Basic information

2020/0298(BUD) BUD - Budgetary procedure	Procedure completed
Amending budget 9/2020: increase of payment appropriations in line with updated forecasts of expenditure and other adjustments to expenditure and revenue **Subject** 8.70.50 2020 budget	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	HOHLMEIER Monika (EPP)	20/10/2020
	Shadow rapporteur LARROUTUROU Pierre (S&D) ANDRESEN Rasmus (Greens/EFA) RZOŃCA Bogdan (ECR) LAPORTE Hélène (ID) PAPADIMOULIS Dimitrios (GUE/NGL)	

Council of the European Union

European Commission

Commission DG	Commissioner
Budget	HAHN Johannes

Key events

Date	Event	Reference	Summary
09/10/2020	Commission draft budget published	COM(2020)0962	Summary
09/12/2020	Council position on draft budget published	13643/2020	
09/12/2020	Draft budget approved by Council		
10/12/2020	Vote in committee		
10/12/2020	Budgetary report tabled for plenary	A9-0252/2020	

14/12/2020	Committee referral announced in Parliament		
15/12/2020	Decision by Parliament	T9-0347/2020	Summary
15/12/2020	Results of vote in Parliament		
10/02/2021	Final act published in Official Journal		

Technical information

Procedure reference	2020/0298(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/9/04360

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE659.092	23/10/2020	
Budgetary report tabled for plenary, 1st reading		A9-0252/2020	10/12/2020	
Budgetary text adopted by Parliament		T9-0347/2020	15/12/2020	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position on draft budget	13643/2020	09/12/2020	

European Commission

Document type	Reference	Date	Summary
Commission draft budget	COM(2020)0962	09/10/2020	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2021/0118
OJ L 047 10.02.2021, p. 0001

Amending budget 9/2020: increase of payment appropriations in line with updated forecasts of expenditure and other adjustments to expenditure and revenue

2020/0298(BUD) - 15/12/2020 - Budgetary text adopted by Parliament

The European Parliament adopted by 594 votes to 37, with 64 abstentions, a resolution on the Council position on Draft amending budget No 10/2020 of the European Union for the financial year 2020 - Increase of payment appropriations in line with updated forecasts of expenditure and other adjustments to expenditure and revenue.

Parliament approved the Council position on Draft amending budget No 10/2020 presented by the Commission, which aims, in the context of the COVID-19 crisis, to provide EUR 1 569.3 million in additional payment appropriations after having taken into account the redeployments proposed in the 'Global transfer', to adjust the revenue side and to budget further more limited expenditure adjustments.

Draft amending budget No 10/2020 proposes an overall increase in payment appropriations of EUR 1 569.3 million concerning headings 1a 'Competitiveness for Growth and Jobs', 1b 'Economic, Social and Territorial Cohesion', 2 'Sustainable Growth – Natural Resources' and 4 'Global Europe.

Parliament recalled that:

- payment appropriations of EUR 93.8 million should help honour the obligations of the Loan Guarantee Facility within COSME to support SMEs hit by economic consequences of the COVID-19 crisis;

- EUR 750 million in additional payment appropriations under EAFRD should in particular finance lump-sum payments to provide relief to farmers and small and medium sized agri-businesses affected by the COVID-19 crisis;

- payment appropriations of EUR 586 million should support the Global EU response to help partner countries via the Instrument for Pre-Accession Assistance (IPA II), the European Neighbourhood Instrument (ENI) and the Development Cooperation Instrument (DCI).

Fines and penalty payments of EUR 128 million cashed until the end of September 2020 have helped to reduce the own resources contributions from Member States to the EU budget. The overall proposed impact of Draft amending budget No 10/2020 on the revenue side is a decrease of EUR 588 million in other revenue rebalanced by a corresponding increase in GNI contributions.

Amending budget 9/2020: increase of payment appropriations in line with updated forecasts of expenditure and other adjustments to expenditure and revenue

2020/0298(BUD) - 09/10/2020 - Commission draft budget

PURPOSE: presentation of draft amending budget No 10/2020 which aims to increase of payment appropriations in line with updated forecasts of expenditure and other adjustments to expenditure and revenue.

