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AMENDING LETTER No 1 TO THE DRAFT GENERAL BUDGET 2023

Additional measures to address the consequences of the Russian war in Ukraine
Union Civil Protection Mechanism reinforcement
Updated estimated needs for agricultural expenditure
Other adjustments and technical updates

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,

– Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union[1], entered into force on 1 June 2021,

– 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 (…)[2], and in particular Article 42 thereof,

– the draft general budget of the European Union for the financial year 2023, as adopted by the Commission on 1 July 2022[3],

The European Commission hereby presents to the European Parliament and to the Council Amending Letter No 1 to the draft general budget of the European Union for the financial year 2023, for the reasons set out in the explanatory memorandum.

CHANGES TO THE STATEMENT OF REVENUE AND EXPENDITURE BY SECTION

The changes to the general statement of expenditure and revenue as well to the statements of revenue and expenditure by section are available on EUR-Lex (https://eur-lex.europa.eu/budget/www/index-en.htm). An English version of the changes to this statement is attached for information as a budgetary annex.

1 Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom, OJ L 424, 15.12.2020.

2 OJ L 193, 30.7.2018, p. 1.

3 COM(2022) 400 final, 1.7.2022.

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1. INTRODUCTION

Amending Letter No 1 (AL 1/2023) to the draft budget for the year 2023 (DB 2023) covers the following elements:

— A reinforcement of humanitarian aid, as an urgent response to the consequences of the Russian war in Ukraine, including for the resulting food crisis. In the absence of a margin in heading 6 (Neighbourhood and the World), this requires mobilising the Flexibility Instrument;

— Frontloading of Erasmus+ to support pupils, students and teachers fleeing Ukraine, combining the use of the full remaining margin in sub-heading 2b (Resilience and Values) and the Flexibility Instrument;

— A reinforcement of the interest line for NextGenerationEU, against the backdrop of rising interest costs on the markets, mobilising part of the Single Margin Instrument;

— Funding for the European defence industry Reinforcement through common Procurement Act (EDIRPA), combining the use of the full remaining margin in heading 5 (Security and Defence) and the Flexibility Instrument;

— Frontloading and reinforcement of the Union Civil Protection Mechanism (UCPM) to cover the lease of helicopters and light planes for summer 2024 and to accelerate the procurement of the permanent rescEU aerial fleet, which requires mobilising the Flexibility Instrument;

— Update of the estimated needs, assigned revenue and appropriations for agricultural expenditure. In addition to changing market factors, AL 1/2023 also incorporates the impact of decisions in the agricultural sector since the DB 2023 was adopted in July 2022, as well as other proposals expected to have a significant effect during the financial year;

— Update of the estimated needs for the Sustainable Fisheries Partnership Agreements (SFPAs), taking into account the entry into force of a new protocol with Mauritius;

— An increase of the level of payment appropriations to reflect the impact of the FAST-CARE proposal on payment needs for Cohesion in 2023;

— Adjustments to the level of appropriations and/or staff of the European Union Aviation Safety Agency (EASA), the European Environment Agency (EEA), the European Union Agency for Law Enforcement Training (CEPOL) and the European Public Prosecutor's Office (EPPO) taking into account the latest legislative or political developments on their operations for 2023;

— Adjustments in relation to the financing of external staff members from administrative support lines of programmes, notably to take account of increasing workload;

— Adjustments to the heading 7 “European Public Administration”, notably in relation to the impact of the lower salary adjustment for 2022 on administrative expenditure and pensions following updated estimates on inflation and purchasing power compared to the parameters used when preparing the DB 2023. In addition, CERT-EU is proposed to be reinforced by a transfer from other Institutions;

— Adjustments to the budgetary nomenclature and the budget remarks in particular following the legislative procedure for the REPowerEU proposals.

Overall, the net impact of AL 1/2023 on expenditure in the DB 2023 is an increase of EUR 758,3 million in commitment appropriations and an increase of EUR 2 394,9 million in payment appropriations, which can be broken down into the following components:

(In EUR million)

Programme	Commitment appropriations	Payment appropriations
Humanitarian aid	150,0	120,0
Erasmus+	100,0	80,0
Short-term defence instrument	157,0	72,0
Union Civil Protection Mechanism	41,4	70,0

(In EUR million)

Programme	Commitment appropriations	Payment appropriations
EURI interest line	450,0	450,0
European Agricultural Guarantee Fund (EAGF)	0	0
SFPAs	0	0
Assessment of payment needs for Cohesion	0	1 743,0
Updates for decentralised agencies	0	0
Adjustments under heading 7	-140,1	-140,1
Total	**758,3**	**2 394,9**

More information on each component is provided in the following sections.

The relevant budget lines are detailed in the budgetary annex, together with the update of the revenue resulting amongst others from the expenditure changes included in this amending letter.

2. ADDITIONAL MEASURES IN RELATION TO UKRAINE

So far, overall Team Europe has mobilised over EUR 19 billion in financial, budget support and humanitarian assistance to Ukraine, in addition to military support. In the DB 2023, the Commission announced that additional measures in relation to the consequences of the invasion of Ukraine by the Russian Federation might be included in the amending letter, to take account of the evolving situation on the ground. The EU's response will keep addressing most immediate needs including Ukraine's financing gap, basic and core services, humanitarian needs and fixing the most essential infrastructure. At this stage, it is however still premature to make proposals on the additional needs relating to Ukraine recovery and long-term reconstruction. The evolution of the situation will impact both the amount and the timeline for the mobilisation of financial resources in this respect.

2.1 Humanitarian aid

The Russian war in Ukraine has created a massive need for humanitarian aid, in the country itself and globally, in particular in relation to the food crisis. In this context, the Commission estimates that – as a first step – a reinforcement of EUR 150 million is required for 2023 to provide further humanitarian aid for Ukraine and address the global food crisis. Further reinforcements in the course of 2023 are likely to be needed if the EU is to sustain its 2022 humanitarian assistance and support the sharply increasing number of people in need. Funding mobilisation will depend on availabilities.

This proposal complements the large effort of the EU budget and the European Development Fund, including the additional support of about EUR 750 million to reinforce humanitarian aid for Ukraine and the related global food crisis in 2022. This amount includes the proposed transfer of EUR 395 million from the Solidarity and Emergency Aid Reserve (DEC 18/2022) transmitted on 5 October.

Additionally, the EU budget will cover the interest costs and administrative fee payments linked to the loans connected to the two first tranches of the exceptional macro-financial assistance (MFA) loans to Ukraine of respectively EUR 1 billion (disbursed in early August) and EUR 5 billion[4].

In the absence of margins or further sources of redeployment in heading 6 (Neighbourhood and the world), the Commission proposes to mobilise the Flexibility Instrument in accordance with Article 12 of the MFF Regulation[5] for an amount of EUR 150 million in commitment appropriations. Taking into account the expected fast delivery of the support, an amount of EUR 120 million in payment appropriations is also necessary in 2023 to cover the additional humanitarian aid actions proposed in this amending letter.

4 COM(2022) 557, 7.9.2022.

5 Council Regulation (EU) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 ('MFF Regulation').

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
Section III – Commission			
14 03 01	Humanitarian aid	150 000 000	120 000 000
Total		**150 000 000**	**120 000 000**

2.2 Erasmus+

Nearly half of the currently more than four million refugees in EU countries from Ukraine are school-age children. Their quick integration and return to school, early childhood education and care, will help alleviate their psychological stress, give them a sense of stability and an outlook for the future. The same goes for Ukrainian adult students, while Ukrainian educational staff displaced in EU countries can actively contribute to achieving this objective.

