sup> Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 (OJ L 169, 1.7.2015, p. 1).



## **5 AGENCY FOR THE COOPERATION OF ENERGY REGULATORS (ACER)**

The Agency for the Cooperation of Energy Regulators (ACER) was created by the Third Energy Package to further progress the completion of the internal energy market both for electricity and natural gas. ACER was officially launched in March 2011, and has its seat in Ljubljana, Slovenia. The Administrative Board of ACER at its meeting on 8 July 2015 adopted a decision to re-appoint the present Director of the Agency for a term of three years, starting as of 16 September 2015. The decision states that the achievements of the Director evidenced in his appraisal would also merit his reclassification to grade AD 15. However, the Agency's establishment plan in the draft budget 2016 did not yet include the reclassification of the Director from AD 14 to AD 15, as he was reappointed after the adoption of the draft budget. It is proposed to update ACER's establishment plan accordingly, as set out in the budgetary annex. The overall budget and the total number of posts of the agency will remain unchanged.

## **6 FOOD AND FEED SAFETY**

Based upon the analysis of the updated 2015 eradication work programmes submitted by the Member States in August 2015, it has become clear that some Member States have not completed the work programme as initially foreseen. In particular the Blue Tongue vaccination campaigns have not been fully implemented, which will lead to decommitments in 2015, and to a reduced need of payment appropriations in 2016. As a result, the initial request for payment appropriations on budget article 17 04 01 *Ensuring a higher animal health status and high level of protection of animals in the Union* can be reduced by EUR 20,0 million.

