Procedure file

Basic information

BUD - Budgetary procedure	2016/2047(BUD)	Procedure completed
2017 general budget: all sections Subject 8.70.57 2017 budget		

Key players

European Parliament	Committee responsible	Rapporteur	Appointed
	BUDE Budgetary Conciliation Committee		17/11/2016
		GEIER Jens	17/11/2016
		TARAND Indrek	
	Former committee responsible		
	BUDG Budgets		12/04/2016
		GEIER Jens	12/04/2016
		TARAND Indrek	
	Former committee for opinion		
	AFCO Constitutional Affairs		23/02/2016
		SCHÖPFLIN György	
	DEVE Development		13/04/2016
		DEVA Nirj	
	CULT Culture and Education		14/03/2016
		ZDROJEWSKI Bogdan Andrzej	
	AFET Foreign Affairs		01/02/2016
		GILL Neena	
	PECH Fisheries		17/02/2016
		TORVALDS Nils	
	AGRI Agriculture and Rural Development		23/02/2016
		JAHR Peter	

	ENVI Environment, Public Health and Food Safety	LA VIA Giovanni	16/03/2016
	EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
	ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
	JURI Legal Affairs	The committee decided not to give an opinion.	
	ECON Economic and Monetary Affairs	FERBER Markus	21/01/2016
	CONT Budgetary Control	DLABAJOVÁ Martina	18/04/2016
	LIBE Civil Liberties, Justice and Home Affairs	ECR MACOVEI Monica	23/05/2016
	INTA International Trade	BÖGE Reimer	18/03/2016
	IMCO Internal Market and Consumer Protection	S&D JAAKONSAARI Liisa	23/02/2016
	TRAN Transport and Tourism	S&D DE MONTE Isabella	15/02/2016
	REGI Regional Development	S&D VAUGHAN Derek	16/02/2016
	PETI Petitions	The committee decided not to give an opinion.	
	FEMM Women?s Rights and Gender Equality	S&D DĂNCILĂ Viorica	04/03/2016
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	3500	16/11/2016
European Commission	Commission DG	Commissioner	
	Budget	GEORGIEVA Kristalina	

Key events

18/07/2016	Commission draft budget published	COM(2016)0300	Summary
11/09/2016	Council position on draft budget published	11900/2016	Summary
03/10/2016	Committee referral announced in Parliament		

11/10/2016	Vote in committee		
13/10/2016	Budgetary report tabled for plenary	A8-0287/2016	Summary
25/10/2016	Debate in Parliament		
26/10/2016	Results of vote in Parliament		
26/10/2016	Decision by Parliament	T8-0411/2016	Summary
27/10/2016	Start of budgetary conciliation (Parliament and Council)		
17/11/2016	Vote in committee		
23/11/2016	Budgetary joint text published	14635/2016	
25/11/2016	Budgetary conciliation report tabled for plenary	A8-0353/2016	Summary
28/11/2016	Draft budget approved by Council		
30/11/2016	Debate in Parliament		
01/12/2016	Decision by Parliament	T8-0475/2016	Summary
01/12/2016	End of procedure in Parliament		
28/02/2017	Final act published in Official Journal		

Technical information

Procedure reference	2016/2047(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Stage reached in procedure	Procedure completed
Committee dossier	BUDE/8/08281; BUDG/8/06195

Documentation gateway

Commission draft budget		COM(2016)0300	18/07/2016	EC	Summary
Committee opinion	PECH	PE582.079	01/09/2016	EP	
Committee opinion	INTA	PE582.234	01/09/2016	EP	
Committee opinion	TRAN	PE584.223	01/09/2016	EP	
Committee opinion	AGRI	PE585.709	01/09/2016	EP	
Committee opinion	LIBE	PE585.749	02/09/2016	EP	
Committee opinion	ENVI	PE585.789	02/09/2016	EP	
Committee opinion	IMCO	PE584.233	06/09/2016	EP	
Committee opinion	FEMM	PE585.566	06/09/2016	EP	
Committee opinion	DEVE	PE585.713	06/09/2016	EP	
Committee opinion	ECON	PE585.727	06/09/2016	EP	
Committee opinion	CULT	PE585.734	06/09/2016	EP	

Committee opinion	AFCO	PE587.630	06/09/2016	EP	
Committee opinion	AFET	PE585.593	08/09/2016	EP	
Committee opinion	REGI	PE585.738	08/09/2016	EP	
Council position on draft budget		11900/2016	12/09/2016	CSL	Summary
Committee opinion	CONT	PE584.134	28/09/2016	EP	
Committee draft report		PE589.175	29/09/2016	EP	
Budgetary report tabled for plenary, 1st reading		A8-0287/2016	13/10/2016	EP	Summary
Document attached to the procedure		COM(2016)0679	17/10/2016	EC	Summary
Budgetary text adopted by Parliament		T8-0411/2016	26/10/2016	EP	Summary
Budgetary joint text		14635/2016	24/11/2016	CSL/EP	
Budgetary conciliation report tabled for plenary		A8-0353/2016	25/11/2016	EP	Summary
Budgetary joint text approved by Parliament		T8-0475/2016	01/12/2016	EP	Summary

Final act

Budget 2017/292
OJ L 051 28.02.2017, p. 0001 Summary

Corrigendum to final act 32017B0292R(01)
OJ L 068 14.03.2017, p. 0001 Summary

2017 general budget: all sections

PURPOSE: presentation of the Commission Draft Budget (DB) for 2017 (all sections).

BACKGROUND: the draft budget (DB) 2017 notes, first of all, that the British people expressed their wish to leave the European Union. However, EU law continues to apply in full until the United Kingdom is no longer a member.

It is recalled that the EU budget represents around 1 % of EU gross national income (GNI), and just above 2 % of all public spending in the EU.

2017 will be the fourth year of the current multiannual financial framework and the third of the mandate of the current Commission. The latter proposes a draft budget reflecting and supporting the political priorities set by President Jean-Claude Juncker, in particular contributing to the greatest extent possible to jobs, growth and investment, and providing a European response to the challenges of:

· migration management

· the fight against terrorism and organised crime.

· protecting EU external borders,

· fostering a coordinated partnership with neighbouring regions and other third countries.

Besides these two clear priorities, the Commission will continue to progress towards a connected digital single market, a resilient energy union, a deeper and fairer internal market and economic and monetary union, and a free trade agreement with the United States.

The budget in figures: the 2017 DB is presented as follows:

· in terms of commitment appropriations, the total expenditure in the draft budget (DB) 2017 (including the special instruments) is EUR 157.7 million, corresponding to 1.05% of GNI, this being an increase of 1.7% above the total expenditure in 2016. The resulting total margin under the MFF ceilings for commitments stands at EUR 815.4 million.

· the payment appropriations amount to EUR 134.9 million, corresponding to 0.9% of GNI. This represents a decrease of 6.2% over the level of payment appropriations in the 2016 budget.

