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## TEXTS ADOPTED

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### **P8\_TA(2016)0475**

#### **2017 budgetary procedure: joint text**

**European Parliament legislative resolution of 1 December 2016 on the joint text on the draft general budget of the European Union for the financial year 2017 approved by the Conciliation Committee under the budgetary procedure (14635/2016 – C8-0470/2016 – 2016/2047(BUD))**

*The European Parliament,*

- having regard to the joint text approved by the Conciliation Committee and the relevant Parliament, Council and Commission statements (14635/2016 – C8-0470/2016),
- having regard to the draft general budget of the European Union for the financial year 2017, which the Commission adopted on 18 July 2016 (COM(2016)0300),
- having regard to the position on the draft general budget of the European Union for the financial year 2017, which the Council adopted on 12 September 2016 and forwarded to Parliament on 14 September 2016 (11900/2016 – C8-0373/2016),
- having regard to Letter of amendment No 1/2017 to the draft general budget of the European Union for the financial year 2017, which the Commission presented on 17 October 2016,
- having regard to its resolution of 26 October 2016 on the Council position on the draft general budget of the European Union for the financial year 2017<sup>1</sup> and to the budget amendments contained therein,
- having regard to Article 314 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Council Decision 2014/335/EU, Euratom of 26 May 2014 on the system of own resources of the European Union<sup>2</sup>,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and

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<sup>1</sup> Texts adopted of that date, P8\_TA(2016)0411.

<sup>2</sup> OJ L 168, 7.6.2014, p. 105.

of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>1</sup>,

- having regard to Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020<sup>2</sup>,
  - having regard to the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management<sup>3</sup>,
  - having regard to Rule 90 and Rule 91 of its Rules of Procedure,
  - having regard to the report of its delegation to the Conciliation Committee (A8-0353/2016),
1. Approves the joint text agreed by the Conciliation Committee, which consists of the following documents taken together:
    - list of budget lines not modified, compared to the draft budget or the Council's position;
    - summary figures by financial framework headings;
    - line by line figures on all budget items;
    - a consolidated document showing the figures and final text of all lines modified during the conciliation;
  2. Confirms the joint statements by Parliament, the Council and the Commission annexed to this resolution;
  3. Notes that Parliament's level of staffing was one of the major issues of this conciliation; recalls that based on the Gentlemen's Agreement, each branch of the budgetary authority has sole competence for its own section of the budget, recalls also its political decision to exempt the political groups from the 5 % staff reduction target, as underlined in its resolutions on the budgets 2014, 2015, 2016 and 2017; will evaluate the consequences of budgetary decisions on the functioning of the institution;
  4. Instructs its President to declare that the European Union's general budget for the financial year 2017 has been definitively adopted and to arrange for its publication in the Official Journal of the European Union;
  5. Instructs its President to forward this legislative resolution to the Council, the Commission, the other institutions and bodies concerned and the national parliaments.

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<sup>1</sup> OJ L 298, 26.10.2012, p. 1.

<sup>2</sup> OJ L 347, 20.12.2013, p. 884.

<sup>3</sup> OJ C 373, 20.12.2013, p. 1.

## ANNEX

17.11.2016

### FINAL Budget 2017 – Elements for joint conclusions

These joint conclusions cover the following sections:

1. Budget 2017
2. Budget 2016 – Draft Amending Budgets 4, 5 and 6/2016
3. Joint statements

#### Summary overview

##### A. Budget 2017

According to the elements for joint conclusions:

- The overall level of commitment appropriations in the 2017 budget is set at EUR 157 857,8 million. Overall, this leaves a margin below the MFF ceilings for 2017 of EUR 1 100,1 million in commitment appropriations.
- The overall level of payment appropriations in the 2017 budget is set at EUR 134 490,4 million.
- The Flexibility Instrument for 2017 is mobilised in commitment appropriations for an amount of EUR 530 million for heading 3 *Security and Citizenship*.
- The Global margin for commitments is mobilised at a level of EUR 1 439,1 million for heading 1a *Competitiveness for Growth and Jobs*.
- The Contingency margin is mobilised at a level of EUR 1 906,2 million for heading 3 and heading 4. It is offset for EUR 575,0 million against the unallocated margin under heading 2 *Sustainable Growth: Natural Resources* in 2017 and for EUR 507,3 million in 2017, EUR 570,0 million in 2018 and EUR 253,9 million in 2019 against the unallocated margins under heading 5 *Administration*.
- The 2017 payment appropriations related to the mobilisation of the Flexibility Instrument in 2014, 2015 and 2016 are estimated by the Commission at EUR 981,1 million.

