



Brussels, 16.11.2020  
COM(2020) 748 final

2020/330 (BUD)

#### **CORRIGENDUM**

This document replaces COM(2020) 748 final of 13.11.2020

Addition of the interinstitutional reference.

Concerns the EN version only

The text shall read as follows:

#### **AMENDING LETTER No 1 TO THE DRAFT GENERAL BUDGET 2021**

**Adjustments resulting from the recent political agreement between the European  
Parliament and the Council on the Multiannual Financial Framework 2021-2027**

**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,
- 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 (...)<sup>1</sup>, and in particular Article 42 thereof,
- the draft general budget of the European Union for the financial year 2021, as adopted by the Commission on 27 July 2020<sup>2</sup>,

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 2021, 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.

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<sup>1</sup> OJ L 193, 30.7.2018, p. 1.

<sup>2</sup> COM(2020) 300 final, 27.7.2020.

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## 1. INTRODUCTION

Amending Letter No 1 (AL 1/2021) to the draft budget for the year 2021 (DB 2021) covers the following elements:

- The incorporation of the agreement reached between the European Parliament and the Council on the next Multiannual Financial Framework 2021-2027 (“MFF”) in the trilogue on 10 November. This outcome builds on the agreement reached during the Special European Council (EUCO) of 17-21 July<sup>3</sup> and impacts a number of spending programmes and special instruments in terms of level of appropriations, structure of headings and nomenclature as well as the content of budget remarks (in particular as regards the contribution of the plan for European Recovery, “Next Generation EU”).
- The updating of the estimated needs, assigned revenue and appropriations for agricultural expenditure. In addition to changing market factors, AL 1/2021 also incorporates the impact of decisions in the agricultural sector since the DB 2021 was adopted in July 2020, as well as other proposals expected to have a significant effect during the budget year;
- Adjustments resulting from the upcoming submission to the Committee on Executive Agencies<sup>4</sup> for opinion, and to the Council and European Parliament for a six week scrutiny, of the proposal of a single establishment act setting out the major components of the mandate and tasks entrusted to the new generation of executive agencies as from 2021. These adjustments, in terms of nomenclature, appropriations and establishment plans, are still based on the agreement reached during the Special European Council (EUCO) of 17-21 July and will be further updated to reflect the political agreement on the next MFF once the single establishment act is finalised;
- Adjustments to the level of appropriations and/or staff of some decentralised agencies (EMA, ECDC, ECHA, EEA, EBA and EASO) taking into account the latest legislative or political developments on their operations for 2021 and in particular the impact of the proposed “Health Package” tabled by the Commission on 11 November;
- Adjustments to the heading 7 “European Public Administration”, including the impact of the reduction of the salary update rate as of 1 July 2020 used for the DB 2021 from 0,9 % to 0,7 % and the reinforcement of the European External Action Service (EEAS) for the governance of the off-budget European Peace Facility (EPF) as well as strengthening the consular services); and
- Other adjustments and technical updates, including to the structure of the budget (nomenclature).

Overall, the net impact of AL 1/2021 on expenditure in the DB 2021 is a decrease of EUR 2 608,8 million in commitment appropriations and an increase of EUR 2 609,3 million in payment appropriations, which can be broken down into the following components:

*(In EUR million)*

<b>Programme</b>	<b>Commitment appropriations</b>	<b>Payment appropriations</b>
Adjustments resulting from the EUCO agreement of July 2020		
On spending programmes	-749,4	189,9
On thematic special instruments	-2 172,4	-368,4
Adjustments resulting from the political agreement of 10 November 2020	249,4	151,3
Changes to the pre-financing rates for the European Structural Investment (ESI) funds 2014-2020	-	3 605,6
Non-adoption of the “bridging solution” in 2020	-	-775,0
Impact linked to AB No6/2020 (DAB No8/2020 - ESI - vaccines strategy)	-	-700,0

<sup>3</sup> EUCO 10/20, 21.7.2020.

<sup>4</sup> Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes (OJ L 11, 16.1.2003, p. 1).

<b>Programme</b>	<b>Commitment appropriations</b>	<b>Payment appropriations</b>
Reassessment of payment needs (including for completion of outstanding commitments)	-	448,8
Updates for decentralised agencies (new initiatives)	46,8	46,8
Adjustments under heading 7	5,9	5,9
Other adjustments	11,0	4,4
<b>Total</b>	<b>-2 608,8</b>	<b>2 609,3</b>

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

The relevant budget lines and staff establishment plans are detailed in the budgetary annex, together with the update of the revenue resulting from the expenditure changes included in this Amending letter.

## **2. IMPACT OF THE AGREEMENT ON THE NEXT MFF ON THE DRAFT BUDGET 2021**

### **2.1 Adjustments resulting from the EUCO agreement of July 2020**

#### *2.1.1 Envelopes of spending programmes*

The envelopes of 20 spending programmes, listed in the table below, have first been adjusted to reflect the EUCO agreement of July 2020. Adjustments were applied proportionately, for both commitments and payments, to the level of appropriations requested in the DB 2021 for each budget line<sup>5</sup>, with the exception of the following programmes:

- For InvestEU, the adjustment takes into account the capital increase of the European Investment Fund (EIF) in which the Union should participate in 2021 to maintain its overall share. This operation is presented in more details under section 3 below;
- For the European Agricultural Guarantee Fund (EAGF), the adjustment considers the most up-to-date economic data and legislative framework as described in section 4 below;
- For the European Agricultural Fund for Rural Development (EAFRD), the adjustment considers (a) the agreement between Council and European Parliament for a two-year transitional period including the implementation of Next Generation EU as of 2021, (b) the revised amounts for the transfers between the EAGF and EAFRD following the notifications received from Member States and (c) the financial impact of the decision of the co-legislators increasing the lump-sum exceptional support that Member States can provide to farmers in response to COVID-19<sup>6</sup> as well as the estimated needs based on the most recent Member States' forecasts;
- For the Asylum and Migration Fund (AMF), the Instrument for financial support for border management and visa (BMVI, within the Border Management Fund) and the Internal Security Fund (ISF), the adjustment includes an increased level of pre-financing of 5 %;

<sup>5</sup> The necessary level of appropriations for administrative support lines has been reassessed specifically for each programmes and, as a result, not systematically included in the proportional adjustments.

<sup>6</sup> Regulation (EU) 2020/872 of the European Parliament and of the Council of 24 June 2020 amending Regulation (EU) No 1305/2013 as regards a specific measure to provide exceptional temporary support under the European Agricultural Fund for Rural Development (EAFRD) in response to the COVID-19 outbreak.

- For the Neighbourhood, Development and International Cooperation Instrument (NDICI) and the instrument for Pre-Accession Assistance (IPA III), further adjustments are considered in relation to:
  - The Erasmus+ contribution: as a result of the delay in the adoption of the sectoral legislation there will be no international student exchanges under Erasmus+ in 2021. For both programmes combined, EUR 23,5 million in commitment appropriations and EUR 5,3 million in payment appropriations are proposed to cover actions linked to Capacity Building in the field of Youth and Virtual Exchanges, which do not follow the academic year calendar. Compared to the DB 2021, this represents a total decrease of -EUR 281,6 million in commitment appropriations<sup>7</sup> and -EUR 152 million in payment appropriations;
  - The continued application of the provisioning rules in the Guarantee Fund Regulation 480/2009 for the current budgetary guarantees and financial assistance (mainly the External Lending Mandate and Macro-Financial Assistance Decisions) is neutral in commitment appropriations at the level of the programmes<sup>8</sup> but results in an increase in payment appropriations of EUR 42,3 million;
  - The transfer of certain staff in Union delegations to the EEAS results in an overall decrease of EUR 16 million and EUR 2,1 million in commitment and payment appropriations respectively for NDICI and IPA III, but fully offset by a corresponding increase within the section of the EEAS, under heading 7 (see section 7.4 below for more details);
  - The original proposal for the European Fund for Sustainable Development (EFSD) in Draft Amending Budget No6/2020<sup>9</sup> included an exceptional top-up of EUR 1,04 billion for 2020. This exceptional top-up was accompanied, in the DB 2021, by 10 additional full-time equivalents (FTEs) of external staff to work on the EFSD, paid by NDICI and IPA III administrative support lines in delegations. As the exceptional top-up of EFSD was not part of the EUCO agreement of July 2020, the increase of external staff has become unnecessary. The administrative support lines of NDICI and IPA III have been decreased accordingly (EUR 1,5 million) with a corresponding additional allocation to the operational lines;
  - The external staff working for the current European Development Fund – the activities of which were integrated into the NDICI with the DB 2021. A total of 6,25 FTEs of these external staff in headquarters and in delegations working for the African Peace Facility will, as from 2021, be transferred to the off-budget European Peace Facility. The administrative support line of NDICI has been decreased accordingly (EUR 0,4 million) with a corresponding additional allocation to the operational lines.

(In EUR million)

<b>Programme</b>	<b>Commitment appropriations</b>	<b>Payment appropriations</b>
Horizon Europe	-758,0	-87,9
InvestEU Fund (including completion of EFSI)	551,0	243,2
Connecting Europe Facility —Transport	-227,3	-5,8
Digital Europe Programme	-234,1	-21,8
European Regional Development Fund (ERDF)	497,5	21,7
Cohesion Fund (CF)	284,1	11,8
Financing cost of the European Union Recovery Instrument (EURI)	-108,7	-108,7
EU4Health	232,0	55,9
European Social Fund (ESF)	259,5	10,4
Erasmus+	-397,9	-304,1

<sup>7</sup> The reductions in commitment appropriations are offset within the IPA and NDICI (geographic pillar) programmes.

<sup>8</sup> The increase in commitment appropriations is offset by a corresponding decrease of EFSD+ provisioning in 2021, which will be compensated by an increase of EFSD+ provisioning in 2022-2027.

