Basic information

2021/0193(BUD) BUD - Budgetary procedure	Procedure completed
Amending budget 4/2021: update of revenue; revised forecast of own resources and other revenue **Subject** 8.70.01 Financing of the budget, own resources 8.70.51 2021 budget	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	LARROUTUROU Pierre (S&D)	02/07/2021
	Shadow rapporteur RESSLER Karlo (EPP) TORVALDS Nils (Renew) CORMAND David (Greens/EFA) RZOŃCA Bogdan (ECR) LAPORTE Hélène (ID) PAPADIMOULIS Dimitrios (The Left)	

Council of the European Union

European Commission

Commission DG	Commissioner
Budget	HAHN Johannes

Key events

Date	Event	Reference	Summary
02/07/2021	Commission draft budget published	COM(2021)0444	Summary
14/09/2021	Council position on draft budget published	11796/2021	Summary
14/09/2021	Draft budget approved by Council		
27/09/2021	Vote in committee		

30/09/2021	Budgetary report tabled for plenary	A9-0268/2021	Summary
04/10/2021	Committee referral announced in Parliament		
19/10/2021	Decision by Parliament	T9-0422/2021	Summary
16/12/2021	Final act published in Official Journal		

Technical information

Procedure reference	2021/0193(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/9/06452

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE695.302	12/07/2021	
Amendments tabled in committee		PE696.451	09/09/2021	
Budgetary report tabled for plenary, 1st reading		A9-0268/2021	30/09/2021	Summary
Budgetary text adopted by Parliament		T9-0422/2021	19/10/2021	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position on draft budget	11796/2021	14/09/2021	Summary

European Commission

Document type	Reference	Date	Summary
Commission draft budget	COM(2021)0444	02/07/2021	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2021/2200
OJ L 451 16.12.2021, p. 0001

Amending budget 4/2021: update of revenue; revised forecast of own resources and other revenue

2021/0193(BUD) - 02/07/2021 - Commission draft budget

PURPOSE: presentation of Draft Amending Budget (DAB) No 4 to the 2021 budget in order to update the revenue following the entry into force on 1 June 2021 of Council Decision (EU, Euratom) 2020/2053 on the system of own resources of the European Union, the revised forecast of own resources and other revenue.

CONTENT: this DAB covers the adjustments for 2021 related to the **new provisions introduced by ORD 2020** (Own Resource Directive) and the revised forecasts of own resources and other revenue approved by the Advisory Committee on Own Resources (ACOR) on 26 May 2021.

As a reminder, the main changes introduced by ORD 2020 are the following:

- the increased own resources ceilings;

- an increased rate of collection costs for customs duties for the Member States (25 % instead of 20 % under ORD 2014);

- a uniform VAT call rate without exception and a simplified definition of the VAT base;

- a new own resource based on non-recycled plastic packaging waste; and

- modified gross reductions in the Gross National Income (GNI)-based own resource for Denmark, Germany, the Netherlands, Austria and Sweden.

Change of own resources ceilings

The ORD 2020 sets the overall ceiling for own resources in 2021 at 1.40% of the total EU GNI and the maximum amount for commitments at 1.46% of EU GNI. Both ceilings are temporarily increased by 0.6 percentage points to cover all liabilities of the Union resulting from the borrowing for NextGenerationEU until all such liabilities have ceased to exist, and at the latest by 31 December 2058.

The total amount of own resources (Title 1 in the revenue part of the budget) needed to finance the appropriations for payments in the Budget 2021 is the equivalent of 1.13 % of the EU GNI. It is almost exclusively related to the financing of expenditure counted against the permanent ceiling for own resources of 1.40% EU GNI, leaving a margin of 0.27% EU GNI. The amount of own resources for financing liabilities stemming from NextGenerationEU and counted against the temporary increase of 0.6% EU GNI is marginal in 2021 (i.e. less than 0.0003% EU GNI).

Update of revenue

The revised forecasts for 2021 agreed in the 181st ACOR meeting on 26 May 2021 are based on ORD 2020. The following adjustments of the revenue side of the budget are required:

(1) An **update of the estimates** for Traditional Own Resources (TOR) as well as for the own resources based on the Value Added Tax (VAT) and Gross National Income (GNI), to take account of more recent economic forecasts and new provisions in ORD 2020.

The Commission’s revenue projections are based on the Commission 2021 Spring economic forecast, which predicts that the EU economy will return to its pre-crisis level by the end of 2022.

(2) The introduction of a **new own resource based on non-recycled plastic packaging waste**.

The forecast of non-recycled plastic packaging waste in the EU was agreed in the 181st ACOR meeting on 26 May 2021 and amounts to 8 172 841.5 tons in 2021.

Member States’ recycling rates are assumed to follow a linear convergence path between the recycling rate based on the latest available outturn data (2017/2018) and the EU recycling target of 50 % to be met by 2025. The increase of recycling rates is capped at 2 percentage points per year to ensure a realistic convergence path. The recycling rate of Member States having already reached or surpassed the target in 2017/2018 is kept constant.

