EUROPEAN
COMMISSION

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DRAFT AMENDING BUDGET No 3
TO THE GENERAL BUDGET 2020

ENTERING THE SURPLUS OF THE FINANCIAL YEAR 2019

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 2020, as adopted on 27 November 2019[2],

– draft amending budget No°1/2020[3], adopted on 27 March 2020,

– draft amending budget No°2/2020[4], adopted on 2 April 2020,

The European Commission hereby presents to the European Parliament and to the Council Draft Amending Budget No 3 to the 2020 budget.

CHANGES TO THE STATEMENT OF REVENUE AND EXPENDITURE BY SECTION

The changes to the general statement of revenue are available on EUR-Lex (https://eur-lex.europa.eu/budget/www/index-en.htm).

1 OJ L 193, 30.7.2018.
2 OJ L 57, 27.2.2020.
3 COM(2020) 145, 27.3.2020.
4 COM(2020) 170, 2.4.2020.

EXPLANATORY MEMORANDUM

Draft Amending Budget (DAB) No 3/2019 is intended to enter in the 2020 budget the surplus resulting from the implementation of the budget year 2019. As provided for in Article 18 § 3 of the Financial Regulation applicable to the general budget of the Union[5], the surplus is the only subject of this DAB, which has to be submitted within 15 days of the submission of the provisional accounts at the end of March 2020.

1. The implementation of the budget year 2019 shows a surplus of EUR 3 218 373 955, which is therefore entered as revenue in the 2020 budget.

(in EUR)

Outturn breakdown 2019	
Surplus Revenue	**2 414 771 516**
Surplus Expenditure	**803 602 438**
Total surplus	**3 218 373 955**

2. Budgeting the surplus will reduce accordingly the total contribution of the 27 Member States and the UK[6] to the financing of the 2020 budget.

3. The table below presents a breakdown of the outturn for 2019 in terms of the implementation of revenue:

(in EUR)

Outturn breakdown 2019	**Budget (includ. AB1-3)**	**Outturn**	**Variation**
Sub-total Revenue	**148 492 491 538**	**150 907 263 054**	**2 414 771 516**
— Title 1 - Own resources	144 795 111 073	144 765 627 471	-29 483 602
Levies and other duties in the sugar sector	*0*	*-824 270*	*-824 270*
Custom duties	*21 471 164 786*	*21 365 365 626*	*-105 799 160*
Own resources accruing from VAT	*17 738 667 150*	*17 774 862 637*	*36 195 487*
Own resources based on GNI	*105 585 279 137*	*105 700 206 516*	*114 927 379*
Correction of budgetary imbalances granted to UK	*0*	*-80 874 689*	*-80 874 689*
Gross reduction in the annual GNI-based contribution granted to some MS	*0*	*6 891 651*	*6 891 651*
— Title 3 - Surpluses, balances and adjustments	1 802 988 329	1 804 821 556	1 833 227
— Title 4 - Persons working with the Institutions	1 606 517 342	1 575 505 411	-31 011 931
— Title 5 - Administrative operation of the institutions	25 050 050	22 616 366	-2 433 684
— Title 6 - Refunds in connection with Union agreements and programmes	130 000 000	102 279 350	-27 720 650
— Title 7 - Interests on late payments and fines	115 000 000	2 625 458 174	2 510 458 174
— Title 8 - Borrowing and lending operations	2 823 744	3 111 199	287 455
— Title 9 - Miscellaneous	15 001 000	7 843 527	-7 157 473

4. The differences in Title 1 (Own Resources) represent 0,02 % of the forecast. They mainly consist of -EUR 107 million lower revenue from traditional own resources (99,5 % of the forecast has been collected) and EUR 77 million higher revenue from exchange rate (as own resources are paid in national currency but budgeted and accounted for in euro). In Title 3 *(Surpluses, balances and adjustments)*, linked to the adjustments of own resources, the difference is limited to EUR 1,8 million.

5 OJ L 193, 30.7.2018, p. 1.

6 The Draft Amending Budget will also result in a decrease of the contribution of the United Kingdom in accordance with Articles 126 and 135(1) of the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (OJ L 29, 31.1.2020, p. 7).

5. The largest difference (EUR 2 510 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 2019 in terms of budget implementation of expenditure for all institutions:

(in EUR)

Outturn breakdown 2019	Budget (includ. AB1-3)	Outturn	Variation
Sub-total Expenditure	**148 492 491 538**	**147 688 889 100**	**-803 602 438**
Outturn appropriations authorised in the budget	**148 492 491 538**	**147 817 807 228**	**-674 684 310**
— European Commission	144 377 037 181	143 784 765 183	-592 271 998
Heading 1a - Competitiveness for growth and jobs	*20 261 398 070*	*20 231 004 880*	*-30 393 190*
Heading 1b - Economic, social and territorial cohesion	*47 561 482 793*	*47 559 522 299*	*-1 960 494*
Heading 2 - Sustainable growth: Natural resources	*57 836 518 964*	*57 827 120 612*	*-9 398 352*
Heading 3 - Security and Citizenship	*3 290 532 388*	*3 161 760 749*	*-128 771 639*
Heading 4 - Global Europe	*8 952 616 966*	*8 946 611 596*	*-6 005 370*
Heading 5 - Administration	*5 827 041 386*	*5 763 345 126*	*-63 696 260*
Other special instruments	*647 446 615*	*295 399 920*	*-352 046 694*
— Other Institutions	4 115 454 357	4 033 042 045	-82 412 312
European Parliament	*1 996 978 262*	*1 973 232 524*	*-23 745 738*
Council & European Council	*581 895 459*	*536 999 597*	*-44 895 862*
Court of Justice of the European Union	*429 468 936*	*423 900 255*	*-5 568 681*
European Court of Auditors	*146 890 518*	*144 314 828*	*-2 575 690*
European Economic & Social Committee	*138 502 768*	*135 923 436*	*-2 579 332*
Committee of the Regions	*98 751 065*	*98 362 401*	*-388 664*
European Ombudsman	*11 496 261*	*10 614 755*	*-881 506*
European Data Protection Supervisor	*16 638 572*	*15 301 687*	*-1 336 885*
European External Action Service	*694 832 516*	*694 392 562*	*-439 954*
Cancellation of appropriations carried over from previous years	**0**	**-125 294 786**	**-125 294 786**
— European Commission	0	-86 283 393	-86 283 393
— Other Institutions	0	-39 011 393	-39 011 393
Exchange rate variations on expenditure	**0**	**-3 623 342**	**-3 623 342**

7. The Commission implemented 99,6 % of the authorised payment appropriations. The amount not implemented was EUR 592,3 million, of which EUR 351,5 million of the Emergency Aid Reserve and EUR 94,5 million in reserve under heading 3 *Security and Citizenship*.

8. The under-implementation of the other institutions of EUR 82 million is slightly higher than in 2018 (EUR 76 million) but lower than in 2017 and 2016 (EUR 83 million and EUR 103 million, respectively).