In the course of 2022, the Commission has reoriented the most impacted core activities under the Erasmus+ programme to welcome and support more pupils, students, teachers and qualified staff fleeing from Ukraine.

In order to continue this effort in 2023, the currently planned allocations are insufficient and a reinforcement of the funding is necessary, which the Commission already signalled in the Draft Budget. The Commission therefore proposes to reinforce the level of commitment appropriations by EUR 100 million through a frontloading from 2027, taking into account the strongly backloaded profile of the programme. This will be reflected in the next update of the Financial Programming.

To finance the frontloading in 2023, the Commission proposes to mobilise EUR 34,3 million in commitment appropriations from the remaining unallocated margin under the expenditure ceiling of sub-heading 2b and EUR 65,7 million from the Flexibility Instrument, in accordance with Article 12 of the MFF Regulation. An amount of EUR 80 million in payment appropriations is also necessary in 2023 to cover the additional support proposed in this amending letter.

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
Section III – Commission			
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	100 000 000	80 000 000
Total		**100 000 000**	**80 000 000**

3. FUNDING COSTS NEXTGENERATIONEU

The rapid and substantial increase of interest rates on the financial markets in recent months has increased the funding costs for the European Union Recovery Instrument (EURI) in comparison with the amount requested in the DB 2023. Based on current projections of interest rates, the volume of operations and the increased interest rate volatility, the Commission estimates that a reinforcement of the EURI interest line by EUR 450 million is necessary in commitment and payment appropriations.

The Commission proposes to allocate EUR 1 million of this reinforcement to the administrative support line of EURI. This will ensure better monitoring, management of market liquidity and additional capacity also in view of increased demand for reporting required in future years. These enhancements will be supported by the recruitment of up to 8 additional contractual agents to help deliver on the various objectives above. Expenditure will be shared proportionally between the EU Budget and Member States having taken up RRF repayable support.

In its unilateral statement attached to the 2022 budget, the Commission recalled that the increase in inflation calls for reinforced budgetary prudence with regard to the management of the EURI interest

line in view of the possibility that nominal interest rates will be higher than assumed in the programming of this line, which has been confirmed by the evolutions on the market this year.

Against that backdrop, given the absence of a margin in sub-heading 2b, it is proposed to mobilise the Single Margin Instrument for the overall amount of EUR 450 million, based on Article 11(1)a of the MFF Regulation, using margins left available below the MFF ceilings for commitment appropriations of previous years. Given that the amount required in 2023 will depend on the interest rates of the borrowings undertaken until the end of 2022 and the volume of the operations, the Commission intends to provide a timely update of the needs for 2023 in the course of the conciliation period, using the latest available information on issuances in 2022.

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
Section III – Commission			
06 01 03	Support expenditure for the European Union Recovery Instrument (EURI)	1 000 000	1 000 000
06 04 01	European Union Recovery Instrument (EURI) – Payment of periodic coupon and redemption of maturity	449 000 000	449 000 000
Total		**450 000 000**	**450 000 000**

4. REINFORCEMENT OF EU CRISES RESPONSE CAPACITY TO FIGHT FOREST FIRES

The Union Civil Protection Mechanism (UCPM) finances crucial civil protection measures such as the fight against forest fires. In the summer of 2022, forest fires started earlier than in previous years and had greater intensity. The wildfires risk expanded to areas that have not previously been exposed causing casualties among firemen as well as major destructions of properties and large-scale loss of natural protected areas. Depending on the natural environment, forest fires have had different caracteristics and magnitude; in addition to large aircrafts, an effective firefighting capacity requires flexible equipment as light planes, helicopters and ground assets to cope with varying circumstances. The limited availability of these specialised capacities remains a major weakness for the EU crisis response.

In addition to the proposals included in Draft Amending Budget 5/2022, the Commission proposes to further reinforce the UCPM in 2023 by an additional amount of EUR 41,4 million in commitment appropriations. Under the current planning, the permanent rescEU aerial fleet will progressively become available only between 2026 and 2030. This reinforcement aims on the one hand to speed-up the procurement and on the other hand to secure the lease of helicopters and light planes for the summer of 2024. An amount of EUR 14,4 million is requested to accelerate the development of a permanent rescEU fleet through procurement by Member States of UCPM helicopters, which will become available in 2024. The amount of EUR 14,4 million will then be compensated by a corresponding reduction in 2026 and 2027. This will be reflected in the next update of the Financial Programming. The remaining EUR 27 million in commitment appropriations of this reinforcement are intended for the lease of helicopters and light planes, so that they will be fully operational during the summer 2024 forest fires season.

To finance this reinforcement in 2023, in the absence of a margin in sub-heading 2b, the Commission proposes to mobilise the Flexibility Instrument in accordance with Article 12 of the MFF Regulation for an amount of EUR 41,4 million in commitment appropriations.

As the reinforcement of the UCPM in DAB 5/2022 and AL 1/2023 will cumulatively amount to EUR 180 million in commitment appropriations, EUR 70 million are necessary in payment appropriations in 2023.

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
Section III – Commission			

06 05 01	Union Civil Protection Mechanism (rescEU)	41 430 541	70 000 000
Total		**41 430 541**	**70 000 000**

5. EUROPEAN DEFENCE INDUSTRY REINFORCEMENT THROUGH COMMON PROCUREMENT ACT (EDIRPA)

The response to the Russian war in Ukraine has underlined the need for more cooperation between the Member States in the area of defence procurement. To address existing defence investment gaps, the Commission proposed to establish a dedicated short-term instrument, the European Defence industry Reinforcement through Common Procurement Act (EDIRPA), with a financial envelope of EUR 500 million in the period 2022 to 2024[6]. The EU financial support to be made available through the new instrument should stimulate cooperative defence procurement involving several Member States and benefit the European Defence Technological and Industrial Base while ensuring that the armed forces of the Member States' are able to act, with security of supply and increased interoperability.

In line with the legislative financial statement accompanying the Commission proposal, the Commission proposes to create two dedicated budget lines for administrative support and for operational expenditure in this amending letter 1/2023, with an amount of EUR 157 million in commitment appropriations in reserve in 2023, so that the total amount to be made available for 2022 and 2023 adds up to EUR 240 million. In order to finance this amount for 2023, it is proposed to combine the full unallocated margin under heading 5 (Security and Defence) in 2023 of EUR 44,9 million and the mobilisation of the Flexibility Instrument for the remaining amount of EUR 112,1 million. Taking into account the time necessary to start the operations, payment needs in 2023 are estimated at EUR 72 million. The funding under the instrument will mainly take the form of grants and the payments foreseen mainly relate to the pre-financing. Payment modalities are similar to the European Defence Fund (i.e., three payments for each grant, including at least one pre-financing).

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
Section III – Commission			
13 06 01	Short-term Defence instrument on common procurement	p.m.	p.m.
30 02 02	Differentiated appropriations *(Reserve for budget article 13 06 01)*	157 027 699	72 000 000
13 01 04	Support expenditure for Short-term Defence instrument on common procurement	p.m.	p.m.
Total		**157 027 699**	**72 000 000**

6. EUROPEAN AGRICULTURAL GUARANTEE FUND (EAGF)

AL 1/2023 updates estimates for agricultural expenditure based on the most up-to-date economic data and legislative framework. By September 2022, the Commission had at its disposal a first indication of the level of production for 2022 and the outlook for the agricultural markets as well as actual figures for most of the 2022 budget execution as regards EAGF shared management, which are the basis for the updated estimates of the budgetary needs for 2023.

