EUROPEAN
COMMISSION

Brussels, 10.12.2020
COM(2020) 836 final

Second DRAFT General Budget of the European Union for the financial year 2021

GENERAL INTRODUCTION

DOCUMENTS

Second DRAFT General Budget of the European Union for the financial year 2021

GENERAL INTRODUCTION

https://eur-lex.europa.eu/budget/www/index-en.htm

SECOND DRAFT GENERAL BUDGET 2021

STATEMENT OF REVENUE AND EXPENDITURE BY SECTION

Having regard to:

– the Treaty on the Functioning of the European Union, and in particular Article 314 thereof, in conjunction with the Treaty establishing the European Atomic Energy Community, and in particular Article 106a thereof,

– the Commission proposal for a Council Regulation laying down the multiannual financial framework for the years 2021 to 2027 of 2 May 2018[1] and its amended proposal of 28 May 2020[2],

– the conclusions adopted by the European Council on 21 July 2020[3] following the special meeting of 17-21 July 2020;

– the Commission proposal for Interinstutional Agreement on budgetary discipline, cooperation and budgetary matters and sound financial management of 2 May 2018[4] and its amended proposal of 28 May 2020[5].

– the Commission proposal for a Council Decision on the system of Own Resources of the European Union of 2 May 2018[6] and its amended proposal of 28 May 2020[7],

– the proposal for a Council Regulation establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 pandemic[8],

– the Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2013, (EU) No 283/2014, and Decision No 541/2014/EU, and repealing Regulation (EU, Euratom) No 966/2012[9],

– the original draft general budget of the European Union for the financial year 2021, presented by the Commission on 27 July 2020[10],

– the Council's position on the original draft general budget of the European Union for the financial year 2021 adopted by the Council on 7 September 2020[11],

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1 COM/2018/322 final
2 COM/2020/443 final
3 EUCO 10/2020
4 COM/2018/323 final
5 COM/2020/444 final
6 COM/2018/325 final
7 COM/2020/445 final
8 COM/2020/441 final/2
9 OJ L 193, 30.7.2018
10 COM/2020/300 final
11 10378/20

– the European Parliament's amendments on the Council's position on the original draft general budget of the European Union for the financial year 2021, adopted by the European Parliament on 12 November 2020[12],

– the Amending letter 1/2021 to the original draft general budget 2021, presented by the Commission on 13 November 2020[13],

– the common understanding on the content of the budget for 2021, based on the Draft Elements of Joint Conclusions no. 4 as presented by the Commission on 4 December 2020, reached by the Conciliation Committee on 4 December 2020.

The European Commission hereby presents to the European Parliament and to the Council the general introduction to the second draft general budget for 2021.

Simultaneously with this general introduction, the full details by section of the second draft budget for 2021 are available on EUR-Lex (http://eur-lex.europa.eu/budget/www/index-en.htm) in all linguistic versions.

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1. INTRODUCTION

On 27 July 2020, the Commission transmitted the draft budget for 2021 in all official languages[14]. On 7 September 2020, the Council completed its reading of the draft budget and on 12 November 2020 the European Parliament adopted its reading. On 13 November the Commission transmitted amending letter 1/2021 with updated estimates for the year 2021. As the European Parliament did not accept the Council reading and adopted amendments to the draft budget which could not be accepted by the Council, a Conciliation Committee was convened, in accordance with Article 314(4)(c) of the Treaty on the Functioning of the European Union (TFEU).

The Conciliation Committee worked over a period of twenty-one days, between 17 November and 7 December 2020. Although the Conciliation Committee reached a common understanding on the content of the budget for 2021, based on the Draft Elements of Joint Conclusions no. 4 as presented by the Commission on 4 December 2020, in the light of the circumstances as regards the multiannual financial framework (MFF) for 2021-2027 at that time, it was not in a position to agree on a joint text within the conciliation period of 21 days.

In the absence of formal agreement in the Conciliation Committee, in accordance with Article 314(8) of the TFEU, the Commission hereby submits a second draft budget for 2021. It is based on the common understanding reached by the Conciliation Committee on 4 December. It follows to a large extent the Commission's original draft budget, as amended by Amending letter no 1/2021[15], with some significant reinforcements in commitment appropriations for key programmes and investments contributing to green and digital transition and creating jobs and growth (such as the Connecting Europe Facility (CEF) – Transport, the Digital Europe Programme and LIFE) and with some decreases and redeployments especially in heading 2b following the readings of the Council and the European Parliament of the original draft budget. A targeted increase amounting to EUR 20 million of Horizon Europe is proposed through the application of Article 15.3 of the Financial Regulation. The overall level of payments following the changes in commitments and redeployments is EUR 63,9 million lower compared to Amending letter 1/2021.

Given the progress in the formal adoption of the Multiannual Financial Framework package, the second draft general budget is proposed with a view of its adoption together with the new 2021-2027 MFF before the end of the year.

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2. THE MULTIANNUAL FINANCIAL FRAMEWORK AND THE SECOND 2021 DRAFT BUDGET

2.1. Ceilings of the multiannual financial framework for the 2021 budget

The ceilings for commitment and payment appropriations in the multiannual financial framework (MFF)[16] for the establishment of the second 2021 draft budget are presented in the table below:

Heading		2021 MFF ceilings million EUR, at current prices
1.	**Single Market, Innovation and Digital**	**20 919**
2.	**Cohesion, Resilience and Values**	**52 786**
2a.	Economic, social and territorial cohesion	48 191
2b.	Resilience and values	4 595
3.	**Natural Resources and Environment**	**58 624**
	of which: Market related expenditure and direct payments	40 925
4.	**Migration and Border Management**	**2 467**
5.	**Security and Defence**	**1 805**
6.	**Neighbourhood and the World**	**16 247**
7.	**European Public Administration**	**10 635**
	of which: Administrative expenditure of the institutions	8 216
	TOTAL COMMITMENTS	**163 483**
	TOTAL PAYMENTS	**166 140**

In the MFF, the overall ceiling for commitment appropriations is set at EUR 163 483 million, which represents 1,17 % of EU gross national income (GNI)[17]. The ceiling for payment appropriations is EUR 166 140 million, or 1,19 % of GNI.

2.2. Overview of the second 2021 draft budget

EUR million in current prices

Headings		(A)		(B)		(B – A)		(B / A)	
		2020 Budget (1)		Second draft budget 2021		Difference 2021 – 2020 (		Difference	
		CA	PA	CA	PA	CA	PA	CA	PA
1.	**SINGLE MARKET, INNOVATION AND DIGITAL**	**21 869,0**	**19 154,7**	**20 816,6**	**17 191,6**	**-1 052,4**	**-1 963,1**	**-4,8%**	**-10,2%**
	Ceiling			***20 919,0***					
	Margin			***102,4***					
2.	**COHESION, RESILIENCE AND VALUES**	**66 213,6**	**62 054,5**	**52 861,9**	**66 153,8**	**-13 351,7**	**4 099,3**	**-20,2%**	**6,6%**
	Of which under Flexibility Instrument			***76,4***					
	Ceiling			***52 786,0***					
	Margin			***0,5***					
2.a	**— Economic, social and territorial cohesion**	**58 568,1**	**55 208,6**	**48 190,5**	**61 867,9**	**-10 377,6**	**6 659,3**	**-17,7%**	**12,1%**
	Sub-ceiling			*48 191,0*					
	Sub-margin			*0,5*					
2.b	**— Resilience and Values**	**7 645,5**	**6 845,8**	**4 671,4**	**4 285,9**	**-2 974,1**	**-2 560,0**	**-38,9%**	**-37,4%**
	Of which under Flexibility Instrument			*76,4*					
	Sub-ceiling			*4 595,0*					

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17 GNI figures as presented in the 2020 Spring Economic Forecast published on 6 May 2020

