Basic information

2012/2281(BUD) BUD - Budgetary procedure	Procedure completed
Amending budget 6/2012: revenue; reinforcement of payment appropriations; reductions in commitment and payment appropriations **Subject** 8.70.60 Previous annual budgets	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	BALZANI Francesca (S&D)	24/10/2012
	Shadow rapporteur MULDER Jan (ALDE)	

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	The committee decided not to give an opinion.	
DEVE Development	The committee decided not to give an opinion.	
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
REGI Regional Development	The committee decided not to give an opinion.	
JURI Legal Affairs	The committee decided not to give an opinion.	
LIBE Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.	

Council of the European Union	**Council configuration**	**Meetings**	**Date**
	Economic and Financial Affairs ECOFIN	3197	2012-11-13
	Justice and Home Affairs (JHA)	3207	2012-12-06

European Commission	**Commission DG**	**Commissioner**
	Budget	LEWANDOWSKI Janusz

Key events

Date	Event	Reference	Summary
23/10/2012	Commission draft budget published	COM(2012)0632	Summary
09/11/2012	Debate in Council		
06/12/2012	Council position on draft budget published	17295/2012	Summary
06/12/2012	Draft budget approved by Council		
10/12/2012	Committee referral announced in Parliament		
10/12/2012	Vote in committee		
10/12/2012	Budgetary report tabled for plenary	A7-0409/2012	Summary
11/12/2012	Debate in Parliament		
12/12/2012	Decision by Parliament	T7-0485/2012	Summary
12/12/2012	Results of vote in Parliament		
12/12/2012	End of procedure in Parliament		
28/02/2013	Final act published in Official Journal		

Technical information

Procedure reference	2012/2281(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/7/11093

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary

Committee draft report		PE500.491	05/12/2012	
Amendments tabled in committee		PE501.973	07/12/2012	
Budgetary report tabled for plenary, 1st reading		A7-0409/2012	10/12/2012	Summary
Budgetary text adopted by Parliament		T7-0485/2012	12/12/2012	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position on draft budget	17295/2012	06/12/2012	Summary

European Commission

Document type	Reference	Date	Summary
Commission draft budget	COM(2012)0632	23/10/2012	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2013/0083
OJ L 057 28.02.2013, p. 0001 Summary

Amending budget 6/2012: revenue; reinforcement of payment appropriations; reductions in commitment and payment appropriations

2012/2281(BUD) - 23/10/2012 - Commission draft budget

PURPOSE: the presentation of Draft Amending Budget No 6 to the General Budget 2012.

CONTENT: Draft Amending Budget (DAB) No 6 for the year 2012 concerns the following:

- the usual update in the forecast of revenue after the latest revision of the forecasts of own resources and other revenue;
- an increase of payment appropriations of nearly **EUR 9.0 billion across headings 1a, 1b, 2, 3a and 4 of the multi-annual financial framework, with the aim of meeting outstanding needs to the end of the year, so that commitments can be honoured**, financial penalties avoided, and **beneficiaries can receive the funds envisaged by the agreed EU policies**, for which the commitments were authorised in previous annual budgets. The Commission has identified some sources of redeployment for a total of EUR 47.4 million;
- a reduction in the level of commitment appropriations in the budget of EUR 133.4 million, to take account of the latest state of implementation and revised assessments of real needs to the year end.

The issue of payment appropriations: in September, all Commission services were asked to update their forecasts of needs until the end of 2012, and submit their requests to adjust payment appropriations. The revised elements form the basis of the so-called Global Transfer (DEC 30/2012), aimed at adjusting authorised payment appropriations across budget lines, according to the latest updated needs.

In preparing the Global Transfer for 2012, the **Commission sought to match increased needs for payment appropriations on some budget lines, with amounts on other lines which would otherwise remain** unused, with a view to achieving full implementation. The proposal concerns an amount of EUR

419.7 million, corresponding to some 0.3 % of the total authorised payments in the 2012 budget. In total, 110 budget lines are concerned (65 for reinforcement and 45 for reductions).

