Basic information

2016/2257(BUD) BUD - Budgetary procedure	Procedure completed
Amending budget 4/2016: update of appropriations, reduction of payment and commitment appropriations, extension of EFSI, staff establishment plan of Frontex, update of revenue appropriations **Subject** 8.70.56 2016 budget	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	FERNANDES José Manuel (PPE)	04/10/2016
	Shadow rapporteur GEIER Jens (S&D) KÖLMEL Bernd (ECR) DEPREZ Gérard (ALDE) NÍ RIADA Liadh (GUE/NGL) MARAGALL Ernest (Verts/ALE) TARAND Indrek (Verts/ALE) ZANNI Marco (EFDD) ŻÓŁTEK Stanisław (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary 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.	
TRAN Transport and Tourism	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

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	3495	2016-11-08

European Commission

Commission DG	Commissioner
Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
30/09/2016	Commission draft budget published	COM(2016)0623	Summary
08/11/2016	Council position on draft budget published	13583/2016	Summary
08/11/2016	Draft budget approved by Council		
24/11/2016	Committee referral announced in Parliament		
24/11/2016	Vote in committee		
25/11/2016	Budgetary report tabled for plenary	A8-0350/2016	Summary
01/12/2016	Decision by Parliament	T8-0468/2016	Summary
01/12/2016	Results of vote in Parliament		
01/12/2016	End of procedure in Parliament		
28/02/2017	Final act published in Official Journal		

Technical information

Procedure reference	2016/2257(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/8/08049

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE592.346	28/10/2016	
Amendments tabled in committee		PE594.136	21/11/2016	
Budgetary report tabled for plenary, 1st reading		A8-0350/2016	25/11/2016	Summary
Budgetary text adopted by Parliament		T8-0468/2016	01/12/2016	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position on draft budget	13583/2016	08/11/2016	Summary

European Commission

Document type	Reference	Date	Summary
Commission draft budget	COM(2016)0623	30/09/2016	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Corrigendum to final act 32017B0303R(01)
OJ L 068 14.03.2017, p. 0004

Budget 2017/0303
OJ L 052 28.02.2017, p. 0001 Summary

Amending budget 4/2016: update of appropriations, reduction of payment and commitment appropriations, extension of EFSI, staff establishment plan of Frontex, update of revenue appropriations

2016/2257(BUD) - 01/12/2016 - Final act

PURPOSE: definitive adoption of Amending budget No 4/2016.

LEGISLATIVE ACT: Definitive adoption (EU, Euratom) 2017/303 of Amending budget No 4 of the European Union for the financial year 2016.

CONTENT: the European Parliament adopted the amending budget 4/2016 of the European Union, in accordance with its resolution of 1 December 2016 (refer to the summary of the resolution).

In brief, Amending Budget No 4/2016 (DAB 4/2016) concerns the follow:

Expenditure:

- **decrease payment appropriations (p/a) by EUR 7 284.3 million** mostly under sub-heading 1b, and to a lesser extent under headings 2 and 3 due to delays in the implementation of the 2014-2020 programmes;
- **decrease commitment appropriations (c/a) by EUR 14.7 million** under heading 2 as a result of the latest needs assessment;
- frontload EUR 73.9 million in c/a from Financial Instruments under CEF Energy to the European Fund for Strategic Investments (EFSI), with a corresponding compensation in 2018;
- **increase c/a by EUR 250 million and p/a by EUR 10 million under heading 3**, notably for the Emergency Support Instrument within the Union, the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF). After taking into account a redeployment of EUR 9.9 million from the European Medicines Agency (EMA), due to the changes in the EUR/GBP exchange rate, the Commission proposes to finance the remaining additional c/a under heading 3 through a mobilisation of the Contingency Margin for an amount of EUR 240.1 million to be fully offset in the same year against the margin under heading 5;
- **frontload 50 posts for temporary agents** for the year 2017 for the European Border and Coast Guard Agency replacing FRONTEX.

Revenue side: the AB includes adjustments linked to the revision of the forecast of Traditional Own Resources (i.e. customs duties and sugar sector levies), value-added tax (VAT) and gross national income (GNI) bases, and the budgeting of the relevant UK corrections and their financing, which has an impact on the distribution of Member States' contributions to the EU budget from own resources.

