Basic information

2007/2237(BUD) BUD - Budgetary procedure	Procedure completed
Amending budget 7/2007: increase in the forecast of revenue, VAT and GNI balances, decrease of payment appropriations in certain budget lines **Subject** 8.70.60 Previous annual budgets	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	ELLES James (PPE-DE)	11/01/2006

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2833	2007-11-23
Agriculture and Fisheries	2834	2007-11-26

Key events

Date	Event	Reference	Summary
07/11/2007	Commission preliminary draft budget published	COM(2007)0687	Summary
26/11/2007	Council draft budget published	15715/2007	Summary
26/11/2007	Draft budget approved by Council		
29/11/2007	Vote in committee		Summary
04/12/2007	Budgetary report tabled for plenary	A6-0493/2007	
10/12/2007	Committee referral announced in Parliament		
11/12/2007	Decision by Parliament	T6-0593/2007	Summary
11/12/2007	Results of vote in Parliament		
11/12/2007	End of procedure in Parliament		
24/01/2008	Final act published in Official Journal		

Technical information

Procedure reference	2007/2237(BUD)

Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/6/56015

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Budgetary report tabled for plenary, 1st reading		A6-0493/2007	04/12/2007	
Parliament's opinion on budgetary estimates/guidelines		T6-0593/2007	11/12/2007	Summary

Council of the EU

Document type	Reference	Date	Summary
Council draft budget	15715/2007	26/11/2007	Summary

European Commission

Document type	Reference	Date	Summary
Commission preliminary draft budget	COM(2007)0687	07/11/2007	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2008/0057
OJ L 021 24.01.2008, p. 0001 Summary

Amending budget 7/2007: increase in the forecast of revenue, VAT and GNI balances, decrease of payment appropriations in certain budget lines

2007/2237(BUD) - 11/12/2008 - Final act

PURPOSE: final adoption of amending budget No 7 of the European Union for the financial year 2007.

LEGISLATIVE ACT: Decision 2008/57/EC, Euratom.

CONTENT: the European Parliament effected the final adoption of amending budget 7/2007 of the European Union (in accordance with its resolution of 11 December 2007 – please see the summary of the resolution).

This amending budget aims to take into account the need to budget a substantial increase in the forecast of revenue, as well as the need for a decrease of payment appropriations in budget lines for headings 1a, 1b, 2 and 3a.

The combined effect of increase in the forecast of revenue and decrease of payment appropriations is to reduce Member States' GNI contributions to the 2007 budget by **EUR 5 976.2 million**.

Amending budget 7/2007: increase in the forecast of revenue, VAT and GNI balances, decrease of payment appropriations in certain budget lines

2007/2237(BUD) - 07/11/2007 - Commission preliminary draft budget

PURPOSE: to present the drafting amending budget No 7 to the EU's general budget 2007.

CONTENT: this Preliminary Draft Amending Budget (PDAB) No 7 for the year 2007 takes into account of the following developments:

- the need to budget a substantial increase in the forecast of revenue, in particular for the revision of the forecasts of VAT and GNI balances (**EUR 3 233.4 million**);
- the need for a decrease of payment appropriations in budget lines for headings 1a, 1b, 2 and 3a (EUR 1 251.4 million), after taking into account the redeployments proposed in the global transfer.

1. Increase in the forecast of revenue: the Commission proposes to revise the forecasts of VAT and GNI own resources balances, on the basis of the available information, by an increase of EUR 2 814.9 million. These modifications concern chapters 3 1 and 3 2 of the revenue side of the budget. At this stage the calculations for Member States' GNI are still provisional, because of the ongoing verification of GNI data. After the GNI Committee of 25 October, the Commission will revise the above figure accordingly, in the course of the budgetary procedure for this PDAB.

Other revenue:

- repayment of unused Community aid (item 6 1 5 0) and financial corrections in connection with the Structural funds (item 6 5 0 0), which will allow for EUR 179.5 million to budgeted;
- interest on late payments and fines for an additional amount of EUR 239 to be included in the budget.

2. Decrease in payment appropriations: 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's in the so-called 'Global Transfer' will be accepted by the Budget Authority. The reduction (**EUR 1 251.4 million**) in the level of payment appropriations requested in this PDAB takes account in particular of the following factors:

- the fine-tuning of Cohesion expenditure, to reflect the state of play in the programming phase;
- the winding-up of payments stemming from the previous financial frameworks;
- the late adoption of some legal bases, and the resulting delays in starting up new programmes;
- the need to take account of the state of implementation of certain pilot projects and preparatory actions.

The present proposal concerns headings **1a, 1b, 2 and 3a of the financial framework**.