Apart from taking into account market factors, AL 1/2023 also incorporates the impact of legislative decisions in the agricultural sector since the DB 2023 was adopted in July 2022, as well as the most recent information on the CAP Strategic Plans.

Overall, 2023 EAGF needs, including the agricultural reserve (which is fully financed from the EAGF availabilities), are now estimated at EUR 41 324,2 million[7]. This is an increase by EUR 175 million

6 COM(2022) 349, 19.7.2022.

7 The needs amount corresponds to EUR 40 692,2 million of fresh appropriations plus EUR 632,0 million of assigned revenue.

compared to the DB 2023, which is mostly due to additional needs of EUR 178 million for item 08 02 06 01 'Financial corrections in favour of Member States following clearance of accounts and conformity clearance decisions', linked to Court cases. In addition, there is a limited reduction (EUR 12,0 million) in the needs for article 08 02 05 'Direct payments outside the CAP Strategic Plans'. As regards market measures, the main change consists of a switch of expenditure between the related articles 08 02 02 'Types of interventions in certain sectors under the CAP Strategic Plans' and 08 02 03 'Market-related expenditure outside the CAP Strategic Plans', depending on the implementation choices of the Member States. This is the result of the analysis of the advanced CAP Strategic Plans, which were not available at the time of preparing the DB 2023. The overall impact is a limited increase of EUR 8 million.

The amount of assigned revenue expected to be available in 2023 increases from EUR 457,0 million in the DB 2023 to EUR 632,0 million (+EUR 175,0 million), thus fully covering the additional needs. The update concerns the amounts originating from clearance of accounts decisions.

The financial discipline applied in the 2022 budget to establish the crisis reserve amounted to EUR 497,3 million. The 2022 crisis reserve has been activated for EUR 350 million to partially cover the exceptional adjustment aid adopted in March 2022 in response to the crisis caused by Russia's invasion of Ukraine, and the remaining amount of EUR 147,3 million will not be called on. Given that DB 2023 foresees the 2023 agricultural reserve to be fully financed from the EAGF availabilities, and in line with Article 16 of the Horizontal Regulation[8], the unused part of the 2022 crisis reserve will be reimbursed to farmers.

Furthermore, in accordance with Article 12(2)(d) of the Financial Regulation, any surplus in 2022 up to the amount of financial discipline actually applied will be carried over to 2023 for reimbursement to the farmers to compensate them for the remaining amount of financial discipline cut in 2022. At this stage, the analysis of the EAGF 2022 budget execution does not point to a surplus, beyond the amount of financial discipline actually applied.

As a result of these updates, the amount of commitment appropriations remains unchanged at EUR 40 692,2 million, which includes EUR 450 million for the agricultural reserve. This overall amount corresponds to the net balance available for the EAGF, including the effect of the Member States' notifications on transfers between direct payments and rural development, and leaves no margin.

7. UPDATE OF THE SUSTAINABLE FISHERIES PARTNERSHIP AGREEMENTS

The Commission has examined the most recent information available concerning Sustainable Fisheries Partnership Agreements (SFPAs) and reviewed the expected needs for 2023 on the basis of the developments in the negotiation processes with the third countries involved, as foreseen in point C of Part II of the Interinstitutional Agreement (IIA)[9]. On the basis of this review, the Commission proposes to move commitment and payment appropriations for an amount of EUR 725 000 from the reserve (budget article 30 02 02) to the operational article (08 05 01 *Establishing a governance framework for fishing activities carried out by Union fishing vessels in third-country waters*). This budgetary-neutral transfer relates to the Fisheries Agreement with Mauritius, for which the agreement will enter into provisional application by 31 December 2022.

[8] Regulation (EU) 2021/2116 of the European Parliament and of the Council of 2 December 2021 on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013.

[9] Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources, OJ L 433, 20.12.2020, p. 28.

The total available commitment appropriations in the reserve (EUR 48,7 million) and on the main operational line (EUR 107,6 million) remains unchanged, and amounts to EUR 156,3 million.

in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
Section III – Commission			
08 05 01	Establishing a governance framework for fishing activities carried out by Union fishing vessels in third country waters	725 000	725 000
30 02 02	Differentiated appropriations (*Reserve for budget article 08 05 01)*	- 725 000	- 725 000
Total		**0**	**0**

8. ADDITIONAL NEEDS IN PAYMENT APPROPRIATIONS FOR COHESION

Since the adoption of DB 2023 in June, the Commission presented the 'Flexible Assistance to Territories' (FAST-CARE) proposal[10] to help the Member States to address the consequences of Russia's aggression against Ukraine. As set out in the legislative financial statement attached to the proposal, this would lead to increased pre-financing of the ERDF, ESF+ and Cohesion Fund programmes in 2022 and 2023. For 2023, an additional amount of EUR 1,74 billion in payment appropriations would be required for sub-heading 2a (Economic, social and territorial cohesion) as compared to the Draft Budget.

The Commission's assessment of the updated Member States' forecasts for Cohesion expenditure for 2023, as received at the end of July, confirmed the Commission's assumptions underpinning the Draft Budget request. With all other elements being equal, the Commission now proposes to add the EUR 1,74 billion in payment appropriations for the FAST-CARE proposal, as shown in the table below.

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
Section III – Commission			
07 02 01	ESF+ shared management strand — Operational expenditure	0	476 247 927
05 02 01	ERDF – Operational expenditure	0	1 088 741 009
05 03 01	Cohesion Fund (CF) – Operational expenditure	0	178 011 064
Total		**0**	**1 743 000 000**

9. ADMINISTRATIVE SUPPORT EXPENDITURE OF PROGRAMMES

Most EU multiannual programmes provide for technical and administrative support expenditure directly linked to the implementation of the operational programmes and financed from the financial envelope of the programme. This technical and administrative support expenditure is clearly identified in the EU budget, and the related appropriations are used to carry out activities such as evaluation of calls for proposals, studies, information systems, expert meetings and audits, which are needed to achieve value for money and ensure sound financial management.

For certain programmes, the administrative support expenditure is also used to finance external personnel. In such cases, the budget remarks include a reference to the possible financing of external staff. Given the increasing workload to manage growing programmes, the Commission proposes to extend the possibility of recruiting external personnel under the administrative support expenditure lines to the Asylum, Migration and Integration Fund (AMIF), the Border Management and Visa Instrument (BMVI) and the Internal Security Fund (ISF), for a total of up to 20 external staff members. These additional external staff can be financed from the existing appropriations for the related administrative support expenditure lines in the Draft Budget. The corresponding changes to the budget remarks are set out in the budgetary annex.

[10] COM(2022) 325, 29.6.2022.

Similarly, the Commission proposes to allow the recruitment of up to eight external staff members to assist in the management of the Innovation Fund in the Commission. The additional staff members for the implementation of the Innovation Fund can be financed from the existing external assigned revenues, but this requires the creation of a new budget line for administrative support expenditure in the Commission.

The table below shows the proposed creation of the new budget line for support expenditure for the Innovation Fund.

Budget line	Name	Commitment appropriations	Payment appropriations
16 01 02 01	Support expenditure for the Innovation Fund	p.m.	p.m.

The Commission also proposes to recruit up to 15 additional external staff members for the implementation of the Instrument for Pre-Accession (IPA), in relation to the additional tasks created by the EU candidate status of Ukraine and the Republic of Moldova, the monitoring process of Georgia, and necessary preparatory work for the future support to the reconstruction of Ukraine. The Commission proposes to finance these additional staff on the administrative support line from the IPA Fundamentals, Union policies and people-to-people budget line and the IPA Investment for Growth and Employment budget line.