	Sub-margin								
3.	**NATURAL RESOURCES AND ENVIRONMENT**	**59 936,5**	**58 662,5**	**58 568,6**	**56 804,2**	**-1 368,0**	**-1 858,3**	**-2,3%**	**-3,2%**
	Ceiling			***58 624,0***					
	Margin			***55,4***					
	— Of which: European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments	**43 458,8**	**43 428,7**	**40 368,0**	**40 353,7**	**-3 090,8**	**-3 074,9**	**-7,1%**	**-7,1%**
	Sub-ceiling			*40 925,0*					
	Net transfer between EAGF and EAFRD								
	EAGF Margin			***557,0***					
4.	**MIGRATION AND BORDER MANAGEMENT**	**2 367,8**	**2 168,0**	**2 278,8**	**2 686,2**	**-89,0**	**518,2**	**-3,8%**	**23,9%**
	Ceiling			***2 467,0***					
	Margin			***188,2***					
5.	**SECURITY AND DEFENCE**	***831,4***	***814,2***	***1 709,3***	***670,6***	***877,8***	***-143,5***	**105,6%**	**-17,6%**
	Ceiling			***1 805,0***					
	Margin			***95,7***					
6.	**NEIGHBOURHOOD AND THE WORLD**	***10 848,6***	***9 603,3***	***16 097,2***	***10 811,0***	***5 248,6***	***1 207,7***	**48,4%**	**12,6%**
	Ceiling			***16 247,0***					
	Margin			***149,8***					
7.	**EUROPEAN PUBLIC ADMINISTRATION**	**10 222,3**	**10 225,3**	**10 448,3**	**10 449,6**	**226,1**	**224,3**	**2,2%**	**2,2%**
	Ceiling			***10 635,0***					
	Margin			***186,7***					
	— Of which: Administrative expenditure of the institutions	**7 906,1**	**7 909,1**	**8 035,8**	**8 037,1**	**129,7**	**128,0**	**1,6%**	**1,6%**
	Sub-ceiling			*8 217,0*					
	Sub-margin			*181,2*					
	European Schools and Pensions	2 316,1	2 316,1	2 412,5	2 412,5	96,4	96,4	4,2%	4,2%
	Administrative expenditure of the institutions	7 906,1	7 909,1	8 035,8	8 037,1	129,7	128,0	1,6%	1,6%
	APPROPRIATIONS FOR HEADINGS	**172 289,2**	**162 682,4**	**162 780,6**	**164 767,0**	**-9 508,6**	**2 084,6**	**-5,5%**	**1,3%**
	Of which under Flexibility Instrument			***76,4***	***628,5***				
	Ceiling			***163 483,0***	***166 140,0***				
	Margin			***778,8***	***2 001,4***				
	Appropriations as % of GNI (2)	***1,01%***	***0,96%***	***1,16%***	***1,18%***	***0,15%***	***0,22%***		
	Thematic special instruments (3)	**1 594,9**	**1 425,6**	**1 470,8**	**1 293,5**	**-124,0**	**-132,1**	**-7,8%**	**-9,3%**
	Outside MFF							∞	∞
	TOTAL APPROPRIATIONS	**173 884,1**	**164 108,0**	**164 251,5**	**166 060,5**	**-9 632,6**	**1 952,4**	**-5,5%**	**1,2%**
	Appropriations as % of GNI	***1,02%***	***0,97%***	***1,17%***	***1,19%***	***0,15%***	***0,22%***		

(1) Budget 2020 includes amending budgets 1 to 8 and draft amending budget 10.
(2) The second draft budget 2021 is based on the forecast of GNI as presented in the Spring Econcomic Forecast published on 6 May 2020.
(3) Thematic special instruments includes the 'Solidarity and Emergency Aid Reserve (SEAR)', the 'European Globalisation Adjustment Fund (EGF)', the 'European Union Solidarity Fund (EUSF)' and the Brexit Adjustment Reserve (BAR)

In terms of ***commitment*** **appropriations** (including thematic special instruments), the total expenditure proposed in the second draft budget (DB) 2021 is set at EUR 164 251,5 million. Overall, this leaves a margin below the MFF ceilings for 2021 of EUR 778,8 million in commitment appropriations.

For ***payment*** **appropriations** (including thematic special instruments), the requested total expenditure is EUR 166 060,5 million. Overall, this leaves a margin below the MFF ceilings for 2021 of EUR 2 001,4 million in payment appropriations.

The **Flexibility Instrument** for 2021 is mobilised in commitment appropriations for an amount of EUR 76,4 million for heading 2b Resilience and Values.

The 2021 payment appropriations related to the mobilisation of the Flexibility Instrument in 2018, 2019, 2020 and 2021 are estimated by the Commission at EUR 628,5 million. The estimated payment schedule of the related outstanding amounts for these years is detailed in the following table:

Flexibility instrument - payment profile					
Mobilisation year	2 021	2 022	2 023	2 024	**Total**
2018	34,2	0,0	0,0	0,0	**34,2**
2019	135,2	140,9	82,2	0,0	**358,4**
2020	413,7	66,2	39,9	0,0	**519,8**
2021	45,4	13,0	10,3	7,6	**76,4**
Total	**628,5**	**220,1**	**132,5**	**7,6**	**988,7**

Commitment appropriations for **Single Market, Innovation and Digital** are set at EUR 20 816,6 million leaving a margin of EUR 102,4 million under the expenditure ceiling of **heading 1**. Payment appropriations are set at EUR 17 191,6 million.

For **heading 2a Economic, social and territorial cohesion** commitment appropriations are set at EUR 48 190,5 million leaving a margin of EUR 0,5 million under the expenditure ceiling of the heading. Payment appropriations are set at EUR 48 190,5 million.

For **heading 2b Resilience and Values** commitment appropriations are set at EUR 4 671,4 million, with no margin left under the expenditure ceiling of heading 2b and the mobilisation of the Flexibility Instrument for EUR 76,4 million. Payment appropriations are set at EUR 4 285,9 million.

Under **heading 3 Natural Resources and Environment**, the level of commitment appropriations is set at EUR 58 568,6 million, leaving a margin of EUR 55,4 million under the expenditure ceiling of the heading. Payment appropriations are set at EUR 56 804,2 million.

Commitment appropriations for **Migration and Border Management** are set at EUR 2 278,8 million, leaving a margin of EUR 188,2 million under the expenditure ceiling of **heading 4**. Payment appropriations are set at EUR 2 686,2 million.

For heading 5 **Security and Defence** commitment appropriations are set at EUR 1 709,3 million, leaving a margin of EUR 95,7 million under the expenditure ceiling of **heading 5**. Payment appropriations are set at EUR 670,6 million.

Commitment appropriations for **Neighbourhood and the World** are set at EUR 16 097,2 million, leaving a margin of EUR 149,8 million under the expenditure ceiling of **heading 6**. Payment appropriations are set at EUR 10 811,0 million.

Commitment and payment appropriations for **Administration** (**heading 7**) for all institutions combined including pensions and European schools is respectively set at EUR 10 448,3 million for commitments and EUR 10 449,6 million for payments. The resulting unallocated margin is EUR 186,7 million.

3. KEY ELEMENTS OF THE SECOND DRAFT BUDGET PROPOSAL

Overall, the second draft budget builds on the common understanding reached by the Conciliation Committee on 4 December. The details of the amendments proposed to the original draft budget, as modified by Amending letter 1/2021, are outlined hereafter.

3.1. Horizontal issues

Decentralised agencies

For decentralised agencies, the EU contribution (in commitment appropriations and in payment appropriations) and the number of posts are proposed to be set at the level of the original draft budget as amended by Amending letter 1/2021, with the following amendments:

- Under heading 1b:
    - The European Union Agency for Fundamental Rights (FRA, budget article 07 10 04) for which the level of commitment and payment appropriations is increased by EUR 638 178.
    - The European Institute for Gender Equality (EIGE, budget article 07 10 05) for which the level of commitment and payment appropriations is increased by EUR 971 628.
    - The European Union Agency for Criminal Justice Cooperation (Eurojust, budget article 07 10 07) for which the level of commitment and payment appropriations is increased by EUR 500 000.
    - The European Public Prosecutor's Office (EPPO, budget article 07 10 08) for which 8 additional posts (representing a frontloading of the increase foreseen in 2022) are allocated and the level of commitment and payment appropriations is increased by EUR 7 252 790.
- Under heading 4:
    - The European Border and Coast Guard Agency (Frontex, budget article 11 10 01) for which the level of commitment and payment appropriations is reduced by EUR 61 000 000.
    - The European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (‘eu-LISA’, budget article 11 10 02) for which the level of commitment and payment appropriations is increased by EUR 500 000.

Executive agencies

For executive agencies, the EU contribution (in commitment appropriations and in payment appropriations) and the number of posts are proposed to be set at the level of the original draft budget, as amended by Amending letter 1/2021.

The Commission will present a Draft Amending budget in 2021 in order to adjust the structure and appropriations to the new set of executive agencies once they are formally established. The corresponding Commission implementing decision establishing the new executive agencies and the Commission decisions delegating powers to them are expected to be adopted early in the 2021.

Pilot Projects and Preparatory Actions

The second draft budget includes a comprehensive package of 59 pilot projects and preparatory actions for a total amount of EUR 71,8 million in commitment appropriations, reflecting the European Parliament's reading of the original draft budget.

