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European Union

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COVER NOTE

From:	Mr Johannes HAHN, Member of the European Commission
date of receipt:	13 April 2023
To:	Ms Johanna LYBECK LILJA, President of the Council of the European Union

Subject:	Proposal for transfer of appropriations No DEC 07/2023 within Section III - Commission - of the general budget for 2023
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Delegations will find attached Commission document DEC 07/2023.

Encl.: DEC 07/2023



BRUSSELS, 13/04/2023

GENERAL BUDGET - 2023
SECTION III - COMMISSION TITLES: 01, 13

TRANSFER OF APPROPRIATIONS N° DEC 07/2023

FROM

CHAPTER - 0102 Horizon Europe

ITEM - 01 02 99 01 Completion of previous research programmes (prior to 2021)	Payments	-52 228 847,20
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CHAPTER - 0103 Euratom Research and Training Programme

ARTICLE - 01 03 01 Fusion research and development	Payments	-14 772 513,80
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ITEM - 01 03 99 01 Completion of previous Euratom research programmes (prior to 2021)	Payments	-40 998 639,00
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TO

CHAPTER - 1304 Military mobility

ARTICLE - 13 04 01 Military mobility	Payments	108 000 000,00
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The present transfer proposes to reinforce the Military Mobility strand of the Connecting Europe Facility (CEF) by EUR 108 million in payment appropriations.

Following the start of the Russian war of aggression in Ukraine, the Commission has accelerated the implementation of CEF-Military Mobility, which leads to increased needs in pre-financing in 2023.

The additional payment needs for Military Mobility can be met through a transfer from Euratom and Horizon Europe.

The availability of payment appropriations identified for the Euratom Research and Training Programme is due to the postponement of a payment to the EUROfusion consortium to 2024 as well as to lower costs claims than expected. As for Horizon Europe, the aftermath of the COVID-19 pandemic still has an impact on the completion of Horizon 2020 actions: several amendments of grant agreements have extended the duration of research projects which in turn has led to slower implementation and a reduction of costs declared by beneficiaries at this point in time.

I. DECREASE

I.1

a) Heading

01 02 99 01 - Completion of previous research programmes (prior to 2021)

b) Figures at 30/03/2023

	Payments
1 Appropriations in budget (Initial Budget + AB)	3 147 625 008,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	3 147 625 008,00
4 Appropriations already used	588 204 399,24
5 Appropriations available (3-4)	2 559 420 608,76
6 Decrease proposed	52 228 847,20
7 Total appropriations up to year end (5-6)	2 507 191 761,56
8 Decrease as percentage of appropriations in budget (6/1)	1,66 %
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)

	Payments
1 Appropriations available at start of the year	54 907 705,36
2 Appropriations available on 30/03/2023	38 282 978,65
3 Implementation rate [(1-2)/1]	30,28 %

d) Detailed grounds for the decrease

The payment needs for 2023 on this budget line have been revised downwards for two main reasons:

1. on the one hand, the completion of actions launched under Horizon 2020 –has been delayed by a series of amendments of grant agreements to extend the duration of research projects. These extensions have modified the end date of the projects concerned, and to a certain extent also the periods for interim reporting. The delay in the final reporting periods affects the moment when the corresponding final payments is made: the distribution of these payments over time now spreads over 20 months from the reporting end date, instead of nine months;
2. On the other hand, the Commission has been able to advance some payments planned for 2023 to December 2022.

Consequently, a total amount of EUR 52,2 million can be made available at this stage, awaiting a more in-depth assessment of the surplus expected at year-end 2023.

