



Council of the
European Union

Brussels, 11 October 2023
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FIN 1012

COVER NOTE

From:	Mr Johannes HAHN, Member of the European Commission
date of receipt:	11 October 2023
To:	Ms Esperanza SAMBLAS, President of the Council of the European Union

Subject:	Proposal for transfer of appropriations No DEC 17/2023 within Section III - Commission - of the general budget for 2023
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Delegations will find attached Commission document DEC 17/2023.

Encl.: DEC 17/2023



BRUSSELS, 11/10/2023

GENERAL BUDGET - 2023
SECTION III - COMMISSION TITLES: 20, O6

TRANSFER OF APPROPRIATIONS N° **DEC 17/2023**

FROM

CHAPTER - 2001 Members, officials and temporary staff

ITEM - 20 01 02 01 Remuneration and allowances -- Headquarters and Representation offices	Non-Diff	-900 000,00
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ITEM - 20 01 02 03 Remuneration and allowances -- Union delegations	Non-Diff	-5 100 000,00
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CHAPTER - 2002 Other staff and expenditure relating to persons

ITEM - 20 02 01 01 Contract staff	Non-Diff	-10 100 000,00
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ITEM - 20 02 06 02 Meetings, expert groups and conference's expenses	Non-Diff	-1 300 000,00
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TO

CHAPTER - 2003 Administrative Operating expenditure

ITEM - 20 03 02 02 Expenditure related to buildings	Non-Diff	11 450 000,00
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ITEM - 20 03 08 03 Purchase of information	Non-Diff	1 400 000,00
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ITEM - 20 03 13 01 Translation expenditure	Non-Diff	4 000 000,00
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CHAPTER – 20 03 17 European Anti-Fraud Office (OLAF)

ITEM - O6 01 03 01 Missions and representation expenses	Non-Diff	250 000,00
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ITEM - O6 01 04 01 Rents and purchases	Non-Diff	300 000,00
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I. DECREASE

I.1

a) Heading

20 01 02 01 - Remuneration and allowances -- Headquarters and Representation offices

b) Figures at 27/09/2023

	Non-Diff
1 Appropriations in budget (Initial Budget + AB)	2 444 768 000,00
2 Transfers	-1 630 000,00
3 Total appropriations for the year (1+2)	2 443 138 000,00
4 Appropriations already used	2 414 216 000,00
5 Appropriations available (3-4)	28 922 000,00
6 Decrease proposed	900 000,00
7 Total appropriations up to year end (5-6)	28 022 000,00
8 Decrease as percentage of appropriations in budget (6/1)	0,04 %
9 Decrease, as a percentage of the final appropriations for the year, in the sum of transfers referred to in Article 30(1)(b) of the Financial Regulation	n/a

c) Receipts arising from recovery (carried over from previous year)

	Non-Diff
1 Appropriations available at start of the year	50 505 621,18
2 Appropriations available on 27/09/2023	0,00
3 Implementation rate [(1-2)/1]	100,00 %

d) Detailed grounds for the decrease

The salary line for staff employed in Brussels and Luxembourg and in the Commission's Representations shows a surplus mainly due to the savings generated by a significantly higher than estimated turnover rate of staff in 2022 and 2023. This led to savings allowing the Commission to fully absorb the impact of the 1,7% intermediate salary update which was paid in June 2023, but which was not included in the 2023 budget.