- **Heading 1a (Competitiveness for Growth and Employment)**: the proposed reduction of payment appropriations for heading 1a is EUR 466.5 million due to cuts in the area of research (FP 5 and FP6); competitiveness and innovation; energy and transport (Galileo in particular); nuclear decommissioning ; intelligent energy I; Marco Polo ; pilot projects and preparatory actions.
- **Heading 1b (Cohesion for Growth and Employment)**: a reduction of EUR 573 million in payment appropriations for heading 1b is also proposed given that 2007 is the first year of the new 2007-2013 programming period, when all new operational programmes are scheduled for adoption, followed by the first advance payments. Currently, the Commission estimates that in 2007 it may not be possible to pay EUR 1 billion, out of the total budget of EUR 7 billion for advances to the new Cohesion policy 2007-2013 programmes, due to delays in the adoption of some programmes. In contrast, payments for the pre-2007 Structural Funds programmes have so far exceeded expectations. Assuming steady payment claims continue for the rest of the year, they are likely to absorb part of the surplus of payment appropriations that had been foreseen for advances for the 2007-2013 programmes. Nevertheless, two budget lines require downward adjustments, albeit of limited magnitude. These are the ERDF lines for the Completion of Objective 2 programmes and the Completion of Technical Assistance and Innovative Measures (EUR 30 million each). There are also significant delays in adopting the new Cross-Border programmes under the European Neighbourhood and Partnership Instrument, co-funded by the European Regional Development Fund (ERDF). None of these programmes is expected to be adopted in 2007 due to delays in the preparation of the joint programmes by the Member States and ENPI participant countries. As a result, none of the amounts budgeted for advances (EUR 13 million) funded by the ERDF can be used. The final component concerns payments for pre-2007 projects of the Cohesion Fund. Despite Portugal and Poland exceeding forecast payment claims, in general payments have trailed expectations in the other Member States, with claims from Bulgaria, Spain, the Czech Republic and Slovenia being especially low. Consequently, overall payments are forecast to be some EUR 500 million lower than forecast.
- **Heading 2 (Preservation and Management of Natural Resources)**: reduced payments for the European Fisheries Fund (- EUR 19 million) and LIFE + (- EUR 88 million) due to the delay in the adoption of the legislative instrument.
- **Heading 3a (Freedom, Security and Justice)**: the unused appropriations appear under the budget lines concerning: Freedom, Security and Justice (- EUR 104 million); External Border Fund; Integration of Third-country Nationals; Daphne III and Fundamental rights and citizenship.

Conclusion: bearing in mind the present PDAB, the 2007 budget is as follows:

- Commitment appropriations: EUR 126 783 164 334 ;
- Payment appropriations: **EUR 114 245 815 415** (against EUR 115 497 218 623 before the PDAB 7/2007).

Amending budget 7/2007: increase in the forecast of revenue, VAT and GNI balances, decrease of payment appropriations in certain budget lines

2007/2237(BUD) - 23/11/2007

At the **conciliation meeting** held on 23 November with a delegation from the European Parliament, the two branches of the Budget Authority agreed to accept the Preliminary Draft Amending Budget No. 7/2007 as amended by the Commission on 12 November 2007.

Amending budget 7/2007: increase in the forecast of revenue, VAT and GNI balances, decrease of payment appropriations in certain budget lines

2007/2237(BUD) - 26/11/2007 - Council draft budget

On 8 November 2007, the Commission forwarded to the Council Preliminary Draft Amending Budget (PDAB) No. 7 to the general budget for 2007. At that time the figures therein were still to be considered provisional.

The updated figures to be taken into consideration were communicated to the Council on 12 November 2007. This final version of this PDAB takes into account an increase in the forecast of revenue and a decrease of payment and commitment appropriations on the expenditure side. The latter is a result of the Commission's latest estimates of needs until the end of the year.

As regards revenue, the total increase in the forecast of revenue (**EUR 4 324.8 million**) results from revisions of the forecasts of:

- VAT and GNI balances (EUR 3 830.3 million concerning Chapters 31 and 32);
- other revenue, namely: i) repayment of unused Community aid and Financial corrections in connection with the Structural Funds (EUR 179.5 million concerning Items 6150 and 6500); ii) interest on late payments and fines (EUR 315 million concerning Chapters 70 and 71).

On the expenditure side, the Commission proposes to decrease:

- payment appropriations for the Competitiveness for Growth and Employment (sub-Heading 1a) by EUR 466.5 million;
- payment appropriations for the Cohesion for Growth and Employment (sub-Heading 1b) by EUR 572.8 million;
- payment appropriations for the European Fisheries Fund and Environment (Heading 2) by EUR 108.1 million; payment and commitment appropriations for the European Agricultural Guarantee Fund (Heading 2) by EUR 400 million;
- payment appropriations for the Freedom, Security and Justice (sub-Heading 3a) by EUR 104 million.

The combined effect of increase in the forecast of revenue (EUR 4 324.8 million) and decrease of payment appropriations in budget lines for (sub-) Headings 1a, 1b, 2 and 3a (EUR 1 651.4 million) is to reduce Member States' GNI contributions to the 2007 budget by **EUR 5 976.2 million.**

On 26 November 2007, the Council established - on this basis - Draft Amending Budget No. 7 for the financial year 2007 as set out in the technical annex to this Council document (Council doc*15715/07*).

Amending budget 7/2007: increase in the forecast of revenue, VAT and GNI balances, decrease of payment appropriations in certain budget lines

2007/2237(BUD) - 11/12/2007 - Parliament's opinion on budgetary estimates/guidelines

The European Parliament adopted a resolution drafted by James **ELLES** (EPP-ED, UK) approving the Draft amending budget No 7/2007 of the European Union for the financial year 2007.

It recognised that the current under-implementation of certain lines might be a consequence of the late adoption of legal bases in the first year of the multiannual financial framework. Parliament insisted on closely monitoring the implementation of the 2008 Budget through the different tools such as the regular budgetary forecast alert and monitoring groups, and invited its specialised committees to give an early input about the funds needed and possible problems of implementation as regards multi-annual programmes.

Parliament also underlined that there would certainly be a need for a higher amount in payments in the 2008 budget.