Amending budget 4/2019: reduction of commitment and payment appropriations in line with updated needs of expenditure and update of revenue (own resources)

2019/2037(BUD) - 03/10/2019 - Budgetary report tabled for plenary, 1st reading

The Committee on Budget adopted the report by John HOWARTH (S&D, UK) on the Council position on Draft amending budget No 4/2019 of the European Union for the financial year 2019: Reduction of commitment and payment appropriations in line with updated needs of expenditure and update of revenue (own resources).

On the expenditure side, Draft amending budget No 4/2019 has two objectives:

- to decrease commitment and payment appropriations of budget lines by EUR 112 million and EUR 67.5 million respectively, in heading 1a "Competitiveness for growth and jobs", heading 1b "Economic, Social and Territorial Cohesion", and heading 2 "Sustainable growth – natural resources";

- to increase by EUR 11.9 million commitment and payment appropriations in Heading 5, to adjust the budget 2019 of some institutions as a result of the postponement of the withdrawal of the United Kingdom from the European Union to 31 October 2019.

On the revenue side, Draft amending budget No 4/2019 concerns a revision of 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 Union budget.

Taking note of the Commission's proposal, Members reiterated their position considering that the Union budget is too small to respond to pressing needs and challenges it faces as well as its citizens.

They considered that a draft amending budget should follow one purpose only. However, the Draft amending budget No 4/2019 has two purposes. They stated that the most urgent purpose of Draft amending budget No 4/2019 is to adjust the budget 2019 of some institutions as a result of the postponement of the withdrawal of the United Kingdom from the European Union to 31 October 2019. Members therefore approved these adjustments but rejects the proposed release of commitment appropriations.

Members took note of the rebalancing of own resources made necessary by the revision of the forecast of Traditional Own Resources and VAT and by updates to the UK correction.

The committee recommended that the European Parliament decide to amend the Council position on Draft amending budget No 4/2019. It called on the Commission to put forward a new proposal, the aim of which would be to redeploy the potential savings identified both in its proposal for Draft amending budget No 4/2019, as well as any newly identified appropriations which would not be used, to fund key Union programmes in lack of funding.