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COM(2024) 650 final

2024/0252 (BUD)

**DRAFT AMENDING BUDGET No 5  
TO THE GENERAL BUDGET 2024**

**Adjustment in payment appropriations, update of revenues and other technical updates**

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<sup>1</sup>, 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)<sup>2</sup>, and in particular Article 44 thereof,
- the general budget of the European Union for the financial year 2024, as adopted on 22 November 2023<sup>3</sup>,
- amending budget No 1/2024<sup>4</sup>, adopted on 25 April 2024,
- amending budget No 2/2024<sup>5</sup>, adopted on 25 April 2024,
- draft amending budget No 2/2024<sup>6</sup>, adopted on 9 April 2024,
- draft amending budget No 4/2024<sup>7</sup>, adopted on 19 July 2024,

The European Commission hereby presents to the European Parliament and to the Council the draft amending budget No 5 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>).

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<sup>1</sup> 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.

<sup>2</sup> OJ L, 2024/2509, 26.09.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>.

<sup>3</sup> OJ L, 2024/207, 22.2.2024, ELI: <http://data.europa.eu/eli/budget/2024/207/oj>

<sup>4</sup> OJ L, 2024/1430, 5.6.2024, ELI: [http://data.europa.eu/eli/budget\\_suppl\\_amend/2024/1430/oj](http://data.europa.eu/eli/budget_suppl_amend/2024/1430/oj).

<sup>5</sup> OJ L, 2024/1509, 18.6.2024, ELI: [http://data.europa.eu/eli/budget\\_suppl\\_amend/2024/1509/oj](http://data.europa.eu/eli/budget_suppl_amend/2024/1509/oj).

<sup>6</sup> COM(2024) 920, 9.4.2024.

<sup>7</sup> COM(2024) 931, 19.7.2024.

## EXPLANATORY MEMORANDUM

### 1. INTRODUCTION

The purpose of Draft Amending Budget (DAB) No 5 for the year 2024 is to update both the expenditure and revenue side of the budget.

The proposed changes on the expenditure side of the budget concern the following elements:

1. An increase of the level of payment appropriations for the European Regional Development Fund (ERDF) for a total amount of EUR 2,9 billion, including in relation to the reprogramming related to the Strategic Technologies for Europe Platform (STEP). These amounts could not be included in the redeployments proposed in the 'Global transfer' (DEC 11/2024) submitted to Parliament and Council on 3 October 2024;
2. An update of the needs for the Sustainable Fisheries Partnership Agreements (SFPAs), taking into account that several agreements and the related protocols will not be concluded in 2024;
3. An increase of appropriations, linked to the most recent estimates for the update of remuneration, as follows:

#### Heading 7

- An increase for the level of the administrative expenditure for the Committee of the Regions by EUR 1,3 million;
- An increase for the pensions of all institutions by EUR 67,2 million, also due to a higher number of pension beneficiaries;
- For the Commission and the other Institutions, the impact of the higher than expected update of remuneration will be covered by internal redeployments;

#### Outside Heading 7

- An increase of the EU contribution to several decentralised agencies by EUR 12,1 million. Other additional needs will be covered by mobilising remaining appropriations and built-in flexibilities.
4. An adjustment of the EU contribution to several decentralised agencies linked to implementation or other specific reasons, as follows:
    - An increase of the EU contribution to the European Union Agency for Law Enforcement Training (CEPOL) by EUR 1 million in commitment appropriations to reinforce its cybersecurity, offset against a reduction of the Internal Security Fund (ISF);
    - An increase of the EU contribution to the European Union Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA) by EUR 17 million in commitment appropriations. Following lower than planned implementation, this can be offset by a reduction of the EU contribution to the European Union Agency for Asylum (EUAA).
    - A decrease of the commitment appropriations allocated to the Anti-Money Laundering Authority (AMLA) due to the revised needs for the appropriations in the first year of its set-up, following delays in the recruitments.
    - A return of EUR 2,8 million in commitment and payment appropriations to the LIFE programme. Given the delays in the adoption of the Zero Pollution Package, the European Chemicals Agency (ECHA) and the European Environment Agency (EEA) will not need the corresponding appropriations.
  5. The introduction of machine translation has led to significant savings in some operations of the Publication Office, which allow the reduction of the level of commitment appropriations of the relevant budget line.

6. An adjustment of the budgetary nomenclature both on the expenditure and revenue side and remarks following the adoption of the proposal for the Ukraine Loan Cooperation Mechanism (ULCM)<sup>8</sup>.

Overall, the net impact of this DAB on expenditure amounts to an increase of EUR 44,5 million in commitment appropriations and of EUR 2 954,8 million in payment appropriations.

On the revenue side, this DAB incorporates EUR 2 815 million of definitive fines and penalty payments paid until 30 September 2024. As a result, the overall impact on the revenue side is a net increase in the GNI contributions of EUR 139,9 million.

## **2. UPDATE OF EXPENDITURE ITEMS**

### **2.1 Increased needs in payment appropriations**

The ‘Global transfer’ is an annual exercise organised within the Commission for which all Directorates Generals and Services are requested to review by early September their respective payment implementation of the current budget until the end of the year concerned. This exercise aims to cover exact needs and ensure maximum implementation of the budget in payment appropriations at the end of the year by matching additional needs with expected under-implementation. An ad hoc request for transfer in accordance with Article 31 of the Financial Regulation is annually submitted to the European Parliament and to the Council as a result.

