

Amending budget 6/2020: increase of payment appropriations for the Emergency Support Instrument to finance the COVID-19 vaccines strategy and for the impact of the Corona Response Investment Initiative Plus

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PURPOSE: presentation of Draft Amending Budget No 8 to the General Budget 2020: increase of payment appropriations for the Emergency Support Instrument to finance the COVID-19 vaccines strategy and for the impact of the Corona Response Investment Initiative Plus.

CONTENT: the purpose of Draft Amending Budget (DAB) No 8 for the year 2020 is to provide **EUR 6.2 billion** in payment appropriations to incorporate:

- additional needs for payments appropriations for the Emergency Support Instrument (ESI) to finance the COVID-19 vaccines strategy and;
- the additional payment needs for cohesion following the adoption of the Corona Response Investment Initiative Plus (CRII+).

The [draft amending budget No 6/2020](#) was based on the assumption that the 2014-2020 MFF would be increased. However, following the conclusion of the European Council of 21 July, it is clear that this avenue will not be pursued and the draft amending budget No 6/2020 has become de facto obsolete.

For this reason, this DAB N° 8 does not take into account that proposal and the expenditure is proposed starting from the level of the last adopted budget (AB 5/2020) and the financing as proposed in [DAB N° 7 /2020](#).

Increase in payment appropriations for the emergency support instrument (ESI)

As the COVID 19 pandemic evolved, the search for an effective vaccine has become a priority and the Commission has concluded an agreement with all Member States to negotiate and conclude Advance Purchase Agreements (APAs) on behalf of all Member States with vaccine manufacturers.

As part of these contracts, the Emergency Aid Instrument activated in April 2020 provides the necessary up-front financing to de-risk essential investments in order to increase the speed and scale of manufacturing successful vaccines. In return, they provide the right to Member States to buy a specific number of vaccine doses within a given timeframe and at a given price.

The Commission has already concluded one APA with a vaccine manufacturer in August 2020 and is currently conducting advanced negotiations with a number of other manufacturers.

In order to enable the EU to have secure access to a portfolio of vaccine candidate, it is proposed to make available sufficient payment appropriations under the Emergency Aid Instrument in 2020 to cover all the corresponding commitments that the Commission will make to vaccine manufacturers on behalf of the Member States, as well as other ongoing actions.

Considering the reinforcement of EUR 140 million already approved by the budget authority in the course of July 2020, the amount of additional payment appropriations needed in 2020 is **EUR 1 090 million** bringing the total payments for ESI to EUR 2 610 million. The remaining EUR 90 million shall be paid in 2021 for commitments not related to the vaccine strategy.

It is also proposed to transfer EUR 53.75 million in commitments and payments from the administrative support expenditure line to the operational line of the Instrument. The total amount of commitment and payment appropriations on the support line of ESI will thus be decreased to EUR 250 000.

Increased payment appropriations relating to the CRII+ initiative

Following the adoption of the Coronavirus Response Investment Initiative ([CRII](#)) on 30 March 2020, around EUR 8 billion of investment liquidity was released for cohesion policy programmes.

In addition, the Commission proposed the [CRII+](#) initiative, which was adopted by the European Parliament and the Council, to ensure that all non-committed support from the cohesion policy funds can be mobilised in 2020 to address the effects of the COVID-19 outbreak on Member States' economies and societies.

On the basis of an in-depth analysis of the forecasts submitted by Member States at the end of July 2020 at the level of each programme, the Commission estimates that an increase of **EUR 5.1 billion** in payment appropriations is necessary to cover all expected payable payment applications to be paid in 2020.