The table below shows the proposed adjustments to appropriations to reinforce the support expenditure for the IPA.

Budget line	Name	Commitment appropriations	Payment appropriations
15 01 01 01	Support expenditure for IPA	1 300 000	1 300 000
15 02 01 01	Fundamentals, Union policies and people-to-people - Preparation for accession	-700 000	-700 000
15 02 02 01	Investment for Growth and Employment - Preparation for accession	-600 000	-600 000
Total		**0**	**0**

Lastly, in light of the outcome of the legislative procedure for the Digital Services Act[11], which requires additional staff as compared to the initial Commission proposal to carry out preparatory work until such time as fees can be levied, the Commission proposes to allow for the recruitment of up to 40 external staff members, to be financed through a transfer from the administrative support line of the Digital Europe programme to the budget line for expenditure related to the Digital Services Act introduced with the DB 2023.

The table below shows the proposed adjustments to appropriations for the implementation of the Digital Services Act.

Budget line	Name	Commitment appropriations	Payment appropriations
02 01 30 01	Support expenditure for the Digital Europe Programme	-3 500 000	-3 500 000
02 20 03 05	Digital Services Act (DSA) – Supervision of Very Large Online Platforms	3 500 000	3 500 000
Total		**0**	**0**

10. DECENTRALISED AGENCIES AND EUROPEAN PUBLIC PROSECUTOR'S OFFICE

10.1 European Union Aviation Safety Agency (EASA)

The ReFuelEU Aviation proposal[12] aims to ensure a level playing field for sustainable air transport, which entails additional tasks for the European Union Aviation Safety Agency (EASA), in particular

11 COM(2020) 825, 15.12.2020.
12 COM(2021) 561, 14.7.2021.

to provide data on the aviation fuel uplift at Union airports to competent national authorities. Assuming adoption of the legislative proposal with effect in 2022, the DB 2023 includes a specific amount for this purpose on the reserve line of EUR 2,3 million. However, given the state of the legislative procedure, it is proposed to slightly revise the profile of the budgetary impact of the proposal on EASA, and to increase the amount in the reserve from EUR 2 280 000 (as originally foreseen for 2023) to EUR 2 520 000, and to offset the corresponding increase of EUR 240 000 from the CEF transport budget article 02 03 01, in the same way as the initial amount. This has no impact on the staffing levels of EASA. Due to the delays in the adoption of the basic act, the amount originally foreseen for 2022 is proposed to be returned to the Connecting Europe Facility – Transport budget line in the Draft Amending Budget 5/2022.

Budget line	Name	Commitment appropriations	Payment appropriations
02 03 01	Connecting Europe Facility (CEF) — Transport	-240 000	-240 000
30 02 02	Differentiated appropriations (*Reserve for budget article 02 10 01*)	240 000	240 000
Total		**0**	**0**

10.2 European Environment Agency (EEA)

The Commission proposal for a Regulation on nature restoration[13] gives additional tasks to the European Environment Agency (EEA) in the area of monitoring, reporting and evaluation of progress on nature restoration. In order to carry out these additional tasks, after the adoption of the proposal by the co-legislators, the EEA would be reinforced by seven establishment plan posts and five contract agents. The related reinforcement of the EU contribution to EEA of EUR 2,3 million in 2023 to finance staff and IT expenditure is proposed to be offset from the LIFE programme. This amount would be kept on a reserve line until the final adoption of the proposal.

In addition, the Commission implementing decision on establishing databases for information provided by member states under the Seveso III Directive[14] entrusts the EEA with the redevelopment, operation and maintenance of these databases. In order to carry out these additional tasks, the agency requires three establishment plan posts, one contract agent and an additional EU contribution of EUR 0,5 million in 2023, which is also proposed to be offset from the LIFE programme.

Budget line	Name	Commitment appropriations	Payment appropriations
09 02 01	Nature and biodiversity	-2 301 604	-2 301 604
09 02 02	Circular economy and quality of life	-495 570	-495 570
09 10 02	European Environment Agency	495 570	495 570
30 02 02	Differentiated appropriations (*Reserve for budget article 09 10 02*)	2 301 604	2 301 604
Total		**0**	**0**

The updated establishment plan is set out in the budgetary annex.

10.3 European Union Agency for Law Enforcement Training (CEPOL)

The DB 2023 contains a stable number of 33 establishment plan posts for CEPOL. However, in order to enable the agency to attract qualified staff and considering its staff structure, the Commission proposes to reclassify three AST5 posts in AD5 posts. Additionally, the breakdown of existing posts across the grades of the establishment plan is proposed to be revised so as to accommodate the natural reclassification rate for staff. This has no budgetary impact.

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13 Proposal for a Regulation of the European Parliament and of the Council, submitted by the Commission on 22 June 2022, on nature restoration (COM(2022) 304).

14 Commission Implementing Decision of 31.8.2022 on establishing the form and databases for communicating the information referred to in Articles 18(1) and 21(3) of Directive 2012/18/EU of the European Parliament and of the Council on the control of major-accident hazards involving dangerous substances and repealing Commission Decision 2014/895/EU (C(2022) 6124 final).

The updated establishment plan is set out in the budgetary annex.

10.4 European Public Prosecutor's Office (EPPO)

The DB 2023 contains a stable number of 171 establishment plan posts for the EPPO. Due to a clerical error, however, the breakdown of these posts across the grades of the establishment plan in the Draft Budget does not give the EPPO the necessary room for manoeuvre to recruit and reclassify staff. It is proposed to correct the breakdown of posts accordingly, which has no budgetary impact.

The updated establishment plan is set out in the budgetary annex.

10.5 Transfers from the reserves to the operational lines of decentralised agencies due to the adoption of legal acts.

Due to the adoption of the following legal acts by the co-legislators, the Commission proposes to transfer the amounts currently placed in reserves for the implementation of these legal acts to the operational lines of the decentralised agencies concerned:

- ACER (02 10 06): Following the adoption of Regulation (EU) 2022/869 of the European Parliament and of the Council of 30 May 2022 on guidelines for trans-European energy infrastructure, amending Regulations (EC) No 715/2009, (EU) 2019/942 and (EU) 2019/943 and Directives 2009/73/EC and (EU) 2019/944, and repealing Regulation (EU) No 347/2013, an amount of EUR 156 000 in commitment and payment appropriations will be transferred from the reserve line to the operational line.

- Eu-LISA (11 10 02): Following the adoption of Regulation (EU) 2022/850 of the European Parliament and of the Council of 30 May 2022 on a computerised system for the cross-border electronic exchange of data in the area of judicial cooperation in civil and criminal matters (e-CODEX system), and amending Regulation (EU) 2018/1726, an amount of EUR 1 430 000 in commitment and payment appropriations will be transferred from the reserve line to the operational line.

- ESMA (03 10 04): Following the adoption of Regulation (EU) 2022/858 of the European Parliament and of the Council of 30 May 2022 on a pilot regime for market infrastructures based on distributed ledger technology, and amending Regulations (EU) No 600/2014 and (EU) No 909/2014 and Directive 2014/65/EU, an amount of EUR 114 089 in commitment and payment appropriations will be transferred from the reserve line to the operational line.