The ‘Global transfer’ exercise showed that the remaining voted budget and the available assigned revenues will not be sufficient to cover estimated payment needs until the end of the year for the European Regional Development Fund (ERDF), notably including in relation to the implementation of the Strategic Technologies for Europe Platform (STEP). Therefore, the Commission proposes to reinforce the ERDF programmes as follows:

- **2021-2027 programmes**

In accordance with the STEP Regulation<sup>9</sup>, which entered into force in March 2024, Member States have requested amendments to their cohesion programmes to incorporate STEP priorities, benefiting from exceptional pre-financing of 30 % of the allocation to STEP priorities, amounting to EUR 1,4 billion. The payment of this pre-financing is a legal obligation that was not accounted for during the adoption of the 2024 budget, as the MFF mid-term revision had not been agreed on yet. Otherwise, the July forecasts from Member States confirm that the 2024 budget will be fully executed.

- **Completion of previous programmes and activities**

The STEP Regulation also introduced the option for voluntary 100 % co-financing for expenditure declared in payment applications submitted during the accounting year running from 1 July 2023 to 30 June 2024. Moreover, it includes a 1 % cap on interim payments in 2025, which has been an incentive for Member States to submit their payment applications earlier in 2024. The combination of these two factors has significantly accelerated the submission of payment applications. In line with the July forecasts, this will result in additional payment needs of EUR 1,5 billion for 2024.

The detailed increase in payment appropriations requested in this DAB 5/2024 is set out below:

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<sup>8</sup> COM(2024) 426 final.

<sup>9</sup> OJ L, 2024/795, 29.2.2024, ELI: <http://data.europa.eu/eli/reg/2024/795/oj>.

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
05 02 01	ERDF — Operational expenditure	0	1 400 000 000
05 02 99 01	Completion of the ERDF — Operational expenditure (prior to 2021)	0	1 500 000 000
<b>Total</b>		<b>0</b>	<b>2 900 000 000</b>

## 2.2 Sustainable Fisheries Partnership Agreements (SFPAs)

The Commission negotiates, concludes and implements bilateral Sustainable Fisheries Partnership Agreements (SFPAs) between the European Union and partner third countries. As several of them were still subject to negotiations when the budget 2024 was established, an amount of EUR 49,9 million in commitment appropriations and EUR 25,8 million in payment appropriations remains available in the form of reserves to cover for the agreements and protocols with regard to fisheries between the Union and the governments of specific partner third countries that are not yet adopted, in line with Article 49 of the Financial Regulation and with point 20 of the Inter-Institutional Agreement of 16 December 2020<sup>10</sup>.

Considering the status of the negotiations on the future protocols:

- Negotiations with São Tomé will start on 1 October 2024 while negotiations with Cook Island are expected to start during the 4th quarter of 2024. However, the signature of the new protocols is not expected until the first quarter of 2025;
- Negotiations with Côte d’Ivoire are concluded. The new protocol is expected to be signed during the first quarter of 2025, once the internal procedures are concluded.

Regarding remaining appropriations in reserve, none of the protocols with Angola, Guinea, Liberia, Morocco and Senegal will be concluded this year:

- For Morocco, the judgment of the Court of Justice in joined cases C-778/21 P *Commission v Front Polisario* and C-798/21 P *Council v Front Polisario* on 4 October 2024 has impacted the negotiations schedule;
- For Angola, Guinea, Liberia and Senegal, Council Decisions on opening of negotiations for a new protocol have not yet been adopted.

The Commission therefore proposes to cancel the amount that will be not needed in 2024. This corresponds to EUR 32,9 million in commitment appropriations and EUR 25,8 million in payment appropriations, as follows:

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
30 02 02	Differentiated appropriations (Reserve for budget article 08 05 01)	- 32 857 566	- 25 750 000
<b>Total</b>		<b>- 32 857 566</b>	<b>- 25 750 000</b>

## 2.3 Adjustments linked to higher salary adjustment for 2024

### 2.3.1 European Public Administration (Heading 7)

In this DAB 5/2024, the Commission proposes adjustments to the heading 7 “European Public Administration” in relation to the impact of the increased salary adjustment on administrative

<sup>10</sup> OJ L 433I, 22.12.2020, p. 28–46, ELI: [http://data.europa.eu/eli/agree\\_interinstit/2020/1222/oj](http://data.europa.eu/eli/agree_interinstit/2020/1222/oj).

expenditure. A total update of +7,2 %<sup>11</sup> in 2024 is now forecasted, leading to a residual update of +4,1%, on top of the first update of +3,0% from 1 January, while budget 2024 was built on the assumption of an update of +3,4 % to be applied retroactively as from 1 July 2024. Moreover, an adjustment is needed for a higher number of new pension beneficiaries in comparison with the estimates when the 2024 budget was established.

### **Administrative expenditure of the Institutions**

Since the entry into force of the revised Staff Regulations<sup>12</sup> 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 elements. The first element is the net evolution of the purchasing power of national civil servants from a basket of 10 Member States<sup>13</sup>, representing at least 75% of the EU GDP. This constitutes the Global Specific Indicator (GSI). The second element – the Joint Index (JI) – takes account of inflation in Brussels 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.