3.2. General approach for commitment appropriations

3.2.1. Heading 1 – Single Market, Innovation and Digital

Commitment appropriations are set at the level proposed by the Commission in the draft budget, as amended by Amending Letter 1/2021, with the amendments included in the table below:

Budget line / Programme	Name	Variation in commitment appropriations (in EUR)		
		DB 2021 (incl. AL1)	Second draft budget 2021	Difference
1.0.221	CEF Transport	1 725 058 000	1 785 393 458	60 335 458
02 03 01	Connecting Europe Facility (CEF) — Transport	1 711 996 420	1 772 331 878	60 335 458
1.0.23	Digital Europe Programme	1 103 848 000	1 129 576 962	25 728 962
02 04 03	Artificial Intelligence	293 895 160	318 323 274	24 428 114
02 04 04	Skills	82 290 594	83 591 442	1 300 848
PPPA	Pilot projects and preparatory actions			35 965 000
	Total			**122 029 420**

As a consequence, the level of commitment appropriations is set at EUR 20 816,6 million, leaving a margin of EUR 102,4 million under the expenditure ceiling of heading 1.

In accordance with Article 15.3 of the Financial Regulation[18], commitment appropriations are made available again on the research budget lines for a total of EUR 20 million in commitment appropriations. The following budget lines are reinforced as follows:

(in Eur)

Budget lines		Commitment appropriations
01 02 02 10	Cluster Health	3 400 000
01 02 02 40	Cluster Digital, Industry and Space	3 400 000
01 02 02 50	Cluster Climate, Energy and Mobility	6 600 000
01 02 02 60	Cluster Food, Bioeconomy, Natural Resources, Agriculture and Environment	6 600 000
Total		**20 000 000**

These appropriations are part of the overall amount of up to EUR 0,5 billion (in 2018 prices) for the period 2021-2027 retained in the 'Joint declaration' agreed on 10 November 2020. This leaves up to EUR 481,2 million in 2018 prices available for the period 2022-2027.

3.2.2. Heading 2a – Economic, social and territorial Cohesion

Commitment appropriations are set at the level proposed by the Commission in the draft budget, as amended by Amending Letter 1/2021.

3.2.3. Heading 2b – Resilience and Values

Commitment appropriations are set at the level proposed by the Commission in the draft budget, as amended by Amending Letter 1/2021, with the amendments included in the table below:

[18] Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union (OJ L 193, 30.7.2018, p. 1).

Budget line / Programme	Name	Variation in commitment appropriations (in EUR)		
		DB 2021 (incl. AL1)	Second draft budget 2021	Difference
2.2.23	Financing cost of the European Union Recovery Instrument (EURI)	111 461 000	39 591 000	-71 870 000
06 04 01	European Union Recovery Instrument (EURI) – Payment of periodic coupon and redemption at maturity	106 461 000	34 591 000	-71 870 000
07 03 01	Promoting learning mobility of individuals, as well as cooperation, inclusion, excellence, creativity and innovation at the level of organisations and policies in the field of education and training	2 298 294 584	0	-2 298 294 584
07 03 01 01	Promoting learning mobility of individuals, as well as cooperation, inclusion, excellence, creativity and innovation at the level of organisations and policies in the field of education and training – Indirect management	0	1 755 470 446	1 755 470 446
07 03 01 02	Promoting learning mobility of individuals, as well as cooperation, inclusion, excellence, creativity and innovation at the level of organisations and policies in the field of education and training – Direct management	0	542 824 138	542 824 138
2.2.351	Justice	43 696 000	46 392 538	2 696 538
07 07 01	Promoting judicial cooperation	10 646 000	11 319 945	673 945
07 07 02	Supporting judicial training	17 570 000	18 682 268	1 112 268
07 07 03	Promoting effective access to justice	14 380 000	15 290 325	910 325
2.2.352	Rights and Values	90 624 000	97 179 152	6 555 152
07 06 02	Promote citizens engagement and participation in the democratic life of the Union	34 938 000	36 238 848	1 300 848
07 06 03	Daphne	15 690 000	20 444 304	4 754 304
07 06 04	Protect and promote Union values	0	500 000	500 000
2.2.3DAG	Decentralised Agencies	211 135 699	220 498 295	9 362 596
07 10 04	European Union Agency for Fundamental Rights (FRA)	23 111 517	23 749 695	638 178
07 10 05	European Institute for Gender Equality (EIGE)	7 955 000	8 926 628	971 628
07 10 07	European Union Agency for Criminal Justice Cooperation (Eurojust)	42 345 006	42 845 006	500 000
07 10 08	European Public Prosecutor's Office (EPPO)	37 700 000	44 952 790	7 252 790
07 20 04 06	Specific competences in the area of social policy, including social dialogue	49 380 381	28 326 381	-21 054 000
07 20 04 09	Information and training measures for workers' organisations	0	21 054 000	21 054 000
PPPA	Pilot projects and preparatory actions			31 870 000
	Total			**-21 385 714**

As a consequence, the level of commitment appropriations is set at EUR 4 671,4 million, with no margin left under the expenditure ceiling of heading 2b and the mobilisation of the Flexibility Instrument for EUR 76,4 million.

3.2.4. Heading 3 – Natural Resources and Environment

Commitment appropriations are set at the level proposed by the Commission in the draft budget, as amended by Amending Letter 1/2021, with the amendments included in the table below:

Budget line / Programme	Name	Variation in commitment appropriations (in EUR)		
		DB 2021 (incl. AL1)	Second draft budget 2021	Difference
3.2.21	Programme for Environment and Climate Action (LIFE)	696 491 000	738 505 372	42 014 372
09 02 01	Nature and biodiversity	258 642 156	274 720 400	16 078 244
09 02 02	Circular economy and quality of life	168 461 328	178 933 566	10 472 238
09 02 03	Climate change mitigation and adaptation	121 426 944	128 975 334	7 548 390
09 02 04	Clean energy transition	127 332 437	135 247 937	7 915 500
PPPA	Pilot projects and preparatory actions			3 740 000
	Total			**45 754 372**

As a consequence, the level of commitment appropriations is set at EUR 58 568,6 million, leaving a margin of EUR 55,4 million under the expenditure ceiling of heading 3.

3.2.5. Heading 4 – Migration and Border Management

Commitment appropriations are set at the level proposed by the Commission in the draft budget, as amended by Amending Letter 1/2021, with the amendments detailed in the following table:

Budget line / Programme	Name	Variation in commitment appropriations (in EUR)		
		DB 2021 (incl. AL1)	Second draft budget 2021	Difference
4.0.2DAG	Decentralised Agencies	794 770 045	734 270 045	-60 500 000
11 10 01	European Border and Coast Guard Agency (Frontex)	566 949 620	505 949 620	-61 000 000
11 10 02	European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (‘eu-LISA’)	227 820 425	228 320 425	500 000
	Total			**-60 500 000**

Following the recent political agreement of 10 November 2020 between the European Parliament and the Council on the MFF 2021-2027 and pending the approval of the relevant texts, the reduction for the European Border and Coast Guard Agency (Frontex) in 2021 does not affect the overall top-up of EUR 0,5 billion (in 2018 prices) agreed politically in that context. The cut proposed in 2021 will be compensated in later years in line with the agreement on the MFF, whilst respecting the principles of sound financial management.

As a consequence, the level of commitment appropriations is set at EUR 2 278,8 million, leaving a margin of EUR 188,2 million under the expenditure ceiling of heading.

3.2.6. Heading 5 – Security and Defence

Commitment appropriations are set at the level proposed by the Commission in the draft budget, as amended by Amending Letter 1/2021.

3.2.7. Heading 6 – Neighbourhood and the World

Commitment appropriations are set at the level proposed by the Commission in the draft budget, as amended by Amending Letter 1/2021, with the amendments included in the table below:

Budget line / Programme	Name	Variation in commitment appropriations (in EUR)		
		DB 2021 (incl. AL1)	Second draft budget 2021	Difference
6.0.111	Neighbourhood, Development and International Cooperation Instrument (NDICI)	12 060 779 767	12 070 958 148	10 178 381
15 02 01 10	Southern neighbourhood	1 460 009 385	1 470 187 766	10 178 381
6.0.12	Humanitarian Aid (HUMA)	1 478 000 000	1 503 000 000	25 000 000
15 03 01	Humanitarian aid	1 391 512 450	1 416 512 450	25 000 000
6.0.1SPEC	Prerogatives	91 394 973	93 023 514	1 628 541
15 20 04 03	Information policy and strategic communication for external action	41 756 023	43 384 564	1 628 541
PPPA	Pilot projects and preparatory actions			175 000
	Total			**36 981 922**

Following the recent political agreement of 10 November 2020 between the European Parliament and the Council on the MFF 2021-2027 and pending the approval of the relevant texts, the reinforcement of Humanitarian Aid is part of the overall top-up of EUR 0,5 billion (in 2018 prices) agreed politically in that context, leaving EUR 476,4 million in 2018 prices available for the period 2022-2027.

As a consequence, the level of commitment appropriations is set at EUR 16 097,2 million, leaving a margin of EUR 149,8 million under the expenditure ceiling of heading.

