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COMMISSION

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COM(2017) 288 final

DRAFT AMENDING BUDGET No 3 TO THE GENERAL BUDGET 2017

Increasing the budgetary resources of the Youth Employment Initiative (YEI) to pursue the reduction of youth unemployment across the European Union and updating the staff establishment plans of the decentralised agency ACER and the joint undertaking SESAR2

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) 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[1], and in particular Article 41 thereof,

– the general budget of the European Union for the financial year 2017, as adopted on 1 December 2016[2],

– the amending budget No 1/2017[3], adopted on 5 April 2017,

– the draft amending budget No 2/2017[4], adopted on 12 April 2017,

The European Commission hereby presents draft amending budget No 3 to the 2017 budget to the European Parliament and to the Council.

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 51, 28.2.2017.
3 OJ L XXX, XX.XX.XXX.
4 COM(2017) 188 final.

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1. INTRODUCTION

The purpose of Draft Amending Budget (DAB) No 3 for the year 2017 is twofold:

- The provision of EUR 500 million of additional commitment appropriations to the Youth Employment Initiative (YEI) as agreed by the European Parliament and the Council in their agreement on the budget 2017. No reinforcement in payment appropriations is proposed.

- An amendment of the establishment plans of the decentralised agency ACER and the joint undertaking SESAR2, without incurring any changes to the overall budget or the total number of posts.

2. REINFORCEMENT OF THE YOUTH EMPLOYMENT INITIATIVE (YEI)

2.1 Context of the reinforcement

The creation of the Youth Employment Initiative (YEI) was agreed in 2013 as a response to the exceptionally high youth unemployment levels across the EU with a dedicated allocation of EUR 3,2 billion[5] in current prices to provide direct targeted support to young people not in employment, education, or training residing in regions with youth unemployment rates higher than 25% in 2012. In order to speed up implementation, the full allocation in terms of commitments under the 2014-20 period was frontloaded to 2014 and 2015.

Despite initial delays, the structures for implementing the YEI are now in place. First evaluations[6] point to significantly improved opportunities for young people who received support from the initiative in finding employment or continuing their studies afterwards.

Youth unemployment rates have decreased in most Member States in comparison to the reference year of 2012 but they are still above 2008 (pre financial crisis) levels. This situation calls for continued efforts and support at EU level which is why the European Parliament and the Council in their agreement on the budget 2017[7] 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 in article 6 of the MFF Regulation*[8] *is adopted."*

The technical adjustement having now been adopted[9], the Commission proposes to amend the budget 2017 to reflect the above-mentioned agreement of the European Parliament and Council.

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5 Matched by EUR 3,2 billion from the European Social Fund.

6 Communication from the Commission to the European Parliament, the European Council, the Council, the European economic and social committee and the Committee of the Regions "The Youth Guarantee and Youth Employment Initiative three years on" COM(2016) 646 final, 8.10.2016.

7 European Parliament legislative resolution of 1 December 2016 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 (14635/2016 – C8-0470/2016 – 2016/2047(BUD)).

8 Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020.

9 COM(2017) 220 final, 24.5.2017.

2.2 Financing

In line with Article 14 of the MFF Regulation, the reinforcement in commitment appropriations of the YEI will be financed from the Global Margin for Commitments (GMC).

The Commission considers that this reinforcement will not translate into additional payment needs in 2017. Before any payments on the reinforcement can be made, all relevant operational programmes have to be amended. This process is expected to be completed in the second half of 2017, which is after the legal deadline for paying the 2017 annual pre-financing as stipulated in the Common Provisions Regulation (EU) No 1303/2013[10]. Furthermore, it is not expected that the additional commitments will translate into interim payment claims being submitted in 2017.

3. UPDATE OF THE STAFF ESTABLISHMENT PLANS OF THE DECENTRALISED AGENCY ACER AND THE JOINT UNDERTAKING SESAR2

3.1 Agency for the Cooperation of Energy Regulators (ACER)

Taking into account the rules on the establishment plans for staff set out in Article 50 of the Financial Regulation[11], it is proposed to amend the 2017 establishment plan of the Agency for the Cooperation of Energy Regulators (ACER), while the total number of posts will remain unchanged. This amendment is necessary to fulfil the requirements for the 2017 reclassification exercise in ACER, where a misalignment has occurred between the establishment plan and the necessary grades. This can be financed within ACER's budget for this year. Consequently, a reinforcement of the EU contribution to the agency is not required.

The updated establishment plan is set out in the budgetary annex.

3.2 Single European Sky Air Traffic Management Research (SESAR2)

The Single European Sky Air Traffic Management (ATM) Research Joint Undertaking (SESAR2) is the Union's ATM modernisation project and a key component of the Single European Sky policy and of the Aviation Strategy for Europe. The proposed amendment of the 2017 establishment plan of SESAR2 is necessary in order to allow for the reclassification of its Executive Director (from AD14 to AD15) upon mandate renewal (1 April 2017) following the favourable evaluation by the Administrative Board of the Joint Undertaking and the Commission. Moreover, a misalignment has occurred between the establishment plan of SESAR2 and the grades.