In the 2024 budget, the forecasted annual salary update rate to be applied retroactively as from 1 July 2024 was 3,4 % (6 months impact). This rate was calculated by the Commission services in November 2023, based on the estimated evolution of the purchasing power and cost of living for the reference period (1.7.2023 - 30.6.2024), according to the method prescribed in the Staff Regulations.

The latest estimate available on the evolution of the purchasing power in the Member States of the sample shows a 3,2 % increase, while the joint Belgium and Luxembourg index (JBLI) for the relevant period (+5,1 %) is significantly higher than originally forecasted. The total salary update to be applied in 2024 is therefore to reach +7,2 %<sup>14</sup>. Subsequent to the intermediate update of 3,0 %, a residual salary update of 4,1 %<sup>15</sup> will be applied as of 1 July 2024. An update rate of 1,2 % is deferred to 1 April 2025, in line with the provisions of the ‘moderation clause’ in accordance with Article 10 of Annex XI of the Staff Regulations.

In line with the provisions set out in Annex XI of the Staff Regulations, the Eurostat report will be issued on 31 October 2024 and will set out the adjustment of the nominal net remuneration of EU officials in Brussels and Luxembourg with effect from July 2024, with the aim to maintain a parallel development of purchasing power with the civil servants in the Member States.

Based on the Eurostat report, the Commission report<sup>16</sup> to the Council and the European Parliament will then be adopted in November. As this would be too late to formally propose an amending budget after the update rate is finalised, it is appropriate to review the situation in light of the latest forecasts available. Therefore, in accordance with the budgetary principles of sound financial management and budgetary accuracy, a proposal to increase the budgetary appropriations related to salaries and pensions is justified.

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<sup>11</sup> 1,030\*1,041=1,072

<sup>12</sup> OJ 45, 14.6.1962, p. 1385, ELI: [http://data.europa.eu/eli/reg/1962/31\(1\)/oj](http://data.europa.eu/eli/reg/1962/31(1)/oj).

<sup>13</sup> BE, DE, ES, FR, IT, LU, NL, AT, PL, SE.

<sup>14</sup> 1.020\*1.051=1.072.

<sup>15</sup> 1.072/1.030=1.041.

<sup>16</sup> Article 65(1) of the Staff Regulations and the Conditions of Employment of Other Servants of the European Union (SR) obliges the Commission to provide data pertaining to the budgetary impact of remuneration and pensions of Union officials in the light of the 2024 update of the remuneration and pensions of the officials and other servants of the EU and the correction coefficients applied thereto.

The Commission has made every effort to contain its administrative expenditure by maintaining a strict stable staffing policy and by applying substantial reductions in non-salary related expenditure, such as for meetings and committees, to the fullest extent possible. Similarly, the other institutions have made all possible efforts to cover additional needs by redeployment of existing resources and by postponing non-obligatory investments.

Every effort has been made by the Institutions to cover the additional needs for salary expenditure by redeployment. Only the Committee of the Regions is unable to meet these needs internally and is therefore requesting a reinforcement on the salary lines. Nonetheless, it is necessary to reinforce the administrative expenditure for pensions, for which in addition to the higher pension update rate, the actual number of pensioners is higher than expected.

## Pensions

With respect to pension expenditure, the projection of the needs until end 2024 shows a deficit of EUR 71 million, due to several elements that lead to an increase in the forecasted pension expenditure for 2024:

- A higher increase of pension beneficiaries (+ 165) during the course of 2024 in comparison with the assumptions used in the 2024 budget (+ EUR 14,7 million).
- The impact of the change in the annual adjustment for pensions described above, including the additional needs for 6 months due to the intermediate pension update of 3,0 % as of 1 January 2024 (EUR 58,1 million).

At the same time, a surplus of about EUR 2 million is projected for the budget lines for pension expenditure of former Members of the Institutions.

The above elements lead to an overall deficit of EUR 71 million for pension expenditure. It is proposed to redeploy EUR 3,8 million from other budget lines in the Commission's budget section on which some surpluses were identified. Overall, this would allow bringing the net request for reinforcement down to EUR 67,2 million.

## Overall and detailed impact by Sections

Overall, the proposal is to increase the non-differentiated expenditure of heading 7 (European Public Administration) by EUR 68,5 million for 2024. It corresponds to an increase of EUR 1,3 million for the administrative expenditure of the Committee of the Regions and EUR 67,2 million for pensions of all institutions.

The overall impact on expenditure is as follows:

*Amounts in EUR*

	<b>Budget 2024 (incl. ABs 1-2/2024 and DABs 2-4/2024)</b>	<b>Draft Amending Budget 5/2024</b>	<b>Budget 2024</b>
<b>Pensions and European Schools</b>	<b>2 812 624 762</b>	<b>67 200 000</b>	<b>2 879 824 762</b>
Pensions	2 565 464 000	67 200 000	2 632 664 000
European Schools	247 160 762		247 160 762
<b>Administrative expenditure of the institutions</b>	<b>9 175 375 841</b>	<b>1 300 000</b>	<b>9 176 675 841</b>
Commission	4 221 841 225		4 221 841 225
Other institutions	4 953 534 616	1 300 000	4 954 834 616
European Parliament	2 382 263 574		2 382 263 574
Council	676 881 123		676 881 123

