Basic information

2014/2036(BUD) BUD - Budgetary procedure	Procedure completed
Amending budget 2/2014: increase in revenue; shortage of payments **Subject** 8.70.60 Previous annual budgets	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	DEPREZ Gérard (ALDE)	10/07/2014
	Shadow rapporteur OLBRYCHT Jan (PPE) GARDIAZABAL RUBIAL Eider (S&D)	

Former committee responsible	Former rapporteur	Appointed
BUDG Budgets		

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.	
INTA International Trade	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.	
IMCO Internal Market and Consumer Protection	The committee decided not to give an opinion.	
TRAN Transport and Tourism	The committee decided not to give an opinion.	
REGI Regional Development	OLBRYCHT Jan (PPE)	16/09/2014
AGRI Agriculture and Rural Development	The committee decided not to give an opinion.	
PECH Fisheries	The committee decided not to give an opinion.	
CULT Culture and Education	The committee decided not to give an opinion.	
LIBE Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.	
FEMM Women's Rights and Gender Equality	The committee decided not to give an opinion.	

Former committee for opinion	Former rapporteur for opinion	Appointed
AFET Foreign Affairs		
DEVE Development		
INTA International Trade		
EMPL Employment and Social Affairs		
ENVI Environment, Climate and Food Safety		
ITRE Industry, Research and Energy		

	IMCO Internal Market and Consumer Protection		
	TRAN Transport and Tourism		
	REGI Regional Development		
	AGRI Agriculture and Rural Development		
	PECH Fisheries		
	CULT Culture and Education		
	LIBE Civil Liberties, Justice and Home Affairs		
	FEMM Women's Rights and Gender Equality		

Council of the European Union	
European Commission	

Commission DG	Commissioner
Budget	LEWANDOWSKI Janusz

Key events

Date	Event	Reference	Summary
28/05/2014	Commission draft budget published	COM(2014)0329	Summary
12/12/2014	Council position on draft budget published	16740/2014	Summary
12/12/2014	Draft budget approved by Council		
15/12/2014	Committee referral announced in Parliament		
15/12/2014	Vote in committee		
15/12/2014	Budgetary report tabled for plenary	A8-0069/2014	Summary
16/12/2014	Debate in Parliament		
17/12/2014	Decision by Parliament	T8-0089/2014	Summary
17/12/2014	Results of vote in Parliament		
18/12/2014	End of procedure in Parliament		

17/03/2015	Final act published in Official Journal		

Technical information

Procedure reference	2014/2036(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/8/00469

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	REGI	PE537.517	24/09/2014	
Committee draft report		PE541.347	10/12/2014	
Amendments tabled in committee		PE544.388	12/12/2014	
Budgetary report tabled for plenary, 1st reading		A8-0069/2014	15/12/2014	Summary
Budgetary text adopted by Parliament		T8-0089/2014	17/12/2014	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position on draft budget	16740/2014	12/12/2014	Summary

European Commission

Document type	Reference	Date	Summary
Commission draft budget	COM(2014)0329	28/05/2014	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Corrigendum to final act 32015B0366R(01)
OJ L 108 28.04.2015, p. 0007 Summary

Budget 2015/0366
OJ L 073 17.03.2015, p. 0001 Summary

Amending budget 2/2014: increase in revenue; shortage of payments

2014/2036(BUD) - 17/12/2014 - Corrigendum to final act

Corrigendum to the Definitive adoption (EU, Euratom) 2015/366 of Amending budget No 2 of the European Union for the financial year 2014 (Official Journal of the European Union L 73 of 17 March 2015)

On pages 12 to 15, in the column ‘Amending budget No 2/2014’:

for:

‘2 967 027 640’

read:

‘1 961 620 715’

On page 12, in the column ‘Amending budget No 2/2014’, in the ‘Grand total’ row:

for:

‘4 535 027 640’

read:

‘3 529 620 715’

Amending budget 2/2014: increase in revenue; shortage of payments

2014/2036(BUD) - 12/12/2014 - Council position on draft budget

On 2 June 2014, the Commission submitted to the Council draft amending budget (DAB) No 3/2014 regarding the budgeting of additional revenue of EUR 1 568 million and a reinforcement of payment appropriations by EUR 4 738 million. The DAB is accompanied by a proposal for the **mobilisation of the Contingency Margin in 2014 for an amount of EUR 4 027 million**.

