



Council of the
European Union

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COVER NOTE

From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of
the European Union

No. Cion doc.: COM(2019) 300 final

Subject: Draft amending budget No 1 to the general budget 2019 entering the
surplus of the financial year 2018

Delegations will find attached document COM(2019) 300 final.

Encl.: COM(2019) 300 final



Brussels, 15.4.2019
COM(2019) 300 final

**DRAFT AMENDING BUDGET No 1
TO THE GENERAL BUDGET 2019**

ENTERING THE SURPLUS OF THE FINANCIAL YEAR 2018

Having regard to:

- the Treaty on the Functioning of the European Union, and in particular Article 314 thereof, in conjunction with the Treaty establishing the European Atomic Energy Community, and in particular Article 106a thereof,
- Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union (...) ¹, and in particular Article 44 thereof,
- the general budget of the European Union for the financial year 2019, as adopted on 12 December 2018 ²,

The European Commission hereby presents to the European Parliament and to the Council the Draft Amending Budget No 1 to the 2019 budget.

CHANGES TO THE STATEMENT OF REVENUE AND EXPENDITURE BY SECTION

The changes to the statement of revenue and expenditure by section are available on EUR-Lex (<http://eur-lex.europa.eu/budget/www/index-en.htm>). An English version of the changes to this statement is attached for information as a budgetary annex.

¹ OJ L 193, 30.7.2018, p. 1.

² OJ L 67, 7.3.2019.

EXPLANATORY MEMORANDUM

Draft Amending Budget (DAB) No 1/2019 is intended to enter in the 2019 budget the surplus resulting from the implementation of the budget year 2018. As provided for in Article 18 § 3 of the Financial Regulation applicable to the general budget of the Union³, the surplus is the only subject of this DAB and it has to be submitted within 15 days of the submission of the provisional accounts at the end of March 2019.

1. The implementation of the budget year 2018 shows a surplus of EUR 1 802 988 329, which is therefore entered as revenue in the 2019 budget.

(in EUR)

Outturn breakdown 2018	
Surplus Revenue	1 274 590 133
Surplus Expenditure	528 398 196
Total surplus	1 802 988 329

2. Budgeting the surplus will diminish accordingly the total contribution of the 28 Member States to the financing of the 2019 budget⁴. The contributions by Member States will also be influenced by the updated own resources forecast which will be available after the Advisory Committee on Own Resources meeting in May 2019 and included in a subsequent Draft Amending Budget.
3. The table below presents a breakdown of the outturn for 2018 in terms of the implementation of revenue:

(in EUR)

Outturn breakdown 2018	Budget (includ. AB1-6)	Outturn	Variation
Sub-total Revenue	144 767 916 298	146 042 506 431	1 274 590 133
— Title 1 - Own resources	142 363 728 037	142 329 649 983	-34 078 054
<i>Levies and other duties in the sugar sector</i>	-92 981 713	-85 070 995	7 910 718
<i>Custom duties</i>	20 164 642 350	20 316 700 932	152 058 582
<i>Own resources accruing from VAT</i>	17 148 885 750	17 132 576 159	-16 309 591
<i>Own resources based on GNI</i>	105 143 181 650	104 978 526 257	-164 655 393
<i>Correction of budgetary imbalances granted to UK</i>	0	-18 997 428	-18 997 428
<i>Gross reduction in the annual GNI-based contribution granted to some Member States</i>	0	5 915 059	5 915 059
— Title 3 - Surpluses, balances and adjustments	555 542 325	581 255 381	25 713 056
— Title 4 - Persons working with the Institutions	1 547 408 825	1 541 840 701	-5 568 124
— Title 5 - Administrative operation of the institutions	45 050 050	3 715 390	-41 334 660
— Title 6 - Refunds in connection with Union agreements and programmes	110 000 000	106 217 941	-3 782 059
— Title 7 - Interests on late payments and fines	115 000 000	1 427 642 570	1 312 642 570
— Title 8 - Borrowing and lending operations	6 186 061	39 035 856	32 849 795
— Title 9 - Miscellaneous	25 001 000	13 148 609	-11 852 391

4. The differences in Title 1 (*Own Resources*) represent 0,02 % of the forecast. They mainly consist of EUR 160 million higher revenue from traditional own resources (100,8 % of the forecast has been collected) and -EUR 200 million lower revenue from exchange rate fluctuations (as own resources are paid in national currency but budgeted and accounted for

³ OJ L 193, 30.7.2018, p. 1.

⁴ The Draft Amending Budget is proposed for EU 28 as the date of the withdrawal of the UK was postponed until 31 October 2019.

in euro). In Title 3 (*Surpluses, balances and adjustments*), linked to the adjustments of own resources, the difference is limited to EUR 26 million.

5. The largest difference (EUR 1 313 million) is found in Title 7 (*Default interest and fines*). The outturn is composed of competition fines and default interest, other penalty payments and interest linked to fines and penalty payments.
6. The table below presents a breakdown of the outturn for 2018 in terms of budget implementation of expenditure for all institutions:

(in EUR)

Outturn breakdown 2018	Budget (includ. AB1-6)	Outturn	Variation
Sub-total Expenditure	144 767 916 298	144 239 518 102	-528 398 196
Outturn appropriations of the year	144 767 916 298	144 369 781 354	-398 134 944
— European Commission	140 752 776 672	140 430 555 977	-322 220 695
<i>Heading 1a - Competitiveness for growth and jobs</i>	20 154 593 499	20 113 652 917	-40 940 582
<i>Heading 1b - Economic, social and territorial cohesion</i>	46 577 928 034	46 559 473 543	-18 454 491
<i>Heading 2 - Sustainable growth: Natural resources</i>	56 240 984 244	56 228 111 429	-12 872 815
<i>Heading 3 - Security and Citizenship</i>	3 013 090 479	2 988 185 217	-24 905 262
<i>Heading 4 - Global Europe</i>	8 812 942 021	8 776 262 725	-36 679 295
<i>Heading 5 - Administration</i>	5 651 421 501	5 607 423 914	-43 997 587
<i>Other special instruments</i>	301 816 894	157 446 231	-144 370 663
— Other Institutions	4 015 139 626	3 939 225 376	-75 914 250
<i>European Parliament</i>	1 950 687 373	1 934 477 627	-16 209 746
<i>Council & European Council</i>	572 894 377	526 545 514	-46 348 863
<i>Court of Justice of the European Union</i>	410 025 089	406 681 899	-3 343 190
<i>European Court of Auditors</i>	146 015 591	140 484 381	-5 531 210
<i>European Economic & Social Committee</i>	135 630 905	133 811 443	-1 819 462
<i>Committee of the Regions</i>	96 100 540	95 380 187	-720 353
<i>European Ombudsman</i>	10 837 545	10 331 816	-505 729
<i>European Data Protection Supervisor</i>	14 449 068	13 539 302	-909 766
<i>European External Action Service</i>	678 499 138	677 973 207	-525 931
Cancellation of appropriations carried over from previous years	0	-129 699 126	-129 699 126
— European Commission	0	-68 082 034	-68 082 034
— Other Institutions	0	-61 617 091	-61 617 091
Exchange rate variations on expenditure	0	-564 126	-564 126

7. The Commission implemented 99,8 % of the authorised payment appropriations. The amount not implemented was EUR 322 million, of which EUR 120 million of the Emergency Aid Reserve.
8. The under-implementation of the other institutions of EUR 76 million was lower than in the previous three years (EUR 83 million in 2017, EUR 103 million in 2016 and EUR 94 million in 2015).