Court of Justice of the European Union	503 782 531		503 782 531
Court of Auditors	185 655 890		185 655 890
European Economic and Social Committee	164 945 524		164 945 524
Committee of the Regions	121 878 345	1 300 000	123 178 345
European Ombudsman	13 667 466		13 667 466
European Data Protection Supervisor	24 329 460		24 329 460
European External Action Service	880 130 703		880 130 703
<b>Total</b>	<b>11 988 000 603</b>	<b>68 500 000</b>	<b>12 056 500 603</b>

The detailed impact by Sections is as follows:

### Section III – European Commission

*Amounts in EUR*

Budget line	Name	Commitment appropriations	Payment appropriations
21 01 01	Pensions and allowances	67 200 000	67 200 000
<b>Total</b>		<b>67 200 000</b>	<b>67 200 000</b>

### Section –VII European Committee of the Regions

*Amounts in EUR*

Budget line	Name	Commitment appropriations	Payment appropriations
1200	Remuneration and allowances	1 300 000	1 300 000
<b>Total</b>		<b>1 300 000</b>	<b>1 300 000</b>

As no margin is available under heading 7, it is unavoidable to make recourse to the Single Margin Instrument under heading 7 for an additional amount of EUR 68,5 million, leading to the use of the Single Margin Instrument Article 11(1)(a) for an amount of EUR 283,5 million in 2024 in order to comply with legal obligations.

#### 2.3.2 Administrative expenditure outside Heading 7 – decentralised agencies

The increased salary adjustment for 2024 presented above also leads to additional needs for salary expenditure in relation to the administrative expenditure under Headings 1 to 6, which the Commission has been able to cover mobilising remaining appropriations and built-in flexibilities.

Conversely, for decentralised agencies, the scope for internal redeployments is limited and therefore the Commission proposes to increase the EU contribution by 1,7 %, applied to Title 1 ‘Staff expenditure’ of the agencies’ budget taking into account the ratio between the EU contribution and the agencies’ total budget. This increase of +1,7% takes into account the impact of both (1) the lower than expected 2023 salary update (+2,7%), and (2) higher than forecasted salary update for budget 2024 (+7,2%), compared with the assumptions underlying Budget 2024 (+4,4% in 2023 and +3,4% in 2024). To limit the impact, internal redeployments were first sought to cover the needs resulting from the impact of the salary update. Thus, for some of the decentralised agencies no increase of the EU contribution is needed. Moreover, it is proposed not to include FRONTEX in the increase, notably because of a still rather significant vacancy rate and because the salaries represent a lower portion of the total budget of the agency, leaving more room for internal redeployments.

The overall impact on expenditure of EUR 12,1 million in commitment and payment appropriations is detailed as follows:

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

*Amounts in EUR*



Budget line	Name	Commitment appropriations	Payment appropriations
02 10 01	European Union Aviation Safety Agency (EASA)	361 932	361 932
02 10 03	European Union Agency for Railways (ERA)	354 714	354 714
02 10 04	European Union Agency for Cybersecurity (ENISA)	244 326	244 326
02 10 05	Agency for Support for BEREC (BEREC Office)	81 594	81 594
02 10 06	European Union Agency for the Cooperation of Energy Regulators (ACER)	193 651	193 651
03 10 01 01	European Chemicals Agency — Chemicals legislation	835 000	835 000
03 10 01 02	European Chemicals Agency — Activities in the field of biocides legislation	86 585	86 585
03 10 02	European Banking Authority (EBA)	231 319	231 319
03 10 03	European Insurance and Occupational Pensions Authority (EIOPA)	168 038	168 038
03 10 04	European Securities and Markets Authority (ESMA)	216 832	216 832
04 10 01	European Union Agency for the Space Programme	404 623	404 623
<b>Total</b>		<b>3 178 614</b>	<b>3 178 614</b>

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

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
06 10 01	European Centre for Disease Prevention and Control	712 181	712 181
06 10 02	European Food Safety Authority	1 179 166	1 179 166
06 10 03 01	Union contribution to the European Medicines Agency	254 425	254 425
07 10 01	European Foundation for the improvement of living and working conditions (Eurofound)	275 758	275 758
07 10 02	European Agency for Safety and Health at Work (EU-OSHA)	137 647	137 647
07 10 03	European Centre for the Development of Vocational Training (Cedefop)	217 343	217 343
07 10 04	European Union Agency for Fundamental Rights (FRA)	287 922	287 922
07 10 06	European Training Foundation (ETF)	283 108	283 108
07 10 07	European Union Agency for Criminal Justice Cooperation (Eurojust)	594 629	594 629
07 10 08	European Public Prosecutor's Office (EPPO)	894 047	894 047
07 10 09	European Labour Authority (ELA)	266 861	266 861
<b>Total</b>		<b>5 103 087</b>	<b>5 103 087</b>

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

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
08 10 01	European Fisheries Control Agency	209 032	209 032
09 10 01	European Chemicals Agency – Environmental directives and international conventions	55 915	55 915
09 10 02	European Environment Agency	646 569	646 569
<b>Total</b>		<b>911 516</b>	<b>911 516</b>

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

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
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)	773 078	773 078
<b>Total</b>		<b>773 078</b>	<b>773 078</b>

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

Amounts in EUR

Budget line	Name	Commitment appropriations	Payment appropriations
12 10 01	European Union Agency for Law Enforcement Cooperation (Europol)	2 002 895	2 002 895
12 10 02	European Union Agency for Law Enforcement Training (CEPOL)	89 938	89 938
<b>Total</b>		<b>2 092 833</b>	<b>2 092 833</b>

