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Delegations will find attached document COM(2015) 16 final.

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**DRAFT AMENDING BUDGET N° 2
TO THE GENERAL BUDGET 2015**

**ACCOMPANYING THE PROPOSAL FOR A COUNCIL REGULATION
AMENDING COUNCIL REGULATION (EU, EURATOM) N° 1311/2013 OF 2
DECEMBER 2013 LAYING DOWN THE MULTIANNUAL FINANCIAL
FRAMEWORK FOR THE YEARS 2014-2020**

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FRAMEWORK FOR THE YEARS 2014-2020**

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,
- the Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the Financial Regulation applicable to the general budget of the Union¹, and in particular Article 41 thereof,
- the general budget of the European Union for the financial year 2015 adopted on 17 December 2014²,
- the draft amending budget No 1/2015³, adopted on 13 January 2015,

The European Commission hereby presents to the European Parliament and to the Council the Draft Amending Budget No 2 to the 2015 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 298, 26.10.2012, p. 1.

² OJ L XX, XX.XX.2015, p. X.

³ COM(2015) 11 final of 13.01.2015.

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1. INTRODUCTION

Draft amending budget (DAB) No 2 to the 2015 budget is presented together with the Commission's parallel proposal for a revision of the multiannual financial framework (MFF) for the years 2014-2020, in accordance with Article 19 of Council Regulation No 1311/2013⁴ (MFF Regulation).

Despite the late adoption of the MFF and the legal acts of the various Funds⁵, all efforts have been made to adopt the largest number of programmes: 252 programmes (39 %) have been adopted in 2014 and 93 (14 %) are eligible for adoption on 2014 appropriations to be carried over to 2015. For the remaining 300 programmes (47 %), the corresponding 2014 appropriations have been left unused.

The revision of the MFF and the adoption of this DAB No 2 are a necessary condition for the adoption in 2015 of the programmes which have not been adopted and for which the 2014 allocation has not been used. The corresponding commitments should accordingly be re-programmed to subsequent years. All 28 Member States are concerned by this re-programming exercise. A swift adoption of the MFF revision and of this DAB No 2 would avoid further delays in the adoption of the programmes and would ensure a smooth implementation of programmes supporting growth and jobs.

In accordance with the MFF revision proposed separately, DAB No 2 proposes a EUR 16 476,4 million increase in commitment appropriations in 2015 for the various Funds under shared management under sub-heading 1b, heading 2 and heading 3. DAB No 2 also proposes an increase of EUR 2,5 million for the Instrument for Pre-accession Assistance (IPA II) under heading 4, to preserve the similar treatment between contributions from heading 4 and heading 1b to the European Regional Development Fund (ERDF) – European territorial cooperation (ETC) programmes. The proposal by programme is detailed in section 3 below.

As explained in the proposal for the revision of the MFF, amounts not committed in 2014 nor carried over to 2015 will be transferred to the years 2015, 2016 and 2017. This proposal covers the changes to Budget 2015 and the remaining amounts will be reflected in the respective Draft Budgets of 2016 and 2017.

In accordance with the agreement reached on the 2014 and 2015 budgets, which anticipated some delay in the approval of operational programmes, the Commission does not propose any change of payment appropriations.

2. TRANSFER OF COMMITMENTS DUE TO LATE ADOPTION OF RULES OR PROGRAMMES UNDER SHARED MANAGEMENT

Article 19 of the MFF Regulation provides that, in case of late adoption of rules or programmes under shared management, allocations neither used in 2014 nor carried over, need to be transferred to subsequent years by means of a revision of the MFF Regulation. The proposal for a Council Regulation amending the MFF Regulation⁶ outlines the context of the proposal which can be summarized the following way:

- As a consequence of the late agreement on the MFF Regulation, the various legal acts laying down the provisions for implementing the funds were adopted much later than originally expected: in December 2013 for the European Regional Development Fund (ERDF), the

⁴ OJ L 347, 20.12.2013, p. 884.