The table below provides an overview of the amounts that are proposed to be lifted from the reserve following the adoption of corresponding basic acts:

Budget line	Name	Commitment appropriations	Payment appropriations
02 10 06	European Union Agency for the Cooperation of Energy Regulators (ACER)	156 000	156 000
30 02 02	Differentiated appropriations (*Reserve for budget article 02 10 06*)	- 156 000	- 156 000
03 10 04	European Securities and Markets Authority (ESMA)	114 089	114 089
30 02 02	Differentiated appropriations (*Reserve for budget article 03 10 04*)	- 114 089	- 114 089
11 10 02	European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice ('eu-LISA')	1 430 000	1 430 000
30 02 02	Differentiated appropriations (*Reserve for budget article 11 10 02*)	- 1 430 000	- 1 430 000
Total		**0**	**0**

11. ADJUSTMENTS TO THE HEADING 7 "EUROPEAN PUBLIC ADMINISTRATION"

11.1 Salary update for all institutions and pensions

High inflation has a major impact on the administrative expenditure of the institutions, as well as on pensions and European schools, both in 2022 and 2023. The impact on the 2022 budget is set out in DAB 5/2022. In the DB 2023, the forecasted salary update rate for 2022 was 8,6 %. However, based on the estimated evolution of the purchasing power and cost of living, a salary increase of 6,9 % is now expected for 2022, which is a decrease of 1,7 percentage points as compared to the Draft Budget. The Commission and the other institutions have recalculated their salary expenditure based on a 6,9 % increase in 2022. For the year 2023, this reduces salary expenditure by EUR 93,3 million as compared to the estimates in the Draft Budget, and leaves a margin of EUR 30,8 million below the sub-ceiling for administrative expenditure of the institutions. That also means that the use of the Flexibility Instrument in heading 7 is no longer required.

In addition, the request for pension expenditure will equally be reduced by EUR 39,3 million, and the request for the European Schools by EUR 7,5 million.

The overall impact on expenditure is as follows:

Amounts in EUR

	DB 2023	Amending Letter 1 to DB 2023	DB 2023 with AL1
Pensions and European Schools	2 614 329 580	-46 810 104	2 567 519 476
Pensions	2 381 282 000	-39 287 000	2 341 995 000
European Schools	233 047 580	-7 523 104	225 524 476
Administrative expenditure of the institutions	8 834 472 587	-93 307 786	8 741 164 801
Commission	4 106 045 644	-49 794 840	4 056 250 804
Other institutions	4 729 470 419	-44 556 422	4 684 913 997
European Parliament	2 267 982 642	-20 643 092	2 247 339 550
European Council and Council	654 340 348	-6 181 591	648 158 757
Court of Justice of the European Union	491 240 000	-5 706 000	485 534 000
Court of Auditors	176 609 500	-2 435 000	174 174 500
European Economic and Social Committee	160 102 220	-1 379 580	158 722 640
Committee of the Regions	117 300 008	-1 122 583	116 177 425
European Ombudsman	13 104 583	-161 200	12 943 383
European Data Protection Supervisor	22 172 500	-206 000	21 966 500
European External Action Service	825 575 142	-5 677 900	819 897 242
Total	**11 448 802 167**	**-140 117 890**	**11 308 684 277**

In parallel, the reductions on the salary related budget lines will lead to a corresponding reduction of the estimated amount for administrative revenues from tax on remunerations, special levies on remunerations and from staff contributions to the pension scheme.

The detailed impact by Section is as follows:

Section I – European Parliament

Expenditure

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
1 0 0 0	Salaries	-1 373 805	-1 373 805
1 0 2 0	Transitional allowances	-20 565	-20 565
1 0 3 1	Invalidity pensions (PEAM)	-3 317	-3 317
1 0 3 2	Survivors pensions (PEAM)	-30 486	-30 486

1 2 0 0	Remuneration and allowances	-12 380 456	-12 380 456
1 2 0 2	Paid overtime	-1 326	-1 326
1 2 2 0	Allowances for staff retired or placed on leave in the interest of the service	-53 272	-53 272
1 4 0 0	Other staff — Secretariat and political groups	-1 249 440	-1 249 440
1 4 0 1	Other staff — Security	-683 195	-683 195
1 4 0 2	Other staff — Drivers in the Secretariat	-131 331	-131 331
1 4 0 4	Traineeships, seconded national experts, exchange of officials and study visits	-183 377	-183 377
1 4 0 5	Expenditure on interpretation	-813 013	-813 013
4 2 2	Expenditure relating to parliamentary assistance	-3 719 509	-3 719 509
Total		**-20 643 092**	**-20 643 092**

Revenue

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
3 0 0 0	Tax on remunerations	-1 459 943	-1 459 943
3 0 0 1	Special levies on remunerations	-217 158	-217 158
3 0 1 0	Staff contributions to the pension scheme	-1 259 545	-1 259 545
Total		**-2 936 646**	**-2 936 646**

Section II – European Council and Council

Expenditure

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
1 0 0 0	Basic salary	-3 000	-3 000
1 1 0 0	Basic salaries	-4 593 591	-4 593 591
1 1 0 1	Entitlements under the Staff Regulations related to the post held	-14 000	-14 000
1 1 0 2	Entitlements under the Staff Regulations related to the personal circumstances of the staff member	-1 144 000	-1 144 000
1 1 0 3	Social security cover	-196 000	-196 000
1 1 0 4	Salary weightings	-1 000	-1 000
1 1 0 5	Overtime	-20 000	-20 000
1 1 0 7	Annual adjustment of the remuneration	-78 000	-78 000
1 1 1 0	Allowances in the event of retirement in the interests of the service	-17 000	-17 000
1 2 0 0	Other staff	-104 000	-104 000
1 2 0 1	National experts on secondment	-10 000	-10 000
1 2 0 7	Annual adjustment of the remuneration	-1 000	-1 000
Total		**-6 181 591**	**-6 181 591**

Revenue

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
3 0 0 0	Tax on remunerations	-600 000	-600.000
3 0 0 1	Special levies on remunerations	-7 000	-7.000
3 0 1 0	Staff contributions to the pension scheme	-400 000	-400.000
Total		**-1 007 000**	**-1 007 000**

Section III – European Commission

Expenditure

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
20 01 01 01	Salaries, allowances and payments of Members of the institution	-178 000	-178 000

