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EUROPEAN COMMISSION
Budget

2022 Budgetary transparency report

In accordance with points 16 and 17 of the
Inter-institutional Agreement

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1. Introduction

1.1. Context

Article 311 of the Treaty on the Functioning of the European Union (TFEU) states that 'the Union shall provide itself with the means necessary to attain its objectives and carry through its policies'.

The EU budget helps deliver value-added for European citizens. By pooling resources at European level in areas of common interest, Member States can achieve more than they could by acting alone. Together with national budgets and a wide array of legislative and regulatory instruments, the EU budget supports shared objectives and helps to tackle common challenges. That makes the EU budget unique, different from that of international organisations and national budgets.

Various considerations linked to the institutional framework, for example the need to act swiftly and/or the relevance of pooling and leveraging funds, have led to the introduction of several new tools, institutions and instruments over time that are outside of the EU budget and hence are not governed by the same rules as the EU budget. This has created a financial architecture, which has allowed the European Union to respond flexibly to evolving needs and challenges and mobilise additional funding.

The European Commission is for example empowered to borrow from the international capital markets, on behalf of the European Union. It is a well-established name in debt securities markets with a strong track record of bond issuances over the past 40 years. In recent years, borrowing has substantially increased, with the EU using the proceeds of these EU-Bond issuances for large new programmes in response to the COVID-19 pandemic, such as NextGenerationEU and SURE, and for the macro-financial assistance (MFA) to support Ukraine.

Other instruments, such as the European Fund for Strategic Investment (EFSI) or the European Fund for Sustainable Development (EFSD), which have been succeeded by the InvestEU programme and by the European Fund for Sustainable Development Plus (EFSD+) respectively, complement the more traditional delivery mechanisms of the EU budget, enhancing its outreach and leverage effect by providing guarantees.

The InvestEU Programme provides for an EU guarantee up to EUR 26.2 billion that backs the financing and investments of implementing partners that contribute to objectives of the Union's internal policies in four policy windows: i) Sustainable infrastructure, ii) Research, Innovation and digitalisation, iii) Small and medium-sized companies, and iv) Social investment and skills.

The EFSD+ is set up under Neighbourhood, Development and International Cooperation Instrument - Global Europe[1] and given a wider scope. It is an integrated financial package supplying financing capacity in the form of grants, technical assistance, financial instruments, budgetary guarantees and blending operations across Sub-Saharan Africa, the Neighbourhood and Enlargement countries, Asia and the Pacific, and the Americas and the Caribbean. As

[1] Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009.

regards the guarantees under the EFSD+, they are covered by the broader External Action Guarantee, for a maximum amount of EUR 53.4 billion, which supports mainly the EFSD+ guarantees, as well as MFA and Euratom.

These guarantee instruments - and others - are included and explained in the EU annual accounts which are audited by the European Court of Auditors and reported on in the Working Document XI attached to the Draft Budget, pursuant to Article 41(5) of the Financial Regulation (FR). The provisions for those two instruments, as well as for other budgetary guarantees are pooled in the Common Provisioning Fund created in 2021[2].

This budgetary transparency report:

- responds to the requirements of point 16 and 17 of the Interinstitutional Agreement and provides an overview of the financial and budgetary consequences of various Union activities, including information on the implementation of the European Union Recovery Instrument (NextGenerationEU).
- is additional to the reporting obligations included in the Financial Regulation[3] and is prepared based on various financial reports, such as the EU consolidated Annual Accounts, the Annual Management and Performance Report, working documents attached to the draft budget in accordance with article 41 of the FR, and the report prepared on the basis of article 250 of the FR on financial instruments, budgetary guarantees, financial assistance and contingent liabilities.
- does not cover instruments which are outside the scope of the EU budget or even outside the Treaties or which do not enter in the accounts of the EU (European Investment Bank own operations, Greek Loan Facility, Modernisation Fund etc) or for which there are no publicly available documents.

1.2. Objective and content of the report

In December 2020, in parallel to the Multiannual Financial Framework (MFF) Regulation[4], the European Parliament, the Council and the Commission concluded the agreement on budgetary discipline, cooperation on budgetary matters and sound financial management as well as on new own resources, including a roadmap towards the introduction of new own resources (Interinstitutional Agreement or IIA)[5]. Part II of that document aims to improve the cooperation

[2] See more on the CPF in chapter 3.

[3] 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.

[4] 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).

[5] 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 Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources (OJ L 433I, 22.12.2020, p. 28–46).

between the Parliament, the Council and the Commission in relation to budgetary matters (e.g. alignment with the current MFF, budgetary transparency, and annual budgetary procedure).

Point 16 of the Interinstitutional Agreement requests the Commission to submit an annual report to accompany the general budget of the Union bringing together **available and non-confidential information** related to:

a) the **assets and liabilities of the Union**, including those arising from borrowing and lending **operations carried out by the Union** in accordance with its powers under the Treaties;

b) the **revenue, expenditure, assets and liabilities** of the **European Development Fund** (EDF)[6], the **European Financial Stability Facility** (EFSF), **the European Stability Mechanism** (ESM), and other possible future mechanisms;

c) the **expenditure incurred by Member States** in the framework of **enhanced cooperation,** to the extent that it is **not included in the general budget of the Union**;

d) **climate expenditure,** on the basis of an effective methodology set out by the Commission and, where relevant, in accordance with sectoral legislation, for monitoring climate spending and its performance with a view to achieving an overall target over the 2021-2027 period of at least 30 % of the total amount of the Union budget and the European Union Recovery Instrument expenditures supporting climate objectives, taking into consideration the effects of the phasing out of the funding under the European Union Recovery Instrument and differentiating between climate change mitigation and adaptation, where feasible. (…);

e) expenditure contributing to halting and reversing the decline of **biodiversity**, on the basis of an effective, transparent and comprehensive methodology set out by the Commission, in cooperation with the European Parliament and with the Council, and, where relevant, in accordance with sectoral legislation, with a view to working towards the ambition of providing 7.5 % in 2024 and 10 % in 2026 and in 2027 of annual spending under the MFF to biodiversity objectives, while considering the existing overlaps between climate and biodiversity goals;

f) the promotion of **equality between women and men** as well as rights and equal opportunities for all throughout the implementation and monitoring of the relevant programmes, and the mainstreaming of those objectives as well as gender mainstreaming, including by strengthening the assessment of gender impact in impact assessments and evaluations under the Better Law-Making framework. (...);

g) the implementation of the United Nations **Sustainable Development Goals** in all relevant Union programmes of the MFF 2021-2027.

This report provides summary information on the points a), b) and c).

The relevant information on the horizontal policy priorities in the EU budget covering climate, biodiversity, gender and Sustainable Development Goals, as foreseen in point 16 (points: d), e),

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6 As set out in the Internal Agreement between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020, in accordance with the ACP-EU Partnership Agreement, and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies (OJ L 210, 6.8.2013, p. 1) and the preceding Internal Agreements.

f), g)) is summarised in the Annual management and performance report Annex IV (COM(2023) 401 final) and in detail in the Working document accompanying the Draft Budget 2024 part I – Programme Statements of operational expenditure (COM(2023) 300)[7].

This report provides information on the instruments for which the Commission is accountable and/or for which the documents are publicly available.