3.2.8. Heading 7 – European Public Administration

For heading 7, the number of posts in the establishment plans of the institutions and the appropriations are proposed to be set at the level of the original draft budget, as amended by Amending Letter 1/2021 with the following exceptions:

- The section of the European Parliament for which its reading is approved and further adjusted to include (i) the impact of the revised salary update as per Amending Letter 1/2021 and (ii) the transfer of two establishment posts from the European Parliament (EP) to the European Commission with a view to support the operations of CERT-EU as per Amending Letter 1/2021;
- The section of the Council, for which its reading is approved and further adjusted to include the impact of the revised salary update as per Amending Letter 1/2021;
- The section of the European Court of Auditors (ECA) for which a technical update following the modification of the establishment plans further to the recourse to Article 53(1) of the Financial Regulation is agreed. This operation involved the conversion of one permanent AST11 post, one permanent AST8 post, one permanent AST7 post, two permanent AST5 posts, one permanent AST4 post and one temporary AST/SC3 post into respectively three permanent AD7 posts and four permanent AD5 posts with no impact on the level of appropriations.
- The section of the European Economic and Social Committee (EESC) for which the level of commitment and payment appropriations is increased by EUR 590 854.
- The section of the European Committee of the Regions (CoR) for which the level of commitment and payment appropriations is increased by EUR 564 796.

- The section of the European Data Protection Supervisor (EDPS) for which a technical update following the modification of the establishment plans further to the recourse to Article 53(1) of the Financial Regulation is agreed. This operation involved the conversion of one permanent AST5 post into one permanent AST/SC6 post with no impact on the level of appropriations.
- The section of the European External Action Service (EEAS) for which the level of commitment and payment appropriations is increased by EUR 1,0 million for the "Strategic Communication Capacity";

Furthermore as a consequence of the COVID-19 pandemic, the level of commitment and payment appropriations related to missions of all institutions except the European Parliament are reduced by 10%.

The combined adjustments, resulting in an overall decrease of EUR 8,8 million of heading 7, are detailed by section in the following tables:

Section 1 – European Parliament

Programme / Budget line	Name	Variation in commitment appropriations (in EUR)		
		DB 2021 (incl. AL1)	Second draft budget 2021	Difference
1 4 0 0	Other staff — Secretariat and political groups	63 837 727	65 039 727	1 202 000
1 4 0 1	Other staff — Security	38 084 545	34 584 545	-3 500 000
2 0 0 0	Rent	26 301 000	27 301 000	1 000 000
2 0 2 6	Security and surveillance of buildings	16 030 000	19 530 000	3 500 000
3 0 2	Reception and representation expenses	845 500	858 500	13 000
3 0 4 2	Meetings, congresses, conferences and delegations	2 780 000	2 857 000	77 000
3 2 0	Acquisition of expertise	6 629 500	7 491 500	862 000
2 1 2	Furniture	5 910 000	4 910 000	-1 000 000
10 1	Contingency reserve	4 500 000	2 346 000	-2 154 000
	Total			**0**

Section 2 – European Council and Council

Programme / Budget line	Name	Variation in commitment appropriations (in EUR)		
		DB 2021 (incl. AL1)	Second draft budget 2021	Difference
1 3 3 1	Mission expenses of the General Secretariat of the Council	3 600 000	3 240 000	-360 000
1 3 3 2	Travel expenses of staff related to the European Council	1 650 000	1 485 000	-165 000
2 2 0 0	Travel expenses of delegations	17 228 000	15 505 000	-1 723 000
2 2 0 1	Miscellaneous travel expenses	570 000	513 000	-57 000
2 2 1 3	Information and public events	5 095 000	4 585 500	-509 500
	Total			**-2 814 500**

Section 3 – Commission

Programme / Budget line	Name	Variation in commitment appropriations (in EUR)		
		DB 2021 (incl. AL1)	Second draft budget 2021	Difference
20 02 06 01	Mission and representation expenses	59 145 000	53 230 000	-5 915 000
20 02 07 01	Mission and representation expenses	6 083 000	5 475 000	-608 000
20 03 15 01 -	Publications Office - Missions and	235 000	212 000	-23 000

O1 01 03 01	representation expenses			
20 03 15 02 - O2 01 03 01	European Personnel Selection Office - Missions and representation expenses	401 000	361 000	-40 000
20 03 16 01 - O3 01 03 01	Office for Administration and Payment of Individual Entitlements - Missions and representation expenses	153 000	138 000	-15 000
20 03 16 02 - O4 01 03 01	Office for Infrastructure and Logistics — Brussels - Missions and representation expenses	138 000	124 000	-14 000
20 03 16 03 - O5 01 03 01	Office for Infrastructure and Logistics — Luxembourg - Missions and representation expenses	111 000	100 000	-11 000
20 03 17 - O6 01 03 01	European Anti-Fraud Office (OLAF) - Missions and representation expenses	1 460 000	1 314 000	-146 000
	Total			**-6 772 000**

Section 4 – Court of Justice of the European Union

Programme / Budget line	Name	Variation in commitment appropriations (in EUR)		
		DB 2021 (incl. AL1)	Second draft budget 2021	Difference
1 6 2	Missions	450 000	405 000	-45 000
	Total			**-45 000**

Section 5 – European Court of Auditors

Programme / Budget line	Name	Variation in commitment appropriations (in EUR)		
		DB 2021 (incl. AL1)	Second draft budget 2021	Difference
1 6 2	Missions	3 320 000	2 988 000	-332 000
	Total			**-332 000**

Section 6 – European Economic and Social Committee

Programme / Budget line	Name	Variation in commitment appropriations (in EUR)		
		DB 2021 (incl. AL1)	Second draft budget 2021	Difference
1 6 2	Missions	421 082	378 974	-42 108
2 5 4 8	Interpreting	6 735 709	7 326 563	590 854
	Total			**548 746**

Section 7 – European Committee of the Regions

Programme / Budget line	Name	Variation in commitment appropriations (in EUR)		
		DB 2021 (incl. AL1)	Second draft budget 2021	Difference
1 6 2	Missions	311 461	280 315	-31 146
2 1 4	Technical equipment and installations	1 097 271	1 262 067	164 796
2 5 4 1	Third parties	104 100	304 100	200 000
2 6 4	CoR Political groups' communication activities	195 049	395 049	200 000
	Total			**533 650**

Section 8 – European Ombudsman

Programme / Budget line	Name	Variation in commitment appropriations (in EUR)		
		DB 2021 (incl. AL1)	Second draft budget 2021	Difference

3 0 0	Expenses for staff missions and duty travel between the three places of work	150 000	135 000	-15 000
	Total			**-15 000**

Section 9 – European Data Protection Supervisor

Programme / Budget line	Name	Variation in commitment appropriations (in EUR)		
		DB 2021 (incl. AL1)	Second draft budget 2021	Difference
1 1 2 0	Mission expenses, travel expenses and other ancillary expenditure	155 000	139 500	-15 500
3 0 3 0	Mission expenses, travel expenses and other ancillary expenditure	50 000	45 000	-5 000
3 0 4 8	EDPB Chair and Vice chairs expenses	59 000	53 100	-5 900
	Total			**-26 400**

Section 10 – European External Action Service

Programme / Budget line	Name	Variation in commitment appropriations (in EUR)		
		DB 2021 (incl. AL1)	Second draft budget 2021	Difference
1 4 0	Missions	9 132 050	8 229 645	-902 405
2 2 1 4	Strategic Communication Capacity	3 000 000	4 000 000	1 000 000
	Total			**97 595**

As a consequence the level of commitment appropriations is set at EUR 10 448,3 million, leaving a margin of EUR 186,7 million under the expenditure ceiling of heading 7.

3.2.9. Thematic special instruments: EGF and SEAR

Commitment appropriations for the European Globalisation Adjustment Fund (EGF), and the Solidarity and Emergency Aid Reserve (SEAR) are set at the level proposed by the Commission in the draft budget, as amended by Amending Letter 1/2021.