<sup>9</sup> COM(2020) 423 final, 3.6.2020.

(In EUR million)

Programme	Commitment appropriations	Payment appropriations
European Agricultural Guarantee Fund (EAGF)	188,9	188,9
European Agricultural Fund for Rural Development (EAFRD)	342,1	307,1
European Maritime and Fisheries Fund (EMFF)	-70,3	-0,5
Just Transition Fund	-379,0	0,0
Asylum and Migration Fund (AMF)	-230,2	74,6
Integrated Border Management Fund (IBMF)	-491,3	-51,3
Internal Security Fund (ISF)	-52,5	-9,3
European Defence Fund	-101,7	-3,0
Neighbourhood, Development and International Cooperation Instrument (NDICI)	-5,8	-113,0
Instrument for Pre-Accession Assistance (IPA III)	-47,6	-18,4
<b>Total</b>	<b>-749,4</b>	<b>189,9</b>

### 2.1.1 Envelopes of thematic special instruments

The changes to the envelopes of the thematic special instruments comprise:

- The adjustment of the annual envelope of the Solidarity and Emergency Aid Reserve (SEAR) to EUR 1 273,5 million (corresponding to EUR 1 200 million, in 2018 prices), both in commitment and payment appropriations;
- The adjustment of the annual envelope of the European Globalisation Adjustment Fund (EGF) to EUR 197,4 million (corresponding to EUR 186 million, in 2018 prices) in commitment appropriations with no change to the level of payment appropriations compared to the DB 2021;
- The creation of two new specific budget lines<sup>10</sup> for the Brexit Adjustment Reserve (BAR) but without appropriations – pending the proposal that the Commission is expected to table in the course of November 2020.

## 2.2 Adjustments resulting from the political agreement of 10 November 2020

In their political agreement of 10 November 2020 on the next MFF, the European Parliament and the Council agreed, amongst others, on targeted reinforcements of Union programmes, including Horizon Europe, EU4Health and Erasmus.

For these three programmes, the following reinforcements are incorporated in AL 1/2021:

(In EUR million)

Programme	Commitment appropriations	Payment appropriations
Horizon Europe	75,8	3,0
EU4Health	74,3	15,3
Erasmus+	175,1	133,1
<b>Total</b>	<b>325,2</b>	<b>151,3</b>

For Horizon Europe the additional EUR 75,8 million in commitment appropriations will be made available again through the recourse to the Article 15.3 of the Financial Regulation as a result of total or partial non-implementation of past research projects.

<sup>10</sup> One budget line under the title 30 “Reserves” and one budget line under the title 17 “Expenditure outside the annual ceilings set out in the Multiannual Financial Framework”, based on the model already applied for the EGF.

The following budget lines will be reinforced and the budgetary remarks adjusted accordingly:

(in Eur)

Budget lines		Commitment appropriations
01 02 02 10	Cluster Health	12 886 000
01 02 02 40	Cluster Digital, Industry and Space	12 886 000
01 02 02 50	Cluster Climate, Energy and Mobility	25 014 000
01 02 02 60	Cluster Food, Bioeconomy, Natural Resources, Agriculture and Environment	25 014 000
<b>Total</b>		<b>75 800 000</b>

With the reinforcements of EU4Health and Erasmus+ (EUR 249,4 million), the total appropriations requested under heading 2b *Resilience and Values in 2021* exceed the ceiling agreed by EUR 97,8 million. The Flexibility Instrument is therefore proposed to be mobilised for this amount.

## 2.3 Updated needs for payments appropriations

### 2.3.1 Non-adoption of the “bridging solution” in 2020

On 3 June 2020, the Commission proposed in DAB No 6/2020 to reflect in the budget 2020 the impact of the legislative proposals adopted by the Commission on 27, 28 and 29 May in the framework of the European Union economic recovery package<sup>11</sup>. DAB No 6/2020 accompanied the proposal to revise the Multiannual Financial Framework Regulation for 2020<sup>12</sup>.

As this initiative, referred to as the “bridging solution”, has become obsolete, its impact on the level of payment appropriations for 2021 (EUR 775 million) is proposed to be cancelled in AL 1/2021.

This reduction concerns the following programmes:

- The InvestEU programme in which the completion payments of the current European Fund for Strategic Investment (EFSI) will be incorporated as from 2021. The “bridging solution” foresaw the creation, within EFSI, of a specific window for the Solvency Support Instrument, for which payment appropriations for an amount of EUR 500 million were included in the DB 2021.
- The European Regional Development Fund (ERDF) and the European Social Fund (ESF), for which payment appropriations for a total of EUR 275 million were included in the DB 2021 in the framework of the REACT-EU initiative<sup>13</sup>, also part of the “bridging solution”.

DAB No 6/2020 also included the creation of new budget lines in the budget 2020, some of them continuing in 2021. As a consequence of the non-adoption of the ‘bridging solution’ the budget nomenclature needs to be adapted and some budget lines be deleted or transferred as shown in the table below:

Nomenclature in DB 2021		Nomenclature in AL 1/2021	
02 01 04	Support expenditure for the "European Fund for Strategic Investments"	<i>deleted</i>	
02 05 02 01	EFSI Guarantee — Infrastructure and Innovation Window (IIW) and SME Window (SMEW)	02 02 99 12 (new)	Completion of the "European Fund for Strategic Investments (EFSI)"
02 05 02 02	EFSI Guarantee — Solvency Support Instrument Window	<i>deleted</i>	
02 05 03 01	EIAH and EIPP — Infrastructure and Innovation Window (IIW) and SME Window (SMEW)	02 02 99 12 (new)	Completion of the "European Fund for Strategic Investments (EFSI)"
02 05 03 02	EIAH and EIPP — Solvency Support Instrument Window	<i>deleted</i>	

<sup>11</sup> COM(2020) 456 final, 27.5.2020.

<sup>12</sup> COM(2020) 446 final, 28.5.2020.

<sup>13</sup> COM(2020) 451 final, 28.5.2020.



### 2.3.2 Impact linked to Amending Budget No 6/2020 (vaccines strategy)

Amending Budget No 6/2020<sup>14</sup> increased the level of payment appropriations in 2020 for the Emergency Support Instrument (ESI) by EUR 1 090 million in order for the COVID-19 vaccines strategy to reach a total of EUR 2 610 million, while the total commitments were set at EUR 2 700 million in 2020 in Amending Budget No 2/2020<sup>15</sup>.

As a result, the level of payment appropriations for 2021 needs to be reduced to EUR 90 million. This represents a decrease of EUR 700 million compared to the DB 2021, which was based on a longer payment profile, i.e. EUR 790 million in 2021 and EUR 265 million in both 2022 and 2023.

### 2.3.3 Changes to the pre-financing rates for the European Structural Investment (ESI) funds 2014-2020

In 2018, the Commission proposed<sup>16</sup> to amend Regulation (EU) No 1303/2013 (the Common Provisions Regulation) and to reduce the annual pre-financing for years 2021-2023 from 3 % to 1 % of the total support provided by the European Regional Development Fund (ERDF), the Cohesion Fund (CF), the European Social Fund (ESF) and the European Maritime and Fisheries Fund (EMFF). The budgetary effect of this proposal was included in the DB 2021.

On 4 April 2019, the European Parliament adopted its legislative resolution that amended the Commission's proposal by setting the annual pre-financing rate at 2 % for the period 2021-23. The EUCO agreement of July 2020 also retained the same percentage.

As a result, an overall increase of EUR 3,6 billion in payment appropriations is included in AL 1/2021 for the ESI Funds, which is equivalent to 1 % of the total 2021-27 allocation for the ERDF, the CF, the ESF and the EMFF.

(In EUR million)

Programme	Commitment appropriations	Payment appropriations
European Regional Development Fund (ERDF)	-	1 996,6
Cohesion Fund (CF)	-	622,2
European Social Fund (ESF)	-	929,9
European Maritime and Fisheries Fund (EMFF)	-	56,9
<b>Total</b>	<b>0,0</b>	<b>3 605,6</b>

### 2.3.4 Other reassessment of payments

The Commission has reassessed the needs in payment appropriations (on top of the updates resulting from the adjusted envelopes mentioned above). The following seven programmes are concerned by a total net increase of EUR 448,8 million and, except for the Justice, Rights & Values programme (for which the minor increase is a technical correction), the reassessment relates to payments for the completion of outstanding commitments.

(In EUR million)

Programme	Commitment appropriations	Payment appropriations
Neighbourhood, Development and International Cooperation Instrument (NDICI)	-	372,0
Instrument for Pre-Accession Assistance (IPA III)	-	120,0
Union Civil Protection Mechanism (RescEU)	-	131,8
Support to the Turkish-Cypriot Community	-	7,0
Justice, Rights & Values	-	6,8

<sup>14</sup> Adopted by the European Parliament on 17 September 2020 but pending publication in the Official Journal (tabled as Draft Amending Budget No 8/2020 by the Commission on 28 August 2020).

<sup>15</sup> Adopted by the European Parliament on 17 April 2020 (OJ L 126, 21.4.2020).

<sup>16</sup> COM(2018) 614 final, 7.9.2018.