The main objective of this proposal is to provide additional payment appropriations in order to meet outstanding payment needs across (sub-) headings in the 2014 budget, and in particular in sub-heading 1b. The mobilisation of the Contingency Margin aims to **address issues that were not foreseen when the payments ceilings of the multiannual financial framework 2014-2020 were set**.

Draft budget: at the trilogue on 8 December 2014, the European Parliament and the Council reached an ad referendum agreement on a draft package, comprising the new draft budget for 2015, the outstanding DABs relating to 2014.

According to that agreement, the payment appropriations requested in DAB No 3/2014 are approved as proposed by the Commission with:

- a reduction of EUR 90 million in Rural Development for the 2007-2013 programmes,
- a reduction of EUR 20 million on the new programmes,
- a reduction of EUR 420 million for the Youth Employment Initiative,
- a further reduction of EUR 648.1 million distributed across a number of budget lines.

Redeployment: a redeployment of payment appropriations as proposed in transfer No DEC 31/2014 ("global transfer") is accepted, as well as an additional amount of EUR 6 .2 million from the European Maritime and Fisheries Fund and from Sustainable Fisheries Partnership Agreements to Humanitarian Aid and EUR 30.4 million from Macro-financial assistance, PROGRESS, Internal market, Public health, Prevention of and fight against crime, DCI Asia, Promoting non-discrimination and equality and Statistics.

The resulting additional payment appropriations for DAB No 3/2014 are EUR 3 529.6 million, of which EUR 2 818.2 million plus EUR 350 million from the mobilisation of the Contingency Margin.

All other elements of DAB No 3/2014 are accepted as proposed by the Commission.

In conclusion, on 12 December 2014, the Council adopted its position on draft amending budget No 3/2014 as set out in the technical annex to this explanatory memorandum (see *ST 16740/2014 ADD 1*).

Amending budget 2/2014: increase in revenue; shortage of payments

2014/2036(BUD) - 15/12/2014 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Gérard DEPREZ (ADLE, BE) on the Council position on Draft amending budget No 3/2014 of the European Union for the financial year 2014, Section III – Commission.

Members recalled that Draft amending budget (DAB) No 3/2014 to the 2014 general budget as originally presented by the Commission proposed to increase both the forecast of revenue stemming from fines and penalties, and other revenue by EUR 1 568 million and the payments appropriations by EUR 4 738 million across headings 1a, 1b, 2, and 4 of the multi-annual financial framework (MFF), with the aim of meeting payment needs until the end of the year by covering obligations stemming from past and current commitments.

Recurrent issue of payment appropriations: Members pointed out that the implementation of the 2014-2020 MFF started with a **huge backlog in payments**, with unpaid bills amounting to some EUR 23.4 billion at the end of 2013 for Cohesion policy only, and a **level of outstanding commitments (RAL) reaching 221.7 billion at the end of 2013**, i.e. EUR 41 billion above what was originally foreseen when the MFF 2007-2013 was agreed.

Out of the total of DAB No 3/2014, only EUR 99 million is meant to cover 2014-2020 programmes under the cohesion policy, the rest relating to the closure of the 2007-2013 programmes (EUR 3.296 billion) and payment needs stemming from other headings (EUR 1.34 billion).

Joint conclusions from the Parliament and the Council on budget issues: Members endorsed the joint conclusions agreed by Parliament and Council on 8 December 2014 with the view to provide for reinforcements in payments, in the 2014 budget, on a number of budget lines up to a level of EUR 4 246 million, of which EUR 3 168 million will be mobilised through the Contingency Margin for 2014. They welcomed in particular the increases in the payment appropriation for Heading 1a and Heading 4, which have been largely preserved in the final compromise depicted in the Joint conclusions of 8 December 2014. However, they regretted that **some delegations in the Council expressed reservations as to the use of the contingency margin in DAB No 3/2014**, which is considered by the Parliament to be an unsubstantiated concern and in contradiction with the spirit of the MFF Regulation and the IIA.

Avoid the snowball effect: although Members welcome the increase in payment appropriations for Heading 1b which is the main area affected by the shortage of payments in the Union budget in general, they considered nevertheless that this is the bare minimum to cover the actual needs until the end of 2014 and will **not be sufficient to solve the recurrent snowball effect of unpaid bills**.

