

Amending budget 2/2014: increase in revenue; shortage of payments

2014/2036(BUD) - 28/05/2014 - Commission draft budget

PURPOSE: presentation of Draft amending budget (DAB) No 3 for the year 2014.

CONTENT: Draft amending budget (DAB) No 3 for the year 2014 covers the following:

- an increase in the forecast of other revenue stemming from fines and interests, amounting to **EUR 1 417,0 million**;
- an increase in the forecast of other revenue stemming from repayments and revenue paid back to the Facility for Euro-Mediterranean Investment and Partnership (FEMIP), amounting to EUR 151,0 million;
- a redeployment of payment appropriations from the reserve for the Sustainable Fisheries Partnership Agreements to the European Fisheries Fund, amounting to EUR 65 million;
- **an increase of payment appropriations of EUR 711,4 million across headings 1a, 2 and 4 up to the 2014 ceiling for payments.** This is with the **aim of meeting outstanding needs to the end of the year**, so that obligations stemming from past and current commitments can be honoured, financial penalties avoided, and beneficiaries can receive the funds envisaged by the agreed EU policies, for which Parliament and Council authorised the related commitment appropriations in previous annual budgets;
- **an increase of payment appropriations of EUR 4 026,7 million under heading 1a, heading 1b, heading 2 and heading 4** for which the Commission proposes to mobilise the Contingency Margin in accordance with Article 13 of the multiannual financial framework (MFF) Regulation. This is with the aim of addressing events that were unforeseen when the 2014-2020 MFF payment ceilings were agreed;
- an adjustment of the establishment plans of the Commission, the Offices, the Committee of the Regions and the European Data Protection Supervisor, to take account of the conversion of posts in the function group for Assistants (AST) into posts in the new function group for Secretaries and Clerks (AST/SC), now that reliable estimates of the number of posts concerned in 2014 have become available. The requested conversion of posts leads to a saving of administrative expenditure under heading 5 of EUR 400 000. The corresponding payment appropriations become available for redeployment.

Shortage of payments: the ceiling for payment appropriations in 2014 is set in the 2014-2020 MFF at EUR 135 866 million (in current prices). This is EUR 8.4 billion lower than the final budget 2013, whereas the payment needs for the year 2014 would have required a payment ceiling that is more in continuity with the 2013 ceiling, as the Commission has stated on numerous occasions. As a consequence, already at this stage of the year, **shortages of payment appropriations are visible across all headings**. Furthermore, the backlog of unpaid payment claims for 2007-2013 programmes in heading 1b stood at EUR 23.4 billion at the end of 2013.

Against the backdrop of payment shortfalls across all headings, the Commission proposes to use the unallocated margin available under the ceiling (**EUR 711 million**) as well as to fully mobilise the Contingency Margin to cover all the budgetary consequences of those events that have arisen after the agreement on the 2014-2020 MFF payment ceiling in February 2013.

Additional payments: the Commission requests additional payment appropriations (**EUR 4 738,1 million**) in this DAB 3/2014 to cover outstanding additional payment appropriations required to meet year-

end needs across the 2014 budget, making full use of the maximum and specific flexibility mechanisms created in the MFF Regulation.

When taking into account the increase in revenue, the net impact in terms of additional call for funds is **EUR 3 170,1 million**. Moreover, in April 2014, the Commission already proposed the budgeting of the EUR 1 005,4 million surplus resulting from the implementation of the budget year 2013, which further reduces the call for funds correspondingly, leading to a net impact of EUR 2 164,7 million compared to the current authorised budget.