The net impact of AB 4/2014 on the expenditure side of the 2016 budget is an increase of **EUR 225.4 million in commitment appropriations and a decrease of EUR 7 274.3 million in payment appropriations**, thereby reducing the Member States' contributions for the financial year 2016 (surplus) by an equivalent amount.

Amending budget 4/2016: update of appropriations, reduction of payment and commitment appropriations, extension of EFSI, staff establishment plan of Frontex, update of revenue appropriations

2016/2257(BUD) - 01/12/2016 - Budgetary text adopted by Parliament

The European Parliament adopted by 520 votes to 53, with 67 abstentions, a resolution on the Council position on Draft amending budget No 4/2016 of the European Union for the financial year 2016: Update of appropriations to reflect the latest developments on migration and security issues, reduction of payment and commitment appropriations as a result of the Global Transfer, extension of EFSI, modification of the staff establishment plan of Frontex and update of revenue appropriations (Own resources).

In brief, draft amending budget No 4/2016 (DAB 4/2016):

- **decreases the level of payment appropriations by EUR 7 284.3 million**, mostly in budget lines under subheading 1b Economic, social and territorial cohesion, and therefore reduces national contributions accordingly;
- increases the level of commitment appropriations under heading 3 Security and Citizenship by: (i) EUR 50 million for the emergency support instrument within the Union, (ii) EUR 130 million for the Asylum, Migration and Integration Fund (AMIF), (iii) EUR 70 million for the Internal Security Fund (ISF), thus requiring the mobilisation of the Contingency Margin for a total amount of EUR 240.1 million, after taking into account a redeployment of EUR 9.9 million;
- frontloads the provisioning of the European Fund for Strategic Investments (EFSI) with a redeployment of EUR 73.9 million in commitment appropriations from the energy strand of the Connecting Europe Facility (CEF-Energy), to be compensated in 2018;
- amends the establishment plan of Frontex in view of the entry into force of Regulation (EU) 2016/1624 on the European Border and Coast Guard.

On the expenditure side, with a reduction of EUR 14.7 million across several budget lines under heading 2 Sustainable Growth: natural resources, **the net impact of DAB 4/2014 on the expenditure side of the 2016 budget is an increase of EUR 225.4 million** in commitment appropriations.

On the revenue side, DAB 4/2016 also includes adjustments linked to the revision of the forecast of Traditional Own Resources (i.e. customs duties and sugar sector levies), value-added tax (VAT) and gross national income (GNI) bases, and the budgeting of the relevant UK corrections and their financing.

Parliament expressed serious concerns over the payment surplus of EUR 7 284.3 million, which is the result of **major delays in the implementation of EU programmes** under shared management and paves the way for an important accumulation of payment requests towards the end of the current MFF.

Mobilisation of the Contingency Margin: it agreed with the **reinforcements in heading 3** via the mobilisation of the Contingency Margin, as well as the frontloading of the reinforcement of the Frontex establishment plan. It welcomed in particular the partial replenishment of the AMIF, but is concerned by the fact that, despite a high rate of budgetary execution based on Member States' national programmes, only a few relocations of refugees have actually taken place to date.

Parliament also agreed with the **frontloading of EFSI** provided the redeployment from CEF is duly compensated in 2018. It clarified that this frontloading does not pre-empt the final financing plan of the new proposal for a prolongation of EFSI which is to be decided in accordance with the ordinary legislative procedure.

Parliament also noted with concern the expected **shortfall of revenues**, estimated at EUR 1.8 billion, due to the depreciation of the British Pound against the Euro. It noted the Commission's intention to use the revenues provided by additional fines in order to cover that shortfall.

Lastly, Parliament approved the Council position on Draft Amending budget No 4/2016.

Amending budget 4/2016: update of appropriations, reduction of payment and commitment appropriations, extension of EFSI, staff establishment plan of Frontex, update of revenue appropriations

2016/2257(BUD) - 08/11/2016 - Council position on draft budget

On 30 September 2016, the Commission submitted to the Council draft amending budget (DAB) No 4/2016 requesting modifications on the expenditure and revenue side of the 2016 budget.