20 01 02 01	Remuneration and allowances — Headquarters and Representation offices	-39 570 000	-39 570 000
20 01 02 02	Expenses and allowances related to recruitment, transfers and termination of service — Headquarters and Representation offices	-204 000	-204 000
20 01 02 03	Remuneration and allowances — Union delegations	-2 248 000	-2 248 000
20 01 02 04	Expenses and allowances related to recruitment, transfers and termination of service — Union delegations	-45 000	-45 000
20 01 04	Officials in non-active status, retired in the interests of the service or dismissed	-140 000	-140 000
20 02 01 01	Contract staff	-1 448 712	-1 448 712
20 02 01 02	Agency staff and technical and administrative assistance in support of different activities	-131 781	-131 781
20 02 01 03	National civil servants temporarily assigned to the institution	-826 347	-826 347
20 02 02 01	Contract staff	-284 000	-284 000
20 02 03 01	Contract staff	-10 000	-10 000
20 02 04	Cost of organising graduate traineeships with the institution	-210 000	-210 000
20 02 05	Special advisers	-12 000	-12 000
21 01 01	Pensions and allowances	-38 553 000	-38 553 000
21 01 02 01	Pensions of former Members of the European Parliament	-223 000	-223 000
21 01 02 02	Pensions of former Presidents of the European Council and of former Secretaries-General of the Council of the European Union	-17 000	-17 000
21 01 02 03	Pensions of former Members of the Commission	-136 000	-136 000
21 01 02 04	Pensions of former Members of the Court of Justice of the European Union	-248 000	-248 000
21 01 02 05	Pensions of former Members of the Court of Auditors	-100 000	-100 000
21 01 02 06	Pensions of former European Ombudsmen	-5 000	-5 000
21 01 02 07	Pensions of former European Data Protection Supervisors	-5 000	-5 000
21 02 01 01	Office of the Secretary-General of the European Schools (Brussels)	-43 163	-43 163
21 02 01 02	Bruxelles I (Uccle)	-1 288 537	-1 288 537
21 02 01 03	Bruxelles II (Woluwe)	-1 093 739	-1 093 739
21 02 01 04	Bruxelles III (Ixelles)	-980 586	-980 586
21 02 01 05	Bruxelles IV (Laeken)	-918 131	-918 131
21 02 01 06	Luxembourg I	-721 383	-721 383
21 02 01 07	Luxembourg II	-617 873	-617 873
21 02 01 08	Mol (BE)	-315 736	-315 736
21 02 01 09	Frankfurt am Main (DE)	-290 751	-290 751
21 02 01 10	Karlsruhe (DE)	-350 831	-350 831
21 02 01 11	Munich (DE)	-13 277	-13 277
21 02 01 12	Alicante (ES)	-56 214	-56 214
21 02 01 13	Varese (IT)	-509 790	-509 790
21 02 01 14	Bergen (NL)	-323 093	-323 093
O1 01 01 01	Remuneration and allowances	-1 067 000	-1 067 000
O1 01 01 02	Expenses and allowances related to recruitment, transfers and termination of service	-7 000	-7 000
O1 01 02	External personnel	-22 000	-22 000
O2 01 01 01	Remuneration and allowances	-209 000	-209 000
O2 01 01 02	Expenses and allowances related to recruitment, transfers and termination of service	-1 000	-1 000
O2 01 02	External personnel	-24 000	-24 000
O3 01 01 01	Remuneration and allowances	-333 000	-333 000
O3 01 01 02	Expenses and allowances related to recruitment, transfers and termination of service	-3 000	-3 000
O3 01 02	External personnel	-395 000	-395 000
O4 01 01 01	Remuneration and allowances	-591 000	-591 000
O4 01 01 02	Expenses and allowances related to recruitment, transfers and termination of service	-3 000	-3 000
O4 01 02 01	External personnel — OIB	-432 000	-432 000
O4 01 02 02	External personnel — Child care facilities	-315 000	-315 000
O5 01 01 01	Remuneration and allowances	-203 000	-203 000

O5 01 01 02	Expenses and allowances related to recruitment, transfers and termination of service	-1 000	-1 000
O5 01 02 01	External personnel — OIL	-123 000	-123 000
O5 01 02 02	External personnel — Child care facilities	-22 000	-22 000
O6 01 01 01	Remuneration and allowances	-724 000	-724 000
O6 01 01 02	Expenses and allowances related to recruitment, transfers and termination of service	-2 000	-2 000
O6 01 02	External personnel	-10 000	-10 000
Total		**-96 604 944**	**-96 604 944**

Revenue

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
3 0 0 0	**Tax on remunerations**	**-9 118 000**	**-9 118 000**
	1. Commission	-8 834 000	-8 834 000
	2. OP	-75 000	-75 000
	3. OLAF	-62 000	-62 000
	4. EPSO	-17 000	-17 000
	5. PMO	-46 000	-46 000
	6. OIB	-66 000	-66 000
	7. OIL	-18 000	-18 000
3 0 0 1	**Special levies on remunerations**	**-818 000**	**-818 000**
	1. Commission	-761 000	-761 000
	2. OP	-17 000	-17 000
	3. OLAF	-13 000	-13 000
	4. EPSO	-3 000	-3 000
	5. PMO	-9 000	-9 000
	6. OIB	-12 000	-12 000
	7. OIL	-3 000	-3 000
3 0 1 0	**Staff contributions to the pension scheme**	**-4 205 000**	**-4 205 000**
	1. Commission	-3 804 000	-3 804 000
	2. OP	-87 000	-87 000
	3. OLAF	-58 000	-58 000
	4. EPSO	-19 000	-19 000
	5. PMO	-81 000	-81 000
	6. OIB	-126 000	-126 000
	7. OIL	-30 000	-30 000
Total		**-14 141 000**	**-14 141 000**

Section IV – European Court of Justice

Expenditure

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
1 0 0 0	Remunerations and allowances	-568 000	-568 000
1 0 0 2	Entitlements on entering the service, transfer and leaving the service	-8 000	-8 000
1 0 2	Temporary allowances	-50 000	-50 000
1 2 0 0	Remunerations and allowances	-4 852 000	-4 852 000
1 2 0 2	Paid overtime	-11 000	-11 000
1 2 0 4	Entitlements related to entering the service, transfer and leaving the service	-35 000	-35 000
1 4 0 0	Other staff	-165 000	-165 000
1 4 0 4	In-service training and staff exchanges	-17 000	-17 000
Total		**-5 706 000**	**-5 706 000**

Revenue

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
3000	Tax on remunerations	-570 000	-570 000
3001	Special levies on remunerations	-102 000	-102 000
3010	Staff contributions to the pension scheme	-379 000	-379 000
Total		**-1 051 000**	**-1 051 000**

Section V – European Court of Auditors

Expenditure

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
1000	Remuneration, allowances and pensions	-158 000	-158 000
1002	Entitlements on entering and leaving the service	-3 000	-3 000
1020	Temporary allowances	-18 000	-18 000
1200	Remuneration and allowances	-2 105 000	-2 105 000
1202	Paid overtime	-3 000	-3 000
1204	Entitlements on entering and leaving the service and on transfer	-14 000	-14 000
1220	Allowances for staff retired in the interests of the service (Articles 41 and 50 of the Staff Regulations)	-2 000	-2 000
1400	Other staff	-93 000	-93 000
1404	In-service training and staff exchanges	-36 000	-36 000
1405	Other external services	-3 000	-3 000
Total		**-2 435 000**	**-2 435 000**

Revenue

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
3000	Tax on remunerations	-439 000	-439 000
3010	Staff contributions to the pension scheme	-324 000	-324 000
Total		**-763 000**	**-763 000**

Section VI - European Economic and Social Committee

Expenditure

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
1200	Remuneration and allowances	-1 315 425	-1 315 425
1202	Paid overtime	-372	-372
1204	Entitlements on entering the service, transfer and leaving the service	-6 323	-6 323
1220	Allowances for staff retired or placed on leave in the interests of the service	-4 000	-4 000
1400	Other staff	-39 082	-39 082
1404	Graduate traineeships, grants and exchanges of officials	-13 345	-13 345
1408	Entitlements on entering the service, transfer and leaving the service	-1 033	-1 033
Total		**-1 379 580**	**-1 379 580**

Revenue

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
3000	Tax on remunerations	-105 328	-105 328
3001	Special levies on remunerations	-21 082	-21 082
3010	Staff contributions to the pension scheme	-108 863	-108 863
Total		**-235 273**	**-235 273**

Section VII - European Committee of the Regions

Expenditure

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
1 2 0 0	Remuneration and allowances	-1 017 150	-1 017 150
1 2 0 2	Paid overtime	-473	-473
1 2 0 4	Entitlements on entering the service, transfer and leaving the service	-3 233	-3 233
1 2 2 0	Allowances for staff retired or placed on leave in the interests of the service	-5 658	-5 658
1 4 0 0	Other staff	-80 226	-80 226
1 4 0 4	Graduate traineeships, grants and exchanges of officials	-15 843	-15 843
Total		**-1 122 583**	**-1 122 583**