I.2

a) Heading

20 01 02 03 - Remuneration and allowances -- Union delegations

b) Figures at 27/09/2023

	Non-Diff
1 Appropriations in budget (Initial Budget + AB)	141 550 000,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	141 550 000,00
4 Appropriations already used	135 850 000,00
5 Appropriations available (3-4)	5 700 000,00
6 Decrease proposed	5 100 000,00
7 Total appropriations up to year end (5-6)	600 000,00
8 Decrease as percentage of appropriations in budget (6/1)	3,60 %
9 Decrease, as a percentage of the final appropriations for the year, in the sum of transfers referred to in Article 30(1)(b) of the Financial Regulation	n/a

c) Receipts arising from recovery (carried over from previous year)

	Non-Diff
1 Appropriations available at start of the year	341 261,22
2 Appropriations available on 27/09/2023	0,00
3 Implementation rate [(1-2)/1]	100,00 %

d) Detailed grounds for the decrease

The salary line for staff employed in Union delegations shows a slight surplus due to a certain number of vacant posts during the course of the year, linked to staff rotation and to the related savings from staff turnover. The resulting savings allowed the Commission to fully absorb the impact of the 1,7% intermediate salary update which was paid in June 2023, but which was not included in the 2023 budget.

I.3

a) Heading

20 02 01 01 - Contract staff

b) Figures at 27/09/2023

	Non-Diff
1 Appropriations in budget (Initial Budget + AB)	90 929 493,00
2 Transfers	11 378 080,00
3 Total appropriations for the year (1+2)	102 307 573,00
4 Appropriations already used	86 664 097,00
5 Appropriations available (3-4)	15 643 476,00
6 Decrease proposed	10 100 000,00
7 Total appropriations up to year end (5-6)	5 543 476,00
8 Decrease as percentage of appropriations in budget (6/1)	11,11 %
9 Decrease, as a percentage of the final appropriations for the year, in the sum of transfers referred to in Article 30(1)(b) of the Financial Regulation	n/a

c) Receipts arising from recovery (carried over from previous year)

	Non-Diff
1 Appropriations available at start of the year	13 857 292,77
2 Appropriations available on 27/09/2023	0,00
3 Implementation rate [(1-2)/1]	100,00 %

d) Detailed grounds for the decrease

The external staff budget line for contract agents in the Commission shows a surplus due to the savings generated by the difficulties DGs faced in the recruitment process, such as finding the right profiles as well as last minute cancellations. A reassessment of the needs across all DGs for external staff indicates that there is some scope to transfer appropriations to areas requiring reinforcement.

I.4

a) Heading

20 02 06 02 - Meetings, expert groups and conference's expenses

b) Figures at 27/09/2023

	Non-Diff
1 Appropriations in budget (Initial Budget + AB)	15 192 000,00
2 Transfers	-2 916 182,52
3 Total appropriations for the year (1+2)	12 275 817,48
4 Appropriations already used	9 183 924,18
5 Appropriations available (3-4)	3 091 893,30
6 Decrease proposed	1 300 000,00
7 Total appropriations up to year end (5-6)	1 791 893,30
8 Decrease as percentage of appropriations in budget (6/1)	8,56 %
9 Decrease, as a percentage of the final appropriations for the year, in the sum of transfers referred to in Article 30(1)(b) of the Financial Regulation	n/a

c) Receipts arising from recovery (carried over from previous year)

	Non-Diff
1 Appropriations available at start of the year	44 907,26
2 Appropriations available on 27/09/2023	9 907,01
3 Implementation rate [(1-2)/1]	77,94 %

d) Detailed grounds for the decrease

At the moment of the preparation and adoption of the 2023 budget, there was little certainty on the rhythm with which physical and/or hybrid meeting and conference patterns could resume following the COVID-19 outbreak and related restrictions. DGs have made tangible and significant reductions in the number of physical meetings and conferences and have given preference to the hybrid option, which led to greener and less expensive meetings.

The current implementation and the prospects until year-end on this budget line open the possibility to transfer from meetings, expert groups and conferences' expenses to areas requiring reinforcement.