##### B. Budget 2016

According to the elements for joint conclusions:

- Draft Amending Budget 4/2016 and the accompanying mobilisation of the Contingency margin are accepted, as proposed by the Commission.
- Draft Amending Budget 5/2016 is accepted as proposed by the Commission.
- Draft Amending Budget 6/2016 and the related mobilisation of the European Union Solidarity Fund are accepted as proposed by the Commission.

## **1. Budget 2017**

### **1.1. 'Closed' lines**

Unless stated otherwise below in these conclusions, all budget lines not amended by either Council or Parliament, and those for which Parliament accepted Council's amendments during their respective reading, are confirmed.

For the other budget lines, the Conciliation Committee has agreed on the conclusions included in sections 1.2 to 1.8 below.

### **1.2. Horizontal issues**

#### **Decentralised agencies**

The EU contribution (in commitment and payment appropriations) and the number of posts for all decentralised agencies are set at the level proposed by the Commission in the Draft Budget, as amended by Amending Letter 1/2017 with the exception of:

- The European Police Office (EUROPOL, budget article 18 02 04) for which 10 additional posts are allocated with additional appropriations of EUR 675 000 in commitment and payment appropriations.
- The European Union's Judicial Cooperation Unit (EUROJUST, budget article 33 03 04) for which 10 additional posts are allocated with additional appropriations of EUR 675 000 in commitment and payment appropriations.
- The European Banking Authority (EBA, budget article 12 02 04) for which commitment and payment appropriations are reduced by EUR 500 000.
- The European Asylum Support Office (EASO, budget article 18 03 02) for which the commitment and payment appropriations are increased by EUR 3 000 000.
- The European Medicines Agency (EMA, budget item 17 03 12 01) for which the commitment and payment appropriations are reduced by EUR 8 350 000.

#### **Executive agencies**

The EU contribution (in commitment and payment appropriations) and the number of posts for executive agencies are set at the level proposed by the Commission in the Draft Budget 2017.

#### **Pilot Projects/Preparatory Actions**

A comprehensive package of 78 pilot projects/preparatory actions (PP/PA), for a total amount of EUR 76,9 million in commitment appropriations is agreed, as proposed by the Parliament in addition to the preparatory action proposed by the Commission in the Draft budget 2017.

When a pilot project or a preparatory action appears to be covered by an existing legal basis, the Commission may propose the transfer of appropriations to the corresponding legal basis in order to facilitate the implementation of the action.

This package fully respects the ceilings for pilot projects and preparatory actions set in the Financial Regulation.

### 1.3. Expenditure headings of the financial framework - commitment appropriations

After taking into account the above conclusions on 'closed' budget lines, agencies and pilot projects and preparatory actions, the Conciliation Committee has agreed on the following:

#### **Heading 1a – Competitiveness for Growth and Jobs**

Commitment appropriations of the following lines are set at the level proposed by the Commission in the Draft Budget 2017, as amended by amending letter 1/2017:

*In EUR*

Budget line	Name	DB 2017	Budget 2017	Difference
02 02 02	Improving access to finance for small and middle-sized enterprises (SMEs) in the form of equity and debt	167 030 000	217 030 000	50 000 000
06 02 01 03	Optimising the integration and interconnection of transport modes and enhancing interoperability	360 321 493	410 321 493	50 000 000
08 02 01 01	Strengthening frontier research in ERC — European Research Council	1 736 471 644	1 753 136 644	16 665 000
08 02 04	Spreading excellence and widening participation	123 492 850	140 157 850	16 665 000
09 04 02 01	Leadership in information and communications technology	779 380 777	796 050 777	16 670 000
15 02 01 01	Promoting excellence and cooperation in the European education and training area and its relevance to the labour market	1 701 963 700	1 725 463 700	23 500 000
15 02 01 02	Promoting excellence and cooperation in the European Youth Area and the participation of young people in European democratic life	201 400 000	227 900 000	26 500 000
	<b>Total</b>			<b>200 000 000<sup>1</sup></b>

The Council and the Parliament confirm that the agreed increases in heading 1a as part of the budget 2017 fully respect earlier agreements, and are without prejudice to ongoing legislative procedures.

