

Amending budget 1/2021: financing the COVID-19 response and including refinements and updates related to the final adoption of the Multiannual Financial Framework

2021/0078(BUD) - 24/03/2021 - Commission draft budget

PURPOSE: to present Draft Amending Budget (DAB) No 2 to the General Budget 2021 aiming at financing the COVID-19 response and including refinements and updates related to the final adoption of the Multiannual Financial Framework (MFF).

CONTENT: the purpose of the PBR No 2 to the 2021 budget presented by the Commission is to provide additional funding for the prevention, preparedness and response to the COVID-19 pandemic and to provide room under the Emergency Support Instrument for the potential budgetary impact of further European initiatives related to the COVID-19 response.

In addition, the DAB introduces the necessary technical modifications to the 2021 budget stemming from the political agreements reached on the sectoral legal bases following the adoption of the MFF in December 2020, as well as some adjustments in relation to the provisioning for the External Action Guarantee.

Overall, the net impact of this DAB on the 2021 budget expenditure amounts to EUR 260 681 598 in commitment appropriations and EUR 252 581 598 in payment appropriations.

In particular, the DAB covers the following aspects:

Additional funding needs

The Commission is faced with urgent needs related to the COVID-19 response in 2021, in particular to finance preparatory work for digital green certificates and to strengthen Member States' capacity to detect and monitor new virus variants (sequencing) through the Health Emergency Preparedness and Response Authority (HERA) incubator, waste water monitoring and specialised RT-PCR testing.

Accordingly, the Commission proposes to use this DAB No 2 to reinforce the Emergency Support Instrument and the EU contribution to the European Centre for Disease Prevention and Control (ECDC) in 2021, for a total amount of EUR 216.2 million in commitment appropriations and EUR 208.1 million in payment appropriations.

In parallel, the Commission has proposed a budgetary authority transfer from the Solidarity and Emergency Aid Reserve (SEAR) to address immediate needs for the ESI and ECDC, for an amount of EUR 121.5 million. It has also identified some sources of redeployment in the current budget, for an amount of around EUR 7.5 million.

Overall, this leads to a total additional amount of COVID-related funding in 2021 of EUR 345.2 million.

Budgetary neutral and other technical adjustments

Establishment of executive agencies for 2021-2027

The proposed adjustments result from the adoption of the Commission's implementing decision of 12 February 2021 setting up the new generation of executive agencies and the corresponding Commission delegation decisions, which define the main elements of the mandate of these agencies and the tasks entrusted to them.

The net increase in the running costs of the executive agencies, amounting to EUR 3 538 850, is fully offset by a corresponding net decrease in the administrative and/or operational appropriations for the programmes that these agencies will implement.

In addition, an amount of EUR 6 901 457 from the proceeds of NextGenerationEU is allocated to the support lines of three executive agencies (the Executive Agency for the European Innovation Council and SMEs, the European Executive Agency for Climate, Infrastructure and the Environment and the European Executive Agency for Health and Digital Affairs), in order to cover the administrative costs related to the implementation of NextGenerationEU's contribution under Horizon Europe in 2021.

Joint Undertakings

Following the Commission's proposal of 23 February 2021 to set up the new generation of Joint Undertakings under Horizon Europe, it is proposed to create the corresponding budget lines under the relevant clusters of Pillar II of Horizon Europe:

- Cluster 1 'Health' will finance the Innovative Health Initiative Joint Undertaking and the Global Health European and Developing Countries Clinical Trials Partnership Programme 3 (EDCTP3) Joint Undertaking;
- Cluster 4 'Digital, Industry and Space' will finance the Key Digital Technologies Joint Undertaking and the Smart Networks and Services Joint Undertaking. This is in addition to the High-Performance Computing Joint Undertaking (EuroHPC), for which a budget line already exists;
- Cluster 5 'Climate, Energy and Mobility' will finance the Single European Sky ATM Research 3 Joint Undertaking, the Clean Aviation Joint Undertaking, the Europe's Rail Joint Undertaking and the Clean Hydrogen Joint Undertaking;
- Cluster 6 'Food, Bioeconomy, Natural Resources, Agriculture and Environment' will finance the Circular Bio-based Europe Joint Undertaking.

Decentralised bodies and the European Public Prosecutor's Office

The DAB covers the adjustment of the establishment plans of the European Union Space Programme Agency (EUSPA) and the European Public Prosecutor's Office, as well as the reinforcement of the European Fisheries Control Agency (EFCA) by EUR 2 million and the corresponding adjustment of its establishment plan, taking into account the impact of the latest legislative or policy developments on their operations for 2021.

European Fund for Sustainable Development (EFSD+)

Following the delays in the adoption of the legal basis for the Neighbourhood, Development and International Cooperation Instrument (NDICI) and the consequent need to complete the programming and project cycles, the Commission proposes, compared to the budget voted for 2021, to increase the provisioning of the EFSD+ by EUR 700 million in commitment appropriations, offset by a corresponding decrease in the later years of the period 2021-2027.

European Union Solidarity Fund (EUSF)

Under the provisions of Article 10(1) of the 2014-2020 MFF Regulation, it is proposed to carry over to the EUSF budget line in 2021 an amount of EUR 47 981 598 in commitment and payment appropriations, which corresponds to the unused part of the 2020 appropriations.