Amending budget 6/2017: reduction of payment and commitment appropriations and update of revenue

2017/2217(BUD) - 09/10/2017 - Commission draft budget

PURPOSE: presentation of a Draft Amending Budget (DAB) No. 6 to the 2017 budget aimed at reducing payment and commitment appropriations in line with updated forecasts of expenditure and update of revenue (own resources and fines).

CONTENT: the present Draft Amending Budget (DAB) No. 6/2017 aims to update both the expenditure and the revenue sides of the budget to reflect latest developments.

1) Expenditure side: the Commission proposes to adjust the level of payment appropriations for certain budget lines in order to align them more closely to the latest estimates of needs and working on the assumption that the rebalancing of payment appropriations between budget lines requested separately by the Commission in the so-called "global transfer" (DEC 20/2017) will be accepted by the European Parliament and the Council.

The overall reduction (EUR 7 719.7 million) in the level of payment appropriations requested in this DAB mainly concerns:

- **Heading 1b - Economic, social and territorial cohesion**: the Commission proposes a decrease of **EUR 5.9 billion** in payment appropriations for the **European Structural and Investment funds** (ESIF). All operational programmes for this period were adopted before the end of 2015. However, the overall level of interim payments in 2017 for these programmes will be lower than initially budgeted. Implementation delays continue to be observed in relation to the 2014-2020 operational programmes. The Commission has expressed its readiness to provide assistance to Member States to ensure that implementation accelerates.
- **Heading 2 - Sustainable Growth: Natural Resources**:

    i. **European Agricultural Fund for Rural Development** (EAFRD): it is proposed: (i) to release an amount of **EUR 780 million** since for most of the programmes, closure and payments took place at the end of 2016 and that the needs for closure payments in 2017 are lower; (ii) to reduce by **EUR 1.5 million** the commitment appropriations for budget item 05 04 60 02 (Operational technical assistance);

    ii. **Compulsory contributions to regional fisheries management organisations and other international organisations and sustainable fisheries agreements**: amounts of **EUR 11.2 million** in commitment appropriations and **EUR 10.4 million** in payment appropriations may be released from the reserve line;

    iii. **European Agricultural Guarantee Fund (EAGF)**: following the cancellation of certain actions, it is proposed to decrease the level of appropriations by **EUR 1.9 million** in both commitment and payment appropriations;

    iv. **Decentralised bodies (ECHA-biocides)**: since the fee income from industry received by the Agency is expected to be **EUR 0.6 million** higher than initially estimated, the contribution from the EU budget may be reduced accordingly.

- **Heading 3 - Security and Citizenship**:

    i. the proposed **EUR 157.5 million** reduction in payment appropriations takes into account the fact that the implementation of the two relocation schemes under the Asylum, Migration and Integration Fund (AMIF) has been slower than expected;

    ii. the proposed reduction of payment appropriations of **EUR 130 million** for the Internal Security Fund (ISF) is due to the delay in the implementation of national programmes, as well as the late adoption of the new Entry-Exist System.

- **Heading 4 - Global Europe**: it is proposed:

    i. to reduce by a total amount of **EUR 268.1 million** the payment appropriations identified on several lines of the Instrument for Pre-Accession Assistance (IPA II);

    ii. to reduce by **EUR 434.1 million** the payment appropriations identified on several lines of the European Neighbourhood Instrument (ENI);

    iii. to release **EUR 46 million**, both in commitment and payment appropriations, relating to pre-financing under the European Union Solidarity Fund (EUSF), which will no longer be necessary in 2017.

2) Revenue side: the Commission proposes:

    i. to revise the forecast of **Traditional Own Resources** (i.e. customs duties and sugar sector levies), **value-added tax** (VAT) and **gross national income** (GNI) bases, and to budget the relevant **UK corrections** and their financing, which all affect the distribution of own resources contributions from Member States to the EU budget;

    ii. to enter into the EU budget the **fines** decided by the Commission, for which all legal remedies were exhausted and which therefore became definitive in the course of 2017, reducing accordingly the own resources contributions from Member States to the EU budget.