The significant reduction of total payments essentially reflects the finalisation of the implementation of programmes from the 2007-2013 MFF and the slow implementation of the new generation of programmes in some policy areas. The margin left under the payment ceiling of the MFF for 2017 amounts to EUR 9 608.5 million.

The main budgetary priorities of 2017

- Boosting jobs, growth and investments remains the main priority: whilst the European economy continues to recover, growth forecasts are still modest. This moderate and fragile growth rate makes it imperative to maintain the rhythm of implementation of the political priorities of the Commission to create the conditions for sustainable and inclusively economic growth, with the aid of the European Fund for Strategic Investments (EFSI), the structural and investment funds and programmes under the expenditure heading 'Competitiveness for growth and jobs' (heading 1a) with Horizon 2020, and COSME.

-An effective European response to the migration challenge: building on the actions already undertaken in 2015 and 2016 which reached a combined total of over EUR 10.5 billion, the 2017 draft budget includes EUR 5.2 billion of specific migration-related expenditure for both internal and external actions.

Accordingly, the amount proposed for 2017 for 'Security and citizenship' (heading 3) is EUR 1.8 billion above the initially programmed amount for the year, and represents a slight increase over the reinforced funding level in the 2016 budget. Given the unprecedented scale of the needs, the Commission proposes to mobilise the Flexibility Instrument, and the Contingency Margin for commitments, to finance a wide range of actions including emergency assistance, relocation, resettlement, return and integration of refugees and asylum-seekers. The budget also includes EUR 200 million for the new instrument allowing the provision of emergency humanitarian support within the Union in response to the current influx of refugees and migrants into Europe.

The EU budget will also continue to fund a variety of actions to address the root causes of migration. Through the recently created Trust Fund for Africa, the budget will provide significant assistance to host countries dealing with large migration flows outside the Union. In particular, the draft budget includes EUR 750 million to reach the EUR 1 billion contribution from the EU budget towards the EUR 3 billion agreed for the Facility for Refugees in Turkey in 2016-2017. It also includes the budgetary implications of the pledge for Lebanon and Jordan.

-Other sectoral priorities: the budget will also fiancé other measures such as security of energy supply, research and innovation, and climate action. Following the COP 21 conference in Paris, the Commission continues to push towards its commitment for 20 % of the budget to address climate change. Lastly, the budget envisages amounts for: (i) combat cyber-crime; (ii) ensure effective border management; (iii) defeat terrorism.

KEY BUDGETARY ASPECTS OF THE HEADINGS: the analysis is structured under the 2014-2020 financial framework headings:

Heading 1: Smart and inclusive growth: this heading is broken down into 2 sub-headings:

· Heading 1a: Competitiveness for growth and jobs: commitment appropriations for Competitiveness for growth and jobs (heading 1a) are set at EUR 21 109 million. This is an increase of 11 % compared to the 2016 budget, mostly relating to the European Fund for Strategic Investments (EFSI), the Connecting Europe Facility (CEF) and Erasmus+. This leaves a margin of EUR 81 million, after making use of the Global Margin for Commitments for an amount of EUR 1 265 million. Payment appropriations increase by 10.9 % to EUR 19 298 million.

· Heading 1b: Economic, social and territorial cohesion: commitment appropriations increase by 5.4 % to EUR 53 573.8 million, leaving a margin of EUR 13.2 million. Because of the frontloading of the Youth Employment Initiative (YEI) in 2014 and 2015, no commitments are proposed at this stage for 2017 pending the results of the evaluation of the programme. Payment appropriations for the heading as a whole decrease by -23.5 % compared to the 2016 budget, to EUR 37 348.7 million. This is the combined result of the progressive completion of the 2007-2013 programmes, which is only partially offset by the increase in payment appropriations under the new programmes. The new programmes have been slower to get off the ground than expected.

Heading 2: Sustainable growth: natural resources: commitment appropriations are set at EUR 58 901.7 million. The level of expenditure leaves a margin of EUR 1.3 billion under the ceiling, EUR 650 million of which is proposed to offset the use of the Contingency Margin for migration and refugee-related expenditure in heading 3. Payment appropriations amount to EUR 55 236.2 million, with an increase of 0.2 % compared to 2016. The funding for market related expenditure and direct payments is EUR 42 937.6 million in commitment appropriations, and EUR 42 889 million in payment appropriations.

Heading 3: Security and citizenship: this heading sees an increase in commitment appropriations of 5.4% in comparison with the 2016 budget to EUR 4 272.4 million. The budget for this heading was already well above the financial programming in 2016 through the mobilisation of the Flexibility Instrument (EUR 1.5 billion). Given the scale of the challenge of the refugee and migration crises, it is proposed to sustain the level of effort for migration and security funding in this heading in 2017, including the new Instrument for emergency support within the Union. This leaves no margin under the heading and will require the mobilisation of both the Flexibility Instrument to its maximum possible extent in 2017 (EUR 530million) and the Contingency Margin (EUR 1 164.4 million). Payment appropriations increase by 25.1 % to EUR 3 781.9 million, resulting from the increase of commitment appropriations in 2015, 2016 and 2017 to address the refugee and migration crisis.

Heading 4: Global Europe: this heading sees an increase in commitment appropriations of 2.9 % to EUR 9 432 million, leaving no margin under the expenditure ceiling. This is to tackle the external dimension of the refugee crisis, in particular honouring pledges made towards neighbouring countries bearing a large burden such as Turkey, Jordan and Lebanon. Payment appropriations decrease by -8.5 % to EUR 9 289.7 million, now that the backlog of outstanding commitments under this heading has been brought under control.

Heading 5: Administration (expenditure for all institutions and staff): commitment and payment appropriations for 'Administration' (heading 5) for all institutions combined including pensions and European schools increase by 4.1 %, with commitments set at EUR 9 321.7 million. Irish has now become a new official language and institutions have to comply with the new linguistic requirements. Moreover, institutions are stepping up their security systems. Expenditure for the European schools takes into account a continuing increase in the number of pupils in the schools, especially those in Frankfurt and Luxembourg. The margin under the ceiling of heading 5 amounts to EUR 596.3 million, EUR 514.4 million of which is proposed to offset the use of the Contingency Margin for migration-related expenditure in heading 3.

2017 general budget: all sections

On 12 September 2016, the Council adopted its position on the draft general budget of the European Union for the financial year 2017.

Following the discussions in Council, the main features of this position may be summarised as follows:

- EUR 156 377.15 million in commitment appropriations;

- EUR 133 790.01 million in payment appropriations.

Under the Council's position on the DB for 2017, commitment appropriations increase by 0.89 % compared to the 2016 budget and payment appropriations decrease by 7.02%.

The total amount of payment appropriations provided for in the Council's position on the DB for 2017 corresponds to 0.89% of the EU gross national income (GNI).

