

Amending budget 4/2024: update of revenue (own resources) and adjustments to some decentralised agencies

2024/0185(BUD) - 22/10/2024 - Budgetary text adopted by Parliament

The European Parliament adopted by 522 votes to 115, with 25 abstentions, a resolution **approving the Council position** on Draft amending budget No 4/2024 of the European Union for the financial year 2024 - update of revenue (own resources) and adjustments to some decentralised agencies.

Parliament welcomed the draft amending budget No 4/2024 which aims to update the revenue side of the budget to take account of the latest developments and, additionally, to adjust the expenditure side of the budget in relation to a number of decentralised agencies. Draft amending budget No 4/2024 also updates the 2024 United Kingdom contribution pursuant to the withdrawal agreement, which stands at EUR 2.38 billion, a significant reduction of EUR 1.52 billion compared to the estimate included in the 2024 budget. It also takes into account the fines and penalties cashed up to the end of May 2024, which increases the initial forecast for fines and penalties in the 2024 budget by EUR 513 million.

Draft amending budget No 4/2024 proposes a **number of adjustments** to the financing of decentralised agencies, with a net increase of EUR 12 million overall and a proposal to mobilise the Flexibility Instrument for an amount of EUR 13.2 million to cover increases for the European Medicines Agency and Eurojust in the absence of any available margin under Heading 2b of the multiannual financial framework (MFF).

Parliament noted that the decrease in the amount of own resources other than GNI (in particular with respect to customs duties) and in the size of the United Kingdom contribution to the budget results in an increase in GNI contributions of EUR 5.63 billion. It also noted that there is a significant divergence from the initial forecasting of customs duties and the United Kingdom contribution and called on the Commission to examine scope for **improving its forecasting**, which is vital for the predictability of budgetary planning.

The resolution underlined that, with Draft amending budget No 4/2024, GNI lump-sum reductions for the five beneficiary Member States amount to just under EUR 5.4 billion net. It stressed that these rebates are inflation-linked and have therefore increased at a higher rate than the MFF ceilings, which are adjusted annually on the basis of the 2 % deflator. This anomaly increases the burden on the other Member States.

Parliament emphasised the need for sustainable revenue for the Union budget, which has been severely stretched to respond to various crises in recent years. It deplored the **absence of progress** in the Council on the reform of the own resources system. It recalled its position in support of the amended Commission proposals and urged the Council to adopt those proposals swiftly in order to increase the own resources available to the Union budget.

Parliament recalled its long-standing position that **fines and fees** should be used as supplementary revenue for the Union budget and that new priorities require fresh financing. Noting the series of adjustments to the budgets of decentralised agencies, primarily in accordance with tasks assigned to them under recently adopted legislation, Members recalled that agencies must have the necessary staff and budget to properly fulfil their mandates.

Members regretted that, in the current MFF, a total of EUR 1.5 billion has so far been, or is proposed to be, redeployed from programmes to decentralised agencies. They underlined that the magnitude of the redeployments is symptomatic of the stretched resources available to the Union budget and stressed the need for **budgetary flexibility to adjust agencies' resources** in line with changes to their mandates and tasks during the MFF.

Lastly, it should also be noted that Draft amending budget No 4/2024 entails an increase of EUR 2 million for Eurojust owing to inflationary pressure. Inflationary pressure is clearly a challenge for all decentralised agencies, with inflation running above the annual 2 % deflator by which the MFF ceilings increase and staff and operating costs for decentralised agencies under substantial pressure as a result. Parliament considered that the current treatment of decentralised agencies' budgets as **separate** from administrative spending under Heading 7 of the MFF requires further reflection as part of the Commission's preparations for the post-2027 MFF.