Basic information

2017/2217(BUD) BUD - Budgetary procedure	Procedure completed
Amending budget 6/2017: reduction of payment and commitment appropriations and update of revenue **Subject** 8.70.57 2017 budget	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	GEIER Jens (S&D)	09/10/2017
	Shadow rapporteur MUREŞAN Siegfried (PPE) KÖLMEL Bernd (ECR) DEPREZ Gérard (ALDE) NÍ RIADA Liadh (GUE/NGL) TARAND Indrek (Verts/ALE) VALLI Marco (EFDD)	

Council of the European Union

European Commission

Commission DG	Commissioner
Budget	OETTINGER Günther

Key events

Date	Event	Reference	Summary
09/10/2017	Commission draft budget published	COM(2017)0597	Summary
22/11/2017	Vote in committee		
27/11/2017	Council position on draft budget published	14275/2017	Summary
27/11/2017	Budgetary report tabled for plenary	A8-0379/2017	Summary
29/11/2017	Committee referral announced in Parliament		

30/11/2017	Decision by Parliament	T8-0453/2017	Summary
30/11/2017	Results of vote in Parliament		
30/11/2017	Draft budget approved by Council		
25/01/2018	Final act published in Official Journal		

Technical information

Procedure reference	2017/2217(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/8/11244

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE612.206	27/10/2017	
Amendments tabled in committee		PE613.566	20/11/2017	
Budgetary report tabled for plenary, 1st reading		A8-0379/2017	27/11/2017	Summary
Budgetary text adopted by Parliament		T8-0453/2017	30/11/2017	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position on draft budget	14275/2017	27/11/2017	Summary

European Commission

Document type	Reference	Date	Summary
Commission draft budget	COM(2017)0597	09/10/2017	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2018/0091
OJ L 021 25.01.2018, p. 0001 Summary

Amending budget 6/2017: reduction of payment and commitment appropriations and update of revenue

2017/2217(BUD) - 09/10/2017 - Commission draft budget

PURPOSE: presentation of a Draft Amending Budget (DAB) No. 6 to the 2017 budget aimed at reducing payment and commitment appropriations in line with updated forecasts of expenditure and update of revenue (own resources and fines).

CONTENT: the present Draft Amending Budget (DAB) No. 6/2017 aims to update both the expenditure and the revenue sides of the budget to reflect latest developments.

1) Expenditure side: the Commission proposes to adjust the level of payment appropriations for certain budget lines in order to align them more closely to the latest estimates of needs and working on the assumption that the rebalancing of payment appropriations between budget lines requested separately by the Commission in the so-called "global transfer" (DEC 20/2017) will be accepted by the European Parliament and the Council.

The overall reduction (EUR 7 719.7 million) in the level of payment appropriations requested in this DAB mainly concerns:

- **Heading 1b - Economic, social and territorial cohesion**: the Commission proposes a decrease of **EUR 5.9 billion** in payment appropriations for the **European Structural and Investment funds** (ESIF). All operational programmes for this period were adopted before the end of 2015. However, the overall level of interim payments in 2017 for these programmes will be lower than initially budgeted. Implementation delays continue to be observed in relation to the 2014-2020 operational programmes. The Commission has expressed its readiness to provide assistance to Member States to ensure that implementation accelerates.
- **Heading 2 - Sustainable Growth: Natural Resources**:

  i. **European Agricultural Fund for Rural Development** (EAFRD): it is proposed: (i) to release an amount of **EUR 780 million** since for most of the programmes, closure and payments took place at the end of 2016 and that the needs for closure payments in 2017 are lower; (ii) to reduce by **EUR 1.5 million** the commitment appropriations for budget item 05 04 60 02 (Operational technical assistance);

  ii. **Compulsory contributions to regional fisheries management organisations and other international organisations and sustainable fisheries agreements**: amounts of **EUR 11.2 million** in commitment appropriations and **EUR 10.4 million** in payment appropriations may be released from the reserve line;

  iii. **European Agricultural Guarantee Fund (EAGF)**: following the cancellation of certain actions, it is proposed to decrease the level of appropriations by **EUR 1.9 million** in both commitment and payment appropriations;

  iv. **Decentralised bodies (ECHA-biocides)**: since the fee income from industry received by the Agency is expected to be **EUR 0.6 million** higher than initially estimated, the contribution from the EU budget may be reduced accordingly.

- **Heading 3 - Security and Citizenship**:

  i. the proposed **EUR 157.5 million** reduction in payment appropriations takes into account the fact that the implementation of the two relocation schemes under the Asylum, Migration and Integration Fund (AMIF) has been slower than expected;

  ii. the proposed reduction of payment appropriations of **EUR 130 million** for the Internal Security Fund (ISF) is due to the delay in the implementation of national programmes, as well as the late adoption of the new Entry-Exist System.