A. Principles: when adopting its position, the Council took into account the following principles:

- to work within the framework of the budget guidelines established for the 2017 budget in the Council conclusions adopted in February 2016;
- to follow an approach leading to a budget complying with budgetary discipline and sound financial management, as well as taking duly into account the ongoing economic and budgetary constraints in Member States;
- to provide adequate funding for the European Union's various priorities, determining appropriations on the basis of past and current budget implementation and realistic absorption capacities;
- to foresee the necessary appropriations enabling the smooth implementation of the new programmes in the third year of the MFF 2014-2020;
- to leave adequate margins under the ceilings of the headings and subheadings of the MFF, with the exception of sub-heading 1b and heading 3, in order to be able to cope with unforeseen situations;
- to keep payment appropriations firmly under control in all headings and sub-headings of the MFF and to create a sufficient margin to cover unforeseen events, resulting in a reduction in payment appropriations in particular under (sub-)headings 1a, 1b, 2 and 4.

Administrative expenditure: the Council recalls the importance of limiting the increase in 2017 and of reducing staff in line with the -5 % target over the period 2013-2017 set in the Interinstitutional Agreement of 2 December 2013 on budgetary discipline.

In this context, the administrative budgets of the institutions were examined on the following basis:

- to keep under strict control the volume of administrative expenditure of the institutions, in line with the approach followed by the Member States for their national civil services;
- to set the administrative budget of each institution at the appropriate level, taking into account their specificities and real and justified needs;
- to carry out targeted reductions and increase the flat rate abatement on salaries for some institutions and offices, taking into account their past and current budget implementation and vacancy rates;
- to apply the Commission's proposal to reduce staff by 1% per year as from 2013.

Decentralised agencies: as regards decentralised agencies, the Council reduced the overall level of contributions from the Union budget by -EUR 5 million in commitment and payment appropriations. Agencies which did not fully implement the contributions received from the Union budget in the past and/or for which the absorption capacities could be lower than the forecasts made by the Commission are affected by those reductions.

Statement on payment appropriations: the Council will carefully examine the letter of amendment for agriculture (including information on assigned revenue) in order to appropriately assess the level of resources under heading 2 (Sustainable growth: natural resources) in the 2017 budget.

It called on the Commission to continue closely scrutinizing the implementation of the 2014-2020 programmes and invited the Commission to present in a timely manner updated figures concerning the state of affairs and estimates regarding 2017 payment appropriations.

Statement on the presentation of the Commission's statement of estimates for 2017: lastly, the Council recalled the pragmatic calendar agreed between the Council, the European Parliament and the European Commission during their trilogue on 14 March 2016 setting the dates for the budgetary procedure for 2017. This pragmatic calendar is an essential element for the improvement of the functioning of the budgetary procedure and contributes to ensuring a timely adoption of the budget.

B. Expenditure by main budget headings:

Heading 1: Smart and inclusive growth: EUR 74 283 million in commitments:

1a)Competitiveness for growth and jobs: the amount is set at EUR 20 712 million in commitments, an increase of 9% compared to 2016.

The sub-heading is characterised by the following elements:

- establish the level of commitment appropriations, targeting a total reduction of -EUR 397 million in the appropriations requested in the DB 2017 on a number of specific budget lines including administrative support expenditure, namely -EUR 116.5 million in Large Infrastructure Projects, -EUR 125.3 million in the Common Strategic Framework for Research and Innovation, -EUR 18.6 million in Employment and Social Innovation, -EUR 12.1 million in Customs, Fiscalis and Anti-Fraud, -EUR 111.5 million in the Connecting Europe Facility, -EUR 6.6 million in actions financed under the prerogatives of the Commission and specific competences conferred to the Commission and -EUR 4 million in other programmes;
- this includes the use of the global margin for commitments for an amount of EUR 1 265 million for this sub-heading;
- set the level of payment appropriations, reducing the appropriations requested in the DB 2017 by a total amount of -EUR 331.5 million, of which -EUR 219.7 million in Large Infrastructure Projects, -EUR 74.3 million in the Common Strategic Framework for Research and Innovation, -EUR 1.2 million in Employment and Social Innovation, -EUR 7.1 million in Customs, Fiscalis and Anti-Fraud, -EUR 15.4 million in the Connecting Europe Facility, -EUR 5 million in Energy projects to aid economic recovery, -EUR 3.7 million in actions financed under the prerogatives of the Commission and specific competences conferred to the Commission and -EUR 2.9 million in other programmes;
- the amounts mentioned above also take into account reductions in contributions to decentralised agencies for a total amount of -EUR 2.3 million in commitment and payment appropriations under this sub-heading.

The margin available under sub-heading 1a is EUR 478 million.

1b) Economic, social and territorial cohesion: the Council provided EUR 53 571 million in commitments (an increase of 5.4 % compared to 2016). Other main features of this sub-heading include:

- establish the level of commitment appropriations, targeting a total reduction by -EUR 3 million in the appropriations requested in the DB 2017 on a number of specific budget lines related to administrative support expenditure under this subheading;
- set the level of payment appropriations, reducing the appropriations requested in the DB 2017 by a total amount of -EUR 199 million, in particular for 2014-2020 programmes, notably: Transition regions (-EUR 10 million), Competitiveness (More developed regions) (-EUR 43 million), the Cohesion Fund (-EUR 20 million), European territorial cooperation (-EUR 81 million), Technical assistance and innovative actions (-EUR 25 million), and European Aid to the Most Deprived (-EUR 20 million);
- place into the reserve EUR 18.6 million in commitment appropriations and EUR 9.8 million in payment appropriations for the Structural Reform Support Programme, due to the lack of an adopted legal basis.

The margin available under sub-heading 1b is EUR 16.2 million.

Heading 2: Sustainable growth: natural resources: the amount for this heading is set at EUR 58 722 million in commitments. This is a reduction of 6% compared to 2016. Market-related expenditure and direct payments shall represent EUR 42.7 billion.

The heading is characterised by the following elements:

- reduce the level of commitment appropriations requested in the DB 2017 by -EUR 179.5 million on administrative support lines, on operational technical assistance lines, and on operational lines under the European Agricultural Guarantee Fund;
- set the level of payment appropriations, reducing the appropriations requested in the DB 2017 by a total amount of -EUR 198 million, of which -EUR 177.1 million in the European Agricultural Guarantee Fund, -EUR 20.2 million in the European Agricultural Fund for Rural Development, -EUR 0.2 million in the European Maritime and Fisheries Fund, and -EUR 0.2 million in the LIFE programme;
- the amounts mentioned above also take into account reductions in contributions to decentralised agencies for an amount of -EUR 0.3 million in commitment and payment appropriations under this heading;
- place into the reserve EUR 5.1 million in commitment appropriations and EUR 2.5 million in payment appropriations for the Structural Reform Support Programme, due to the lack of an adopted legal basis.

The margin available under heading 2 is EUR 938.8 million.