3.3. General approach for payment appropriations

The overall level of payment appropriations is proposed to be set at the level of the original draft budget, as amended by Amending Letter 1/2020 with the following amendments:

1. Firstly, account is taken of the proposed level of commitment appropriations for non-differentiated expenditure, for which the proposed level of payment appropriations is equal to the level of commitment appropriations. This includes the reduction of the financing cost of the European Recovery Instrument (EURI) by -EUR 71,9 million and the adjustment to the Union contribution to decentralised agencies. The combined effect is a decrease of -EUR 123,0 million;
2. The combined adjustments under heading 7 resulting in an overall decrease of EUR 8,8 million;
3. The payment appropriations for all *new* pilot projects and preparatory actions included in the second draft budget are set at 25% of the corresponding commitment appropriations, or at the level proposed by Parliament, if lower. In the case of extension of *existing* pilot projects and preparatory actions, the level of payment appropriations is the one defined in the draft budget plus 25% of the corresponding new commitment appropriations, or at the level proposed by Parliament, if lower. The combined effect is an increase of EUR 17,9 million;

4. The adjustments on the following budget lines are proposed as a result of the evolution in commitment appropriations for differentiated expenditure:

Budget line / Programme	Name	Variation in payment appropriations (in EUR)		
		DB 2021 (incl. AL1)	Second draft budget 2021	Difference
1.0.221	CEF Transport			12 067 092
02 03 01	Connecting Europe Facility (CEF) — Transport	33 691 420	45 758 512	12 067 092
1.0.23	Digital Europe Programme			1 916 490
02 04 03	Artificial Intelligence	21 891 450	23 711 034	1 819 584
02 04 04	Skills	6 130 200	6 227 106	96 906
2.2.351	Justice			1 078 615
07 07 01	Promoting judicial cooperation	4 258 400	4 527 978	269 578
07 07 02	Supporting judicial training	7 028 000	7 472 907	444 907
07 07 03	Promoting effective access to justice	5 752 000	6 116 130	364 130
2.2.352	Rights and Values			2 089 154
07 06 02	Promote citizens engagement and participation in the democratic life of the Union	12 489 000	12 879 258	390 258
07 06 03	Daphne	4 706 910	6 244 139	1 537 229
07 06 04	Protect and promote Union values	0	161 667	161 667
2.2.3SPEC	Prerogatives			0
07 20 04 06	Specific competences in the area of social policy, including social dialogue	42 886 000	23 234 000	-19 652 000
07 20 04 09	Information and training measures for workers' organisations	0	19 652 000	19 652 000
3.2.21	Programme for Environment and Climate Action (LIFE)			1 336 954
09 02 01	Nature and biodiversity	6 870 000	7 297 067	427 067
09 02 02	Circular economy and quality of life	10 394 052	11 040 188	646 136
09 02 03	Climate change mitigation and adaptation	2 295 581	2 438 284	142 703
09 02 04	Clean energy transition	1 947 232	2 068 280	121 048
6.0.111	Neighbourhood, Development and International Cooperation Instrument (NDICI)			10 178 381
15 02 01 10	Southern neighbourhood	143 096 572	153 274 953	10 178 381
6.0.12	Humanitarian Aid (HUMA)			20 000 000
15 03 01	Humanitarian aid	1 800 000 000	1 820 000 000	20 000 000
6.0.1SPEC	Prerogatives			1 318 031
15 20 04 03	Information policy and strategic communication for external action	33 794 511	35 112 542	1 318 031
	TOTAL			**49 984 716**

Overall this results in a level of payment appropriations of EUR 166 060,5 million, a decrease of EUR 63,9 million in comparison with the draft budget, as amended by Amending Letter 1/2021.

3.4. Reserves

There are no reserves in addition to those of the draft budget, as amended by Amending Letter 1/2021.

Commitment and payment appropriations corresponding to new programmes for which the legal bases are being finalised and are expected to be adopted early in the 2021 will not be entered provisionally in reserve. Also, amounts for the European Centre for Disease Prevention and Control (ECDC) and the European Medicines Agency (EMA) will not be put in reserve, given the urgent nature of the needs related to the COVID-19 pandemic.

3.5. Changes in nomenclature and budget remarks

3.5.1. Budget remarks

The text of budget remarks corresponds to the draft budget, as amended by Amending Letter 1/2020 with the following amendments:

- Budget lines for which the amendments introduced by the European Parliament in its reading of the original draft budget are proposed in the second draft budget:

Budget line	Name
Chapter 07 10	Decentralised Agencies

- Budget lines for which the amendments introduced by the European Parliament are proposed with the modification proposed by the Commission in its Executability Letter:

Budget line	Name
01 02 02 20	Cluster Culture, Creativity and Inclusive Society
07 02 01	ESF+ shared management strand — Operational expenditure
15 03 02	Disaster prevention, disaster risk reduction and preparedness

- Budget lines for which the respective budget remark as proposed in the draft budget as amended by the Amending Letter, are proposed with the following modifications:

Budget line	Name
Chapter 02 04	Digital Europe Programme
	Amend text as follows: Fostered simultaneously, these will help create a thriving data economy, promote inclusiveness **and equal opportunities for all**, and ensure value creation.
02 04 04	Skills
	Add following text: **The Programme shall ensure the effective promotion of equal opportunities for all, and the implementation of gender mainstreaming in its actions.**
Chapter 03 02	Single Market Programme (incl. SMEs)
	Amend text as follows: It will also **support women's participation and** contribute to empowerment of all actors of the single market: businesses, citizens including consumers, civil society and public authorities.
03 02 02	*Add following text:* **The Programme shall ensure the effective promotion of equal opportunities for all, and the implementation of gender mainstreaming in its actions.**

- In accordance with Article 15.3 of the Financial Regulation and the joint statement on the implementation of Article 15.3 agreed between the European Parliament and the Council, it is proposed to make commitment appropriations available again on the research budget lines. The budget remarks of budget lines 01 02 02 10, 01 02 02 40, 01 02 02 50 and 01 02 02 60 are adjusted accordingly:

Budget line	Name
01 02 02 10	*Add following text:*

Budget line	Name
	In accordance with Article 15.3 of the Financial Regulation, an amount of EUR 3 400 000 in commitment appropriations is available for this budget item further to decommitments made in 2019 as a result of total or partial non-implementation of research projects.
01 02 02 40	*Add following text:* **In accordance with Article 15.3 of the Financial Regulation, an amount of EUR 3 400 000 in commitment appropriations is available for this budget item further to decommitments made in 2019 as a result of total or partial non-implementation of research projects.**
01 02 02 50	*Add following text:* **In accordance with Article 15.3 of the Financial Regulation, an amount of EUR 6 600 000 in commitment appropriations is available for this budget item further to decommitments made in 2019 as a result of total or partial non-implementation of research projects.**
01 02 02 60	*Add following text:* **In accordance with Article 15.3 of the Financial Regulation, an amount of EUR 6 600 000 in commitment appropriations is available for this budget item further to decommitments made in 2019 as a result of total or partial non-implementation of research projects.**

- New budget lines for which the respective budget remark are proposed as follows:

Budget line	Name
07 20 04 09	*Add following text:* **This appropriation is intended to cover expenditure on information and training measures for workers' organisations, including representatives of workers' organisations in the candidate countries, deriving from Union action in the framework of the implementation of the Union social dimension.** **Those measures should help workers' organisations to address the overarching challenges facing European employment and social policy as laid down in the Europe 2020 strategy and within the context of Union initiatives to address the consequences of the economic crisis.** **Special attention will be given to training on gender challenges at work.**
07 06 04	*Add following text:* **This appropriation is intended to focus on protecting, promoting and raising awareness on rights by providing financial support to civil society organisations active at local, regional and transnational level in promoting and cultivating these rights, thereby also strengthening the protection and promotion of Union values and the respect for the rule of law and contributing to the construction of a more democratic Union, democratic dialogue, transparency and good governance.** **The above specific objective will be pursued in particular through supporting civil society organisations and non-profit stakeholders active in the areas of the Programme to increase their capacity to react, to carry out advocacy activities to promote rights, and to ensure adequate access for all citizens to their services, counselling and support activities.**

- New budget lines stemming from the split of the line 07 03 01 into two separate lines for which the respective budget remark are set as follows:

Budget line	Name
07 03 01	*Delete existing text*
07 03 01 01	*Add following text:* **This appropriation is intended to cover the field of education and training of the Erasmus+ Programme under indirect management. It shall support the 3 Key actions and Jean Monnet actions.** **Key action 1: Learning mobility** **In the field of education and training, the Programme shall support the following actions: (a) the mobility of higher education students and staff; (b) the mobility of vocational education and training learners and staff; (c) the mobility of school pupils and staff; (d) the mobility of adult education staff; (e) language learning opportunities, including those supporting mobility activities.** **Key action 2: Cooperation among organisations and institutions** **In the field of education and training, the Programme shall support the following actions: (a) partnerships for cooperation and exchanges of practices, including small-scale partnerships to foster a wider and more inclusive access to the Programme; (b) partnerships for excellence, in particular European universities, Centres of vocational excellence and joint master degrees; (c)**