## 2.4 Additional adjustments to decentralised agencies

### 2.4.1 Reinforcement for the European Union agency for law enforcement training (CEPOL)

In early June 2024, the European Union Agency for Law Enforcement Training (CEPOL) was the target of a series of cyberattacks. The incidents were immediately reported to the competent Cybersecurity Service for the EU institutions, bodies, offices and agencies (CERT-EU). After a full investigation launched in collaboration with CERT-EU, the agency has to proceed with a complete rebuilding of its IT infrastructure. Therefore, to cover for the immediate costs of the cyber-attacks and its impact on CEPOL, the Commission proposes to reinforce the budget of CEPOL in 2024.

The proposed reinforcement of the EU contribution to CEPOL by an amount of EUR 1 million in commitment appropriations is proposed to be offset against the Internal Security Fund (ISF). The same amount in payment appropriations is transferred from ISF to CEPOL via an autonomous transfer.

*Amounts in EUR*

Budget line	Name	Commitment appropriations	Payment appropriations
12 10 02	European Union Agency for Law Enforcement Training (CEPOL)	1 064 000	0
12 02 01	Internal Security Fund (ISF)	-1 064 000	0
<b>Total</b>		<b>0</b>	<b>0</b>

Combined with the salary update-related increase mentioned above (EUR 89 938 in commitment and payment appropriations), the total increase proposed for CEPOL is EUR 1 153 938.

### 2.4.2 Reinforcement for eu-LISA

Following higher than budgeted cost increases related to the eu-LISA's 'Wave 2 milestone' and corresponding framework contracts (in particular the pre-travel authorisation system for visa-exempt travellers (ETIAS) and the interoperability requirements), the Commission proposes to increase the budget of eu-LISA by EUR 17 million in commitment appropriations. The budget reinforcement is necessary to notably ensure financing of the two main framework contracts used by eu-LISA, i.e. the Transversal Engineering Framework and the Transversal Operations Framework, network costs and contractual adjustments, scope expansion of web services and increased requirements for external providers in direct support to eu-LISA operations.

The European Union Agency for Asylum (EUAA) identified a surplus in its budget due to under-implementation on their operational lines (operational plans with Member States) and slower than expected new staff recruitments. Therefore, the increase of EUR 17 million in commitment appropriations is proposed to be financed through a compensating reduction of the EU contribution to the EUAA. The 'Global Transfer' includes also a further reduction of EUAA's budget with EUR 10 million in payment appropriations, reinforcing the BMVI main line financing outstanding interim payments.

Consequently, the proposed - budgetary neutral - adjustments are as follows:

*Amounts in EUR*

Budget line	Name	Commitment appropriations	Payment appropriations
11 10 02	European Union Agency for the operational management of large-scale IT systems in the area of freedom, security and justice	17 000 000	0
10 10 01	European Union Agency for Asylum	-17 000 000	0
<b>Total</b>		<b>0</b>	<b>0</b>

Combined with the salary update-related increase mentioned above (EUR 773 078 in commitment and payment appropriations), the total increase proposed for eu-LISA is EUR 17 773 078.

### 2.4.3 Reduction for the Anti-Money Laundering Authority (AMLA)

The Anti-Money Laundering Authority (AMLA) is still in a set-up phase and the process is taking longer than initially anticipated. This relates particularly to recruitments. Hence, after the first months of its build up, the need for appropriations in 2024 has been revised downwards. It is therefore proposed to reduce the EU contribution to AMLA by EUR 0,75 million in commitment appropriations, as indicated below.

*Amounts in EUR*

Budget line	Name	Commitment appropriations	Payment appropriations
30 02 02	Differentiated appropriations (Reserve for budget article 03 10 05)	-750 281	0
<b>Total</b>		<b>-750 281</b>	<b>0</b>

### 2.4.4 Return of a reserve to the LIFE programme - European Chemicals Agency (ECHA) and European Environment Agency (EEA)

Due to delays in the adoption of the Commission proposal on the ‘Zero Pollution Package’ for which negotiations are still on-going, the proposed new tasks assigned to ECHA and EEA will not start in 2024. In the 2024 budget, the corresponding appropriations of EUR 2,8 million, originating from the LIFE programme, were put in a reserve to the benefit of these two agencies, pending progress of the legislative package. Therefore, the Commission proposes in this DAB 5/2024 to return the corresponding appropriations to the LIFE programme, as follows:

*Amounts in EUR*

Budget line	Name	Commitment appropriations	Payment appropriations
30 02 02	Differentiated appropriations (Reserve for budget article 09 10 01)	-1 596 375	-1 596 375
30 02 02	Differentiated appropriations (Reserve for budget article 09 10 02)	-1 187 476	-1 187 476
09 02 02	Circular economy and quality of life	2 783 851	0
09 02 99	Completion of previous programmes in the field of environment and climate action (LIFE)	0	2 783 851
<b>Total</b>		<b>0</b>	<b>0</b>

## 2.5 Reduction in commitment appropriations – Procedures for awarding and advertising public supply, works and service contracts

A surplus of EUR 2,9 million in commitment appropriations has been identified for the budget line 03 20 03 01. It is due to significant savings following the decision to use automatic on demand translation of the EU Institutions’ notices. An amount of EUR 0,5 million will be moved via an autonomous transfer to other measures in the field of the internal market, while the remaining amount of EUR 2,4 million is proposed to be canceled in this DAB 5/2024.

