



Brussels, 17 November 2021  
(OR. en)

13911/21

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**Interinstitutional File:  
2021/0227(BUD)**

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FIN 892

#### 'A' ITEM NOTE

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From: General Secretariat of the Council  
To: Council

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Subject: Joint text on the general budget of the European Union for the financial year 2022  
– *Approval*

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1. Following meetings of the Conciliation Committee on 28 October, and 12 and 15 November 2021, an agreement has been reached between the European Parliament and the Council on a joint text as provided for in Article 314(5) TFEU.
2. This joint text and its annexes have been forwarded to the European Parliament and the Council on 15 November 2021, which each have a period of fourteen days from this day to approve it (see the ANNEX), and consists of the following documents taken together, recorded in Addenda 1 to 5 to this document:
  - summary figures by financial framework headings (see document 13911/21 ADD 1);
  - line by line figures on all budget items (see documents 13911/21 ADD 2 and ADD 3);
  - a consolidated document showing the figures and final text of all lines modified during the Conciliation (see documents 13911/21 ADD 4 and ADD 5).

3. The Conciliation Committee has also agreed on or taken note of the statements recorded in Annex 2 to the ANNEX.
  4. The Council is invited to:
    - approve the joint text on the budget 2022 as set out in the ANNEX and in Addenda 1 to 5 to this document; and
    - record in its minutes the statements agreed on or taken note of in the context of the joint text set out in Annex 2 to the ANNEX.
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EUROPEAN UNION

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**Conciliation Committee on the budget 2022**

Brussels, 15 November 2021

President-in-Office of the Council of the European Union  
175, rue de la Loi  
B - 1048 Brussels

Dear President,

Based on Article 314(4) and (5) of the Treaty on the Functioning of the European Union (TFEU), and following information by the Council that it could not accept all the amendments adopted by the European Parliament on 20 October 2021 on the Council's position on the draft budget for 2022<sup>1</sup>, the Conciliation Committee was convened for 26 October 2021, with a view to reaching agreement on a joint text.

The Conciliation Committee had at its disposal the following elements:

- draft budget proposed by the Commission (COM(2021) 300 final of 9 July 2021), as amended by letter of amendment No 1 (COM(2021) 642 final of 12 October 2021);
- Council's position on the draft budget (6 September 2021);
- European Parliament's amendments to the Council's position (20 October 2021).

Following meetings on 28 October, and 12 and 15 November 2021 an agreement has been reached on 15 November 2021 on a joint text as provided for in Article 314(5) TFEU.

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<sup>1</sup> See letter by the President of the Council of 20 October 2021.

In accordance with Point 24 of Annex 1 to the Interinstitutional Agreement of 16 December 2020<sup>1</sup>, the joint text for the budget 2022 shall consist of this letter and the following documents taken together, which are recorded in Annex 1:

- line by line figures for all budget items and summary figures by MFF headings;
- a consolidated document, indicating the figures and final text of all lines that have been modified during the conciliation procedure;
- the list of the lines not modified with regard to the draft budget or the Council's position on it.

Pursuant to Article 314(6) TFEU, the joint text is hereby forwarded to the European Parliament and the Council, which shall each have a period of fourteen days from this day, in which to approve the text for the purposes of paragraphs 7 and 8 of the same Article.

The Conciliation Committee has also agreed on or taken note of the statements recorded in Annex 2 to this letter.

An identical letter is addressed to the President of the European Parliament.



Johan VAN OVERTVELDT  
Co-chair



Irena DRMAŽ  
Co-chair

Annexes: List of documents forming part of the joint text

Statements

cc: Johannes HAHN, Commissioner for Budget and Human Resources

<sup>1</sup> Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources (OJ L 433 I, 22.12.2020, p. 28).

**2022 BUDGETARY PROCEDURE  
CONCILIATION DOCUMENT  
LIST OF DOCUMENTS FORMING PART OF THE JOINT TEXT  
- BUDGET 2022<sup>1</sup> -**

**Doc No 1: SUMMARY TABLES**

**FIGURES BY MFF HEADING**

**ESTABLISHMENT PLAN BY SECTION**

**Doc No 2: FIGURES BY BUDGET LINE**

**Doc No 2.1.: OTHER SECTIONS**

**Doc No 2.2.: SECTION III - COMMISSION**

**Doc No 3: MODIFICATIONS BY BUDGET LINE**

**Doc No 4: LIST OF LINES NOT MODIFIED WITH REGARD TO THE DRAFT BUDGET  
OR THE COUNCIL'S POSITION ON IT**

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<sup>1</sup> The documents listed in this Annex will only be sent electronically.

