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DRAFT AMENDING BUDGET N° 6 TO THE GENERAL BUDGET 2014

GENERAL STATEMENT OF REVENUE

STATEMENT OF EXPENDITURE BY SECTION
Section III – Commission
Section VIII – European Ombudsman

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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 Article 41 thereof,

– the Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020[2], and in particular Article 13 thereof,

– the general budget of the European Union for the financial year 2014 adopted on 20 November 2013[3],

– the amending budget No 1/2014[4], adopted on 16 April 2014,

– the draft amending budget No 2/2014[5], adopted on 15 April 2014,

– the draft amending budget No 3/2014[6], adopted on 28 May 2014,

– the draft amending budget No 4/2014[7], adopted on 9 July 2014, as amended on 16 October 2014[8],

– the draft amending budget No 5/2014[9], adopted on 8 September 2014,

The European Commission hereby presents to the budgetary authority the draft amending budget No 6 to the 2014 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 347, 20.12.2013, p. 884.
3 OJ L 51, 20.2.2014, p. 1.
4 OJ L 204, 10.7.2014, p.1.
5 COM(2014) 234, 15.4.2014.
6 COM(2014) 329, 28.5.2014.
7 COM(2014) 461, 9.7.2014.
8 COM(2014) 641, 16.10.2014.
9 COM(2014) 564, 8.9.2014.

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1. INTRODUCTION

Draft Amending Budget (DAB) No 6 for the year 2014 concerns the following:

– A revision of the forecast of Traditional Own Resources (customs duties), VAT and GNI own resources balances.

– A reduction in the budgetary appropriations related to the European Maritime and Fisheries Fund and the reserve for Sustainable Fisheries Partnership Agreements, for a total amount of EUR 76,3 million in commitment appropriations and EUR 6,2 million in payment appropriations. It is proposed to redeploy the related payment appropriations to the Emergency Aid Reserve.

– An increase in the budgetary appropriations, both commitments and payments of EUR 93 500 for the European Ombudsman, in order to ensure that all salary remunerations due in 2014 can be paid by the end of the year.

The overall impact in terms of expenditure, is a decrease of EUR 76,2 million commitment appropriations, and an increase of EUR 93 500 for payment appropriations.

The overall impact in terms of revenue, is a decrease in the requirements for Own Resources of EUR 9 527,7 million. In addition, the distribution by Member State is adjusted.

2. OWN RESOURCES

In accordance with Article 16 of Council Regulation (EC, Euratom) No 1150/2000 of 22 May 2000[10], the Commission has revised the forecasts for own resources. This refers in particular to traditional own resources and to VAT (value added tax) and GNI (gross national income) balances.

2.1. Traditional Own Resources

The Commission proposes to increase Traditional Own Resources (TOR) by EUR 420 million in chapter 12 of revenue to reflect the trend in custom duties made available to the budget up to now. If new data for the last quarter of the year implies significant changes to this estimation, the Commission might revise its figures in the course of the budgetary procedure.

2.2. VAT and GNI own resources balances

As far as the VAT and GNI own resources balances of previous years are concerned, and on the basis of the available information, the Commission proposes to enter a negative amount of EUR 285 million for the VAT balances and a positive amount of EUR 9 813 million for the GNI balances, having a global impact of EUR 9 528 million, which reduces the Member States' GNI contributions accordingly[11]. This positive amount relates to chapters 31[12] and 32[13] of the revenue side of the budget. The amount for the GNI balances is exceptionally high due to the work carried out by Member States to ensure that existing GNI reservations can be lifted in addition to the major revisions of GNI data made by some of them.

At this stage the calculations for Member States' balances are still provisional because of the on-going verification of VAT and GNI data. This may lead the Commission to revise the figures in the course of the procedure for this DAB.

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10 OJ L 130, 31.5.2000, p. 1.

11 The budgeting of this amount is intended to counterbalance the financial impact for the Member States for the VAT and GNI balances they have to make available on the first working day of December 2014.

