Basic information

2013/2227(BUD) BUD - Budgetary procedure	Procedure completed
Amending budget 8/2013: reinforcement of payments by MFF heading and shortage of payment appropriations in the 2013 budget **Subject** 8.70.60 Previous annual budgets	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	LA VIA Giovanni (PPE)	08/10/2013
	Shadow rapporteur GARDIAZABAL RUBIAL Eider (S&D) PICKART ALVARO Alexander Nuno (ALDE)	

Committee for opinion	Rapporteur for opinion	Appointed
DEVE Development	The committee decided not to give an opinion.	
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
ENVI Environment, Public Health and Food Safety	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.	
AGRI Agriculture and Rural Development	The committee decided not to give an opinion.	
PECH Fisheries	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	

European Commission	Commission DG	Commissioner
	Budget	LEWANDOWSKI Janusz

Key events

Date	Event	Reference	Summary
25/09/2013	Commission draft budget published	COM(2013)0669	Summary
30/10/2013	Council position on draft budget published	14871/2013	Summary
30/10/2013	Draft budget approved by Council		
05/11/2013	Vote in committee		
07/11/2013	Budgetary report tabled for plenary	A7-0371/2013	Summary
18/11/2013	Committee referral announced in Parliament		
19/11/2013	Decision by Parliament	T7-0458/2013	Summary
19/11/2013	Results of vote in Parliament		
19/11/2013	End of procedure in Parliament		
19/02/2014	Final act published in Official Journal		

Technical information

Procedure reference	2013/2227(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/7/14268

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE521.529	09/10/2013	
Amendments tabled in committee		PE521.617	15/10/2013	

Budgetary report tabled for plenary, 1st reading		A7-0371/2013	07/11/2013	Summary
Budgetary text adopted by Parliament		T7-0458/2013	19/11/2013	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position on draft budget	14871/2013	30/10/2013	Summary

European Commission

Document type	Reference	Date	Summary
Commission draft budget	COM(2013)0669	25/09/2013	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Budget 2014/0065 OJ L 049 19.02.2014, p. 0013	Summary

Amending budget 8/2013: reinforcement of payments by MFF heading and shortage of payment appropriations in the 2013 budget

2013/2227(BUD) - 25/09/2013 - Commission draft budget

PURPOSE: presentation of Draft Amending Budget N° 8 to the general budget 2013.

CONTENT: Draft amending budget No 8 for the year 2013 (DAB 8/2013) concerns the increase of payment appropriations of EUR 3.9 billion across headings 1a, 1b, 2, 3a, 3b and 4 of the multi-annual financial framework (MFF) to the overall level proposed already in DAB 2/2013.

This is with the aim of:

- **meeting the outstanding needs to the end of the year, so that legal obligations stemming from past and current commitments can be honoured**, financial penalties avoided;
- enable beneficiaries to 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 abnormally high levels of unpaid bills.

This DAB 8/2013 updates DAB 2/2013, presented by the Commission in March 2013 for an amount of EUR 11.2 billion and only **partially approved** by the budgetary authority in September 2013 for an amount of EUR 7.3 billion. It is consistent with the political agreement reached between the Presidents of the three Institutions on the 2014-2020 MFF.

Redeployment: in accordance with Article 41(2) of the Financial Regulation, the Commission has examined the scope for internal redeployment within an overall review of year-end payment needs, against the background of consistently high payment implementation across all major programmes with no or little appropriations left on a considerable number of budget items to pay incoming bills. This has led the Commission to propose the **redeployment of EUR 509.8 million** in the so-called 'global transfer' (DEC 26/2013, made available in parallel with DAB 8/2013).

Updated request: the updated review of payment needs in the 2013 budget has confirmed a major shortage of payment appropriations, after taking into account the EUR 7.3 billion authorised in AB 2/2013 and all the possible sources for redeployment. Therefore, **the Commission requests EUR 3.9 billion in additional payment appropriations** available under the payment ceiling of the MFF for 2013.

The requested payment appropriations will allow the legal obligations arising in 2013 to be met. This will **avoid any abnormal carry-over 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 in 2013, the Commission expects to receive an increased share of payment claims very late in the year, and consequently to be able to pay these claims only in early 2014.