Revenue

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
3 0 0 0	Tax on remunerations	-86 800	-86 800
3 0 0 1	Special levies on remunerations	-17 258	-17 258
3 0 1 0	Staff contributions to the pension scheme	-90 249	-90 249
Total		**-194 307**	**-194 307**

Section VIII – European Ombudsman

Expenditure

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
1 0 0	Salaries, allowances and payments related to salaries	-7 000	-7 000
1 2 0 0	Remuneration and allowances	-141 200	-141 200
1 4 0 0	Other staff	-8 000	-8 000
1 4 0 4	Graduate traineeships, grants and exchanges of officials	-5 000	-5 000
Total		**-161 200**	**-161 200**

Revenue

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
3 0 0 0	Tax on remunerations	-11 786	-11 786
3 0 0 1	Special levies on remunerations	-2 188	-2 188
3 0 1 0	Staff contributions to the pension scheme	-11 396	-11 396
Total		**-25 370**	**-25 370**

Section IX – European Data-Protection Supervisor

Expenditure

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
1 0 0 0	Remuneration and allowances	-5 000	-5 000
1 1 0 0	Remuneration and allowances	-111 000	-111 000
1 1 1 0	Contract staff	-32 000	-32 000
3 0 1 0	Remuneration and allowances	-39 000	-39 000
3 0 2 0	Contract staff	-19 000	-19 000
Total		**-206 000**	**-206 000**

Revenue

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations

3 0 0 0	Tax on remunerations	-11 000	-11 000
3 0 0 1	Special levies on remunerations	-3 000	-3 000
3 0 1 0	Staff contributions to the pension scheme	-13 000	-13 000
Total		**-27 000**	**-27 000**

Section X - European External Action Service

Expenditure

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
1 1 0 0	Basic salaries	-1 920 000	-1 920 000
1 1 0 1	Entitlements under the Staff Regulations related to the post held	-8 000	-8 000
1 1 0 2	Entitlements under the Staff Regulations related to the personal circumstances of the staff member	-495 000	-495 000
1 1 0 3	Social security cover	-73 600	-73 600
1 2 0 0	Contract staff	-321 300	-321 300
1 2 0 1	Non-military seconded national experts	-67 000	-67 000
1 2 0 5	Military seconded national experts	-208 000	-208 000
3 0 0 0	Remuneration and entitlements of statutory staff	-2 079 000	-2 079 000
3 0 0 1	External staff and outside services	-428 000	-428 000
3 0 0 2	Other expenditure related to staff	-78 000	-78 000
Total		**-5 677 900**	**-5 677 900**

Revenue

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
3 0 0 0	Tax on remunerations	-512 000	-512 000
3 0 0 1	Special levies on remunerations	-98 000	-98 000
3 0 1 0	Staff contributions to the pension scheme	-454 000	-454 000
Total		**-1 064 000**	**-1 064 000**

11.2 CERT-EU

With the increasing risk and spread of cyber attacks, there is a need to introduce measures for a high common level of cybersecurity of all EU institutions, enabling alignment around a framework that addresses the cybersecurity threats, and establishes monitoring and reporting to an Interinstitutional Cybersecurity Board.

To this end, in March 2022 the Commission made a proposal for a Regulation on cybersecurity at the EU institutions, bodies and agencies (EUIBAs)[15]. The objectives are to increase the level of cybersecurity at the EUIBAs and to reinforce the mandate and funding of CERT-EU.

The Regulation foresees a transfer of human and budgetary resources to CERT-EU to meet the needs of the new tasks outlined in the proposal. Pending its adoption, and as a first step to ensure the strategic aims of CERT-EU, it is proposed to reinforce the budget line for CERT EU already included in the DB 2023 (Article 20 04 04) with contributions from other EU institutions, offset by a corresponding reduction in the IT budget of each institution.

Consequently, an amount of almost EUR 2 million is transferred from the institutions concerned to the Commission's section of the budget for the specific needs of CERT-EU. The breakdown by institution is as follows:

15 COM(2022) 122 final, 22.3.2022.

Budget Section	Budget Line		Commitment appropriations	Payment appropriations
Section I - European Parliament	2 1 0 4	Computing and telecommunications — Investment in infrastructure	- 1 000 000	- 1 000 000
Section II - Council	2 1 0 2	Servicing and maintenance of equipment and software	- 250 000	- 250 000
Section III – European Commission	20 04 04	Inter-institutional computer emergency response team for the Union's institutions, bodies and agencies (CERT-EU)	+ 1 958 307	+ 1 958 307
Section IV - Court of Justice of the EU	2 1 0 0	Purchase, servicing and maintenance of equipment and software	- 191 107	- 191 107
Section V – European Court of Auditors	2 1 0 2	External services for the operation, implementation and maintenance of software and systems	- 120 000	- 120 000
Section VI - European Economic and Social Committee	2 1 0 2	Outside assistance for the operation, development and maintenance of software systems	- 70 167	- 70 167
Section VII – Committee of the Regions	2 1 0 2	Outside assistance for the operation, development and maintenance of software systems	- 52 033	- 52 033
Section IX - European Data Protection Supervisor	2 0 1 2	Other operating expenditure	- 25 000	- 25 000
Section X - European External Action Service	2 1 0 0	Information and communication technology	- 250 000	- 250 000
Total			**0**	**0**

12. ADDITIONAL MODIFICATION OF BUDGETARY NOMENCLATURE AND BUDGET REMARKS

The REPowerEU proposal[16] introduces a dedicated chapter that will form an integral part of Member States' recovery and resilience plans and will outline the necessary reforms and investments towards energy independency from Russian fossil resources and the diversification of the Union's energy supply. Additional funding sources to support the new REPowerEU objectives will also be provided. These include an increased flexibility to Member States to transfer resources allocated to them both under the Common Provisions Regulation and the Regulation on CAP strategic plans.

In the Draft Budget, the Commission proposed to adjust the budgetary remarks and budgetary nomenclature following requests from specific Member States to transfer resources pursuant to Articles 14 and 26 of the Common Provisions Regulation (CPR)[17]. Through this amending letter, the Commission proposes to introduce similar changes for the European Maritime, Fisheries and Aquaculture Fund (EMFAF).

The corresponding budgetary remarks are provided in the budgetary annex.

13. FINANCING

Overall, EUR 758,3 million in additional commitment appropriations and EUR 2 394,9 million in additional payment appropriations are requested under the 2023 budget.

16 COM(2022) 230, 18.05.2022.
17 OJ L 231, 30.6.2021.

As set out above, given the abovementioned specific unforeseen expenditures and the absence of margins and room for redeployment under sub-heading 2b (Resilience and Values), heading 5 (Security and Defence) and heading 6 (Neighbourhood and the World), in this Amending Letter, the Commission proposes to mobilise the Flexibility Instrument in commitment appropriations in accordance with Article 12 of the MFF Regulation, for an amount of EUR 107,1 million for sub-heading 2b, EUR 112,1 million for heading 5 and an additional EUR 150 million for heading 6.

In the DB 2023, the Commission proposed to mobilise the Flexibility Instrument for an amount of EUR 515,4 million of which EUR 452,9 million for heading 6 and EUR 62,5 million under heading 7 (European Public Administration). However, based on the new salary adjustment included in this Amending Letter, there is no longer a need to mobilise the Flexibility Instrument for heading 7. Consequently, the overall amount of the Flexibility Instrument proposed to be mobilised in 2023 amounts to EUR 822,1 million (for sub-heading 2b, heading 5 and heading 6).