Heading 3: Security and citizenship: the amount of this heading is set at EUR 4 248 million in appropriations and sees an increase of 4.84% compared to the 2016 budget. This heading is characterised by the following:

- establish the level of commitment appropriations with a total reduction of -EUR 24.3 million of the appropriations requested in the DB 2017 on a number of budget lines concerning administrative support expenditure (-EUR 0.5 million) and operational expenditure for new programmes (-EUR 21.5 million);
- set the level of payment appropriations, including a total reduction of -EUR 21.6 million of the appropriations requested in the DB 2017 on a number of budget lines concerning administrative support expenditure (-EUR 0.5 million) and operational expenditure for new programmes (-EUR 18.8 million).

The margin available under heading 3 is equal to zero. The Flexibility Instrument is mobilised for an amount of EUR 530 million in commitment appropriations and the Contingency Margin is mobilised for an amount of EUR 1 140 million in commitment appropriations for this heading. This amount is offset by a reduction of the margin in Heading 2 (Sustainable growth: natural resources) by EUR 530 million and in Heading 5 (Administration) by EUR 610 million.

Heading 4: Global Europe: the Council lays down an amount of EUR 9 327 million in commitments, an increase of 1.74% compared to 2016. It also decided to:

establish the level of commitment appropriations, targeting a total reduction by -EUR 105.2 million in the appropriations requested in the DB 2017 on a number of specific budget lines;

set the level of payment appropriations, reducing the appropriations requested in the DB 2017 by a total amount of -EUR 70.2 million, of which:

- -EUR 2.8 million in the Instrument for Pre-accession assistance,
- -EUR 2.4 million in the European Neighbourhood Instrument,
- -EUR 47.1 million in the Development Cooperation Instrument,
- -EUR 7.3 million in the Partnership instrument for cooperation with third countries,
- -EUR 0.2 million in the European Instrument for Democracy and Human Rights,
- -EUR 0.4 million in the Instrument contributing to Stability and Peace,
- -EUR 4.6 million in the EU Aid Volunteers initiative,
- -EUR 1.1 million in other actions and programmes and
- -EUR 4.3 million in actions financed under the prerogatives of the Commission and specific competences conferred to the Commission.

The margin available under heading 4 is EUR 105.2 million

Heading 5: Administrative expenditure: the administrative expenditure amounts to EUR 9 263 million, an increase of 3.67%. Each institutions budget is set out in the Council position with the budget variations from year to year.

As regards staff levels, the Council accepted the establishment plans as proposed by the Commission in the DB for 2017.

The margin available under heading 5 is EUR 44.5 million.

Special instruments: lastly, the Council did not include any amount in payment appropriations in the reserve for the European Globalisation Adjustment Fund (-EUR 30 million). Moreover, it did not include any amount in the reserve for the European Union Solidarity Fund (-EUR 513 million in commitment appropriations, -EUR 200 million in payment appropriations).

2017 general budget: all sections

The Committee on Budgets adopted the joint report by Jens GEIER (S&D, DE) (Section III Commission) and Indrek TARAND (Greens/EFA, EE) (other sections) on the Council position on the draft general budget of the European Union for the financial year 2017.

Members stressed that Parliament's reading of the 2017 budget fully reflects the political priorities adopted by an overwhelming majority in its resolution of 9 March 2016 on general guidelines and its resolution of 6 July 2016 and the Europe 2020 objectives. They reiterated that, in the current context, initiatives such as the suspension of the ESI funds by the European Commission, are not only unfair and disproportionate, but also politically unsustainable.

They emphasised that peace and stability are core values that need to be maintained by the Union. The Good Friday Agreement, which has proven vital to peace and reconciliation in Northern Ireland, must be protected. They also underlined the need for specific measures to ensure support for the regions which will be particularly affected by Brexit.

New challenges for the EU: Members stressed that the Union is currently facing a number of serious emergencies and new challenges, and were convinced that increased financial resources need to be deployed from the Union budget, in order to meet the political challenges and allow the Union to deliver answers and effectively respond to those crises as a matter of utmost urgency. Accordingly, they considered that a strong political commitment is needed to secure fresh appropriations in 2017 and until the end of the programming period.

Members recalled the need to meet the needs of the migration and refugee challenge and slow economic growth as well as investment in research and fighting youth unemployment.

On the issue of migration, the committee noted that the Heading 3 ceiling is vastly insufficient to provide for appropriate funding. It underlined the need for adopting a human rights-based approach linking migration with development and guaranteeing the integration of migrant workers and asylum seekers and refugees, as well as priority programmes, such as culture programmes. This requires the full use of the Flexibility Instrument, as well as the substantial mobilisation of the Contingency Margin, which was accepted by the Council.

No detriment to other Union action: Members reiterated that requests for additional funding needed for addressing the current refugee and migratory challenge should not be deployed to the detriment of the Unions existing external action, including its development policy. They stressed that the setting-up of the Facility for Refugees in Turkey (FRT), Trust Funds, and any other ad-hoc instruments cannot be financed by cuts to other existing instruments. Members strongly questioned whether the Heading 4 ceiling (Global Europe) is sufficient to provide an effective response to the current external challenges, including the current refugee and migratory challenges.

Members reiterated their conviction that the Union budget should find ways of financing new initiatives that are not to the detriment of existing Union programmes and policies. They were concerned that the preparatory action for defence research, which will amount to EUR 80 million in the next three years will be squeezed under the current budget of the MFF. They were also convinced that with an already underfinanced Union budget, additional efforts for operations, administrative costs, preparatory actions and pilot projects in relation to the common security and defence policy also need additional financing by Member States, who should consider this in the current MFF mid-term review.

Restoration of sums in the draft budget: under these circumstances, the committee restored all cuts proposed by the Council to the draft budget. It stated that it failed to understand the reasoning behind the proposed cuts and contested Councils declared intention to recreate artificial margins in some headings such as subheading 1a (Competitiveness for Growth and Jobs) and Heading 4 (Global Europe), particularly considering that margins would in any way be too small to react to unforeseen circumstances or crises. Members recalled that the Unions ratification of the COP 21 agreement required financial resources to respect the international commitments. They encouraged the Commission to pursue this track in line with the commitment to mainstream climate action in the budget.

Members went on to note that the Council's reading failed to predict the actual execution of the Union budget for the last five years and that considerably more funds were needed in each of the final budgets. They therefore called on the Council to adjust its position in the conciliation committee in order to provide adequate funding for the 2017 budget.

Mobilise all available margins: Members announced that, for the purpose of adequately financing those pressing needs, and considering the very tight MFF margins in 2017, they would call on Parliament to finance the reinforcements above the draft budget by the exhaustion of all margins available and an increased recourse to the Contingency Margin.

They also decided to compensate in full all cuts related to the European Fund for Strategic Investments (EFSI) in the Connecting Europe Facility (CEF) and Horizon 2020 for a total of EUR 1 240 million in commitments for 2017 via new appropriations to be obtained through the mid-term revision of the MFF. They increased the Youth Employment Initiative by an additional EUR 1 500 million in commitment appropriations. Appropriate additional financing for these important Union programmes should be decided in the framework of the mid-term revision of the MFF.

