

2025 general budget: all sections

2024/0176(BUD) - 13/09/2024 - Council position on draft budget

On 13 September 2024, the Council adopted its position on the **draft general budget of the European Union for the financial year 2025**.

The technical annexes, set out in Addendum 2 to this explanatory memorandum, contain a breakdown by heading of the MFF 2021-2027, as well as corresponding detailed figures for each institution and by title.

The Council's position on the DB 2025 that would amount to:

- **EUR 191 526.99 million in commitment appropriations** (EUR 199.7 billion in commitments in the Commission's DB 2025);

- **EUR 146 214.61 million in payment appropriations** (EUR 152.7 billion in payments in the Commission's DB 2025).

The total amount of payment appropriations provided for in the Council's position on the DB 2025 corresponds to 0.79 % of the EU gross national income (GNI).

Approach taken by the Council

The Council's position on the 2025 DB has been defined in accordance with the guiding principles of prudent and realistic budgeting and the provision of sufficient resources to support clearly defined priorities.

These guiding principles have led the Council to undertake a detailed analysis of the commitment appropriations under each programme and action by budget line, in order to ensure:

- a realistic absorption capacity;
- an appropriate acceleration of the implementation of programmes by avoiding excessive increases compared to 2024;
- sufficient margins under the ceilings to deal with unforeseen circumstances.

The result of the Council's assessment is reflected in the proposal to **adjust downwards the commitment appropriations by EUR 1 519.95 million**. The proposed adjustments in headings 1 (Single Market, Innovation and Digital), 2 (Cohesion, Resilience and Values), 3 (Natural Resources and Environment), 4 (Migration and Border Management), 5 (Security and Defence) and 6 (Neighbourhood and the World) aim at reducing lines that were increased compared to the voted budget 2024, mainly in order to prevent risks in terms of absorption capacity, and to limit the increase of support expenditure to 2 % compared to the voted budget 2024.

A **targeted adjustment** is proposed for sub-heading 2b (Resilience and Values) for the European Union Recovery Instrument (EURI) line. The proposal is based on a more conservative approach, in line with prudent budgeting and sound financial management, with respect to the financing costs of NextGenerationEU (NGEU). Consequently, in line with the revised multiannual financial framework (MFF) Regulation, the Council has sought other financing possibilities, by reducing the appropriations of a few programmes in order to create more margins. The suggested adjustment for the EURI line will limit

the use of both the Flexibility Instrument and the newly created EURI Instrument to cover the overrun costs.

An **upward adjustment** under headings 4 (Migration and Border Management), 5 (Security and Defence) and 6 (Neighbourhood and the World) is also suggested to reinforce the Union's priorities and support front-line Member States in the current geopolitical context (headings 4 and 5) and to ensure a sufficient level of humanitarian aid available in 2025, including for Ukraine, Georgia and Moldova (heading 6).

As regards **payment appropriations**, the result of the Council's assessment is reflected in the proposal to adjust the level downwards by EUR 875.85 million.

As regards **administrative expenditure**, the result of the Council's assessment is reflected in the proposal to adjust the level downwards by EUR 14.98 million. This reduction results from savings from expenditure related to buildings, and mainly from cutting the entire amount for housing allowances requested by institutions based in Luxembourg.

EXPENDITURE BY HEADING OF THE MFF 2021-2027

The Council amended the commitment appropriations (C/A) and updated the payment appropriations (P/A) for the 2025 DB as follows:

1. Single Market, Innovation and Digital (heading 1 of the MFF): EUR 20 734 446 741 in c/a and EUR 20 216 454 229 in p/a

- this heading is characterised by a **total reduction of -EUR 643.24 million** in the appropriations requested in the DB 2025 distributed on a number of specific budget lines, including operational and support expenditure, related to: Research and Innovation (-EUR 450.49 million); European Strategic Investments (-EUR 147.66 million); Single Market (-EUR 10.29 million); Space (-EUR 34.80 million).

The margin available under heading 1 would be EUR 861.55 million.