All other commitment appropriations of heading 1a are set at the level proposed by the Commission in the Draft Budget, as amended by Amending Letter 1/2017, integrating the adjustments agreed in the Conciliation Committee and included in the table below. A specific budget article is created for the "Special events" as foreseen in the Parliament's reading.

*In EUR*

Budget line	Name	DB 2017 (incl. AL1)	Budget 2017	Difference
32 02 01 01	Further integration of the internal energy market and the interoperability of electricity	217 403 954	206 508 927	-10 895 027

<sup>1</sup> These amounts are part of the overall increase for heading 1a until 2020 in the framework of the Mid-term review/revision of the MFF.

*In EUR*

Budget line	Name	DB 2017 (incl. AL1)	Budget 2017	Difference
	and gas networks across borders			
32 02 01 02	Enhancing Union security of energy supply	217 403 954	207 441 809	-9 962 145
32 02 01 03	Contributing to sustainable development and protection of the environment	217 404 002	206 509 070	-10 894 932
32 02 01 04	Creating an environment more conducive to private investment for energy projects	85 227 000	77 291 975	-7 935 025
15 02 10	Special annual events		6 000 000	6 000 000
04 03 02 01	PROGRESS — Supporting the development, implementation, monitoring and evaluation of Union employment and social policy and legislation on working conditions	60 000 000	65 000 000	5 000 000
04 03 02 02	EURES — Promoting workers' voluntary geographical mobility and boosting employment opportunities	22 578 000	23 578 000	1 000 000
	<b>Total</b>			<b>-27 687 129</b>

As a consequence, and after taking into account agencies, pilot projects and preparatory actions, the agreed level of commitments is set at EUR 21 312,2 million, leaving a margin of EUR 51,9 million under the expenditure ceiling of heading 1a and the use of the Global Margin for Commitments for an amount of EUR 1 439,1 million.

### **Heading 1b – Economic, social and territorial Cohesion**

Commitment appropriations are set at the level proposed in the Draft Budget 2017.

Taking into account pilot projects and preparatory actions, the agreed level of commitments is set at EUR 53 586,6 million, leaving a margin of EUR 0,4 million under the expenditure ceiling of heading 1b.

### **Heading 2 – Sustainable Growth: Natural Resources**

Commitment appropriations are set at the level proposed by the Commission in the Draft Budget, as amended by Amending Letter 1/2017, including the additional reduction of EUR 325,0 million arising from increased EAGF assigned revenue communicated by the Commission on 7 November 2016. As a consequence, the Conciliation Committee has agreed on the following:

*In EUR*

Budget line	Name	DB 2017 (incl. AL1)	Budget 2017	Difference
05 03 01 10	Basic payment scheme (BPS)	15 621 000 000	15 296 000 000	-325 000 000

Taking into account agencies, pilot projects and preparatory actions, the agreed level of commitments is set at EUR 58 584,4 million, leaving a margin of EUR 1 031,6 million under the expenditure ceiling of heading 2, taking into account that EUR 575,0 million are used to offset the mobilisation of the Contingency margin.

### **Heading 3 – Security and Citizenship**

Commitment appropriations are set at the level proposed by the Commission in the Draft Budget, as amended by Amending Letter 1/2017 but with the adjustments agreed by the

Conciliation Committee, detailed in the following table:

*In EUR*

Budget line	Name	DB 2017 (incl. AL1)	Budget 2017	Difference
09 05 05	Multimedia actions	19 573 000	22 573 000	3 000 000
15 04 02	Culture sub-programme — supporting cross-border actions and promoting transnational circulation and mobility	54 350 000	55 350 000	1 000 000
	<b>Total</b>			<b>4 000 000</b>

The budget remark of article 09 05 05 will be modified through the addition of the following sentence: *"Where appropriate, the procurement and grant procedures may include the conclusion of framework partnerships, with a view to promoting a stable financing framework for the pan-European networks funded under this appropriation."*

The budget remark of article 15 04 02 will be modified through the addition of the following sentence: *"This appropriation may also finance the preparation of the European year for Cultural Heritage."*

As a consequence, and after taking into account agencies, pilot projects and preparatory actions, the agreed level of commitments is set at EUR 4 284,0 million, with no margin left under the expenditure ceiling of heading 3, the mobilisation of EUR 530 million through the Flexibility Instrument and the use of the Contingency Margin for an amount of EUR 1 176,0 million.