12 Balances and adjustment of balances based on VAT for the previous financial years resulting from application of article 10(4), (5) and (8) of Regulation (EC, EURATOM) No 1150/2000.

13 Balances and adjustment of balances based on gross national income/product for the previous financial years as a result of the application of article 10(6) to (8) of Regulation (EC, EURATOM) No 1150/2000.

2.3. GNI own resources contributions

Taking into account the revised forecasts for traditional own resources, VAT and GNI balances as set out above, the resulting overall impact on Member States' GNI contributions of this DAB 6/2014 is a decrease of EUR 9 947,7million.

Member State	Draft amending budget No. 5/2014	Draft amending budget No. 6/2014	New amount
Belgium	2 920 454 359	- 289 405 330	2 631 049 029
Bulgaria	297 197 481	- 29 451 080	267 746 401
Czech Republic	1 010 207 025	- 100 107 470	910 099 555
Denmark	1 974 528 487	- 195 667 864	1 778 860 623
Germany	21 577 311 887	-2 138 225 185	19 439 086 702
Estonia	138 414 059	- 13 716 279	124 697 780
Ireland	1 067 000 044	- 105 735 430	961 264 614
Greece	1 338 133 757	- 132 603 695	1 205 530 062
Spain	7 650 473 560	- 758 131 287	6 892 342 273
France	15 929 748 815	-1 578 574 303	14 351 174 512
Croatia	314 195 881	- 31 135 553	283 060 328
Italy	11 727 836 170	-1 162 181 591	10 565 654 579
Cyprus	114 142 533	- 11 311 068	102 831 465
Latvia	183 133 065	- 18 147 753	164 985 312
Lithuania	259 834 181	- 25 748 526	234 085 655
Luxembourg	241 820 995	- 23 963 492	217 857 503
Hungary	728 746 903	- 72 215 899	656 531 004
Malta	52 399 087	- 5 192 539	47 206 548
Netherlands	4 649 296 143	- 460 726 626	4 188 569 517
Austria	2 393 635 627	- 237 199 703	2 156 435 924
Poland	2 925 159 273	- 289 871 568	2 635 287 705
Portugal	1 231 673 537	- 122 053 914	1 109 619 623
Romania	1 074 854 216	- 106 513 748	968 340 468
Slovenia	262 105 545	- 25 973 610	236 131 935
Slovakia	539 994 575	- 53 511 300	486 483 275
Finland	1 475 419 202	- 146 208 133	1 329 211 069
Sweden	3 258 647 238	- 322 918 889	2 935 728 349
United Kingdom	15 047 915 871	-1 491 188 191	13 556 727 680
Article 1 4 0 — Total	100 384 279 516	-9 947 680 026	90 436 599 490

3. CHANGES IN COMMITMENT AND PAYMENT APPROPRIATIONS (SECTION III)

3.1. European Maritime and Fisheries Fund (Heading 2)

Due to the late adoption of the legal basis for the European Maritime and Fisheries Fund, a number of actions that were planned will not take place as expected in 2014.

The budget for the administrative and support expenditure (budget item 11 01 04 01), intially proposed on the basis of a full year, will not be spent in its entirity. Similarly, the contribution to the executive agency for Small-and Medium-sized Entreprises (budget item 11 01 06 01), that will receive the delegation for managing part of the programme, can be reduced, as recruitments will be made later than originally planned. Both budget lines concern non-differentiated expenditure, with the corresponding EUR 1,6 million becoming available in commitment and payment appropriations.

The late adoption of the legal basis has also delayed the implementation of operational expenditure of the European Maritime and Fisheries Fund (EMFF) under direct management. A EUR 2,8 million reduction in commitment appropriations is proposed for *Governance and Communication* (budget item 11 06 62 04), as communication actions have been delayed and four advisory councils will not yet be operational by the end of 2014. A reduction (EUR 0,9 million) can also be made in commitments for *Scientific advice and knowledge* (budget item 11 06 62 01).

