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COM(2024) 920 final

2024/0089 (BUD)

**DRAFT AMENDING BUDGET No 2
TO THE GENERAL BUDGET 2024**

ENTERING THE SURPLUS OF THE FINANCIAL YEAR 2023

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 2024, as adopted on 22 November 2023³,
- draft amending budget No^o1/2024⁴, adopted on 29 February 2024,

The European Commission hereby presents to the European Parliament and to the Council Draft Amending Budget No 2 to the 2024 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, 2024/207, 22.2.2024.

⁴ COM(2024) 80 final.

EXPLANATORY MEMORANDUM

Draft Amending Budget (DAB) No 2/2024 is intended to enter in the 2024 budget the surplus resulting from the implementation of the financial year 2023. As provided for in Article 18(3) of the Financial Regulation applicable to the general budget of the Union⁵ (“Financial Regulation”), the balance from 2023 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 2024.

1. The implementation of the budget year 2023 shows a surplus of about EUR 0.6 billion, which is therefore entered as revenue in the 2024 budget.

(in EUR)

Outturn breakdown 2023	
Surplus Revenue	238 746 744
Surplus Expenditure	393 878 830
Total surplus	632 625 574

2. Budgeting the surplus will reduce the total contribution of the Member States to the financing of the 2024 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 2024 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 2023 in terms of the implementation of revenue:

(in EUR)

Outturn breakdown 2023	Budget (incl. AB1-4)	Outturn	Variation
Sub-total Revenue	165 202 974 773	165 441 721 517	238 746 744
— Title 1 - Own resources	151 040 594 788	149 535 853 059	-1 504 741 729
<i>Levies and other duties in the sugar sector</i>	0	1 756 294	1 756 294
<i>Custom duties</i>	23 730 100 000	22 081 301 059	-1 648 798 941
<i>Own resources accruing from VAT</i>	22 458 526 500	22 482 072 586	23 546 086
<i>Own resources based on GNI</i>	97 650 082 928	97 702 157 940	52 075 012
<i>Correction of budgetary imbalances granted to UK</i>	0		0
<i>Gross reduction in the annual GNI-based contribution granted to some MS</i>	0	43 489 694	43 489 694
<i>Own resources based on plastic packaging waste not recycled</i>	7 201 885 360	7 225 075 485	23 190 125
— Title 2 - Surpluses, balances and adjustments	2 519 010 950	2 550 993 448	31 982 498
— Title 3 - Administrative revenue	1 894 666 175	2 001 468 072	106 801 897
— Title 4 - Financial revenue, default interest and fines	710 280 669	2 475 899 816	1 765 619 147
— Title 5 - Budgetary guarantees, borrowing and lending operations	0	0	0
— Title 6 - Revenue, contributions and refunds related to Union policies	9 038 422 191	8 877 507 122	-160 915 069

4. The combined net variations in Title 1 (*Own Resources*) and Title 2 (*Surpluses, balances and adjustments*) total minus EUR 1 472,8 million. This negative difference is predominantly driven by a lower than expected amount of customs duties made available to the EU budget in the second half of the year.
5. The variations in Title 3 (*Administrative revenue*) amount to EUR 106,8 million. This is mostly attributable to the higher than originally forecast pension contribution rate, as well as the application of an intermediate salary update as of January 2023. Both elements have 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 1 765,6 million, which comprises revenue from 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 2023 in terms of budget implementation of expenditure for all institutions:

(in EUR)

Outturn breakdown 2023	Budget (incl. AB1-4)	Outturn	Variation
Sub-total Expenditure	165 202 974 773	164 809 095 943	-393 878 830
Outturn appropriations authorised in the budget	165 202 974 773	165 004 817 243	-198 157 530
— European Commission	160 513 578 100	160 354 550 314	-159 027 786
<i>Heading 1 - Single Market, Innovation and Digital</i>	20 128 876 581	20 109 892 540	-18 984 041
<i>Heading 2a - Economic, social and territorial cohesion</i>	49 236 902 765	49 227 567 732	-9 335 034
<i>Heading 2b - Resilience and Values</i>	7 231 818 351	7 227 885 569	-3 932 782
<i>Heading 3 - Natural Resources and Environment</i>	56 655 807 986	56 629 277 882	-26 530 103
<i>Heading 4 - Migration and Border Management</i>	2 661 982 072	2 597 329 666	-64 652 406
<i>Heading 5 - Security and Defence</i>	1 386 228 612	1 370 688 007	-15 540 605
<i>Heading 6 - Neighbourhood and the World</i>	14 574 291 430	14 560 140 195	-14 151 235
<i>Heading 7 - European Public Administration</i>	6 656 322 828	6 650 473 176	-5 849 652
<i>Thematic special instruments</i>	1 981 347 475	1 981 295 547	-51 928
— Other Institutions	4 689 396 673	4 650 266 929	-39 129 744
<i>European Parliament</i>	2 247 134 550	2 238 344 831	-8 789 719
<i>Council & European Council</i>	647 908 757	628 536 397	-19 372 360
<i>Court of Justice of the European Union</i>	486 025 796	482 252 071	-3 773 725
<i>European Court of Auditors</i>	175 059 922	171 627 190	-3 432 732
<i>European Economic & Social Committee</i>	158 767 970	156 709 673	-2 058 297
<i>Committee of the Regions</i>	116 675 392	116 569 118	-106 274
<i>European Ombudsman</i>	13 212 447	12 603 950	-608 497
<i>European Data Protection Supervisor</i>	22 711 559	21 753 845	-957 714
<i>European External Action Service</i>	821 900 280	821 869 855	-30 425
Cancellation of appropriations carried over from previous years	0	-118 093 796	-118 093 796
— European Commission	0	-69 695 285	-69 695 285
<i>Cancellation of unused appropriations carried over from previous years (by right)</i>	0	-39 938 887	-39 938 887
<i>Cancellation of unused appropriations carried over from previous years (automatic and by decision)</i>	0	-29 756 398	-29 756 398
— Other Institutions	0	-48 398 511	-48 398 511
<i>European Parliament</i>	0	-20 258 035	-20 258 035
<i>Council & European Council</i>	0	-5 996 551	-5 996 551
<i>Court of Justice of the European Union</i>	0	-5 198 644	-5 198 644
<i>European Court of Auditors</i>	0	-1 492 307	-1 492 307
<i>European Economic & Social Committee</i>	0	-2 043 574	-2 043 574
<i>Committee of the Regions</i>	0	-1 884 593	-1 884 593
<i>European Ombudsman</i>	0	-118 211	-118 211
<i>European Data Protection Supervisor</i>	0	-416 201	-416 201
<i>European External Action Service</i>	0	-10 990 394	-10 990 394
Exchange rate variations on expenditure	0	-77 627 505	-77 627 505