#### **Heading 4 – Global Europe**

Commitment appropriations are set at the level proposed by the Commission in the Draft Budget, as amended by Amending Letter 1/2017, but with the adjustments agreed by the Conciliation Committee, detailed in the following table:

*In EUR*

Budget line	Name	DB 2017 (incl. AL1)	Budget 2017	Difference
01 03 02	Macro-financial assistance	30 828 000	45 828 000	15 000 000
01 03 08	Provisioning of the EFSD Guarantee Fund	275 000 000	p.m.	-275 000 000
13 07 01	Financial support for encouraging the economic development of the Turkish Cypriot community	31 836 240	34 836 240	3 000 000
19 03 01 05	Emergency measures	69 480 000	62 850 000	-6 630 000
21 02 07 05	Migration and asylum	448 273 912	404 973 912	-43 300 000
22 04 01 04	Support to peace process and financial assistance to Palestine and to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA)	282 219 939	310 100 000	27 880 061
22 04 01 03	Mediterranean countries — Confidence building, security and the prevention and settlement of conflicts	340 360 500	332 480 439	-7 880 061
22 04 02 02	Eastern Partnership — Poverty reduction and sustainable development	313 825 583	322 125 583	8 300 000
	<b>Total</b>			<b>-278 630 000</b>

However, for budget item 19 03 01 07 *European Union Special Representatives* (EUSRs) the

appropriations are set at the level of the Draft Budget 2017.

As a consequence, and after taking into account agencies, pilot projects and preparatory actions, the agreed level of commitments is set at EUR 10 162,1 million, with no margin left under the expenditure ceiling of heading 4 and the use of the Contingency Margin for an amount of EUR 730,1 million.

### **Heading 5 – Administration**

The number of posts in the establishment plans of the Institutions and the appropriations proposed by the Commission in the Draft Budget, as amended by Amending Letter 1/2017 are agreed by the Conciliation Committee with the following exceptions:

- The Parliament for which its reading is approved with the exception that the increase of 76 posts for the political groups is fully offset by a compensatory decrease in the posts of the establishment plan in the Parliament's administration, in the budgetary neutral manner. Moreover, the Conciliation Committee agrees to integrate in the Budget 2017 the impact of the automatic salary update to be applied from 1 July 2016 (EUR 8 717 000).
- The Council for which its reading is approved with integration in the Budget 2017 of the impact of the automatic salary update to be applied from 1 July 2016 (EUR 3 301 000).
- The Court of Auditors for which the reductions compared to the Draft Budget 2017 included in Parliament's reading are approved.
- The European External Action Service (EEAS) for which EUR 560 250 (budget item 1200) are allocated to the contractual agent line with the same amount being reduced on budget item 3003 *Buildings and associated costs*. The budget remark of item 1200 will be modified by adding the sentence: "*These appropriations also cover the cost of contract agents involved in strategic communication activities*". Moreover, the following budget lines in the section of the EEAS are adjusted to remove the transfer of the double-hatted EUSRs proposed in the Amending Letter 1.

*In EUR*

<b>Budget line</b>	<b>Name</b>	<b>Difference</b>
3001	External staff and outside services	-3 645 000
3002	Other expenditure related to staff	-1 980 000
3003	Buildings and associated costs	-3 636 000
3004	Other administrative expenditure	-815 000
	<b>Total</b>	<b>-10 076 000</b>

As a consequence, taking into account pilot projects and preparatory actions, the agreed level of commitments is set at EUR 9 394,5 million, leaving a margin of EUR 16,2 million under the expenditure ceiling of heading 5, after the use of EUR 507,3 million of the margin to offset the mobilisation of the Contingency margin.

### **Special instruments**

Commitment appropriations for special instruments are set at the level proposed by the Commission in the Draft Budget 2017 except for the reserve for the European Union



Solidarity Fund (budget article 40 02 44) which is suppressed.

### **Offsetting of the Contingency margin in 2018 and 2019**

The total use of the Contingency margin in 2017 is EUR 1 176,0 million for heading 3 and EUR 730,1 million for heading 4 for a total amount of EUR 1 906,2 million. Offsetting is made for EUR 575,0 million against the unallocated margin under heading 2 in 2017 and for EUR 507,3 million in 2017, EUR 570,0 million in 2018 and EUR 253,9 million in 2019 against the unallocated margins under heading 5. The decision on the mobilisation of the contingency margin for 2017 adopted together with the Amending Letter 1/2017 will be adjusted accordingly.