Point 17 of the Interinstitutional Agreement requests the Commission to submit **an annual report on the implementation of the European Union Recovery Instrument** (NextGenerationEU) which shall bring together **available and non-confidential information** relating to:

- **assets and liabilities arising from borrowing and lending operations** carried out under Article 5 of the Own Resources Decision;
- **the aggregate amount of proceeds assigned to Union programmes** in implementation of the European Union Recovery Instrument in the previous year, broken down by programme and budget line;
- the contribution of the borrowed funds to the achievements of the objectives of the European Union Recovery Instrument and the specific Union programmes.

This report provides references to the latest available and non-confidential financial and operational information provided in the various reports and documents enumerated below:

- Consolidated annual accounts of the Union 2022 (COM(2023) 391);
- Annual accounts of the European Development Fund 2022 (COM(2023) 392);
- Report from the Commission to the European Parliament and the Council on the implementation of macro-financial assistance to third countries in 2022 (COM(2023) 409);
- Report from the Commission to the European Parliament and the Council on the common provisioning fund in 2022 (COM(2023) 288);
- Report from the Commission to the European Parliament and the Council, the Economic and Financial Committee and the Employment Committee on the European instrument for Temporary Support to mitigate Unemployment Risks in an Emergency (SURE) following the COVID-19 outbreak pursuant to Article 14 of Council Regulation (EU) 2020/672, SURE after its sunset: final bi-annual report (COM(2023) 291);
- Report from the Commission to the European Parliament and the Council on financial instruments, budgetary guarantees, financial assistance and contingent liabilities Situation at 31 December 2022 (COM(2023) 683);
- Report from the Commission to the European Parliament and the Council on the implementation of the Recovery and Resilience Facility: Moving forward (COM(2023) 545);
- Working document accompanying the Draft Budget 2024 - Part I – Programme Performance Statements of operational expenditure (COM(2023) 300);
- Working document accompanying the Draft Budget 2024 - Part X – Financial Instruments (COM(2023) 300);

[7] The Programme Performance Statements can be consulted on the dedicated website.

– Working document accompanying the Draft Budget 2024 - Part XI - Budgetary Guarantees, Common Provisioning Fund and Contingent Liabilities (COM(2023) 300);

– European Financial Stability Facility (EFSF) Financial Statements, Management Report and Independent Audit Report, 31 December 2022[8];

– 2022 Annual report of the European Stability Mechanism (ESM)[9].

The cut-off date for the data included in this report is 31 December 2022 and it was prepared in accordance with the requirements of the Interinstitutional Agreement accompanying the 2021-2027 MFF.

8 https://www.esm.europa.eu/system/files/document/2023-06/EFSF_Financial%20Statements_31.12.2022.pdf

9 https://www.esm.europa.eu/system/files?file=document/2023-06/esm-annual-report-2022.pdf

2. Assets and liabilities of the Union

2.1. Overview on assets and liabilities of the Union

The detailed overview of the assets and liabilities of the Union for year 2022 was presented in the Consolidated annual accounts of the European Union (COM(2023) 391) published in June 2023 and is subject to the scrutiny of the Court of Auditors.

The charts below present the total EU assets and liabilities in 2022 and their composition.

Chart 1: EU (total) assets in 2022 (EUR 445.9 billion) divided by types and expressed in %

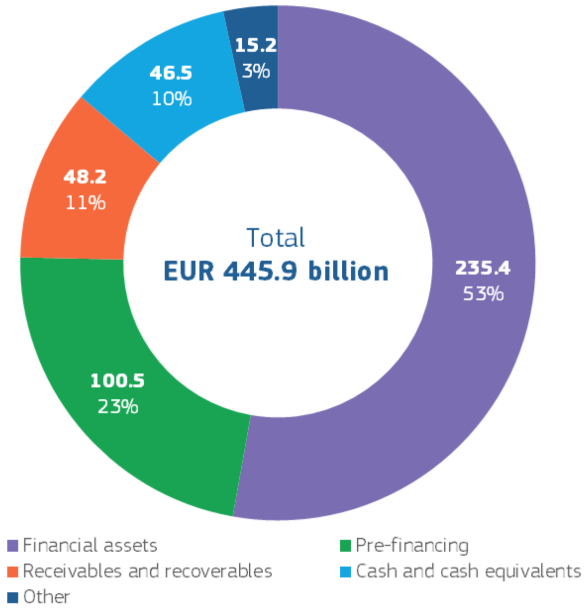
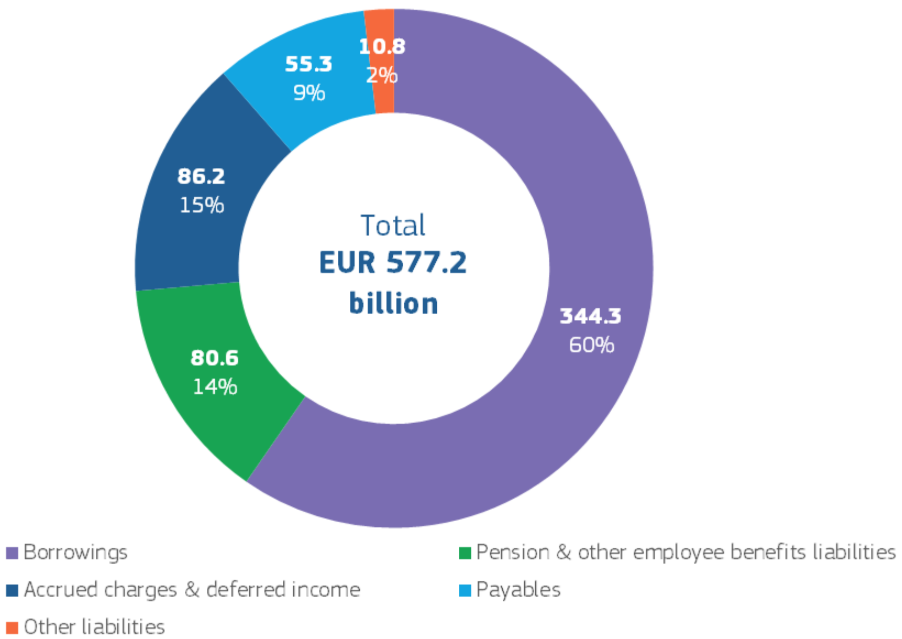


Chart 2: EU (total) liabilities in 2022 (EUR 577.2 billion) divided by types and expressed in %



The table below summarises the main financial data presenting assets and liabilities of the Union for the years 2022 and 2021.

Table: Balance Sheet of the European Union

EUR million

	31.12.2022	31.12.2021
NON-CURRENT ASSETS		
Intangible assets	*900*	*769*
Property, plant and equipment	*12 922*	*12 669*
Investments accounted for using the equity method	*1 313*	*1 192*
Financial assets	*226 431*	*181 874*
Pre-financing	*47 482*	*60 792*
Exchange receivables and non-exchange recoverables	*18 870*	*40 642*
	307 917	**297 938**
CURRENT ASSETS		
Financial assets	*8 981*	*6 744*
Pre-financing	*53 014*	*32 656*
Exchange receivables and non-exchange recoverables	*29 329*	*31 796*
Inventories	*82*	*84*
Cash and cash equivalents	*46 544*	*44 860*
	137 950	**116 141**
TOTAL ASSETS	**445 867**	**414 078**
NON-CURRENT LIABILITIES		
Pension and other employee benefits	*(80 617)*	*(122 466)*
Provisions	*(2 199)*	*(2 950)*
Financial liabilities	*(323 985)*	*(214 974)*
	(406 801)	**(340 391)**
CURRENT LIABILITIES		
Provisions	*(571)*	*(398)*
Financial liabilities	*(28 316)*	*(31 149)*
Payables	*(55 341)*	*(46 372)*
Accrued charges and deferred income	*(86 164)*	*(78 068)*
	(170 392)	**(155 987)**
TOTAL LIABILITIES	**(577 193)**	**(496 377)**
NET ASSETS	**(131 325)**	**(82 299)**
Reserves	*1 312*	*1 325*
*Amounts to be called from Member States**	*(132 637)*	*(83 624)*
NET ASSETS	**(131 325)**	**(82 299)**

* *The European Parliament adopted a budget on 23 November 2022 which provides for the payment of the Union's short-term liabilities from own resources to be collected by, or called up from, the Member States in the following year. Additionally, under Article 83 of the Staff Regulations (Council Regulation 259/68 of 29 February 1968 as amended), the Member States shall jointly guarantee the liability for pensions.*

Source: Consolidated annual accounts of the European Union 2022, p. 39.