The committee expected that the Council would share this approach and that an agreement would easily be reached in conciliation, allowing the Union to rise to the occasion and effectively respond to the challenges ahead;

It set the overall level of appropriations for 2017 at EUR 161.8 billion and EUR 136.8 billion in commitment and payment appropriations respectively.

Members went on to make a series of observations and recommendations under each sub-heading of the budget and each Union institution, in line with their general budgetary views.

2017 general budget: all sections

This Amending Letter No 1 to the draft budget for the year 2017 (AL 1/2017) proposes four main areas of amendment to the draft budget (DB) 2017. Three are policy-related:

- agriculture and fisheries;
- competitiveness for growth and jobs;
- the new Partnership Framework under the Migration Agenda, the External Investment Plan, and security.

The fourth group of amendments proposed relates to a number of administrative and technical adjustments. In more detail, AL 1/2017 covers the following:

- the updating of the estimated needs, assigned revenue and appropriations for agricultural expenditure: in addition to changing market factors, the Amending Letter also incorporates the impact of decisions in the agricultural sector since the draft budget 2017 was presented in June 2016, as well as other proposals expected to have a significant effect during the budget year. taking into account various technical amendments, the level of commitment appropriations remains unchanged, with a slight reduction (-EUR 1 million) in payment appropriations;

- the phasing in of reinforcements announced in the mid-term review of the multiannual financial framework 2014-2020 for sustainable growth, with EUR 200 million in commitment appropriations and EUR 7 million in payment appropriations in heading 1a,Competitiveness for growth and jobs. The Commission proposes to finance the commitments through the global margin for commitments (GMC) and the unallocated margin. The breakdown is as follows:

- Horizon 2020: +EUR 50 million in commitment appropriations and EUR 7 million in payment appropriations;
- Competitiveness of enterprises and small and medium-sized enterprises (COSME): +EUR 50 million in commitment appropriations;
- Connecting Europe Facility (CEF) transport: +EUR 50 million in commitment appropriations;
- Erasmus+: + EUR 50 million in commitment appropriations;
- WiFi4EU, an initiative aiming to help European communities offer free Wi-Fi access points to any citizen: +EUR 20 million in commitment appropriations redeployed from the 'Information and Communication Technology' strand of the CEF.

- reinforcing by EUR 1 billion the budgetary resources under heading 4, Global Europe, to address the root causes of migration and promote the swift implementation of agreements with third countries under the new Partnership Framework process and to create a European Fund for Sustainable Development (EFSD) with a new EFSD Guarantee Fund. The Commission proposes to increase commitment appropriations by EUR 1 billion and payment appropriations by EUR 210 million. Given the very low margin in heading 4 (created by the transfer of the EU Special Representatives from heading 4 to heading 5, Administration), most of this increase in commitment appropriations is financed through a corresponding mobilisation of the Contingency Margin to be offset in 2017 against the unallocated margins of heading 2 Sustainable Growth: Natural Resources and in 2018-2019 against the unallocated margins of heading 5;

- an increase in the number of posts at Europol to strengthen operational support, notably to provide a 24/7 service and on-the-spot deployment capabilities as announced in the Commission's communication on enhancing security in a world of mobility;

- an increase of posts requested for Frontex (European Border and Coast Guard agency) and the European Asylum Support office (EASO) in light of a more detailed assessment of the job profiles required;

- minor adjustments to the establishment plans of the European agency for safety and health at work (EU-OSHA) and the European foundation for the improvement of living and working conditions (EUROFOUND);

- the transfer of expenditure related to the three EU Special Representatives (EUSRs) from heading 4 to heading 5;

- an update of the likely needs for additional appropriations related to 2017 for the salaries and pensions of all institutions;

- the alignment of the establishment plans of the European Parliament, the European Economic and Social Committee and the Committee of the Regions, to reflect the agreement reached between them regarding economies of scale.

The Commission also stressed that it intends to fund the Youth Employment Initiative (YEI) in 2017 up to a level of EUR 500 million in commitment appropriations. However, at this stage, the Commission does not propose the budgetary allocations in this Amending Letter. Consequently, the Commission will propose to add these allocations through a draft amending budget to be submitted to the European Parliament and the Council immediately after the technical adjustment in early 2017.

Overall, the net impact of Amending Letter 1/2017 on expenditure in the 2017 draft budget is an increase of EUR 1 257.2 million in commitment appropriations and an increase of EUR 523.1 million in payment appropriations. On the revenue side of the budget, some fines will be paid to the Commission and all legal remedies will be exhausted at the end of 2016 for an estimated amount of EUR 1 billion. The Commission proposes to increase the relevant budget items in the revenue part of the budget by this amount. This will reduce the GNI contribution requested from the national budgets by the same amount.

2017 general budget: all sections

The European Parliament adopted by 446 to 184 with 60 abstentions, a resolution on the Council position on the draft general budget of the European Union for the financial year 2017.

According to Parliament, the 2017 budget has to be considered in the wider context of the mid-term revision of the multiannual financial framework (MFF). Therefore, budget 2017 has to be in line with the EU2020 targets, which represent its main orientation and overarching priority.

It reiterated its firm conviction that initiatives such as the suspension of the ESI funds by the Commission are not only unfair and disproportionate, but also politically unsustainable.

Stressing that Parliament's reading of the 2017 budget fully reflects the political priorities adopted by an overwhelming majority in its resolution of 9 March 2016 on general guidelines, Parliament emphasised that peace and stability are core values that need to be maintained by the Union. It considered that the Good Friday Agreement, which has proven vital to peace and reconciliation in Northern Ireland, must be protected. It underlined the need for specific measures to ensure support for the regions which will be particularly affected in the case of Brexit.

Responding to major EU challenges: Parliament highlighted that the Union is currently facing a number of serious emergencies and new challenges, which could not be foreseen at the time that the MFF 2014-2020 was set-up. Increased financial resources are therefore needed to be deployed from the Union budget, in order to meet the political challenges and allow the Union to deliver answers and effectively respond to those crises as a matter of utmost urgency and priority.

The first of these needs are the migration challenge and slow economic growth following the economic crisis. Funding should be boosted for research and infrastructure projects as well as for fighting youth unemployment.

These challenges should not take precedence over other important Union policies, in particular:

- the creation of decent and quality employment;
- the development of enterprises and entrepreneurship for smart, sustainable and inclusive growth.

Parliament noted that the Heading 3 ceiling is vastly insufficient to provide for appropriate funding for the internal dimension of the current refugee and migratory challenges. It stressed that, in order to ensure the necessary additional funding in this field, an unprecedented resource to the MFF special instruments, including the full use of the Flexibility Instrument, as well as the substantial mobilisation of the "last resort" Contingency Margin, was proposed by the Commission in the 2017 Draft Budget (DB), and accepted by the Council.

