



Council of the
European Union

Brussels, 27 March 2024
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INST 114
PE-L 12

'I/A' ITEM NOTE

From:	Budget Committee
To:	Permanent Representatives Committee/Council
No. Cion doc.:	7911/24
Subject:	Transfer of appropriations No DEC 05/2024 within Section III - Commission - of the general budget for 2024 – <i>Approval</i> – <i>Approval of a letter</i>

1. On 18 March 2024, the Commission submitted to the Council proposal for transfer of appropriations No DEC 05/2024, in accordance with Article 31(1) of the Financial Regulation¹.
2. As recorded in document 7911/24, the purpose of this proposal is to transfer an amount of EUR 100 million in payment appropriations (p/a) from Article 13 06 01 (*Instrument for the reinforcement of European defence industry through common procurement*) to Article 13 07 01 (*Defence Industrial Reinforcement Instrument*).

¹ 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, p. 1).

3. The voted budget for 2024 in p/a amounts to EUR 78.5 million for the supporting of ammunition production (ASAP) programme. At the time of the preparation of the draft budget 2024, it was foreseen that the short-term ASAP programme would be implemented through two calls for proposals launched over two years.

However, to enable an even faster ramping up of the production capacity of the European Defence Technological and Industrial Base, a single, larger call for proposal was launched in 2023 and all the ASAP grants are expected to be signed as of April 2024 for a total EU contribution estimated to EU 514 million. The estimated pre-financing to be paid (in 30 days after signature of the grant agreements) will be up to 35 % of the maximum grant amounts, so a maximum amount of EUR 180 million. An increase of EUR 100 million in p/a is therefore needed to enable those pre-financing payments in the second quarter of 2024.

The additional p/a needed for ASAP can be found under the European Defence Industry Reinforcement Programme (EDIRPA), where this availability results from a delay in the payment of the pre-financing, which was planned for the end of 2004 and will instead take place in early 2025.

4. The Budget Committee examined the proposal for a transfer at its meeting on 26 March 2024.
5. Following that examination, the Budget Committee agreed, by a qualified majority, to suggest that the Permanent Representatives Committee advise the Council to approve:
 - the proposed transfer of appropriations, as set out in document 7911/24; and
 - the draft letter in the ANNEX to this note.

DRAFT LETTER

from: President of the Council

to: President of the Commission

copy: President of the European Parliament

Madam,

In accordance with Article 31(4) of the Financial Regulation of 18 July 2018¹, I hereby inform you that the Council has approved transfer of appropriations No DEC 05/2024 within Section III - Commission - of the general budget for 2024.

(Complimentary close).

¹ 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, p. 1).