

## Amending budget No 3/2020: 2019 surplus

Draft Amending Budget No 3/2020 (DAB 3/2020) to the general budget 2020 enters the surplus resulting from implementation of the 2019 budget as revenue into the EU's 2020 budget. The 2019 surplus totals over €3.2 billion (as compared to €1.8 billion in 2018 and €0.56 billion in 2017). It consists mostly of higher than expected revenues, and underspending on the expenditure side. Inclusion of the surplus will reduce the gross national income contributions of Member States (including the United Kingdom) to the 2020 EU budget accordingly. The European Parliament is expected to vote on the Council position on DAB 3/2020 during its June plenary session.

### European Commission proposal

As required by [Article 18\(3\) in Chapter 3 \(Title II\) of the Financial Regulation](#), DAB 3/2020 deals solely with the surplus for the year 2019. The European Commission [proposed](#) it on 15 April 2020, within 15 days of submitting the provisional accounts at the end of March 2020. Implementation for the year 2019 showed a surplus of €3 218 million ([for comparison](#), the surplus was €1 803 million in 2018), which consists of additional revenue of €2 414 million (€1 274 million in 2018) and under-implementation of expenditure in the EU budget of €803 million (€528 million in 2018).

The out-turn breakdown for 2019 shows that the largest difference (€2 510 million) in revenue was generated by higher than expected income, mainly from fines for breaking EU competition law, default interest, other penalty payments and interest linked to fines and penalty payments. On the other hand, the revenue from own resources was within 0.02 % of the forecast. The difference consists mainly of -€107 million lower revenue from traditional own resources (99.5 % of the forecast was collected), and €77 million higher revenue from exchange rate variations.

The surplus on the expenditure side, meanwhile, includes under-implementation of the EU budget (€674.67 million), cancellation of appropriations carried over from previous years (€125 million), and exchange rate variations (€3.6 million). Budget implementation by the Commission reached 99.6 % of authorised payment appropriations. The amount not implemented was €592.3 million, of which €351.5 million of the Emergency Aid Reserve and €94.5 million in reserve under heading 3, 'Security and Citizenship', of the Multiannual Financial Framework (MFF).

Under-implementation by the other EU institutions amounted to €82 million (as compared to €76 million in 2018, €83 million in 2017 and €103 million in 2016).

### European Parliament position

Parliament's Committee on Budgets (BUDG) adopted its [report](#) on DAB 3/2020 on 28 May 2020, and recommended approval of the [Council position](#) on DAB 3/2020 (adopted on 6 May 2020). The report calls for available means and unused money in the Union budget, including the surplus, to be used to assist the regions and businesses most affected by the coronavirus pandemic. It calls on the Member States to devote the expected reductions in their gross national income (GNI)-based contributions stemming from the 2019 surplus entirely to the budgeting of Covid-19-related actions, preferably at Union level. Moreover the report considers that the Union budget should be enabled to reuse any revenue resulting from competition fines or linked to late payments without a corresponding decrease in GNI contributions. The report recalls the BUDG position in favour of increasing the proposed Union reserve (Global Margin for Commitments) in the next MFF by an amount equivalent to the revenue resulting from fines and penalties. Parliament is expected to vote on the proposal and endorse Council's position on DAB 3/2020 during the June plenary session.

Budgetary procedure: [2020/2061\(BUD\)](#); Committee responsible: BUDG; Rapporteur: Monika Hohlmeier (EPP, Germany).