*Amounts in EUR*

Budget line	Name	Commitment appropriations	Payment appropriations
03 20 03 01	Procedures for awarding and advertising public supply, works and service contracts	-2 420 000	0
<b>Total</b>		<b>-2 420 000</b>	<b>0</b>

## 2.6 Ukraine Loan Cooperation Mechanism (ULCM)

In June 2024, the European Council invited the Commission, the High Representative and the Council to take work forward to provide additional funding for Ukraine by the end of the year<sup>17</sup>. In line with the results of the G7 summit of 13-15 June 2024 this would take the form of loans serviced and repaid by future flows of the extraordinary revenues stemming from immobilised Russian sovereign assets. Consequently, on 20 September 2024 the Commission proposed a Regulation establishing the Ukraine Loan Cooperation Mechanism (ULCM) and providing exceptional macro-financial assistance to Ukraine<sup>18</sup>. The ULCM will support G7 partners in issuing loans to Ukraine in parallel to the EU's exceptional MFA loan with a view to reaching the total amount envisaged at the G7 summit. In order to allow the Commission to manage the related budgetary operations in a timely manner upon the adoption of the ULCM Regulation, the Commission proposes to make all the necessary additional adjustments to the budget nomenclature and budget remarks for the year 2024 in this DAB 5/2024. Accordingly, the Commission proposes to create a new budget line within a new dedicated chapter 14 11 (without appropriations) as follows:

EUR

Budget line	Name	Commitment appropriations	Payment appropriations
14 11 01	Ukraine Loan Cooperation Mechanism	p.m.	p.m.
<b>Total</b>		<b>p.m.</b>	<b>p.m.</b>

The corresponding budget remarks are set out in the budgetary annex.

## 3. UPDATE OF REVENUE

DAB 5/2024 proposes to incorporate in the 2024 budget an amount of EUR 2 815 million in definitive fines and penalty payments paid until October 2024. It is also proposed to create a new revenue line for the ULCM within a new article 'Ukraine Support'.

As at the date of adoption of this DAB 5/2024, no negative revenues have been included in the 2024 budget, subsequent to the creation of this possibility in the Financial Regulation (recast), applies as from 30 September 2024<sup>19</sup>. The exact amounts of compensatory interests' payments to be made are in the process of being established. A sufficient buffer of approximately EUR 1 200 million from definitive fines remains available to cover for these payments until the end of the year. Once paid, the negative revenue will be included in the specific budget line 4 2 5 'Interest, other charges due and negative returns on cancelled or reduced fines'. Additional details on the relevant amounts and transactions will also be provided in the framework of the annual budgetary procedure to the European Parliament and to the Council.

It is also proposed to create a new revenue line for the ULCM within a new article 'Ukraine Support'.

<sup>17</sup> EUCO 15/24.

<sup>18</sup> COM(2024) 426 final.

<sup>19</sup> OJ L, 2024/2509, 26.09.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>.

### 3.1 Fines and penalty payments

Considering the definitive fines and penalty payments paid until October 2024, it is proposed to enter the following amounts in the 2024 budget:

- a) EUR 2 502 million of competition fines.
- b) EUR 52 million of penalty payments and lump sums imposed on Member States, which did not comply with judgments of the Court of Justice of the European Union on their failure to fulfil an obligation under the Treaties.
- c) EUR 257 million of interest connected with fines and penalty payments.
- d) EUR 4 million of other non-assigned fines and penalty payments mainly for excess emissions premia.

It is therefore proposed to increase the amounts reported in the DAB 4/2024 of EUR 614 million by EUR 2 815 million, thus totalling to EUR 3 429 million.

The detail by line is shown in the table below.

*EUR*

Revenue line	Name	Budget 2024	DAB 5/2024	New amount
4 2 0	Fines in connection with the implementation of the rules on competition	257 464 207	2 502 502 303	2 759 966 510
4 2 1	Penalty payments and lump sums imposed on a Member State	340 653 167	51 929 451	392 582 618
4 2 4	Interest connected with fines and penalty payments	9 802 092	256 590 258	266 392 350
4 2 9	Other non-assigned fines and penalty payments	6 400 685	3 875 627	10 276 312
<b>Total</b>		<b>614 320 151</b>	<b>2 814 897 639</b>	<b>3 429 217 790</b>

### 3.2 Impact on the GNI-based own resource contribution for 2024

The revised GNI-based own resources contributions compared to the DAB 4/2024 are set out in the following table:

Member state	DAB 4/2024	DAB 5/2024	New amount
	(1)	(2)	(3) = (1) +(2)
Belgium	3 137 520 826	4 860 827	3 142 381 653
Bulgaria	490 929 862	760 577	491 690 439
Czech Republic	1 524 718 132	2 362 181	1 527 080 313
Denmark	2 045 789 860	3 169 456	2 048 959 316
Germany	22 584 558 382	34 989 295	22 619 547 677
Estonia	192 975 003	298 968	193 273 971
Ireland	2 070 413 423	3 207 603	2 073 621 026
Greece	1 163 139 703	1 802 003	1 164 941 706
Spain	7 768 960 009	12 036 120	7 780 996 129
France	15 077 255 983	23 358 553	15 100 614 536
Croatia	425 510 887	659 226	426 170 113
Italy	10 942 787 228	16 953 195	10 959 740 423
Cyprus	145 650 292	225 650	145 875 942
Latvia	212 177 297	328 717	212 506 014
Lithuania	374 044 146	579 491	374 623 637
Luxembourg	275 312 135	426 529	275 738 664
Hungary	1 035 987 565	1 605 011	1 037 592 576
Malta	95 647 207	148 182	95 795 389