- **Heading 4 - Global Europe**: it is proposed:

  i. to reduce by a total amount of **EUR 268.1 million** the payment appropriations identified on several lines of the Instrument for Pre-Accession Assistance (IPA II);

  ii. to reduce by **EUR 434.1 million** the payment appropriations identified on several lines of the European Neighbourhood Instrument (ENI);

  iii. to release **EUR 46 million**, both in commitment and payment appropriations, relating to pre-financing under the European Union Solidarity Fund (EUSF), which will no longer be necessary in 2017.

2) Revenue side: the Commission proposes:

i. to revise 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 to budget the relevant **UK corrections** and their financing, which all affect the distribution of own resources contributions from Member States to the EU budget;

ii. to enter into the EU budget the **fines** decided by the Commission, for which all legal remedies were exhausted and which therefore became definitive in the course of 2017, reducing accordingly the own resources contributions from Member States to the EU budget.

Amending budget 6/2017: reduction of payment and commitment appropriations and update of revenue

2017/2217(BUD) - 30/11/2017 - Final act

PURPOSE: adoption of a Draft Amending Budget (DAB) No. 6 to the 2017 budget.

NON-LEGISLATIVE ACT: Definitive Adoption (EU, Euratom) 2018/91 of amending budget No 6 of the European Union for the financial year 2017.

CONTENT: the European Parliament definitively adopted Draft Amending Budget No 6 for the financial year 2017 in accordance with its resolution of 30 November 2017 (see the summary of the resolution).

As a reminder, this Amending budget aims:

- **on the expenditure side, to decrease the level of payment appropriations by EUR 7 719.7 million**, mostly in budget lines under heading 1b (Economic, social and territorial cohesion) and, to a lesser extent, under headings 2 (Sustainable growth - natural resources), 3 (Security and Citizenship) and 4 (Global Europe) and in the European Union Solidarity Fund (EUSF);
- **on the revenue side,** to: (i) **include adjustments linked to the revision of the forecasts 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 2013 and 2016 UK corrections and their financing; (ii) take account of a total amount of EUR 3 209.7 million in fines which has become definitive and exceeds the level initially planned for the 2017 budget, and assigns the difference between the latter and the former (amounting up to EUR 2 209.7 million) to the reduction of own resources contributions from Member States to the Union budget.

Amending Budget No 6/2017 results in a reflow to national budgets of EUR 9 829.6 million additional to the reflow of EUR 6 405 million already confirmed in light of Amending budget 2/2017.

Amending budget 6/2017: reduction of payment and commitment appropriations and update of revenue

2017/2217(BUD) - 30/11/2017 - Budgetary text adopted by Parliament

The European Parliament adopted by 581 votes to 48, with 14 abstentions, a resolution on the Council position on Draft amending budget No 6/2017 of the European Union for the financial year 2017: Reduction of payment and commitment appropriations in line with updated forecasts of expenditure and update of revenue (own resources and fines).

Parliament **approved the Council's position on draft amending budget No 6/2017**. This draft aims to:

- **on the expenditure side**, decrease the level of payment appropriations by EUR 7 719.7 million, mostly in budget lines under heading 1b (Economic, social and territorial cohesion) and, to a lesser extent, under headings 2 (Sustainable growth - natural resources), 3 (Security and Citizenship) and 4 (Global Europe) and in the European Union Solidarity Fund (EUSF), and therefore reduces national contributions accordingly;
- **on the revenue side**, (i) include adjustments linked to the revision of the forecasts 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 2013 and 2016 UK corrections and their financing; (ii) take account of a total amount of EUR 3 209.7 million in fines which has become definitive and exceeds the level initially planned for the 2017 budget, and assigns the difference between the latter and the former (amounting up to EUR 2 209.7 million) to the reduction of own resources contributions from Member States to the Union budget.

Draft amending budget No 6/2017 results in a **reflow to national budgets of EUR 9 829.6 million** additional to the reflow of EUR 6 405 million already confirmed in light of Amending budget 2/2017.

Members expressed serious concerns over the **payment surplus of EUR 7 719.7 million** and is particularly astonished by the situation of European Structural and Investment (ESI) Funds in sub-heading 1b, where Member States, in their July submission, revised downwards their forecasts for payment claims by EUR 5.9 billion due to continued delays in the implementation of the programmes, thereby preventing many potential projects and beneficiaries from Union support.

Members expressed serious concerns over the **payment surplus of EUR 7 719.7 million**, in particular concerning the situation of European Structural and Investment (ESI) Funds in sub-heading 1b, where Member States revised downwards their forecasts for payment claims by EUR 5.9 billion.

They also deplored:

- that the Member States **failed to launch their national programmes** for the Asylum and Integration Fund (AMIF) and the Internal Security Fund (ISF) at the expected pace and to **properly implement the schemes for the relocation of refugees**, resulting in a EUR 287.6 million cut in heading 3;
- the delays in the disbursement of Union funds in **pre-accession and neighbouring countries**, which result in a significant reduction in payments (EUR 702.2 million) at a time when they would be most needed.