**2022 BUDGETARY PROCEDURE**

**CONCILIATION DOCUMENT**

**STATEMENTS**

**1. Joint statement by the European Parliament and the Council on payment appropriations**

The European Parliament and the Council call on the Commission to continue closely and actively monitoring during the year 2022 the implementation of the programmes of the current and previous MFFs (particularly in sub-heading 2a and Rural Development). To that end, the European Parliament and the Council invite the Commission to present, in a timely manner, updated figures concerning the state of affairs and estimates regarding 2022 payment appropriations (taking into account the improved forecasts accuracy of the Member States where applicable). If the figures show that the appropriations entered in the 2022 budget are insufficient to cover the needs, the European Parliament and the Council invite the Commission to present as soon as possible an appropriate solution, *inter alia* a draft amending budget, with a view to allowing the European Parliament and the Council to take any necessary decisions as soon as possible without undue delay for justified needs. Where applicable, the European Parliament and the Council will take into account the urgency of the matter, shortening the eight-week period for a decision if deemed necessary. The same applies *mutatis mutandis* if the figures show that the appropriations entered in the 2022 budget are higher than needed.

**2. Joint statement by the European Parliament, the Council and the Commission on the financing cost of the European Union Recovery Instrument (EURI) in 2022**

Thanks to the current favourable interest rate environment and taking into account the issuance cost of NGEU financing operations so far this year, the appropriations planned for the financing cost of the European Recovery instrument [budget line 06 04 01] can be reduced while fully preserving the capacity to finance the non-repayable component of NGEU in 2022.

Article 5(2) of the Own Resources decision lays down that “Repayments of the principal of the funds shall start before the end of the MFF 2021-2027 period, with a minimum amount, insofar as amounts not used for interest payments due under the borrowing referred to in paragraph 1 of this Article allow it, with due regard to the procedure set out in Article 314 TFEU”.

In addition, recital 20 of the Own Resources Decision states "*amounts not used for interest payments as foreseen will be used for early repayments before the end of the MFF 2021-2027, with a minimum amount, and can be increased above this level provided that new own resources have been introduced after 2021 in accordance with the procedure set out in the third paragraph of Article 311 TFEU*".

Since no repayments of the principal will be possible in 2022:

- An amount of EUR 90 million, of which EUR 70 million already included in the Draft budget, will be backloaded to 2027 when it can be used either for interest payments or early repayments. This backloading is offset by a corresponding frontloading of the EU4Health programme.
- Without prejudice to the prerogatives of the budgetary authority, the European Parliament and the Council agree to increase the amounts available on budget line 06 04 01 by EUR 224,7 million over the period 2024-2027, based on a proposal from the Commission and following the assessment of the needs and possibilities for early repayments, using available margins and by mobilising the Single margin instrument while respecting the financial programming for the programmes within Heading 2b.

This mechanism ensures that the total amount for the EURI line included in the original financial programming for 2022 will be used for interest payments or early repayments during the 2021-2027 MFF.

### **3. Unilateral statement of the Commission on budgetary prudence with regard to the EURI interest line**

The Commission recalls that the EURI interest line ([budget line 06 04 01]) serves the payment of the financing and liquidity costs of NGEU borrowing in so far as these are imputed to the EU Budget. Amounts not used for interest payments, are to be used for early repayments of the debt in accordance with Article 5(2) and Recital 20 of the Own Resources Decision.

The increase in inflation calls for reinforced budgetary prudence with regard to the management of the EURI interest line in view of the possibility that nominal interest rates will be higher than assumed in the programming of this line.

The Commission will, therefore, in discharging its responsibilities under Article 314 (TFEU), paragraphs 2, 5 and 8, propose budgetary measures that, if adopted, will ensure that the overall amount originally planned in the Multi-Annual Financial Framework 2021-2027 [EUR 14 976 million in current prices] for the EURI line is fully used for the payment of interest cost or early repayments.

The Commission will report each year within the framework of the presentation of the draft budget on the cumulative implementation of the EURI line, amounts backloaded on the EURI line and the amount reserved under the Single Margin Instrument for reaching this objective.



