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AMENDING LETTER No 1 TO THE DRAFT GENERAL BUDGET 2027

Updated estimated needs for agricultural expenditure
Other adjustments and technical updates

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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 Union[1], which entered into force on 1 June 2021,

– Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast)[2], and in particular Article 42 thereof,

– the draft general budget of the European Union for the financial year 2027, as adopted by the Commission on 9 July 2026[3],

The European Commission hereby presents to the European Parliament and to the Council Amending Letter No 1 to the draft general budget of the European Union for the financial year 2027, for the reasons set out in the explanatory memorandum.

CHANGES TO THE STATEMENT OF REVENUE AND EXPENDITURE BY SECTION

The changes to the general statement of expenditure and revenue as well to the statements of revenue and expenditure by section are available on EUR-Lex (https://eur-lex.europa.eu/budget/www/index-en.htm). An English version of the changes to this statement is attached for information as a budgetary annex.

[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, p. 1, ELI: http://data.europa.eu/eli/dec/2020/2053/oj.

[2] OJ L, 2024/2509, 26.9.2024, ELI: http://data.europa.eu/eli/reg/2024/2509/oj.

[3] COM(2026) 300, 9.7.2026.

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1. INTRODUCTION

Amending Letter No 1 (AL 1/2027) to the draft budget for the year 2027 (DB 2027) covers the following elements, as a result of new information available in the meaning of Article 42 of Regulation (EU, Euratom) 2024/2509:

— Update of the needs for the Ukraine Support Loan debt service costs line;
— Update of the estimated needs, assigned revenue and appropriations for agricultural expenditure. In addition to changing market factors, AL 1/2027 also incorporates the impact of decisions in the agricultural sector since the adoption of DB 2027 in July 2026;
— Update of the split between reserve and operational lines for the Sustainable Fisheries Partnership Agreements (SFPAs), taking into account the new protocols with Seychelles and Mauritius;
— A reinforcement of the emergency measures under the Food Chain strand of the Single Market Programme (SMP), in order to co-finance measures implemented by Member States following a series of outbreaks of animal diseases including Highly Pathogenic Avian Influenza and African Swine Fever;
— Reduction in commitment appropriations for the Chips Joint Undertaking due to increase in assigned revenue;
— Redeployment of commitment appropriations within Horizon Europe from the European Institute of Technology (EIT), following the liquidation of the EIT Manufacturing Knowledge and Innovation Community (KIC), to reinforce the European Innovation Council;
— Reinforcement of appropriations and staff for Hungary's participation in enhanced cooperation on the establishment of the European Public Prosecutor's Office (EPPO);
— Update of the split between reserve and operational lines for the agile and rapid defence innovation programme (AGILE), following the provisional agreement reached by the co-legislators;
— Reinforcement of commitment and payment appropriations for nuclear safety, radiation protection and safeguards as part of the Chornobyl Pledge. The increase is proposed to be compensated by an equivalent reduction, in commitment and payment appropriations, of the International Nuclear Safety Cooperation – Provisioning of the common provisioning fund line and IPA III — Provisioning of the common provisioning fund budget line;
— Adjustments to heading 7 "European Public Administration":
    - To incorporate the impact of the higher salary adjustment for 2026 on the administrative expenditure of the institutions and on pensions following updated estimates for purchasing power and inflation, compared to the parameters used when preparing the DB 2027;
    - Reinforcement in commitment and payment appropriations for the European Parliament to ensure continuity of the pension payments under the Voluntary Pension Scheme, also considering the judgments of the General Court of 17 December 2025;
    - Increase in the level of administrative expenditure and adjustment in the establishment plans for the Council and the Commission to prepare for the accession of Montenegro to the Union;
    - A reduction in commitment and payment appropriations for the balancing subsidy to the Translation Centre (CdT), as a result of reduced needs and increase in expected revenues.
— Adjustments to the level of appropriations for some decentralised agencies, linked to the 2026 salary update;
— Further adjustments of several decentralised and executive agencies, as follows:
    - A reinforcement of the European Chemicals Agency (ECHA) to reflect the updated implementation schedule for the One Substance One Assessment (OSOA) package[4]. The

[4] OJ L, 2025/2455, 12.12.2025, ELI: http://data.europa.eu/eli/reg/2025/2455/oj.

additional amounts are proposed to be compensated by an equivalent reduction of the Programme for the Environment and Climate Action (LIFE);

- A reinforcement of the European Food Safety Authority (EFSA), due to the adoption of the Regulation on plants obtained by certain new genomic techniques and their products[5]. The additional amounts are proposed to be compensated by an equivalent reduction of the Single Market Programme;
- A reinforcement of the European Medicines Agency (EMA) to reflect the political agreement on the Critical Medicines Act. The additional amounts are proposed to be compensated by an equivalent reduction of the EU4Health Programme;
- A reinforcement of the European Union Agency for Criminal Justice Cooperation (Eurojust) to cover the agency's increased salary costs;
- Adjustment of the establishment plan of the Research Executive Agency (REA);
- Adjustment of the establishment plan of the European Maritime Safety Agency (EMSA).

Overall, the net impact of AL 1/2027 on expenditure in the DB 2027 is a decrease of EUR 365,3 million in commitment appropriations and of EUR 426,8 million in payment appropriations.

(In EUR million)

Programme	Commitment appropriations	Payment appropriations
Debt service cost of Ukraine Support Loan	-500,0	-500,0
European Agricultural Guarantee Fund (EAGF)	-81,1	-127,1
Single Market Programme	78,0	62,5
Horizon Europe	-87,0	-87,0
European Public Prosecutor's Office (EPPO)	2,2	2,2
Sustainable Fisheries Partnership Agreements (SFPAs)	0,0	0,0
Programme for agile and rapid defence innovation (AGILE)	0,0	0,0
European Instrument for International Nuclear Safety Cooperation (INSC)	18,6	18,6
Instrument for Pre-accession Assistance (IPA III)	-18,6	-18,6
Pensions and European Schools	70,9	70,9
Administrative expenditure of the institutions	135,9	135,9
Adjustments to some decentralised agencies	15,6	15,6
Total	**-365,3**	**-426,8**

More information on each component is provided in the following sections.

The relevant budget lines are detailed in the budgetary annex, together with the update of the revenue resulting from the expenditure changes included in this amending letter.

5 Regulation (EU) 2026/1388 of the European Parliament and of the Council of 17 June 2026 on plants obtained by certain new genomic techniques and their products, and amending Regulation (EU) 2017/625 (Text with EEA relevance).

2. FUNDING COSTS OF UKRAINE SUPPORT LOAN (USL) DEBT SERVICE COSTS

Based on projections of USL disbursements until the end of the third quarter of 2026 and interest rates, in the context of the DB 2027 the Commission proposed a total amount of EUR 1 150 million to cover the debt service costs of USL borrowing.

As of 30 September 2026, USL disbursements amount to a total of EUR 14,9 billion, compared to EUR 30,5 billion forecasted at the time of establishing the DB 2027. This has resulted in lower costs of funding.

