2017 general budget: all sections

2016/2047(BUD) - 17/10/2016 - Document attached to the procedure

This Amending Letter No 1 to the draft budget for the year 2017 (AL 1/2017) proposes four main areas of amendment to the draft budget (DB) 2017. Three are policy-related:

- agriculture and fisheries;
- competitiveness for growth and jobs;
- the new Partnership Framework under the Migration Agenda, the External Investment Plan, and security.

The fourth group of amendments proposed relates to a number of administrative and technical adjustments. In more detail, AL 1/2017 covers the following:

- **the updating of the estimated needs, assigned revenue and appropriations for agricultural expenditure**: in addition to changing market factors, the Amending Letter also incorporates the impact of decisions in the agricultural sector since the draft budget 2017 was presented in June 2016, as well as other proposals expected to have a significant effect during the budget year. taking into account various technical amendments, **the level of commitment appropriations remains unchanged, with a slight reduction (-EUR 1 million) in payment appropriations**;

- **the phasing in of reinforcements announced** in the mid-term review of the multiannual financial framework 2014-2020 for sustainable growth, with **EUR 200 million in commitment appropriations and EUR 7 million in payment appropriations** in heading 1a,'Competitiveness for growth and jobs'. The Commission proposes to finance the commitments through the global margin for commitments (GMC) and the unallocated margin. The breakdown is as follows:

- Horizon 2020: +EUR 50 million in commitment appropriations and EUR 7 million in payment appropriations;
- Competitiveness of enterprises and small and medium-sized enterprises (COSME): +EUR 50 million in commitment appropriations;
- Connecting Europe Facility (CEF) – transport: +EUR 50 million in commitment appropriations;
- Erasmus+: + EUR 50 million in commitment appropriations;
- WiFi4EU, an initiative aiming to help European communities offer free Wi-Fi access points to any citizen: +EUR 20 million in commitment appropriations redeployed from the 'Information and Communication Technology' strand of the CEF.

- **reinforcing by EUR 1 billion the budgetary resources under heading 4, 'Global Europe'**, to address the root causes of migration and promote the swift implementation of agreements with third countries under the new Partnership Framework process and to create a European Fund for Sustainable Development (EFSD) with a new EFSD Guarantee Fund. The Commission proposes to increase commitment appropriations by EUR 1 billion and payment appropriations by EUR 210 million. Given the very low margin in heading 4 (created by the transfer of the EU Special Representatives from heading 4 to heading 5, Administration), most of this increase in commitment appropriations is financed through a corresponding mobilisation of the Contingency Margin to be offset in 2017 against the unallocated margins of heading 2 'Sustainable Growth: Natural Resources' and in 2018-2019 against the unallocated margins of heading 5;

- **an increase in the number of posts at Europol** to strengthen operational support, notably to provide a 24/7 service and on-the-spot deployment capabilities as announced in the Commission's communication on enhancing security in a world of mobility;

- **an increase of posts requested for Frontex** (European Border and Coast Guard agency) and the **European Asylum Support office** (EASO) in light of a more detailed assessment of the job profiles required;

- **minor adjustments to the establishment plans** of the European agency for safety and health at work (EU-OSHA) and the European foundation for the improvement of living and working conditions (EUROFOUND);

- **the transfer of expenditure related to the three EU Special Representatives** (EUSRs) from heading 4 to heading 5;

- **an update of the likely needs for additional appropriations** related to 2017 for the salaries and pensions of all institutions;

- **the alignment of the establishment plans** of the European Parliament, the European Economic and Social Committee and the Committee of the Regions, to reflect the agreement reached between them regarding economies of scale.

The Commission also stressed that it intends to fund the Youth Employment Initiative (YEI) in 2017 up to a level of **EUR 500 million in commitment appropriations**. However, at this stage, the Commission does not propose the budgetary allocations in this Amending Letter. Consequently, the Commission will propose to add these allocations through a draft amending budget to be submitted to the European Parliament and the Council immediately after the technical adjustment in early 2017.

Overall, the net impact of Amending Letter 1/2017 on expenditure in the 2017 draft budget is an increase of EUR 1 257.2 million in commitment appropriations and an **increase of EUR 523.1 million in payment appropriations.** On the revenue side of the budget, some fines will be paid to the Commission and all legal remedies will be exhausted at the end of 2016 for an estimated amount of EUR 1 billion. The Commission proposes to increase the relevant budget items in the revenue part of the budget by this amount. This will reduce the GNI contribution requested from the national budgets by the same amount.