2.2. Borrowing and lending activities managed by the Commission and budgetary guarantees

The EU is empowered by basic acts deriving from the EU Treaty[10] to implement borrowing and lending operations.

The Financial Regulation Article 250 Report, published on 23 October 2023, provides an overview of all contingent liabilities arising from budgetary guarantees and financial assistance to third countries and to Member States. It complements the Financial Regulation Art 41(5) Report (Working Document XI accompanying the Draft Budget 2024) with regard to the assessment of the sustainability of the contingent liabilities deriving from budgetary guarantees and financial assistance. The contingent liabilities due to borrowing and lending operations can be divided into two categories:

- **loans granted by the European Union with macroeconomic objectives**; this includes borrowing programmes to mobilise the financial resources necessary to provide:
  - macro-financial assistance (MFA)[11];
  - balance of payments (BOP)[12] assistance;
  - loans under the European financial stabilisation mechanism (EFSM)[13] granting support to Member States experiencing difficulties beyond their control;
  - Loans under SURE (Support to mitigate Unemployment Risks in an Emergency)[14];
  - Recovery and Resilience Facility (RRF)[15] loans.
- **loans with specific objectives**, i.e. the Euratom loan facility (providing loans to both third countries and Member States to finance investments in nuclear power stations and in industrial installations in the nuclear fuel cycle).

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10 Articles 352 and 143 TFEU (OJ C 115, 9.5.2008).

11 MFA may also take the form of grants to third countries. For more information on MFA, see: Report from the Commission to the European Parliament and the Council on the implementation of macro-financial assistance to third countries in 2020 (COM(2021) 375).

12 Council Regulation (EC) No 332/2002 of 18 February 2002 establishing a facility providing medium-term financial assistance for Member States' balances of payments (OJ L 53, 23.2.2002, p.1).

13 The EFSM was set up on 11 May 2010 on the basis of Council Regulation (EU) No 407/2010 of 11 May 2010 (OJ L 118, 12.5.2010, p.1). It functions in a similar way as the Balance of Payments facility but is available to all Member States, i.e., including euro area Member States.

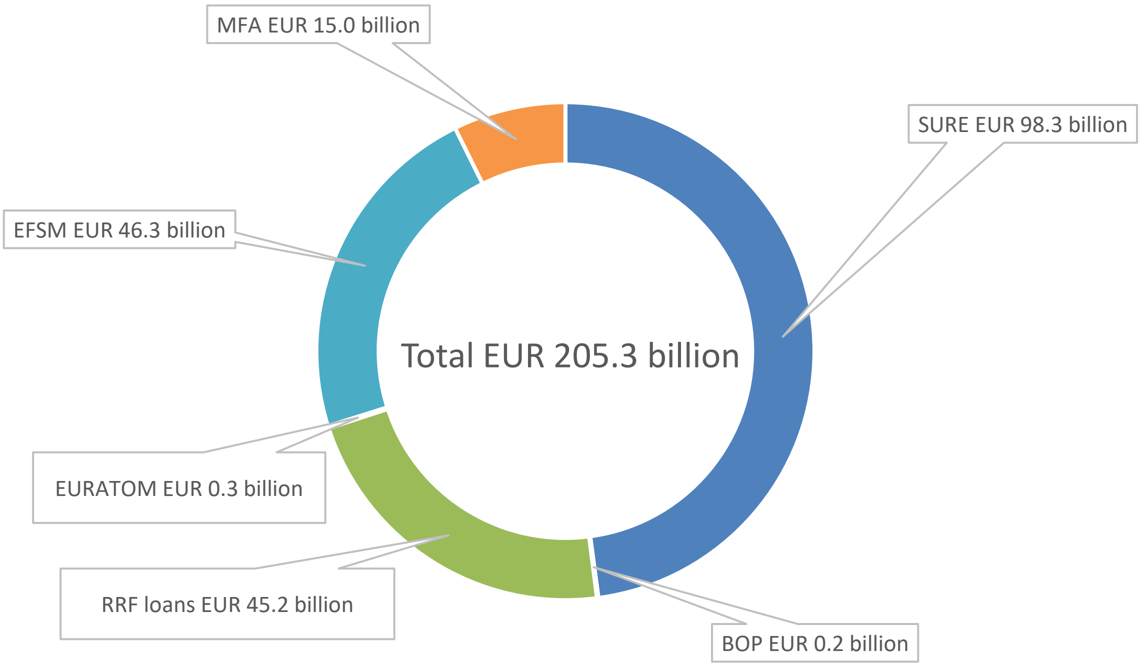
14 SURE (Support to mitigate Unemployment Risks in an Emergency) was established in 2020 to provide financial assistance to Member States which are experiencing, or are seriously threatened with, a severe economic disturbance caused by the COVID-19 pandemic on their territory. The Instrument complements the national measures taken by affected Member States.

15 The RRF is the central pillar of NextGenerationEU (NGEU) (established by the Council Regulation (EU) 2020/2094 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis (OJ L 433 I, 22.12.2020, p. 23) and is a temporary instrument to support reforms and investments in the EU Member States with the ultimate goal of facilitating recovery from the COVID-19 pandemic while helping the green and digital transitions. Under the EU recovery instrument, the Commission borrows funds which the RRF then uses to finance the Member States' reforms and investments. The financing can be either a loan (repayable support) or a grant (non-repayable support). To benefit from the support, Member States submitted national recovery and resilience plans to the Commission. Each plan sets out the reforms and investments to be implemented by the end of 2026, setting clear milestones and targets that are to be analysed by the Commission and approved by the European Council.

The section below provides an overview of the borrowing and lending activities and provides further reference to the published information and reports.

The below chart presents the structure of the EU borrowing and lending activities at the end of 2022 divided by types.