Budget line	Name
	partnerships for innovation to strengthen Europe's innovation capacity; (d) online platforms and tools for virtual cooperation, including the support services for eTwinning and for the electronic platform for adult learning in Europe. **Key Action 3: Support to policy development and cooperation** **In the field of education and training, the Programme shall support the following actions:** **(a) the preparation and implementation of the Union general and sectoral policy agendas in education and training, including with the support of the Eurydice network or activities of other relevant organisations; (b) the support to Union tools and measures that foster the quality, transparency and recognition of competences, skills and qualifications; (c) policy dialogue and cooperation with key stakeholders, including Union-wide networks, European non-governmental organisations and international organisations in the field of education and training; (d) measures that contribute to the qualitative and inclusive implementation of the Programme; (e) cooperation with other Union instruments and support to other Union policies; (f) dissemination and awareness-raising activities about European policy outcomes and priorities as well as on the Programme.** **Jean Monnet actions** **The Programme shall support teaching, learning, research and debates on European integration matters through the following actions: (a) Jean Monnet action in the field of higher education; (b) Jean Monnet action in other fields of education and training; (c) support to the following institutions pursuing an aim of European interest: the European University Institute, Florence, including its School of Transnational Governance; the College of Europe (Bruges and Natolin campuses); the European Institute of Public Administration, Maastricht; the Academy of European Law, Trier; the European Agency for Special Needs and Inclusive Education, Odense and the International Centre for European Training, Nice.**
07 03 01 02	*Add following text:* **This appropriation is intended to cover the field of education and training of the Erasmus+ Programme under direct management. It shall support the 3 Key actions and Jean Monnet actions.** **Key action 1: Learning mobility** **In the field of education and training, the Programme shall support the following actions: (a) the mobility of higher education students and staff; (b) the mobility of vocational education and training learners and staff; (c) the mobility of school pupils and staff; (d) the mobility of adult education staff; (e) language learning opportunities, including those supporting mobility activities.** **Key action 2: Cooperation among organisations and institutions** **In the field of education and training, the Programme shall support the following actions: (a) partnerships for cooperation and exchanges of practices, including small-scale partnerships to foster a wider and more inclusive access to the Programme; (b) partnerships for excellence, in particular European universities, Centres of vocational excellence and joint master degrees; (c) partnerships for innovation to strengthen Europe's innovation capacity; (d) online platforms and tools for virtual cooperation, including the support services for eTwinning and for the electronic platform for adult learning in Europe.** **Key Action 3: Support to policy development and cooperation** **In the field of education and training, the Programme shall support the following actions:** **(a) the preparation and implementation of the Union general and sectoral policy agendas in education and training, including with the support of the Eurydice network or activities of other relevant organisations; (b) the support to Union tools and measures that foster the quality, transparency and recognition of competences, skills and qualifications; (c) policy dialogue and cooperation with key stakeholders, including Union-wide networks, European non-governmental organisations and international organisations in the field of education and training; (d) measures that contribute to the qualitative and inclusive implementation of the Programme; (e) cooperation with other Union instruments and support to other Union policies; (f) dissemination and awareness-raising activities about European policy outcomes and priorities as well as on the Programme.**

Budget line	Name
	Jean Monnet actions **The Programme shall support teaching, learning, research and debates on European integration matters through the following actions: (a) Jean Monnet action in the field of higher education; (b) Jean Monnet action in other fields of education and training; (c) support to the following institutions pursuing an aim of European interest: the European University Institute, Florence, including its School of Transnational Governance; the College of Europe (Bruges and Natolin campuses); the European Institute of Public Administration, Maastricht; the Academy of European Law, Trier; the European Agency for Special Needs and Inclusive Education, Odense and the International Centre for European Training, Nice.**

This is with the understanding that amendments introduced by the European Parliament or the Council cannot modify or extend the scope of an existing legal base, or impinge on the administrative autonomy of the institutions, and that the action can be covered by available resources.

3.5.2. Nomenclature

The budget nomenclature of the original draft budget, as amended by Amending letter 1/2021, is proposed in the second draft budget, with the inclusion of the *new* pilot projects and preparatory actions (except the new preparatory action PA 01 21 01 for which the related appropriations are added to the existing preparatory action PA 01 20 01). In addition, the following amendments are made:

- Two lines are added, as follows:

Budget line	Heading / catpol	Name
07 20 04 09	2b / 2.2.3SPEC	Information and training measures for workers' organisations
07 06 04	2b / 2.2.352	Protect and promote Union values

- The article 07 03 01 "Promoting learning mobility of individuals, as well as cooperation, inclusion, excellence, creativity and innovation at the level of organisations and policies in the field of education and training" is split into two separate items as follows, with no impact on the level of appropriations:

Budget line / Programme	Name	Appropriations (in EUR)	
		Commitment	Payment
07 03 01	Promoting learning mobility of individuals, as well as cooperation, inclusion, excellence, creativity and innovation at the level of organisations and policies in the field of education and training		
07 03 01 01	Promoting learning mobility of individuals, as well as cooperation, inclusion, excellence, creativity and innovation at the level of organisations and policies in the field of education and training – Indirect management	1 755 470 446	1 468 151 286
07 03 01 02	Promoting learning mobility of individuals, as well as cooperation, inclusion, excellence, creativity and innovation at the level of organisations and policies in the field of education and training – Direct management	542 824 138	295 331 144

- In line with the EUCO agreement of July 2020 and confirmed in the political agreement of November 2020 between the European Parliament and the Council, the programmes (and the other elements) included in the draft budget under the new budget title 14 "Resilience and Crisis Response" have been transferred to the new budget title 06 "Recovery and Resilience" in Amending Letter 1/2021. Therefore a technical re-numbering of the titles 15 "External Action", 16 "Pre-Accession Assistance" and 17 "Expenditure outside the annual ceilings set out in the Multiannual Financial Framework" is implemented as follows: Title 15 becomes Title 14, Title 16 becomes Title 15 and Title 17 becomes Title 16.
- The new preparatory action PA 01 21 01 for which the related appropriations are added to the existing preparatory action PA 01 20 01 is deleted and other existing preparatory actions under PA 01 21 are renumbered accordingly. As a consequence, PA 01 21 02 "Preparatory action — Advancing evidence for policy at EU, regional and local level" becomes PA 01 21 01 and PA 01 21 03 "Preparatory action — Increasing accessibility to educational tools in areas and communities with low connectivity or access to technologies" becomes PA 01 21 02.
- Following the non-adoption of DAB No 6/2020 and the deletion of budget lines 02 20 03 03 and 02 20 03 04, other existing budget lines under chapter 02 20 are renumbered accordingly. As a consequence, budget line 02 20 03 05 "Nuclear safety — Cooperation with the European Investment Bank" becomes 02 20 03 03 and budget line 03 20 03 06 "Renewable Energy Financing Mechanism" becomes 02 20 03 04.

4. CONCLUDING REMARKS

By proposing a second 2021 draft budget, which builds on the common understanding reached in the Conciliation Committee on 4 December, the Commission seeks to create the conditions for a swift adoption of the 2021 budget within the tight timeframe before the end of the year 2020 and upon adoption of the new MFF package.

The timely adoption of the 2021 budget will ensure the proper implementation of the policies and programmes of the European Union. The Commission will do its utmost to achieve this goal.

