

Amending budget 2/2017: surplus of the financial year 2016

2017/2061(BUD) - 04/07/2017 - Budgetary text adopted by Parliament

The European Parliament adopted by 556 votes to 79, with 61 abstentions, a resolution on the Council position on Draft amending budget No 2/2017 of the European Union for the financial year 2017, Section III - Commission.

Parliament recalled that Draft amending budget No 2/2017 aims to enter in the 2017 budget the surplus from the 2016 financial year, amounting to EUR 6 405 million.

It stressed that the main components of that surplus are:

- a positive outturn on income of EUR 1 688 million,
- an under-spending in expenditure of EUR 4 889 million,
- exchange rate differences amounting to EUR - 173 million.

On the income side, the two main components are interest on late payments and fines (EUR 3 052 million) and a negative outturn on own resources (EUR 1 511 million).

On the expenditure side, under-implementation reaches EUR 4 825 million for 2016 and EUR 28 million for 2015 carry-overs under Section III (Commission), and EUR 35 million for other institutions.

Implementation rate: overall, Parliament expressed concern at the **significant under-implementation** of EUR 4 889 million in 2016, despite the fact that Amending budget No 4/2016 had already reduced the level of payment appropriations by EUR 7 284.3 million.

The very low implementation of payment appropriations in the area of cohesion (Heading 1b) is partially due to inaccurate forecasts by Member States and to delays in the designation of managing and certifying authorities at national level.

Parliament drew attention to the negative impact of the depreciation of the British Pound against the Euro, which is the main cause of the shortfall in revenues of EUR 1 511 million under own resources. That shortfall could have created severe problems for the financing of the Union budget.

Brexit: Parliament noted that that shortfall in revenues is due to the **unilateral British decision to leave the Union**, but that the correction has to be borne by the Union as a whole. It insisted that those costs should be considered when negotiating the settlement of financial obligations between the UK and the Union.

It also noted in particular the relatively high level of fines in 2016, which totalled EUR 4 159 million, of which EUR 2 861 million are counted in the 2016 surplus.

Members observed that the adoption of Draft amending budget No 2/2017 will **reduce the share of GNI contributions from Member States to the Union budget** in 2017 by EUR 6 405 million. They urged, once again, Member States to use the opportunity of such a reflow to honour their pledges in relation to the **refugee crisis** and to match the Union contribution to Union trust funds and to the new **European Fund for Sustainable Development**.

Amending budget: Parliament called on the institutions to process swiftly the pending and upcoming draft amending budgets for the **Youth Employment Initiative and for the European Fund for Sustainable Development**, in line with the commitments taken as part of the outcome of the conciliation on the 2017 budget.

Plenary regretted in the context of this Draft amending budget that the adoption of the mid-term revision of the Multiannual Financial Framework (MFF) was blocked in the Council for several months. It is **relieved that the British government kept its word and lifted its blockade on the MFF revision** swiftly after the General elections in the UK. It hoped that the reflow of financial resources to Member States will ease the upcoming negotiations on the settlement of financial obligations between the UK and the Union.

Lastly, Parliament approved the Council position on Draft amending budget No 2/2017.