Amending budget 6 /2012: revenue; reinforcement of payment appropriations; reductions in commitment and payment appropriations

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PURPOSE: the presentation of Draft Amending Budget No 6 to the General Budget 2012.

CONTENT: Draft Amending Budget (DAB) No 6 for the year 2012 concerns the following:

- the usual update in the forecast of revenue after the latest revision of the forecasts of own resources and other revenue;
- an increase of payment appropriations of nearly **EUR 9.0 billion across headings 1a, 1b, 2, 3a and 4 of the multi-annual financial framework, with the aim of meeting outstanding needs to the end of the year, so that commitments can be honoured**, financial penalties avoided, and **beneficiaries can receive the funds envisaged by the agreed EU policies**, for which the commitments were authorised in previous annual budgets. The Commission has identified some sources of redeployment for a total of EUR 47.4 million;
- a reduction in the level of commitment appropriations in the budget of EUR 133.4 million, to take account of the latest state of implementation and revised assessments of real needs to the year end.

The issue of payment appropriations: in September, all Commission services were asked to update their forecasts of needs until the end of 2012, and submit their requests to adjust payment appropriations. The revised elements form the basis of the so-called Global Transfer (DEC 30/2012), aimed at adjusting authorised payment appropriations across budget lines, according to the latest updated needs.

In preparing the Global Transfer for 2012, the **Commission sought to match increased needs for payment appropriations on some budget lines, with amounts on other lines which would otherwise remain** unused, with a view to achieving full implementation. The proposal concerns an amount of EUR 419.7 million, corresponding to some 0.3 % of the total authorised payments in the 2012 budget. In total, 110 budget lines are concerned (65 for reinforcement and 45 for reductions).

The corresponding value of the Global Transfer in 2011 was EUR 719.2 million, and in 2010 it was EUR 1 792 million. The relatively low amount this year reflects the very tight situation for payments in the 2012 budget, with **only EUR 419.7 million** available for redeployment, and so it has only been possible to meet part of **the requests for reinforcement, within the limits of this amount. As already forecast and signalled during the course of the year, these are simply too great to be accommodated through redeployment within the appropriations available in the 2012 budget**. Therefore recourse must be made to an amending budget.

The request should also be seen in the context of an adopted budget for 2012 which set **the level of payment appropriations EUR 3.6 billion below the Commission's Draft Budget proposal**, creating a very tight situation for payments from the beginning of the year.

The Commission is therefore obliged to have recourse to the joint statement agreed during the conciliation on the 2012 budget, and which was part of the joint conclusions of 19 November 2011. In this statement the Council and the European Parliament asked the Commission "to request additional payment

appropriations in an amending budget if the appropriations entered in the 2012 budget are insufficient to cover expenditure". For their part, the Council and the European Parliament undertook to"take position on any draft amending budget as quickly as possible in order to avoid any shortfall in payment appropriations."

The total amount of payment appropriations requested is **EUR 138 752.8 million**, corresponding to 1.08 % of the European Union's GNI. This leaves a margin of EUR 3 451.4 million under the 2012 ceiling for payments of the multi-annual financial framework (MFF).

Budgetary variations: variations in own resources, together with a significant increase in the revenue from fines and interest payment of EUR 3 525 million, lead to a total net increase in revenue of EUR 3 080.8 million, which will lessen the effect of the DAB 6 on Member States' GNI-based contributions.