⁵ The European Structural and Investment Funds, the Asylum, Migration and Integration Fund and the Internal Security Fund.

⁶ COM(2015) 15 final of 20.01.2015.

European Social Fund (ESF), the Cohesion Fund (CF) and the European Agricultural Fund for Rural Development (EAFRD); as late as May 2014 for the European Maritime and Fisheries Fund (EMFF), the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF). A range of Implementing Acts and Delegated Acts were subsequently adopted in the course of 2014 for each Fund.

- The Commission's strategy to launch informal dialogue on the programming documents for the European Structural and Investment Funds (ESIF) as from 2012 has achieved important results. The adoption of the Partnership Agreements with the Member States took about four months less than in the previous programming period.
- Nevertheless, 300 programmes (47 %) could not be adopted in 2014 or benefit from the procedure for carry-over of appropriations under Article 13 of the Financial Regulation⁷.

With the proposed amendment to the MFF Council Regulation, the unused 2014 allocations will be transferred to subsequent years through a revision of the ceiling for commitments of the various headings. Based on this adjustment of the ceiling, the present DAB requests the necessary commitment appropriations as far as Budget 2015 is concerned.

3. REQUESTS BY MFF HEADING AND PROGRAMMES

The Commission proposes to transfer the bulk of the allocations not used in 2014 to year 2015 in order to keep the pace of investment for growth and jobs, minimise the differences of treatment with programmes adopted in 2014 and ensure equal treatment with programmes whose commitment tranche is carried-over in accordance with Article 13 of the Financial Regulation. The specific amounts to be transferred to 2015 are detailed by budget line in the tables below:

3.1 Sub-heading 1b – Economic, Social and Territorial Cohesion

The Commission proposes to reprogramme all the allocation not used in 2014 for Economic, Social and Territorial Cohesion in 2015, with the only exception of sub-heading 1b contribution to the Instrument for Pre-accession Assistance (IPA) and the Neighbourhood Instrument (ENI), that will be re-budgeted in 2017. The set-up of these programmes, none of which was adopted in 2014, is more complex and takes longer due to their specific character involving Member States and candidate or neighbouring countries. The corresponding increase in commitment appropriations in 2015 is EUR 11 172,7 million.

⁷

OJ L 298, 26.10.2012, p. 1.

Budget Line	Heading	Commitments (EUR)
04 02 60	European Social Fund – Less developed regions – Investment for growth and jobs goal	880 469 359
04 02 61	European Social Fund – Transition regions – Investment for growth and jobs goal	386 650 377
04 02 62	European Social Fund – More developed regions – Investment for growth and jobs goal	498 837 153
04 02 64	Youth Employment Initiative	97 409 219
13 03 60	European Regional Development Fund (ERDF) – Less developed regions – Investment for growth and jobs goal	5 089 205 825
13 03 61	European Regional Development Fund (ERDF) – Transition regions – Investment for growth and jobs goal	1 179 062 699
13 03 62	European Regional Development Fund (ERDF) – More developed regions – Investment for growth and jobs goal	839 297 478
13 03 63	European Regional Development Fund (ERDF) – Additional allocation for outermost and sparsely populated regions – Investment for growth and jobs goal	65 119 389
13 03 64 01	European Regional Development Fund (ERDF) – European territorial cooperation	309 951 374
13 04 60	Cohesion Fund – Investment for growth and jobs goal	1 826 702 791
Total		11 172 705 664

3.2 Heading 2 – Sustainable Growth: Natural Resources

For Rural Development, the Commission proposes to transfer the allocations not used in 2014 to 2015 and 2016. The partial transfer to 2016 is justified by the following reasons:

- The regulatory framework providing the essential elements necessary to Member States for the preparation of their Rural Development programmes⁸ was completed only in the second half of 2014. Furthermore, the latest regulation amending the basic act following Member States' decisions to transfer amounts between direct aids and rural development⁹, and thereby impacting the programming, came into force only at the end of December 2014.
- A significant share (around 50 %) of measures with an annual character in the programmes have, in most cases, been charged in 2014 on commitments of the programmes 2007-2013, in accordance with the transitional rules¹⁰. This does not make it possible to absorb the full 2014 unused commitments in 2015 only.

