2023 general budget: all sections

2022/0212(BUD) - 09/09/2022 - Council position on draft budget

The Council adopted its position on the draft general budget of the European Union for the year 2023 (DB 2023).

The Council underlines that the budget for 2023 has a key role in the development and delivery of the long-term objectives and political priorities agreed by the Union, contributing to the recovery of the European economy in the aftermath of the COVID19 pandemic. For the third consecutive year, the budget for 2023 will be reinforced by the funds from the temporary recovery instrument, Next Generation EU (NGEU).

APPROPRIATIONS AND APPROACH

The Council's position on the DB 2023 amounts to:

- **EUR 183 949.66 million in commitment appropriations** (EUR 185 591 million in the Commission's DB 2023);

- **EUR 165 738.29 million in payment appropriations** (EUR 166 268 million in the Commission's DB 2023).

The total amount of payment appropriations provided for in the Council's position on the DB 2023 corresponds to **1.01%** of the EU gross national income (GNI).

Approach taken by the Council

The Council considers that the budget for 2023 should be realistic, in line with actual needs, ensure prudent budgeting and leave sufficient margins under the MFF ceilings to deal with unforeseen circumstances.

At the same time, the budget for 2023 should provide sufficient resources to ensure the implementation of Union programmes and to allow commitments already made under the current and previous MFF to be paid in due time, in particular since 2023 is the last year for implementing shared management commitments under the MFF 2014-2020.

In addition, the work of the Council was complicated by the fact that the Commission presented a budget proposal which left out provisions to face the needs related to Russia's military aggression against Ukraine and its potential economic, social and humanitarian impact, compounded by other factors, such as high inflation (and related development of increasing interest rates). In view of these uncertainties, the Council considered that it was necessary to **increase the margins** in the budget in a significant manner to cater for **sufficient budgetary flexibility**.

The Council undertook a **detailed analysis** of the commitment appropriations for each programme and action by budget line, in order to ensure:

- **sufficient margins** to cover the financial needs to be detailed in the coming months and addressed by the amending letter expected in early Autumn, mainly regarding the Ukraine crisis;

- the **rebalancing and stabilisation of the level of appropriations** of expenditure programmes that are subject to top-ups by the multiannual financial framework (MFF) Regulation and benefit from significant additional appropriations from NGEU/assigned revenue;

- an appropriate **acceleration** of the implementation of programmes by avoiding excessive increases compared to 2022.

The result of the Council's assessment is reflected in the proposal to **adjust downwards** the commitment appropriations by EUR 1 641.4 million and the payment appropriations by EUR 530 million.

EXPENDITURE BY HEADING IN THE 2021-2027 MFF

The Council has changed the commitment appropriations (c/a) and updated the payment appropriations (p /a) as follows in relation to the DB 2023:

(1) Single Market, Innovation and Digital (heading 1 of the MFF):EUR 20 332 966 859 in c/a and EUR 20 522 946 094 in p/a

- the heading is characterised by a total reduction of -EUR 1 234.6 million in the appropriations requested in the DB 2023 distributed on a number of specific budget lines, including operational and support expenditure.

The margin available under heading 1 would be EUR 1 394.03 million.

(2) Cohesion and Values (heading 2 of the MFF): EUR 69 849 083 022 in c/a and EUR 55 808 688 774 in p/a

Economic, Social and Territorial Cohesion (sub-heading 2a of the MFF)

- the Council accepted he level of both commitment and payment appropriations as it stands (EUR 62 922.98 million and EUR 49 131.08 million, respectively) in the DB 2023 as proposed by the Commission;

- the margin available under sub-heading 2a would be EUR 16.02 million, as proposed by the Commission.

Resilience and Values (sub-heading 2b of the MFF)

- the sub-heading is characterised by a total reduction in commitment appropriations of -EUR 237.6 million (-EUR 197 million for Recovery and Resilience and - EUR 40.6 million for Investing in People, Social Cohesion and Values), and of -EUR 31.8 million for payment appropriations.

The margin available under sub-heading 2b would amount to EUR 271.9 million.

(3) Natural resources and environment (heading 3 of the MFF): EUR 57 177 558 225 in c/a and EUR 57 439 369 586 in p/a

- the heading is characterised by a reduction in commitment appropriations of -EUR 45 million for the Environment and Climate Action Programme (LIFE) and -EUR 6 million for payment appropriations;

The margin available under heading 3 would amount to EUR 117.44 million.

(4) Migration and border management (heading 4 of the MFF): EUR 3 677 311 518 in c/a and EUR 3 017 380 252 in p/a

- the heading is characterised by a reduction in commitment appropriations of -EUR 50 million for the decentralised bodies, namely the European Border and Coast Guard Agency (Frontex) and -EUR 50 million for payment appropriations.

The margin available under heading 4 would amount to EUR 136.69 million.

(5) Security and defence (heading 5 of the MFF): EUR 1 889 409 130 in c/a and EUR 1 109 874 612 in p/a

- the heading is characterised by a reduction in commitment appropriations of -EUR 11.7 million for the Internal Security Fund (ISF) and -EUR 1.5 million for payment appropriations;

The margin available under heading 5 would amount to EUR 56.69 million.

(6) Neighbourhood and the World (heading 6 MFF): EUR 16 781 879 478 in c/a and EUR 13 773 937 845 in p/a

- the Council accepted the level of both commitment and payment appropriations as proposed by the Commission (EUR 16 781.88 million and EUR 13 773.94 million, respectively).

No margin would be available under heading 6, as proposed by the Commission

(7) European public administration (heading 7 of the MFF): EUR 11 386 302 167 in c/a and EUR 11 386 302 167 in p/a

For the European Parliament, it is suggested not to modify the Commission's proposal and to foresee EUR 2 267.98 million.

The margin available under heading 7 would be EUR 32.7 million

Special instruments: EUR 2 855 153 029 in c/a and EUR 2 679 794 000 in p/a

It is suggested to maintain the appropriations entered in the DB 2023 for the Solidarity and Emergency Aid Reserve and for the European Globalisation Adjustment Fund. As far as the Flexibility Instrument is concerned, the use of EUR 62.5 million for heading 7 is not accepted.

Revenue

It is suggested to accept the DB 2023 after the technical adjustments arising from the changes made to expenditure in the Council's position.