Programme	Commitment appropriations	Payment appropriations
Connecting Europe Facility —Transport (incl. contribution from the Cohesion Fund and Military mobility)	-	-155,0
InvestEU	-	-33,7
<b>Total</b>	<b>0,0</b>	<b>448,8</b>

- NDICI and IPA III: Following the publication of the Joint Communication on the Global EU Response to Covid-19<sup>17</sup>, in which the Union expressed solidarity and commitment to help partner countries deal with the health, economic and social consequences of the COVID-19 crisis as part of the Team Europe efforts, reprogramming has taken place and the implementation of the assistance to third countries accelerated, which will continue in 2021. Taking into account the Union's political commitments to third countries and contractual obligations such as payments deadlines, an increased need for payment appropriations of EUR 492 million has been identified due to modified modalities for budget support disbursements, increased pre-financing and faster implementation under indirect management.
- RescEU: Amending budgets No1 and No2/2020 have significantly increased the resources available in the Union Civil Protection programme to face COVID-19 related urgent needs (namely, medical stockpiling and repatriation). This represents in total a reinforcement of EUR 415 million in commitment appropriations. Less than half of these appropriations have been covered by payment appropriations in 2020 and revised estimates indicate that approximately EUR 132 million will be necessary in 2021 to complete these measures. Most of the payments will cover reimbursements to Member States for measures already implemented.
- Support to the Turkish-Cypriot Community: as a consequence of the COVID-19 crisis, the United Nations Development Programme – Local Infrastructure Facility (UNDP LIF) has been providing increased technical assistance in the identification of emergency response needs leading to increased payments compared to the forecast. On top of the increase resulting from the targeted reinforcement described under section 8.1.1 below (EUR 3 million), further payments appropriations of EUR 4 million are needed for the completion of operations such as the Scholarship programme, the International Bank for Reconstruction and Development's Economic Analysis Programme for Growth and Sustainable Development, micro business support and the project 'Construction of the new Northern Nicosia Trunk Sewer – NNTS'.
- CEF — Transport (including the contribution from the Cohesion Fund and the military mobility): the overall decrease of -EUR 155 million results from the following combined two elements:
  - -EUR 100 million corresponding to payments that will be done in 2020 while initially forecast in 2021. These payments are linked to the voluntary claims sent by several large beneficiaries and for which a reinforcement was proposed by the Commission in DAB No10/2020;
  - A downwards reassessment of the payment needs for all components of CEF— Transport for a total amount of -EUR 55 million (of which -EUR 37 million for the contribution from the Cohesion Fund and -EUR 13,4 million for the military mobility). Considering the current timeframe for the publication of the first CEF— Transport call for proposals in 2021, the Commission considers that only a minor part of Grant Agreements will be signed (and hence pre-financing payments disbursed) in 2021.

<sup>17</sup> JOIN(2020) 11 final, 8.4.2020.

- **InvestEU:** the decrease in payments needs for the Connecting Europe Facility Debt Instrument (CEF-DI) corresponds to payments that will be done in 2020 while initially forecasted in 2021 (appearing under InvestEU completion lines) and therefore need to be frontloaded. By end of 2020, the EIB is expected to finalise the signature of a range of projects that include operations linked to the deployment of electric vehicles charging points, hydrogen refuelling points, hydrogen fuel-cell electric buses and electric trucks for freight mobility, that advanced at a faster pace than expected.

## 2.4 Adjusted scope of MFF headings and impact on the nomenclature structure

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 DB 2021 under the new budget title 14 “Resilience and Crisis Response” (and which was included in heading 5 “Resilience, Security and Defence”), are transferred to the new budget title 06 “Recovery and Resilience” (included in heading 2b “Resilience and Values”).

This transfer will require the 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”. This technical re-numbering will be implemented in the publication of the budget 2021, after its adoption.

## 2.5 Revised distribution of “Next Generation EU” between grants and loans

As confirmed in the political agreement of November 2020 between the European Parliament and the Council, the grant part of the “Next Generation EU” (NGEU) funds (EUR 750 billion in 2018 prices) that will support Union programmes has been reduced both in amount (from EUR 500 billion to EUR 390 billion) and in scope.

As a result, the budget remarks of the concerned budget lines have been adapted accordingly in AL 1/2021. Also, as regards the EAFRD, the two-year transitional period already agreed by the Council and the European Parliament will include the implementation of the NGEU contribution as of 2021. A new budget line has been created for that purpose in AL 1/2021.

The planned amounts from NGEU for 2021, by programme and budget line, are shown in the table below:

Programme / Budget line	Contribution from Next Generation EU (in EUR million)	
	Budget commitments	Payment appropriations
<b>Horizon Europe</b>	<b>1 772,0</b>	<b>177,9</b>
01 01 01 02 - External personnel implementing "Horizon Europe" — Indirect research	3,7	3,7
01 01 01 03 - Other management expenditure for "Horizon Europe" — Indirect research	3,7	3,7
01 02 02 10 - Cluster Health	441,2	32,2
01 02 02 40 - Cluster Digital, Industry and Space	441,2	47,9
01 02 02 50 - Cluster Climate, Energy and Mobility	441,2	7,0
01 02 03 01 - European Innovation Council	441,2	83,5
<b>InvestEU Fund</b>	<b>1 783,0</b>	<b>174,0</b>
02 01 01 - Support expenditure for "InvestEU"	0,5	0,5
02 02 02 - InvestEU Guarantee - Provisioning of the Common Provisioning Fund	1 745,0	151,0
02 02 03 - InvestEU Advisory Hub, Portal and accompanying measures	37,5	22,5
<b>REACT-EU European Regional Development Fund (ERDF)</b>	<b>27 856,5</b>	<b>4 983,5</b>
05 01 01 - Support expenditure for the "European Regional Development	2,5	2,5

Programme / Budget line	Contribution from Next Generation EU (in EUR million)	
	Budget commitments	Payment appropriations
Fund"		
05 02 05 01 - ERDF — Operational expenditure — Financing under REACT-EU	27 756,8	4 977,1
05 02 05 02 - ERDF — Operational technical assistance — Financing under REACT-EU	97,2	3,9
<b>European Recovery and Resilience Facility (incl. Technical Support Instrument)</b>	<b>236 607,0</b>	<b>67 607,0</b>
06 01 01 - Support expenditure for the "European Recovery and Resilience Facility (incl. Technical Support Instrument)"	7,0	7,0
06 02 01 - European Recovery and Resilience Facility (RRF) — Grants	236 600,0	67 600,0
<b>Union Civil Protection Mechanism (RescEU)</b>	<b>682,5</b>	<b>197,0</b>
06 01 04 - Support expenditure for the "Union Civil Protection Mechanism (RescEU)"	3,9	3,9
06 05 01 - Union Civil Protection Mechanism (RescEU)	678,6	193,1
<b>REACT-EU European Social Fund (ESF)</b>	<b>11 938,5</b>	<b>2 135,8</b>
07 01 01 01 - Support expenditure for the "European Social Fund+ — shared management"	1,1	1,1
07 02 05 01 - ESF — Operational expenditure — Financing under REACT-EU	11 895,8	2 133,0
07 02 05 02 - ESF — Operational technical assistance — Financing under REACT-EU	41,6	1,7
<b>European Agricultural Fund for Rural Development (EAFRD)</b>	<b>2 387,7</b>	<b>596,9</b>
08 03 01 03 - Rural development types of interventions under the CAP Strategic Plans financed from the European Union Recovery Instrument (EURI)	2 381,7	595,4
08 03 03 - EAFRD — Operational technical assistance financed from the European Union Recovery Instrument (EURI)	6,0	1,5
<b>Just Transition Fund</b>	<b>2 122,0</b>	<b>55,0</b>
09 01 02 - Support expenditure for the "Just Transition Fund"	2,4	2,4
09 03 01 - Just Transition Fund (JTF) — Operational expenditure	2 112,2	52,4
09 03 02 - Just Transition Fund (JTF) — Operational technical assistance	7,4	0,2
<b>TOTAL</b>	<b>285 149,2</b>	<b>75 927,1</b>

### 3. PARTICIPATION OF THE UNION IN THE CAPITAL INCREASE OF THE EUROPEAN INVESTMENT FUND (EIF)

On 14 July 2020, the Board of Directors of the European Investment Fund (EIF) approved in principle the proposal to the shareholders to increase the subscribed capital of the EIF. The European Investment Bank (EIB) Group has determined the size of the EIF capital increase needed so that it provides the EIF with a cash injection of EUR 1 250 million. The price of the new shares should be based on the net asset value formula agreed among the shareholders of the EIF and consists of the paid-in part and the share premium.

The Union, represented by the Commission, should be in a position to participate in this capital increase in order to allow the EIF to continue supporting the Union economy and its recovery, including through its contribution to the implementation of the InvestEU programme. Furthermore, the Union should be able to maintain its overall share in the EIF capital. It is most likely that the Union will be subscribing to the newly issued shares of the EIF and make the relevant payment in the first half of 2021.

In order for the Union to allow a pro-rata participation in the EIF capital increase of the aforementioned size, an estimated amount of EUR 375 million<sup>18</sup>, both in commitment and in payment appropriations, will be required to cover the cost of the subscription. This amount, deducted from the 2021 envelope of InvestEU, has been allocated to the specific EIF budget line under the chapter 20 of the same title (02 20 03 01 “*European Investment Fund — Provision of paid-up shares of subscribed capital*”).

#### **4. EUROPEAN AGRICULTURAL GUARANTEE FUND (EAGF)**

AL 1/2021 updates estimates for agricultural expenditure based on the most up-to-date economic data and legislative framework. By beginning of November 2020, the Commission had at its disposal a first indication of the level of production for 2020 and the outlook for the agricultural markets as well as actual figures for most of the 2020 budget execution as regards EAGF shared management, which are the basis for the updated estimates of the budgetary needs for 2021.

Apart from taking into account market factors, AL 1/2021 also incorporates the impact of legislative decisions in the agricultural sector since the DB 2021 was adopted in July 2020, as well as for some that are still under preparation, soon to be adopted. In particular, it updates the amounts for transfers between the EAGF and the EAFRD for which several Member States submitted their notifications by 18 May 2020.

The 2021 net balance available for the EAGF, according to the political agreement of November 2020 between the European Parliament and the Council and taking into account a net transfer of EUR 557,0 million to Rural Development, amounts to EUR 40 368,0 million. This new amount includes transfers from the EAGF to the EAFRD and vice-versa, as notified by several Member States to the Commission in 2019, including the modifications notified during 2020<sup>19</sup>.

