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'I' ITEM NOTE

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| From: | Budget Committee |
| To: | Permanent Representatives Committee |
| No. Cion doc.: | 10422/21 |
| Subject: | Transfer of appropriations No DEC 15/2021 within Section III - Commission - of the general budget for 2021 |

1. On 2 July 2021, the Commission submitted to the Council proposal for transfer of appropriations No DEC 15/2021, in accordance with Article 31(1) of the Financial Regulation¹.

The purpose of this proposal is to transfer an amount of EUR 34.59 million in non-differentiated appropriations from Article 06 04 01 (*European Union Recovery Instrument (EURI) - Payment of periodic coupon and redemption at maturity*) to Article 06 05 01 (*Union Civil Protection Mechanism (rescEU)*) in commitment appropriations (c/a) and to Item 13 02 99 01 (*Completion of the "European Defence Industrial Development Programme (EDIDP)" (2019 to 2020)*) in payment appropriations (p/a), as recorded in document 10422/21.

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).

2. The aim of this transfer is twofold. On the one hand, its objective is to reinforce the commitment appropriations for the Union Civil Protection Mechanism (UCPM), enhancing its technical and operational capacities for disaster prevention and preparedness; on the other hand, this transfer also aims at increasing the payment appropriations for the completion and payment of projects under the European Defence Industrial Development Programme (EDIDP). The funding would be provided from the envelope to finance interest payments of the European Union Recovery Instrument and consequently returned to this line through adjustment of the financial programming in the budget for 2027.
3. The Budget Committee examined this proposal for a transfer at its meetings on 9 and 12 July 2021. Member States questioned the Commission's approach to adjust the financial programming in relation to the provisions of the Own Resources Decision¹ and recalled the statement made by the Council on its position on the draft budget 2022 on the repayments of Next Generation EU financing².
4. In view of the above, the Permanent Representatives Committee is invited to:
 - confirm its agreement on the proposed transfer of appropriations as set out in document 10422/21; and
 - decide, in accordance with the first subparagraph of Article 12(1) of the Council's Rules of Procedure and Article 1 of Council Decision (EU) 2020/430³, as further extended by Council Decision (EU) 2021/1142⁴, that the Council uses the written procedure for its approval.

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, 15.12.20, p.1)

² Doc. 10550/21 ADD1.

³ Council Decision (EU) 2020/430 of 23 March 2020 on a temporary derogation from the Council's Rules of Procedure in view of the travel difficulties caused by the COVID-19 pandemic in the Union (OJ L 88 I, 24.3.2020, p. 1).

⁴ Council Decision (EU) 2021/1142 of 12 July 2021 further extending the temporary derogation from the Council's Rules of Procedure introduced by Decision (EU) 2020/430, and extended by Decisions (EU) 2020/556, (EU) 2020/702, (EU) 2020/970, (EU) 2020/1253, (EU) 2020/1659, (EU) 2021/26, (EU) 2021/454 and (EU) 2021/825, in view of the travel difficulties caused by the COVID-19 pandemic in the Union (OJ L 247, 13.7.2021, p. 91).

The General Secretariat of the Council will inform the Commission, as well as the European Parliament of the Council's decision.