Mobilise the Contingency Margin above the ceilings of the MFF: Members called on the Parliament to support the proposal for the mobilisation of the Contingency margin and underlined its interpretation of Article 3(2) of the MFF Regulation that payments related to special instruments must be counted **over and above the ceilings**. Any other interpretation undermines the basis for the political agreement on the 2014-2020 MFF, namely the understanding that specific and maximum flexibility should be implemented to allow the Union to fulfil its obligations.

Members recalled that the adoption of DAB No 3/2104, DAB No 4/2014, DAB No 6/2014 and DAB No 8/2014 will reduce the share of the GNI contribution from Member States to the Union budget by a total of EUR 8 688 million and will therefore fully compensate the additional payment needs requested in DAB No 3/2014 as agreed in the Joint conclusions of 8 December 2014.

They called on the European Parliament to approve the Council position on Draft amending budget No 3/2014.

Amending budget 2/2014: increase in revenue; shortage of payments

2014/2036(BUD) - 28/05/2014 - Commission draft budget

PURPOSE: presentation of Draft amending budget (DAB) No 3 for the year 2014.

CONTENT: Draft amending budget (DAB) No 3 for the year 2014 covers the following:

- an increase in the forecast of other revenue stemming from fines and interests, amounting to **EUR 1 417,0 million**;
- an increase in the forecast of other revenue stemming from repayments and revenue paid back to the Facility for Euro-Mediterranean Investment and Partnership (FEMIP), amounting to EUR 151,0 million;
- a redeployment of payment appropriations from the reserve for the Sustainable Fisheries Partnership Agreements to the European Fisheries Fund, amounting to EUR 65 million;
- **an increase of payment appropriations of EUR 711,4 million across headings 1a, 2 and 4 up to the 2014 ceiling for payments**. 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 avoided, and 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;
- **an increase of payment appropriations of EUR 4 026,7 million under heading 1a, heading 1b, heading 2 and heading 4** for which the Commission proposes to mobilise the Contingency Margin in accordance with Article 13 of the multiannual financial framework (MFF) Regulation. This is with the aim of addressing events that were unforeseen when the 2014-2020 MFF payment ceilings were agreed;
- an adjustment of the establishment plans of the Commission, the Offices, the Committee of the Regions and the European Data Protection Supervisor, to take account of the conversion of posts in the function group for Assistants (AST) into posts in the new function group for Secretaries and Clerks (AST/SC), now that reliable estimates of the number of posts concerned in 2014 have become available. The requested conversion of posts leads to a saving of administrative expenditure under heading 5 of EUR 400 000. The corresponding payment appropriations become available for redeployment.

Shortage of payments: the ceiling for payment appropriations in 2014 is set in the 2014-2020 MFF at EUR 135 866 million (in current prices). This is EUR 8.4 billion lower than the final budget 2013, whereas the payment needs for the year 2014 would have required a payment ceiling that is more in continuity with the 2013 ceiling, as the Commission has stated on numerous occasions. As a consequence, already at this stage of the year, **shortages of payment appropriations are visible across all headings**. Furthermore, the backlog of unpaid payment claims for 2007-2013 programmes in heading 1b stood at EUR 23.4 billion at the end of 2013.

Against the backdrop of payment shortfalls across all headings, the Commission proposes to use the unallocated margin available under the ceiling (**EUR 711 million**) as well as to fully mobilise the Contingency Margin to cover all the budgetary consequences of those events that have arisen after the agreement on the 2014-2020 MFF payment ceiling in February 2013.

Additional payments: the **Commission requests additional payment appropriations** (**EUR 4 738,1 million**) in this DAB 3/2014 to cover outstanding additional payment appropriations required to meet year-end needs across the 2014 budget, making full use of the maximum and specific flexibility mechanisms created in the MFF Regulation.

When taking into account the increase in revenue, the net impact in terms of additional call for funds is **EUR 3 170,1 million**. Moreover, in April 2014, the Commission already proposed the budgeting of the EUR 1 005,4 million surplus resulting from the implementation of the budget year 2013, which further reduces the call for funds correspondingly, leading to a net impact of EUR 2 164,7 million compared to the current authorised budget.