Amending budget 8/2013: reinforcement of payments by MFF heading and shortage of payment appropriations in the 2013 budget

2013/2227(BUD) - 30/10/2013 - Council position on draft budget

On 26 September 2013, the Commission submitted to the Council draft amending budget (DAB) No 8/2013.

It concerns an increase in payment appropriations for a total amount of **EUR 3.94 billion** across (sub-)headings:

- 1a (Competitiveness for Growth and Employment),
- 1b (Cohesion for Growth and Employment),
- 2 (Preservation and Management of Natural Resources),
- 3a (Freedom, Security and Justice), 3b (Citizenship),
- 4 (The EU as a global player) of the MFF.

DAB No 8/2013 is intended to cover the remaining balance of DAB No 2/2013 adopted by the Council on 9 July 2013.

As the appropriations requested in DAB No 8/2013 exceed the remaining balance of DAB No 2/2013 by EUR 14.776 million, **the following budget lines of the Commission proposal were reduced by the Council**:

- sub-heading 1a : Space research: EUR -4 776 million,
- sub-heading 1a : Cooperation – Health: EUR -3 000 million,
- heading 2: LIFE+ (Financial Instrument for the Environment - 2007 to 2013): EUR -7 000 million.

Total: EUR -14 776 million.

On 30 October 2013, the Council adopted its position on draft amending budget No 8/2013 on the basis of the elements recorded above, as set out in the technical annex to this explanatory memorandum of this draft Council document.

Amending budget 8/2013: reinforcement of payments by MFF heading and shortage of payment appropriations in the 2013 budget

2013/2227(BUD) - 07/11/2013 - 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 8/2013 of the European Union for the financial year 2013, Section III – Commission.

Members recalled that this Draft amending budget concerns the increase of payment appropriations of **EUR 3.9 billion** across headings 1a, 1b, 2, 3a, 3b and 4 of the multi-annual financial framework (MFF), with the aim of:

- meeting the outstanding needs to the end of the year;
- honouring legal obligations stemming from past and current commitments;
- avoiding financial penalties;
- enabling beneficiaries to receive the funds envisaged by the agreed Union policies, for which Parliament and Council authorised the related commitment appropriations in previous annual budgets.

The requested additional payment appropriations should reduce the level of outstanding commitments ('reste à liquider', RAL) as well as the risk of rolling over onto 2014 abnormally high levels of unpaid bills.

Members recalled that **DAB 8/2013 updates DAB 2/2013**, presented by the Commission in March 2013 for an amount of EUR 11.2 billion and only partially approved by the budgetary authority in September 2013 for an amount of EUR 7.3 billion. The full adoption of DAB 8/2013 should enable the Union to cover entirely its legal obligations until the end of 2013.

Nevertheless, Members are concerned, that despite an overall increase in payments of EUR 11.2 billion (DAB 2 and DAB 8/2013), it is still estimated that an important carry-over to the next year of around **EUR 20 billion** of payment claims related to 2007-2013 Cohesion programmes will still have to take place, and that the situation is also critical for other programmes outside heading 1b.

Condition-based MFF Agreement: Members recalled that the political agreement reached in June 2013 included a political commitment from the Council to take all necessary steps to ensure that Union's obligations of 2013 are fully honoured, to formally adopt DAB 2/2013 for EUR 7.3 billion, as well as to adopt without delay a further draft amending budget to be proposed by the Commission in early autumn to avoid any shortfall in justified payment appropriation. They recalled that the **Parliament had linked the adoption of the MFF to the adoption of the present amending budget**.

Members recalled that a Council position under Article 314(3) TFEU is a preparatory act and is **valid as from its date of adoption**. They considered the Council position on DAB 8/2013, which was transmitted to it by the President-in-office of the Council on 31 October 2013, to be valid as from the date of its adoption on **30 October 2013**.

They **rejected and ignored** the clause in the accompanying "decision" by which the Council purports to make the validity of its position on DAB 8/2013 conditional on the Parliament's approval of the agreement on the multiannual financial framework for 2014-2020 and of the Council's position on Draft amending budget No 9/2013.

In doing so, Members called on the European Parliament to approve the Council position on Draft amending budget No 8/2013.

