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.