Amending budget 2/2014: increase in revenue; shortage of payments

2014/2036(BUD) - 17/12/2014 - Final act

PURPOSE: definitive adoption of amending budget No 2/2014.

LEGISLATIVE ACT: Definitive adoption (EU, Euratom) 2015/366 of Amending budget No 2 of the European Union for the financial year 2014.

CONTENT: the European Parliament definitively adopted amending budget No 2 of the European Union for the financial year 2014 in accordance with its resolution of 17 December 2014 (please see the summary of the resolution).

This amending budget (AB) provides for reinforcements in payments, in the 2014 budget, on a number of budget lines up to a level of EUR 4 246 million, of which **EUR 3 168 million** will be mobilised through the Contingency Margin for 2014.

To recall, the mobilisation of this specific margin aims to address events that were unforeseen when the 2014-2020 MFF payment ceilings were agreed.

Amending budget 2/2014: increase in revenue; shortage of payments

2014/2036(BUD) - 17/12/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 506 votes to 122, with 47 abstentions, a resolution on the Council position on Draft amending budget No 3/2014 of the European Union for the financial year 2014, Section III – Commission.

Parliament recalled that Draft amending budget (DAB) No 3/2014 to the 2014 general budget as originally presented by the Commission proposed to increase both the forecast of revenue stemming from fines and penalties, and other revenue by EUR 1 568 million and the payments appropriations by EUR 4 738 million across headings 1a, 1b, 2, and 4 of the multi-annual financial framework (MFF), with the aim of meeting payment needs until the end of the year by covering obligations stemming from past and current commitments.

Recurrent issue of payment appropriations: Parliament pointed out that the implementation of the 2014-2020 MFF started with a **huge backlog in payments**, with unpaid bills amounting to some EUR 23.4 billion at the end of 2013 for Cohesion policy only, and a **level of outstanding commitments (RAL) reaching 221.7 billion at the end of 2013**, i.e. EUR 41 billion above what was originally foreseen when the MFF 2007-2013 was agreed.

Out of the total of DAB No 3/2014, only EUR 99 million is meant to cover 2014-2020 programmes under the cohesion policy, the rest relating to the closure of the 2007-2013 programmes (EUR 3.296 billion) and payment needs stemming from other headings (EUR 1.34 billion).

Joint conclusions from the Parliament and the Council on budget issues: Parliament endorsed the joint conclusions agreed by Parliament and Council on 8 December 2014 with the view to provide for reinforcements in payments, in the 2014 budget, on a number of budget lines up to a level of EUR 4 246 million, of which EUR 3 168 million will be mobilised through the Contingency Margin for 2014. It welcomed in particular the increases in the payment appropriation for Heading 1a and Heading 4, which have been largely preserved in the final compromise depicted in the Joint conclusions of 8 December 2014. However, it regretted that **some delegations in the Council expressed reservations as to the use of the contingency margin in DAB No 3/2014**, which is considered by the Parliament to be an unsubstantiated concern and in contradiction with the spirit of the MFF Regulation and the IIA.

Avoid the snowball effect: although Parliament welcomed the increase in payment appropriations for Heading 1b which is the main area affected by the shortage of payments in the Union budget in general, it considered nevertheless that this is the bare minimum to cover the actual needs until the end of 2014 and will **not be sufficient to solve the recurrent snowball effect of unpaid bills**.

Mobilise the Contingency Margin above the ceilings of the MFF: Parliament supported the proposal for the mobilisation of the Contingency margin and underlined its interpretation of Article 3(2) of the MFF Regulation that payments related to special instruments must be counted **over and above the ceilings**. Any other interpretation undermines the basis for the political agreement on the 2014-2020 MFF, namely the understanding that specific and maximum flexibility should be implemented to allow the Union to fulfil its obligations.

Parliament recalled that the adoption of DAB No 3/2104, DAB No 4/2014, DAB No 6/2014 and DAB No 8/2014 will reduce the share of the GNI contribution from Member States to the Union budget by a total of EUR 8 688 million and will therefore fully compensate the additional payment needs requested in DAB No 3/2014 as agreed in the Joint conclusions of 8 December 2014.

It approved the Council position on Draft amending budget No 3/2014.