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BUDGET 20

EXPLANATORY MEMORANDUM

Subject: Draft amending budget No 1 to the general budget for 2024: Amendments of the 2024 budget required due to the MFF revision: Council position of 19 March 2024

I. INTRODUCTION

On 29 February 2024, the Commission submitted to the Council draft amending budget (DAB) No 1 to the general budget for 2024¹ introducing the necessary changes to the budget 2024 stemming from the revision of the Multiannual Financial Framework (MFF).

The amended MFF Regulation² applies retroactively as of 1 January 2024 and includes *inter alia* amendments to the MFF ceilings that have been communicated in the updated technical adjustment of the MFF for 2024 in the form of a Commission Communication adopted on 29 February 2024³, as foreseen in Article 4(1) of the MFF Regulation.

¹ Doc. 7102/24.

² Council Regulation (EU, Euratom) 2024/765 of 29 February 2024 amending Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L, 2024/765, 29.02.2024).

³ Doc. 7103/24 (COM(2024) 110 final).

In order to reflect the impact of the MFF revision on the financial year 2024, DAB No 1/2024 covers the following elements:

- creation of the budget nomenclature and remarks to cater for the Ukraine Facility⁴, and mobilisation of the new special instrument, the Ukrainian Reserve, with an amount of EUR 4.8 billion of commitment appropriations (c/a) and EUR 3.8 billion of payment appropriations (p/a) for the Union's support other than in the form of loans, including administrative support. in line with the MFF Regulation;
- reinforcement of the European Defence Fund within the framework of the Strategic Technologies for Europe Platform (STEP)⁵ by EUR 376 million in c/a;
- adjustment to the budget nomenclature in order to split the Solidarity and Emergency Aid Reserve in two separate instruments and to increase the amounts for each instrument;
- creation of the budget nomenclature and remarks to cater for the Reform and Growth Facility for the Western Balkans, with an amount of EUR 501 million in c/a in reserve and EUR 23.9 million in p/a in reserve, pending the adoption of the legal basis;
- reduction of the level of c/a in the reserve for the European Globalisation Adjustment Fund for Displaced Workers (EGF) by EUR 175.7 million in 2024.

Additionally, DAB No 1/2024 includes an adjustment to the budget remarks of the budget line for support expenditure of the Digital Europe Programme following the political agreement reached in December 2023 by the European Parliament and the Council on the establishment of the Artificial Intelligence Office.

⁴ Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility, OJ L, 2024/792, 29.02.2024.

⁵ Regulation (EU) 2024/795 of the European Parliament and of the Council of 29 February 2024 establishing the Strategic Technologies for Europe Platform (STEP), and amending Directive 2003/87/EC and Regulations (EU) 2021/1058, (EU) 2021/1056, (EU) 2021/1057, (EU) No 1303/2013, (EU) No 223/2014, (EU) 2021/1060, (EU) 2021/523, (EU) 2021/695, (EU) 2021/697 and (EU) 2021/241, OJ L, 2024/795, 29.02.2024.

Overall, the net impact of DAB No 1/2024 on expenditure amounts to an increase of EUR 5 833.7 million in c/a and an increase of EUR 4 143.6 million in p/a.

II. CONCLUSION

On 19 March 2024, the Council adopted its position on DAB No 1 to the general budget for 2024 as set out in the technical annex contained in Addendum 1 to this explanatory memorandum.
