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COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
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To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
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Delegations will find attached document COM(2023) 250 final.

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EUROPEAN
COMMISSION

Brussels, 12.4.2023
COM(2023) 250 final

2023/0103 (BUD)

**DRAFT AMENDING BUDGET No 2
TO THE GENERAL BUDGET 2023**

ENTERING THE SURPLUS OF THE FINANCIAL YEAR 2022

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,
- Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union¹, entered into force on 1 June 2021,
- 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 (...)², and in particular Article 44 thereof,
- the general budget of the European Union for the financial year 2023, as adopted on 23 November 2022³,
- draft amending budget No^o1/2023⁴, adopted on 16 March 2023,

The European Commission hereby presents to the European Parliament and to the Council
Draft Amending Budget No 2 to the 2023 budget.

CHANGES TO THE STATEMENT OF REVENUE AND EXPENDITURE BY SECTION

The changes to the general statement of revenue and to the individual section III are available on EUR-Lex (<https://eur-lex.europa.eu/budget/www/index-en.htm>).

¹ Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom, OJ L 424, 15.12.2020.

² 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, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012, OJ L 193, 30.7.2018.

³ OJ L 58, 23.2.2023.

⁴ COM(2023) 150 final.

EXPLANATORY MEMORANDUM

Draft Amending Budget (DAB) No 2/2023 is intended to enter in the 2023 budget the surplus resulting from the implementation of the budget year 2022. As provided for in Article 18(3) of the Financial Regulation applicable to the general budget of the Union⁵ ("Financial Regulation"), the balance from 2022 is the only subject of this DAB and it has to be submitted within 15 days of the submission of the provisional accounts at the end of March 2023.

1. The implementation of the budget year 2022 shows a surplus of EUR 2.5 billion, which is therefore entered as revenue in the 2023 budget.

(in EUR)

Outturn breakdown 2022	
Surplus Revenue	2 198 439 115
Surplus Expenditure	320 571 835
Total surplus	2 519 010 950

2. Budgeting the surplus will reduce the total contribution of the Member States to the financing of the 2023 budget accordingly. The contributions by Member States will also be influenced by the revised own resources forecast which will be available after the meeting of the Advisory Committee on Own Resources later in 2023 and will be included in a subsequent Draft Amending Budget in accordance with Article 44(1)(b) of the Financial Regulation.
3. The table below presents a breakdown of the outturn for 2022 in terms of the implementation of revenue:

(in EUR)

Outturn breakdown 2022	Budget (incl. AB1-5)	Outturn	Variation
Sub-total Revenue	170 038 174 351	172 236 613 466	2 198 439 115
— Title 1 - Own resources	153 928 125 042	155 758 388 888	1 830 263 846
<i>Levies and other duties in the sugar sector</i>	0	-825 222	-825 222
<i>Custom duties</i>	23 764 800 000	25 857 229 679	2 092 429 679
<i>Own resources accruing from VAT</i>	19 714 233 150	19 665 680 155	-48 552 995
<i>Own resources based on GNI</i>	104 087 927 412	103 880 358 779	-207 568 633
<i>Correction of budgetary imbalances granted to UK</i>	0	0	0
<i>Gross reduction in the annual GNI-based contribution granted to some MS</i>	0	18 608 660	18 608 660
<i>Own resources based on plastic packaging waste not recycled</i>	6 361 164 480	6 337 336 836	-23 827 644
— Title 2 - Surpluses, balances and adjustments	2 980 058 807	3 226 947 517	246 888 710
— Title 3 - Administrative revenue	1 791 362 923	1 961 678 826	170 315 903
— Title 4 - Financial revenue, default interest and fines	454 258 930	595 694 687	141 435 757
— Title 5 - Budgetary guarantees, borrowing and lending operations	0	0	0
— Title 6 - Revenue, contributions and refunds related to Union policies	10 884 368 649	10 693 903 549	-190 465 100

4. The combined net variations in Title 1 (*Own Resources*) and Title 2 (*Surpluses, balances and adjustments*) total EUR 2 077 million. This positive difference is predominantly driven by a higher than expected amount of customs duties made available to the EU budget in the last months of the year.
5. The variations in Title 3 (*Administrative revenue*) amount to EUR 170 million. This is mostly attributable to the higher than originally forecasted salary update rate that has mechanically increased the level of tax and levies and pensions contributions.

