EUROPEAN
COMMISSION

Brussels, 13.4.2018
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DRAFT AMENDING BUDGET N° 2 TO THE GENERAL BUDGET 2018

ENTERING THE SURPLUS OF THE FINANCIAL YEAR 2017

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 Union[1], and in particular Articles 18(3) and 41 thereof,

– the general budget of the European Union for the financial year 2018, as adopted on 30 November 2017[2],

– the draft amending budget No°1/2018[3], adopted on 22 February 2018,

The European Commission hereby presents to the European Parliament and to the Council the Draft Amending Budget No 2 to the 2018 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 57, 28.2.2018, p. 1.
3 COM(2018) 155

EXPLANATORY MEMORANDUM

Draft Amending Budget (DAB) No 2/2018 is intended to enter in the 2018 budget the surplus resulting from the implementation of the budget year 2017. As provided for in Article 18 § 3 of the Financial Regulation applicable to the general budget of the Union[4], the surplus is the only subject of this DAB and it has to be submitted within 15 days following the submission of the provisional accounts at end of March 2018.

1. The implementation of the budget year 2017 shows a surplus of EUR 555 542 325, which is therefore entered as revenue in the 2018 budget.

(in EUR)

Outturn breakdown 2017	
Surplus Revenue	**338 578 242**
Surplus Expenditure	**216 964 083**
Total surplus	**555 542 325**

2. The budgeting of the surplus will diminish accordingly the global contribution of the Member States to the financing of the 2018 budget. The contributions by Member States will also be influenced by the updated own resources forecast (Traditional Own Resources (TOR), Value Added Tax (VAT) and Gross National Income (GNI)) including the updated amount of the UK correction which will be available after the Advisory Committee on Own Resources meeting in May 2018 and included in a subsequent Draft Amending Budget.

3. The table below presents a breakdown of the outturn for 2017 in terms of the implementation of revenue:

(in EUR)

Outturn breakdown 2017	**Budget (includ. AB1-6)**	**Outturn**	**Variation**
Sub-total Revenue	**126 770 711 153**	**127 109 289 395**	**338 578 242**
— Title 1 - Own resources	115 483 788 464	115 415 936 798	-67 851 666
Levies and other duties in the sugar sector	*133 300 000*	*133 705 778*	*405 778*
Custom duties	*20 374 000 000*	*20 325 353 382*	*-48 646 618*
Own resources accruing from VAT	*16 620 148 350*	*16 584 027 142*	*-36 121 208*
Own resources based on GNI	*78 356 340 114*	*78 279 403 346*	*-76 936 768*
Correction of budgetary imbalances granted to UK	*0*	*93 838 118*	*93 838 118*
Gross reduction in the annual GNI-based contribution granted to some Member States	*0*	*-390 968*	*-390 968*
— Title 3 - Surpluses, balances and adjustments	6 404 529 791	6 416 271 649	11 741 858
— Title 4 - Persons working with the Institutions	1 490 262 072	1 485 257 588	-5 004 484
— Title 5 - Administrative operation of the institutions	70 200 866	26 114 195	-44 086 671
— Title 6 - Refunds in connection with Union agreements and programmes	60 000 000	157 090 216	97 090 216
— Title 7 - Default interest and fines	3 230 000 000	3 572 609 579	342 609 579
— Title 8 - Borrowing and lending operations	6 928 960	28 396 476	21 467 516
— Title 9 - Miscellaneous	25 001 000	7 612 894	-17 388 106

4. The differences in Title 1 (*Own Resources*) represent 0,06 % of the forecast. They consist of EUR 48 million lower revenue from traditional own resources (99,8 % of the forecast has been collected) and EUR 20 million from exchange rate fluctuations (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 11 million.

[4] OJ L 298, 26.10.2012, p. 1.

5. The largest difference (EUR 343 million) is found in Title 7 *(Default interest and fines)*. The outturn is composed of EUR 3 273 million of competition fines and EUR 300 million linked to default interest, other penalty payments and interest linked to fines and penalty payments.

6. The table below presents a breakdown of the outturn for 2017 in terms of budget implementation of expenditure for all Institutions:

(in EUR)

Outturn breakdown 2017	Budget (includ. AB1-6)	Outturn	Variation
Sub-total Expenditure	**126 770 711 153**	**126 553 747 069**	**-216 964 083**
Outturn appropriations authorised in the budget	**126 770 711 153**	**126 486 573 860**	**-284 137 292**
— European Commission	122 849 648 693	122 648 159 028	-201 489 665
Heading 1a - Competitiveness for growth and jobs	*20 064 937 314*	*20 053 126 487*	*-11 810 827*
Heading 1b - Economic, social and territorial cohesion	*29 775 078 105*	*29 766 215 736*	*-8 862 370*
Heading 2 - Sustainable growth: Natural resources	*54 467 015 484*	*54 450 165 619*	*-16 849 864*
Heading 3 - Security and Citizenship	*2 793 205 540*	*2 782 591 803*	*-10 613 736*
Heading 4 - Global Europe	*8 937 589 174*	*8 925 596 636*	*-11 992 537*
Heading 5 - Administration	*5 471 071 063*	*5 428 991 135*	*-42 079 928*
Other special instruments	*1 340 752 013*	*1 241 471 611*	*-99 280 402*
— Other Institutions	3 921 062 460	3 838 414 833	-82 647 627
European Parliament	*1 909 590 000*	*1 889 574 057*	*-20 015 943*
Council & European Council	*561 576 000*	*517 762 473*	*-43 813 527*
Court of Justice of the European Union	*399 344 000*	*394 095 585*	*-5 248 415*
European Court of Auditors	*141 240 000*	*138 039 689*	*-3 200 311*
European Economic & Social Committee	*133 807 338*	*129 096 473*	*-4 710 865*
Committee of the Regions	*93 294 946*	*91 463 960*	*-1 830 986*
European Ombudsman	*10 905 441*	*10 241 301*	*-664 140*
European Data Protection Supervisor	*11 324 735*	*10 075 534*	*-1 249 201*
European External Action Service	*659 980 000*	*658 065 760*	*-1 914 240*
Cancellation of appropriations carried over from previous years	**0**	**-99 258 260**	**-99 258 260**
— European Commission	0	-53 513 927	-53 513 927
— Other Institutions	0	-45 744 333	-45 744 333
Exchange rate variations on expenditure	**0**	**166 431 469**	**166 431 469**

7. The implementation by the Commission reached 99,9 % of the authorised payment appropriations. The amount not implemented was EUR 201 million, of which EUR 99 million of the Emergency Aid Reserve.

8. The under-implementation of the other institutions of EUR 83 million was lower than in previous two years (EUR 103 million in 2016 and EUR 94 million in 2015).