Chart 3: Borrowing and lending activities in nominal amount (EUR 205.3 billion) at the end of 2022 divided by programme



2.2.1. Balance of payments (BOP) facility

Balance of payments (BOP) facility	
Identification/ basic act	Article 143 of the Treaty on the Functioning of the European Union (TFEU) and Council Regulation (EC) No 332/2002 of 18 February 2002 establishing a facility providing medium-term financial assistance for Member States' balances of payments[16] (BOP Regulation).
Description	BOP is a medium-term financial assistance mechanism for non-euro Member States that face difficulties accessing international financial markets to satisfy debt obligations denominated in foreign currencies and maintain stable exchange rates. No new operations or loan repayments occurred in 2022.
Other financial institutions / mechanisms providing financial assistance	International Monetary Fund (IMF)
Beneficiaries	Latvia[17]
Total lending capacity	Up to EUR 50 billion
Assets	EUR 201 million at 31.12.2022 (net book value)
Liabilities	EUR 201 million at 31.12.2022 (net book value)
Reports and source of information	Annual accounts of the EU for 2022 https://economy-finance.ec.europa.eu/eu-financial-assistance/non-euro-area-countries/balance-payments-bop-assistance-facility_en

2.2.2. Support to mitigate Unemployment Risks in an Emergency – SURE instrument[18]

Support to mitigate Unemployment Risks in an Emergency – SURE instrument	
Identification/ basic act	Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak.
Description	The temporary Support to mitigate Unemployment Risks in an Emergency (SURE) is available for Member States that need to mobilise significant financial means to fight the negative economic and social consequences of the coronavirus outbreak on their territory. The availability of financial support under the SURE instrument ended on 31 December 2022. The first repayments of the financial support from the Member States will start in 2025 and the instrument will be fully repaid in 2050.
Beneficiaries	Belgium, Bulgaria, Croatia, Cyprus, Czechia, Estonia, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia and Spain.

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16 OJ L 53, 23.2.2002, p.1.

17 Latvia benefitted from the loan as a non-euro Member State.

18 https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/financial-assistance-eu/funding-mechanisms-and-facilities/sure_en

Total lending capacity	The SURE instrument has ended on 31 December 2022, so no new loans to Member States can be provided under SURE. The maximum lending capacity was EUR 100 billion.
Assets	EUR 99 132 million on 31.12.2022 (net book value)
Liabilities	EUR 99 130 million on 31.12.2022 (net book value)
Reports and source of information	Annual accounts of the EU for 2022 Report on the European instrument for Temporary Support to mitigate Unemployment Risks in an Emergency (SURE) following the COVID-19 outbreak pursuant to Article 14 of Council Regulation (EU) 2020/672 (COM(2023) 291), SURE after its sunset: final bi-annual report Service Note on Borrowing and Lending under SURE – Quarterly report
Further information	https://economy-finance.ec.europa.eu/eu-financial-assistance/sure_en

2.2.3. *European Financial Stabilisation Mechanism (EFSM)*

European Financial Stabilisation mechanism (EFSM)	
Identification/ basic act	Council Regulation (EU) No 407/2010 of 11 May 2010 based on Article 122(2)19 of the TFEU
Description	EFSM provided financial assistance to EU Member States in financial difficulties, Portugal and Ireland. The EFSM is fully guaranteed by the EU budget.
Other financial institutions / mechanisms providing fin. assistance	European Financial Stability Facility (EFSF) International Monetary Fund (IMF)
Beneficiaries	Member States faced with difficulties caused by a serious deterioration in the international economic and financial environment. In 2022 there were no new beneficiaries of the EFSM. Ireland and Portugal are subject to post-programme surveillance (PPS) until at least 75% of the financial assistance received has been repaid. In 2022, one maturity extension operation of an EFSM loan to Portugal took place for an amount of EUR 2,2 billion, EUR 0.5 billion was repaid by Portugal.
Total lending capacity	Up to EUR 60 billion
Assets	EUR 46 588 million on 31.12.2022 (net book value)
Liabilities	EUR 46 587 million on 31.12.2022 (net book value)
Reports and source of information	Annual accounts of the EU for 2022 https://economy-finance.ec.europa.eu/eu-financial-assistance/euro-area-countries/european-financial-stabilisation-mechanism-efsm_en

19 Article 122(2) of the TFEU foresees financial support for Member States in difficulties caused by exceptional circumstances beyond their control.

2.2.4. *Macro-Financial Assistance (MFA)*

Macro-Financial Assistance (MFA)		
Identification/ basic act	Article 212 and 213 of TFEU	
Description	MFA provides support to EU candidate and potential candidate countries, to countries bordering the EU covered by the European Neighbourhood Policy (ENP) and, in certain circumstances, other third countries, to resolve short-term balance of payments problems and to stabilise public finances while encouraging the implementation of macroeconomic adjustment and structural reforms. The loans provided under MFA programme are guaranteed by dedicated compartments of the Common Provisioning Fund (CPF). Loans provided to Ukraine in 2022 under exceptional financial assistance amounting to EUR 6 billion are guaranteed by a system of voluntary guarantees from Member States amounting to EUR 3.66 billion that represents 61% of the amount of exceptional financial assistance to Ukraine. These guarantees complement the provisioning kept in the Common provisioning fund.	
Financial institutions involved	International Monetary Fund (IMF)	
Beneficiaries with MFA loans outstanding at the end of 2022	– Albania – Armenia – Bosnia and Herzegovina – Georgia – Jordan – Kosovo	– Kyrgyz Republic – Moldova – Montenegro – North Macedonia – Tunisia – Ukraine
Assets	EUR 12 613 million at 31.12.2022 (net book value)	
Liabilities	EUR 14 929 million at 31.12.2022 (net book value)	
Reports and source of information	Annual accounts of the EU for 2022 Working Document XI pursuant to Article 41(5) of the Financial Regulation attached to the 2024 Draft Budget Report from the Commission to the European Parliament and to the Council on the implementation of macro-financial assistance to third countries in 2022 (COM(2023) 409 final) https://economy-finance.ec.europa.eu/eu-financial-assistance/macro-financial-assistance-mfa_en	

2.2.5. NextGenerationEU (NGEU) EU recovery instrument

NextGenerationEU (NGEU)	
Identification/ basic act	Council Regulation (EU) 2020/2094) of 14 December 2020
Description	The objective of the NGEU recovery instrument is to repair the immediate economic and social damage brought about by the coronavirus pandemic and to finance other existing programs under 2021-2027 MFF. For that purpose, the Commission will, on behalf of the EU, borrow the amounts through funding operations on international capital markets in the years 2021-2026. The amounts will fund the loans and non-repayable support to Member States under the Recovery and Resilience Facility and non-repayable support provided under different EU programmes. The financing raised by the EU for RRF will be repaid by Member States either directly (for loans) or through the EU budget (for the non-repayable support) starting in 2028 and by December 2058 at the latest. The financing raised for non-RRF programmes will be repaid through EU budget.
Beneficiaries	Beneficiaries of Loans at 31.12.2022 - Member States: Greece, Portugal, Cyprus, Romania and Italy Beneficiaries of RRF grants under non-repayable support at 31.12.2022 – Member States: Portugal, Luxembourg, Greece, Italy, Latvia, Lithuania, Estonia, France, Germany, Denmark, Cyprus, Slovenia, Croatia, Austria, Czechia, Slovakia, Romania, Malta, Spain, Finland and Belgium. Final beneficiaries of grants under other programmes than the Recovery and Resilience Facility.
Total lending capacity	Up to EUR 750 billion in 2018 prices (EUR 806.9 billion in current prices) through bond issuance.
Assets[20]	EUR 65 269 million on 31.12.2022 (net book value)
Liabilities	EUR 183 139 million on 31.12.2022 (net book value)
Reports and source of information	Annual accounts of the EU for 2022 Recovery and Resilience Facility Annual Report (COM(2023) 545) https://commission.europa.eu/strategy-and-policy/recovery-plan-europe_en

2.2.6. EURATOM facility

Euratom facility	
Identification/ basic act	Euratom Treaty Council Decision 77/270/Euratom Council Decision 90/212/Euratom (last increase of the borrowing limit) Council Decision 94/179/Euratom (the Scope Extension Decision)
Description	The European Atomic Energy Community, Euratom, gives loans to finance investment in nuclear installations for the industrial production of electricity or the nuclear fuel cycle in Member States. It also gives loans to finance projects for improving nuclear safety in certain non-Member

20 These amounts include cash and RRF loans. Pre-financing provided under RRF grants and non-RRF programmes funded under NGEU is not included under assets of the NGEU. Please refer to section 5.2 for further details on the NGEU implementation.