The final debt service cost is thus reduced by EUR 500 million compared to the DB 2027. The Commission proposes to decrease the level of commitment and payment appropriations of the USL debt service cost line accordingly, as shown in the table below:

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
Section III – Commission			
16 07 01	Debt service cost of Ukraine Support Loan	-500 000 000	-500 000 000
Total		**-500 000 000**	**-500 000 000**

The final overall needs of EUR 650 million for 2027 are proposed to be financed through a mobilisation of EUR 43,1 million under the Flexibility Instrument, a mobilisation of EUR 128,2 million under the Single Margin Instrument 11(1)(a) and a mobilisation of EUR 478,8 million under the Single Margin Instrument 11(1)(c). Therefore, compared to the DB 2027, the recourse to the Flexibility Instrument is reduced by EUR 7,2 million, the recourse to the Single Margin Instrument 11(1)(a) is reduced by EUR 206,9 million and the recourse to the Single Margin Instrument 11(1)(c) is reduced by EUR 285,9 million.

3. EUROPEAN AGRICULTURAL GUARANTEE FUND (EAGF)

AL 1/2027 updates the estimates for agricultural expenditure based on the most recent data. By September 2026, the Commission had at its disposal updated information on the outlook for the agricultural markets as well as actual figures for most of the 2026 budget execution of the EAGF component under shared management.

Overall EAGF needs for 2027, including the agricultural reserve, are now estimated at EUR 41 864,2 million[6]. This is an increase of EUR 816 million compared to the DB 2027, which is due to:

1) additional needs of EUR 701 million in the agricultural reserve for the exceptional measures adopted in 2026 and for which expenditure will be declared in the agricultural year 2027;
2) additional needs of EUR 95 million for Member States' market measures and interventions under budget articles 08 02 02 and 08 02 03 following the trend observed in 2026;
3) additional needs of EUR 18 million for direct payments under the budget articles 08 02 04 and 08 02 05, as execution levels in 2027 are expected to remain high, following the trend observed in 2025 and 2026;
4) additional needs of EUR 2 million under budget article 08 02 06 'Policy strategy, coordination and audit'.

In 2026, exceptional measures under the agricultural reserve were adopted for an amount of EUR 748 million. Of these, EUR 47 million are forecasted to be paid in 2026, while EUR 701 million will be

[6] The total needs include EUR 40 474,2 million of fresh appropriations plus EUR 676 million of assigned revenue expected to be collected in 2027, no 2026 surplus and EUR 714 million in carry-over of the agricultural reserve.

carried over to 2026 in accordance with Article 16(2) of the CAP Horizontal Regulation[7]. This will increase the agricultural reserve in 2026 to EUR 1 151 million, while leaving EUR 450 million available for new measures. These new measures will be financed through a combination of the unspent amount of the 2026 agricultural reserve carried over to 2027 and which are not yet allocated to exceptional measures (EUR 12,9 million) and 2027 EAGF voted appropriations (EUR 437,1 million).

On the other hand, the total amount of assigned revenue and appropriations carried over (including the agricultural reserve) which are expected to be available in 2027, will increase from EUR 493 million forecast during the preparation of the Draft Budget to EUR 1 390 million. In addition to the EUR 714 million carry-over of the unused appropriations under the agricultural reserve mentioned above (of which EUR 701 million for adopted measures and EUR 12,9 million not allocated in 2026), the remaining EUR 183 million mostly relate to higher-than-expected assigned revenues from conformity clearance corrections in 2027. The combined amount of EUR 897 million will thus fully cover the expected additional needs in 2027 noted above, which amounted to EUR 816 million.

As a result of these updates, the total amount of commitment appropriations required for the EAGF is EUR 40 474,2 million, including EUR 437 million of fresh appropriations for the agricultural reserve. This leaves a margin of EUR 116,3 million under the EAGF sub-ceiling, which is currently set at EUR 40 590,5 million (net of transfers with EAFRD). As usual during the year, the Commission will closely monitor the needs for the EAGF, including for the agricultural reserve, and will propose relevant budgetary solutions if and as necessary.

The overall impact on expenditure is therefore as follows:

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
Section III – Commission			
08 02 01	Agricultural reserve	-12 935 508	-12 935 508
08 02 02	Types of interventions in certain sectors under the CAP Strategic Plans	45 000 000	45 000 000
08 02 03	Market-related expenditure outside the CAP Strategic plans	50 000 000	0
08 02 04	Direct payments types of interventions under the CAP Strategic plans	-172 000 000	-172 000 000
08 02 05	Direct payments outside the CAP Strategic plans	6 721 000	6 721 000
08 02 06	Policy strategy, coordination and audit	2 150 000	6 150 000
Total		**-81 064 508**	**-127 064 508**

4. REINFORCEMENT OF THE EMERGENCY MEASURES UNDER THE FOOD CHAIN STRAND OF THE SINGLE MARKET PROGRAMME

The Food Chain strand of the Single Market Programme supports Member States' emergency measures for animal disease outbreaks. The Union is facing a sustained and unprecedented pressure from major animal disease outbreaks, notably Highly Pathogenic Avian Influenza, African Swine Fever, sheep and goat pox, Foot-and-Mouth Disease and Lumpy Skin Disease. For example, during the period 2021-2026, the number of outbreaks of the Highly Pathogenic Avian Influenza were six times higher than under the previous MFF (2014-2020).

The Commission supports the essential emergency measures required to contain these outbreaks and limit their sanitary, economic and trade impacts, through *ex post* reimbursements. These measures limit the risk of further spread and higher costs at a later stage, which would have significant consequences for the functioning of the Single Market, trade with third countries and even human health.

Since 2021, a total amount of EUR 482 million has already been mobilised under the Single Market Programme for this purpose. However, the sharp increase in the frequency, scale and cost of outbreaks

7 Regulation (EU) 2021/2116 on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013, OJ L 435, 6.12.2021, p. 187, ELI: http://data.europa.eu/eli/reg/2021/2116/oj.

has far exceeded the resources available under the Food Chain strand. As a result, co-financing rates already had to be reduced from 50–75% to 20–30% for outbreaks from 2023 onwards. Despite these reductions, outstanding obligations for signed and forthcoming grant agreements are estimated at around EUR 430 million, for which only around EUR 305 million in appropriations are currently available in 2026 and 2027. While outbreaks dating from the year 2024 can be covered by the existing availabilities, an additional amount of EUR 125 million in commitment appropriations is needed in 2026 and 2027 to cover reimbursements for outbreaks that occurred in 2025.

In addition to a reinforcement of EUR 47 million requested in Draft Amending Budget 3/2026[8], it is proposed to provide the remaining EUR 78 million in commitment appropriations in this Amending Letter. At the same time, EUR 62,5 million in payment appropriations are needed to cover co-financing payments in 2027.

The overall impact on expenditure is therefore as follows:

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
Section III – Commission			
03 02 06	Contributing to a high level of health and welfare for humans, animals and plants	77 993 197	62 500 000
Total		**77 993 197**	**62 500 000**

5. ADJUSTMENT TO THE APPROPRIATIONS REQUESTED BY THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY (EIT)

Following the underperformance and subsequent liquidation of the EIT Manufacturing Knowledge and Innovation Community (KIC), the EIT has revised its needs for 2027, in line with the principles of sound financial management. The EIT proposes to return EUR 138 million in commitment appropriations, which are proposed to be redeployed to the European Innovation Council under Pillar III of Horizon Europe.