Overall, 2021 EAGF needs (after taking into account EAGF provisions related to 'financial discipline') are now estimated at EUR 40 987,0 million<sup>20</sup>, which is an increase by EUR 222,2 million compared to the DB 2021. This increase is mostly due to additional needs for the financial corrections in favour of Member States (+EUR 233,1 million), while the modifications for market-related expenditure outside the CAP Strategic Plans (+EUR 15,0 million) and direct payments outside the CAP Strategic Plans (- EUR 29,7 million) are rather small.

The amount of assigned revenue estimated to be available in 2021 slightly increases from EUR 585,7 million in DB 2021 to EUR 619,0 million (+EUR 33,3 million). In contrast to previous years, AL 1/2021 does not incorporate an expected carry-over of assigned revenue from 2020 to 2021 as 2020 execution is running at a high level.<sup>21</sup> The unused appropriations (EUR 478 million) of the 2020 agricultural crisis reserve, which will not be called on, will be carried over for reimbursement to farmers subject to the financial discipline in 2021.

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<sup>18</sup> In accordance with Article 7 of the EIF Statutes, this amount will correspond to 20 % of the nominal value to be paid in at the subscription (in addition to paying for the share premium on purchase). The remaining 80 %, represents a capped contingent liability for the Union linked to the possibility that further payment of subscribed but not paid in capital could be required.

<sup>19</sup> The exact figure of the EAGF net balance is EUR 40 367,954 million. The additional transfers were notified by Member States concerned in accordance with Articles 7(2), 11(6), 14(1) and 14(2) of Regulation (EU) No 1307/2013 with an amount of EUR 1 157,704 million from the EAGF to the EAFRD and EUR 600,658 million from the EAFRD to the EAGF. The resulting net transfer from the EAGF to the EAFRD, i.e. EUR 557,046 million, is deducted from the 2021 EAGF sub-ceiling of EUR 40 925 million under the new MFF 2021-2027 and added to the respective national envelopes for the EAFRD in 2021. Overall, such transfers between the two CAP pillars are budgetary neutral as regards the ceiling for Heading 3.

<sup>20</sup> The needs amount corresponds to EUR 40 368,0 million fresh appropriations plus EUR 619,0 million assigned revenue.

<sup>21</sup> This estimate is based on the declarations of actual expenditure received from Member States for the period 1.9.2020 to 15.10.2020. Small corrections in relation to these declarations and expenditure under direct management are still to be made up to the end of the year.

As a result of these updates, the Commission proposes to increase the expenditure estimates for agriculture by EUR 188,9 million compared to the DB 2021. Commitment appropriations of EUR 40 368,0 million, including the *Reserve for crises in the agricultural sector*, are required to cover EAGF needs for 2021. This overall amount exactly corresponds to the EAGF net balance resulting from the MFF 2021-2027 as agreed by the European Council and takes account of the modified transfers between the two pillars as notified by the Member States. As the needs exceed the 2021 EAGF net balance, they must be adjusted via the financial discipline mechanism, which aims at reducing the amounts available for direct payments in order to respect the EAGF net balance and establish the crisis reserve.<sup>22</sup>

## **5. DELEGATION PACKAGE FOR THE SIX EXECUTIVE AGENCIES**

### **5.1 Submission to the Committee on Executive Agencies**

In the coming days, and in accordance with the procedure laid down in Regulation No 58/2003<sup>23</sup>, the Commission will call on the Committee on Executive Agencies (CEA) to deliver an opinion on the draft Commission Implementing Decision establishing the new generation of executive agencies. At the same time, the Commission will transmit the full set of delegation documents to the European Parliament and the Council, including an information note setting out the main elements of the foreseen delegation package. The package to be submitted to the CEA will be updated to reflect the level of the envelopes of the spending programmes proposed to be delegated according to the political agreement of November 2020 between the European Parliament and the Council on the next MFF.

It was not possible to update the relevant data on time for this amending letter; therefore all the tables in this section – including staffing for the agencies and proposed offsetting in the Commission – are still based on the envelopes of the spending programmes set in the EUCO agreement of July 2020. Given the significant increase in the budget of some programmes included in the political agreement of November 2020, which are partly or fully delegated to executive agencies (Erasmus, Horizon Europe, EU4Health, Creative Europe, Rights and Value), the delegated budget and proposed staffing of the agencies concerned will increase correspondingly. It will however not affect the proposed distribution of programmes amongst executive agencies.

In this respect, the Commission intends to keep the same number of executive agencies. However, it proposes to modify the portfolios of the agencies to create more synergies and savings and avoiding the split of programmes or subprogrammes among agencies. As a consequence, it is proposed to transfer the activities of the Consumers, Health and Food Executive Agency (CHAFEA) located in Luxembourg to the Brussels based agencies, while creating a new agency in Brussels. It is also proposed to adjust the names of the agencies to their future portfolios:

- The European Research Council Executive Agency (ERCEA);
- The European Research Executive Agency (former Research Executive Agency (REA));
- The European Health and Digital Executive Agency (new agency);
- The European Climate, Infrastructure and Environment Executive Agency (former Innovation and Networks Executive Agency (INEA));
- The European Education and Culture Executive Agency (former Education, Audio-visual and Culture Executive Agency (EACEA));
- The European Innovation Council and SMEs Executive Agency (former Executive Agency for Small and Medium-sized Enterprises (EASME)).

<sup>22</sup> The adjustment rate for direct payments related to the financial discipline mechanism in respect of the calendar year 2020 is set in Commission Implementing Regulation (EU) 2020/862 of 19 June 2020 with 2,140411 % on the basis of the DB 2021. The Commission will update this rate accordingly taking into account the modifications proposed in this AL, leading to a somewhat higher rate of 2,906192 %.

<sup>23</sup> Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes (OJ L11, 16.1.2003, p. 1-8).

Subject to the positive opinion of the CEA, provided that neither the European Parliament nor the Council has raised any objections, and the basic acts of the 2021-2027 programmes are adopted in due time by the legislative authority, the Commission intends to adopt the draft proposal as early as possible for the new generation of executive agencies to implement the new Union programmes.

## 5.2 Proposed level of operational appropriations 2021-2027 to be delegated

The overview table below compares, agency by agency, the total level of operational appropriations managed by the agencies in the current and future MFF with the number of human resources (Full Time Equivalents, FTEs) and the corresponding subsidy to cover the running costs of the agencies.

Executive Agencies	Budget managed by Executive Agency 2014-2020 (billion EUR)	FTEs in Executive Agencies 2020	Budget to be managed 2021-2027 (billion EUR , 2018 prices)	Envisaged FTEs in Executive Agencies 2027
European Research Council Executive Agency (former ERCEA)	13	529	12,3	457
European Research Executive Agency (former REA)	13	785	18,2	877
European Health and Digital Executive Agency (new)	-	-	13,2	404
European Climate, Infrastructure and Environment Executive Agency (former INEA)	34	313	39,1	474
European Education and Culture Executive Agency (former EACEA)	5	438	6,5	501
European Innovation Council and SMEs Executive Agency (former EASME)	10	506	9,2	328
Consumers, Health and Food Executive Agency (CHAFEA)	1	79	-	-
<b>Total</b>	<b>75</b>	<b>2 650</b>	<b>98,4</b>	<b>3 041</b>

## 5.3 Impact on human and financial resources in the executive agencies in 2021

The impact of the delegated voted appropriations<sup>24</sup> on the executive agencies' subsidy lines and the FTEs in 2021 is summarised in the table below.

Executive Agency	2020 Budget		DB 2021		AL 1/2021		DB 2021 (incl. AL 1)			
	FTE	EAs subsidy	FTE	EAs subsidy	FTE	EAs subsidy	FTE	EAs subsidy	Δ FTE vs 2020	Δ EA subsidy vs 2020
European Research Council Executive Agency (former ERCEA)	529	51,319	529	-	-10	53,915	519	53,915	-1,89%	5,06%
European Research Executive Agency (former REA)	785	75,749	785	-	49	91,592	834	91,592	6,24%	20,92%
European Health and Digital Executive Agency (new)	-	-	-	-	307	39,078	307	39,078	-	-
European Climate, Infrastructure and Environment Executive Agency (former INEA)	313	30,383	313	-	146	47,969	459	47,969	46,65%	57,88%
European Education and Culture Executive Agency (former EACEA)	438	47,750	438	5,11	9	45,693	447	50,803	2,05%	6,39%
European Innovation Council and SMEs Executive Agency (former	506	51,177	506	-	-119	43,744	387	43,744	-23,52%	-14,52%

<sup>24</sup> This table does not include appropriations/staff related to JRC pillar III, Innovation fund and renewable energy fund. It includes staff numbers and appropriations related to the implementation of the research programme for Coal and Steel.

Executive Agency	2020 Budget		DB 2021		AL 1/2021		DB 2021 (incl. AL 1)			
	FTE	EAs subsidy	FTE	EAs subsidy	FTE	EAs subsidy	FTE	EAs subsidy	Δ FTE vs 2020	Δ EA subsidy vs 2020
EASME)										
Consumers, Health and Food Executive Agency (CHAFEA)	79	11,301	79	-	-79	0	0	0	-100%	-100%
<b>Total</b>	<b>2 650</b>	<b>267,679</b>	<b>2 650</b>	<b>5,11</b>	<b>302</b>	<b>321,991</b>	<b>2 952</b>	<b>327,101</b>	<b>11,40%</b>	<b>22,20%</b>

The estimated staff numbers needed in the executive agencies in 2021 increase by 302 FTE (11,4 %) as compared to 2020 budget. The corresponding Union's contribution increase by 22,2 % as compared to 2020.