5. 2021 SECOND DRAFT BUDGET BY FINANCIAL FRAMEWORK HEADINGS AND MAIN PROGRAMMES

EUR million in current prices

Headings		(1)		(2)		(2) - (1)		(2) / (1)	
		2020 Budget (incl. AB1-8 and DAB10)		Second draft budget 2021		Difference 2021 - 2020		Difference 2021 / 2020	
		CA	PA	CA	PA			CA	PA
1.	**SINGLE MARKET, INNOVATION AND DIGITAL**	**21 869,0**	**19 154,7**	**20 816,6**	**17 191,6**	**-1 052,4**	**-1 963,1**	**-4,8%**	**-10,2%**
	Ceiling			***20 919,0***					
	Margin			***102,4***					
	Cluster 01 - Research and Innovation	*13 962,5*	*12 658,4*	*12 646,1*	*10 716,5*	*-1 316,4*	*-1 941,9*	*-9,4%*	*-15,3%*
	Horizon Europe	13 192,7	11 605,6	11 506,5	9 835,1	-1 686,2	-1 770,6	-12,8%	-15,3%
	Euratom Research and Training Programme	398,7	397,7	265,7	253,8	-132,9	-143,9	-33,3%	-36,2%
	International Thermonuclear Experimental Reactor (ITER)	365,1	639,0	864,0	613,6	498,9	-25,3	136,7%	-4,0%
	Pilot projects and preparatory actions	6,1	16,2	9,8	14,0	3,7	-2,1	60,9%	-13,2%
	Cluster 02 - European Strategic Investments	*5 152,1*	*4 134,9*	*5 236,9*	*3 954,7*	*84,8*	*-180,2*	*1,6%*	*-4,4%*
	InvestEU Fund	812,6	1 737,0	653,6	1 081,0	-159,0	-656,0	-19,6%	-37,8%
	Connecting Europe Facility (CEF)	4 011,7	2 081,5	2 847,7	2 107,0	-1 164,0	25,5	-29,0%	1,2%
	Connecting Europe Facility (CEF) - Transport	2 579,2	1 476,7	1 785,4	1 428,4	-793,8	-48,2	-30,8%	-3,3%
	Connecting Europe Facility (CEF) - Energy	1 281,0	479,7	784,9	471,4	-496,1	-8,3	-38,7%	-1,7%
	Connecting Europe Facility (CEF) - Digital	151,5	125,2	277,4	207,2	125,8	82,0	83,1%	65,5%
	Digital Europe Programme	86,1	91,7	1 129,6	158,6	1 043,5	66,8	1211,7%	72,9%
	European Fund for Strategic Investments (EFSI)							∞	∞
	Decentralised agencies	182,7	184,0	188,1	188,1	5,4	4,1	2,9%	2,2%
	Other actions			375,5	375,5	375,5	375,5	∞	∞
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	21,8	22,1	25,5	21,2	3,7	-0,9	17,2%	-4,1%
	Pilot projects and preparatory actions	37,2	18,6	17,0	23,4	-20,2	4,9	-54,3%	26,3%
	Cluster 03 - Single Market	*865,7*	*821,3*	*899,3*	*832,7*	*33,5*	*11,4*	*3,9%*	*1,4%*
	Single Market Programme (incl. SMEs)	607,2	569,6	575,0	547,1	-32,2	-22,4	-5,3%	-3,9%
	EU Anti-Fraud Programme	23,9	20,2	24,1	23,8	0,2	3,6	0,7%	17,6%
	Cooperation in the field of taxation (FISCALIS)	33,1	27,5	36,2	32,8	3,1	5,3	9,4%	19,4%
	Cooperation in the field of customs (CUSTOMS)	75,3	75,3	126,9	86,3	51,6	11,0	68,6%	14,6%
	Decentralised agencies	109,9	109,9	121,4	121,4	11,5	11,5	10,5%	10,5%
	Other actions	7,0	7,0	7,5	7,5	0,5	0,5	7,1%	7,1%
	Pilot projects and preparatory actions	9,4	11,9	8,1	13,7	-1,2	1,9	-12,9%	15,8%
	Cluster 04 - Space	*1 888,6*	*1 540,1*	*2 034,3*	*1 687,7*	*145,7*	*147,6*	*7,7%*	*9,6%*
	European Space Programme	1 854,0	1 505,5	1 997,4	1 651,5	143,4	146,0	7,7%	9,7%
	Decentralised agencies	34,6	34,6	35,9	35,9	1,3	1,3	3,7%	3,7%
	Pilot projects and preparatory actions			1,0	0,3	1,0	0,3	∞	∞
2.	**COHESION, RESILIENCE AND VALUES**	**66 213,6**	**62 054,5**	**52 861,9**	**66 153,8**	**-13 351,7**	**4 099,3**	**-20,2%**	**6,6%**
	Of which under Flexibility Instrument			***76,4***					
	Ceiling			***52 786,0***					
	Margin			***0,5***					
2.a	**— Economic, social and territorial cohesion**	**58 568,1**	**55 208,6**	**48 190,5**	**61 867,9**	**-10 377,6**	**6 659,3**	**-17,7%**	**12,1%**
	Sub-ceiling			*48 191,0*					
	Sub-margin			*0,5*					
2.b	**— Resilience and Values**	**7 645,5**	**6 845,8**	**4 671,4**	**4 285,9**	**-2 974,1**	**-2 560,0**	**-38,9%**	**-37,4%**
	Of which under Flexibility Instrument			*76,4*					

	Sub-ceiling			*4 595,0*					
	Sub-margin								
	Cluster 05 - Regional Development and Cohesion	*44 077,1*	*40 710,5*	*35 410,4*	*45 755,4*	*-8 666,7*	*5 044,9*	*-19,7%*	*12,4%*
	European Regional Development Fund (ERDF)	32 160,8	30 280,8	29 240,3	33 871,0	-2 920,5	3 590,1	-9,1%	11,9%
	Cohesion Fund (CF)	10 093,4	9 166,6	4 695,7	10 595,2	-5 397,7	1 428,6	-53,5%	15,6%
	Cohesion Fund (CF), contribution to the Connecting Europe Facility (CEF) - Transport	1 780,6	1 213,5	1 442,4	1 250,1	-338,2	36,6	-19,0%	3,0%
	Support to the Turkish-Cypriot Community	37,7	39,0	32,0	34,9	-5,7	-4,1	-15,2%	-10,5%
	Pilot projects and preparatory actions	4,6	10,7		4,3	-4,6	-6,4	-100,0%	-59,9%
	Cluster 06 - Recovery and resilience	*3 660,2*	*3 083,2*	*843,7*	*820,9*	*-2 816,5*	*-2 262,3*	*-76,9%*	*-73,4%*
	European Recovery and Resilience Facility (incl. Technical Support Instrument)	86,7	56,7	116,4	109,2	29,6	52,5	34,2%	92,5%
	Protection of the euro against counterfeiting (the 'Pericles IV programme')	1,1	0,9	0,8	0,8	-0,3	-0,1	-24,2%	-7,9%
	Financing cost of the European Union Recovery Instrument (EURI)			39,6	39,6	39,6	39,6	∞	∞
	Union Civil Protection Mechanism (RescEU)	574,9	267,7	90,2	193,5	-484,7	-74,2	-84,3%	-27,7%
	EU4Health	69,7	64,2	327,5	127,9	257,8	63,7	370,0%	99,3%
	Instrument for emergency support within the Union (ESI)	2 700,0	2 470,0		90,0	-2 700,0	-2 380,0	-100,0%	-96,4%
	Decentralised agencies	215,8	211,8	257,9	247,6	42,0	35,9	19,5%	16,9%
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	12,0	11,0	11,4	10,5	-0,6	-0,6	-5,0%	-5,0%
	Pilot projects and preparatory actions		1,0		1,8		0,9	∞	88,4%
	Cluster 07 - Investing in People, Social Cohesion and Values	*18 476,3*	*18 260,7*	*16 607,8*	*19 577,5*	*-1 868,5*	*1 316,7*	*-10,1%*	*7,2%*
	European Social Fund (ESF)	14 528,7	14 537,1	12 812,1	16 147,4	-1 716,6	1 610,3	-11,8%	11,1%
	Employment and Social Innovation	102,9	85,2	102,5	85,3	-0,5	0,1	-0,4%	0,1%
	Erasmus+	2 885,4	2 739,5	2 662,6	2 407,6	-222,8	-331,9	-7,7%	-12,1%
	European Solidarity Corps (ESC)	186,7	172,7	135,7	126,6	-51,0	-46,1	-27,3%	-26,7%
	Creative Europe	223,6	197,4	306,4	236,5	82,8	39,1	37,0%	19,8%
	Justice	43,5	40,5	46,4	45,2	2,9	4,8	6,8%	11,8%
	Rights and Values	100,5	100,2	97,2	87,7	-3,3	-12,5	-3,3%	-12,5%
	Decentralised agencies	172,1	175,0	220,5	220,5	48,4	45,5	28,1%	26,0%
	Other actions	9,4	9,0	8,6	7,3	-0,8	-1,7	-8,4%	-19,4%
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	166,6	155,4	183,9	162,0	17,3	6,6	10,4%	4,2%
	Pilot projects and preparatory actions	56,9	48,7	31,9	51,4	-25,1	2,7	-44,0%	5,5%
3.	**NATURAL RESOURCES AND ENVIRONMENT**	**59 936,5**	**58 662,5**	**58 568,6**	**56 804,2**	**-1 368,0**	**-1 858,3**	**-2,3%**	**-3,2%**
	Ceiling			***58 624,0***					
	Margin			***55,4***					
	— Of which: European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments	**43 458,8**	**43 428,7**	**40 368,0**	**40 353,7**	**-3 090,8**	**-3 074,9**	**-7,1%**	**-7,1%**
	Sub-ceiling			*40 925,0*					
	Net transfer between EAGF and EAFRD								
	EAGF Margin			***557,0***					
	Cluster 08 - Agriculture and Maritime policy	*59 286,1*	*58 234,5*	*56 638,6*	*56 372,6*	*-2 647,5*	*-1 862,0*	*-4,5%*	*-3,2%*
	European Agricultural Guarantee Fund (EAGF)	43 458,8	43 428,7	40 368,0	40 353,7	-3 090,8	-3 074,9	-7,1%	-7,1%
	European Agricultural Fund for Rural Development (EAFRD)	14 698,7	13 870,1	15 345,0	15 022,2	646,3	1 152,1	4,4%	8,3%
	European Maritime and Fisheries Fund (EMFF)	960,3	769,9	760,7	829,4	-199,5	59,5	-20,8%	7,7%
	Sustainable Fisheries Partnership Agreements (SFPA) and Regional Fisheries Management Organisations (RFMO)	148,0	142,5	148,1	144,5	0,1	2,0	0,1%	1,4%
	Decentralised agencies	16,7	16,7	16,7	16,7	0,0	0,0	0,0%	0,0%