#### 4. Unilateral statement by the European Commission on tackling child poverty under the European Social Fund+

Tackling child poverty will become even more important especially in the context of the recovery from the COVID-19 crisis and sufficient resources need to be devoted to it. To this end, Regulation EU 2021/1057 on establishing the European Social Fund Plus (ESF+) requires Member States to allocate an appropriate amount of their ESF+ shared management resources for the implementation of the Child Guarantee through targeted actions and structural reforms to tackle child poverty. An explicit minimum allocation of 5% is set for all Member States that had an average rate above the Union average of children of less than 18 years old at risk of poverty or social exclusion for the period between 2017 and 2019.

Negotiations on the 2021-27 programmes between the Commission and Member States are still on-going and the exact amounts to be programmed in support of the Child Guarantee in all Member States will be known once this process is complete.

In line with the Council Recommendation establishing a European Child Guarantee {SWD(2021) 62 final} and building on reports from the Member States Child Guarantee coordinators and the Social Protection Committee, the Commission will regularly report on the implementation of the Recommendation establishing the Child Guarantee. The Commission will also closely monitor the implementation of this Recommendation in the context of the European Semester. The Commission would like to stress that Member States can programme funding for implementing the Child Guarantee beyond the minimum requirements set in the ESF+ Regulation. They can also use other EU resources, such as the Recovery and Resilience Facility, as well as their own national funding.

5. **Joint statement by the European Parliament, the Council and the Commission on the intention to provide maximum resources for natural disasters under the EUSF strand of the SEAR in 2022**

The three institutions acknowledge that the exceptional extent of the natural disasters that occurred in 2021 creates pressure on the availabilities under the European Union Solidarity fund (EUSF). The EUSF is financed exclusively from the Solidarity and Emergency Aid reserve (SEAR), without any possibility of recourse to other sources of financing.

The Conciliation Committee has agreed to reinforce humanitarian aid in Heading 6 by EUR 211 million in the 2022 budget. It is therefore possible to limit recourse to the SEAR envelope for external emergencies during the period between 1 January and 31 August 2022, thus freeing additional resources for the EUSF on 1 September 2022 equivalent to the amount of the reinforcement of humanitarian aid under Heading 6. This will allow showing maximum solidarity with Member States concerned by the natural disasters while increasing the EU budget's capacity to swiftly respond to external emergencies.

6. **Joint statement by the European Parliament and the Council on the reinforcement of the establishment plan of the Court of Auditors**

EP and Council acknowledge that NGEU will lead to an additional workload for the Court of Auditors which cannot be offset fully by redeployment within the existing budget. They therefore agree to an increase of the establishment plan of the Court with 20 posts in 2022.

EP and Council underline the importance they attach to work of the Court of Auditors, in particular regarding financial and compliance audits the Court performs in order to fulfil its primary task to examine whether all revenue has been received and all expenditure has been incurred in a lawful and regular manner, which are inextricably linked to performance audits to examine the economy, efficiency and effectiveness in the management of the EU Budget, as two sides of the same coin. The soundness of the financial management of its budget is a cornerstone for the legitimacy of the Union.

In this context the EP and the Council consider it essential that the Court allocates sufficient resources for the implementation of these core activities.

In general, the EP and Council also acknowledge the importance of the recommendations the Court delivers on the basis of article 287(4) second sub-paragraph of the TFEU, while noting that Court of Justice has clarified that this provision "*is intended to contribute to improving the financial management of the Union by providing for reports to be transmitted to the institutions and for the latter to respond to them*".

EP and Council invite the Court to include in the working documents for future budgetary exercises an overview of the allocation of staff in the previous year to activities for financial, compliance and performance audits, for the work based on article 287(4) of the TFEU and support services.

**7. Joint statement by the European Parliament, the Council and the Commission on reviewing the evolution of the pandemic in 2022**

The three institutions commit to reviewing the evolution of the pandemic response by the end of June 2022, notably with regard to international vaccinations and will on this basis consider any necessary action as proposed by the Commission.

**8. Unilateral statement by the Commission on migration**

Given the continuing needs foreseen in the coming years, the Commission confirms its plan to ensure that the average annual funding for migration for the Southern Neighbourhood from the NDICI-GE Neighbourhood allocation and, if needed, from other instruments, remains at least at the level envisaged for 2022.

**9. Unilateral statement by the Commission on Heading 7**

The Commission recalls that the financial programming of Heading 7 is based on the assumption that the Institutions' staffing levels remain stable. It observes that the Budget 2022 is not consistent with this assumption and underlines that, against the background of the rising inflation, future staffing increases could lead to pressures on Heading 7 in the 2021-2027 Multi-Annual Financial Framework.

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