#### 5.4 Impact on human resources in the Commission

Regulation No 58/2003 requires that any delegation of tasks to an executive agency should be cost efficient and consistent with the principle of sound financial management. As shown in the overview table under section 5.2 above, this will entail a higher workload for the executive agencies for the period 2021-2027 and more staff will be needed to manage the programmes effectively.

Part of the increased workload for the executive agencies will result from newly delegated programmes and tasks currently implemented by Commission services. The transfer of those implementing tasks will reduce the corresponding human resources in the Commission, since they will no longer be carried out in the Commission. Another part of the increased workload in the executive agencies will result from increased budgets for already delegated programmes as well as from the new programmes. In these cases there is no impact on workload in the Commission, as the task has either been transferred already or has never been implemented in-house. In this case, the Commission proposes freeing up a number of staff to ensure overall budgetary neutrality.

In the past, those 'freed' human resources were redeployed to other tasks in accordance with Article 13(6)(c) of Regulation No 58/2003. Given the Commission's commitment to ensuring budget neutrality with regard to administrative expenditure, as a result of delegating additional tasks of programme management, the Commission will reduce its human resources to offset the additional FTEs in the executive agencies. Likewise, expenditure related to posts 'frozen' to take account of secondments to the executive agencies will also be reduced, accordingly.

The table below shows the way in which the Commission proposes to offset the additional human resources in the executive agencies, by 2027:

Offsetting of the increased human resources in the executive agencies	Human resources (FTE)
Increase in resources to cover running costs of six executive agencies stemming from further delegation	+390
Reduced administrative resources under heading 7 resulting from delegating tasks currently managed by the Commission	-59
Reduced administrative and support resources under other headings resulting from delegating tasks currently managed by the Commission	-188

#### 5.5 Adjustments included in AL 1/2021

The adjustments included AL 1/2021 reflect the resources implications of the foreseen delegation of the 2021-2027 programmes, both on the side of the executive agencies and on the side of the Commission for 2021. For this latter, the impact consists of a net reduction of the appropriations of salaries under the heading 7 "European Public Administration" for an amount of EUR 2,5 million and a budgetary neutral reallocation of the appropriations within the respective envelope of the concerned delegated programmes.



In terms of nomenclature, as shown in the table below, new budget lines are proposed to be created within each delegated programme for the subsidy of the six new executive agencies, in addition to the budget lines already included in the DB 2021 for the current “legacy” ones. Maintaining this parallel structure will ensure an orderly transition from the current to the future executive agencies set-up, whatever its precise timing, which is closely dependant on the formal adoption of the MFF and of the basic acts of the 2021-2027 programmes.

New executive agency	New subsidy line	New portfolio	Legal predecessor	Legacy delegation	Legacy subsidy line	Previous portfolio
European Research Council Executive Agency	01 01 01 71	Horizon Europe	ERCEA	ERCEA	01 01 01 61	Horizon 2020
European Research Executive Agency	01 01 01 72	Horizon Europe	REA	REA	01 01 01 62	Horizon 2020
	20 03 14 72	Central Support Service		EASME	01 01 01 63	Central Support Service
	08 01 01 72	European Agricultural Guarantee Fund		REA	20 03 14 62	
	20 03 14 72	Research Programme for Coal and Steel		CHAFEA	08 01 01 66	European Agricultural Guarantee Fund
European Health and Digital Executive Agency	01 01 01 73	Horizon Europe	New	REA	01 01 01 62	Horizon 2020
	02 01 23 73	Connecting Europe Facility - Digital		EASME	01 01 01 63	Connecting Europe Facility
	02 01 30 73	Digital Europe Programme		INEA	02 01 21 64	-
	03 01 01 73	Single Market Programme		-	-	Food and feed safety, animal health, animal welfare and plant health
	06 01 05 73	EU4HEALTH		CHAFEA	03 01 01 66	
European Climate, Infrastructure and Environment Executive Agency	01 01 01 74	Horizon Europe	INEA	-	06 01 05 66	Health
	02 01 21 74	Connecting Europe Facility - Transport		EASME	01 01 01 63	Horizon 2020
	02 01 22 74	Connecting Europe Facility - Energy		INEA	01 01 01 64	Connecting Europe Facility
	02 01 40 74	Renewable Energy Financing Mechanism		INEA	02 01 21 64	-
	05 01 02 74	Cohesion Fund (contribution to the Connecting Europe Facility)		-	-	Cohesion Fund (contribution to the Connecting Europe Facility)
	08 01 03 74	European Maritime and Fisheries Fund		INEA	05 01 02 64	European Maritime and Fisheries Fund
	09 01 01 74	EU's funding instrument for the environment and climate action (LIFE)		EASME	08 01 03 63	EU's funding instrument for the environment and climate action (LIFE)
	09 01 03 74	Public sector loan facility under the Just Transition Mechanism		-	09 01 01 63	-
	13 01 03 74	Military Mobility		-	-	-
	17 01 02 74	Innovation Fund		INEA	17 01 02 64	Innovation Fund
European Education and Culture Executive Agency	07 01 02 75	Erasmus+	EACEA	EACEA	07 01 02 65	Erasmus+
	07 01 03 75	European Solidarity Corps			07 01 03 65	European Solidarity Corps
	07 01 04 75	Creative Europe			07 01 04 65	European Union Aid Volunteers
	07 01 05 75	Rights and Values			07 01 05 65	Creative Europe
	15 01 01 75	Neighbourhood, Development and International Cooperation Instrument			15 01 01 65	Europe for Citizens
	16 01 01 75	Instrument for Pre-Accession Assistance III			16 01 01 65	Partnership Instrument
European Innovation Council and SMEs Executive Agency	01 01 01 76	Horizon Europe	EASME	REA	01 01 01 62	Horizon 2020
	03 01 01 76	Single Market Programme		EASME	01 01 01 63	EU programme for the Competitiveness of Enterprises and SMEs (COSME)

New executive agency	New subsidy line	New portfolio	Legal predecessor	Legacy delegation	Legacy subsidy line	Previous portfolio
	05 01 01 76	European Regional Development Fund (Interregional Innovation Investments)		CHAFEA -	03 01 01 66 -	Consumers -

The appropriations corresponding to the subsidy foreseen for each new agency in 2021 in the delegation package will temporarily be allocated to the legacy subsidy lines, limited to the level of appropriations included in the budget 2020, if lower (with the difference allocated to the new subsidy line, when applicable).

The same “parallelism” approach has been applied to the establishment plans: six new ones are proposed to be created for the six new executive agencies in addition to those included in the DB 2021 for the current “legacy” ones. No reduction is applied for 2021 in the establishment plans of the Commission.

The “legacy” subsidy lines and establishment plans of the current executive agencies will be merged with the new ones either in an Amending Budget in 2021 or in the framework of the budgetary procedure 2022.

## 6. DECENTRALISED AGENCIES

### 6.1 European Medicines Agency (EMA)

The medicine industry is developing a high number of products in reaction to the COVID-19 pandemic. The European Medicines Agency (EMA) will have to evaluate and authorise the medicines and vaccines currently under development, which are proposed to be brought to the market. This creates a temporary peak in EMA’s scientific work as well as its coordinating role. A two-year temporary staff reinforcement of 40 temporary agents is thus warranted as of 2021. The financial impact will be covered through other revenue (fees and charges) and will not have an impact on the Union contribution.

In addition, following the adoption of the Autumn Health Package on 11 November 2020, the role of EMA is proposed to be further, and structurally, reinforced. This initiative aims to ensure that critical shortages of medicinal products and medical devices in a health emergency are avoided across the Union. The additional staff will also allow the EMA to establish a permanent task force to provide advice on medicines during times of crises, and will enable the Agency to reuse health data for regulatory purposes in the context of the European Health Data Space. The strengthening of EMA’s role will require an increase of the Union contribution by EUR 28 million and 29 additional human resource allocations for 2021 (21 temporary agents and 8 contract agents).

### 6.2 European Centre for Disease Prevention and Control (ECDC)

The European Centre for Disease Prevention and Control (ECDC) continuously assesses and communicates current and emerging threats to human health from communicable diseases and provides recommendations for response at Union and national level. The current pandemic situation has proven that a strong ECDC is a key element in the European Health Union. The Autumn Health Package mentioned above also included a legislative proposal targeted at strengthening the agency’s role, allowing the agency to increase its support to Member States with preparedness preparation and quick interventions in a health crisis. The financial impact of the proposal requires an increase of EUR 16 million of the Union contribution and a strengthening of the human resources for 2021 (18 temporary agents and 13 contract agents).

### **6.3 European Environmental Agency (EEA)**

Following the adoption by Council and Parliament of the Taxonomy Regulation<sup>25</sup> on 18 June 2020, one additional Temporary Agent has to be added compared to the establishment plan communicated in the DB 2021.

Furthermore, additional tasks have been allocated to the agency under the 8<sup>th</sup> Environmental Action Programme, which require 9 Temporary Agents and 6 Contract Agents and a reinforcement of the EU contribution of EUR 3,2 million. This increase is offset by a corresponding reduction of the budget of the LIFE programme.

### **6.4 European Chemicals Agency (ECHA)**

The European Chemicals Agency (ECHA) has experienced a steep drop in fee income in 2020 for its activities in the field of biocides legislation. The resulting shortfall needs to be offset by a reinforcement of the Union contribution of EUR 3,2 million.

The agency is also allocated additional tasks in the field of hazardous chemicals under the 8<sup>th</sup> Environmental Action Programme, which require 1 Temporary Agent and 1 Contract Agent and a reinforcement of Union contribution of EUR 0,3 million. This increase is offset by a corresponding reduction of the budget of the LIFE programme.

