Basic information

2018/2057(BUD) BUD - Budgetary procedure	Procedure completed
Amending budget 2/2018: surplus of the financial year 2017 **Subject** 8.70.57 2017 budget 8.70.58 2018 budget	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	MUREŞAN Siegfried (PPE)	13/04/2018
	Shadow rapporteur VIOTTI Daniele (S&D) KÖLMEL Bernd (ECR) JÄÄTTEENMÄKI Anneli (ALDE) DEPREZ Gérard (ALDE) TARAND Indrek (Verts /ALE) ŻÓŁTEK Stanisław (ENF)	

Council of the European Union

Council configuration	Meetings	Date
Agriculture and Fisheries	3624	2018-06-18

European Commission

Commission DG	Commissioner
Budget	OETTINGER Günther

Key events

Date	Event	Reference	Summary
13/04/2018	Commission draft budget published	COM(2018)0227	Summary
18/06/2018	Council position on draft budget published	09325/2018	Summary
18/06/2018	Draft budget approved by Council		

19/06/2018	Vote in committee		
20/06/2018	Budgetary report tabled for plenary	A8-0209/2018	Summary
02/07/2018	Committee referral announced in Parliament		
04/07/2018	Decision by Parliament	T8-0290/2018	Summary
04/07/2018	Results of vote in Parliament		
22/08/2018	Final act published in Official Journal		

Technical information

Procedure reference	2018/2057(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/8/12777

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE622.073	08/05/2018	
Amendments tabled in committee		PE622.319	31/05/2018	
Budgetary report tabled for plenary, 1st reading		A8-0209/2018	20/06/2018	Summary
Budgetary text adopted by Parliament		T8-0290/2018	04/07/2018	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position on draft budget	09325/2018	18/06/2018	Summary

European Commission

Document type	Reference	Date	Summary
Commission draft budget	COM(2018)0227 	13/04/2018	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2018/1140
OJ L 213 22.08.2018, p. 0001 Summary

Amending budget 2/2018: surplus of the financial year 2017

2018/2057(BUD) - 13/04/2018 - Commission draft budget

PURPOSE: to present the Draft Amending Budget (DAB) No 2/2018 entering the surplus for the financial year 2017.

CONTENT: the aim of this DAB is to enter in the 2018 budget the surplus resulting from the implementation of the budget year 2017.

As provided for in the Financial Regulation applicable to the general budget of the Union, the surplus 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 2018.

The implementation of the budget year 2017 shows a **surplus of EUR 555 542 325**, which is therefore **entered as revenue** in the 2018 budget.

The budgeting of the surplus will diminish accordingly the global contribution of the Member States to the financing of the 2018 budget. The 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 meeting in May 2018 and included in a subsequent Draft Amending Budget.

The implementation by the Commission reached **99.9 % of the authorised payment appropriations**. The amount not implemented was EUR 201 million, of which EUR 99 million of the Emergency Aid Reserve. The under-implementation of the other institutions of EUR 83 million was lower than in previous two years (EUR 103 million in 2016 and EUR 94 million in 2015).

Amending budget 2/2018: surplus of the financial year 2017

2018/2057(BUD) - 04/07/2018 - Final act

PURPOSE: definitive adoption of amending budget No 2 of the European Union for the 2018 financial year: surplus for the 2017 financial year.

LEGISLATIVE ACT: Definitive adoption (EU, Euratom) 2018/1140 of amending budget No 2 of the European Union for the financial year 2018.

CONTENT: Parliament noted that amending budget No 2 of the European Union for the 2018 financial year had been definitively adopted.

The amending budget aims to **enter in the 2018 budget the surplus resulting from the implementation of the budget year 2017, which amounts to EUR 555.5 million**.

The main components of that surplus are: (i) a positive outturn on income of EUR 338.6 million, (ii) an under-spending in expenditure of EUR 383.4 million, (iii) and a positive balance of exchange rate differences amounting to EUR 166.4 million.

The budgeting of the surplus reduces the overall contribution of Member States to the financing of the EU budget by the same amount.

Amending budget 2/2018: surplus of the financial year 2017

2018/2057(BUD) - 20/06/2018 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Siegfried MUREŞAN (EPP, RO) on the Council position on draft amending budget No 2/2018 of the European Union for the financial year 2018: Entering the surplus of the financial year 2017.

Members recalled that draft amending budget No 2/2018 aims to enter in the 2018 budget the surplus from the 2017 financial year, amounting to **EUR 555.5 million**.

They stressed that the main components of that surplus are:

- a positive outturn on income of EUR 338.6 million,
- an under-spending in expenditure of EUR 383.4 million,
- and a positive balance of exchange rate differences amounting to EUR 166.4 million.

On the **income side**, the largest difference stems from a larger than expected outturn of default interest and fines (EUR 342.6 million).

On the **expenditure side**, under-implementation in payments by the Commission reaches EUR 201.5 million for 2017 (of which EUR 99.3 million is from the Emergency Aid Reserve) and EUR 53.5 million for 2016 carryovers, and under-implementation by the other institutions of EUR 82.6 million for 2017 and EUR 45.7 million for 2016 carryovers.

Implementation rate: Members recalled that the low under-implementation in payments at the end of the year has only been made possible by the adoption of Amending budget 6/2017, which reduced payment appropriations by EUR 7 719.7 million due to heavy implementation delays, particularly in sub-heading 1b “Economic, social and territorial cohesion”.

