2023 general budget: all sections

2022/0212(BUD) - 01/07/2022 - Commission draft budget

PURPOSE: presentation by the Commission of the EU's annual draft budget for the year 2023.

CONTENT: the draft budget 2023 **reflects the EU's challenges and priorities under the Multiannual Financial Framework (MFF)** for the period 2021-2027, which include the green and digital transitions, aiming to make Europe's economy fairer, more resilient and more sustainable.

Russia's military aggression against Ukraine has resulted in a human tragedy on Europe's doorstep. The EU has responded swiftly and decisively by providing humanitarian aid, emergency assistance and large-scale support to Member States to help those fleeing Ukraine. Coordinated sanctions are in place, combined with measures to tackle record energy prices and end Europe's dependence on Russian oil and gas.

At the same time, during 2023, the EU and its Member States should continue to recover from the economic, social and health crisis caused by the COVID-19 pandemic. Economic recovery from the pandemic is underway. However, pressure on health care systems, supply bottlenecks and rapidly rising energy prices have overall contributed to high inflationary pressures.

Given the uncertainties about the economic impact of Russia's invasion of Ukraine, this implies that the full deployment of the EU budget and the EU's recovery instrument, NextGeneration, will be essential to stimulate the EU economy.

PROPOSED APPROPRIATIONS

The Commission proposes an **annual budget of EUR 185.6 billion** for the EU in 2023 in commitments and EUR 166.3 billion in payments, plus an estimated **EUR 113.9 billion in grants under NextGenerationEU**. The total commitment appropriations in the draft 2023 budget (including special instruments) correspond to 1.14% of GNI. In total, commitment appropriations increase by 2.1% compared to the commitment appropriations in the 2022 budget.

Overall, in 2023, **EUR 299.5 billion** in commitment appropriations will be available. In addition, the remaining NextGenerationEU loans of EUR 225.6 billion are expected to be fully utilised by 2023.

A significant proportion of the funds will be earmarked for climate change, in line with the target of devoting 30% of spending under the long-term budget and the NextGenerationEU recovery instrument to this policy priority.

APPROPRIATIONS BY HEADING OF THE MULTIANNUAL FINANCIAL FRAMEWORK (MFF) 2021-2027

The Commission proposes to allocate the following amounts (in commitment appropriations):

Heading 1 - Single Market, Innovation and Digital: EUR 26 billion (NextGenerationEU contribution: EUR 4.3 billion)

- EUR 13.6 billion for **research and innovation**, including EUR 12.3 billion for Horizon Europe, the EU's flagship research programme. 1.8 billion in NextGenerationEU grants;

- EUR 4.8 billion for European strategic investments, including EUR 341 million for InvestEU under the key priorities (research and innovation, dual green and digital transition, health and strategic technologies). **InvestEU** would receive an additional EUR 2.5 billion in grants from NextGenerationEU.

- EUR 2.9 billion for the **Connecting Europe Facility** to invest in trans-European transport, digital and energy networks;

- EUR 1.3 billion for the **Digital Europe Programme** to shape the Union's digital future;

- EUR 927 million to ensure the proper functioning of the **single market**, including EUR 593 million for the single market programme and almost EUR 200 million for work on anti-fraud, taxation and customs;

- EUR 2.2 billion dedicated to **space** spending, mainly for the European Space Programme, which will bring together the Union's action in this strategic area;

- EUR 138 million for **secure satellite connections** under the proposal for a new EU programme for secure connectivity.

Sub-heading 2a - Economic, social and territorial cohesion: EUR 62.9 billion (NextGenerationEU contribution: EUR 2.9 billion)

- EUR 46.1 billion for **regional development and cohesion**, of which EUR 38.3 billion for the European Regional Development Fund (ERDF) and EUR 7.7 billion for the Cohesion Fund, to support economic, social and territorial cohesion, as well as infrastructure supporting the ecological transition and the Union's priority projects;

- EUR 16.7 billion for the **European Social Fund Plus** (ESF+) to help Member States achieve high levels of employment, fair social protection and a skilled and resilient workforce ready for the transition to a green and digital economy.

Sub-heading 2b - Resilience and values: EUR 111.3 billion (NextGenerationEU contribution: EUR 104.1 billion)

- EUR 103.5 billion in NextGenerationEU grants under the Recovery and Resilience Facility (RRF) to support economic recovery and growth after the coronavirus pandemic and to address the problems caused by the war in Ukraine;

- EUR 732 million for the **EU Health Programme** to ensure a comprehensive health response to citizens' needs;

- EUR 147 million for the **Union's Civil Protection Mechanism** (ResCeU) to ensure rapid deployment of operational assistance in the event of a crisis;

- EUR 4.8 billion for **people, social cohesion and values**, including EUR 3.5 billion for Erasmus+ to create education and mobility opportunities for citizens, EUR 325 million to support Europe's cultural and creative sectors, EUR 212 million for the promotion and protection of justice, rights and values and EUR 141 million for the European Solidarity Corps.

Heading 3 - Natural resources and environment: EUR 62.7 billion (NextGenerationEU contribution: EUR 5.4 billion)

- EUR 53.6 billion for the **Common Agricultural Policy** and EUR 1.1 billion for the European Maritime Affairs, Fisheries and Aquaculture Fund, to support European farmers and fishermen, but also to

strengthen the resilience of the agri-food and fisheries sector and to provide the necessary scope for crisis management in view of the expected global food shortages;

- EUR 2.3 billion for **environment and climate action**, including EUR 728 million for the LIFE programme to support climate change mitigation and adaptation, and EUR 1.5 billion for the **Just Transition Fund** (JTF) to ensure that the green transition benefits all. The JTF would benefit from an additional EUR 5.4 billion in NextGenerationEU grants.

Heading 4 - Migration and border management: EUR 3.7 billion

- EUR 2.1 billion for **border protection**, including EUR 1.1 billion for the Integrated Border Management Fund (IBMF) and EUR 839 million for the European Border and Coast Guard Agency (Frontex);

- EUR 1.6 billion for migration-related spending, including EUR 1.4 billion for the Asylum, Migration and Integration Fund (AMIF) which contributes to the effective management of migration flows and the development of the common asylum and migration policy.

Heading 5 - Security and defence: EUR 1.9 billion

- EUR 1.2 billion to address defence challenges, including EUR 626 million to support capability development and research under the **European Defence Fund** (EDF), and EUR 237 million for military mobility;

- EUR 689 million for security, including EUR 310 million for the **Internal Security Fund** (ISF) to combat terrorism, radicalisation, organised crime and cybercrime.

Heading 6 - Neighbourhood and the World: EUR 16.7 billion

- EUR 14.3 billion for **external action**, of which EUR 12 billion under the Neighbourhood, Development and International Cooperation Instrument (NDICI – Global Europe) EUR 2.5 billion for the Instrument for Pre-Accession Assistance (IPA III) and EUR 1.6 billion for Humanitarian Aid (HUMA);

- in order to reinforce actions in the field of the fight **against disinformation** from Russian propaganda channels, an increase of EUR 1.7 million is proposed for the Information policy and strategic communication for external action line;

Heading 7 - European public administration: EUR 11.4 billion

- EUR 2.3 billion for staff pensions (an increase of 11.9% in appropriations) and EUR 233 million for the contribution to the financing of the European Schools;

- EUR 8.8 billion for the expenditure of the institutions (of which EUR 2.2 billion for the European Parliament).

Thematic special instruments: EUR 28 billion

The ‘thematic special instruments’ include the Solidarity and Emergency Aid Reserve, the European Globalisation Adjustment Fund for redundant workers (EGF) and the Brexit adjustment reserve.