### **6.5 European Banking Authority (EBA)**

The European Banking Authority (EBA) adjusted the split of the repayment of EBA's 2019 surplus, which resulted in a higher share for the Union. The increased assigned revenues lower the need for fresh appropriations in 2021 (-EUR 276 639).

### **6.6 European Asylum Support Office (EASO)**

Due to a structural lack of secondment of national experts by Member States, the European Asylum Support office (EASO) had to deliver part of its missions through the use of interim workers. However, as those cannot permanently be prolonged, EASO has informed the Commission of its intention to temporarily replace 58 interim workers with Contract Agents with a contract of maximum 1 year. The proposed replacement of interim workers by Contract Agents will not have an impact on the appropriations foreseen for the agency in the DB 2021. EASO will, together with the Commission, use the year to find a structural solution for the lack of national experts deployed by the Member States to EASO.

## **7. ADJUSTMENTS TO THE HEADING 7 "EUROPEAN PUBLIC ADMINISTRATION"**

### **7.1 Salary indexation as from 1 July 2020**

In accordance with articles 64 and 65 of the Staff Regulations<sup>26</sup>, the remuneration of the officials and other servants of the European Union is updated each year, in the light of a report presented by the Commission, based on statistical data prepared by Eurostat in agreement with the national statistical offices of the Member States, reflecting the situation in the Member States at 1 July.

The calculation of the update is based on the principle of parallelism between the evolution of real (net of inflation) remuneration of Union officials and national civil servants of the Member States. It reflects the combined effect of two main variables:

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<sup>25</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

<sup>26</sup> Regulation No 31 (EEC), 11 (EAEC), laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Economic Community and the European Atomic Energy Community (OJ P 045 14.6.1962, p. 1385).

- The specific indicator (SI), reflecting the changes in the purchasing power of salaries of national civil servants in central governments of a sample of 11 Member States representing more than 75% of the Union GDP;
- The joint index (JI), reflecting the annual inflation in Brussels and Luxembourg calculated by weighting national consumer price inflation as measured by the Belgium HICP<sup>27</sup> and Luxembourg CPI<sup>28</sup> according to the distribution of Union staff serving in those Member States.

Those two elements are multiplied in order to obtain the update rate.

As stipulated in Article 11 of Annex XI of the Staff Regulation ('exception clause'), in case of a decrease in the real Union GDP for the current year as forecast by the Commission and the specific indicator is positive, only part of the specific indicator shall be used to calculate the value of the update. In the case of a drop of the GDP by more than 3 %, the specific indicator will be set to 0 % for the 2020 exercise. The value of the specific indicator that did not serve the update of the remunerations and the pensions in 2020, shall form the basis of the calculation of a future update once the cumulative increase of the Union GDP becomes positive.

According to the latest forecast issued by the Commission, as a consequence of the COVID-19 crisis, the real EU GDP in the calendar year 2020 is expected to decrease by -8,3 %. Therefore, the exception clause will be triggered and the specific indicator will be 0 % and the salary update on 1 July 2020 will solely correspond to the evolution of the JI for the period July 2019-July 2020.

This JI has been confirmed at 0,7 % by Eurostat in the report for the annual update of remunerations and pensions issued on 31 October 2020, in line with the provisions set out in Annex XI of the Staff Regulations, whereas the revised forecasted salary update rate as of 1 July 2020 used for the DB 2021 (full year impact) was 0,9 %.

The appropriations under the MFF heading 7 "Administration" should therefore be reduced by EUR 22,0 million for 2021, of which EUR 5,9 million for the Commission, EUR 4,4 million for the pensions of all institutions and EUR 4,8 million for all other Institutions. The remaining reduction of EUR 7,0 million relate to the European Schools for which the budget request under DB 2021 corresponds to a salary update rate of 3,1 %, i.e. the initial forecast rate used by the Commission in spring 2020<sup>29</sup>.

## 7.2 Reinforcement of the European Parliament

A total reinforcement of EUR 4,6 million has been requested by the European Parliament for:

- The remaining building construction costs foreseen for 2021 for an amount of EUR 2,1 million (works, consultants' fees, initial fitting-out work and supplies to make buildings operational, and all related costs), as well as fitting-out costs and related expenditure, and in particular architects' or engineers' fees, as estimated by the European Parliament;
- The increase of the contingency reserve for an amount of EUR 2,6 million to cover additional expenditure resulting from budgetary decisions taken in the course of the financial year, including those linked to the on-going COVID-19 crisis.

<sup>27</sup> Harmonised index of consumer prices.

<sup>28</sup> Consumer Price Index.

<sup>29</sup> This rate was based on the Autumn forecast of 2019 and used in the initial internal preparatory works of the Statement of Estimates of the Commission. It was updated in Spring 2020 for the final DB 2021 for all institutions, except for the European Schools.

## **7.3 Reinforcement of the European External Action Service (EEAS)**

### *7.3.1 Additional resources for the European Peace Facility (EPF)*

The proposal on the EPF, an off-budget fund of EUR 5,7 billion over the next MFF, attributes the responsibility for a number of new functions to the EEAS. It will notably have to prepare, pilot and follow-up on certain elements of the assistance measures to be financed under the EPF, covering their political, operational and financial aspects in concept notes, proposals for assistance measures, arrangements with beneficiaries and other subsequent follow-up.

The actions could cover financial support to a third party, the provision of military equipment and infrastructure or integrated packages including the provision of military equipment and infrastructure with military training through an EU Training Mission, and follow up mitigation and control measures.

EEAS proposals for actions should follow a risk and safeguards methodology comprising a conflict sensitivity and context analysis, risk and impact assessments, possible mitigating measures and arrangements for monitoring and evaluation as necessary to ensure compliance with EU principles and legislation as well as international law, in particular human rights law and international humanitarian law.

Where an assistance measure involves the provision of equipment and/or infrastructure, the concept note will need to be translated in the course of the decision-making process into detailed lists and technical specifications of military equipment and/or infrastructure with estimates of costs.

The EEAS will also be called upon to liaise with the EPF Administrators on financial issues. It should also engage on any necessary political and technical agreement with the beneficiary (partner country, international or regional organisation), coordination with the exporting State (coherence in licensing requirements), and after delivery, follow up inventory and on-the-spot visits and physical inspection of military equipment and infrastructure in a military environment.

The EEAS estimates its needs at 16 FTEs (1 AD 13 official (head of division), 1 AD 11, 2 AD 10 and 1 AD 7 + 5 Contrat Agents + 6 seconded national experts) in order to execute these new tasks, with which it has been entrusted by the legislator, for an initial cost in the 2021 budget of EUR 1 362 500.

### *7.3.1 Additional resources for the consular services*

The COVID-19 pandemic has triggered a global consular emergency due to the very severe transport restrictions, which created a need to urgently repatriate between March and June 2020 more than half a million EU citizens stranded in third countries. Despite EU competences being limited to support to coordination of consular assistance, Member States (MS), citizens and partners have turned to EU Institutions, requesting their active involvement in order to tackle this emergency.

With the clear success of this massive EU repatriation operation, in a context when many MS have been reducing their consular footprint, the EU's role has been openly acknowledged and welcomed by MS. Smaller MS have almost totally relied on EU coordination, while bigger MS are realising that an EU role is increasingly necessary also for them. This has de facto led to the transfer of additional responsibilities to EU Delegations on consular matters.

To face the clear expectations from MS for the EEAS to play an enhanced role in the coordination of consular assistance, and strengthen the role and image of the EU in third countries, the EEAS seeks to reinforce its Consular Affairs Division.

This would allow the EEAS to swiftly engage in a lessons learned process, providing a thorough analysis of the consular crisis, with specific detail on each of its phases, the mechanisms used to facilitate repatriations, an overview of best practices observed on the ground and an outline of main challenges and opportunities.

Additionally, this would prepare the ground for reviews of the legal framework and the EU's institutional setting of consular crisis management capabilities.

The requested reinforcement of 1 AD 11 and 1 AD 7 official and 1 contract agent requires an initial increase to the EEAS' budget of EUR 303 800.

#### **7.4 Transfer of certain staff in Union Delegations from the Commission to the EEAS**

According to the Service Level Agreement (SLA) concluded between the Commission and the European External Action Service (EEAS) in December 2010, the Commission has continued to finance part of the staff of the administrative sections of the Union Delegations managed by the EEAS, as a contribution to the common administrative tasks. The staff concerned consists mainly of local agents (LA) but also of a limited number of contract agents (CA), mainly in charge of IT support (so-called Regional IT Officers or ‘RITO’).

As a result, the Commission staff working in the administrative sections of the Union Delegations are formally assigned to each of the contributing Directorates-General (DEVCO, NEAR and FPI). This situation has led to inefficiencies including duplication of workload at various levels for those Commission services (multiplication of administrative acts) without providing any added value, as well as parallel administrative and financial circuits.

The Commission, in agreement with the EEAS, proposes to transfer the Commission staff of the administrative sections of the Union Delegations to the EEAS, thus simplifying and streamlining their administrative and financial circuits and allowing a more efficient management of the staff concerned.

The majority of the CAs to be transferred (18 out of 19) are RITOs who perform very specialised IT activities in Union delegations under the responsibility of the EEAS. They are located in 12 regional centres. To group them all under a single responsibility would simplify the management of this group. There are multiple benefits, simplifications and gains in efficiency expected, both for the RITOs and for the administration, in terms of organisation of the regional centres, contract management, mobility exercise, appraisal and promotion as well as management of mission costs.

With regard to local agents, the transfer to the EEAS would ensure better coherence and consistency in the application of the related EEAS’s employment policy. The Commission has delegated to the EEAS its powers related to some areas of the management of local agents, however, decisions on particular matters such as the authorisation of posts, yearly evaluation exercise, promotions, authorisation of external activities and termination have been retained within the Commission. Thanks to the transfer, the EEAS would gain more autonomy in managing these posts, including publication, selection and recruitment and closing or moving these posts. Appeal procedures during the evaluation and promotion of LA administrative staff would also be improved.