#### **1.4. Payment appropriations**

The overall level of payment appropriations in the 2017 Budget is set at the level of the Draft Budget, as amended by Amending Letter 1/2017 with the following adjustments agreed by the Conciliation Committee:

1. First, account is taken of the agreed level of commitment appropriations for non-differentiated expenditure, for which the level of payment appropriations is equal to the level of commitment appropriations. This includes the reduction of agricultural expenditure by –EUR 325 million and the adjustments of the administrative expenditure for Sections I, II, III, IV, V, VI, VII, IX and X (EUR 13,4 million), and decentralised agencies (for which the EU contribution in payment appropriations is set at the level proposed in section 1.2 above). The combined effect is a decrease of - EUR 332,3 million;
2. The payment appropriations for all *new* pilot projects and preparatory actions proposed by the Parliament are set at 50% of the corresponding commitment appropriations, or at the level proposed by Parliament if lower. In the case of extension of *existing* pilot projects and preparatory actions the level of payment appropriations is the one defined in the Draft Budget plus 50% of the corresponding new commitment appropriations, or at the level proposed by Parliament if lower. The combined effect is an increase of EUR 35,2 million;
3. The payment appropriations for the “special events” (budget article 15 02 10) is the amount stated in Parliament's reading (EUR 6 million);
4. The payment appropriations (budget article 01 03 08 *Provisioning of the EFSD Guarantee Fund*) is set at "p.m.";
5. The adjustments on the following budget lines are agreed as a result of the evolution in commitments for differentiated appropriations:

*In EUR*

Budget line	Name	DB 2017 (incl. AL1)	Budget 2017	Difference
01 03 02	Macro-financial assistance	30 828 000	45 828 000	15 000 000
04 03 02 01	PROGRESS — Supporting the development, implementation, monitoring and evaluation of Union employment and social policy and legislation on working conditions	38 000 000	41 167 000	3 167 000

In EUR

Budget line	Name	DB 2017 (incl. AL1)	Budget 2017	Difference
04 03 02 02	EURES — Promoting workers' voluntary geographical mobility and boosting employment opportunities	17 000 000	17 753 000	753 000
09 05 05	Multimedia actions	23 997 455	26 997 455	3 000 000
13 07 01	Financial support for encouraging the economic development of the Turkish Cypriot community	36 031 865	39 031 865	3 000 000
15 04 02	Culture sub-programme — supporting cross-border actions and promoting transnational circulation and mobility	43 430 071	44 229 071	799 000
22 04 01 04	Support to peace process and financial assistance to Palestine and to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA)	280 000 000	307 661 000	27 661 000
22 04 02 02	Eastern Partnership — Poverty reduction and sustainable development	167 700 000	172 135 000	4 435 000
19 03 01 05	Emergency measures	33 212 812	30 043 812	-3 169 000
21 02 07 05	Migration and asylum	155 000 000	115 722 000	-39 278 000
22 04 01 03	Mediterranean countries — Confidence building, security and the prevention and settlement of conflicts	138 000 000	134 805 000	-3 195 000
32 02 01 01	Further integration of the internal energy market and the interoperability of electricity and gas networks across borders	34 765 600	33 023 600	-1 742 000
32 02 01 02	Enhancing Union security of energy supply	26 032 000	24 839 000	-1 193 000
32 02 01 03	Contributing to sustainable development and protection of the environment	26 531 000	25 201 000	-1 330 000
32 02 01 04	Creating an environment more conducive to private investment for energy projects	31 200 000	28 295 000	-2 905 000
	<b>Total</b>			<b>5 003 000</b>

6. The payment appropriations for the European Globalisation Adjustment Fund (budget article 40 02 43) is set at zero (a reduction by –EUR 30 million) as the payment appropriations available from assigned revenue are estimated to be enough to cover the whole year 2017.
7. The reserve for the European Union Solidarity Fund (budget article 40 02 44) is suppressed.
8. Additional reductions in payments are made on the following lines:

Budget line	Name	DB 2017 (incl. AL1)	Budget 2017	Difference
04 02 62	European Social Fund (ESF) — More developed regions — Investment for growth and jobs goal	2 508 475 000	2 490 475 000	-18 000 000
13 03 61	European Regional Development Fund (ERDF) — Transition regions — Investment for growth and jobs goal	2 214 431 000	2 204 431 000	-10 000 000
13 03 62	European Regional Development Fund (ERDF) — More developed regions — Investment for growth and jobs goal	3 068 052 000	3 043 052 000	-25 000 000
13 03 64 01	European Regional Development Fund (ERDF) — European territorial cooperation	884 299 000	783 299 000	-101 000 000
	<b>Total</b>			<b>-154 000 000</b>

These actions will provide a level of payment appropriations of EUR 134 490,4 million, a reduction of –EUR 931,4 million in comparison with the Draft Budget, as amended by Amending Letter 1/2017.