The corresponding value of the Global Transfer in 2011 was EUR 719.2 million, and in 2010 it was EUR 1 792 million. The relatively low amount this year reflects the very tight situation for payments in the 2012 budget, with **only EUR 419.7 million** available for redeployment, and so it has only been possible to meet part of **the requests for reinforcement, within the limits of this amount. As already forecast and signalled during the course of the year, these are simply too great to be accommodated through redeployment within the appropriations available in the 2012 budget**. Therefore recourse must be made to an amending budget.

The request should also be seen in the context of an adopted budget for 2012 which set **the level of payment appropriations EUR 3.6 billion below the Commission's Draft Budget proposal**, creating a very tight situation for payments from the beginning of the year.

The Commission is therefore obliged to have recourse to the joint statement agreed during the conciliation on the 2012 budget, and which was part of the joint conclusions of 19 November 2011. In this statement the Council and the European Parliament asked the Commission "to request additional payment appropriations in an amending budget if the appropriations entered in the 2012 budget are insufficient to cover expenditure". For their part, the Council and the European Parliament undertook to"take position on any draft amending budget as quickly as possible in order to avoid any shortfall in payment appropriations."

The total amount of payment appropriations requested is **EUR 138 752.8 million**, corresponding to 1.08 % of the European Union's GNI. This leaves a margin of EUR 3 451.4 million under the 2012 ceiling for payments of the multi-annual financial framework (MFF).

Budgetary variations: variations in own resources, together with a significant increase in the revenue from fines and interest payment of EUR 3 525 million, lead to a total net increase in revenue of EUR 3 080.8 million, which will lessen the effect of the DAB 6 on Member States' GNI-based contributions.

Amending budget 6/2012: revenue; reinforcement of payment appropriations; reductions in commitment and payment appropriations

2012/2281(BUD) - 06/12/2012 - Council position on draft budget

On 25 October 2012, the Commission forwarded to the Council draft amending budget (DAB) No 6 to the general budget for 2012. It concerned the following points:

- **as regards revenue**, the revised forecast for own resources shows a net increase of +EUR 3.08 billion, resulting from an update in the forecast of revenue after the latest revision of the forecasts of own resources (+EUR 497.3 million in VAT- and GNI-based own resources, -EUR 950 million in traditional own resources) and other revenue (significant increase in the revenue from fines and interest payment of +EUR 3.53 billion);
- **with regard to expenditure**, the Commission proposes a net increase in the level of payment appropriations (p/a) by **+EUR 9 billion** across headings and sub-headings 1a, 1b, 2, 3a and 4, including a redeployment of EUR 47.4 million in p/a.

Moreover, the Commission proposes a net reduction in the level of commitment appropriations (c/a) of -EUR 133.4 million. **As a result, the net effect for Member States' contributions to the EU budget would therefore amount to +EUR 5.9 billion.**

Budget conciliation: at the trilogue on 29 November 2012, the European Parliament and the Council reached an *ad referendum* agreement on DAB No 6/2012 by reducing a certain number of budget lines involving a corresponding reduction in commitment appropriations of an amount of EUR 8.76 million, since these lines concerned non-differentiated expenditures. These lines relate, for the most part, to cohesion policy and structural funds.

Other changes were made resulting in the redeployments of certain lines.

As a result of these modifications, **the net effect for Member States' contributions to the EU budget would amount to +EUR 2.9 billion**.

As a result, on 6 December 2012, the Council adopted its position on draft amending budget No 6 of the European Union for the financial year 2012 on the basis of the elements described above, as set out in the technical annex to the explanatory memorandum of the Council's position.

Amending budget 6/2012: revenue; reinforcement of payment appropriations; reductions in commitment and payment appropriations

2012/2281(BUD) - 10/12/2012 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Francesca BALZANI (S&D, IT) on the Council position on Draft amending budget (DAB) No 6/2012 of the European Union for the financial year 2012, Section III – Commission.

Members recall that the draft amending budget No 6/2012 to the general budget 2012 covers, inter alia, an update in the forecast of revenue after the latest revision of the forecasts of own resources and other revenue and **an increase of payment appropriations of nearly EUR 9 billion** across headings 1a, 1b, 2, 3a and 4 of the multi-annual financial framework, with the aim of meeting outstanding needs to the end of the year.

Members also mention other payment needs that have already been addressed in part through the global transfer in payment appropriations for a total amount of EUR 419.7 million, as well as sources of redeployment for a total of EUR 47.4 million, which were included in DAB 6/2012.