	States, including the dismantling of nuclear power stations that cannot be upgraded. The loans provided to non-European countries under EURATOM programme are guaranteed by a Guarantee Fund for External Action (GFEA) under the GFEA compartment of the Common Provisioning Fund (CPF). Legacy loans and post-2020 loans will be backed by different CPF compartments
Financial institutions involved	European Investment Bank (EIB) European Bank for Reconstruction and Development (EBRD)
Beneficiaries	Bulgaria and Ukraine
Borrowing limit	In 1990, the Council set a borrowing limit of EUR 4 billion, of which some EUR 3.7 billion have been decided and EUR 3.4 billion already disbursed. The Council asked the Commission to propose a new lending ceiling once the signed amount reaches EUR 3.8 billion.
Assets	EUR 232 million on 31.12.2022 (net book value)
Liabilities	EUR 327 million on 31.12.2022 (net book value)
Reports and source of information	Working Document XI pursuant to Article 41(5) of the Financial Regulation attached to the 2024 Draft Budget (for Euratom loans to third countries) https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/international-economic-relations/euratom-loans_en

2.2.7. *External lending mandate (ELM)*

EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union (the 'External Lending Mandate')			
Basic act	Decision No 466/2014/EU of 16 April 2014 granting an EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union, amended by Decision (EU) 2018/412 of the European Parliament and of the Council of 14 March 2018.		
Institutions involved	European Investment Bank (EIB)		
Beneficiaries at the end of 2022	Public and private entities in some 70 countries in Europe, the Neighbourhood and Russia, Asia, Latin America and South Africa		
Lending guaranteed by the EU budget	A maximum of EUR 32.3 billion in loans signed during the period 2014–2020, as per the amending Decision.		
Provisioning target rate	9 % of the loans outstanding at year end		
Net assets in the Guarantee fund for external actions compartment of the CPF	EUR 2.5 billion on 31.12.2022		
Liabilities	Ceiling: EUR 30.6 billion,	On signed operations: EUR 30.6 billion	On disbursed operations: EUR 20.9 billion
Reports and source of information	Memorandum of Understanding between the European Commission and the European Investment Bank on the External Lending Mandate (ELM): https://www.eib.org/en/publications/mou-between-the-ec-and-the-eib-on-external-mandate Working Document XI pursuant to Article 41(5) of the Financial Regulation attached to the 2024 Draft Budget		

2.2.8. *European Fund for Strategic Investment (EFSI)*

<table>
<tr><th colspan="4">European Fund for Strategic Investment (EFSI)</th></tr>
<tr><td>Identification/ basic act</td><td colspan="3">Regulation (EU) 2015/1017 as last amended by Regulation (EU) 2017/2396 of the European Parliament and of the Council of 13 December 2017 amending Regulations (EU) No 1316/2013 and (EU) 2015/1017 as regards the extension of the duration of the European Fund for Strategic Investments as well as the introduction of technical enhancements for that Fund and the European Investment Advisory Hub.</td></tr>
<tr><td>Description</td><td colspan="3">EFSI is an initiative to help overcome the investment gap in the EU. It drives the investment plan for Europe. Jointly launched by the EIB Group and the European Commission, it aims to mobilise private investment in projects which are strategically important for the EU. The EFSI aims to overcome market failures by addressing market gaps and mobilising private investment.

The focus is on the following sectors of key importance for the European economy:
– Strategic infrastructure including digital, transport and energy;
– Education, research, development and innovation;
– Renewable energy and resource efficiency;
– Support for small and mid-sized businesses.

EFSI has two windows:
– the Infrastructure and Innovation Window (IIW), managed by the EIB and comprising of 4 portfolios, and;
– the SME Window (SMEW), managed by the EIF and comprising of 11 products.

Duration: EFSI was set up in July 2015 and was extended by the EFSI 2.0 Regulation in 2017. The investment period for approval of operations ended on 31 December 2020, but contracts between the EIB/EIF and the final recipient or financial intermediary could be signed until 31 December 2022. Given the long-term nature of support under EFSI, the EU guarantee coverage and operational monitoring will continue until all exposures and liabilities in relation to EFSI operations have been fully discharged</td></tr>
<tr><td>Financial institutions involved</td><td colspan="3">European Investment Bank (EIB)
European Investment Fund (EIF)</td></tr>
<tr><td>Geographic scope</td><td colspan="3">As of 31 December 2022, operations were signed in the 27 EU Member States and the United Kingdom (and in some third countries for cross-border projects)</td></tr>
<tr><td>Resources</td><td colspan="3">EFSI is a EUR 26 billion guarantee from the EU budget, complemented by a EUR 7.5 billion allocation of the EIB’s own capital.

The total amount of EUR 33.5 billion aimed to unlock additional investment of at least EUR 500 billion by 2020.

EFSI is implemented by the EIB Group and projects supported by it are subject to usual EIB procedures.</td></tr>
<tr><td>Provisioning rate</td><td colspan="3">35 % (EUR 9.1 billion to be set aside until 2022)</td></tr>
<tr><td>Net assets in the EFSI compartment in the Common Provisioning Fund</td><td colspan="3">EUR 8.5 billion (as of 31.12.2022)</td></tr>
<tr><td>EFSI guarantee (31.12.2022)</td><td>Guarantee granted in the guarantee agreements signed:
EUR 25.8 billion</td><td>EU risk in signed operations:
EUR 24.6 billion</td><td>EU risk in disbursed operations:
EUR 21.1 billion</td></tr>
<tr><td>Reports and source of information</td><td colspan="3">Working Document XI pursuant to Article 41(5) of the Financial Regulation attached to the 2024 Draft Budget</td></tr>
</table>

Further information	https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/economy-works-people/european-fund-strategic-investments_en EIB webpage: https://www.eib.org/en/products/mandates-partnerships/efsi/index.htm EIF webpage: https://www.eif.org/what_we_do/efsi/index.htm https://ec.europa.eu/info/strategy/priorities-2019-2024/economy-works-people/jobs-growth-and-investment/investment-plan-europe/european-fund-strategic-investments-efsi_en#relatedlinks

