2018 general budget: all sections

2017/2044(BUD) - 16/10/2017 - Document attached to the procedure

PURPOSE: presentation by the European Commission of amending letter No 1 to the draft general budget of the European Union for the financial year 2018.

CONTENT: this **amending letter No 1 to the draft budget for the financial year 2018** covers the following aspects:

European Agricultural Guarantee Fund (EAGF): the Commission proposes to update the expenditure estimates for agriculture by **reducing the commitment and payments appropriations by EUR 53.9 million** compared to DB 2018. By late September 2017, the Commission has at its disposal a first indication of the level of production for 2017 and outlook for the agricultural markets, which are the basis for the updated estimates of the budgetary needs for 2018.

This AL 1/2018 also incorporates the impact of legislative decisions in the agricultural sector since the DB 2018 was drawn up in May 2017, as well as for some that are still under preparation, but to be adopted soon. Overall commitment appropriations requested for heading 2 in DB 2018 including AL 1/2018 are estimated at EUR 59 499.6 million. This leaves a margin of EUR 767.4 million in commitment appropriations below the corresponding MFF ceiling.

Heading 2 payment appropriations amount to EUR 56 305.9 after being decreased by the same amount (- EUR 53.9 million) as commitment appropriations compared to DB 2018.

It is proposed to budget appropriations for agricultural expenditure financed under the European Agriculture Guarantee Fund (EAGF) in AL 1/2018 at EUR 43 464.4 million, which is below the 2018 net balance available for EAGF expenditure ('net sub-ceiling') of EUR 44 162.4 million.

European Union Solidarity Fund (EUSF): the Commission proposed to **decrease the appropriations entered in reserve** for the EUSF to take account of the frontloading recently decided by the European Parliament and the Council in the EUSF mobilisation decision for Italy following series of earthquakes that took place between August 2016 and January 2017 in the regions of Abruzzo, Lazio, Marche and Umbria.

The amount mobilised was not sufficient to cover the full mobilisation of the EUSF for Italy. It is proposed to reduce accordingly the amount entered in reserve in the DB 2018, both in commitment appropriations (- EUR 293 628 245) and in payment appropriations (- EUR 112 000 000).

Agencies: the Commission proposes:

- **updating of the levels of appropriations and establishment plans of the European Securities and Markets Authority** (ESMA) further to the latest proposal tabled by the Commission on 13 June 2017 as regards the procedures and authorities involved for the authorisation of Central Counterparties (CCPs) and requirements for the recognition of third-country CCPs. ESMA will require additional human and financial resources to carry out its new tasks under the CCP Regulation, with a phasing in over the period 2018-2020;
- **adjusting the establishment plan of the European foundation for the improvement of living and working conditions** (EUROFOUND). The staff reduction target for EUROFOUND in Dublin translates into a reduction of two posts in 2018, i.e. from 93 posts authorised in the 2017 budget to 91 posts in the 2018 draft budget. The overall number of posts in the function group for

Administrators is stable at the level initially requested for 2018 (49). This has no impact on expenditure;

- **creating a budget structure for operating costs that the Education, Audiovisual and Culture Executive Agency** (EACEA) will support for the implementation of the European Solidarity Corps which was proposed on 31 May 2017.

Administration: the Commission proposes adjusting some administrative expenses:

- for the **European Anti-Fraud Office** (OLAF); the modifications will cause no impact on OLAF's expenditure;
- for the **Publications Office** (PO): in the context of modernisation of support processes and the establishment of improved working methods, the Commission has set up a digital transformation agenda, especially in the field of local data consolidation centres, ICT equipment and security. It is proposed to transfer 14 posts and the related salary appropriations from OP to the Commission, as of 1 January 2018. The impact of this transfer on appropriations is neutral;
- for the **European External Action Service** (EEAS) due to (i) the EU's future engagement with Afghanistan following the end of the EUSR's double hatted mandate in Afghanistan; (ii) the transition of certain Monitoring, Mentoring and Advising (MMA) tasks from EULEX Kosovo to the EU Office in Kosovo; (iii) the creation of a separate budget line for the contribution to the financing of the European Schools.