Parliament reiterated its position that requests for additional funding should not be deployed to the detriment of the Unions existing external action, including its development policy. The setting-up of the Facility for Refugees in Turkey (FRT), Trust Funds, and any other ad-hoc instruments cannot be financed by cuts to other existing instruments.

Parliament strongly questions whether the Heading 4 ceiling (Global Europe) is sufficient to provide a sustainable and effective response to the current external challenges, including the current refugee and migratory challenges.

New money to finance new initiatives in relation to defence: Members reiterated their conviction that the Union budget should find ways of financing new initiatives which are not to the detriment of existing Union programmes. It is concerned that the Preparatory Action for defence research, which will amount to EUR 80 million over the next three years will be squeezed under the current budget of the MFF. However, for Parliament additional efforts for operations, administrative costs, preparatory actions and pilot projects in relation to the common security and defence policy also need additional financial input from Member States. In this regard, the current MFF mid-term review/revision should be used by Member States to clarify the long-term funding of common defence research.

International commitments: Parliament recalled that the Union ratified the COP 21 agreement and needs to dedicate part of its financial resources to respecting its international commitments. It strongly encouraged the Commission to pursue that track.

Youth travel: Parliament called on the Commission to present an initiative aimed at providing public transport vouchers to young Europeans selected on the basis of a competition.

Reverse Councils budget cuts: Parliament reversed all cuts proposed by the Council to the DB. It failed to understand the reasoning behind the proposed cuts and contests Councils declared intention of recreating artificial margins in some headings such as subheading 1a (Competitiveness for Growth and Jobs) and Heading 4 (Global Europe), particularly considering that margins would in any way be too small to react to unforeseen circumstances or crises.

Parliament compensated in full all cuts related to the European Fund for Strategic Investments (EFSI) in the Connecting Europe Facility (CEF) and Horizon 2020 for a total of EUR 1 240 million in commitments for 2017 via new appropriations to be obtained through the mid-term revision of the MFF.

It insisted on the need to provide an effective response to youth unemployment across the Union; therefore increases the Youth Employment Initiative (YEI) by an additional EUR 1 500 million in commitment appropriations to enable its continuation.

Towards an overall budget agreement: Parliament expected that the Council will share this approach and that an agreement will easily be reached in conciliation, allowing the Union to rise to the occasion and effectively respond to the challenges ahead. In parallel, it set the overall level of appropriations for 2017 at EUR 160.7 billion and EUR 136.8 billion in commitment and payment appropriations respectively.

Specific recommendations: in the second part of the resolution, Parliament made a series of recommendations heading by heading which may be summarised as follows:

Subheading 1a Competitiveness for growth and jobs: Parliament strongly disagreed with these cuts in a heading that symbolises the European added value and delivers more growth and jobs for citizens. It decided to reverse all cuts made by the Council. In line with its continued priorities for Jobs and Growth and after careful assessment of their absorption capacity so far, Parliament decided to propose some selective increases above the level of the DB for the COSME, Progress, Marie Curie, European Research Council, Eures and Erasmus+ programmes and increased the level of commitment appropriations for subheading 1a above the DB by EUR 45 million (excluding EFSI, pilot projects and preparatory actions).

Subheading 1b Economic, social and territorial cohesion: Parliament disapproved of Council's proposed cuts of EUR 3 million in commitments and, more importantly, EUR 199 million in payments under subheading 1b, including on support lines and reiterated its strong support for the continuation of the YEI. It decided, as a first step and in line with the Regulation on the European Social Fund which foresees the possibility of such a continuation, to increase the YEI by EUR 1 500 million in commitment appropriations and EUR 500 million in payment appropriations to provide an effective response to youth unemployment.

Heading 2 Sustainable growth: natural resources: Parliament stated that the Union budget must prioritise initiatives that will facilitate a real greening of the economy. It anticipated the presentation of the Amending Letter for the emergency support package in particular for the dairy sector and decided to express its strong support for the agricultural sector in the Union. It increased therefore the appropriations by EUR 600 million above the DB, in order to tackle the effects of the dairy sector crisis and the effects of the Russian embargo on the milk sector.

Heading 3 Security and Citizenship: Parliament underlined that Parliament continues to put the current migration challenge at the top of its agenda. It noted that the big deviation of the original programming advocates in favour of an upwards adjustment of the Heading 3 ceilings. It stressed that the Commission proposes to finance those reinforcements largely through the mobilisation of the Flexibility Instrument (for EUR 530 million, thereby fully exhausting the funding available for this year) and the Contingency Margin (for EUR 1 160 million).

Given the unprecedented level of funding for migration-related expenditure (totalling EUR 5.2 billion in 2017 in Headings 3 and 4 and the mobilisation of the European Development Fund) and the proposals for applying flexibility on the table, Parliament does not request further reinforcements for migration-related policies. It will resist any attempts to reduce funding for Union actions in this field.

According to Parliament, budgetary flexibility has its limits and can only be a short-term solution. A forward-looking and brave answer in the face of these long-term refugee and migratory challenges is needed. This would involve an upwards adjustment of the ceiling of Heading 3.

Heading 4 Global Europe: Parliament strongly questions whether Heading 4 ceilings are sufficient to provide for appropriate funding for the external dimension of the refugee and migratory challenges. It decided, therefore, to reverse all Councils cuts in Heading 4. It deemed it necessary to increase appropriations for the Turkish Cypriot Community budget line (+EUR 3 million) to promote trust and reconciliation between the two communities.

Heading 5 Administration: Parliament considered that Councils cuts are unjustified and harmful and restores the DB for all Commission administrative expenditure, including administrative and research support expenditure in Headings 1 to 4. It decided, in the light of recent revelations and in order to regain the confidence of Union citizens and the credibility of the Union institutions, to hold 20 % of appropriations of the Temporary Allowances for former Members in reserve until the Commission enforces a stricter Code of conduct for Commissioners to prevent conflict of interests and the revolving doors.

The Parliament also made a series of specific recommendations on other institutions by restoring most of the amounts and posts which were cut by the Council.

Other recommendations: Parliament stressed that, at its request, a payment plan has been agreed with the aim of reducing the backlog of outstanding cohesion policy-related payment claims for 2007-2013 to a 'normal' level of EUR 2 billion by the end of 2016. However, it pointed out that at least EUR 8.2 billion of unpaid bills were identified at the end of 2015 for 2007-2013 in the field of cohesion policy, a figure which is expected to fall below EUR 2 billion by the end of 2016. It insisted a new payment plan should be based on sound financial management.

Lastly, Parliament is convinced that a Union-wide dimension should be tackled by pooling efforts and putting additional means at Union level rather than by calling past commitments into question or reverting to the illusion of purely national solutions.

2017 general budget: all sections

The European Parliament delegation to the Conciliation Committee adopted a report by Jens GEIER (S&D, DE) (Section III Commission) and Indrek TARAND (Greens/EFA, EE) (other sections) on the joint text on the draft general budget of the European Union for the financial year 2017 approved by the Conciliation Committee under the budgetary procedure.