I.2

a) Heading

01 03 01 - Fusion research and development

b) Figures at 30/03/2023

	Payments
1 Appropriations in budget (Initial Budget + AB)	107 513 531,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	107 513 531,00
4 Appropriations already used	1 023 354,43
5 Appropriations available (3-4)	106 490 176,57
6 Decrease proposed	14 772 513,80
7 Total appropriations up to year end (5-6)	91 717 662,77
8 Decrease as percentage of appropriations in budget (6/1)	13,74 %
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)

	Payments
1 Appropriations available at start of the year	0,00
2 Appropriations available on 30/03/2023	0,00
3 Implementation rate [(1-2)/1]	n/a

d) Detailed grounds for the decrease

This budget line is almost fully used for grants to the EUROFUSION consortium. This consortium directs and integrates research across Europe into a comprehensive research and development programme to realise fusion energy, with two main pillars: 1) preparing for ITER experiments, and 2) developing a concept for the future demonstration of a fusion power plant.

EUROFUSION is expected to submit costs claims below the level assumed at the time of the preparation of the Draft Budget 2023. This is mostly due to delays in the commissioning of certain research facilities and in the subcontracting with its beneficiaries. Due to the limited absorption capacity in other parts of the Euratom Research and Training Programme, an amount of EUR 14,8 million in payment appropriations can be made available.

I.3

a) Heading

01 03 99 01 - Completion of previous Euratom research programmes (prior to 2021)

b) Figures at 30/03/2023

	Payments
1 Appropriations in budget (Initial Budget + AB)	52 083 796,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	52 083 796,00
4 Appropriations already used	3 309 713,90
5 Appropriations available (3-4)	48 774 082,10
6 Decrease proposed	40 998 639,00
7 Total appropriations up to year end (5-6)	7 775 443,10
8 Decrease as percentage of appropriations in budget (6/1)	78,72 %
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)

	Payments
1 Appropriations available at start of the year	0,00
2 Appropriations available on 30/03/2023	0,00
3 Implementation rate [(1-2)/1]	n/a

d) Detailed grounds for the decrease

The payment needs for 2023 on this budget line have been revised downwards, given that a final payment to the EUROfusion consortium which was initially foreseen in 2023 has been postponed to 2024. This is due to the complexity of the final payment request, for which 213 beneficiaries, 60 Certificates on Financial Statements as well as 50 audits will need to be incorporated in the financial calculations.

Due to the limited absorption capacity in other parts of the Euratom Research and Training Programme, an amount of EUR 41 million in payment appropriations can be made available.

II. INCREASE

II.1

a) Heading

13 04 01 - Military mobility

b) Figures at 30/03/2023

	Payments
1 Appropriations in budget (Initial Budget + AB)	130 000 000,00
2 Transfers	0,00
3 Total appropriations for the year (1+2)	130 000 000,00
4 Appropriations already used	0,00
5 Appropriations available (3-4)	130 000 000,00
6 Increase requested	108 000 000,00
7 Total appropriations up to year end (5+6)	238 000 000,00
8 Increase as percentage of appropriations in budget (6/1)	83,08 %
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)

	Payments
1 Appropriations available at start of the year	0,00
2 Appropriations available on 30/03/2023	0,00
3 Implementation rate $[(1-2)/1]$	n/a

d) Detailed grounds for the increase

Payment appropriations currently available under the Military Mobility strand of the CEF Transport programme are insufficient to cover 2023 needs.

Against the backdrop of Russia's war of aggression in Ukraine, the Commission has accelerated the implementation of CEF-Military Mobility to the extent possible. It has done so by advancing the launch of the 2022 call from September to May 2022, speeding up the evaluation and selection of the submitted proposals and agreeing with the Member States in the CEF-Transport coordination committee to use the flexibility offered by the Work Programme to mobilise the Military Mobility envelope budget in order to maximise support in annual instalments, which enables the financing of additional quality projects for a higher total amount.

In response to the 2022 call, 53 eligible proposals were submitted for a total requested contribution from the Connecting Europe Facility of approximately EUR 1 billion. Following the evaluation process, 35 proposals were recommended for funding, with an overall amount of CEF funding of EUR 616 million. This is nearly double the initially planned call for an amount of EUR 330 million.

As a consequence, an additional amount of EUR 108 million in payment appropriations is needed over and above the amount currently available in 2023 to cover pre-financing of the successful projects.