The proposed transfer would allow the EEAS to gain additional management autonomy for a total of 546 full-time equivalent staff (FTE), composed of 527 LAs and 19 CAs, assigned to the administrative sections in Unions Delegations.

In terms of appropriations, EUR 18,1 million are proposed to be transferred annually from the external instruments (under heading 6) NDICI and IPA III (respectively EUR 16,0 million and EUR 2,1 million) to the section of the EEAS (under heading 7). To respect the overall budget neutrality of this transfer, the respective envelope of the two instruments concerned is proposed to be reduced accordingly. As a result, the increased commitment margin available under heading 6 will be offset by a corresponding decrease of the commitment margin under heading 7<sup>30</sup>.

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<sup>30</sup>

The transfer also includes the common costs (related to the buildings and associated costs of the infrastructure) of 177 LAs, whose salaries and common costs were previously paid by the European Development Fund (EDF). As from 2021, the EDF will be part of NDICI, an annual amount of EUR 5,6 million will therefore also be transferred to the EEAS for the common costs of these staff. However, this annual transfer will not affect the level of “fresh” appropriations in NDICI as they would have been covered from remaining EDF assigned revenues to the Union budget.

## **7.5 Transfer of the Central Library from the Commission to the Publications Office**

In the framework of the synergies and efficiencies review the Commission has decided to transfer the management of the Commission Central Library to the Publications Office (OP) as from January 2021, with a combined impact on the level of appropriations limited to EUR 7 888 for 2021. This transfer also encompasses the transfer of staff and IT resources.

The library modernisation programme rolled out in recent years (with some 80% of purchases in electronic form), is expected to accelerate with the transfer and bring further synergies and complementarities with existing OP activities in the same publications and information management domain.

## **7.6 Transfer of 2 establishment plan posts from the European Parliament to the Commission**

In line with the Interinstitutional Agreement on CERT-EU (Computer Emergency Response Team)<sup>31</sup>, two establishment plan posts are transferred from the European Parliament (EP) to the European Commission with a view to support the operations of CERT-EU.

This operation results in the reduction of 2 posts (AD 5) from the EP establishment plan and transferring them to the Commission's establishment plan along with the relating appropriations (with a net impact of EUR 39 000).

## **7.7 EEAS contribution for the provision of baseline services by PMO**

As of 2021, the costs of baseline services (including salary and pension calculation and payment, determination of individual entitlements and mission expenses, reimbursement of experts' expenses, etc.) will no longer be charged from the Payment Master Office (PMO) to the other institutions. The related budget has been requested in the Commission's budget section and the other Institutions' budget request has been decreased accordingly.

However, pending the signature of a new service level agreement between PMO and the EEAS, EEAS has not reduced the related amount in its 2021 budget request. In order to avoid double-budgeting, a reduction of EUR 1,2 million is therefore incorporated in the Commission's section.

## **7.8 Impact of the COVID-19 pandemic on the budget of the European Schools**

The COVID-19 pandemic makes it necessary for the European Schools to prepare for further periods of distance teaching in 2021 and to buy the necessary material. Furthermore, it might become necessary to engage additional teaching staff depending on the evolution of the situation in particular classes and teachers. The additional budgetary needs have been estimated until the end of the school year 2020/2021, i.e. they cover the first 8 months of 2021.

In the same context, the budget request of the Office of the Secretary-General of the European Schools has been revised downwards to take account of the fact that appropriations initially foreseen for the organisation of meetings and for missions organised for the benefit of the European School system as a whole will not be needed.

Based on the above elements, EUR 4 898 380 of additional appropriations for the European Schools are requested.

## **7.9 Impact of the relocation of the Ombudsman's Brussels office**

The European Ombudsman has requested additional appropriations to finance expenditure linked to the relocation of the Ombudsman's Brussels offices. The information leading to this request was not available at the time when the Estimates for the 2021 budget were submitted in March 2020.

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<sup>31</sup> OJ C12, 13.1.2018, p. 1, Annex II.

Based on the information available since early September, the increased needs required in the Ombudsman's budget amount to EUR 416 000.

## 8. OTHER ADJUSTMENTS

### 8.1 Targeted reinforcements

#### 8.1.1 Support to the Turkish-Cypriot Community

The Union remains committed to Cyprus settlement and to the Turkish Cypriot community. Against the backdrop of increased regional tensions a budget increase of EUR 6 million in commitment appropriations is necessary compared to the level proposed in the DB 2021.

Union support is needed for a solution within the well-known United Nations parameters of a bi-zonal, bi-communal Federation, even more so after the election of a Turkish Cypriot leader that regrettably backs a two State model. Hence, it is crucial that the Union continues with sufficient funding level for the Aid Programme to continue the efforts of supporting socio economic development of the Turkish Cypriot community and bringing the two communities together on concrete cooperation initiatives.

#### 8.1.2 Social dialogue

Social partners play a key role in designing and implementing the measures that are introduced at Member States level to mitigate the effects of the COVID-19 pandemic on workers and companies. However, the socioeconomic impact of the pandemic on employers and workers has had significant knock-on effects on national social partner organisations.

It is therefore necessary to provide additional support targeting European and national cross-industry and sectoral employer and trade union organisations and especially the ones mostly affected by the COVID-19 crisis and being in the most vulnerable situation with a view to ensure their activities and to address the employment and social impact of COVID-19 crisis and strengthen the resilience of workers and employers organisations in the context of COVID-19.

As a result, EUR 5 million of commitment appropriations (and EUR 4,4 million in payment appropriations) are added to the budget line 07 20 04 06 “*Specific competences in the area of social policy, including social dialogue*”.

### 8.2 Adaptation of the nomenclature

On top of the modifications to the nomenclature described in previous sections, AL 1/2021 also includes the following adaptations.

#### 8.2.1 Neighbourhood, Development and International Cooperation Instrument (NDICI)

The DB 2021 included one budget item in the geographic programme for the Neighbourhood, the “Sub-Saharan Africa”, the “Asia and the Pacific” as well as the “Americas and the Caribbean”. One single budget item was also included for the thematic budget lines on “global challenges” and “human rights and democracy”. It is proposed to further split each of these lines to enhance further the visibility of the spending allocated to each of the sub-regions or component concerned.

The table below details for this instrument the changes compared to the DB 2021:

Nomenclature In DB 2021				Nomenclature in AL 1/2021	
15 02 01	Geographic programmes	15 02 01 01	European Neighbourhood	15 02 01 10 (new)	Southern neighbourhood
				15 02 01 11 (new)	Eastern neighbourhood
				15 02 01 12 (new)	Neighbourhood — Cross border, territorial cooperation and supporting measures
		15 02 01 02	Sub-Saharan Africa	15 02 01 20 (new)	West Africa
				15 02 01 21	East and Central Africa



Nomenclature In DB 2021				Nomenclature in AL 1/2021	
15 02 02	Thematic programmes	15 02 01 03	Asia and the Pacific	(new)	
				15 02 01 22 (new)	Southern Africa and Indian Ocean
				15 02 01 30 (new)	Middle East and Central Asia
				15 02 01 31 (new)	South and East Asia
		15 02 01 04	Americas and the Caribbean	15 02 01 32 (new)	The Pacific
				15 02 01 40 (new)	The Americas
		15 02 01 05	Erasmus+ — NDICI contribution	15 02 01 41 (new)	The Caribbean
				15 02 01 50	Erasmus+ — NDICI contribution
		15 02 01 08	European Development Fund — ACP Investment Facility Reflows	15 02 01 60	European Development Fund — ACP Investment Facility Reflows
		15 02 01 06	NDICI — Provisioning of the Common Provisioning Fund	15 02 01 70	NDICI — Provisioning of the Common Provisioning Fund
		15 02 01 07	European Union Recovery Instrument (EURI) — Provisioning of the Common Provisioning Fund	deleted	-
		15 02 02 01	Human Rights and Democracy	15 02 02 10 (new)	Election observation missions — human rights and democracy
				15 02 02 11 (new)	Fundamental rights and freedoms — human rights and democracy
		15 02 02 02	Civil Society Organisations	15 02 02 20	Civil Society Organisations
		15 02 02 03	Stability and Peace	15 02 02 30	Stability and Peace
		15 02 02 04	Global Challenges	15 02 02 40 (new)	People — Global challenges
				15 02 02 41 (new)	Planet — Global challenges
				15 02 02 42 (new)	Prosperity — Global challenges
				15 02 02 43 (new)	Partnerships — Global challenges
15 02 03	Rapid Response action	15 02 03 01	Crisis response	15 02 03 10	Crisis response
		15 02 03 02	Resilience	15 02 03 20	Resilience
		15 02 03 03	Foreign policy needs	15 02 03 30	Foreign policy needs
15 02 04	Emerging challenges and priorities cushion	15 02 04	Emerging challenges and priorities cushion	15 02 04	Emerging challenges and priorities cushion

### 8.2.2 Single Market Programme

In the light of the recent agreement between the co-legislators on the objectives of the Single Market Programme, it is proposed to create a new specific budget item for the “Market surveillance” within the Article 03 02 01 *Making the internal market more effective*.

### 8.2.3 Social policy (including social dialogue)

It is proposed to split the budget line (and the related appropriations) covering the expenditure linked to social policy (including social dialogue) in order create a new one fully dedicated to studies or surveys or grants to research organisations.