The overall impact on expenditure is therefore as follows:

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
Section III – Commission			
01 02 03 03	European Institute of Innovation and Technology (EIT)	-138 214 164	0
01 02 03 01	European Innovation Council	138 214 164	0
Total		**0**	**0**

6. RETURN OF APPROPRIATIONS BY THE CHIPS JOINT UNDERTAKING (CHIPS JU)

In compliance with Article 174 (14) of the Single Basic Act for the establishment of Joint Undertakings under Horizon Europe[9], EUR 87 million of unused commitment and payment appropriations under Horizon 2020 were transferred to the Chips JU from its predecessor Electronic Components and Systems for European Leadership (ECSEL) JU. Under the same Regulation, in such cases the amount transferred from the previous period (2014-2020) shall count against the financial contribution to be provided by the Union to the respective joint undertaking in the current period (2021-2027). The assigned revenue thus replaces the planned voted budget contribution to the JU. Therefore, the Union contribution for 2027 can be reduced as follows:

EUR

8 COM(2026) 950, 9.10.2026.

9 Council Regulation (EU) 2021/2085 of 19 November 2021, OJ L 427, 30.11.2021, pp. 17–119.

Budget line	Name	Commitment appropriations	Payment appropriations
Section III – Commission			
01 02 02 42	Cluster 'Digital, Industry and Space' — Chips Joint Undertaking	-87 000 000	-87 000 000
Total		**-87 000 000**	**-87 000 000**

7. REINFORCEMENT OF THE EUROPEAN PUBLIC PROSECUTOR'S OFFICE (EPPO)

Since the participation of Poland and Sweden in 2024, 24 Member States have been participating in the enhanced cooperation on the establishment of the EPPO under Regulation (EU) 2017/1939[10]. On 10 July 2026, the Commission confirmed the participation of Hungary in the enhanced cooperation on the establishment of the EPPO[11], following the notification of Hungary of its intention to participate on 27 May 2026. Hungary officially became a participating Member State of the EPPO on 2 August 2026.

The Commission proposes to reinforce the resources of the EPPO by allocating an additional 16 establishment plan posts and two Seconded National Experts for the recruitment of a European Prosecutor and the necessary support functions to take account of the additional workload due to the additional participating Member State. The budget of the EPPO is thus proposed to be increased by EUR 2,2 million to cover the expenditure linked to the participation of Hungary, related to the salaries of the staff to be hired as well as operational expenditure, including salaries of 10 additional European Delegated Prosecutors to be appointed in Hungary, based on a 6-month assumption.

The overall impact on expenditure is therefore as follows:

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
Section III – Commission			
07 10 08	European Public Prosecutor's Office (EPPO)	2 223 014	2 223 014
Total		**2 223 014**	**2 223 014**

The related changes to the establishment plan are set out in the budgetary annex.

8. UPDATE OF THE SUSTAINABLE FISHERIES PARTNERSHIP AGREEMENTS

The Commission has examined the most recent information available concerning Sustainable Fisheries Partnership Agreements (SFPAs) and reviewed the expected needs for 2027 based on the developments in the negotiations with the third countries involved, as foreseen in point C of Part II of the Interinstitutional Agreement[12]. On the basis of this review, the Commission proposes a transfer of EUR 6,5 million in commitment and payment appropriations from the reserve to the operational SFPA line. This budgetary-neutral transfer relates to new protocols with Seychelles and Mauritius.

With the proposed adjustment, the total commitment appropriations available for SFPAs will amount to EUR 119,9 million in the reserve and EUR 44,3 million on the main operational line. With respect to payment appropriations, the total amount of EUR 168,8 million will include an amount of EUR 118,8 million in the form of reserves.

EUR

10 Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office, OJ L 283, 31.10.2017, p. 1.

11 Commission Decision (EU) 2026/1701 of 10 July 2026 confirming the participation of Hungary in the enhanced cooperation on the establishment of the European Public Prosecutor's Office

12 Interinstitutional Agreement 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 433I, 22.12.2020, p. 28, ELI: http://data.europa.eu/eli/agree_interinstit/2020/1222/oj.

Budget line	Name	Commitment appropriations	Payment appropriations
Section III – Commission			
08 05 01	Establishing a governance framework for fishing activities carried out by Union fishing vessels in third country waters	6 450 000	6 450 000
30 02 02	Differentiated appropriations (*Reserve for budget article 08 05 01)*	-6 450 000	-6 450 000
Total		**0**	**0**

9. RELEASE OF A RESERVE - AGILE AND RAPID DEFENCE INNOVATION PROGRAMME (AGILE)

On 25 March 2026, the European Commission proposed the Programme for Agile and Rapid Defence Innovation (AGILE)[13]. In line with the legislative, financial and digital statement attached to the proposal, EUR 115 million in commitment appropriations and EUR 30 million in payment appropriations were placed in a reserve.

Following the political agreement reached by the co-legislators at the trilogue on 15 July, it is therefore proposed to transfer the appropriations from the reserve to the AGILE operational line.

The overall impact on expenditure is therefore as follows:

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
Section III – Commission			
30 02 02	Differentiated appropriations (*Reserve for budget article 13 09 01*)	-115 000 000	-30 000 000
13 09 01	Programme for agile and rapid defence innovation (AGILE)	115 000 000	30 000 000
Total		**0**	**0**

10. REINFORCEMENT OF THE NUCLEAR SAFETY, RADIATION PROTECTION AND SAFEGUARDS (INSC) LINE

As part of the EU pledge announced at the G7 Summit in France in June 2026, the Commission committed EUR 75 million in grant funding for the urgent repair of the New Safe Confinement (NSC) at the Chornobyl Nuclear Power Plant. The full restoration of the NSC is essential to ensure nuclear safety and safeguard international investments made over past decades.

To finance the EU contribution, it is necessary to reinforce the INSC operational budget line by EUR 43 million in commitment appropriations and EUR 18,6 million in payment appropriations in 2027. This amount is fully offset by reductions in the INSC – Provisioning of the common provisioning fund line (EUR 24,4 million in commitment appropriations) and in the MFA provisioning line of IPA III (EUR 18,6 million in both commitment and payment appropriations).

The remaining EUR 32 million to cover the Chornobyl pledge is planned to be financed through resources already available in 2026 and 2027, notably EUR 6,4 million from a transfer from the MFA grants line in 2026 and EUR 25,6 million through reprogramming and decommitments within the INSC operational budget line in 2026 and 2027.

The overall impact on expenditure is therefore as follows:

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
Section III – Commission			
14 06 01	Nuclear safety, radiation protection and safeguards	42 980 446	18 600 000
14 06 02	INSC — Provisioning of the common provisioning fund	-24 380 446	0
15 02 02 03	IPA III — Provisioning of the common provisioning fund	-18 600 000	-18 600 000
Total		**0**	**0**

13 COM(2026) 135, 25.3.2026.

11. EUROPEAN PUBLIC ADMINISTRATION (HEADING 7)

In this AL 1/2027, the Commission proposes adjustments to the heading 7 "European Public Administration" in relation to the impact of the increased salary adjustment for 2026 on administrative expenditure in 2027.

Administrative expenditure of the Institutions

In the preparation of the 2027 draft budget, the Commission applied the principles of stable staffing and a maximum 2 % increase in non-salary related expenditure for all institutions. The Commission revised the requests of other institutions to present a draft budget which respects all legal obligations and the MFF principles. Similarly, the Commission applied strict discipline to its own non-salary expenditure, limiting the increase to only +1,8 %, in order to reduce the necessary recourse to special instruments.