⁸ Commission Implementing Regulation (EU) No 808/2014 of 17 July 2014 laying down rules for the application of Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (OJ L 227, 31.7.2014, p.18).

⁹ Commission Delegated Regulation (EU) No 1378/2014 of 17.10.2014 amending Annex I to Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Annexes II and III to Regulation (EU) No 1307/2013 of the European Parliament and of the Council (OJ L 367, 23.12.2014, p.16).

¹⁰ Regulation (EU) No 1310/2013 of the European Parliament and of the Council of 17 December 2013 laying down certain transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), amending Regulation (EU) No 1305/2013 of the European Parliament and of the Council as regards resources and their distribution in respect of the year 2014 and amending Council Regulation

- As opposed to the other ESI Funds, programmes financed from the EAFRD will not benefit from annual pre-financing, resulting in a higher amount of interim payments to be claimed within the decommitment deadlines.

The corresponding increase in commitment appropriations in 2015 is EUR 5 093.4 million.

Budget Line	Heading	Commitments (EUR)
05 04 60 01	Promoting sustainable rural development, a more territorially and environmentally balanced, climate-friendly and innovative Union agricultural sector	4 352 663 052
11 06 60	Promoting sustainable and competitive fisheries and aquaculture, balanced and inclusive territorial development of fisheries areas and fostering the implementation of the Common Fisheries Policy	740 724 593
Total		5 093 387 645

3.3 Heading 3 - Security and Citizenship

For the Asylum, Migration and Integration Fund (AMIF) and Internal Security Fund (ISF), the allocations not used in 2014 are proposed to be transferred to years 2015 to 2017 with a degressive profile due to the late adoption of the related basic acts and stricter decommitment rules than for the European Structural and Investment Funds. The corresponding increase in commitment appropriations in 2015 is EUR 210.3 million.

Budget Line	Heading	Commitments (EUR)
18 02 01	Internal Security Fund	
18 02 01 01	Support of border management and a common visa policy to facilitate legitimate travel	105 185 354
18 02 01 02	Prevention and fight against cross-border organised crime and better management of security related risks and crisis	35 887 770
18 03 01	Asylum, Migration and Integration Fund	
18 03 01 01	Strengthening and developing the Common European Asylum System and enhancing solidarity and responsibility sharing between the Member States	27 708 874
18 03 01 02	Supporting legal migration to the Union and promoting the effective integration of third-country nationals and enhancing fair and effective return strategies	41 563 311
Total		210 345 309

3.4 Heading 4 – Global Europe

In order to preserve the contributions from heading 4 to support the participation of (potential) candidate countries in the European Regional Development Fund (ERDF) – European territorial cooperation (ETC) transnational programmes and ensure a similar treatment with the unused 2014 Heading 1b contributions to ERDF-ETC, the Commission proposes to increase the commitment

(EC) No 73/2009 and Regulations (EU) No 1307/2013, (EU) No 1306/2013 and (EU) No 1308/2013 of the European Parliament and of the Council as regards their application in the year 2014 (OJ L 347, 20.12.2013, p. 865); and Commission Implementing Regulation (EU) No 335/2013 of 12 April 2013 amending Regulation (EC) No 1974/2006 laying down detailed rules for the application of Council Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (OJ L 105, 13.4.2013, p. 1).

appropriations of IPA II in 2015 with the amount of the corresponding commitment appropriations of IPA II – contribution to ERDF – ETC that were not used in 2014. As there is no re-programming foreseen for heading 4 in Article 19 of the MFF Regulation, the proposed increase in commitment appropriations will reduce the existing margin under heading 4, accordingly. The corresponding increase in commitment appropriations in 2015 is EUR 2,5 million.