(3) The introduction of the **gross reductions in the annual GNI-based contributions for Denmark, Germany, the Netherlands, Austria and Sweden**.

ORD 2020 grants five Member States a gross reduction in their annual GNI-based contributions for the 2021-2027 period. The annual gross reductions amount to EUR 377 million for Denmark, EUR 3 671 million for Germany, EUR 1 921 million for the Netherlands, EUR 565 million for Austria, and EUR 1 069 million for Sweden. These amounts are expressed in 2020 prices and need to be adjusted to current prices by applying the most recent gross domestic product deflator for the Union expressed in euro. The gross reductions are to be financed by all Member States.

Impact on the GNI-based own resource contribution for 2021

Taking into account the increased rate of collection costs for TOR, the simplified VAT base, and the new own resource based on non-recycled plastic packaging waste, the amount of own resources other than GNI increased by EUR 5 542 760 620. Together with the increase of the other revenues by EUR 55 964 750, this decreases the GNI contribution by EUR 5 598 725 370.

Other revenue

The amount of other revenues is updated to take into account the revised United Kingdom contribution, definitely cashed fines and penalty payments until June 2021, and the contribution from the European Coal and Steel Community in relation to the reimbursement of the United Kingdom's share of the net assets to the United Kingdom.

Amending budget 4/2021: update of revenue; revised forecast of own resources and other revenue

2021/0193(BUD) - 30/09/2021 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Pierre LARROUTUROU (S&D, FR) on the Council position on Draft amending budget No 4/2021 of the European Union for the financial year 2021 - Update of revenue following the entry into force on 1 June 2021 of Council Decision (EU, Euratom) 2020/2053 on the system of own resources of the European Union, the revised forecast of own resources and other revenue.

The committee responsible recommended that the European Parliament approve the Council position on draft amending budget No 4/2021.

The purpose of DAB 4/2021 is to update the revenue side of the budget to take account of: (i) the entry into force on 1 June 2021 of Council Decision (EU, Euratom) 2020/2053, applicable from 1 January 2021; (ii) the updated own resources forecasts for the 2021 budget agreed by the Advisory Committee on Own Resources on 26 May 2021; (iii) the update of other revenues such as the United Kingdom contribution, fines and others.

The report underlined Parliament's particular commitment to the new own resources and their introduction over the 2021-2027 Multiannual Financial Framework (MFF) according to the roadmap established by the Interinstitutional Agreement.

Amending budget 4/2021: update of revenue; revised forecast of own resources and other revenue

2021/0193(BUD) - 19/10/2021 - Budgetary text adopted by Parliament

The European Parliament adopted a resolution on the Council position on Draft amending budget No 4/2021 of the European Union for the financial year 2021 - Update of revenue following the entry into force on 1 June 2021 of Council Decision (EU, Euratom) 2020/2053 on the system of own resources of the European Union, the revised forecast of own resources and other revenue.

Parliament approved the Council position on draft amending budget No 4/2021 which aims to update the revenue side of the budget to take account of: (i) the entry into force on 1 June 2021 of Council Decision (EU, Euratom) 2020/2053, applicable from 1 January 2021; (ii) the updated own resources forecasts for the 2021 budget agreed by the Advisory Committee on Own Resources on 26 May 2021; (iii) the update of other revenues such as the United Kingdom contribution, fines and others.

Parliament stressed the particular commitment to the new own resources and their introduction over the 2021-2027 Multiannual Financial Framework (MFF) according to the roadmap established by the Interinstitutional Agreement

The resolution recalled that Council Decision (EU, Euratom) 2020/2053 on own resources introduced the following changes

- an increase in the own resources ceilings;

- an increase in the rate of collection costs for customs duties for Member States (25% instead of 20%);

- a uniform VAT call rate without exception and a simplified definition of the VAT base;

- a new own resource based on non-recycled plastic packaging waste;

- the modification of the gross reductions of the GNI-based own resource for Denmark, Germany, the Netherlands, Austria and Sweden.

Amending budget 4/2021: update of revenue; revised forecast of own resources and other revenue

2021/0193(BUD) - 14/09/2021 - Council position on draft budget

The Council adopted its position on draft amending budget (DAB) No 4 to the general budget 2021 as set out in the technical annex to its explanatory memorandum.

As a reminder, on 2 July 2021, the Commission submitted to the Council draft amending budget (DAB) No 4 to the general budget for 2021.

The purpose of this draft is to update the revenue side of the budget to take account of recent developments:

- the entry into force on 1 June 2021 of Council Decision (EU, Euratom) 2020/2053 on the system of the European Union's own resources, applicable since 1 January 2021;

- the updated forecast of own resources for the 2021 budget, approved by the Advisory Committee on Own Resources (ACOR) on 26 May 2021;

- the update of other revenues such as the UK contribution, fines and others.

The total budgetary revenue of the EU amounts to **EUR 170 557 881 854** (+ 3.93 compared to the 2020 budget).