Since the entry into force of the revised Staff Regulations in 2014, the level of the salary and pensions update for the staff of all EU institutions and agencies is based on a non-discretionary methodology comprising two objective elements. The first element - the Global Specific Indicator (GSI) - is the net evolution of the purchasing power of national civil servants from a basket of 10 Member States[14], representing at least 75 % of the EU GDP. The second element – the Joint Index (JI) – takes account of inflation in Belgium and Luxembourg. The automaticity of the salary update method ensures the system reflects both the events in the real economy and decisions by Member States, as confirmed by Eurostat in agreement with national statistical institutes. The estimated July 2026 salary update stands at + 4,1 %, which is higher than the + 2,2 % foreseen during the preparation of DB 2027.

While the final Eurostat report will be published by 31 October at the latest and the corresponding Commission report to the Council and the European Parliament will be adopted in November, a proposal to adjust the budgetary appropriations to take into account the most recent parameters is justified at this stage of the budgetary year, in accordance with the principles of sound financial management and budgetary accuracy. Consequently, the Commission and the other institutions have recalculated their salary expenditure. This increases the salary expenditure by EUR 127,7 million as compared to the estimates in the DB 2027.

In addition, the request for pension expenditure increases by EUR 62,5 million, and the request for the European Schools increases by EUR 8,5 million.

For the European Parliament, an additional reinforcement of EUR 10,0 million for the Voluntary Pension Scheme ("the scheme") has been included.

Since the setting up of the additional Voluntary Pension Scheme in 1990, the Bureau of the European Parliament ("the Bureau") intervened several times to improve the sustainability of the fund set up for managing assets and payments ("the fund"). Following these measures, the financial sustainability of the fund improved and its lifespan was extended. In addition, the judgments of the General Court of 17 December 2025 confirmed the legality of those measures and thereby provided definitive legal certainty as regards the validity of the current framework governing the scheme.

Despite these developments, on the basis of recent actuarial projections, the fund is expected to have exhausted its assets by the end of 2026 at the latest and will therefore no longer be in a position to meet its obligations thereafter. This expected exhaustion would affect the fund's capacity to continue executing monthly pension payments but would not, however, extinguish the acquired pension rights of beneficiaries nor future entitlements under the scheme deriving in particular from the Statute for Members.

[14] BE, DE, ES, FR, IT, LU, NL, AT, PL and SE.

In this context, the Bureau decided at its meeting of 15 June 2026 that pension payments under the scheme will, as from 1 January 2027, be executed directly from Parliament's section of the budget, for which an additional amount of EUR 10 028 000 is therefore requested.

The corresponding budget remark of budget line 1 0 3 3 will be updated correspondingly: "This appropriation is intended to cover ~~the European Parliament's contribution to the additional voluntary pension scheme for Members.~~ *the payment by the European Parliament of the additional voluntary pension to former Members, their surviving partners and dependent children, in accordance with the rules of the voluntary pension scheme."*

Overall and detailed impact by Sections

Overall, the proposal is to increase the non-differentiated expenditure of heading 7 (European Public Administration) by EUR 208,8 million compared to the DB 2027, which requires further recourse to the Single Margin Instrument. It corresponds to an increase of EUR 137,8 million for the administrative expenditure of the Institutions, EUR 62,5 million for pensions of all institutions and EUR 8,5 million for the European Schools.

For Heading 7, the overall impact on expenditure is as follows:

EUR

	Draft Budget 2027	Amending Letter 1/2027	Draft Budget 2027 including AL1/2027
Pensions and European Schools	**3 466 019 747**	**70 949 186**	**3 536 968 933**
Pensions	3 178 852 000	62 453 000	3 241 305 000
European Schools	287 167 747	8 496 186	295 663 933
Administrative expenditure of the institutions	**10 193 280 870**	**137 796 517**	**10 331 077 387**
Commission	4 691 408 813	68 724 193	4 760 133 006
Other institutions	5 501 872 057	69 072 324	5 570 944 381
European Parliament	2 654 274 753	40 036 383	2 694 311 136
Council	752 724 665	9 025 199	761 749 864
Court of Justice of the European Union	555 075 777	7 937 648	563 013 425
Court of Auditors	205 670 000	3 289 000	208 959 000
European Economic and Social Committee	183 122 221	1 995 747	185 117 968
Committee of the Regions	138 750 785	1 649 347	140 400 132
European Ombudsman	16 633 612	267 000	16 900 612
European Data Protection Supervisor	30 262 189	372 000	30 634 189
European External Action Service	965 358 055	4 500 000	969 858 055
Total	**13 659 300 617**	**208 745 703**	**13 868 046 320**

Salary update

The detailed impact by section, in relation to the impact of the increased salary adjustment as from July 2026, is as follows:

EUR

Budget Line	Name	Appropriations
Section I - European Parliament		
1 0 0 0	Salaries	1 874 159

EUR

Budget Line	Name	Appropriations
1 0 2	Transitional allowances	24 354
1 0 3 1	Invalidity pensions (PEAM)	0
1 0 3 2	Survivors' pensions (PEAM)	35 881
1 0 3 3	Optional pension scheme for Members	10 028 000
1 2 0 0	Remuneration and allowances	18 452 454
1 2 0 2	Paid overtime	874
1 2 2 0	Allowances for staff retired or placed on leave in the interest of the service	95 744
1 4 0 0	Other staff — Secretariat and political groups	1 856 650
1 4 0 1	Other staff — Security	1 059 507
1 4 0 2	Other staff — Drivers in the Secretariat	197 036
1 4 0 4	Traineeships, seconded national experts, exchanges of officials and study visits	318 401
1 4 0 5	Expenditure on interpretation	1 196 331
4 2 2	Expenditure relating to parliamentary assistance	4 896 992
Sub-total Section I		**40 036 383**
Section II - European Council and Council		
1 0 0 0	Basic salary	9 000
1 0 0 1	Entitlements related to the post held	2 000
1 0 1 0	Transitory allowance	4 000
1 1 0 0	Basic salaries	6 627 353
1 1 0 1	Entitlements under the Staff Regulations related to the post held	36 000
1 1 0 2	Entitlements under the Staff Regulations related to the personal circumstances of the staff member	1 563 000
1 1 0 3	Social security cover	255 000
1 1 0 7	Annual adjustment of the remuneration	94 000
1 1 1 0	Allowances in the event of retirement in the interests of the service	43 000
1 2 0 0	Other staff	337 000
1 2 0 1	National experts on secondment	27 846
1 2 0 2	Traineeships	26 000
1 2 0 7	Annual adjustment of the remuneration	1 000
Sub-total Section II		**9 025 199**
Section III - Commission		
20 01 01 01	Salaries allowances and payments of Members of the institution	242 100
20 01 01 03	Allowances of former Members	-
20 01 02 01	Remuneration and allowances - Headquarters & Representation offices	54 853 000
20 01 02 02	Expenses and allowances related to recruitment transfers and termination of service — Headquarters and Representation offices	295 000
20 01 02 03	Remuneration and allowances - Union delegations	2 830 000
20 01 02 04	Expenses and allowances related to recruitment transfers and termination of service — Union delegations	56 000
20 01 04	Officials in non-active status retired in interests of service or dismissed	146 000
20 02 01 01	Contract staff	2 379 345
20 02 01 02	Agency staff and technical and administrative assistance in support of different activities	123 382
20 02 01 03	National civil servants temporarily assigned to the institution	965 366
20 02 02 01	Contract staff	380 000
20 02 03 01	Contract staff	22 000
20 02 04	Cost of organising graduate traineeships with the institution	243 000
20 02 05	Special advisers	26 000
20 03 15 01	Publications Office	1 476 000
20 03 15 02	European Personnel Selection Office	320 000
20 03 16 01	Office for the Administration and Payment of Individual Entitlements	1 032 000
20 03 16 02	Office for Infrastructure and Logistics in Brussels	1 850 000
20 03 16 03	Office for Infrastructure and Logistics in Luxembourg	468 000
20 03 17	European Anti-Fraud Office	1 017 000

