Amending budget 4/2016: update of appropriations, reduction of payment and commitment appropriations, extension of EFSI, staff establishment plan of Frontex, update of revenue appropriations

2016/2257(BUD) - 30/09/2016 - Commission draft budget

PURPOSE: presentation of draft amending budget No 4 to the general budget 2016.

CONTENT: the purpose of Draft Amending Budget (DAB) No 4 for the year 2016 is the following:

1. To update the level of appropriations under heading 3 Security and Citizenship: in order to take account of the state of implementation and to reflect the latest developments in relation to migration and security issues, the following is called for:

- an increase of EUR 50 million in commitment appropriations and EUR 10 million in payment appropriations for the emergency support instrument within the Union,
- a EUR 130 million increase in commitment appropriations for the Asylum, Migration and Integration Fund (AMIF),
- a EUR 70 million increase in commitment appropriations for the Internal Security Fund (ISF).

Given the absence of any margin in heading 3, these increases in commitment appropriations require the **mobilisation of the Contingency Margin for a total amount of EUR 240.1 million**, after taking into account the redeployment of EUR 9.9 million from the European Medicines Agency (EMA) in London, as a result of changes in the EUR/GBP exchange rate.

The Commission proposed to **fully offset this mobilisation in 2016 against the unallocated margins of heading 5 Administration in 2016**.

2. To frontload the provisioning of the European Fund for Strategic Investments (EFSI) 2015-2018 with an increase of EUR 73.9 million in commitment appropriations, to take account of the proposed extension of the duration of the Fund until 2020. It is proposed to finance the increase by reducing the appropriations of the financial instruments under the energy strand of the Connecting Europe Facility (CEF-Energy), with a **corresponding compensation in 2018**.

3. To reduce commitment appropriations spread across several budget lines, under heading 2 Sustainable Growth: natural resources, by EUR 14.7 million, to adjust them to the latest needs assessment.

4. To decrease the level of payment appropriations by EUR 7 284.3 million, mostly in budget lines under heading 1b Economic, social and territorial cohesion and to a lesser extent for headings 2 Sustainable Growth: natural resources and 3 Security and Citizenship as well as from the Emergency Aid Reserve, after taking into account the redeployments proposed in the Global Transfer (DEC 23/2016).

5. To frontload in 2016 part of the reinforcement in the staffing levels of Frontex already proposed in the draft budget 2017, in view of the forthcoming entry into force of the new European Border and

Coast Guard Regulation. This entails an amendment to the establishment plan of Frontex with no additional appropriations in 2016.

Impact of DAB/4/2014: the net impact of DAB 4/2014 on the expenditure side of the 2016 budget is an **increase of EUR 225.4 million in commitment appropriations and a decrease of EUR 7 274.3 million in payment appropriations**.

Revenue: as the present DAB decreases the payment appropriations of the 2016 budget, it will therefore have an impact on the total amount payable by Member States towards this budget. However there are also two adjustments on the revenue side of the budget which need to be taken into account:

- the first of these adjustments is an update of the estimates for Traditional Own Resources (TOR), as well as the Value Added Tax (VAT) and Gross National Income (GNI) resources, which are updated to take account of more recent economic forecasts;
- the second adjustment on the revenue side is an update of the UK correction.

The overall impact of both the expenditure and the revenue adjustments of this DAB is shown in a summary. The table also shows the distribution of total own resources payments between Member States: as budgeted in the 2016 budget, as amended in Amending Budget (AB) 2/2016, and finally in the present DAB.