Amending budget 8/2013: reinforcement of payments by MFF heading and shortage of payment appropriations in the 2013 budget

2013/2227(BUD) - 19/11/2013 - Budgetary text adopted by Parliament

The European Parliament adopted by 575 votes to 88, with 18 abstentions, a resolution approving the Council position on Draft amending budget No 8 /2013 of the European Union for the financial year 2013, Section III – Commission.

Parliament recalled that this Draft amending budget concerns the increase of payment appropriations of **EUR 3.9 billion** across headings 1a, 1b, 2, 3a, 3b and 4 of the multi-annual financial framework (MFF), with the aim of:

- meeting the outstanding needs to the end of the year;
- honouring legal obligations stemming from past and current commitments;
- avoiding financial penalties;
- enabling beneficiaries to receive the funds envisaged by the agreed Union policies, for which Parliament and Council authorised the related commitment appropriations in previous annual budgets.

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

Members recalled that **DAB 8/2013 updates DAB 2/2013**, presented by the Commission in March 2013 for an amount of EUR 11.2 billion and only partially approved by the budgetary authority in September 2013 for an amount of EUR 7.3 billion.

Parliament stated 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. That amount should reach **EUR 20 billion** at the end of 2013, under the assumption that DAB 8/2013 is adopted in its entirety.

Condition-based MFF Agreement: Parliament recalled that the political agreement reached in June 2013 included a political commitment from the Council to take all necessary steps to ensure that Union's obligations of 2013 are fully honoured, to formally adopt DAB 2/2013 for EUR 7.3 billion, as well as to adopt without delay a further draft amending budget to be proposed by the Commission in early autumn to avoid any shortfall in justified payment appropriation. It recalled that the **Parliament had linked the adoption of the MFF to the adoption of the present amending budget**.

Members recalled that a Council position under Article 314(3) TFEU is a preparatory act and is **valid as from its date of adoption**. They considered the Council position on DAB 8/2013, which was transmitted to it by the President-in-office of the Council on 31 October 2013, to be valid as from the date of its adoption on **30 October 2013**.

They **rejected and ignored** the clause in the accompanying "decision" by which the Council purports to make the validity of its position on DAB 8/2013 conditional on the Parliament's approval of the agreement on the multiannual financial framework for 2014-2020 and of the Council's position on Draft amending budget No 9/2013.

In doing so, Members called on the European Parliament to approve the Council position on Draft amending budget No 8/2013 given that this should enable the Union to honour the totality of its legal obligations until the end of 2013.

Amending budget 8/2013: reinforcement of payments by MFF heading and shortage of payment appropriations in the 2013 budget

2013/2227(BUD) - 19/11/2013 - Final act

PURPOSE: definitive adoption of Amending Budget N° 8 for the financial year 2013.

LEGISLATIVE ACT: Decision 2014/65/EU, Euratom.

CONTENT: amending budget No 8 for the year 2013 concerns the increase of payment appropriations of EUR 3.9 billion across headings 1a, 1b, 2, 3a, 3b and 4 of the multi-annual financial framework (MFF) to the overall level proposed already in amending budget 2/2013.

This increase aims to:

- **meet the outstanding needs to the end of 2013, so that legal obligations stemming from past and current commitments can be honoured,**
- avoid financial penalties;
- enable beneficiaries to receive the funds envisaged by the EU policies agreed, for which Parliament and Council authorised the related commitment appropriations in previous annual budgets.

This amending budget 8/2013 complements amending budget No 2/2013 presented by the Commission in March 2013 for an amount of EUR 7.3 billion and is consistent with the political agreement reached between the Presidents of the three Institutions on the 2014-2020 MFF.

The payment appropriations will allow the legal obligations arising in 2013 to be met. This will **avoid any abnormal carry-over into 2014** of payment needs that should have been addressed in the financial year 2013.

This amending budget concerns specifically the increase of payment appropriations across headings 1a, 1b, 2, 3a, 3b and 4 of the multi-annual financial framework (MFF), with the aim of:

- meeting the outstanding needs to the end of the year;
- honouring legal obligations stemming from past and current commitments;
- avoiding financial penalties;
- enabling beneficiaries to receive the funds envisaged by the agreed Union policies, for which Parliament and Council authorised the related commitment appropriations in previous annual budgets.