With regard to the **expenditure side**, the following modifications are proposed:

- to decrease payment appropriations (p/a) by -EUR 7 284.3 million mostly under sub-heading 1b, and to a lesser extent under headings 2 and 3 due to delays in the implementation of the 2014-2020 programmes;
- to decrease commitment appropriations (c/a) by -EUR 14.7 million under heading 2 as a result of the latest needs assessment;
- to frontload EUR 73.9 million in c/a from Financial Instruments under CEF Energy to the European Fund for Strategic Investments (EFSI), with a corresponding compensation in 2018;
- to increase c/a by +EUR 250 million and p/a by +EUR 10 million under heading 3, notably for the Emergency Support Instrument within the Union, the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF). After taking into account a redeployment of EUR 9.9 million from the European Medicines Agency (EMA), due to the changes in the EUR/GBP exchange rate, the Commission proposes to finance the remaining additional c/a under heading 3 through a mobilisation of the Contingency Margin for an amount of EUR 240.1 million to be fully offset in the same year against the margin under heading 5;
- to frontload 50 posts for temporary agents out of the 130 posts requested for the year 2017 for FRONTEX due to the revised mandate of the agency.

As regards **revenue**, the main changes on the revenue side proposed in this DAB concern the revision of the forecast of Traditional Own Resources (i. e. customs duties and sugar levies), value added tax (VAT) and gross national income (GNI) bases, and the budgeting of the relevant UK corrections and their financing, which affects the distribution of own resources contributions from Member States to the EU budget.

The net impact of this DAB on the expenditure side of the 2016 budget is **an increase of +EUR 225.4 million in c/a and a decrease of -EUR 7 274.3 million in p/a**, thus lowering by the same amount Member States' contributions for the financial year 2016 (surplus).

On 8 November 2016, the Council adopted its position on DAB No 6 to the general budget for 2016 as set out in the annex to the DAB 6/2016 (*refer to the annex to the Council doc. 13583/2016*).

Amending budget 4/2016: update of appropriations, reduction of payment and commitment appropriations, extension of EFSI, staff establishment plan of Frontex, update of revenue appropriations

2016/2257(BUD) - 30/09/2016 - Commission draft budget

PURPOSE: presentation of draft amending budget No 4 to the general budget 2016.

CONTENT: the purpose of Draft Amending Budget (DAB) No 4 for the year 2016 is the following:

1. To update the level of appropriations under heading 3 Security and Citizenship: in order to take account of the state of implementation and to reflect the latest developments in relation to migration and security issues, the following is called for:

- an increase of EUR 50 million in commitment appropriations and EUR 10 million in payment appropriations for the emergency support instrument within the Union,
- a EUR 130 million increase in commitment appropriations for the Asylum, Migration and Integration Fund (AMIF),

- a EUR 70 million increase in commitment appropriations for the Internal Security Fund (ISF).

Given the absence of any margin in heading 3, these increases in commitment appropriations require the **mobilisation of the Contingency Margin for a total amount of EUR 240.1 million**, after taking into account the redeployment of EUR 9.9 million from the European Medicines Agency (EMA) in London, as a result of changes in the EUR/GBP exchange rate.

The Commission proposed to **fully offset this mobilisation in 2016 against the unallocated margins of heading 5 Administration in 2016**.

2. To frontload the provisioning of the European Fund for Strategic Investments (EFSI) 2015-2018 with an increase of EUR 73.9 million in commitment appropriations, to take account of the proposed extension of the duration of the Fund until 2020. It is proposed to finance the increase by reducing the appropriations of the financial instruments under the energy strand of the Connecting Europe Facility (CEF-Energy), with a **corresponding compensation in 2018**.

3. To reduce commitment appropriations spread across several budget lines, under heading 2 Sustainable Growth: natural resources, by EUR 14.7 million, to adjust them to the latest needs assessment.

4. To decrease the level of payment appropriations by EUR 7 284.3 million, mostly in budget lines under heading 1b Economic, social and territorial cohesion and to a lesser extent for headings 2 Sustainable Growth: natural resources and 3 Security and Citizenship as well as from the Emergency Aid Reserve, after taking into account the redeployments proposed in the Global Transfer (DEC 23/2016).

5. To frontload in 2016 part of the reinforcement in the staffing levels of Frontex already proposed in the draft budget 2017, in view of the forthcoming entry into force of the new European Border and Coast Guard Regulation. This entails an amendment to the establishment plan of Frontex with no additional appropriations in 2016.

