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'I/A' ITEM NOTE

From:	Budget Committee
To:	Permanent Representatives Committee/Council
No. Cion doc.:	13056/22 (COM(2022) 351 final)
Subject:	Council position on draft amending budget No 5 to the general budget for 2022: Additional measures to address the consequences of the Russian war in Ukraine, Union Civil Protection Mechanism reinforcement, reduction in payment appropriations and update of revenues, other adjustments and technical updates – <i>Adoption</i>

1. On 5 October 2022, the Commission submitted to the Council draft amending budget (DAB) No 5 to the general budget for 2022.

The purpose of DAB No 5/2022 is to update the expenditure and revenue sides of the budget 2022 to:

- (a) include the financing of the new European Defence Industry Reinforcement through common Procurement Act (EDIRPA) to address the most urgent and critical defence gaps through fostering cooperation of Member States on common procurement;
- (b) reinforce the emergency measures under the Food Chain strand of the Single Market Programme (SMP), in order to reimburse Member States following a series of outbreaks of Highly Pathogenic Avian Influenza and African Swine Fever;

- (c) frontload and reinforce the Union Civil Protection Mechanism (UCPM), so as to continue channelling in-kind assistance to Ukraine. Additionally, helicopters and other light planes will be leased to increase Union's preparedness for aerial firefighting in 2023 and accelerate the procurement of permanent aerial capacities;
- (d) reinforce the EU contribution to the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) to avoid operational difficulties;
- (e) reinforce administrative expenditure and pensions in heading 7 as a result of high inflation and rapidly rising energy prices;
- (f) decrease the level of payment appropriations for the European Agricultural Fund for Rural Development (EAFRD) and EU4Health;
- (g) return the corresponding amount from the reserve to the transport line of the Connecting Europe Facility, from which it was offset, taking into account the delay in the approval of a new 'ReFuelEU Aviation' mandate for the European Aviation Safety Agency (EASA);
- (h) update the estimates for Traditional Own Resources (TOR), as well as to incorporate the impact of exchange rate differences,

as recorded in document 13056/22.

Overall, the net impact of this DAB on expenditure amounts to an increase of EUR 447.5 million in commitment appropriations (c/a) and a decrease of EUR 741.1 million in payment appropriations (p/a).

The overall impact on the revenue side is a net decrease in the GNI contributions of EUR 3 779 million.

2. The Budget Committee examined DAB No 5/2022 at its meetings on 5, 11, 17 and 25 October.

During this examination, the Budget Committee recognised the unlikelihood of the legal basis for EDIRPA being adopted by year-end 2022. Hence, the Budget Committee agreed not to place an amount of EUR 82.97 million foreseen for the programme in the budgetary reserve for differentiated appropriations.

Therefore, the Presidency proposed to amend DAB No 5/2022 accordingly, and to subtract the amount of EUR 82.97 million in c/a from DAB No 5/2022, leaving c/a at the level of EUR 364.55 million instead of EUR 447.53 million;

The Budget Committee examined this Presidency proposal at its meeting on 25 October and was able to accept it.

3. On 14 November 2022, the Conciliation Committee, in the framework of the agreement on a joint text concerning the budget 2023, reached a political agreement on DAB No 5/2022, accepting to amend the Commission's proposal¹ as proposed by the Council.
4. In order to allow the Council to adopt a position on DAB No 5/2022 without delay, the Council has to decide, considering the urgency of the matter, to shorten, in accordance with Article 3(3) of its Rules of Procedure, the eight-week period laid down in Article 4 of Protocol No 1 on the role of national Parliaments in the European Union.

¹ Doc. 13056/22.

5. In view of the above, the Permanent Representatives Committee is invited to advise the Council to:

- adopt the Council’s position on DAB No 5/2022 as set out in point 2,
 - instruct the Presidency to prepare the budgetary documents to be sent to the European Parliament and to approve the draft letter in the Annex to that effect; and
 - have the Council Decision adopting the Council’s position on draft amending budget No 5 of the European Union for the financial year 2022, as set out in document 13661/22, published in the *Official Journal of the European Union*;
 - in view of the urgency of the matter, decide to derogate, on the basis of the second subparagraph of Article 3(3) of the Council's Rules of Procedure, from the eight-week period referred to in Article 4 of Protocol 1 on the role of national Parliaments in the European Union.
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DRAFT LETTER

from : President of the Council

to : President of the European Parliament

Madam,

I am forwarding under separate cover the Council's position on draft amending budget No 5 for the financial year 2022, adopted by the Council on 21 November 2022.

(Complimentary close).
