## Basic information

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|---|---|
| **2013/2056(BUD)**<br>BUD - Budgetary procedure | Procedure completed |
| Amending budget 2/2013: increase of revenue and payment appropriations<br>**Subject**<br>8.70.60 Previous annual budgets | |

## Key players

### European Parliament

| Committee responsible | Rapporteur | Appointed |
|---|---|---|
| BUDG Budgets | LA VIA Giovanni (PPE) | 26/03/2013 |
| | Shadow rapporteur<br>GARDIAZABAL RUBIAL Eider (S&D)<br>PICKART ALVARO Alexander Nuno (ALDE)<br>MULDER Jan (ALDE) | |

### Council of the European Union

| Council configuration | Meetings | Date |
|---|---|---|
| General Affairs | 3235 | 2013-04-22 |
| Economic and Financial Affairs ECOFIN | 3238 | 2013-05-14 |
| Economic and Financial Affairs ECOFIN | 3252 | 2013-07-09 |

### European Commission

| Commission DG | Commissioner |
|---|---|
| Budget | LEWANDOWSKI Janusz |

## Key events

| Date | Event | Reference | Summary |
|---|---|---|---|
| 27/03/2013 | Commission draft budget published | COM(2013)0183 | Summary |
| 22/04/2013 | Debate in Council | | Summary |
| 09/07/2013 | Draft budget approved by Council | | |
| 11/07/2013 | Council position on draft budget published | 11693/2013 | Summary |

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|---|---|---|---|
| 05/09/2013 | Vote in committee | | |
| 06/09/2013 | Budgetary report tabled for plenary | A7-0287/2013 | Summary |
| 09/09/2013 | Committee referral announced in Parliament | | |
| 10/09/2013 | Debate in Parliament |  | |
| 11/09/2013 | Decision by Parliament | T7-0352/2013 | Summary |
| 11/09/2013 | Results of vote in Parliament |  | |
| 11/09/2013 | End of procedure in Parliament | | |
| 06/12/2013 | Final act published in Official Journal | | |

## Technical information

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| **Procedure reference** | 2013/2056(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/7/12503 |

## Documentation gateway

**European Parliament**

| Document type | Committee | Reference | Date | Summary |
|---|---|---|---|---|
| Committee draft report | | PE510.596 | 26/06/2013 | |
| Amendments tabled in committee | | PE516.653 | 16/07/2013 | |
| Budgetary report tabled for plenary, 1st reading | | A7-0287/2013 | 06/09/2013 | Summary |
| Budgetary text adopted by Parliament | | T7-0352/2013 | 11/09/2013 | Summary |

**Council of the EU**

| Document type | Reference | Date | Summary |
|---|---|---|---|
| Council position on draft budget | 11693/2013 | 11/07/2013 | Summary |

**European Commission**

| Document type | Reference | Date | Summary |
|---|---|---|---|
| Commission draft budget | COM(2013)0183 | 27/03/2013 | Summary |

## Additional information

| Source | Document | Date |
|---|---|---|
| European Commission | EUR-Lex | |

| Final act |
|---|
| Budget 2013/0688<br>OJ L 327 06.12.2013, p. 0001 Summary |

# Amending budget 2/2013: increase of revenue and payment appropriations

2013/2056(BUD) - 27/03/2013 - Commission draft budget

PURPOSE: presentation of draft amending budget (DAB) No 2/2013.

CONTENT: this draft amending budget covers the following elements:

- an increase in the forecast of other revenue stemming from fines and penalties, amounting to EUR 290 million;
- **an increase of payment appropriations of EUR 11.2 billion across headings 1a, 1b, 2, 3a, 3b and 4** of the multi-annual financial framework (MFF).

This is with the aim of meeting outstanding needs to the end of the year, so that:

- **obligations stemming from past and current commitments can be honoured**,
- financial penalties can be avoided,
- beneficiaries can receive the funds envisaged by the agreed EU policies, for which Parliament and Council authorised the related commitment appropriations in previous annual budgets.

The requested additional payment appropriations will reduce the level of outstanding commitments (‘reste à liquider’, RAL) as well as the risk of rolling over onto 2014 abnormal levels of unpaid bills.

In accordance with Art. 41(2) of the Financial Regulation, the request for additional payment appropriations takes account of the possibilities for internal redeployment, and therefore reflects the net increase in the level of payments that is **required to meet year-end needs across the 2013 budget**. In turn, the increase in the revenue from fines and penalties will lessen the effect of the DAB No 2/2013 on Member States’ GNI-based contributions.

**The total amount of payment appropriations requested is EUR 11 225.2 million**, leaving an unallocated margin of EUR 14.8 million under the 2013 ceiling for payments of the multi-annual financial framework, which is expected to cover known requests in the pipeline for the mobilisation of the EU Solidarity Fund.