Impact of DAB/4/2014: the net impact of DAB 4/2014 on the expenditure side of the 2016 budget is an **increase of EUR 225.4 million in commitment appropriations and a decrease of EUR 7 274.3 million in payment appropriations**.

Revenue: as the present DAB decreases the payment appropriations of the 2016 budget, it will therefore have an impact on the total amount payable by Member States towards this budget. However there are also two adjustments on the revenue side of the budget which need to be taken into account:

- the first of these adjustments is an update of the estimates for Traditional Own Resources (TOR), as well as the Value Added Tax (VAT) and Gross National Income (GNI) resources, which are updated to take account of more recent economic forecasts;
- the second adjustment on the revenue side is an update of the UK correction.

The overall impact of both the expenditure and the revenue adjustments of this DAB is shown in a summary. The table also shows the distribution of total own resources payments between Member States: as budgeted in the 2016 budget, as amended in Amending Budget (AB) 2/2016, and finally in the present DAB.

Amending budget 4/2016: update of appropriations, reduction of payment and commitment appropriations, extension of EFSI, staff establishment plan of Frontex, update of revenue appropriations

2016/2257(BUD) - 25/11/2016 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by José Manuel FERNANDES (EPP, PT) on the Council position on Draft amending budget No 4/2016 of the European Union for the financial year 2016: Update of appropriations to reflect the latest developments on migration and security issues, reduction of payment and commitment appropriations as a result of the Global Transfer, extension of EFSI, modification of the staff establishment plan of Frontex and update of revenue appropriations (Own resources).

To recall, draft amending budget No 4/2016 (DAB 4/2016):

- **decreases the level of payment appropriations by EUR 7 284.3 million**, mostly in budget lines under subheading 1b Economic, social and territorial cohesion, and therefore reduces national contributions accordingly;
- increases the level of commitment appropriations under heading 3 Security and Citizenship by: (i) EUR 50 million for the emergency support instrument within the Union, (ii) EUR 130 million for the Asylum, Migration and Integration Fund (AMIF), (iii) EUR 70 million for the Internal Security Fund (ISF), thus requiring the mobilisation of the Contingency Margin for a total amount of EUR 240.1 million, after taking into account a redeployment of EUR 9.9 million;
- frontloads the provisioning of the European Fund for Strategic Investments (EFSI) with a redeployment of EUR 73.9 million in commitment appropriations from the energy strand of the Connecting Europe Facility (CEF-Energy), to be compensated in 2018;
- amends the establishment plan of Frontex in view of the entry into force of Regulation (EU) 2016/1624 on the European Border and Coast Guard.

On the expenditure side, with a reduction of EUR 14.7 million across several budget lines under heading 2 Sustainable Growth: natural resources, **the net impact of DAB 4/2014 on the expenditure side of the 2016 budget is an increase of EUR 225.4 million** in commitment appropriations.

On the revenue side, DAB 4/2016 also includes adjustments linked to the revision of the forecast of Traditional Own Resources (i.e. customs duties and sugar sector levies), value-added tax (VAT) and gross national income (GNI) bases, and the budgeting of the relevant UK corrections and their financing.

The committee expressed serious concerns over the payment surplus of EUR 7 284.3 million, which is the result of **major delays in the implementation of EU programmes** under shared management and paves the way for an important accumulation of payment requests towards the end of the current MFF.

Members agreed with the **reinforcements in heading 3** via the mobilisation of the Contingency Margin, as well as the frontloading of the reinforcement of the Frontex establishment plan. They welcomed in particular the partial replenishment of the AMIF, but is concerned by the fact that, despite a high rate of budgetary execution based on Member States' national programmes, only a few relocations of refugees have actually taken place to date.

They also agreed with the **frontloading of EFSI** provided the redeployment from CEF is duly compensated in 2018. They clarified that this frontloading does not pre-empt the final financing plan of the new proposal for a prolongation of EFSI which is to be decided in accordance with the ordinary legislative procedure.

Members also noted with concern the expected **shortfall of revenues**, estimated at EUR 1.8 billion, due to the depreciation of the British Pound against the Euro. They noted the Commission's intention to use the revenues provided by additional fines in order to cover that shortfall.

Members called on the European Parliament to approve the Council position on Draft Amending budget No 4/2016.