

## **EXPLANATORY MEMORANDUM ON EUROPEAN UNION DOCUMENT**

### **GENERAL BUDGET OF THE EUROPEAN UNION 2016: TRANSFERS OF APPROPRIATIONS**

#### **FIRST QUARTERLY REPORT OF TRANSFERS OF APPROPRIATIONS WITHIN THE GENERAL BUDGET FOR THE FINANCIAL YEAR 2016**

Submitted by HM Treasury

08 September 2017

#### **SUBJECT MATTER**

*Summary of 5 transfers*

1. Transfers of appropriations within the EU budget are made throughout the year. Each is the subject of a proposal from the European Commission.
2. HMT Treasury submits a quarterly summary of EU budget transfers with a covering explanatory memorandum. A table summarising all transfers proposed by the Commission for the period January 2016 to March 2016 is attached in Annex A.

#### **MINISTERIAL RESPONSIBILITY**

3. The Chancellor of the Exchequer has responsibility for United Kingdom policy on European Union monetary and economic issues. The Foreign Secretary and the Secretary of State for the Department for Exiting the European Union are responsible for overall United Kingdom policy towards the European Union.

#### **INTEREST OF THE DEVOLVED ADMINISTRATIONS**

4. The EU budget is a reserved matter under the United Kingdom's devolution settlements and no Devolved Administration interests arise from these transfers. The Devolved Administrations have therefore not been consulted in the preparation of this Explanatory Memorandum.

#### **LEGAL AND PROCEDURAL ISSUES**

- i. Legal basis
5. Not applicable.
  - ii. European Parliament Procedure
6. Not applicable.
  - iii. Voting procedure

7. Not applicable.

iv. Impact on United Kingdom Law

8. None.

v. Application to Gibraltar

9. Not applicable.

vi. Fundamental rights analysis

10. Not applicable.

## **APPLICATION TO THE EUROPEAN ECONOMIC AREA**

11. Not applicable.

## **POLICY IMPLICATIONS**

12. On 23 June 2016, the EU referendum took place and the people of the United Kingdom voted to leave the European Union. The government respected the result and triggered Article 50 of the Treaty on European Union on 29th March 2017 to begin the process of exit. Until exit negotiations are concluded, the UK remains a full member of the European Union and all the rights and obligations of EU membership remain in force. During this period the Government will also continue to negotiate, implement and apply EU legislation.

13. The Government acknowledges that during the course of implementing EU budget programmes in a year, unforeseen developments can and do occur. The Government supports the use of the budget neutral transfers which provide flexibility within the budget to direct appropriations to match priority needs.

## **SUBSIDIARITY**

14. The EU budget is a matter for Exclusive EU competence and subsidiarity issues are therefore not raised.

## **CONSULTATION**

15. None.

## **REGULATORY IMPACT ASSESSMENT**

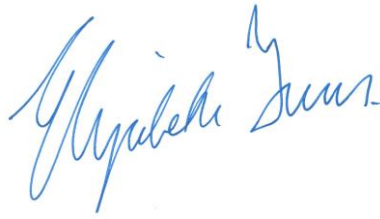
16. Not applicable.

## **FINANCIAL IMPLICATIONS**

17. The transfers result in no increase in the level of appropriations and are therefore budget neutral.

## TIMETABLE

18. These transfers cover the period January to March (Q1 2016)

A handwritten signature in blue ink, reading "Elizabeth Truss". The signature is written in a cursive style with a large initial 'E' and 'T'.

**Elizabeth Truss MP**  
**CHIEF SECRETARY TO THE TREASURY**

## ANNEX A

EU budget transfers Q1 2016							
COS No	Transfer No.	Date of proposal	Commitments (EUR)	Payments (EUR)	Transfer from	Transfer to	Explanation
5470/16	Dec-01	22/01	1,095,544	0	ARTICLE - 40 02 43 Reserve for the European Globalisation Adjustment Fund (EGF)	ARTICLE - 04 04 01 EGF - to support workers and self-employed persons whose activity has ceased as a result of the globalisation	Transfer upon successful Belgian request to access funds from the EGF.
6209/16	Dec-02	18/02	1,793,710	0	ARTICLE - 40 02 43 Reserve for the EGF	ARTICLE - 04 04 01 EGF - to support workers and self-employed persons whose activity has ceased as a result of the globalisation	Transfer upon successful Swedish request to access funds from the EGF.
6409/16	Dec-03	26/02	380,000	380,000	04 04 01 EGF - - to support workers and self-employed persons whose activity has ceased as a result of globalisation AND ARTICLE - 40 02 43 Reserve for the EGF	ITEM - 04 01 04 04 Support expenditure for EGF	Transfer to fund the technical assistance requirements of the support expenditure for the EGF.
6748/16	Dec-04	03/03	77,574,978	75,874,978	ARTICLE - 40 02 41 Differentiated appropriations	ARTICLE - 11 03 01 Establishing a governance framework for fishing activities carried out by Union fishing vessels in third country waters	Funding to establish a governance framework for fishing activities carried out by Union fishing vessels in third country waters. With Mauritania, Ligeria and Greenland.

7169/16	Dec-05	16/03	150,000,000	0	ARTICLE - 40 02 42 Emergency aid reserve (Carry Over)	ARTICLE - 23 02 01 Delivery of rapid, effective and needs-based humanitarian aid and food aid (Carry Over)	Mobilisation of the emergency aid reserve to reinforce the humanitarian response in Syria.
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