### 1.5. Reserve

There are no reserves in addition to those of the Draft Budget, as amended by Amending Letter 1/2017, except for:

- Budget item 13 01 04 04 *Support expenditure for Structural Reform Support Programme (SRSP)* and budget article 13 08 01 *Structural Reform Support Programme (SRSP) – Operational technical assistance transferred from H1b (ESF, ERDF and CF)* for which the full amounts in commitment and payment appropriations are placed in reserve pending the adoption of the legal base for the Structural Reform Support Programme.
- Budget article 13 08 02 *Structural Reform Support Programme (SRSP) – Operational technical assistance transferred from H2 (EAFRD)* for which the full amount in commitment and payment appropriations is placed in reserve pending the adoption of the legal base for the Structural Reform Support Programme.
- Budget item 18 02 01 03 *Setting up new IT systems to support the management of migration flows across the external borders of the Union* for which EUR 40 000 000 in commitment and EUR 28 000 000 in payment appropriations are placed in reserve pending the conclusion of the legislative procedure establishing the Entry/Exit System.

### 1.6. Budget remarks

Unless otherwise specifically addressed in previous paragraphs, amendments introduced by the European Parliament or the Council to the text of budgetary remarks are agreed, with the exception of those on budget lines listed in the table below for which the text of budget remarks as proposed in the Draft Budget, amended by Amending Letter 1/2017 and the EAGF update is approved.

This is with the understanding that amendments introduced by the European Parliament or the Council cannot modify or extend the scope of an existing legal base, or impinge on the administrative autonomy of institutions, and that the action can be covered by available resources.

<b>Budget line</b>	<b>Name</b>
04 03 02 03	Microfinance and Social Entrepreneurship — Increasing access to, and the availability of, financing for legal and physical persons, especially those furthest from the labour market, and social enterprises
S 03 01 06 01	European Aviation Safety Agency (EASA)
05 02 11 99	Other measures (other plant products/measures)
05 04 60	European Agricultural Fund for Rural Development — EAFRD (2014 to 2020)
05 04 60 02	Operational technical assistance
18 04 01 01	Europe for citizens — Strengthening remembrance and enhancing capacity for civic participation at the Union level

### **1.7. New budget lines**

The budget nomenclature proposed by the Commission in the Draft Budget, as amended by Amending Letter 1/2017, with the inclusion of pilot projects and preparatory actions, and the new budget article for Special Annual Events (15 02 10), is agreed.

### **1.8. Revenue**

The Commission's proposal in Amending Letter 1/2017 concerning the inclusion in the Budget of revenue from fines for an amount of EUR 1 billion is agreed.

## **2. Budget 2016**

Draft Amending Budget (DAB) 4/2016 and the accompanying mobilisation of the Contingency margin are approved as proposed by the Commission.

Draft Amending Budget (DAB) 5/2016 is approved as proposed by the Commission.

Draft Amending Budget (DAB) 6/2016 and the related mobilisation of the European Union Solidarity Fund are approved as proposed by the Commission.

### **3. Joint Statements**

#### **3.1. Joint statement by the European Parliament, Council and Commission on the Youth Employment Initiative**

The European Parliament, the Council and the Commission recall that reducing youth unemployment remains a high and shared political priority, and to this end they reaffirm their determination to make the best possible use of budgetary resources available to tackle it, and in particular through the Youth Employment Initiative (YEI).

They recall that, in accordance with Article 14(1) of Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (MFF Regulation), *"Margins left available below the MFF ceilings for commitment appropriations for the years 2014-2017 shall constitute a Global MFF Margin for commitments, to be made available over and above the ceilings established in the MFF for the years 2016 to 2020 for policy objectives related to growth and employment, in particular youth employment"*.

The Council and the European Parliament invite the Commission to propose an amending budget in 2017 in order to provide EUR 500 million<sup>1</sup> for the YEI in 2017 financed by the Global margin for commitments, as soon as the technical adjustment foreseen by article 6 of the MFF Regulation is adopted.