II. INCREASE

II.1

a) Heading

20 03 02 02 - Expenditure related to buildings

b) Figures at 27/09/2023

	Non-Diff
1 Appropriations in budget (Initial Budget + AB)	18 297 964,00
2 Transfers	7 650 000,00
3 Total appropriations for the year (1+2)	25 947 964,00
4 Appropriations already used	19 491 255,05
5 Appropriations available (3-4)	6 456 708,95
6 Increase requested	11 450 000,00
7 Total appropriations up to year end (5+6)	17 906 708,95
8 Increase as percentage of appropriations in budget (6/1)	62,58 %
9 Increase, as a percentage of the final appropriations for the year, in the sum of transfers referred to in Article 30(1)(b) of the Financial Regulation	n/a

c) Receipts arising from recovery (carried over from previous year)

	Non-Diff
1 Appropriations available at start of the year	0,00
2 Appropriations available on 27/09/2023	0,00
3 Implementation rate $[(1-2)/1]$	n/a

d) Detailed grounds for the increase

For the year 2023 the total reinforcement needed to cover energy expenses amounts to EUR 13,7 million. This represents a reinforcement of 163,47% compared to the appropriations for the financial year. This rate of increase is the result of increases established by contractors (notably for electricity and gas), as well as the specific nature of the energy market in Luxembourg which is very uncompetitive. As a reminder:

- the unit price of electricity in €/MWh invoiced to the Institutions in Luxembourg by the supplier increased by 249% from 2022 to 2023;
- the unit price of gas in €/MWh presents an average annual increase rate of 128% in 2023 compared to 2022.

This total reinforcement need of EUR 13,7 million has been partly covered by Commission autonomous transfers for EUR 2,2 million. It is therefore proposed to further increase the appropriations by EUR 11,5 million.

The increased costs related to buildings have been so far covered by temporary allocation of appropriations lent from other budget lines, to ensure regular payment of energy invoices. Therefore, a part of the proposed reinforcement (EUR 5,5 million) will need to be returned to the budget lines of origin where these appropriations are needed for expenditure planned until year end (EUR 4 million to expenditure linked to buildings in Brussels and EUR 1,5 million to the functioning costs of the Office of Infrastructure in Luxembourg).

II.2

a) Heading

20 03 08 03 - Purchase of information

b) Figures at 27/09/2023

	Non-Diff
1 Appropriations in budget (Initial Budget + AB)	2 365 000,00
2 Transfers	-18 271,34
3 Total appropriations for the year (1+2)	2 346 728,66
4 Appropriations already used	2 011 273,33
5 Appropriations available (3-4)	335 455,33
6 Increase requested	1 400 000,00
7 Total appropriations up to year end (5+6)	1 735 455,33
8 Increase as percentage of appropriations in budget (6/1)	59,20 %
9 Increase, as a percentage of the final appropriations for the year, in the sum of transfers referred to in Article 30(1)(b) of the Financial Regulation	n/a

c) Receipts arising from recovery (carried over from previous year)

	Non-Diff
1 Appropriations available at start of the year	270,35
2 Appropriations available on 27/09/2023	270,35
3 Implementation rate $[(1-2)/1]$	0,00 %

d) Detailed grounds for the increase

The tasks and responsibilities linked to the NextGenerationEU instrument have led to an increased need to purchase financial information for the purposes of advance forecasting and risk management. This increase in the costs related to the access to financial information databases has already been reflected in the Draft Budget for 2024, with a total amount on the budget line of EUR 3,7 million. However, it is already necessary to increase the amount available in 2023 to reach an equivalent level.

II.3

a) Heading

20 03 13 01 - Translation expenditure

b) Figures at 27/09/2023

	Non-Diff
1 Appropriations in budget (Initial Budget + AB)	13 000 000,00
2 Transfers	3 000 000,00
3 Total appropriations for the year (1+2)	16 000 000,00
4 Appropriations already used	16 000 000,00
5 Appropriations available (3-4)	0,00
6 Increase requested	4 000 000,00
7 Total appropriations up to year end (5+6)	4 000 000,00
8 Increase as percentage of appropriations in budget (6/1)	30,77 %
9 Increase, as a percentage of the final appropriations for the year, in the sum of transfers referred to in Article 30(1)(b) of the Financial Regulation	n/a

c) Receipts arising from recovery (carried over from previous year)

