

**EUROPEAN COMMUNITY
EUROPEAN ATOMIC ENERGY COMMUNITY**

**LETTER OF AMENDMENT No. 1
TO THE DRAFT GENERAL BUDGET
OF THE EUROPEAN COMMUNITIES
FOR THE FINANCIAL YEAR 2008**

EXPLANATORY MEMORANDUM

**ESTABLISHED BY THE COUNCIL
ON 9 OCTOBER 2007**

1. On 18 September 2007, the Commission forwarded to the Council Letter of Amendment No. 1 to the Preliminary Draft Budget for the financial year 2008.
 2. This Letter of Amendment concerns expenditure under Section III – Commission – of the Community budget and covers the following elements:
 - a) inclusion of additional funds for an amount of EUR 120 million in commitment appropriations and EUR 60 million in payment appropriations, to support the stability and development of Kosovo;
 - b) inclusion of additional funds for an amount of EUR 142 million in commitment appropriations and EUR 85 million in payment appropriations to support the Palestinian Authority;
 - c) creation of a new budget Article 03 03 02 (*Damage requests resulting from legal procedures against the Commission's decisions in the field of competition*).
 3. On 9 October 2007, the Council established Letter of Amendment No. 1 to the Draft Budget for 2008 as proposed by the Commission with the exception of the creation of the new budget Article referred to in point 2 c) above. As a consequence, Article 19 08 04 regarding "Aid to Kosovo" as approved in the Draft Budget for 2008 was also deleted.
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Letter of Amendment No. 1
to the Draft General Budget of the European Communities
for the financial year 2008

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 272 thereof,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 177 thereof,

Having regard to the Financial Regulation of 25 June 2002 applicable to the general budget of the European Communities¹, as amended by Council Regulation (EC, Euratom) No. 1995/2006 of 13 December 2006², and in particular Article 34 thereof,

Having regard to the Draft General Budget of the European Communities for the financial year 2008 established by the Council on 13 July 2007,

Having regard to Letter of Amendment No. 1 to the Preliminary Draft General Budget of the European Communities for the financial year 2008 which it received from the Commission,

HAS DECIDED AS FOLLOWS:

Sole Article

Letter of Amendment No. 1 to the Draft General Budget of the European Communities for the financial year 2008 is hereby established as set out in the Annex.

Done at Luxembourg, 9 October 2007.

For the Council
The President

¹ OJ L 248, 16.9.2002, p. 1, with Corrigendum in OJ L 25, 30.1.2003, p. 43.

² OJ L 390, 30.12.2006, p. 1.

TECHNICAL ANNEX

VOLUME 4

SECTION III

COMMISSION

EXPENDITURE

Article 01 03 02 — Macroeconomic assistance

Modify figures as follows:

01 03 02	2007		PDB 2008		DB 2008		Letter of Amendment No. 1		New Amount	
	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments	Payments
Appropriations	58 201 000	78 694 000	92 000 000	82 000 000	92 000 000	82 000 000	60 000 000	30 000 000	152 000 000	112 000 000
Reserves										

Article 03 03 02 — Damage requests resulting from legal procedures against Commission's decisions in the field of competition

Creation of new article not accepted - to be deleted

Article 03 03 02 — Damage requests resulting from legal procedures against Commission's decisions in the field of competition

03-03-02	2007		PDB-2008		DB-2008		Letter of Amendment No. 1		New Amount	
	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments	Payments
Appropriations							p.m	p.m		
Reserves										

Remarks

In order to ensure that the rules on competition concerning agreements, decisions of associations of undertakings and restrictive practices (Article 81 of the Treaty establishing the European Community), abuses of a dominant position (Article 82), aids granted by States (Articles 87 and 88 of the Treaty establishing the European Community) and concentrations between undertakings (Council Regulation (EC) N° 139/2004) are enforced, the Commission is empowered to take decisions, to conduct investigations and to impose penalties or order recovery.

Commission's decisions are subject to review by the Court of Justice in accordance with the Treaty. As a prudential measure, it is appropriate to take into account the possibility of budgetary implications stemming from rulings of the Court of Justice or the Court of First Instance.

The present article is intended to cover any expenditure originated by damages awarded by the Court to claimants and resulting from legal proceedings against Commission's decisions in the field of competition.

~~As a reasonable estimate of the financial impact on the EU budget cannot be established beforehand, a token entry ("p.m.") appears in this article. If necessary, the Commission will propose to make available the appropriations related to actual needs by means of transfers or through a preliminary draft amending budget.~~

Legal basis

~~Articles 81 and 82 of the Treaty establishing the European Community (TEC) and derived legislation, notably:~~

~~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 L 1/2003, 4.1.2003, p.1).~~

~~Council regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation) (OJ L 24/2004, 29.1.2004, p.1).~~

~~Articles 87 and 88 of the Treaty establishing the European Community (TEC) and derived legislation, notably:~~

~~Council regulation (EC) No 659/1999 of 22 March 1999 laying down detailed rules for the application of Article 93 (now Art. 88) of the EC Treaty (OJ L 83/1, 27.3.1999, p.1).~~

Item 19 08 01 02 — European Neighbourhood and Partnership financial assistance to Palestine, the peace process and UNRWA

Modify figures as follows:

19 08 01 02	2007		PDB 2008		DB 2008		Letter of Amendment No. 1		New Amount	
	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments	Payments
Appropriations	172 000 000	110 000 000	158 000 000	115 000 000	158 000 000	115 000 000	142 000 000	85 000 000	300 000 000	200 000 000
Reserves					80 000 000	p.m.	-80 000 000			

Article 19 08 04 — Aid to Kosovo*Article to be deleted**Article 19 08 04 — Aid to Kosovo**Figures*

19 08 04	2007		PDB 2008		DB 2008		Letter of Amendment No. 1		New Amount	
	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments	Payments
Appropriations					p.m.	p.m.				
Reserves					180 000 000	p.m.				

Remarks

~~This appropriation is intended to cover expenditure on aid to Kosovo as defined by the United Nations Security Council Resolution 1244 of 10 June 1999.~~

Article 22 02 02 — Transition and institution-building assistance to potential candidate countries

Modify figures as follows:

22 02 02	2007		PDB 2008		DB 2008		Letter of Amendment No. 1		New Amount	
	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments	Payments
Appropriations	372 047 000	40 000 000	376 700 000	88 625 400	376 700 000	68 625 400	60 000 000	30 000 000	436 700 000	98 625 400
Reserves	13 000 000	p.m.								