2.2.9. InvestEU

InvestEU	
Identification/ basic act	Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017
Description	The InvestEU programme aims to ensure an additional boost to investments fostering recovery, resilience, green growth and employment in the EU over the 2021-2027 period. This goal will be achieved by mobilising public and private financing sources, in order to provide long-term funding and support to companies and projects in line with the EU priorities in the current challenging economic and social context. The InvestEU programme, including the InvestEU Fund, is a demand-driven instrument, responding to the investment and finance needs of public and private market participants. The InvestEU Fund should support financing and investment operations with a higher risk profile that require risk-sharing through the EU budget, in order to unlock additional private and public finance. In the context of the InvestEU programme, the Commission may implement blending operations supported by different EU programmes and funds. Member States can also contribute on a voluntary basis to an InvestEU Member State compartment with Recovery and Resilience Facility funds, structural funds and cohesion fund and also with Member State own contributions. InvestEU has the following specific objectives (policy windows): – supporting financing and investment operations related to sustainable infrastructure (Sustainable Infrastructure Window – SIW); – supporting financing and investment operations related to research, innovation and digitisation (Research, Innovation and Digitization Window – RIDW); – increasing access to and the availability of finance for small and medium-sized enterprises (SMEs) and for small mid-cap companies and enhancing their global competitiveness (SME Window – SMEW); and – increasing access to and the availability of microfinance and finance for social enterprises, to support financing and investment operations related to social investment, competences and skills, and to develop and consolidate social investment markets (Social Investments and Skills Window – SISW).
Financial institutions involved	European Investment Bank (EIB), European Investment Fund (EIF), Cassa Depositi e Prestiti Equity (CDP Equity), European Bank for Reconstruction and Development EBRD, Council of Europe Development Bank (CEB), Nordic Investment Bank (NIB), Caisse des Dépôts et Consignations (CDC).

Geographic scope	As of 31 December 2022, operations were signed in the 21 EU Member States, with the largest amounts signed in Spain (EUR 1.78 billion), France (EUR 1.61 billion), Germany (EUR 384,8 million), Finland (EUR 315 million), Belgium (EUR 298.4 million), Italy (EUR 279.5 million) and Poland (EUR 256 million).		
Resources	Under the InvestEU Fund, the EU provides funding support through an EU budgetary guarantee of EUR 26.2 billion covering losses to the implementing partners. The budgetary guarantee is underpinned by an EU provisioning budget (including also EURI resources and assigned revenues from legacy instruments) of EUR 10.46 billion, which translates into a target provisioning rate of 40%. In 2022 negotiations with various Member States concerning contributions to the Member State compartment of InvestEU were also successfully concluded. Five contribution agreements were signed; with Romania, Bulgaria, Greece, Czechia and Finland.		
Provisioning rate	40% (EUR 10.46 billion to be set aside)		
Net assets in the InvestEU compartment in the Common Provisioning Fund	EUR 1.7 billion (as of 31.12.2022)		
InvestEU guarantee (31.12.2022)	Guarantee granted in the guarantee agreements signed: EUR 21.3 billion	EU risk in signed operations: EUR 2.1 billion	EU risk in disbursed operations: EUR 324 million
Reports and source of information	https://investeu.europa.eu/index_en EIB page: https://www.eib.org/en/products/mandates-partnerships/investeu/index.htm Working Document XI pursuant to Article 41(5) of the Financial Regulation attached to the 2024 Draft Budget		

2.2.10. *European Fund for Sustainable Development (EFSD)*

European Fund for Sustainable Development (EFSD)	
Identification/basic act	Regulation (EU) 2017/1601 of the European Parliament and of the Council of 26 September 2017 establishing the European Fund for Sustainable Development (EFSD), the EFSD Guarantee and the EFSD Guarantee Fund
Description	The purpose of the EFSD as an integrated financial package, supplying financing capacity in the form of grants, guarantees and other financial instruments to eligible counterparts, shall be to support investments and increased access to financing, primarily in Africa and the European Neighbourhood, in order to foster sustainable and inclusive economic and social development and promote the socioeconomic resilience of partner countries, including, where appropriate, in the context of the European Neighbourhood Policy and the New Partnership Framework with third countries under the European Agenda on Migration, with a particular focus on sustainable and inclusive growth, on the creation of decent jobs, on gender equality and the empowerment of women and young people, and on socioeconomic sectors and micro, small and medium-sized enterprises, while maximising additionality, delivering innovative products and crowding in private sector funds.

Counterparts/Financial institutions involved	Agence Française de Développement (AFD), Agencia Española de Cooperación Internacional para el Desarrollo (AECID), Cassa Depositi e Prestiti (CDP), Compañía Española de Financiación del Desarrollo (COFIDES), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), International Finance Corporation (IFC), Kreditanstalt für "Wiederaufbau (KfW), Nederlandse, Financierings-Maatschappij voor Ontwikkelingslanden (FMO), PROPARCO		
Geographic scope	As of 31 December 2022, EUR 400 million of the EFSD Guarantee went to COVAX, including EUR 265.1 million from other PIPs (62%) to Sub-Saharan Africa and then EUR 382.8 million (26% out of the total operations signed) to the EU Neighbourhood.		
Resources	The EFSD Guarantee Fund is provisioned from the budget of the Union and the European Development Fund (EDF). For the 2014-2020 MFF, the detailed sources of funding of the EFSD Guarantee Fund include: EUR 400 million from the EDF general reserve and EUR 350 million from the general budget of the Union, including from the European Neighbourhood Instrument. The EFSD Guarantee Fund may also be endowed by voluntary contributions from Member States or other contributors, returns on invested resources, revenues and amounts recovered from defaulting debtors. Estonia, Czech Republic, Denmark and the Bill and Melinda Gates Foundation signed by end-2019 agreements for additional contributions totalling approximately EUR 49 million. Total payments received from the EU Budget, the EDF and other contributors into the guarantee fund as of 31 December 2021 amount to approx. EUR 799 million. Duration: Pursuant to Article 8 of the EFSD Regulation, the investment period, during which guarantee agreements for supporting investment programmes could have been concluded with the eligible counterparts, lasted until 31 December 2020. Eligible counterparts subsequently have four years as from the effective date of the guarantee agreement to conclude agreements for underlying operations with co-financing partners, financial intermediaries or final recipients. As a rule, the duration of the guarantees extended to eligible counterparts under each guarantee agreement should not exceed fifteen years.		
Provisioning rate	50 %		
Net assets in the EFSD compartment of the CPF	EUR 698 million (as of 31.12.2022)		
EFSD guarantee (at 31.12.2022)	Guarantee granted in the guarantee agreements signed: EUR 1 176 million	EU risk in signed operations: EUR 522 million	EU risk in disbursed operations: EUR 446 million
Reports and source of further information	Working Document XI pursuant to Article 41(5) of the Financial Regulation attached to the 2024 Draft Budget		