EUR

Budget Line	Name	Appropriations
21 01 01	Pensions and allowances	61 120 000
21 01 02 01	Pensions of former Members of the European Parliament	473 000
21 01 02 02	Pensions of former Presidents of the European Council and of former Secretaries-General of the Council of the European Union	18 000
21 01 02 03	Pensions of former Members of the Commission	264 000
21 01 02 04	Pensions of former Members of the Court of Justice of the European Union	402 000
21 01 02 05	Pensions of former Members of the Court of Auditors	158 000
21 01 02 06	Pensions of former Members of European Ombudsmen	11 000
21 01 02 07	Pensions of former Members of European Data Protection Supervisors	7 000
21 02 01 01	Office of the Secretary-General of the European Schools (Brussels)	475 945
21 02 01 02	Brussels I (Uccle)	378 181
21 02 01 03	Brussels II (Woluwe)	325 088
21 02 01 04	Brussels III (Ixelles)	700 979
21 02 01 05	Brussels IV (Laeken)	1 127 872
21 02 01 06	Luxembourg I	249 373
21 02 01 07	Luxembourg II	740 475
21 02 01 08	Mol (BE)	1 411 931
21 02 01 09	Frankfurt am Main (DE)	547 271
21 02 01 10	Karlsruhe (DE)	411 325
21 02 01 11	Munich (DE)	21 163
21 02 01 12	Alicante (ES)	186 476
21 02 01 13	Varese (IT)	567 575
21 02 01 14	Bergen (NL)	1 352 532
Sub-total Section III		**139 673 379**
Section IV - Court of Justice		
1 0 0 0	Remunerations and allowances	793 000
1 0 0 2	Entitlements on entering the service, transfer and leaving the service	36 000
1 0 2	Temporary allowances	41 000
1 2 0 0	Remunerations and allowances	6 736 000
1 2 0 2	Paid overtime	15 000
1 2 0 4	Entitlements related to entering the service, transfer and leaving the service	42 000
1 2 2 0	Allowances for staff retired in the interests of the service	24 000
1 4 0 0	Other staff	225 648
1 4 0 4	In-service training and staff exchanges	25 000
Sub-total Section IV		**7 937 6**48
Section V - Court of Auditors		
1 0 0 0	Remuneration, allowances and pensions	218 000
1 0 0 2	Entitlements on entering and leaving the service	2 000
1 0 2 0	Temporary allowances	4 000
1 2 0 0	Remuneration and allowances	2 906 000
1 2 0 2	Paid overtime	4 000
1 2 0 4	Entitlements on entering the service, transfer and leaving the service	17 000
1 4 0 0	Other staff	138 000
Sub-total Section V		**3 289 000**
Section VI - European Economic and Social Committee		
1 2 0 0	Remuneration and allowances	1 887 000
1 2 2 0	Allowances for staff retired or placed on leave in the interests of the service	4 000
1 4 0 0	Other staff	82 747
1 4 0 4	Graduate traineeships, grants and exchanges of officials	21 000
1 4 0 8	Entitlements on entering the service, transfer and leaving the service (other staff and external services)	1 000

EUR

Budget Line	Name	Appropriations
Sub-total Section VI		**1 995 747**
Section VII - European Committee of the Regions		
1 2 0 0	Remuneration and allowances	1 494 442
1 2 0 2	Paid overtime	621
1 2 0 4	Entitlements on entering the service, transfer and leaving the service	4 485
1 2 2 0	Allowance for staff retired in the interests of the service	7 220
1 4 0 0	Other staff	119 384
1 4 0 4	Graduate traineeships, grants and exchanges of officials	23 195
Sub-total Section VII		**1 649 347**
Section VIII - European Ombudsman		
1 0 0	Salaries, allowances and payments related to salaries	10 000
1 2 0 0	Remuneration and allowances	230 000
1 4 0 0	Other staff	20 000
1 4 0 4	Graduate traineeships, grants and exchanges of officials	7 000
Sub-total Section VIII		**267 000**
Section IX - European Data Protection Supervisor		
1 0 0 0	Remuneration and allowances	10 000
1 1 0 0	Remuneration and allowances	211 000
1 1 1 0	Contract staff	62 000
3 0 1 0	Remuneration and allowances	63 000
3 0 2 0	Contract staff	26 000
Sub-total Section IX		**372 000**
Section X - European External Action Service		
1 2 0 0	Contract staff	500 000
3 0 0 0	Remuneration and entitlements of statutory staff	3 000 000
3 0 0 1	External staff and outside services	1 000 000
Sub-total Section X		**4 500 000**
Total		**208 745 703**

Specific annex for the Publications Office		
O1 01 01 01	Remuneration and allowances	1 434 000
O1 01 01 02	Expenses and allowances related to recruitment, (…)	6 000
O1 01 02	External personnel	36 000
Total		**1 476 000**

Specific annex for the European Personnel Selection Office		
O2 01 01 01	Remuneration and allowances	286 000
O2 01 01 02	Expenses and allowances related to recruitment, (…)	1 000
O2 01 02	External personnel	33 000
Total		**320 000**

Specific annex for the Office for the Administration and Payment of Individual Entitlements		
O3 01 01 01	Remuneration and allowances	411 000
O3 01 01 02	Expenses and allowances related to recruitment, (…)	2 000
O3 01 02	External personnel	619 000
Total		**1 032 000**

Specific annex for the Office for infrastructure and logistics in Brussels		
O4 01 01 01	Remuneration and allowances	731 000
O4 01 01 02	Expenses and allowances related to recruitment, (...)	2 000
O4 01 02 01	External personnel - OIB	757 000
O4 01 02 02	External personnel - Child care facilities	360 000
Total		**1 850 000**

Specific annex for the Office for infrastructure and logistics in Luxembourg		
O5 01 01 01	Remuneration and allowances	250 000
O5 01 01 02	Expenses and allowances related to recruitment, (…)	1 000
O5 01 02 01	External personnel - OIL	179 000
O5 01 02 02	External personnel - Child care facilities	38 000
Total		**468 000**

Specific annex for the European anti-fraud Office (OLAF)		
O6 01 01 01	Remuneration and allowances	998 000
O6 01 01 02	Expenses and allowances related to recruitment, (...)	6 000
O6 01 02	External personnel	13 000
Total		**1 017 000**

12. INCREASE IN ADMINISTRATIVE EXPENDITURE AND ADJUSTMENT TO ESTABLISHMENT PLANS TO PREPARE FOR THE ACCESSION OF MONTENEGRO TO THE UNION

In its Communication to the Council on the financial package for the accession negotiations with Montenegro[15], the Commission noted that Montenegro's accession could take place at some point after the beginning of the Multiannual financial framework 2028-2034, should the relevant conditions be met.