The Council and the European Parliament undertake to process rapidly the draft amending budget for 2017 put forward by the Commission.

#### **3.2. Joint statement by the European Parliament, Council and Commission on the payment appropriations**

The European Parliament and the Council recall the need to ensure, in the light of implementation, an orderly progression of payments in relation to the appropriations for commitments so as to avoid any abnormal level of unpaid invoices at year-end.

The European Parliament and the Council calls on the Commission to continue monitoring closely and actively the implementation of the 2014-2020 programmes. To that end, they invite the Commission to present in a timely manner, updated figures concerning the state of implementation and estimates regarding payment appropriations requirements in 2017.

The Council and the European Parliament will take any necessary decisions in due time for duly justified needs to prevent the accumulation of an excessive amount of unpaid bills and to ensure that payment claims are duly reimbursed.

#### **3.3. Joint statement by the European Parliament, Council and Commission on the 5 % staff reduction**

The European Parliament, the Council and the Commission recall the agreement to progressively render 5 % of the staff as in the establishment plan on 1 January 2013, to be applied to all institutions, bodies and agencies, as stated in Point 27 of the Interinstitutional Agreement of 2 December 2013 on budgetary discipline, on cooperation in budgetary matters

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<sup>1</sup> This amount is part of the overall increase for YEI until 2020 in the framework of the Mid-term review/revision of the MFF.

and on sound financial management.

The three institutions recall that the target year for the full implementation of the 5 % reduction of staff is 2017. They agree that appropriate follow-up measures will be taken to take stock of the situation with a view to ensuring that all efforts are deployed to avoid any additional delays in implementing the 5 % staff reduction target for all institutions, bodies and agencies.

The three institutions welcome the Commission's overview of consolidated data on all external staff employed by the institutions, presented in the draft budget, in line with point (b) of Article 38(3) of the Financial Regulation. They invite the Commission to continue providing this information when presenting its draft budgets for future years.

The Council and the Parliament underline that achieving the 5 % staff reduction target should contribute to savings in the institutions' administrative expenditure. With that in mind, they invite the Commission to start assessing the outcome of the exercise in order to draw lessons for the future.

### **3.4. Joint statement by the European Parliament, Council and Commission on the European Fund for Sustainable Development**

In order to address the root causes of migration, the Commission launched the European Fund for Sustainable Development (EFSD) based on the establishment of an EFSD Guarantee and an EFSD Guarantee Fund. The Commission proposes to endow the EFSD Guarantee Fund with EUR 750 million over the period 2017–2020, of which EUR 400 million from the European Development Fund (EDF) over the four years, EUR 100 million from the ENI over 2017–2020 (of which EUR 25 million in 2017), and EUR 250 million of commitment (and payment) appropriations in 2017.

The Council and the European Parliament invite the Commission to request the necessary appropriations in an amending budget in 2017 in order to provide the financing of the EFSD from the EU budget as soon as the legal base is adopted.

The Council and the European Parliament undertake to process rapidly the draft amending budget for 2017 put forward by the Commission.

### **3.5. Joint statement on EU Trust Funds and the Facility for Refugees in Turkey**

The Parliament, the Council and the Commission agree that the establishment of Trust Funds and of the Facility for Refugees in Turkey should be transparent and clear, consistent with the principle of unity of the Union budget, with the prerogatives of the budgetary authority, and with the objectives of existing legal bases.

They undertake to address, as appropriate, those issues as part of the revision of the Financial Regulation in order to strike the right balance between flexibility and accountability.

The Commission undertakes to:

- regularly inform the budgetary authority on ongoing and planned Trust Funds' financing (including Member States' contributions) and operations;

- present, as of 2017, a Working Document accompanying the Draft Budget for the following financial year;
- propose measures for proper involvement of the European Parliament.

### **3.6. Joint statement by the European Parliament, Council and Commission on agriculture**

The budget 2017 includes a series of emergency measures to assist farmers in facing the market difficulties experienced recently. The Commission confirms that the margin under heading 2 is sufficient to address possible unforeseen needs. It undertakes to monitor the market situation regularly and to present if needed the appropriate measures to address needs which cannot be covered by the appropriations authorised in the budget. In such a case, the European Parliament and the Council commit to process the relevant budgetary proposals as soon as possible.