2. Cohesion, Resilience and Values (heading 2 of the MFF): EUR 77 319 445 843 in c/a and EUR 41 044 316 758 in p/a

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

- this sub-heading is characterised by a **total reduction of -EUR 0.13 million** in the appropriations requested in the DB 2025 limited to a specific budget line, related to support expenditure for: Investing in People, Social Cohesion and Values (-EUR 0.13 million on the European Social Fund+ (ESF+)).

The margin available under sub-heading 2a would be EUR 0.89 million.

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

- this sub-heading is characterised by a total reduction of -EUR 808.58 million in the appropriations requested in the DB 2025 on a number of specific budget lines, including operational and support expenditure, related to: Recovery and Resilience (-EUR 462.82 million); Investing in People, Social Cohesion and Values (-EUR 345.75 million).

As there would be no margin available under sub-heading 2b, it is suggested to mobilise the Flexibility Instrument for an amount of EUR 915.85 million (-EUR 276.98 million) and the EURI Instrument for an amount of EUR 707.48 million (-EUR 531.60 million).

3. Natural Resources and Environment (heading 3 of the MFF): EUR 57 271 078 739 in c/a and EUR 52 680 321 247 in p/a

- this heading is characterised by a total reduction of -EUR 3.88 million in the appropriations requested in the DB 2025, related to: Environment and Climate Action (-EUR 3.88 million on the Programme for Environment and Climate Action (LIFE)).

The margin available under heading 3 would be EUR 64.92 million.

4. Migration and Border Management (heading 4 of the MFF): EUR 4 710 657 385 in c/a and EUR 3 120 123 781 in p/a

- this heading is characterised by a total reduction of -EUR 65.87 million in the appropriations requested in the DB 2025, related to: Border Management (-EUR 65.87 million).

The margin available under heading 4 would be EUR 160.34 million.

5. Security and Defence (heading 5 of the MFF): EUR 2 612 000 000 in c/a and EUR 2 126 865 434 in p/a

- the Council established the level of commitment appropriations, targeting a total reduction of -EUR 5 million in the appropriations requested in the DB 2025, related to: Security (-EUR 10 million on the Internal Security Fund (ISF); Defence (+EUR 5 million).

The margin available under heading 5 would be EUR 5 million.

6. Neighbourhood and the World (heading 6 of the MFF): EUR 16 279 984 152 in c/a and EUR 14 427 146 291 in p/a

- This heading is characterised by a total increase of +EUR 21.74 million in the appropriations requested in the DB 2025 related to: External Action (+EUR 21.74 million).

The margin available under heading 6 therefore stands at EUR 23.02 million.

7. European Public Administration (heading 7 of the MFF): EUR 12 599 384 162 in c/a and EUR 12 599 384 162 in p/a

For the European Parliament, it is suggested that the DB 2025 (Section I) be approved as it stands (EUR 2 498.1 million).

As there would be no margin available under heading 7, it is suggested to accept the mobilisation of the Single Margin Instrument for a total amount of EUR 475.38 million, of which EUR 328 million for administrative expenditure of the institutions and EUR 147.38 million for pensions of all institutions and bodies, to allow the institutions to meet their legal obligations.

Special instruments

It is suggested to maintain the appropriations entered in the DB 2025 for the Solidarity and Emergency Aid Reserve, the European Globalisation Adjustment Fund, the Brexit Adjustment Reserve and the Ukraine reserve. The commitment appropriations entered in the DB 2025 for the Flexibility Instrument are established at EUR 915.85 million (-EUR 276.98 million). The payment appropriations are maintained as they stand in the DB 2025.

The commitment appropriations entered in the DB 2025 for the Single Margin Instrument are established at EUR 475.38 million (-EUR 14.98 million). The commitment appropriations entered in the DB 2025 for the EURI Instrument are established at EUR 707.48 million (-EUR 531.60 million).

Revenue

It is suggested to accept the DB 2025 after the technical adjustments arising from the changes made to expenditure in the Council's position.