Amending budget 3/2012: surplus from the 2011 financial year

2012/2071(BUD) - 05/07/2012 - Budgetary text adopted by Parliament

The European Parliament adopted by 585 votes to 26, with 6 abstentions a resolution on the **Council's position on Draft amending budget No 3/2012** of the European Union for the financial year 2012, Section III – Commission. It approved, without amendment, the Council's position.

To recall, Draft amending budget No 3/2012 aims to enter in the 2012 budget the surplus from the 2011 financial year, amounting to EUR 1 496 968 014.

The main components of that surplus are an under-spend in expenditure of EUR 0.73 billion, a positive outturn on income of more than EUR 0.67 billion, and a positive exchange rate difference of EUR 0.1 billion.

The major part on the income side (EUR 0.45 billion out of EUR 0.67 billion) comes from fines and interest on late payments.

The under-spend in expenditure, which concerns 2011 budget appropriations for EUR 0.56 billion and carry-overs from 2010 for EUR 0.17 billion, does not result from absorption difficulties or mismanagement but from the rules in force for adjusting the repartition of payments in line with needs, particularly during the last weeks of the financial year. A large part of this under-implementation results from Council's decision not to adopt the salary and pension adjustment provided for by the Staff Regulations.

Shortage in payments: Parliament deplores the fact that the Council initially decided to reduce by two thirds the level of the EUR 485 million transfer request DEC 9/2012 from under-implemented energy projects to aid economic recovery to reinforce three budget lines under FP7 – Cooperation. This would have **artificially increased under-implementation for 2012** payments and therefore increased the 2012 surplus, when all available indicators already point this year to a shortage in payments in the field of research and other areas of EU intervention, notably because in 2011, for the second year in a row, the Budgetary Authority decreased the 2012 level of payment appropriations in the Union budget by more than EUR 3 billion, including for research and cohesion policy, as compared to Commission's initial estimates.

Parliament therefore welcomes Council's reconsidering of its position through adopting transfer request DEC 19/2012.