The EP delegation called on the Parliament to approve the joint text agreed by the Conciliation Committee. The main elements are as follows:

- the overall level of commitment appropriations in the 2017 budget is set at EUR 157 857.8 million. Overall, this leaves a margin below the MFF ceilings for 2017 of EUR 1 100.1 million in commitment appropriations;
- the overall level of payment appropriations in the 2017 budget is set at EUR 134 490.4 million;
- the Flexibility Instrument for 2017 is mobilised in commitment appropriations for an amount of EUR 530 million for heading 3 Security and Citizenship;
- the Global margin for commitments is mobilised at a level of EUR 1 439.1 million for heading 1a Competitiveness for Growth and Jobs;
- the Contingency margin is mobilised at a level of EUR 1 906.2 million for heading 3 and heading 4. It is offset for EUR 575 million against the unallocated margin under heading 2 Sustainable Growth: Natural Resources in 2017 and for EUR 507.3 million in 2017, EUR 570 million in 2018 and EUR 253.9 million in 2019 against the unallocated margins under heading 5 Administration;
- the 2017 payment appropriations related to the mobilisation of the Flexibility Instrument in 2014, 2015 and 2016 are estimated by the Commission at EUR 981.1 million.

Members confirmed the joint statements by Parliament, the Council and the Commission annexed to this resolution which concern in particular:

- the youth employment initiative;
- the 5 % staff reduction;
- European Fund for Sustainable Development;
- EU Trust Funds and the Facility for Refugees in Turkey;
- agriculture.

2017 general budget: all sections

PURPOSE: definitive adoption of the European Unions general budget for 2017.

LEGISLATIVE ACT: Definitive adoption (EU, Euratom) 2017/292 of the European Unions general budget for the financial year 2017.

CONTENT: the European Parliament voted to adopt the 2017 EU budget, in accordance with the joint text adopted in plenary on 1 December 2016.

The 2017 budget is the 4th annual budget under the multiannual financial framework (MFF) for the EU for 2014-2020.

With EUR 157.9 billion and about 1% of the EU's gross national income (GNI), growth, employment and competitiveness will be the main focus of the budgetary priorities for 2017. Other funds will also be allocated to ensure the EU's second highest priority in 2017, namely to respond effectively to the challenges posed by the migratory crisis.

Policy areas of the 2017 budget: the EU budget for 2017 amounts to EUR 157.9 billion in commitment appropriations and EUR 134.5 billion in payment appropriations. On a political level, the main budgetary strands for the financial year 2017 may be summarised as follows:

- nearly half of the funds (EUR 74.9 billion in commitment appropriations) are intended to stimulate growth, employment and competitiveness. For example, EUR 21.3 billion will be allocated to programmes such as Horizon 2020, Erasmus +, COSME and the European Interconnection Facility (EIF) and EUR 2.7 billion to the European Strategic Investment Fund (EFSI), a driving force of the investment plan for Europe. In addition, EUR 53.59 billion will be used to promote convergence between Member States and regions through the European Structural and Investment Funds (ESI Funds);
- nearly EUR 6 billion is intended to strengthen the protection of external borders and mitigate the migration and refugee crisis. Half of this amount will be used to finance actions within the EU and the other half, actions outside the EU to combat the root causes of migration.

Budget year 2017 in figures:

- commitment appropriations: EUR 157.858 billion, up by 1.7% compared to 2016;
- payment appropriations: EUR 134.49 billion, down 1.6% from the 2016 budget.

Budget 2017 - amounts by headings:

- Heading 1: Smart and inclusive growth: this heading is allocated EUR 74.9 billion in commitments and EUR 56.52 in payments. It comprises two specific sub-headings:

  - 1a: Competitiveness for growth and jobs: this sub-heading sees an increase of 12.1% compared to 2016 commitments. The commitments are set at EUR 21.3 billion. Specific programmes under this heading include: (i) the Horizon 2020 framework and research programme; (ii) Erasmus + and (iii) COSME, Competitiveness of Enterprises and Small and Medium-sized Enterprises (SMEs);

  - 1b: Economic, social and territorial cohesion: commitments increased by 5.4% compared to 2016: commitments under this heading have been set at EUR 53.6 billion.

- Heading 2: Sustainable Growth: natural resources: this heading is characterised by commitments of EUR 58.6 billion, of which EUR 46.6 billion are available for market expenditure and direct aids to farmers. The payments were set at EUR 42.6 billion. Overall commitments and payments decreased by less than 1% compared to 2016.
- Heading 3: Security and citizens: this heading saw the amount of its commitments decrease slightly following a significant increase in 2016. Commitments are set at EUR 4.29 billion and payments are raised by 25% to EUR 3.8 billion.
- Heading 4: Global Europe: this heading amounted to EUR 10.16 billion in commitments and includes programmes such as Pre-Accession Instrument, the European Neighbourhood Instrument, the Instrument for Development Cooperation, the European Instrument for Democracy and Human Rights and the Stability Instrument. The heading showed an increase of 11% compared to 2016 in terms of commitments. Payments amounted to EUR 9.5 billion, a decrease of 6.6%.
- Heading 5 and 6: Administration: the level of commitments and payment is set at EUR 9.4 billion (+ 5% for commitments and payments).

The publication of a corrigendum to the definitive adoption (EU, Euratom) 2017/292 of the general budget of the European Union for the financial year 2017 on 14.3.2017 should be noted. It includes a series of corrections to the amounts of certain budget headiing in various policy areas. These amounts are presented with a comparison of expenditures for 2016 for these same policies as well as the corresponding appropriations as executed in 2015 (commitments and payments).

2017 general budget: all sections

PURPOSE: definitive adoption of the European Unions general budget for 2017.

LEGISLATIVE ACT: Definitive adoption (EU, Euratom) 2017/292 of the European Unions general budget for the financial year 2017.

CONTENT: the European Parliament voted to adopt the 2017 EU budget, in accordance with the joint text adopted in plenary on 1 December 2016.

The 2017 budget is the 4th annual budget under the multiannual financial framework (MFF) for the EU for 2014-2020.

With EUR 157.9 billion and about 1% of the EU's gross national income (GNI), growth, employment and competitiveness will be the main focus of the budgetary priorities for 2017. Other funds will also be allocated to ensure the EU's second highest priority in 2017, namely to respond effectively to the challenges posed by the migratory crisis.

