Basic information

2017/2061(BUD) BUD - Budgetary procedure	Procedure completed
Amending budget 2/2017: surplus of the financial year 2016 **Subject** 8.70.56 2016 budget 8.70.57 2017 budget	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	GEIER Jens (S&D)	19/04/2017
	Shadow rapporteur MUREŞAN Siegfried (PPE) KÖLMEL Bernd (ECR) DEPREZ Gérard (ALDE) OMARJEE Younous (GUE/NGL) TARAND Indrek (Verts/ALE) VALLI Marco (EFDD)	

Council of the European Union

European Commission

Commission DG	Commissioner
Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
12/04/2017	Commission draft budget published	COM(2017)0188	Summary
08/06/2017	Council position on draft budget published	09437/2017	Summary
20/06/2017	Vote in committee		
22/06/2017	Budgetary report tabled for plenary	A8-0229/2017	Summary
03/07/2017	Committee referral announced in Parliament		

04/07/2017	Decision by Parliament	T8-0286/2017	Summary
04/07/2017	Results of vote in Parliament		
04/07/2017	Draft budget approved by Council		
01/09/2017	Final act published in Official Journal		

Technical information

Procedure reference	2017/2061(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/8/09788

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE604.608	09/05/2017	
Amendments tabled in committee		PE605.932	31/05/2017	
Budgetary report tabled for plenary, 1st reading		A8-0229/2017	22/06/2017	Summary
Budgetary text adopted by Parliament		T8-0286/2017	04/07/2017	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position on draft budget	09437/2017	08/06/2017	Summary

European Commission

Document type	Reference	Date	Summary
Commission draft budget	COM(2017)0188	12/04/2017	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2017/1487
OJ L 227 01.09.2017, p. 0001 Summary

Amending budget 2/2017: surplus of the financial year 2016

2017/2061(BUD) - 22/06/2017 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Jens GEIER (S&D, DE) on the Council position on Draft amending budget No 2/2017 of the European Union for the financial year 2017: entering the surplus of the financial year 2016.

Members recalled that Draft amending budget No 2/2017 aims to enter in the 2017 budget the surplus from the 2016 financial year, amounting to EUR 6 405 million.

They stressed that the main components of that surplus are:

- a positive outturn on income of EUR 1 688 million,
- an under-spending in expenditure of EUR 4 889 million,
- exchange rate differences amounting to EUR - 173 million.

On the **income side**, the two main components are interest on late payments and fines (EUR 3 052 million) and a negative outturn on own resources (EUR 1 511 million).

On the **expenditure side**, under-implementation reaches EUR 4 825 million for 2016 and EUR 28 million for 2015 carryovers under Section III (Commission), and EUR 35 million for other institutions.

Implementation rate: overall, Members expressed concern at the significant under-implementation of EUR 4 889 million in 2016, despite the fact that Amending budget No 4/2016 had already reduced the level of payment appropriations by EUR 7 284,3 million.

The very low implementation of payment appropriations in the area of cohesion (Heading 1b) is partially due to inaccurate forecasts by Member States and to delays in the designation of managing and certifying authorities at national level.

Members drew attention to the negative impact of the depreciation of the British Pound against the Euro, which is the main cause of the shortfall in revenues of EUR 1 511 million under own resources. That shortfall could have created severe problems for the financing of the Union budget.

They noted in particular the relatively high level of fines in 2016, which totalled EUR 4 159 million, of which EUR 2 861 million are counted in the 2016 surplus.

They observed that the adoption of Draft amending budget No 2/2017 will **reduce the share of GNI contributions from Member States to the Union budget** in 2017 by EUR 6 405 million. They urged, once again, Member States to use the opportunity of such a reflow to **honour their pledges in relation to the refugee crisis** and to match the Union contribution to **Union trust funds** and to the new European Fund for **Sustainable Development**.

Amending budget: Members called on the institutions to process swiftly the pending and upcoming draft amending budgets for the Youth Employment Initiative and for the European Fund for Sustainable Development, in line with the commitments taken as part of the outcome of the conciliation on the 2017 budget.

They reminded the Council that Parliament has undertaken all necessary steps to ensure a swift adoption of the MFF revision and called on the British government to lift its blockade on the vote in the Council as soon as possible in the hope that the reflow of financial resources to Member States will ease the upcoming negotiations on the **settlement of financial obligations between the UK and the Union.**

Lastly, Members approved the Council position on Draft amending budget No 2/2017.

Amending budget 2/2017: surplus of the financial year 2016

2017/2061(BUD) - 04/07/2017 - Final act

PURPOSE: to definitively adopt Amending Budget No 2/2017.

LEGISLATIVE ACT: Definitive adoption (EU, Euratom) 2017/1487 of amending budget No 2 of the European Union for the financial year 2017.

CONTENT: the European Parliament **adopted definitively the amending budget 2/2017** of the European Union, in accordance with its resolution of 4 July 2017 (*see the summary of the resolution*).

This amending budget is intended to enter in the 2017 budget the surplus resulting from the implementation of the 2016 budget amounting to **EUR 6.405 billion**.

The budgeting of the surplus will diminish accordingly the global contribution of the Member States to the financing of the 2017 EU budget.

Amending budget 2/2017: surplus of the financial year 2016

2017/2061(BUD) - 04/07/2017 - Budgetary text adopted by Parliament

The European Parliament adopted by 556 votes to 79, with 61 abstentions, a resolution on the Council position on Draft amending budget No 2/2017 of the European Union for the financial year 2017, Section III - Commission.