	Non-Diff
1 Appropriations available at start of the year	2 000,00
2 Appropriations available on 27/09/2023	0,00
3 Implementation rate $[(1-2)/1]$	100,00 %

d) Detailed grounds for the increase

The Commission's translation service had to adjust its production forecast to 2,6 million pages for 2023. Translations are primarily addressed by Commission staff-translators, already delivering at its full capacity - beyond this, translations are outsourced. The Commission anticipates that about 1,6 million pages (61%) out of the total production will be translated internally, and only 39% will be outsourced. However, the Commission is currently facing an 8% rise in outsourcing prices on top of the already foreseen 2% increase. This results in an overall growth of 10% on prices for external translation due to the automatic adaptation to a rising inflation rate.

Currently, the translation of voluminous files is ongoing and new demands are expected, such as the European Semester Autumn Package, and various voluminous Trade agreements and implementing acts. The exceptional workload has to be seen in the context of the expected traditional peak of translations' demand during autumn, reinforced by the fact that 2023 is the last full year of this Commission's mandate. Existing appropriations for outsourcing of translation are not sufficient to cover the expenditure foreseen for 2023, requiring a reinforcement of the budget line for external translation of EUR 4 million.

The increased costs have been so far covered by temporary allocation of appropriations lent from other budget lines. These appropriations will need to be returned to their budget lines of origin where they are needed for expenditure planned to the year end, for a total amount of EUR 3 million (EUR 1 million to expenditure linked to buildings in Brussels and EUR 2 million to the Interpretation budget line).

II.4

a) Heading

06 01 03 01 - Missions and representation expenses

b) Figures at 27/09/2023

	Non-Diff
1 Appropriations in budget (Initial Budget + AB)	840 400,00
2 Transfers	150 000,00
3 Total appropriations for the year (1+2)	990 400,00
4 Appropriations already used	975 000,00
5 Appropriations available (3-4)	15 400,00
6 Increase requested	250 000,00
7 Total appropriations up to year end (5+6)	265 400,00
8 Increase as percentage of appropriations in budget (6/1)	29,75 %
9 Increase, as a percentage of the final appropriations for the year, in the sum of transfers referred to in Article 30(1)(b) of the Financial Regulation	n/a

c) Receipts arising from recovery (carried over from previous year)

	Non-Diff
1 Appropriations available at start of the year	176,25
2 Appropriations available on 27/09/2023	176,25
3 Implementation rate [(1-2)/1]	0,00 %

d) Detailed grounds for the increase

The mission budget of the European Anti-Fraud Office (OLAF) needs to be reinforced, in particular for investigations. Visits on site and on-the-spot controls are essential tools and techniques in the fight against fraud and irregularities.

II.5

a) Heading

06 01 04 01 - Rents and purchases

b) Figures at 27/09/2023

	Non-Diff
1 Appropriations in budget (Initial Budget + AB)	5 696 000,00
2 Transfers	321 396,30
3 Total appropriations for the year (1+2)	6 017 396,30
4 Appropriations already used	6 017 396,30
5 Appropriations available (3-4)	0,00
6 Increase requested	300 000,00
7 Total appropriations up to year end (5+6)	300 000,00
8 Increase as percentage of appropriations in budget (6/1)	5,27 %
9 Increase, as a percentage of the final appropriations for the year, in the sum of transfers referred to in Article 30(1)(b) of the Financial Regulation	n/a

c) Receipts arising from recovery (carried over from previous year)

	Non-Diff
1 Appropriations available at start of the year	0,00
2 Appropriations available on 27/09/2023	0,00
3 Implementation rate $[(1-2)/1]$	n/a

d) Detailed grounds for the increase

Due to indexation (+10%), the European Anti-Fraud Office has experienced an exceptional increase in its renting costs this year. The unexpected size of the increase could not have been anticipated in the budgetary planning for 2023, therefore, a reinforcement of EUR 0,3 million is needed.