As was the case with previous enlargements, to prepare for the accession of Montenegro in a timely manner, additional human resources and corresponding appropriations for the relevant Institutions are needed already in 2027. These resources will finance the lawyer-linguist review by the Institutions of Montenegro's translation of the *acquis communautaire* into Montenegrin, the latter being a requirement before the Accession Treaty of a new EU Member State may be signed. These resources will also finance the hiring and preparation of additional translators and interpreters to and from Montenegrin within the Commission.

It is therefore proposed to provide the following additional appropriations:

- For the **European Council and Council**: EUR 1,1 million to cover the recruitment of 12 additional contractual staff (8 lawyer-linguists and 4 assistants).
- For the **European Commission**: EUR 2,7 million to cover the recruitment of three additional establishment plan posts and 15 additional contractual staff for lawyer-linguists, translators and interpreters.

The overall impact on expenditure for the institutions is therefore as follows:

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
Section III – Commission			
20 02 01 01	Contract Agents	1 606 400	1 606 400

15 COM(2026) 334, 30.6.2026.

20 01 02 01	Remuneration and allowances - Headquarters & Representation offices	465 000	465 000
20 01 02 02	Expenses and allowances related to recruitment transfers and termination of service — Headquarters and Representation offices	39 000	39 000
20 02 06 01	Mission and representation expenses	41 700	41 700
20 02 06 05	Further training and management training	31 300	31 300
20 03 11 02	Professional support	59 000	59 000
20 03 11 03	Interinstitutional cooperation — Interpretation	60 000	60 000
20 03 01 01	Acquisition and renting of buildings	96 000	96 000
20 03 15 01	Publications Office	268 000	268 000
Total		**2 666 400**	**2 666 400**

Specific annex for the Publications Office			
O1 01 02	External personnel	204 000	204 000
O1 01 09 01	Information systems	64 000	64 000
Subtotal		**268 000**	**268 000**

Budget line	**Name**	**Commitment appropriations**	**Payment appropriations**
Section II – European Council and Council			
1 2 0 0	Other Staff	1 039 000	1 039 000
1 2 0 7	Annual adjustment of the remuneration	15 000	15 000
Total		**1 054 000**	**1 054 000**

The related changes to the establishment plan are set out in the budgetary annex.

13. REDUCTION IN APPROPRIATIONS FOR THE TRANSLATION CENTRE (CDT)

In the Draft Budget 2027, the Commission requested an EU contribution to balance the budget of the Translation Centre of EUR 8,55 million. Based on updated estimates from the Centre, it is now possible to reduce the balancing subsidy to be provided to the CdT for 2027. The reduction is driven mainly by increased revenue, resulting both from the Centre's strategic efforts to strengthen its business development activities and, more importantly, from revised forecasts submitted by clients. It also reflects lower staff expenditure, in line with a prudent approach to recruitment and staffing during the current transformation period.

The overall impact on expenditure is therefore as follows:

EUR

Budget line	**Name**	**Commitment appropriations**	**Payment appropriations**
Section III – Commission			
20 10 01	Translation Centre for bodies of the European Union	-5 549 500	-5 549 500
Total		**-5 549 500**	**-5 549 500**

14. SALARY NEEDS OF DECENTRALISED AGENCIES

The higher-than-expected salary adjustment for 2026 will also apply to EU agencies and bodies. For decentralised agencies, the scope for internal redeployments is limited. Following a thorough assessment, the Commission proposes to increase the EU contribution where needed by applying an additional extraordinary increase of 1,26 %[16] on top of the standard indexation of 2 % that the

[16] The impact of the July 2026 salary update for 2027 is a need for a 5,3 % increase compared to 2025. The annual standard indexation of 2 %, compared to 2025, provides the agencies only with a 4,04 % increase. This leaves a gap of 1,26 %.

decentralised agencies receive to account for the effect of the July 2026 salary adjustment and its impact on 2027. The difference is applied to Title 1 'Staff expenditure' of the agencies' budget, taking into account the ratio between the EU contribution and the agencies' total budget. For some decentralised agencies, it is considered that the needs can be covered by internal redeployments. The impact on expenditure amounts to EUR 13,5 million in commitment and payment appropriations.

Additional financing needs related to administrative expenditure have been raised by Eurojust: despite extensive internal redeployment efforts, a residual amount of EUR 2 150 000 cannot be financed within existing budgets. It is thus proposed to be included to cover urgent staff salary shortfalls due to the cumulative and rolling effect of high indexation and country correction coefficients on the agency.

The total impact on expenditure is EUR 15,7 million in commitment and payment appropriations.

- **Heading 1 - Single Market, Innovation and Digital**

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
02 10 01	European Union Aviation Safety Agency (EASA)	479 691	479 691
02 10 02	European Maritime Safety Agency (EMSA)	556 298	556 298
02 10 03	European Union Agency for Railways (ERA)	343 370	343 370
02 10 04	European Union Agency for Cybersecurity (ENISA)	124 990	124 990
02 10 05	Agency for Support for BEREC (BEREC Office)	65 166	65 166
02 10 06	European Union Agency for the Cooperation of Energy Regulators (ACER)	219 369	219 369
03 10 01 01	European Chemicals Agency — Chemicals legislation	699 380	699 380
03 10 01 02	European Chemicals Agency — Activities in the field of biocides legislation	67 734	67 734
03 10 02	European Banking Authority (EBA)	156 372	156 372
03 10 03	European Insurance and Occupational Pensions Authority (EIOPA)	128 880	128 880
03 10 04	European Securities and Markets Authority (ESMA)	124 613	124 613
03 10 05	Anti-Money Laundering Authority (AMLA)	135 390	135 390
Total		**3 101 253**	**3 101 253**

- **Heading 2 - Cohesion and Values - Sub-heading 2b - Resilience and Values**

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
06 10 01	European Centre for Disease Prevention and Control	609 675	609 675
07 10 01	European Foundation for the improvement of living and working conditions (Eurofound)	224 719	224 719
07 10 02	European Agency for Safety and Health at Work (EU-OSHA)	115 165	115 165
07 10 03	European Centre for the Development of Vocational Training (Cedefop)	179 203	179 203
07 10 04	European Union Agency for Fundamental Rights (FRA)	228 906	228 906
07 10 05	European Institute for Gender Equality (EIGE)	75 070	75 070
07 10 06	European Training Foundation (ETF)	222 424	222 424
07 10 07	European Union Agency for Criminal Justice Cooperation (Eurojust)	2 679 685	2 679 685
07 10 08	European Public Prosecutor's Office (EPPO)	596 037	596 037
Total		**4 930 884**	**4 930 884**

- **Heading 3 - Natural Resources and Environment**

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
08 10 01	European Fisheries Control Agency	164 707	164 707
09 10 02	European Environment Agency	588 569	588 569

Total	**753 276**	**753 276**

- **Heading 4 - Migration and Border Management**

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
11 10 01	European Border and Coast Guard Agency (Frontex)	4 027 100	4 027 100
11 10 02	European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA)	773 472	773 472
Total		**4 800 572**	**4 800 572**

- **Heading 5 - Resilience, Security and Defence**

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
12 10 01	European Union Agency for Law Enforcement Cooperation (Europol)	1 992 742	1 992 742
12 10 02	European Union Agency for Law Enforcement Training (CEPOL)	82 776	82 776
Total		**2 075 518**	**2 075 518**

15. SPECIFIC ADJUSTMENTS TO DECENTRALISED AND EXECUTIVE AGENCIES

15.1. *Reinforcement of the European Chemicals Agency (ECHA)*

Due to delays and constraints affecting the implementation timetable of the 'One Substance One Assessment' legislative package and the revised water legislation, the activities planned to be conducted in 2026 could not be carried out as originally foreseen and are postponed to 2027. The agency will therefore need an additional EUR 2 million in 2027 to pursue the implementation of the package. To cover the expected needs, ECHA will carry-over an amount of EUR 1,66 million in assigned revenues recovered in 2026 to the 2027 budget and additionally the Commission proposes to transfer EUR 0,34 million from the LIFE programme to ECHA to reach the needed EUR 2,0 million.