They also highlight that the variations observed in own resources, together with a significant increase in the revenue from fines and interest payment of EUR 3 525 million, lead to a total net increase in revenue of EUR 3 080.8 million, which will lessen the effect of DAB 6/2012 on Member States' GNI-based contributions.

Trilogue: both **Parliament and Council delegations agreed**, during the budgetary trilogue of 29 November 2012, **to pay only EUR 6.1 billion of the EUR 9 billion necessary to meet the 2012 payment needs**. To ensure that the remaining payments due in 2012 are made as soon as possible, the three institutions undertook - and this is an integral part of the agreement – to adopt, at the beginning of 2013, a new amending budget the sole aim of which is to cover the 2012 expenditure still awaiting payment. This amending budget should be understood as a political agreement and is made in the form of a joint interinstitutional statement.

Members therefore call on Parliament to approve, without amendment, the Council position on Draft Amending Budget No 6/2012.

Amending budget 6/2012: revenue; reinforcement of payment appropriations; reductions in commitment and payment appropriations

2012/2281(BUD) - 12/12/2012 - Budgetary text adopted by Parliament

The European Parliament adopted by 514 votes to 68, with 20 abstentions, a resolution approving unamended the Council position on Draft amending budget (DAB) No 6/2012 of the European Union for the financial year 2012, Section III – Commission.

Parliament recalls that the draft amending budget No 6/2012 to the general budget 2012 covers, *inter alia*, an update in the forecast of revenue after the latest revision of the forecasts of own resources and other revenue and **an increase of payment appropriations of nearly EUR 9 billion** across headings 1a, 1b, 2, 3a and 4 of the multi-annual financial framework, with the aim of meeting outstanding needs to the end of the year.

Parliament also mentions other payment needs that have already been addressed in part through the global transfer in payment appropriations for a total amount of EUR 419.7 million, as well as sources of redeployment for a total of EUR 47.4 million, which were included in DAB 6/2012.

Parliament also highlights the fact that the variations observed in own resources, together with a significant increase in the revenue from fines and interest payment of EUR 3 525 million, lead to a total net increase in revenue of EUR 3 080.8 million, which will lessen the effect of DAB 6/2012 on Member States' GNI-based contributions.

Trilogue: both **Parliament and Council delegations agreed, during the budgetary trilogue** of 29 November 2012, t**o pay only EUR 6.1 billion of the EUR 9 billion necessary to meet the 2012 payment needs**.

To ensure that the remaining invoices for 2012 are paid as soon as possible, the three institutions undertook - and this is an integral part of the agreement – to adopt, at the beginning of 2013, a new amending budget the sole aim of which is to cover the EUR 2.9 billion outstanding. This amending budget should be understood as a political agreement and is aimed at providing additional appropriations as compared to the payment appropriations adopted in the 2013 initial budget, **without prejudice to the proper implementation of the 2013 budget**.

Parliament therefore approves, without amendment, the Council’s position on Draft Amending Budget No 6/2012.

Amending budget 6/2012: revenue; reinforcement of payment appropriations; reductions in commitment and payment appropriations

2012/2281(BUD) - 12/12/2012 - Final act

PURPOSE: definitive adoption of amending budget No 6 of the European Union for the financial year 2012.

ACT: Decision 2013/83/EU, Euratom.

CONTENT: the European Parliament definitively adopted amending budget 6/2012 of the European Union, in accordance with its resolution of 12 December 2012 (please refer to the summary of the resolution).

This amending budget aims to:

- update the forecast of revenue after the latest revision of the forecasts of own resources and other revenue;
- increase **payment appropriations** across headings 1a, 1b, 2, 3a and 4 of the multi-annual financial framework, with the aim of **meeting outstanding needs to the end of the year**.

The net effect on the Member States’ contributions to the EU budget will be EUR +2.9 billion. This amount, well below the initial amount foreseen by the Commission in its draft budget, creates a significant difference in payment appropriations to ensure the payments during 2012. It is for this reason that the interinstitutional trilogue was committed to **adopting a new amending budget. Its main aim being to cover outstanding expenditure from 2012, beginning of 2013 to cover the outstanding payment appropriations**.