The 2023 payment appropriations related to the mobilisation of the Flexibility Instrument in the years 2019 to 2023 amount to EUR 692,7 million. The estimated payment schedule of the related outstanding amounts for these years is detailed in the following table:

Flexibility Instrument - payment profile					
					EUR million, current prices
Mobilisation year	**2023**	**2024**	**2025**	**2026**	**Total**
2019	82,2	0,0	0,0	0,0	**223,2**
2020	39,9	0,0	0,0	0,0	**106,1**
2021	10,3	7,6	0,0	0,0	**58,9**
2022	62,7	49,8	36,7	0,0	**368,4**
2023	497,5	172,3	89,2	63,1	**822,1**
Total	692,7	229,7	126,0	63,1	**1 578,8**

Additionally, and in accordance with Article 11(1) a of the MFF Regulation, in order to finance the increased cost of the financing of the NGEU/EURI borrowing as set out in section 3 above, it is proposed to mobilise EUR 450 million from the Single Margin Instrument. In the final budget for 2021, the margin left available under the commitment ceiling amounted to EUR 629,0 million, or EUR 654,4 million in current prices in 2023 with the application of the 2 % annual deflator.

SMI Art 11(1)(a) - originating in 2021	
	EUR million, current prices
SMI 11(1)(a) 2021 (current prices)	***628,966***
of which 1. Single Market, Innovation and Digital	*102,440*
2a. Economic, social and territorial cohesion	*0,484*
2b. Resilience and Values	*0*
3. Natural Resources and Environment	*49,946*
4. Migration and Border Management	*188,170*
5. Security and Defence	*95,739*
6. Neighbourhood and the World	*0*
7. European Public Administration	*192,187*
SMI 11(1)(a) available in 2022 (current prices)	**641,545**
SMI 11(1)(a) available in 2023 (current prices)	**654,376**

This will therefore leave an amount of EUR 204,4 million (in 2023 prices) from the Single Margin Instrument Article 11(1)(a) originating in 2021.

14. SUMMARY TABLE BY MFF HEADING

EUR, in current prices

MFF Headings / Clusters / Programmes	Draft Budget 2023		Amending Letter 1 to Draft Budget 2023		Draft Budget 2023 with AL1	
	CA	PA	CA	PA	CA	PA
1 - Single Market, Innovation and Digital	**21 567 566 859**	**20 901 096 094**			**21 567 566 859**	**20 901 096 094**
Of which under Flexibility Instrument						
Ceiling	***21 727 000 000***				***21 727 000 000***	
Margin	***159 433 141***				***159 433 141***	
2 - Cohesion, Resilience and Values	**70 086 683 022**	**55 840 488 774**	**591 430 541**	**2 343 000 000**	**70 678 113 563**	**58 183 488 774**
Of which under Flexibility Instrument			***107 129 573***		***107 129 573***	
Of which under Single Margin Instrument 11(1)(a)			***450 000 000***		***450 000 000***	
Ceiling	***70 137 000 000***				***70 137 000 000***	
Margin	***50 316 978***		***-34 300 968***		***16 016 010***	
2a - Economic, social and territorial cohesion	***62 922 983 990***	***49 131 084 229***		***1 743 000 000***	***62 922 983 990***	***50 874 084 229***
Of which under Flexibility Instrument						
Sub-ceiling	*62 939 000 000*				*62 939 000 000*	
Sub-margin	*16 016 010*				*16 016 010*	
2b - Resilience and Values	***7 163 699 032***	***6 709 404 545***	***591 430 541***	***600 000 000***	***7 755 129 573***	***7 309 404 545***
Of which under Flexibility Instrument			*107 129 573*		*107 129 573*	
Of which under Single Margin Instrument 11(1)(a)			*450 000 000*		*450 000 000*	
Sub-ceiling	*7 198 000 000*				*7 198 000 000*	
Sub-margin	*34 300 968*		*-34 300 968*			
3 - Natural Resources and Environment	**57 222 558 225**	**57 445 369 586**			**57 222 558 225**	**57 445 369 586**
Of which under Flexibility Instrument						
Ceiling	***57 295 000 000***				***57 295 000 000***	
Margin	***72 441 775***				***72 441 775***	
Of which: Market related expenditure and direct payments	***40 692 211 000***	***40 698 181 356***			***40 692 211 000***	***40 698 181 356***
EAGF sub-ceiling	*41 518 000 000*				*41 518 000 000*	
Rounding difference excluded for calculating the sub-margin	*800 000*				*800 000*	
Net transfers between EAGF and EAFRD						
Net balance available for EAGF expenditure	*40 692 200 000*				*40 692 200 000*	
EAGF sub-margin	*789 000*				*789 000*	
4 - Migration and Border Management	**3 727 311 518**	**3 067 380 252**			**3 727 311 518**	**3 067 380 252**
Of which under Flexibility Instrument						
Ceiling	***3 814 000 000***				***3 814 000 000***	
Margin	***86 688 482***				***86 688 482***	
5 - Security and Defence	**1 901 109 130**	**1 111 374 612**	**157 027 699**	**72 000 000**	**2 058 136 829**	**1 183 374 612**
Of which under Flexibility Instrument			***112 136 829***		***112 136 829***	
Ceiling	***1 946 000 000***				***1 946 000 000***	
Margin	***44 890 870***		***-44 890 870***			
6 - Neighbourhood and the World	**16 781 879 478**	**13 773 937 845**	**150 000 000**	**120 000 000**	**16 931 879 478**	**13 893 937 845**
Of which under Flexibility Instrument	***452 879 478***		***150 000 000***		***602 879 478***	
Ceiling	***16 329 000 000***				***16 329 000 000***	
Margin						
7 - European Public Administration	**11 448 802 167**	**11 448 802 167**	**-140 117 890**	**-140 117 890**	**11 308 684 277**	**11 308 684 277**
Of which under Flexibility Instrument	***62 472 587***		***-62 472 587***			
Ceiling	***11 419 000 000***				***11 419 000 000***	
Margin	***32 670 420***		***140 117 890***		***110 315 723***	
Of which: Administrative expenditure of the institutions	***8 834 472 587***	***8 834 472 587***	***-93 307 786***	***-93 307 786***	***8 741 164 801***	***8 741 164 801***

Sub-ceiling	*8 772 000 000*				*8 772 000 000*	
Sub-margin	*-62 472 587*		*93 307 786*		*30 835 199*	
TOTAL UNDER MFF HEADINGS	**182 735 910 399**	**163 588 449 330**	**758 340 350**	**2 394 882 110**	**183 494 250 749**	**165 983 331 440**
Of which under Flexibility Instrument	***515 352 065***	***527 128 781***	***306 793 815***	***165 570 360***	***822 145 880***	***692 699 141***
Ceiling	***182 667 000 000***	***168 575 000 000***			***182 667 000 000***	***168 575 000 000***
Of which under Single Margin Instrument 11(1)(a)			***450 000 000***		***450 000 000***	
Margin	***446 441 666***	***5 513 679 451***	***60 926 052***	***-2 394 882 110***	***444 895 131***	***3 284 367 701***
Thematic Special Instruments	**2 855 153 029**	**2 679 794 000**			**2 855 153 029**	**2 679 794 000**
TOTAL	**185 591 063 428**	**166 268 243 330**	**758 340 350**	**2 394 882 110**	**186 349 403 778**	**168 663 125 440**