



Brussels, 24 October 2016
(OR. en)

13331/16

FIN 663
PE-L 60

'I/A' ITEM NOTE

From:	Budget Committee
To:	Permanent Representatives Committee/Council
No. Cion doc.:	12741/16 FIN 607 (COM(2016) 623 final)
Subject:	Draft amending budget No 4 to the general budget for 2016: Update of appropriations to reflect the latest developments on migration and security issues, reduction of payment and commitment appropriations as a result of the Global Transfer, extension of EFSI, modification of the staff establishment plan of Frontex and update of revenue appropriations (Own resources)

1. On 30 September 2016, the Commission submitted to the Council draft amending budget (DAB) No 4/2016 requesting modifications on the expenditure and revenue side of the 2016 budget.

With regard to the expenditure side, the following modifications are proposed:

- to decrease payment appropriations (p/a) by -EUR 7 284.3 million mostly under sub-heading 1b, and to a lesser extent under headings 2 and 3 due to delays in the implementation of the 2014-2020 programmes;
- to decrease commitment appropriations (c/a) by -EUR 14.7 million under heading 2 as a result of the latest needs assessment;

- to frontload EUR 73.9 million in c/a from Financial Instruments under CEF Energy to the European Fund for Strategic Investments (EFSI), with a corresponding compensation in 2018;
- to increase c/a by +EUR 250 million and p/a by +EUR 10 million under heading 3, notably for the Emergency Support Instrument within the Union, the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF). After taking into account a redeployment of EUR 9.9 million from the European Medicines Agency (EMA), due to the changes in the EUR/GBP exchange rate, the Commission proposes to finance the remaining additional c/a under heading 3 through a mobilisation of the Contingency Margin for an amount of EUR 240.1 million to be fully offset in the same year against the margin under heading 5;
- to frontload 50 posts for temporary agents out of the 130 posts requested for the year 2017 for FRONTEX due to the revised mandate of the agency.

The changes on the revenue side proposed in this DAB concern the revision of the forecast of Traditional Own Resources (i.e. customs duties and sugar levies), value added tax (VAT) and gross national income (GNI) bases, and the budgeting of the relevant UK corrections and their financing, which affects the distribution of own resources contributions from Member States to the EU budget.

The net impact of this DAB on the expenditure side of the 2016 budget is an increase of +EUR 225.4 million in c/a and a decrease of -EUR 7 274.3 million in p/a, thus lowering by the same amount Member States' contributions for the financial year 2016 (surplus).

2. On 4, 10 and 13 October 2016, the Budget Committee examined the Commission proposal and was able to accept it without any changes. It agreed to enter into the Council minutes the statement recorded in Annex 2.

3. At the close of its examination, the Budget Committee agreed to suggest that the Permanent Representatives Committee advise the Council to:

- adopt the Council's position on DAB No 4/2016 as set out in point 2;
 - enter in its minutes the statement set out in Annex 2;
 - instruct the Presidency to prepare the budgetary documents to be sent to the European Parliament and to approve the draft letter in Annex 3 to that effect;
 - have the Council's position published in the *Official Journal of the European Union* as set out in Annex 1.
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COUNCIL DECISION

adopting the Council's position on draft amending budget No 4 of the European Union for the financial year 2016

THE COUNCIL OF THE EUROPEAN UNION,

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,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002¹ and in particular Article 41 thereof,

Whereas:

- the Union's budget for the financial year 2016 was definitively adopted on 25 November 2015²
- on 30 September 2016, the Commission submitted a proposal containing draft amending budget No 4 to the general budget for the financial year 2016,

¹ OJ L 298, 26.10.2012, p. 1.

² OJ L 48, 24.2.2016, p. 1.

HAS DECIDED AS FOLLOWS:

Sole Article

The Council's position on draft amending budget No 4 of the European Union for the financial year 2016 was adopted on 8 November 2016.

The full text can be accessed for consultation or downloading on the Council's website:

<http://www.consilium.europa.eu/>.

Done at Brussels, on 8 November 2016.

*For the Council
The President*

STATEMENT TO BE ENTERED IN THE COUNCIL MINUTES

Council statement on DAB No 4/2016

"With agreeing to draft amending budget No 4/2016 and the frontloading of the EUR 73.9 million for the provisioning of the EFSI Guarantee Fund, the Council does not pre-empt any decision on Commission proposal COM(2016) 597 final on the extension of the duration of EFSI until 2020. The Council considers this amount to be part-financing of the already agreed EFSI package in 2015."

DRAFT LETTER

from : President of the Council

to : President of the European Parliament

Sir,

I am forwarding under separate cover the Council's position on draft amending budget No 4 for the financial year 2016¹, adopted by the Council on 8 November 2016.

(Complimentary close).

¹ Doc. 13583/16 BUDGET 29.