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
Section III – Commission			
09 10 01	European Chemicals Agency – Environmental directives and international conventions	336 722	336 722
09 02 01	Nature and biodiversity	-336 722	-336 722
Total		**0**	**0**

15.2. *Release of a reserve line – European Food Safety Authority (EFSA)*

In the Draft Budget 2027, EUR 1,1 million were placed in a reserve to the benefit of EFSA for the implementation of the *Regulation on plants obtained by certain new genomic techniques and their products*. Following the Regulation's adoption on 17 June 2026, the appropriations can be released from the reserve to the operational line.

The overall impact on expenditure is therefore as follows:

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
Section III – Commission			
30 02 02	Differentiated appropriations (*Reserve for budget article 06 10 02*)	-1 099 000	-1 996 000
06 10 02	European Food Safety Authority	1 099 000	1 996 000
Total		**0**	**0**

15.3. *Reinforcement for the European Medicines Agency (EMA)*

In the Draft Budget 2027, EUR 758 000 were placed in a reserve to the benefit of EMA for the implementation of the Critical Medicines Act (CMA). Following the political agreement reached on 12 May 2026 by the co-legislators on the CMA package[17], the appropriations can therefore be released from the reserve to the operational line. In line with the final agreement, it is also proposed to increase the commitment and payment appropriations available to EMA for this purpose by EUR 250 000. This amount is proposed to be fully offset from the EU4Health programme. For the same reason, four additional posts are requested for EMA, of which three posts were already included in the Draft Budget on the basis of the original Commission proposal, whereas this amending letter includes one additional AD 5 post to reflect the outcome of the political agreement.

The overall impact on expenditure is therefore as follows:

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
Section III – Commission			
30 02 02	Differentiated appropriations (*Reserve for budget item 06 10 03 01*)	-758 000	-758 000
06 06 01	EU4Health Programme	-250 000	-250 000
06 10 03 01	European Medicines Agency	1 008 000	1 008 000
Total		**0**	**0**

The related changes to the establishment plan are set out in the budgetary annex.

15.4. *Reinforcement for the Agency for the Cooperation of Energy Regulators (ACER)*

Following the Commission proposal as regards future-proofing electricity bills in the Union[18], it is proposed to place EUR 391 000 in commitment and payment appropriations in reserve for ACER, pending the agreement of the co-legislators. The increase of the amount in the reserve is financed through a reduction of programmed expenditure under the Energy strand of the Connecting Europe Facility, in line with the Legislative Financial and Digital Statement attached to the legislative proposal.

The overall impact on expenditure is therefore as follows:

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
Section III – Commission			
30 02 02	Differentiated appropriations (*Reserve for budget article 02 10 06*)	391 000	391 000
02 03 02	Connecting Europe Facility (CEF) — Energy	-391 000	-391 000
Total		**0**	**0**

15.5. Amendment of the establishment plan for the Research Executive Agency (REA)

Following the creation of the AST/SC function group as from 1 January 2014 , the Staff Regulations allow for reclassification of some AST posts and transforming them into AST/SC posts. The recourse to SC staff for secretarial and clerical tasks allows the institutions, agencies and bodies to better align tasks with remunerations and promotions and reduce role disparities within the AST function group.

Following recent departures of AST officials and in view of the need to better align posts with the executed tasks, there is a need for an adjustment of the establishment plan for the Research Executive Agency (REA), which is proposed to be modified to transform one AST post into one AST/SC post. This has no budgetary impact.

The updated establishment plan is set out in the budgetary annex.

17 COM(2025) 102, 11.03.2025.
18 COM(2026) 600, 17.7.2026.

15.6. Amendment of the establishment plan for the European Maritime Safety Agency (EMSA)

The Commission proposes an updated establishment plan for EMSA (transforming one AST9 post into one AD6 post, without budgetary impact). This follows a request by the agency following the retirement of an AST colleague and an internal workload assessment.

The updated establishment plan is set out in the budgetary annex.

16. FINANCING

Overall, the net impact of AL 1/2027 on expenditure in the DB 2027 is a decrease of EUR 365,3 million in commitment appropriations and of EUR 426,8 million in payment appropriations.

The reduction of EUR 500 million in the needs for the USL line in 2027 results in a decrease in the mobilisation of the Flexibility Instrument in commitment and payment appropriations of EUR 7,2 million and a decrease in the mobilisation of the Single Margin Instrument 11(1)(a) of EUR 206,9 million in commitment appropriations. Both decreases are however fully compensated by equivalent mobilisations of the Flexibility Instrument for the EURI line (due to reduced margin in sub-heading 2b available for the EURI cascade) and of the Single Margin Instrument 11(1)(a) for administrative expenditure in heading 7.

In addition, the reduction in the needs for the USL line also reduces the mobilisation of the Single Margin Instrument 11(1)(c) by EUR 285,9 million in commitment appropriations, to a total of EUR 478,7 million. The amount mobilised will be fully offset against margins under the ceilings in 2026 (on the basis of Draft Amending Budget 3/2026) or 2027. To preserve the margins in 2027 for any unexpected future needs until the end of this MFF period, it is proposed to offset the amount as follows:

- EUR 199,0 million from the margin in heading 3 for 2026, of which EUR 149,0 million outside the EAGF sub-ceiling and EUR 50,0 million within the sub-ceiling. This leaves no margin available both outside and within the sub-ceiling;
- EUR 84,1 million from the margin in heading 4 for 2026, leaving no margin available;
- EUR 14,0 million from the margin in heading 6 for 2026, leaving no margin available;
- EUR 181,6 million from the margin in heading 6 for 2027, created by the reduction in voted appropriations for the provisioning of the European Fund for Sustainable Development Plus (EFSD+) guarantee, as a result of the EFSD surplus of provisions at the end of 2025 used to finance the planned provisioning level.