Netherlands	5 464 910 293	8 466 554	5 473 376 847
Austria	2 527 403 838	3 915 600	2 531 319 438
Poland	4 123 400 650	6 388 210	4 129 788 860
Portugal	1 388 121 069	2 150 557	1 390 271 626
Romania	1 745 902 426	2 704 853	1 748 607 279
Slovenia	334 363 876	518 016	334 881 892
Slovak Republic	647 634 542	1 003 353	648 637 895
Finland	1 439 287 560	2 229 827	1 441 517 387
Sweden	3 074 333 659	4 762 935	3 079 096 594
<b>Total</b>	<b>90 308 735 853</b>	<b>139 911 489</b>	<b>90 448 647 342</b>

### **3.3 Nomenclature change following the adoption of the Commission proposal establishing the ULCM and providing exceptional macro-financial assistance to Ukraine**

As a consequence of the adoption of the Commission proposal for a Regulation of the European Parliament and of the Council establishing the ULCM and providing exceptional macro-financial assistance to Ukraine (see section 3.1 below), it is proposed to create a new revenue line within an article for Ukraine support: 6 6 4 2 ‘Ukraine Loan Cooperation Mechanism’. Additionally, a technical correction is proposed to be included to adjust the reference of the budget line for the Ukraine Facility from ‘6 6 4’ to ‘6 6 4 0’.

The corresponding budget remarks are set out in the budgetary annex.

#### 4. FINANCING

Overall, the net impact of this DAB 5/2024 is an increase of EUR 44,5 million in commitment appropriations and of EUR 2 954,8 million in payment appropriations under the 2024 budget.

In relation to the impact of the revised salary update for 2024, given the absence of margins and room for redeployment under sub-heading 2b and under heading 5, the Commission proposes to mobilise the Flexibility Instrument in line with Article 12 of Regulation (EU, Euratom) 2020/2093<sup>20</sup> in commitment and payment appropriations for an amount of EUR 5,1 million for sub-heading 2b Resilience and Values to increase the EU contribution to several decentralised agencies and for an amount of EUR 2,1 million for heading 5 to increase the EU contribution to Europol and CEPOL. Additionally, the increase of expenditure for heading 7 leads to an increase of the amounts proposed to be mobilised from the Single Margin Instrument by EUR 68,5 million.

The 2024 payment appropriations related to the mobilisation of the Flexibility Instrument in the years 2021 to 2024 are estimated at EUR 1 758,3 million, in current prices. The estimated payment schedule of the related outstanding amounts for these years is detailed in the following table:

<i>Flexibility Instrument - payment profile (in EUR million)</i>					
<i>Mobilisation year</i>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>Total</b>
2021	7,6	0	0	0	<b>7,6</b>
2022	49,8	36,7	0	0	<b>86,5</b>
2023	279	120,6	83,2	0	<b>482,8</b>
2024	1 421,9	107,6	83,7	46,3	<b>1 659,5</b>
<b>Total</b>	<b>1 758,3</b>	<b>264,9</b>	<b>166,9</b>	<b>46,3</b>	<b>2 236,4</b>

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<sup>20</sup> Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433I, 22.12.2020, p. 11-22, ELI: <http://data.europa.eu/eli/reg/2020/2093/oj>).