The following table summarises the effect of DAB 6/2014 on the corresponding budget lines:

(in EUR)

	Budget 2014		Draft Amending Budget No 6/2014		Budget 2014 (incl. DAB 6/2014)	
	Commitments	**Payments**	**Commitments**	**Payments**	**Commitments**	**Payments**
— Support expenditure for maritime affairs and fisheries – Non operational administrative and techncial assistance (11 01 04 01)	4 100 000	4 100 000	- 774 900	- 774 900	3 325 100	3 325 100
— Executive Agency for Small- and Medium-sized Entreprises – Contribution from the European Maritime and Fisheries Fund (EMFF) (11 01 06 01)	1 592 000	1 592 000	- 809 000	- 809 000	783 000	783 000
— Scientific advice and knowledge (11 06 62 01)	14 349 220	21 639 419	- 936 000		13 413 220	21 639 419
— Governance and Communication (11 06 62 04)	6 809 400	4 857 767	- 2 765 500		4 043 900	4 857 767
Total	**26 850 620**	**32 189 186**	**- 5 285 400**	**- 1 583 900**	**21 565 220**	**30 605 286**

3.2. Sustainable Fisheries Partnership Agreements (Heading 2)

After analysis of the status of negotiations linked to the Sustainable Fisheries Partnership Agreements and the evaluation of the possible dates of entry into force, in DAB 3/2014 the Commission had already identified an amount of EUR 65 million in payment appropriations that could be released from the corresponding reserve (40 02 41). Following an updated assessement, it now appears that a further EUR 4,6 million in payment appropriations can be released and are available for redeployment. This amount has not been included in the Global Transfer (DEC 31/2014), as amounts in reserve are not eligible for a transfer to another budget line. Reflecting the overall reduction in payments from the reserve line proposed in DAB 3/2014 and in this DAB 6/2014, the EUR 71 million in commitment approriations in the reserve can also be reduced.

(in million EUR,)

Sustainable fisheries partnership agreements	Budget 2014 (DAB 3 included)		Draft Amending Budget No 6/2014		Budget 2014 (incl. DAB 6/2014)	
	Commitments	**Payments**	**Commitments**	**Payments**	**Commitments**	**Payments**
Reserve (40 02 41)	115 342 000	47 342 000	-71 000 000	-4 567 000	44 342 000	42 775 000

3.3. Emergency Aid Reserve (Heading 4)

The Commission proposes to redeploy the EUR 6,2 million in payment appropriations identified in sections 3.1 and 3.2 above to the Emergency Aid Reserve, to help facing possible humanitarian crises till the end of the year.

(in million EUR,)

Emergency Aid Reserve	Budget 2014 (DAB 3 included)		Draft Amending Budget No 6/2014		Budget 2014 (incl. DAB 6/2014)	
	Commitments	**Payments**	**Commitments**	**Payments**	**Commitments**	**Payments**
Reserve (40 02 42)	297 000 000	150 000 000		6 150 900	297 000 000	156 150 900

4. EUROPEAN OMBUDSMAN (SECTION VIII)

In accordance with article 41(2) of the Financial Regulation, the European Ombudsman has requested a draft amending budget.

The authorised budget for 2014 did not make any provision for the salary adjustment as of 1 July 2012. However, the increase in salaries for 2012 that was finally decided in April 2014, including its retroactive effect as from 1 July 2012, resulted in additional expenditure amounting to EUR 193 800 as regards the remunerations to be paid by the European Ombudsman in 2014. This is a significant amount (+3 % of the authorised appropriations related to salary lines) for an institution with a comparatively small budget like the European Ombudsman, for which most expenditure is linked to contractual obligations.