The 2027 payment appropriations related to the mobilisation of the Flexibility Instrument in the years 2024 to 2027 therefore remained unchanged compared to DB 2027, at EUR 2 047,5 million in current prices. The estimated payment schedule of the related outstanding amounts for these years is detailed in the following table:

Flexibility Instrument - payment profile (in EUR million)			
Mobilisation year	**2027**	**Beyond MFF**	**Total**
2024	46,3	0,0	**46,3**
2025	9,4	5,7	**15,1**
2026	1,7	1,6	**3,3**
2027	1 990,2	0,0	**1 990,2**
Total	**2 047,5**	**5,7**	**2 053,2**

17. SUMMARY TABLE BY MFF HEADING

In EUR

		Draft Budget 2027		Amending Letter 1 (AL1) to Draft Budget 2027		Draft Budget 2027 incl. AL1	
		CA	**PA**	**CA**	**PA**	**CA**	**PA**
1	**Single Market, Innovation and Digital**	**21 901 507 622**	**22 842 699 186**	**-5 905 550**	**-21 398 747**	**21 895 602 072**	**22 821 300 439**
	Ceiling	*22 080 000 000*				*22 080 000 000*	
	Margin	*178 492 378*		*5 905 550*		*184 397 928*	
2	**Cohesion, Resilience and Values**	**75 761 187 060**	**81 849 637 321**	**7 153 898**	**7 153 898**	**75 768 340 958**	**81 856 791 219**
	Ceiling	*71 362 000 000*				*71 362 000 000*	
	Of which under Flexibility Instrument	*1 939 957 554*		*7 153 898*	*7 153 898*	*1 947 111 452*	
	Of which under EURI	*2 459 843 393*				*2 459 843 393*	
	Margin	*613 887*				*613 887*	
2a.	Economic, social and territorial cohesion	58 483 386 113	64 727 187 572	0	0	58 483 386 113	64 727 187 572
	Ceiling	*58 484 000 000*				*58 484 000 000*	
	Margin	*613 887*		*0*		*613 887*	
2b.	Resilience and values	17 277 800 947	17 122 449 749	7 153 898	7 153 898	17 284 954 845	17 129 603 647
	Ceiling	*12 878 000 000*				*12 878 000 000*	
	Of which under Flexibility Instrument	*1 939 957 554*		*7 153 898*	*7 153 898*	*1 947 111 452*	
	Of which under EURI	*2 459 843 393*				*2 459 843 393*	
	Margin						
3	**Natural Resources and Environment**	**57 235 490 073**	**61 454 535 284**	**-80 311 232**	**-126 311 232**	**57 155 178 841**	**61 328 224 052**
	Ceiling	*57 316 000 000*				*57 316 000 000*	
	Margin	*80 509 927*		*80 311 232*		*160 821 159*	
	Of which: Market related expenditure and direct payments	**40 555 262 856**	**40 631 905 136**	**-81 064 508**	**-127 064 508**	**40 474 198 348**	**40 504 840 628**
	EAGF sub-ceiling	*41 892 000 000*				*41 892 000 000*	
	Rounding difference excluded for calculating the sub-margin	*507 000*				*507 000*	
	Net transfers between EAGF and EAFRD	*-1 301 507 000*				*-1 301 507 000*	
	Net balance available for EAGF expenditure (sub-ceiling corrected by transfers between EAGF and EAFRD)	*40 591 000 000*				*40 591 000 000*	
	EAGF sub-margin	*35 230 144*		*81 064 508*		*116 294 652*	
4	**Migration and Border Management**	**5 789 296 578**	**3 869 652 808**	**4 800 572**	**4 800 572**	**5 794 097 150**	**3 874 453 380**
	Ceiling	*5 893 000 000*				*5 893 000 000*	
	Margin	*103 703 422*		*-4 800 572*		*98 902 850*	
5	**Security and Defence**	**3 066 398 537**	**2 231 102 702**	**2 075 518**	**2 075 518**	**3 068 474 055**	**2 233 178 220**
	Ceiling	*3 080 000 000*				*3 080 000 000*	
	Margin	*13 601 463*		*-2 075 518*		*11 525 945*	
6	**Neighbourhood and the World**	**15 467 861 871**	**16 660 635 721**	**0**	**0**	**15 467 861 871**	**16 660 635 721**
	Ceiling	*16 071 000 000*				*16 071 000 000*	
	offset of the Single Margin Instrument (Article 11(1)(c))	*-503 109 212*		*321 492 152*		*-181 617 060*	

Margin	*100 028 917*		*321 492 152*		*421 521 069*	
7 European Public Administration	**13 659 300 617**	**13 659 300 617**	**206 916 603**	**206 916 603**	**13 866 217 220**	**13 866 217 220**
Ceiling	*12 959 000 000*				*12 959 000 000*	
of which under Single Margin Instrument 11(1)(a)	*700 300 617*		*206 916 603*		*907 217 220*	
Margin						
of which: Administrative expenditure of the institutions	**10 193 280 870**	**10 193 280 870**	**135 967 417**	**135 967 417**	**10 329 248 287**	**10 319 220 287**
Sub-ceiling	*9 786 000 000*				*9 786 000 000*	
of which under Single Margin Instrument 11(1)(a)	*407 280 870*		*135 967 417*		*543 248 287*	
Sub-margin						
Appropriations for headings	**192 881 042 358**	**202 567 563 639**	**134 729 809**	**73 236 612**	**193 015 772 167**	**202 640 800 251**
of which under Flexibility Instrument	***1 939 957 554***	***1 997 276 341***	***7 153 898***	***7 153 898***	***1 947 111 452***	***2 004 430 239***
of which under Single Margin Instrument 11(1)(a)	***700 300 617***		***206 916 603***		***907 217 220***	
of which under EURI	***2 459 843 393***	***2 459 843 393***			***2 459 843 393***	***2 459 843 393***
Appropriations for Ukraine Support Loan	**1 150 000 000**	**1 150 000 000**	**-500 000 000**	**-500 000 000**	**650 000 000**	**650 000 000**
of which under Flexibility Instrument	***50 227 708***	***50 227 708***	***-7 153 898***	***-7 153 898***	***43 073 810***	***43 073 810***
of which under Single Margin Instrument 11(1)(a)	***335 089 804***		***-206 916 603***		***128 173 201***	
of which under Single Margin Instrument 11(1)(c)	***764 682 488***		***-285 929 499***		***478 752 989***	
of which under Ukraine Support Loan Instrument	***0***					
Appropriations for headings and Ukraine Support Loan	**194 031 042 358**	**203 717 563 639**	**-365 270 191**	**-426 763 388**	**193 665 772 167**	**203 290 800 251**
Ceiling	***188 761 000 000***	***199 711 000 000***			***188 761 000 000***	***199 711 000 000***
of which under Flexibility Instrument	***1 990 185 262***	***2 047 504 049***	***0***	***0***	***1 990 185 262***	***2 047 504 049***
of which under Single Margin Instrument 11(1)(a)	***1 035 390 421***		***0***	***0***	***1 035 390 421***	
of which under Single Margin Instrument 11(1)(c)	***764 682 488***		***-285 929 499***		***478 752 989***	
of which under EURI	***2 459 843 393***	***2 459 843 393***	***0***	***0***	***2 459 843 393***	***2 459 843 393***
of which under Ukraine Support Loan Instrument	***0***		***0***	***0***		
of which offset of the Single Margin Instrument (Article 11(1) point (c))	***-503 109 212***		***321 492 152***		***-181 617 060***	
Margin	***476 949 994***	***500 783 803***	***400 832 844***	***426 763 388***	***877 782 838***	***927 547 191***
Thematic special instruments	**5 874 080 839**	**8 257 154 766**	**0**	**0**	**5 874 080 839**	**8 257 154 766**
Total appropriations	**199 905 123 197**	**211 974 718 405**	**-365 270 191**	**-426 763 388**	**199 539 853 006**	**211 547 955 017**