The table below details the change compared to the DB 2021:

Nomenclature In DB 2021				Nomenclature in AL 1/2021	
07 20 04	Actions financed under the prerogatives of the Commission and specific powers conferred on the Commission	07 20 04 06	Specific competences in the area of social policy, including social dialogue	07 20 04 06	Specific competences in the area of social policy, including social dialogue
				07 20 04 08 (new)	Analysis of and studies on the social situation, demographics and the family

#### *8.2.4 Extension of the European High Performance Computing Joint Undertaking (EuroHPC)*

In September, the Commission has adopted a proposal for a Council regulation on establishing the European High Performance Computing Joint Undertaking<sup>32</sup> under the next MFF building on the existing EuroHPC, which was established in October 2018.

Following this decision, the corresponding budget lines have been included in AL 1/2021 for the contributions coming from Horizon Europe, the Digital Europe Programme (DEP) and the Connecting Europe Facility (CEF). At this stage, no appropriations have been allocated to these new lines as the exact contribution from the three programmes is still to be determined during their strategic planning and programming.

#### *8.2.5 Creation of new budget lines for the two consultative bodies*

In spring 2020, the two consultative bodies, the European Economic and Social Committee and the European Committee of the Regions, agreed on the establishment of a carbon emission reduction target and the related timeline. Amongst other recommendations concerning the implementation of this objective, the Committees have requested the creation in their respective section of a new budget line without appropriations for the CO2 offsetting as a preparatory measure.

Due to the timing of the political decision on the introduction of a carbon emission scheme, the new budget lines (without appropriations) for CO2 compensation could not be requested by the Committees in the DB 2021.

#### *8.2.6 Deletion of budget lines in the section of the European Data Protection Supervisor*

AL 1/2021 includes the deletion of three lines under title 3 of the section of the European Data Protection Supervisor.

### **8.3 Technical updates**

#### *8.3.1 Modification of the establishment plans further to the recourse to Article 53(1) of the Financial Regulation*

During 2020, the European Committee of the Regions and the European Data Protection Supervisor (EDPS) have modified their respective establishment plans under the terms of Article 53(1) of the Financial Regulation.

For the Committee of the Regions, this operation involved the conversion of one permanent AD 9 post into one temporary AD 9 post as well as one AST 4 post into one AST/SC 5 post, whereas for the EDPS, it involved the conversion, within the establishment plan of the European Data Protection Board, of one AST 1 post into one AST/SC 2 post.

Each of these conversions requires the modification of the related establishment plans for 2021. For the Committee, it also entails a limited reduction of the appropriations (-EUR 2 705).

#### *8.3.1 Modification of the text of some budget remarks*

On top of the adaptations linked to the NGEU contribution (see section 2.5 above), AL 1/2021 also includes technical modifications of some budget remarks, which are visible in the budgetary annex.

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<sup>32</sup> COM(2020) 569 final, 18.9.2020.

## 9. SUMMARY TABLE BY MFF HEADING

In EUR

Heading	Draft Budget 2021		Amending Letter No 1/2021		Draft Budget 2021 (incl. AL 1/2021)	
	CA	PA	CA	PA	CA	PA
<b>1. Single Market, Innovation and Digital</b>	<b>21 359 970 100</b>	<b>17 573 316 806</b>	<b>- 665 439 753</b>	<b>- 404 704 406</b>	<b>20 694 530 347</b>	<b>17 168 612 400</b>
<i>Ceiling</i>	<i>21 805 000 000</i>		<i>- 886 000 000</i>		<i>20 919 000 000</i>	
<i>Margin</i>	<i>445 029 900</i>		<i>- 220 560 247</i>		<i>224 469 653</i>	
<b>2. Cohesion, Resilience and Values</b>	<b>51 487 150 161</b>	<b>62 625 181 841</b>	<b>1 396 134 087</b>	<b>3 579 956 198</b>	<b>52 883 284 248</b>	<b>66 205 138 039</b>
<i>Ceiling</i>	<i>51 730 000 000</i>		<i>1 056 000 000</i>		<i>52 786 000 000</i>	
<i>Of which under Flexibility Instrument</i>			<i>97 768 248</i>		<i>97 768 248</i>	
<i>Margin</i>	<i>242 849 839</i>		<i>- 242 365 839</i>		<i>484 000</i>	
<b>2a Economic, social and territorial cohesion</b>	<b>47 149 471 441</b>	<b>58 687 290 538</b>	<b>1 041 044 559</b>	<b>3 180 607 007</b>	<b>48 190 516 000</b>	<b>61 867 897 545</b>
<i>Ceiling</i>	<i>47 150 000 000</i>		<i>1 041 000 000</i>		<i>48 191 000 000</i>	
<i>Margin</i>	<i>528 559</i>		<i>- 44 559</i>		<i>484 000</i>	
<b>2b Resilience and Values</b>	<b>4 337 678 720</b>	<b>3 937 891 303</b>	<b>355 089 528</b>	<b>399 349 191</b>	<b>4 692 768 248</b>	<b>4 337 240 494</b>
<i>Ceiling</i>	<i>4 580 000 000</i>		<i>15 000 000</i>		<i>4 595 000 000</i>	
<i>Of which under Flexibility Instrument</i>			<i>97 768 248</i>		<i>97 768 248</i>	
<i>Margin</i>	<i>242 321 280</i>		<i>- 242 321 280</i>			
<b>3. Natural Resources and Environment</b>	<b>58 441 127 005</b>	<b>56 249 546 448</b>	<b>81 685 531</b>	<b>552 385 050</b>	<b>58 522 812 536</b>	<b>56 801 931 498</b>
<i>Ceiling</i>	<i>58 656 000 000</i>		<i>- 32 000 000</i>		<i>58 624 000 000</i>	
<i>Margin</i>	<i>214 872 995</i>		<i>- 113 685 531</i>		<i>101 187 464</i>	
Of which: European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments	40 179 072 000	40 164 860 883	188 882 000	188 882 000	40 367 954 000	40 353 742 883
<i>Sub-ceiling</i>	<i>40 932 000 000</i>		<i>- 7 000 000</i>		<i>40 925 000 000</i>	
<i>Transfers between pillars</i>	<i>- 753 928 000</i>		<i>196 882 000</i>		<i>- 557 046 000</i>	
<i>Rounding difference excluded from margin calculation</i>	<i>1 000 000</i>		<i>- 1 000 000</i>			
<i>EAGF Margin</i>						
<b>4. Migration and Border Management</b>	<b>3 060 813 759</b>	<b>2 723 483 549</b>	<b>- 721 484 000</b>	<b>23 262 429</b>	<b>2 339 329 759</b>	<b>2 746 745 978</b>
<i>Ceiling</i>	<i>3 287 000 000</i>		<i>- 820 000 000</i>		<i>2 467 000 000</i>	
<i>Margin</i>	<i>226 186 241</i>		<i>- 98 516 000</i>		<i>127 670 241</i>	
<b>5. Security and Defence</b>	<b>2 189 025 780</b>	<b>1 810 456 628</b>	<b>- 479 764 339</b>	<b>-1 139 828 385</b>	<b>1 709 261 441</b>	<b>670 628 243</b>
<i>Ceiling</i>	<i>2 359 000 000</i>		<i>- 554 000 000</i>		<i>1 805 000 000</i>	
<i>Margin</i>	<i>169 974 220</i>		<i>- 74 235 661</i>		<i>95 738 559</i>	
<b>6. Neighbourhood and the World</b>	<b>16 113 620 000</b>	<b>10 418 805 355</b>	<b>- 53 405 718</b>	<b>360 653 839</b>	<b>16 060 214 282</b>	<b>10 779 459 194</b>
<i>Ceiling</i>	<i>16 179 000 000</i>		<i>68 000 000</i>		<i>16 247 000 000</i>	
<i>Margin</i>	<i>65 380 000</i>		<i>121 405 718</i>		<i>186 785 718</i>	
<b>7. European Public Administration</b>	<b>10 451 225 171</b>	<b>10 452 500 260</b>	<b>5 912 740</b>	<b>5 912 740</b>	<b>10 457 137 911</b>	<b>10 458 413 000</b>
<i>Ceiling</i>	<i>10 875 000 000</i>		<i>- 240 000 000</i>		<i>10 635 000 000</i>	
<i>Margin</i>	<i>423 774 829</i>		<i>- 245 912 740</i>		<i>177 862 089</i>	
Of which: Administrative expenditure of the institutions	8 032 227 818	8 033 502 907	12 421 811	12 421 811	8 044 649 629	8 045 924 718
<i>Sub-ceiling</i>	<i>8 467 000 000</i>		<i>- 250 000 000</i>		<i>8 217 000 000</i>	
<i>Margin</i>	<i>434 772 182</i>		<i>- 262 421 811</i>		<i>172 350 371</i>	
<b>Total</b>	<b>163 102 931 976</b>	<b>161 853 290 887</b>	<b>- 436 361 452</b>	<b>2 977 637 465</b>	<b>162 666 570 524</b>	<b>164 830 928 352</b>
<i>Ceiling</i>	<i>164 891 000 000</i>	<i>165 599 000 000</i>	<i>-1 408 000 000</i>	<i>541 000 000</i>	<i>163 483 000 000</i>	<i>166 140 000 000</i>
<i>Of which under Flexibility Instrument</i>		<i>582 907 835</i>			<i>97 768 248</i>	<i>641 077 815</i>
<i>Margin</i>	<i>1 788 068 024</i>	<i>4 328 616 948</i>	<i>- 873 870 300</i>	<i>-2 378 467 485</i>	<i>914 197 724</i>	<i>1 950 149 463</i>
<b>Other special Instruments</b>	<b>3 643 250 000</b>	<b>1 661 812 000</b>	<b>-2 172 415 000</b>	<b>- 368 362 000</b>	<b>1 470 835 000</b>	<b>1 293 450 000</b>
<b>Grand Total</b>	<b>166 746 181 976</b>	<b>163 515 102 887</b>	<b>-2 608 776 452</b>	<b>2 609 275 465</b>	<b>164 137 405 524</b>	<b>166 124 378 352</b>