**6 SUMMARY TABLE BY HEADING OF THE MULTIANNUAL FINANCIAL FRAMEWORK**

| Heading  | Draft Budget 2016<br>(incl. AL1/2016) |                        | Amending Letter 2/2016 |                      | Draft Budget 2016<br>(incl. AL1 & AL2/2016) |                        |
|--|---------------------------------------|------------------------|------------------------|----------------------|---|------------------------|
|  | CA                                    | PA                     | CA                     | PA                   | CA  | PA                     |
| <b>1. Smart and inclusive growth</b>   | <b>69 743 081 847</b>                 | <b>66 578 193 962</b>  | <b>5 000 000</b>       | <b>5 000 000</b>     | <b>69 748 081 847</b>                       | <b>66 583 193 962</b>  |
| <i>Of which under Flexibility Instrument</i>   |                                       |                        |                        |                      |   |                        |
| <i>Of which under Global Margin for Commitments (GMC)</i>  | 543 000 000                           |                        |                        |                      | 543 000 000                                 |                        |
| <i>Ceiling</i>   | 69 304 000 000                        |                        |                        |                      | 69 304 000 000                              |                        |
| <i>Margin</i>  | 103 918 153                           |                        |                        |                      | 98 918 153                                  |                        |
| 1a Competitiveness for growth and jobs   | 18 921 431 584                        | 17 518 123 082         | 5 000 000              | 5 000 000            | 18 926 431 584                              | 17 523 123 082         |
| <i>Of which under Global Margin for Commitments (GMC)</i>  | 543 000 000                           |                        |                        |                      | 543 000 000                                 |                        |
| <i>Ceiling</i>   | 18 467 000 000                        |                        |                        |                      | 18 467 000 000                              |                        |
| <i>Margin</i>  | 88 568 416                            |                        |                        |                      | 83 568 416                                  |                        |
| 1b Economic social and territorial cohesion  | 50 821 650 263                        | 49 060 070 880         |                        |                      | 50 821 650 263                              | 49 060 070 880         |
| <i>Of which under Flexibility Instrument</i>   |                                       |                        |                        |                      |   |                        |
| <i>Ceiling</i>   | 50 837 000 000                        |                        |                        |                      | 50 837 000 000                              |                        |
| <i>Margin</i>  | 15 349 737                            |                        |                        |                      | 15 349 737                                  |                        |
| <b>2. Sustainable growth: natural resources</b>  | <b>63 104 378 823</b>                 | <b>55 865 891 958</b>  | <b>- 488 288 304</b>   | <b>- 488 288 304</b> | <b>62 616 090 519</b>                       | <b>55 377 603 654</b>  |
| <i>Ceiling</i>   | 64 262 000 000                        |                        |                        |                      | 64 262 000 000                              |                        |
| <i>Margin</i>  | 1 157 621 177                         |                        |                        |                      | 1 645 909 481                               |                        |
| Of which: European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments | 42 867 624 128                        | 42 859 334 601         | - 507 288 304          | - 507 288 304        | 42 360 335 824                              | 42 352 046 297         |
| <i>Sub-ceiling</i>   | 43 950 000 000                        |                        |                        |                      | 43 950 000 000                              |                        |
| <i>Net transfer between EAGF and EAFRD</i>   |                                       |                        |                        |                      |   |                        |
| <i>Margin</i>  | 1 081 657 872                         |                        |                        |                      | 1 588 946 176                               |                        |
| <b>3. Security and citizenship</b>   | <b>2 669 966 698</b>                  | <b>2 258 959 739</b>   | <b>1 380 000 000</b>   | <b>758 828 000</b>   | <b>4 049 966 698</b>                        | <b>3 017 787 739</b>   |
| <i>Of which under Flexibility Instrument</i>   | 123 966 698                           |                        |                        |                      | 1 503 966 698                               |                        |
| <i>Ceiling</i>   | 2 546 000 000                         |                        |                        |                      | 2 546 000 000                               |                        |
| <i>Margin</i>  |                                       |                        |                        |                      |   |                        |
| <b>4. Global Europe</b>  | <b>8 881 729 361</b>                  | <b>9 539 215 403</b>   | <b>150 000 000</b>     | <b>615 000 000</b>   | <b>9 031 729 361</b>                        | <b>10 154 215 403</b>  |
| <i>Ceiling</i>   | 9 143 000 000                         |                        |                        |                      | 9 143 000 000                               |                        |
| <i>Margin</i>  | 261 270 639                           |                        |                        |                      | 111 270 639                                 |                        |
| <b>5. Administration</b>   | <b>8 908 692 052</b>                  | <b>8 910 192 052</b>   | <b>23 914 000</b>      | <b>23 914 000</b>    | <b>8 932 606 052</b>                        | <b>8 934 106 052</b>   |
| <i>Ceiling</i>   | 9 483 000 000                         |                        |                        |                      | 9 483 000 000                               |                        |
| <i>Margin</i>  | 574 307 948                           |                        |                        |                      | 550 393 948                                 |                        |
| Of which: Administrative expenditure of the institutions   | 7 096 096 572                         | 7 097 596 572          | 23 914 000             | 23 914 000           | 7 120 010 572                               | 7 121 510 572          |
| <i>Sub-ceiling</i>   | 7 679 000 000                         |                        |                        |                      | 7 679 000 000                               |                        |
| <i>Margin</i>  | 582 903 428                           |                        |                        |                      | 558 989 428                                 |                        |
| <b>6. Compensations</b>  |                                       |                        |                        |                      |   |                        |
| <i>Ceiling</i>   |                                       |                        |                        |                      |   |                        |
| <i>Margin</i>  |                                       |                        |                        |                      |   |                        |
| <b>Total</b>   | <b>153 307 848 781</b>                | <b>143 152 453 114</b> | <b>1 070 625 696</b>   | <b>914 453 696</b>   | <b>154 378 474 477</b>                      | <b>144 066 906 810</b> |
| <i>Of which under Flexibility Instrument</i>   | 123 966 698                           | 98 619 078             |                        |                      | 1 503 966 698                               | 808 604 378            |
| <i>Of which under Global Margin for Commitments (GMC)</i>  | 543 000 000                           |                        |                        |                      | 543 000 000                                 |                        |
| <i>Ceiling</i>   | 154 738 000 000                       | 144 685 000 000        |                        |                      | 154 738 000 000                             | 144 685 000 000        |
| <i>Margin</i>  | 2 097 117 917                         | 1 631 165 964          |                        |                      | 2 406 492 221                               | 1 426 697 568          |
| <b>Other special Instruments</b>   | <b>524 612 000</b>                    | <b>389 000 000</b>     |                        |                      | <b>524 612 000</b>                          | <b>389 000 000</b>     |
| <b>Grand Total</b>   | <b>153 832 460 781</b>                | <b>143 541 453 114</b> | <b>1 070 625 696</b>   | <b>914 453 696</b>   | <b>154 903 086 477</b>                      | <b>144 455 906 810</b> |