**To recall**: the authorised budget for 2013 set the level of payment appropriations at EUR 132.8 billion, EUR 5 billion below the Commission’s draft budget proposal and EUR 2.9 billion below the final level of payments in the 2012 budget, creating a very tight situation for payments as from early 2013 and a shortfall in payment appropriations earlier than last year. This is in the knowledge that the Commission’s request for payment appropriations in the 2013 draft budget had been drawn up assuming that the payment needs related to the financial year 2012 would be fully paid in 2012, so as not to create an abnormal backlog of unpaid payment claims at year-end. However, the **additional payment appropriations** authorised in the Amending Budget No 6/2012 **were lowered by EUR 2.9 billion** in respect to the amount proposed by the Commission, and were not at the level of all payment claims received at that moment.

**2012-2013 payments**: the requested payment appropriations will allow **all the legal obligations left pending at the end of 2012, and those arising in 2013** , to be covered in the 2013 budget. This will avoid any abnormal carryover into 2014 of payment needs that should have been addressed in the financial year 2013. Since the 'N+3' decommitment rule under cohesion policy ends this year, experience leads the Commission to consider that it will receive an increased share of payment claims very late in the year, too late for payment. These claims will be met in the beginning of 2014.

The request for EUR 11 225.2 million is detailed below. **It brings the level of payment appropriations very close to the MFF payments ceiling set for 2013**. This proposal means that **no further amending budgets can be proposed later in the year without requiring an amendment to the MFF** (which would require **unanimity in the Council**). Under current and foreseeable circumstances, the Commission does not intend to request further payment appropriations in 2013.

# Amending budget 2/2013: increase of revenue and payment appropriations

2013/2056(BUD) - 22/04/2013

The Irish Presidency held an **exchange of views** on the draft amending budget no 2 for 2013 which seeks to increase the 2013 EU budget by EUR 11.2 billion.

The Council expressed its willingness to work urgently and constructively on the Commission proposal with a view to reaching agreement in order to meet clearly justified payment needs. The Council will also follow very carefully the evolution of the budget through the year and take any necessary further steps to ensure that the EU can fulfil its obligations.

Draft amending budget no 2 for 2013 will be examined in parallel by Coreper and is due to be discussed by the Council for Economic and Financial Affairs on 14 May 2013.

# Amending budget 2/2013: increase of revenue and payment appropriations

2013/2056(BUD) - 11/07/2013 - Council position on draft budget

On 2 April 2013, the Commission submitted to the Council draft amending budget (DAB) No 2/2013 proposing to increase payment appropriations by EUR 11.2 billion in 2013 across (sub-)headings 1a, 1b, 2, 3a, 3b and 4 of the multiannual financial framework (MFF).

This amount would aim at covering the **outstanding needs in payment appropriations** until the end of the year:

- EUR 982.601 million has been requested for sub-heading 1a,
- EUR 9 001.150 million for sub-heading 1b, EUR 608.490 million for heading 2,
- EUR 128.350 million for sub-heading 3a, EUR 15.150 million for sub-heading 3b and
- EUR 489.500 million for heading 4.

In addition DAB No 2/2013 covers an increase in the initial forecast of revenue from fines and penalties by EUR 290 million.

**The Council agreed to provide EUR 7.3 billion in a first tranche** and to focus this amount on measures to support economic growth, create jobs and tackle unemployment, especially among young people.

The amount of EUR 7.3 billion out of EUR 11.2 billion is proportionally distributed among the budget lines included in the Commission proposal at the level of 65% of the initially requested amounts.

On 9 July 2013, the Council adopted its position on draft amending budget No 2/2013 on the basis of the above-mentioned elements and as set out in the technical annex to the explanatory memorandum of this Council draft amending budget.

# Amending budget 2/2013: increase of revenue and payment appropriations

2013/2056(BUD) - 06/09/2013 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Giovanni LA VIA (EPP, IT) on the Council position on Draft amending budget No 2/2013 of the European Union for the financial year 2013, Section III – Commission.

Members recall that the overall amount of payment claims pending at the end of 2012 for cohesion policy (2007-2013), amounting to EUR 16.2 billion, had to be rolled over to 2013, consequently reducing the level of payments available in the budget 2013 to cover the payment needs of this year.

They recall that the Parliament, the Council and the Commission engaged through a joint declaration in December 2012 to cover all unpaid payment claims for 2012 through an Amending budget at an **early stage in 2013**. They also recall that the **political agreement reached on 27 June 2013** at the highest political level between Parliament, the Council Presidency and the Commission on the Multiannual Financial Framework (**MFF**) for the period 2014-2020 included a political commitment from the Council to take all necessary steps to:

- **ensure that EU's obligations of 2013 are fully honoured**,
- formally adopt Draft amending budget No 2/2013 for EUR 7.3 billion,
- adopt without delay a further draft amending budget to be proposed by the Commission in early autumn to avoid any shortfall in justified payment appropriations.

In parallel, Members recall that the Council formally adopted its position on Draft amending budget No 2/2013 on 9 July 2013 for an amount of **EUR 7.3 billion** that will cover outstanding payment needs across headings 1a, 1b, 2, 3a, 3b and 4. The committee recalls that the Members linked the adoption by the Council of the further draft amending budget in early autumn with the adoption of the MFF Regulation or the Budget 2014.