Budget Line	Heading	Commitments (EUR)
13 03 64 02	Participation of candidate countries and potential candidates in ERDF ETC – Contribution from heading 4 (IPA II)	2 480 038
Total		2 480 038

4. SUMMARY TABLE BY MFF HEADING

Heading	Budget 2015 (incl. DAB 1/2015)		Draft Amending Budget 2/2015		Budget 2015 (incl. DABs 1 and 2/2015)	
	CA	PA	CA	PA	CA	PA
1. Smart and inclusive growth	66 781 974 020	66 922 960 910	11 172 705 664		77 954 679 684	66 922 960 910
<i>Of which under Flexibility Instrument</i>	83 285 595				83 285 595	
<i>Ceiling</i>	77 986 000 000				77 986 000 000	
<i>Margin</i>	11287 311 575				114 605 911	
1a Competitiveness for growth and jobs	17 551 688 425	15 798 230 894			17 551 688 425	15 798 230 894
<i>Ceiling</i>	17 666 000 000				17 666 000 000	
<i>Margin</i>	114 311 575				114 311 575	
1b Economic social and territorial cohesion	49 230 285 595	51 124 730 016	11 172 705 664		60 402 991 259	51 124 730 016
<i>Of which under Flexibility Instrument</i>	83 285 595				83 285 595	
<i>Ceiling</i>	60 320 000 000				60 320 000 000	
<i>Margin</i>	11173 000 000				297 336	
2. Sustainable growth: natural resources	58 808 572 540	55 998 594 804	5 093 387 645		63 901 960 185	55 998 594 804
<i>Ceiling</i>	64 692 000 000				64 692 000 000	
<i>Margin</i>	5 883 427 460				790 039 815	
Of which: European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments	43 455 780 762	43 447 624 585			43 455 780 762	43 447 624 585
<i>Sub-ceiling</i>	44 313 000 000				44 313 000 000	
<i>Net transfer between EAGF and EAFRD</i>	123 215 000				123 215 000	
<i>Margin</i>	734 004 238				734 004 238	
3. Security and citizenship	2 146 731 538	1 859 513 795	210 345 309		2 357 076 847	1 859 513 795
<i>Ceiling</i>	2 456 000 000				2 456 000 000	
<i>Margin</i>	309 268 462				98 923 153	
4. Global Europe	8 408 418 991	7 422 489 907	2 480 038		8 410 899 029	7 422 489 907
<i>Ceiling</i>	8 749 000 000				8 749 000 000	
<i>Margin</i>	340 581 009				338 100 971	
5. Administration	8 660 469 063	8 658 756 179			8 660 469 063	8 658 756 179
<i>Ceiling</i>	9 076 000 000				9 076 000 000	
<i>Margin</i>	415 530 937				415 530 937	
Of which: Administrative expenditure of the institutions	6 941 188 663	6 939 475 799			6 941 188 663	6 939 475 799
<i>Sub-ceiling</i>	7 351 000 000				7 351 000 000	
<i>Margin</i>	409 811 337				409 811 337	
6. Compensations						
<i>Ceiling</i>						
<i>Margin</i>						
Total	144 806 166 152	140 862 315 595	16 478 918 656		161 285 084 808	140 862 315 595
<i>Of which under Flexibility Instrument</i>	83 285 595	11 315 595			83 285 595	11 315 595
<i>Ceiling</i>	162 959 000 000	141 901 000 000			162 959 000 000	141 901 000 000
<i>Margin</i>	18 236 119 443	1 050 000 000			1 757 200 787	1 050 000 000
Other special Instruments	515 365 000	351 724 968			515 365 000	351 724 968
Grand Total	145 321 531 152	141 214 040 563	16 478 918 656		161 800 449 808	141 214 040 563