

Amending budget 4/2023: reduction in payment appropriations; other adjustments and technical updates

2023/0367(BUD) - 11/10/2023 - Commission draft budget

PURPOSE: presentation by the Commission of draft amending budget No 4 to the general budget 2023.

CONTENT: the **purpose of Draft Amending Budget (DAB) No 4** for the year 2023 is to update the expenditure side of the budget for the following purposes:

Reductions of the appropriations for the ITER project

The ITER project experienced increasing difficulties in its implementation over the year, notably due to essential repair needs on some parts. The project is undergoing a full re-baselining exercise whose adoption by the ITER Council is foreseen in November 2024. This situation leads to an important reduction of the needs in 2023 in both commitment and payment appropriations.

Consequently, the Commission proposes to reduce the level of appropriations in this DAB by **EUR 280 million** in commitment and **EUR 264 million** in payment appropriations.

Reduction of the needs of payment appropriations

The Commission proposes to reduce the level of payment appropriations for the Digital Europe Programme (DEP), the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+), the European Agricultural Fund for Rural Development (EAFRD) and the Asylum, Migration and Integration Fund (AMIF) for a total amount of **EUR 3 billion**. These amounts could not be included in the redeployments proposed in the 'Global transfer' (DEC 13/2023) submitted to Parliament and Council on 27 September 2023.

Consequently, the Commission proposes to reduce the level of payment appropriations as follows:

- Digital Europe Programme by EUR 348.6 million;
- ERDF by EUR 1 081.3 million;
- ESF+ by EUR 650 million;
- EAFRD by EUR 685 million;
- AMIF by EUR 259 million.

European Public Administration

The Commission proposes adjustments to the heading 7 'European Public Administration', notably in relation to the impact of the increased salary adjustment on administrative expenditure: 2.7 % (i.e. 1.0 % residual update after the first update of 1.7 % from 1 January) instead of +2.6 % to be applied

retroactively as from 1 July 2023 as used in the 2023 budget, a higher number of new pension beneficiaries in comparison with the estimates when the 2023 budget was established, and the impact of continued high energy prices.

Overall, the proposal is to increase the non-differentiated expenditure of heading 7 by **EUR 32.5 million** for 2023. It corresponds to an increase of EUR 2.4 million for the administrative expenditure of the other Institutions, EUR 49.1 million for pensions of all institutions and EUR 8.7 million for the European Schools. The increases are compensated by a decrease of administrative expenditure of the Commission for EUR 27.6 million.

European External Action Service (EEAS)

It is proposed to allow the EEAS to recruit **20 seconded national experts** free of charge for the Military Planning and Conduct Capability (MPCC), without impacting the level of appropriations in 2023.

European Public Prosecutor's Office (EPPO)

The Commission is proposing to increase the level of appropriations for the security of the building and of the IT systems of EPPO. The complex and sensitive files managed by EPPO require a reinforcement of the security of the building and of the IT systems of the agency to which eight additional Temporary Agents are proposed to be allocated. The budget of the EPPO is thus proposed to be increased by **EUR 500 000** in commitment and payment appropriations to cover the expenditure in year 2023 of the salaries of the new staff.

European Environment Agency (EEA)

The Commission proposal for the Nature Restoration Law included new tasks for the European Environment Agency, which were expected to require an amount of EUR 2 301 604 in 2023, offset from the LIFE programme. In accordance with Article 49 of the Financial Regulation, this amount was entered into the reserve (the 'provisions' title). In view of the fact that interinstitutional negotiations on the Nature Restoration Law proposal are still ongoing, the Commission proposes to return the 2023 allocation to the LIFE programme.

Overall, the net impact of this DAB is a decrease of **EUR 247.5 million** in commitment appropriations and of **EUR 3 254.8 million** in payment appropriations under the 2023 budget.