Members understand the financial constraints to which the Member States are subject and accepts therefore that outstanding needs in payments until the end of 2013 (EUR 11.2 billion EUR as estimated by the Commission) are covered in two consecutive steps.

In this context, they urge the Commission to present in the early autumn a **further draft amending budget solely devoted to this issue**.

They reiterate the Parliament's position set out in its resolution of 3 July 2013 on the political agreement on the MFF 2014-2020 that the Parliament will not give its consent to the MFF Regulation or will not adopt the Budget 2014 until this new amending budget, covering the remaining 2013 deficit in payments as identified by the Commission, has been adopted in full by the Council.

They recall that the adoption of Draft amending budget No 3/2013 would reduce the share of the GNI contribution by Member States to the Union budget and therefore partly compensate their contribution to Amending budget No 2/2013. They highlight therefore that the two dossiers are subject to a common calendar for adoption, since strictly linked from a political point of view.

At the same time, Members call on the European Parliament to approve, unamended, the Council position on Draft amending budget No 2/2013.

# Amending budget 2/2013: increase of revenue and payment appropriations

2013/2056(BUD) - 11/09/2013 - Budgetary text adopted by Parliament

The European Parliament adopted by 590 votes to 95, with 15 abstentions, a resolution approving, unamended, the Council position on Draft amending budget No 2/2013 of the European Union for the financial year 2013, Section III – Commission.

Parliament recalls that the overall amount of payment claims pending at the end of 2012 for cohesion policy (2007-2013), amounting to **EUR 16.2 billion, had to be rolled over to 2013**, consequently reducing the level of payments available in the budget 2013 to cover the payment needs of this year.

It recalls that the Parliament, the Council and the Commission engaged through a joint declaration in December 2012 to cover all unpaid payment claims for 2012 through an Amending budget at an **early stage in 2013**. It also recalls that the **political agreement reached on 27 June 2013** at the highest political level between Parliament, the Council Presidency and the Commission on the Multiannual Financial Framework (**MFF**) for the period 2014-2020 included a political commitment from the Council to take all necessary steps to:

- **ensure that EU's obligations of 2013 are fully honoured**,
- formally adopt Draft amending budget No 2/2013 for EUR 7.3 billion,
- adopt without delay a further draft amending budget to be proposed by the Commission in early autumn to avoid any shortfall in justified payment appropriations.

The Council formally adopted its position on Draft amending budget No 2/2013 on 9 July 2013 for an amount of **EUR 7.3 billion** that will cover outstanding payment needs across headings 1a, 1b, 2, 3a, 3b and 4.

Parliament recalls that the Members linked the adoption by the Council of the further draft amending budget in early autumn with the adoption of the MFF Regulation or the Budget 2014. It considers the amount of **EUR 11.2 billion** as a bare minimum to cover the actual needs until the end of 2013. It recalls, however, the financial constraints to which the Member States are subject and accepts therefore that outstanding needs in payments until the end of 2013 (EUR 11.2 billion EUR as estimated by the Commission) are covered in **two consecutive steps**.

In this context, it urges the Commission to present in the early autumn a **further draft amending budget solely devoted to this issue**.

It recalls its position set out in its resolution of 3 July 2013 on the political agreement on the MFF 2014-2020 that the Parliament will not give its consent to the MFF Regulation or will not adopt the Budget 2014 until this new amending budget, covering the remaining 2013 deficit in payments as identified by the Commission, has been adopted in full by the Council.

It recalls that the adoption of Draft amending budget No 3/2013 would reduce the share of the GNI contribution by Member States to the Union budget and therefore partly compensate their contribution to Amending budget No 2/2013. It highlights therefore that the two dossiers are subject to a common calendar for adoption, since strictly linked from a political point of view.

At the same time, Parliament approves, unamended, the Council position on Draft amending budget No 2/2013.

# Amending budget 2/2013: increase of revenue and payment appropriations

2013/2056(BUD) - 11/09/2013 - Final act

PURPOSE: definitive adoption of amending budget No 2 of the European Union for the financial year 2013.

NON-LEGISLATIVE ACT: Decision 2013/688/EU, Euratom.

CONTENT: the European Parliament definitively adopted amending budget No 2 of the European Union for the financial year 2013, in accordance with its resolution of 11 September 2013 (please see the summary of the resolution.)

This amending budget aims to **cover an amount of EUR 7.3 billion in a first tranche** for outstanding payment needs across **headings 1a, 1b, 2, 3a, 3b and 4** of the 2013 budget and to focus this amount on measures to support economic growth, create jobs and tackle unemployment, especially among young people.

In its legislative resolution, Parliament recalled that the initial needs estimated by the Commission amounted to EUR 11.2 billion. The amount adopted through this amending budget could be **insufficient to cover all payment requirements from now to the end of 2013.**

However, Parliament accepted that the initial amount proposed by the Commission could be split into two tranches in view of the financial constraints to which the Member States are subject. It urged the Commission to present in the early autumn **a further draft amending budget** solely devoted to this issue.

For other points made in the resolution accompanying the budgetary decision, please refer to the summary of 11 September 2013.