In the light of the Commission's latest payment forecasts, according to which the **under-implementation** will continue in the coming years, Parliament urged in particular those Member States with a very high level of under-implementation to take the necessary measures to properly implement the jointly agreed Union programmes, with the assistance of the Commission.

Members noted with satisfaction that **Union programmes under sub-heading 1a (Competitiveness for growth and jobs) are generally well implemented**. This proves the Council wrong in its constant approach to reduce this subheading's appropriations on the grounds of an alleged lack of absorption capacity.

Lastly, Members deplored that amounts recovered from the under-implementation of Union programmes and from fines under the Union's competition policy are destined to **reduce Member States' GNI contributions instead of being used for the funding of Union priorities**.

Amending budget 6/2017: reduction of payment and commitment appropriations and update of revenue

2017/2217(BUD) - 27/11/2017 - 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 6/2017 of the European Union for the financial year 2017: Reduction of payment and commitment appropriations in line with updated forecasts of expenditure and update of revenue (own resources and fines).

The committee recommended that the European Parliament **approve the Council's position on draft amending budget No 6/2017**. This draft aims to:

- **on the expenditure side**, decrease the level of payment appropriations by EUR 7 719.7 million, mostly in budget lines under heading 1b (Economic, social and territorial cohesion) and, to a lesser extent, under headings 2 (Sustainable growth - natural resources), 3 (Security and Citizenship) and 4 (Global Europe) and in the European Union Solidarity Fund (EUSF), and therefore reduces national contributions accordingly;
- **on the revenue side**, (i) include adjustments linked to the revision of the forecasts 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 2013 and 2016 UK corrections and their financing; (ii) take account of a total amount of EUR 3 209.7 million in fines which has become definitive and exceeds the level initially planned for the 2017 budget, and assigns the difference between the latter and the former (amounting up to EUR 2 209.7 million) to the reduction of own resources contributions from Member States to the Union budget.

Draft amending budget No 6/2017 results in a reflow to national budgets of EUR 9 829.6 million additional to the reflow of EUR 6 405 million already confirmed in light of Amending budget 2/2017.

Members expressed serious concerns over the **payment surplus of EUR 7 719.7 million**, in particular concerning the situation of European Structural and Investment (ESI) Funds in sub-heading 1b, where Member States revised downwards their forecasts for payment claims by EUR 5.9 billion. They also deplored that the Member States **failed to launch their national programmes** for the Asylum and Integration Fund (AMIF) and the Internal Security Fund (ISF) at the expected pace and to **properly implement the schemes for the relocation of refugees**, resulting in a EUR 287.6 million cut in heading 3.

In the light of the Commission's latest payment forecasts, according to which the **under-implementation** will continue in the coming years, Members urged in particular those Member States with a very high level of under-implementation to take the necessary measures to properly implement the jointly agreed Union programmes, with the assistance of the Commission.

Members noted with satisfaction that **Union programmes under sub-heading 1a (Competitiveness for growth and jobs) are generally well implemented**. This proves the Council wrong in its constant approach to reduce this subheading's appropriations on the grounds of an alleged lack of absorption capacity.

Lastly, Members deplored that amounts recovered from the under-implementation of Union programmes and from fines under the Union's competition policy are destined to reduce Member States' GNI contributions instead of being used for the funding of Union priorities.

Amending budget 6/2017: reduction of payment and commitment appropriations and update of revenue

2017/2217(BUD) - 27/11/2017 - Council position on draft budget

On 9 October 2017, the Commission submitted to the Council draft amending budget (DAB) No 6 to the general budget for 2017.

As regards the **expenditure** side, the following modifications are proposed:

- to **decrease payment appropriations (p/a) by -EUR 7.7 billion** mostly under sub-heading 1b (-EUR 5.9 billion), and to a lesser extent under headings 2, 3 and 4 due to delays in the implementation of the 2014-2020 programmes;
- to **decrease commitment appropriations (c/a) by -EUR 15.3 million** under heading 2 as a result of the latest needs assessment;
- to **decrease c/a and p/a by -EUR 46 million** for the European Union Solidarity Fund (EUSF) relating to the payment of advances which will no longer be needed in 2017.

As regards the **revenue** side, the amendments 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, 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;
- entering into the EU budget the **fines** decided by the Commission, for which all legal remedies were exhausted and which therefore became definitive in the course of 2017, reducing accordingly the own resources contributions from Member States to the EU budget.

Overall, this DAB **decreases the level of c/a by -EUR 61.3 million and of p/a by -EUR 7 719.7 million**.

On 27 November 2017, the Council adopted its position on Draft amending budget No 6/2017 as set out in the technical annex to the explanatory memorandum to its position on the draft amending budget (see Council document 14275/2017).