8. The amount of voted budget appropriations not implemented by all institutions combined was EUR 198,2 million. The Commission implemented 99,9 % of the authorised payment appropriations. The underimplementation of the Commission concerned an amount of EUR 159 million of voted appropriations and EUR 70 million of appropriations carried over from 2022.

9. Similarly, the under-implementation and the cancellation of appropriations of the other institutions remained low in 2023.

COM (2024) 920 Information Note

1. Proposal

Draft Amending Budget No 2 to the General Budget 2024; Entering the Surplus of the Financial Year 2023.

2. Date of Commission document

09/04/2024.

3. Number of Commission document

920.

4. Number of Council document:

Not applicable.

5. Dealt with in Brussels by

Budget Committee.

6. Department with primary responsibility

Department of Finance.

7. Other Departments involved

8. Background to, Short summary and aim of the proposal

Draft Amending Budget (DAB) No 2/2024 is intended to enter in the 2023 budget surplus of approximately €632,625,574 as revenue in the 2024 budget (it has to be submitted within 15 days of the submission of the provisional accounts at the end of March 2024).

The budget surplus of €632,625,574 is made up of the sum of the surplus revenue of €238,746,744 and the surplus expenditure (lower than predicted) of €393,878,830 recorded in the 2023 budget.

The 2023 budget surplus can be attributed to the following factors:

- The “Own Resources” and “Surpluses, balances and adjustments” figures in the 2023 budget were €1,472.8 million less than expected due to lower amounts of customs duties made available to the EU budget in the second half of the year.
- Excess “Administrative revenue” of €106.8 million due to the higher than originally forecast pension contribution rate, as well as the application of an intermediate salary update as of January 2023.
- An increase in the “Financial revenue, default interest and fines” receipts of €1,765.6 million; this figure comprises revenue from competition fines and default interest, other penalty payments and interest linked to fines and penalty payments.

The reasons for the reduced expenditure outturn in the 2023 budget include (but are not limited to):

- €198.2 million of voted budget appropriations were not implemented by the collective EU institutions.
- The Commission under implemented €229 million of appropriations in the 2023 budget (€159 million of which was voted appropriations and a further €70 million of appropriations which had been carried over from 2022).

- The under-implementation and the cancellation of appropriations of the other institutions remained low in 2023.

In addition to reducing the total contribution of the Member States to the financing of the 2024 budget, 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 2024 and will be included in a subsequent Draft Amending Budget.

9. Legal basis of the proposal

- 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 Union⁶, 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 (...)⁷, and in particular Article 44 thereof,
- the general budget of the European Union for the financial year 2024, as adopted on 22 November 2023⁸
- draft amending budget No°1/2024⁹, adopted on 29 February 2024

10. Voting Method

QMV.

11. Role of the EP

Co-decision.

12. Category of proposal

The proposal is of minor significance to Ireland.

13. Implications for Ireland & Ireland's Initial View

Ireland will contribute to the EU budget on the basis of our EU budget contribution rate.

14. Impact on the public

Minor amendment to Ireland's EU budget contributions.

15. Have any consultations with Stakeholders taken place or are there any plans to do so?

Not applicable.

16. Are there any subsidiarity issues for Ireland?

There are no subsidiarity issues for Ireland with regard to the proposal.

⁶ 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.

⁷ 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.

⁸ OJ L, 2024/207, 22.2.2024.

⁹ COM(2024) 80 final.

17. Anticipated negotiating period

Draft Amending Budget No 2 will be adopted under the normal timeline. It will be added as a Roman I point to the agenda of the COREPER II meeting on 5 June, and also as a non-discussion point at the JHA (Justice and Home Affairs) Council of 13 June.

18. Proposed implementation date

This amending budget will enter into force on the date of its publication in the *Official Journal of the European Union*.

19. Consequences for national legislation

There are no consequences for national legislation.

20. Method of Transposition into Irish law

Transposition is not required.

21. Anticipated Transposition date

Not applicable.

22. Consequences for the EU budget in Euros annually

As the surplus of approximately EUR 0.6 billion will be entered as revenue in the 2024 budget, this will reduce the total contribution of the Member States to the financing of the 2024 budget accordingly.

23. Contact name, telephone number and e-mail address of official in Department with primary responsibility

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