Policy areas of the 2017 budget: the EU budget for 2017 amounts to EUR 157.9 billion in commitment appropriations and EUR 134.5 billion in payment appropriations. On a political level, the main budgetary axes for the financial year 2017 may be summarised as follows:

- nearly half of the funds (EUR 74.9 billion in commitment appropriations) are intended to stimulate growth, employment and competitiveness. For example, EUR 21.3 billion will be allocated to programmes such as Horizon 2020, Erasmus +, COSME and the European Interconnection Facility (EIF) and EUR 2.7 billion to the European Strategic Investment Fund (EFSI), a driving force of the investment plan for Europe. In addition, EUR 53.59 billion will be used to promote convergence between Member States and regions through the European Structural and Investment Funds (ESI Funds);
- nearly EUR 6 billion is intended to strengthen the protection of external borders and mitigate the migration and refugee crisis. Half of this amount will be used to finance actions within the EU and the other half, actions outside the EU to combat the root causes of migration.

Budget year 2017 in figures:

- commitment appropriations: EUR 157.858 billion, up by 1.7% compared to 2016;
- payment appropriations: EUR 134.49 billion, down 1.6% from the 2016 budget.

Budget 2017 - amounts by headings:

- Heading 1: Smart and inclusive growth: this heading is allocated EUR 74.9 billion in commitments and EUR 56.52 in payments. It comprises two specific sub-headings:

  - 1a: Competitiveness for growth and jobs: this sub-heading sees an increase of 12.1% compared to 2016 commitments. The commitments are set at EUR 21.3 billion. Specific programmes under this heading include: (i) the "Horizon 2020" framework and research programme; (ii) Erasmus + and (iii) COSME, Competitiveness of Enterprises and Small and Medium-sized Enterprises (SMEs);

- 1b: Economic, social and territorial cohesion: commitments increased by 5.4% compared to 2016: commitments under this heading have been set at EUR 53.6 billion.

- Heading 2: Sustainable Growth: natural resources: this heading is characterised by commitments of EUR 58.6 billion, of which EUR 46.6 billion are available for market expenditure and direct aids to farmers. The payments were set at EUR 42.6 billion. Overall commitments and payments decreased by less than 1% compared to 2016.
- Heading 3: Security and citizens: this heading saw the amount of its commitments decrease slightly following a significant increase in 2016. Commitments are set at EUR 4.29 billion and payments are raised by 25% to EUR 3.8 billion.
- Heading 4: Global Europe: this heading amounted to EUR 10.16 billion in commitments and includes programmes such as Pre-Accession Instrument, the European Neighbourhood Instrument, the Instrument for Development Cooperation, the European Instrument for Democracy and Human Rights and the Stability Instrument. The heading showed an increase of 11% compared to 2016 in terms of commitments. Payments amounted to EUR 9.5 billion, a decrease of 6.6%.
- Heading 5 and 6: Administration: the level of commitments and payment is set at EUR 9.4 billion (+ 5% for commitments and payments).

2017 general budget: all sections

The European Parliament adopted by 438 votes to 194, with 7 abstentions, the joint text on the draft general budget of the European Union for the financial year 2017 approved by the Conciliation Committee under the budgetary procedure.

Parliament approved the joint text agreed by the Conciliation Committee, which consists of the following documents taken together:

- list of budget lines not modified, compared to the draft budget or the Council's position;
- summary figures by financial framework headings;
- line by line figures on all budget items;
- a consolidated document showing the figures and final text of all lines modified during the conciliation.

Parliament noted that its level of staffing was one of the major issues of this conciliation. It recalled that based on the Gentlemens Agreement, each branch of the budgetary authority has sole competence for its own section of the budget. It also recalled its political decision to exempt the political groups from the 5 % staff reduction target.

Parliament will evaluate the consequences of budgetary decisions on the functioning of the institution.

Parliament confirmed the joint statements made by the European Parliament, the Council and the Commission annexed to the resolution. They concern:

- the overall level of commitment appropriations in the 2017 budget is set at EUR 157 857.8 million. Overall, this leaves a margin below the MFF ceilings for 2017 of EUR 1 100.1 million in commitment appropriations;
- the overall level of payment appropriations in the 2017 budget is set at EUR 134 490.4 million;
- the Flexibility Instrument for 2017 is mobilised in commitment appropriations for an amount of EUR 530 million for heading 3 Security and Citizenship;
- the Global margin for commitments is mobilised at a level of EUR 1 439.1 million for heading 1a Competitiveness for Growth and Jobs;
- the Contingency margin is mobilised at a level of EUR 1 906.2 million for heading 3 and heading 4. It is offset for EUR 575 million against the unallocated margin under heading 2 Sustainable Growth: Natural Resources in 2017 and for EUR 507.3 million in 2017, EUR 570 million in 2018 and EUR 253.9 million in 2019 against the unallocated margins under heading 5 Administration;
- the 2017 payment appropriations related to the mobilisation of the Flexibility Instrument in 2014, 2015 and 2016 are estimated by the Commission at EUR 981.1 million.

The joint conclusions adopted in the framework of the joint text confirm the adoption of:

- Draft Amending Budget 4/2016 and the accompanying mobilisation of the Contingency margin are accepted, as proposed by the Commission.
- Draft Amending Budget 5/2016 is accepted as proposed by the Commission.
- Draft Amending Budget 6/2016 and the related mobilisation of the European Union Solidarity Fund are accepted as proposed by the Commission.
- Amending letter No 1 to the draft budget 2017.

The joint text also confirms certain horizontal issues relating to decentralised agencies and more specifically on the granting of posts to Europol, Eurojust, the European Banking Authority, the European Asylum Support Office and the European Medicines Agency. In addition, a number of actions and pilot projects were confirmed.

Further joint statements by Parliament, the Council and the Commission were adopted as regards:

- Youth Employment Initiative: the Council and the European Parliament invited the Commission to propose an amending budget in 2017 in order to provide EUR 500 million for the YEI in 2017 financed by the Global margin for commitments, as soon as the technical adjustment foreseen by article 6 of the MFF Regulation is adopted.
- Payment appropriations: Parliament and the Council called on the Commission to continue monitoring closely and actively the implementation of the 2014-2020 programmes and to present in a timely manner, updated figures concerning the state of implementation and estimates regarding payment appropriations requirements in 2017.
- 5 % staff reduction.
- European Fund for Sustainable Development (EFSD): the Commission proposed to endow the EFSD Guarantee Fund with EUR 750 million over the period 20172020, of which EUR 400 million from the European Development Fund (EDF) over the four years, EUR 100 million from the ENI over 20172020 (of which EUR 25 million in 2017), and EUR 250 million of commitment (and payment) appropriations in 2017. The Commission is called upon to request the necessary appropriations in an amending budget in 2017 in order to provide the financing of the EFSD from the EU budget as soon as the legal base is adopted.

- EU Trust Funds and the Facility for Refugees in Turkey: Parliament, the Council and the Commission agreed that the establishment of Trust Funds and of the Facility for Refugees in Turkey should be transparent and clear. The Commission is urged to present, as of 2017, a Working Document accompanying the Draft Budget for the following financial year.
- Agriculture: the budget 2017 includes a series of emergency measures to assist farmers in facing the market difficulties experienced recently. The Commission confirmed that the margin under heading 2 is sufficient to address possible unforeseen needs and it undertakes to monitor the market situation regularly.