2.2.11. *European Fund for Sustainable Development Plus (EFSD+)*

<table>
<tr><th colspan="2">European Fund for Sustainable Development Plus (EFSD+)</th></tr>
<tr><td>Identification/ basic act</td><td>Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009</td></tr>
<tr><td>Description</td><td>EFSD+ guarantee will be deployed through different modalities of support to investment, dividing between:
– Investment with sovereign and non-commercial sub-sovereign counterparts, for which the EU provides guarantee coverage for operations undertaken through the European Investment Bank (EIB). Thus, the EIB is entrusted with the implementation of the so called “EFSD+ Investment Window 1”, which offers comprehensive risk cover for the above-referred operations (i.e., with sovereign counterparts and non-commercial sub-sovereign counterparts), which should be EIB exclusive except for operations that the EIB cannot carry out or decides not to carry out.
– Investment involving private entities or commercial sub-sovereign entities which are financially and legally able to borrow without being backed by a sovereign entity. In this case, the EU guarantee can be extended to a wide number of implementing partners, including the EIB, in what is defined as the “EFSD+ Open Architecture” Window.
Under both modalities, NDICI-Global Europe defines the key guiding principles that should be applied in the implementation of the initiative. According to Article 31 of the Regulation, the EFSD+ shall:
– Foster sustainable and inclusive economic, environmental and social development, transition into sustainable value-added economy and a stable investment environment.
– Promote socio-economic and environmental resilience in partner countries with a particular focus on the eradication of poverty.
– Contribute to the reduction of socio-economic inequalities, sustainable and inclusive growth, climate change adaptation and mitigation, environmental protection and management, the creation of decent jobs on the basis of the core ILO labour standards, economic opportunities, skills and entrepreneurship, socio-economic sectors, including social enterprises and cooperatives, SMEs, sustainable connectivity, the support to vulnerable groups, the promotion of human rights, gender equality and the empowerment of women and young people, as well as addressing specific socio-economic root causes of irregular migration and root causes of forced displacement.
– Attribute special attention to countries identified as experiencing fragility or conflict, Least Developed Countries and heavily indebted poor countries, including by providing support for institutional capacity building, economic governance and technical assistance.</td></tr>
<tr><td>Counterparts/Financial institutions involved</td><td>European Investment Bank (EIB), Agence Française de Développement (AFD), European Bank for Reconstruction and Development (EBRD),
European Development Finance Institutions (EDFI).</td></tr>
<tr><td>Geographic scope</td><td>Not yet allocated to specific regions</td></tr>
</table>

<table>
<tr><td>Resources</td><td colspan="3">The EFSD+ guarantee capacity amounts to a maximum of EUR 39.8 billion, EUR 26.7 billion allocated to EIB dedicated Investment Window 1 and EUR 13 billion to the Open Architecture.
The EFSD+ Guarantee Fund may also be endowed by voluntary contributions from Member States or other contributors, returns on invested resources, revenues and amounts recovered from defaulting debtors.
Duration:
The investment period, during which guarantee agreements for supporting investment programmes can be concluded with the eligible counterparts is 31 December 2027. Eligible counterparts have four years as from the effective date of the guarantee agreement to conclude agreements for underlying operations with co-financing partners, financial intermediaries or final recipients.</td></tr>
<tr><td>Provisioning rate</td><td colspan="3">9 % EIB dedicated Investment Window 1 and 50 % for the Open Architecture Windows</td></tr>
<tr><td>Net assets in the EFSD+ compartment of the CPF</td><td colspan="3">EUR 1 067 million (as of 31.12.2022)</td></tr>
<tr><td>EFSD+ guarantee (at 31.12.2022) in EIB dedicated Investment Window 1</td><td>Guarantee granted in the guarantee agreements signed:
EUR 26.7 billion</td><td>EU risk in signed operations:
EUR 4.5 billion</td><td>EU risk in disbursed operations:
EUR 156 million</td></tr>
<tr><td>EFSD+ guarantee (at 31.12.2022) in Open Architecture Window</td><td>Guarantee granted in the guarantee agreements signed: EUR 295 million</td><td>EU risk in Signed operations: EUR 6 million</td><td>EU risk in disbursed operations: 0</td></tr>
<tr><td>Reports and source of further information</td><td colspan="3">Working Document XI pursuant to Article 41(5) of the Financial Regulation attached to the 2024 Draft Budget</td></tr>
</table>

3. Common provisioning fund (CPF)

As of 2021, the provisioning via guarantee funds is held in the Common Provisioning Fund (CPF). The CPF is established by the Financial Regulation[21] to hold the provisions made (i.e. funds held) to cover the financial liabilities arising from financial instruments, budgetary guarantees and financial assistance loans as of the 2021-2027 Multiannual Financial Framework (MFF). It also includes assets of provisioning covering financial liabilities from previous MFFs.

The CPF has been created and functions as a single portfolio, currently combining provisions for different EU budgetary guarantees and financial assistance programmes. Following the entry into force of the 2021-2027 MFF, the net assets of the EFSI Guarantee Fund were transferred into the CPF as of 1 January 2021. The net assets of the EFSD Guarantee Fund and the Guarantee Fund for external actions were transferred to the CPF in the course of 2021. The resources of the CPF fund are allocated to dedicated compartments corresponding to each of the contributing instruments. On 31 December 2022 the net assets of the CPF were split into 8 compartments in the total market value EUR 14 395 million.

Common provisioning fund (CPF)	
Identification/ basic act	The Common Provisioning Fund (CPF) is established by the article 212 of the Financial Regulation No 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
Description	The CPF is created and functions as a single portfolio, currently combining provisions for different EU budgetary guarantees and financial assistance programmes. The CPF started operations on 1 January 2021 upon entry into force of the new Multiannual Financial Framework. Initially, the CPF was composed of one compartment which held the resources from the European Fund for Strategic Investments (EFSI)[22]. In summer 2021 the net assets of two other existing portfolios European Fund for Sustainable Development (EFSD)[23] and the Guarantee Fund for External Action (GFEA)[24] were transferred into the CPF. Further contributions from the InvestEU Programme were also made during the course of the year. So, on 31.12.2022 the CPF was composed of eight compartments (EFSI, EFSD, EFSD+, GFEA and 4 compartments dedicated to InvestEU) By Commission Decision C(2020)1896 of 25 March 2020 on the asset management guidelines of the CPF, the responsibilities and tasks of the CPF financial manager were delegated to the Director General of the Directorate-General for Budget (DG BUDG).

[21] Article 212 of the Financial Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018.

[22] Regulation (EU) 2015/1017 as last amended by Regulation (EU) 2017/2396 of the European Parliament and of the Council of 13 December 2017 amending Regulations (EU) No 1316/2013 and (EU) 2015/1017. as regards the extension of the duration of the European Fund for Strategic Investments as well as the introduction of technical enhancements for that Fund and the European Investment Advisory Hub.

[18] Regulation (EU) 2017/1601 of the European Parliament and of the Council of 26 September 2017 establishing the European Fund for Sustainable Development (EFSD), the EFSD Guarantee and the EFSD Guarantee Fund.

[24] Council Regulation (EC, Euratom) No 480/2009 of 25 May 2009 establishing a Guarantee Fund for external actions (OJ L 145, 10.6.2009, p. 10).

	https://op.europa.eu/en/web/eu-law-in-force/bibliographic-details/-/elif-publication/d5227449-8470-11ea-bf12-01aa75ed71a1
Other institutions involved	European Investment Bank (EIB) and European Investment Fund (EIF)
Net assets in the CPF	EUR 14.4 billion (as of 31.12.2022) split as follow[25]: EFSD: EUR 0.7 billion EFSD+: EUR 1.1 billion EFSI: EUR 8.5 billion GFEA: EUR 2.5 billion INVEST EU: EUR 1.7 billion (including INVEST EU Member States compartments)
Reports and source of information	Working Document XI pursuant to Article 41(5) of the Financial Regulation attached to the 2024 Draft Budget Annual accounts of the EU for 2022 Report from the Commission to the European Parliament and the Council on the common provisioning fund in 2022 (COM(2023) 288 and SWD (2023) 170).
Further information	The resources of the CPF are allocated into compartments for the purpose of tracing the amounts relating to the various CPF contributing instruments (budgetary guarantees and financial assistance programmes). A compartment corresponds to a contributing instrument and is assimilated to a shareholder (or unitholder) within the CPF.

[25] In addition, EUR 0.3 billion was held on 31 December 2022 in the Central Treasury of the Commission as a liquidity buffer for immediate guarantee calls, mainly in relation to the GFEA.