The European Ombudsman has already made a determined effort to absorb as much of this additional expenditure as possible, in particular by reallocating funds foreseen for other purposes in the 2014 budget. A request for a transfer to cover over 50 % of the needs was approved by the Budgetary Authority in September. Nevertheless, without the increase of EUR 93 500 now requested for both

commitment and payment appropriations, the European Ombudsman will be unable to ensure that all remunerations due in 2014 can be paid before the end of the year.

5. SUMMARY TABLE BY MFF HEADING

Heading	Budget 2014 (incl. AB 1 and DAB 2-5/2014)		Draft Amending Budget 6/2014		Budget 2014 (incl. AB 1 and DAB 2-6/2014)	
	CA	PA	CA	PA	CA	PA
1. Smart and inclusive growth	**63 986 340 779**	**66 374 487 058**			**63 986 340 779**	**66 374 487 058**
Ceiling	*63 973 000 000*				*63 973 000 000*	
Margin	*75 989 221*				*75 989 221*	
1a Competitiveness for growth and jobs	16 484 010 779	12 028 322 326			16 484 010 779	12 028 322 326
Ceiling	*16 560 000 000*				*16 560 000 000*	
Margin	*75 989 221*				*75 989 221*	
1b Economic social and territorial cohesion	47 502 330 000	54 346 164 732			47 502 330 000	54 346 164 732
Ceiling	*47 413 000 000*				*47 413 000 000*	
Margin	*-89 330 000*				*-89 330 000*	
Flexibility Instrument	*89 330 000*				*89 330 000*	
Margin	0				*0*	
2. Sustainable growth: natural resources	**59 267 214 684**	**56 564 930 369**	**-76 285 400**	**-6 150 900**	**59 190 929 284**	**56 558 779 469**
Ceiling	*59 303 000 000*				*59 303 000 000*	
Margin	*35 785 316*				*112 070 716*	
Of which: European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments	43 778 100 000	43 776 956 403			43 778 100 000	43 776 956 403
Sub-ceiling	*44 130 000 000*				*44 130 000 000*	
Net transfer between EAGF and EAFRD	*351 900 000*				*351 900 000*	
Margin						
3. Security and citizenship	**2 171 998 732**	**1 677 039 976**			**2 171 998 732**	**1 677 039 976**
Ceiling	*2 179 000 000*				*2 179 000 000*	
Margin	*7 001 268*				*7 001 268*	
4. Global Europe	**8 325 000 000**	**6 842 004 256**			**8 325 000 000**	**6 842 004 256**
Ceiling	8 335 000 000				8 335 000 000	
Margin	*10 000 000*				*10 000 000*	
5. Administration	**8 404 517 081**	**8 405 389 881**	**93 500**	**93 500**	**8 404 610 581**	**8 405 483 381**
Ceiling	*8 721 000 000*				*8 721 000 000*	
Margin	*316 482 919*				*316 389 419*	
Of which: Administrative expenditure of the institutions	6 797 392 438	6 798 265 238	93 500	93 500	6 797 485 938	6 798 358 738
Sub-ceiling	*7 056 000 000*				*7 056 000 000*	
Margin	*258 607 562*				*258 514 062*	
6. Compensations	**28 600 000**	**28 600 000**			**28 600 000**	**28 600 000**
Ceiling	*29 000 000*				*29 000 000*	
Margin	*400 000*				*400 000*	
Total	**142 183 671 276**	**139 892 451 540**	**-76 191 900**	**-6 057 400**	**142 107 479 376**	**139 886 394 140**
Ceiling	***142 540 000 000***	***135 866 000 000***			***142 540 000 000***	***135 866 000 000***
Flexibility Instrument	***89 330 000***				***89 330 000***	
Contingency Margin		***4 026 700 000***				***4 026 700 000***
Margin	***445 658 724***	***248 460***			***521 850 624***	***6 305 860***
Special Instruments	**503 179 528**	**396 998 528**		**6 150 900**	**503 179 528**	**403 149 428**
Grand Total	**142 686 850 804**	**140 289 450 068**	**-76 191 900**	**93 500**	**142 610 658 904**	**140 289 543 568**