	Pilot projects and preparatory actions	3,7	6,6		6,0	-3,7	-0,5	-100,0%	-7,9%
	Cluster 09 - Environment and climate action	*650,5*	*428,0*	*1 930,0*	*431,6*	*1 279,6*	*3,6*	*196,7%*	*0,9%*
	Programme for Environment and Climate Action (LIFE)	589,6	371,9	738,5	371,5	148,9	-0,4	25,3%	-0,1%
	Just Transition Fund			1 137,0	0,0	1 137,0	0,0	∞	∞
	Decentralised agencies	44,8	44,8	50,8	50,8	6,0	6,0	13,4%	13,4%
	Pilot projects and preparatory actions	16,1	11,3	3,7	9,3	-12,4	-2,0	-76,8%	-17,6%
4.	**MIGRATION AND BORDER MANAGEMENT**	**2 367,8**	**2 168,0**	**2 278,8**	**2 686,2**	**-89,0**	**518,2**	**-3,8%**	**23,9%**
	Ceiling			***2 467,0***					
	Margin			***188,2***					
	Cluster 10 - Migration	*1 347,0*	*1 070,9*	*1 011,1*	*1 439,2*	*-336,0*	*368,2*	*-24,9%*	*34,4%*
	Asylum and Migration Fund (AMF)	1 228,7	952,6	873,3	1 301,3	-355,4	348,7	-28,9%	36,6%
	Decentralised agencies	118,3	118,3	137,8	137,8	19,5	19,5	16,5%	16,5%
	Cluster 11 - Border Management	*1 020,8*	*1 097,1*	*1 267,8*	*1 247,1*	*247,0*	*150,0*	*24,2%*	*13,7%*
	Integrated Border Management Fund (IBMF) - Instrument for border management and visa (BMVI)	358,8	479,2	398,0	488,2	39,2	8,9	10,9%	1,9%
	Integrated Border Management Fund (IBMF) - Instrument for financial support for customs control equipment (CCEi)			135,5	33,0	135,5	33,0	∞	∞
	Decentralised agencies	662,0	617,9	734,3	725,9	72,2	108,1	10,9%	17,5%
5.	**SECURITY AND DEFENCE**	***831,4***	***814,2***	***1 709,3***	***670,6***	***877,8***	***-143,5***	**105,6%**	**-17,6%**
	Ceiling			***1 805,0***					
	Margin			***95,7***					
	Cluster 12 - Security	*576,4*	*595,7*	*536,5*	*527,4*	*-39,9*	*-68,3*	*-6,9%*	*-11,5%*
	Internal Security Fund (ISF)	195,2	193,6	175,6	180,6	-19,6	-13,0	-10,0%	-6,7%
	Nuclear decommissioning (Lithuania)	68,3	68,1	72,5	50,0	4,2	-18,1	6,2%	-26,5%
	Nuclear Safety and decommissioning (incl. For Bulgaria and Slovakia)	110,2	132,8	69,2	78,4	-41,0	-54,4	-37,2%	-41,0%
	Decentralised agencies	179,3	179,3	197,6	197,6	18,3	18,3	10,2%	10,2%
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	21,5	21,5	21,5	20,8	0,1	-0,6	0,3%	-2,8%
	Pilot projects and preparatory actions	2,0	0,5			-2,0	-0,5	-100,0%	-100,0%
	Cluster 13 - Defence	*255,0*	*218,5*	*1 172,8*	*143,2*	*917,8*	*-75,3*	*359,9%*	*-34,4%*
	European Defence Fund (Research)			283,3	13,1	283,3	13,1	∞	∞
	European Defence Fund (Non Research)	255,0	200,5	662,4	109,0	407,4	-91,5	159,8%	-45,7%
	Military Mobility			227,1	16,7	227,1	16,7	∞	∞
	Pilot projects and preparatory actions		18,0		4,5		-13,5	∞	-75,0%
6.	**NEIGHBOURHOOD AND THE WORLD**	***10 848,6***	***9 603,3***	***16 097,2***	***10 811,0***	***5 248,6***	***1 207,7***	**48,4%**	**12,6%**
	Ceiling			***16 247,0***					
	Margin			***149,8***					
	Cluster 14 - External Action	*9 088,4*	*7 857,5*	*14 195,8*	*8 928,6*	*5 107,3*	*1 071,1*	*56,2%*	*13,6%*
	Neighbourhood, Development and International Cooperation Instrument (NDICI)	6 963,0	6 063,8	12 071,0	6 514,3	5 108,0	450,5	73,4%	7,4%
	European Instrument for Nuclear Safety (EINS)	32,9	32,7	37,6	32,5	4,7	-0,2	14,4%	-0,6%
	Humanitarian aid (HUMA)	1 586,8	1 275,3	1 503,0	1 900,1	-83,8	624,8	-5,3%	49,0%
	Common Foreign and Security Policy (CFSP)	351,9	328,7	351,9	328,7		0,0		0,0%
	Overseas Countries and Territories (OCT) (including Greenland)	33,5	33,4	67,0	33,4	33,5	0,1	100,1%	0,2%
	Other actions	35,6	42,6	72,1	41,6	36,5	-1,0	102,5%	-2,3%
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	80,7	78,2	93,0	78,0	12,3	-0,2	15,2%	-0,2%
	Pilot projects and preparatory actions	4,0	3,0	0,2	0,0	-3,8	-3,0	-95,6%	-98,6%
	Cluster 15 - Pre-Accession Assistance	*1 760,2*	*1 745,7*	*1 901,4*	*1 882,4*	*141,3*	*136,7*	*8,0%*	*7,8%*

	Pre-Accession Assistance (IPA III)	1 760,2	1 745,7	1 901,4	1 882,4	141,3	136,7	8,0%	7,8%
7.	**EUROPEAN PUBLIC ADMINISTRATION**	**10 222,3**	**10 225,3**	**10 448,3**	**10 449,6**	**226,1**	**224,3**	**2,2%**	**2,2%**
	Ceiling			***10 635,0***					
	Margin			***186,7***					
	— Of which: Administrative expenditure of the institutions	**7 906,1**	**7 909,1**	**8 035,8**	**8 037,1**	**129,7**	**128,0**	**1,6%**	**1,6%**
	Sub-ceiling			*8 217,0*					
	Sub-margin			*181,2*					
	European Schools and Pensions	2 316,1	2 316,1	2 412,5	2 412,5	96,4	96,4	4,2%	4,2%
	Administrative expenditure of the institutions	7 906,1	7 909,1	8 035,8	8 037,1	129,7	128,0	1,6%	1,6%
	European Parliament	*2 038,1*	*2 038,1*	*2 062,9*	*2 062,9*	*24,8*	*24,8*	*1,2%*	*1,2%*
	European Council and Council	*590,6*	*590,6*	*594,4*	*594,4*	*3,8*	*3,8*	*0,6%*	*0,6%*
	Commission	*3 681,8*	*3 684,8*	*3 724,2*	*3 725,5*	*42,3*	*40,6*	*1,2%*	*1,1%*
	Court of Justice of the European Union	*436,6*	*436,6*	*444,0*	*444,0*	*7,4*	*7,4*	*1,7%*	*1,7%*
	European Court of Auditors	*152,2*	*152,2*	*153,7*	*153,7*	*1,5*	*1,5*	*1,0%*	*1,0%*
	European Economic and Social Committee	*142,5*	*142,5*	*150,5*	*150,5*	*8,0*	*8,0*	*5,6%*	*5,6%*
	European Committee of the Regions	*101,5*	*101,5*	*106,7*	*106,7*	*5,2*	*5,2*	*5,2%*	*5,2%*
	European Ombudsman	*12,1*	*12,1*	*12,3*	*12,3*	*0,2*	*0,2*	*1,5%*	*1,5%*
	European Data Protection Supervisor	*19,5*	*19,5*	*19,5*	*19,5*	*0,0*	*0,0*	*-0,1%*	*-0,1%*
	European External Action Service	*731,1*	*731,1*	*767,6*	*767,6*	*36,6*	*36,6*	*5,0%*	*5,0%*
	APPROPRIATIONS FOR HEADINGS	**172 289,2**	**162 682,4**	**162 780,6**	**164 767,0**	**-9 508,6**	**2 084,6**	**-5,5%**	**1,3%**
	Of which under Flexibility Instrument			***76,4***	***628,5***				
	Ceiling			***163 483,0***	***166 140,0***				
	Margin			***778,8***	***2 001,4***				
	Appropriations as % of GNI	***1,01%***	***0,96%***	***1,16%***	***1,18%***	***0,15%***	***0,22%***		
	Thematic special instruments	**1 594,9**	**1 425,6**	**1 470,8**	**1 293,5**	**-124,0**	**-132,1**	**-7,8%**	**-9,3%**
	Outside MFF							∞	∞
	TOTAL APPROPRIATIONS	**173 884,1**	**164 108,0**	**164 251,5**	**166 060,5**	**-9 632,6**	**1 952,4**	**-5,5%**	**1,2%**
	Appropriations as % of GNI	***1,02%***	***0,97%***	***1,17%***	***1,19%***	***0,15%***	***0,22%***		