The overall budget and the total number of posts remains unchanged. The reclassification of the AD15 post is *ad personam* and will expire at the end of the mandate of the current Executive Director.

The updated establishment plan is set out in the budgetary annex.

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[10] OJ L 347, 20.12.2013, p.320. In accordance with Article 134 (2), annual pre-financing shall be paid before 1 July of the corresponding year.

[11] OJ L 362, 31.12.2012.

4. SUMMARY TABLE BY MFF HEADING

Heading	Budget 2017 (incl. AB 1 & DAB 2/2017)		Draft Amending Budget 3/2017		Budget 2017 (incl. AB 1, DAB 2&3/2017)	
	CA	PA	CA	PA	CA	PA
1. Smart and inclusive growth	**74 898 754 456**	**56 521 763 545**	**500 000 000**		**75 398 754 456**	**56 521 763 545**
Of which under global margin for commitments	*1 439 100 000*		*500 000 000*		*1 939 100 000*	
Ceiling	*73 512 000 000*				*73 512 000 000*	
Margin	*52 345 544*				*52 345 544*	
1a Competitiveness for growth and jobs	21 312 155 821	19 320 944 503			21 312 155 821	19 320 944 503
Of which under global margin for commitments	1 439 100 000				1 439 100 000	
Ceiling	*19 925 000 000*				*19 925 000 000*	
Margin	*51 944 179*				*51 944 179*	
1b Economic social and territorial cohesion	53 586 598 635	37 200 819 042	500 000 000		54 086 598 635	37 200 819 042
Of which under global margin for commitments			*500 000 000*		*500 000 000*	
Ceiling	*53 587 000 000*				*53 587 000 000*	
Margin	*401 365*				*401 365*	
2. Sustainable growth: natural resources	**58 584 443 884**	**54 913 969 537**			**58 584 443 884**	**54 913 969 537**
Ceiling	*60 191 000 000*				*60 191 000 000*	
Of which offset against Contingency margin	*- 575 000 000*				*- 575 000 000*	
Margin	*1 031 556 116*				*1 031 556 116*	
Of which: European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments	42 612 572 079	42 562 967 974			42 612 572 079	42 562 967 974
Sub-ceiling	*44 146 000 000*				*44 146 000 000*	
Net transfer between EAGF and EAFRD	*318 000*				*318 000*	
EAGF Margin	*1 533 109 921*				*1 533 109 921*	
3. Security and citizenship	**4 284 030 960**	**3 786 957 287**			**4 284 030 960**	**3 786 957 287**
Of which under Flexibility Instrument	*530 000 000*				*530 000 000*	
Of which under Contingency margin	*1 176 030 960*				*1 176 030 960*	
Ceiling	*2 578 000 000*				*2 578 000 000*	
Margin						
4. Global Europe	**10 162 120 000**	**9 483 081 178**			**10 162 120 000**	**9 483 081 178**
Of which under Contingency margin	*730 120 000*				*730 120 000*	
Ceiling	*9 432 000 000*				*9 432 000 000*	
Margin						
5. Administration	**9 394 513 816**	**9 394 599 816**			**9 394 513 816**	**9 394 599 816**
Ceiling	*9 918 000 000*				*9 918 000 000*	
Of which offset against Contingency margin	*- 507 268 804*				*- 507 268 804*	
Margin	*16 217 380*				*16 217 380*	
Of which: Administrative expenditure of the institutions	7 418 902 660	7 418 988 660			7 418 902 660	7 418 988 660
Sub-ceiling	*8 007 000 000*				*8 007 000 000*	
Of which offset against Contingency margin	- 507 268 804				- 507 268 804	
Margin	*80 828 536*				*80 828 536*	
Negative reserve		**- 70 402 434**				**- 70 402 434**
Total	**157 323 863 116**	**134 029 968 929**	**500 000 000**		**157 823 863 116**	**134 029 968 929**
Of which under Flexibility Instrument	***530 000 000***	***981 093 985***			***530 000 000***	***981 093 985***
Of which under global margin for commitments	***1 439 100 000***		***500 000 000***		***1 939 100 000***	
Of which under Contingency margin	***1 906 150 960***				***1 906 150 960***	
Ceiling	***155 631 000 000***	***142 906 000 000***			***155 631 000 000***	***142 906 000 000***
Of which offset against Contingency margin	***-1 082 268 804***				***-1 082 268 804***	
Margin	***1 100 119 040***	***9 857 125 056***			***1 100 119 040***	***9 857 125 056***
Other special Instruments	**604 326 434**	**460 402 434**			**604 326 434**	**460 402 434**
Grand Total	**157 928 189 550**	**134 490 371 363**	**500 000 000**		**158 428 189 550**	**134 490 371 363**