⁵ OJ L 193, 30.7.2018, p. 1.

6. The variations in Title 4 (*Financial revenue, default interest and fines*) amount to EUR 141 million, which comprises competition fines and default interest, other penalty payments and interest linked to fines and penalty payments.
7. The table below presents a breakdown of the outturn for 2022 in terms of budget implementation of expenditure for all institutions:

(in EUR)

Outturn breakdown 2022	Budget (incl. AB1-5)	Outturn	Variation
Sub-total Expenditure	170 038 174 351	169 717 602 516	-320 571 835
Outturn appropriations authorised in the budget	170 038 174 351	169 751 223 270	-286 951 081
— European Commission	165 553 144 505	165 306 008 388	-247 136 117
<i>Heading 1 - Single Market, Innovation and Digital</i>	21 473 535 651	20 582 863 422	-890 672 229
<i>Heading 2a - Economic, social and territorial cohesion</i>	56 350 922 710	57 603 004 248	1 252 081 538
<i>Heading 2b - Resilience and Values</i>	5 572 664 118	5 527 511 838	-45 152 280
<i>Heading 3 - Natural Resources and Environment</i>	55 826 766 838	55 690 728 927	-136 037 911
<i>Heading 4 - Migration and Border Management</i>	3 254 270 962	3 294 971 311	40 700 349
<i>Heading 5 - Security and Defence</i>	1 237 861 185	1 136 094 874	-101 766 311
<i>Heading 6 - Neighbourhood and the World</i>	12 916 051 937	13 142 823 607	226 771 670
<i>Heading 7 - European Public Administration</i>	6 298 233 104	6 288 211 250	-10 021 854
<i>Thematic special instruments</i>	2 622 838 000	2 039 798 910	-583 039 090
— Other Institutions	4 485 029 846	4 445 214 882	-39 814 964
<i>European Parliament</i>	2 161 651 286	2 151 485 224	-10 166 062
<i>Council & European Council</i>	611 473 556	598 590 564	-12 882 992
<i>Court of Justice of the European Union</i>	467 900 000	460 549 622	-7 350 378
<i>European Court of Auditors</i>	162 141 175	160 328 437	-1 812 738
<i>European Economic & Social Committee</i>	152 451 643	146 533 872	-5 917 771
<i>Committee of the Regions</i>	109 976 858	109 102 637	-874 221
<i>European Ombudsman</i>	12 222 108	11 851 764	-370 344
<i>European Data Protection Supervisor</i>	20 266 000	19 907 724	-358 276
<i>European External Action Service</i>	786 947 220	786 865 037	-82 183
Cancellation of appropriations carried over from previous years	0	-130 188 747	-130 188 747
— European Commission	0	-74 996 040	-74 996 040
<i>Cancellation of unused appropriations carried over from previous years (as per art. 12(7) Financial Regulation)</i>	0	-55 500 752	-55 500 752
<i>Cancellation of unused appropriations carried over from previous years (automatic and by decision)</i>	0	-19 495 288	-19 495 288
— Other Institutions	0	-55 192 707	-55 192 707
<i>European Parliament</i>	0	-15 915 189	-15 915 189
<i>Council & European Council</i>	0	-8 369 292	-8 369 292
<i>Court of Justice of the European Union</i>	0	-4 325 816	-4 325 816
<i>European Court of Auditors</i>	0	-293 225	-293 225
<i>European Economic & Social Committee</i>	0	-4 655 361	-4 655 361
<i>Committee of the Regions</i>	0	-2 760 761	-2 760 761
<i>European Ombudsman</i>	0	-123 703	-123 703
<i>European Data Protection Supervisor</i>	0	-268 177	-268 177
<i>European External Action Service</i>	0	-18 481 184	-18 481 184
Exchange rate variations on expenditure	0	96 567 993	96 567 993

8. The amount not implemented by all institutions combined was EUR 287 million. The Commission implemented 99,85 % of the authorised payment appropriations. The underimplementation of the Commission concerned an amount of EUR 247 million of voted appropriations and EUR 75 million of appropriations carried over from 2021.

9. The under-implementation and the cancellation of appropriations of the other institutions is low in comparison with the levels of previous years.