## 5. SUMMARY TABLE BY MFF HEADING

In EUR

	Budget 2024 (incl. ABs 1-2/2024, DAB 2-4/2024)		Draft Amending Budget 5/2024		Budget 2024 (incl. ABs 1-2/2024, DAB 2-4-5/2024)	
	CA	PA	CA	PA	CA	PA
<b>1 Single Market, Innovation and Digital</b>	<b>21 492 216 821</b>	<b>20 826 810 837</b>	<b>8 333</b>	<b>3 178 614</b>	<b>21 492 225 154</b>	<b>20 829 989 451</b>
<i>Ceiling</i>	21 598 000 000				21 598 000 000	
<i>Margin</i>	105 783 179		-8 333		105 774 846	
<b>2 Cohesion, Resilience and Values</b>	<b>74 577 476 949</b>	<b>33 732 782 204</b>	<b>5 103 087</b>	<b>2 905 103 087</b>	<b>74 582 580 036</b>	<b>36 637 885 291</b>
<i>Of which under Flexibility Instrument</i>	1 306 281 333		5 103 087		1 311 384 420	
<i>Ceiling</i>	73 289 000 000				73 289 000 000	
<i>Margin</i>	17 804 384				17 804 384	
2a. Economic, social and territorial cohesion	64 665 195 616	24 155 654 152		2 900 000 000	64 665 195 616	27 055 654 152
<i>Ceiling</i>	64 683 000 000				64 683 000 000	
<i>Margin</i>	17 804 384				17 804 384	
2b. Resilience and values	9 912 281 333	9 577 128 052	5 103 087	5 103 087	9 917 384 420	9 582 231 139
<i>Of which under Flexibility Instrument</i>	1 306 281 333		5 103 087		1 311 384 420	
<i>Ceiling</i>	8 606 000 000				8 606 000 000	
<i>Margin</i>						
<b>3 Natural Resources and Environment</b>	<b>57 338 630 839</b>	<b>54 151 402 941</b>	<b>-31 946 050</b>	<b>-24 838 484</b>	<b>57 306 684 789</b>	<b>54 126 564 457</b>
<i>Ceiling</i>	57 449 000 000				57 449 000 000	
<i>Margin</i>	110 369 161		31 946 050		142 315 211	
<b>Of which: Market related expenditure and direct payments</b>	<b>40 517 278 000</b>	<b>40 505 482 213</b>			<b>40 517 278 000</b>	<b>40 505 482 213</b>
<i>EAGF sub-ceiling</i>	41 649 000 000				41 649 000 000	
<i>Rounding difference excluded for calculating the sub-margin</i>	722 000				722 000	
<i>Net transfers between EAGF and EAFRD</i>	-1 046 000 000				-1 046 000 000	
<i>Net balance available for EAGF expenditure (sub-ceiling corrected by transfers between EAGF and EAFRD)</i>	40 603 000 000				40 603 000 000	
<i>EAGF sub-margin</i>	85 722 000				85 722 000	
<b>4 Migration and Border Management</b>	<b>3 892 705 671</b>	<b>3 248 967 443</b>	<b>773 078</b>	<b>773 078</b>	<b>3 893 478 749</b>	<b>3 249 740 521</b>
<i>Ceiling</i>	4 020 000 000				4 020 000 000	
<i>Margin</i>	127 294 329		-773 078		126 521 251	
<b>5 Security and Defence</b>	<b>2 697 177 926</b>	<b>2 035 413 531</b>	<b>2 092 833</b>	<b>2 092 833</b>	<b>2 699 270 759</b>	<b>2 037 506 364</b>
<i>Of which under Flexibility Instrument</i>	317 177 926		2 092 833		319 270 759	
<i>Ceiling</i>	2 380 000 000				2 380 000 000	
<i>Margin</i>						
<b>6 Neighbourhood and the World</b>	<b>16 731 000 000</b>	<b>15 315 050 313</b>			<b>16 731 000 000</b>	<b>15 315 050 313</b>
<i>Of which under Flexibility Instrument</i>	28 828 204				28 828 204	
<i>Of which under Single Margin Instrument 11(1)(a)</i>	371 171 796				371 171 796	
<i>Ceiling</i>	16 331 000 000				16 331 000 000	



	Budget 2024 (incl. ABs 1-2/2024, DAB 2-4/2024)		Draft Amending Budget 5/2024		Budget 2024 (incl. ABs 1-2/2024, DAB 2-4-5/2024)	
	CA	PA	CA	PA	CA	PA
<i>Margin</i>						
<b>7 European Administration Public</b>	<b>11 988 000 603</b>	<b>11 988 000 603</b>	<b>68 500 000</b>	<b>68 500 000</b>	<b>12 056 500 603</b>	<b>12 056 500 603</b>
<i>Of which under Single Margin Instrument 11(1)(a)</i>	<i>215 000 603</i>		<i>68 500 000</i>	<i>68 500 000</i>	<i>283 500 603</i>	
<i>Ceiling</i>	<i>11 773 000 000</i>				<i>11 773 000 000</i>	
<i>Margin</i>						
<b>of which: Administrative expenditure of the institutions</b>	<b>9 175 375 841</b>	<b>9 175 375 841</b>	<b>1 300 000</b>	<b>1 300 000</b>	<b>9 176 675 841</b>	<b>9 176 675 841</b>
<i>Sub-ceiling</i>	<i>9 006 000 000</i>				<i>9 006 000 000</i>	
<i>Sub-margin</i>						
<b>Appropriations for headings</b>	<b>188 717 208 809</b>	<b>141 298 427 872</b>	<b>44 531 281</b>	<b>2 954 809 128</b>	<b>188 761 740 090</b>	<b>144 253 237 000</b>
<i>Ceiling</i>	<i>186 840 000 000</i>	<i>170 543 000 000</i>			<i>186 840 000 000</i>	<i>170 543 000 000</i>
<i>Of which under Flexibility Instrument</i>	<i>1 652 287 463</i>	<i>1 751 178 297</i>	<i>7 195 920</i>	<i>7 195 920</i>	<i>1 659 483 383</i>	<i>1 758 374 217</i>
<i>Of which under Single Margin Instrument 11(1)(a)</i>	<i>586 172 399</i>		<i>68 500 000</i>		<i>654 672 399</i>	
<i>Margin</i>	<i>361 251 053</i>	<i>30 995 750 425</i>	<i>31 164 639</i>		<i>392 415 692</i>	<i>28 048 137 217</i>
<b>Thematic special instruments</b>	<b>6 517 600 432</b>	<b>5 491 076 559</b>			<b>6 517 600 432</b>	<b>5 491 076 559</b>
<b>Total appropriations</b>	<b>195 234 809 241</b>	<b>146 789 504 431</b>	<b>44 531 281</b>	<b>2 954 809 128</b>	<b>195 279 340 522</b>	<b>149 744 313 559</b>