

Parliament's reading of the 2017 EU budget

On 26 October 2016, the European Parliament is due to decide whether and how to amend the Council's position on the 2017 draft EU budget put forward by the European Commission. The report prepared by the Committee on Budgets reverses all the cuts proposed by the Council in September and further increases allocations in a number of priority areas. In addition, the motion for a resolution puts the 2017 EU budget in the context of the revision of the Multiannual Financial Framework currently being discussed, looking at the broader challenges that the European Union is facing.

2017 budgetary procedure

On 30 June 2016, the **European Commission** [put forward](#) the draft EU budget for [2017](#), amounting to total commitments of €157.7 billion (+1.7 % on 2016) and total payments of €134.9 billion (-6.3 % on 2016). The Commission explained the lower level of proposed payments with the slow start in the implementation of cohesion programmes. In September 2016, the **Council** [adopted](#) its reading of the draft budget, proposing to reduce commitments to €156.4 billion and payments to €133.8 billion (-0.8 % on the draft budget for both). According to the Council, its proposed cuts are in areas where the Commission's figures over-estimate actual needs. The **European Parliament** (EP), the other arm of the budgetary authority, has 42 days from receiving the Council's communication on its reading to approve or amend it.

The report of the European Parliament's Committee on Budgets

Following consultation of all the relevant committees of the Parliament, the EP's **Committee on Budgets** (BUDG) has [tabled](#) its report on the Council's position (rapporteurs: Jens Geier, S&D, Germany; and Indrek Tarand, Greens/EFA, Estonia) for plenary. The text increases commitments to €161.8 billion (+2.6 % on the draft budget) and payments to €136.8 billion (+1.4 %). Criticising the Council's approach, the report reflects the EP's priorities for next year's EU budget (agreed in plenary in a March 2016 [resolution](#)), and for the second half of the 2014-2020 Multiannual Financial Framework or MFF (July 2016 [resolution](#)).

In addition to reversing all the cuts in the Council's reading, the BUDG Committee proposes to provide an extra €4.13 billion in commitments and €1.9 billion in payments on top of the Commission's initial figures. On the one hand, increases relate to funds for **youth, job creation and growth** (e.g. the Youth Employment Initiative, Erasmus+, the Employment and social innovation programme, the Horizon 2020 programme for research and development, and the Connecting Europe Facility for infrastructure projects). On the other, additional allocations are proposed for activities in the fields of **migration, asylum and security** (e.g. funds for agencies such as Europol, Eurojust and the European Asylum Support Office; resources addressed to third countries in the Mediterranean area under the European Neighbourhood Instrument; and allocations for humanitarian aid). A €0.6 billion pack of emergency measures in the **dairy sector** is also supported.

The report calls for the full deployment of **flexibility tools** and the best use of the **mid-term review/revision of the 2014-2020 MFF**, noting the high pressure that crises have continually put on the 'Security and citizenship' and 'Global Europe' headings. In 2013, already concerned that the MFF may have insufficient resources to address the EU's objectives, the EP [made](#) its consent conditional on a mid-term review/revision. The [proposal](#) tabled by the Commission in September 2016 does not modify overall resources, but increases flexibility provisions. The Commission also proposes to redeploy unused MFF margins to priority areas.

If the EP does not amend the Council's position or does not take a decision by 27 October, the 2017 EU budget is deemed to be adopted in the form of the Council's reading. However, this has never occurred in practice. In the case of amendments to the Council's reading (and of each institution maintaining its position), a 21-day conciliation procedure takes place (this year, up to 17 November). Should no agreement be reached between the EP and the Council by the end of the conciliation procedure, the European Commission is required to table a new draft budget.