All amending budgets in that year, even when they substantially increased commitment appropriations (e.g. EUR 1 166.8 million under the EU Solidarity Fund for Italy, EUR 500 million for the Youth Employment Initiative, EUR 275 million for the European Fund for Sustainable Development), were fully financed by redeployments from unused payment appropriations. Members regretted that implementation **delays** and inaccurate forecasts by the Member States seem to be continuing in 2018.

Members also noted the relatively high level of **competition fines** in 2017, totalling EUR 3 273 million and considered that, in addition to any surplus resulting from under-implementation, it should be possible for any revenue resulting from fines or linked to late payments to be reused in the Union budget without a corresponding decrease in GNI contributions. In this regard, they recalled the proposal for a **special reserve** to be established in the Union budget, which will be progressively filled up by all types of unforeseen other revenue and duly carried over in order to provide additional spending possibilities when the need arises.

Furthermore, Members stated that, given the urgent need to provide a quick response to the migration challenge and taking into account the delays in the extension of the Facility for Refugees in Turkey, the 2017 surplus, amounting to EUR 555.5 million, could provide an excellent solution to finance the Union contribution to this instrument for 2018 without pushing the Union general budget to its limits.

Members approved the Council position on Draft amending budget No 2/2018.

Amending budget 2/2018: surplus of the financial year 2017

2018/2057(BUD) - 18/06/2018 - Council position on draft budget

On 13 April 2018, the Commission submitted to the Council draft amending budget (DAB) No 2 to the general budget for 2018 concerning the budgeting of the surplus resulting from the implementation of the budget year 2017.

The implementation of the budget year 2017 shows a surplus of **EUR 555 542 325** resulting from:

(a) a positive outturn in the revenue part of the budget (+ **EUR 338.58 million**) of which:

- - EUR 67.85 million: own resources;
- + EUR 11.74 million: surpluses, balances and adjustments;
- + EUR 342.61 million: default interest and fines;
- + EUR 52.08 million: other titles.

(b) an under-implementation on the expenditure side of the budget (- **EUR 216.96 million**), notably of:

- - EUR 284.14 million: appropriations authorised in the 2017 budget (Commission and other institutions);
- - EUR 99.26 million: cancellation of appropriations carried over from 2016 (Commission and other institutions);

- + EUR 166.43 million: exchange rate variations.

The budgeting of this surplus will diminish accordingly the global contribution of Member States to the financing of the EU budget in 2018.

On 18 June 2018, the Council adopted its position on DAB No 2 to the general budget for 2018 as set out in the technical annex to its explanatory memorandum.

Amending budget 2/2018: surplus of the financial year 2017

2018/2057(BUD) - 04/07/2018 - Budgetary text adopted by Parliament

The European Parliament adopted, by 586 votes to 63, with 29 abstentions, a resolution on the Council position on draft amending budget No 2/2018 of the European Union for the financial year 2018: Entering the surplus of the financial year 2017.

Members recalled that draft amending budget No 2/2018 **aims to enter in the 2018 budget the surplus from the 2017 financial year, amounting to EUR 555.5 million**.

The main components of that surplus are:

- a positive outturn on income of EUR 338.6 million,
- an under-spending in expenditure of EUR 383.4 million,
- and a positive balance of exchange rate differences amounting to EUR 166.4 million.

On the income side, the largest difference stems from a larger than expected outturn of default interest and fines (EUR 342.6 million).

On the expenditure side, under-implementation in payments by the Commission reaches EUR 201.5 million for 2017 (of which EUR 99.3 million is from the Emergency Aid Reserve) and EUR 53.5 million for 2016 carryovers, and under-implementation by the other institutions of EUR 82.6 million for 2017 and EUR 45.7 million for 2016 carryovers.

Implementation rate: Members recalled that the low under-implementation in payments at the end of the year has only been made possible by the adoption of Amending budget 6/2017, which reduced payment appropriations by EUR 7 719.7 million due to heavy implementation delays, particularly in sub-heading 1b “Economic, social and territorial cohesion”.

All amending budgets in that year, even when they substantially increased commitment appropriations (e.g. EUR 1 166.8 million under the EU Solidarity Fund for Italy, EUR 500 million for the Youth Employment Initiative, EUR 275 million for the European Fund for Sustainable Development), were fully financed by redeployments from unused payment appropriations. Members regretted that implementation delays and inaccurate forecasts by the Member States seem to be continuing in 2018.

Reuse of unanticipated revenues: Members also noted the relatively high level of competition fines in 2017, totalling EUR 3 273 million and considered that, in addition to any surplus resulting from under-implementation, it should be possible for any revenue resulting from fines or linked to late payments to be reused in the Union budget without a corresponding decrease in GNI contributions. In this regard, they recalled the proposal for a special reserve to be established in the Union budget, which will be progressively filled up by all types of unforeseen other revenue and duly carried over in order to provide additional spending possibilities when the need arises.

Facility for Refugees in Turkey: Members stated that, given the urgent need to provide a quick response to the migration challenge and taking into account the delays in the extension of the Facility for Refugees in Turkey, the 2017 surplus, amounting to EUR 555.5 million, could provide an **excellent solution to finance the Union contribution to this instrument for 2018** without pushing the Union general budget to its limits.

Parliament approved the Council position on Draft amending budget No 2/2018.