CONTENT: the purpose of draft amending budget (DAB) No 10 for the year 2020 is threefold:

(1) Increase the level of payment appropriations in line with the updated forecast and after having taken into account the redeployments proposed in the 'Global transfer'

The 'Global transfer' is an annual exercise organised at corporate level within the Commission for which all Directorates Generals and Services are requested to review by early September their respective payment implementation of the current budget until the end of the year concerned. This exercise aims to ensure maximum implementation of the budget in payment appropriations at the end of the year by matching additional needs with expected under-implementation. An *ad hoc* request for transfer is annually submitted to Parliament and Council in early October as a result.

DAB No 8 for the year 2020 was decoupled from the 'Global transfer exercise' and included only requests for which urgent action from the Union was requested such as a significant request for additional payment appropriations (i.e. EUR 6 190 million), focused exclusively on two specific elements: provide additional payment appropriations (i) to the Emergency Support Instrument (ESI) to finance the COVID-19 vaccines strategy and (ii) for cohesion following the adoption of the Corona Response Investment Initiative Plus (CRII+).

In addition to the requests included in DAB No 8, the 2020 ‘Global transfer’ exercise resulted in additional gross payment needs of EUR 2 125.2 million, only partially offset by expected payment under-implementation of EUR 595.4 million. The additional payments requested in this DAB No 10 aims at closing the gap of EUR 1 529.8 million.

Increased payments are requested in the following areas

Competitiveness of enterprises and small and medium-sized enterprises (COSME)

As a result of the COVID-19 crisis, many Small and Medium-Sized Enterprises (SMEs) across the Union experienced a sudden lack of liquidity. In conjunction with the implementing partner (the European Investment Fund), additional payment appropriations of EUR 93.8 million are needed to allow the European Commission to honour its contractual obligations vis-à-vis the EIF.

Connecting Europe Facility (CEF) - CF contribution

The implementation of the cohesion strand of the Connecting Europe facility for Transport (CEF-CF) is progressing faster than expected and the payment needs for the rest of the year exceed the current availabilities. The Commission considered that a reinforcement of EUR 100 million in payment appropriations is needed in order to respect the payment deadlines and honour all legal obligations.

European Agricultural Fund for Rural Development (EAFRD)

The COVID-19 crisis has not slowed down the financial implementation of the programmes financed by the EAFRD.

The Commission considered that a reinforcement of EUR 750 million in payment appropriations is needed in order to cover all expected payment applications to be paid in 2020.

Global EU response to Covid-19

There is a need for reinforcement in payment appropriations of the following instruments by EUR 586 million in total as follows:

Instrument for Pre-Accession Assistance (IPA II)

Additional appropriations for a total of EUR 210 million are needed to cover payments for contracts for Montenegro, Albania, Kosovo, Serbia, North Macedonia and Turkey as well as budget support payments for Serbia, Albania and North Macedonia.

European Neighbourhood Instrument (ENI)

Additional payment appropriations for a total of EUR 286 million are needed to cover the accelerated disbursements of several budget support programmes for Morocco, Tunisia, Jordan, Algeria, Georgia and Armenia.

Development Cooperation Instrument (DCI)

Additional payment appropriations for a total of EUR 90 million are therefore needed to cover accelerated disbursements for Nepal, Myanmar, Cambodia, Tajikistan, Uzbekistan and Afghanistan.

(2) Other adjustments on expenditure - more limited expenditure adjustments

These concern the level of appropriations of the European Agriculture Guarantee Fund (EAGF) and some decentralised agencies (ESMA, EIOPA, EBA and ELA). The overall increase in payment appropriations (EUR 1 569.3 million) requested concerns headings 1a 'Competitiveness for Growth and Jobs', 1b 'Economic, Social and Territorial Cohesion', 2 'Sustainable Growth – Natural Resources' and 4 'Global Europe'.

The increase of commitment appropriations in heading 2 is slightly rebalanced by savings in heading 1a agencies resulting in an overall increase in commitments of EUR 36.4 million.

(3) Adjustments to the revenue side to incorporate the impact of exchange rate differences and additional fines collected

To reduce the risk of a budgetary deficit by the end of 2020 an amount of minus EUR 716 million is proposed by the Commission to be entered in the budget to offset exchange rate differences till the end of the year.

It is proposed to increase the forecasts introduced in the budget 2020 (EUR 218 million) by EUR 128 million. This will reduce accordingly the own resources contributions from Member States to the EU budget.

The overall impact on the revenue side is a decrease of other revenue by EUR 588 million rebalanced by a corresponding increase in the GNI contributions.