Parliament recalled that Draft amending budget No 2/2017 aims to enter in the 2017 budget the surplus from the 2016 financial year, amounting to EUR 6 405 million.

It stressed that the main components of that surplus are:

- a positive outturn on income of EUR 1 688 million,
- an under-spending in expenditure of EUR 4 889 million,
- exchange rate differences amounting to EUR - 173 million.

On the income side, the two main components are interest on late payments and fines (EUR 3 052 million) and a negative outturn on own resources (EUR 1 511 million).

On the expenditure side, under-implementation reaches EUR 4 825 million for 2016 and EUR 28 million for 2015 carry-overs under Section III (Commission), and EUR 35 million for other institutions.

Implementation rate: overall, Parliament expressed concern at the **significant under-implementation** of EUR 4 889 million in 2016, despite the fact that Amending budget No 4/2016 had already reduced the level of payment appropriations by EUR 7 284.3 million.

The very low implementation of payment appropriations in the area of cohesion (Heading 1b) is partially due to inaccurate forecasts by Member States and to delays in the designation of managing and certifying authorities at national level.

Parliament drew attention to the negative impact of the depreciation of the British Pound against the Euro, which is the main cause of the shortfall in revenues of EUR 1 511 million under own resources. That shortfall could have created severe problems for the financing of the Union budget.

Brexit: Parliament noted that that shortfall in revenues is due to the **unilateral British decision to leave the Union**, but that the correction has to be borne by the Union as a whole. It insisted that those costs should be considered when negotiating the settlement of financial obligations between the UK and the Union.

It also noted in particular the relatively high level of fines in 2016, which totalled EUR 4 159 million, of which EUR 2 861 million are counted in the 2016 surplus.

Members observed that the adoption of Draft amending budget No 2/2017 will **reduce the share of GNI contributions from Member States to the Union budget** in 2017 by EUR 6 405 million. They urged, once again, Member States to use the opportunity of such a reflow to honour their pledges in relation to the **refugee crisis** and to match the Union contribution to Union trust funds and to the new **European Fund for Sustainable Development**.

Amending budget: Parliament called on the institutions to process swiftly the pending and upcoming draft amending budgets for the **Youth Employment Initiative and for the European Fund for Sustainable Development**, in line with the commitments taken as part of the outcome of the conciliation on the 2017 budget.

Plenary regretted in the context of this Draft amending budget that the adoption of the mid-term revision of the Multiannual Financial Framework (MFF) was blocked in the Council for several months. It is **relieved that the British government kept its word and lifted its blockade on the MFF revision** swiftly after the General elections in the UK. It hoped that the reflow of financial resources to Member States will ease the upcoming negotiations on the settlement of financial obligations between the UK and the Union.

Lastly, Parliament approved the Council position on Draft amending budget No 2/2017.

Amending budget 2/2017: surplus of the financial year 2016

2017/2061(BUD) - 12/04/2017 - Commission draft budget

PURPOSE: presentation of draft amending budget (DAB) No 2/2017 which is intended to enter in the budget 2017 the surplus resulting from the implementation of the budget year 2016.

CONTENT: the present draft amending budget (DAB) No 2/2017 is intended to enter in the budget 2017 the surplus resulting from the implementation of the budget year 2016.

As provided for in the Financial Regulation applicable to the general budget of the Union, it is the only subject of this DAB and it has to be submitted within 15 days following the submission of the provisional accounts at end of March 2017.

Surplus: the implementation of the budget year 2016 shows a surplus of **EUR 6 404 529 791,03** (excluding the outturn of contributions received from European Free Trade Association (EFTA) countries part of the European Economic Area (EEA) agreement), which is therefore **entered as revenue in the 2017 budget**.

The budgeting of the surplus will diminish accordingly the global contribution of the Member States to the financing of the 2017 EU budget.

The final contributions by Member States will also be influenced by the updated own resources forecast (Traditional Own Resources (TOR), Value Added Tax (VAT) and Gross National Income (GNI)) including the updated amount of the UK correction which will be available after the Advisory Committee on Own Resources (ACOR) meeting in May 2017.

Amending budget 2/2017: surplus of the financial year 2016

2017/2061(BUD) - 08/06/2017 - Council position on draft budget

On 12 April 2017, the Commission submitted to the Council draft amending budget (DAB) No 2 to the general budget for 2017 concerning the **budgeting of the surplus resulting from the implementation of the budget year 2016**.

The implementation of the budget year 2016 shows a surplus of **EUR 6 404 567 996.26** resulting from:

a) a positive outturn in income part of the budget (+ EUR 1 688 million), of which:

- Title 1 (Own resources): - EUR 1 511 million
- Title 3 (Surpluses, balances and adjustments): + EUR 8 million
- Title 7 (Interest on late payments and fines): + EUR 3 052 million
- Other titles: + EUR 138 million

b) an under-implementation on expenditure side of the budget (+ EUR 4 889 million), notably of:

- appropriations authorised in the 2016 budget (Commission): + EUR 4 825 million
- appropriations carried over from 2015 (Commission): + EUR 28 million
- appropriations authorised in 2016 and carried over from 2015 (Other institutions): + EUR 35 million

c) a negative balance of currency exchange (- EUR 173 million).

The budgeting of this surplus will diminish accordingly the global contribution of Member States to the financing of the EU budget in 2017.

On 8 June 2017, the Council adopted its position on DAB No 2 to the general budget for 2017 as set out in the annex to the explanatory memorandum to the Council's position on the draft amending budget (see *Doc. Council 9437/17*).