4. Overview of the identified operations outside the EU budget

4.1. European Development Fund (EDF)

European Development Fund (EDF)	
Identification/basic act	Treaty of Lisbon (Chapter 1 – General Provisions of the Union's External Action, Article 10 A, par. 2(d). The ACP-EC Partnership Agreement signed in Cotonou on 23 June 2000, as amended by the Agreement amending the ACP-EC Partnership Agreement signed in Luxembourg on 25 June 2005 and in Ouagadougou on 22 June 2010. Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union (Overseas Association Decision). <u>11th EDF Regulations:</u> - INTERNAL AGREEMENT between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020, in accordance with the ACP-EU Partnership Agreement, and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies (OJ L 210, 6.8.2013) - Council Regulation (EU) 2018/1877 of 26 November 2018 on the financial regulation applicable to the 11th European Development Fund and repealing Regulation (EU) 2015/323Council Regulation (EU) 2015/322 of 2 March 2015 on the implementation of the 11th European Development Fund. OJ L 58, 3.3.2015 - Overseas Association Decision (OAD) - Council decision 2013/755/EU adopted on 25.11.2013
Description	The European Development Fund (EDF) was the main instrument for providing Union aid for development cooperation to the African, Caribbean and Pacific (ACP) States and Overseas Countries and Territories (OCTs). The EDF was funded outside the European Union's budget by Member States, subject to its own financial regulation and managed by a specific committee. The 11th EDF has reached its final stage as the sunset clause came into effect on 31 December 2020. This clause sets a cut-off date for commitments under the 11th EDF. As of 2021 no further financing agreements can be signed under the 11th EDF. However, specific contracts for the existing financing agreements will still be signed until 31 December 2023. To ensure continuity of the development programmes, from 2021, the EDF programmes are included in the EU multi-annual financial framework (MFF). This means that while the EDF programmes were funded by the voluntary contributions of EU Member States until 2020, as from 2021 development programmes are funded through the EU budget.
Institutions involved	The European Commission is responsible for the financial implementation of the operations carried out with EDF resources and the European Investment Bank (EIB) manages the Investment Facility.
Beneficiaries	78 countries of Africa, the Caribbean and the Pacific (ACP) and the Overseas Countries and Territories (OCTs)
Revenue	EUR 98 million for 2022

Expenditure	EUR 2 911 million for 2022
Assets	Total assets of the EDF on 31.12.2022: EUR 3 270 million (source: Annual accounts of the EDF – Financial year 2022)
Liabilities	Total liabilities of the EDF on 31.12.2022: EUR 1 565 million (source: Annual accounts of the EDF – Financial year 2022)
Reports and source of information	Communication from the Commission to the European Parliament, the Council and the Court of Auditors - Annual accounts of the European Development Fund 2022: https://www.europarl.europa.eu/cmsdata/272978/2022_EDF_Annual_Accounts_COM_2023_392.pdf

4.2. European Financial Stability Instruments

In response to the global economic and financial crisis, the euro-area Member States decided on measures outside the scope of the EU budget to preserve financial stability in the euro-area and Europe at large. These measures are outlined below and are not guaranteed by the EU budget.

4.2.1. European Financial Stability Facility (EFSF)

European Financial Stability Facility	
Organisation in charge	The European Financial Stability Facility (EFSF) was created by the euro area Member States on 9 May 2010 as a temporary rescue mechanism. Incorporated on 7 June 2010 as a *société anonyme* based in Luxembourg.
Description	All EFSF financial assistance programmes were linked to appropriate economic reforms. To fulfil its mission, the EFSF issues bonds or other debt instruments on the capital markets.
Beneficiaries	– Ireland – Portugal – Greece – Following the expiry of the last financial assistance programme to Greece in 2015 the EFSF will not provide any new financial assistance. Henceforth, financial assistance to Euro area Member States will be provided by the ESM
Net loss	EUR 25.8 million at 31.12.2022
Assets	EUR 188.5 billion at 31.12.2022
Liabilities	EUR 188.5 billion at 31.12.2022
Reports and source of information	2022 EFSF Financial Statements, Management Report and Independent Auditor’s Report: https://www.esm.europa.eu/system/files/document/2023-06/EFSF_Financial%20Statements_31.12.2022.pdf
Further information	https://www.esm.europa.eu/efsf-governance/annual-accounts

4.2.2. *European Stability Mechanism (ESM)*[26]

European Stability Mechanism (ESM)	
Organisation in charge	ESM - intergovernmental organisation under public international law, based in Luxembourg. Shareholders are the 20 euro area Member States.
Identification/basic act	The ESM Treaty entered into force on 27 September 2012 On 27 January and 8 February 2021, ESM member countries signed the Agreement Amending the ESM Treaty. The Agreement provides a legal basis for a set of new tasks assigned to the ESM. The reformed Treaty will come into force when ratified by the parliaments of all 19 ESM Members. The ESM's new tasks include providing a backstop to the Single Resolution Fund, and a stronger role in future economic adjustment programmes and crisis prevention. In addition, the application process for ESM precautionary credit lines will be easier, and the instruments will be more effective.
Description	The ESM provides financial assistance to euro area Member States experiencing or threatened by financing difficulties. To fulfil its purpose, the ESM raises funds by issuing capital market instruments, engaging in money market transactions as well as issuing medium and long-term debt with maturities of up to 30 years. ESM issuance is backed by a paid-in capital of EUR 80.5 billion, in accordance with the contribution key annexed to the ESM Treaty. The total subscribed capital is EUR 704.8 billion of which paid-in capital is EUR 80.5 billion and committed callable capital is EUR 624.3 billion. It has an effective lending capacity of EUR 500 billion.
Beneficiaries	– Cyprus (to address financial sector imbalances) – Spain (financial assistance for the recapitalisation of the country's banking sector) – Greece (to address debt service, banking sector recapitalisation, arrears clearance, and budget financing) – The Pandemic Crisis Support - a credit line available to ESM Members to support domestic financing of healthcare, cure and prevention related costs due to the COVID-19 crisis. This credit line was available until the end of 2022.
Total assets	EUR 812.7 billion at 31.12.2022
Total liabilities	EUR 107.9 billion at 31.12.2022
Reports and source of information	2022 ESM annual report https://www.esm.europa.eu/system/files?file=document/2023-06/esm-annual-report-2022.pdf
Further information	http://www.esm.europa.eu/

26 The borrowings granted under the EU/EFSM are guaranteed by the EU budget.

5. Information on enhanced cooperation

Enhanced cooperation[27] allows a group of at least nine Member States to implement measures, if all Member States fail to reach agreement. Other EU countries keep the right to join when they want. The procedure is designed to overcome paralysis, where a proposal is blocked by an individual country or a small group of countries who do not wish to be part of the initiative. It does not, however, allow for an extension of powers outside those under the EU Treaties. The possibility was first introduced by the 1999 Amsterdam Treaty, with the 2009 Lisbon Treaty formalising the procedure and introducing the possibility for permanent structured cooperation (PESCO) in defence matters.

"Expenditure resulting from implementation of enhanced cooperation, other than administrative costs entailed for the institutions, shall be borne by the participating Member States, unless all members of the Council, acting unanimously after consulting the European Parliament, decide otherwise"[28].

The formally adopted enhanced cooperation cases are law applicable to the divorce and legal separation[29], property regime rules[30], unitary patent protection[31], the European Public Prosecutor's office (EPPO)[32], the Permanent Structured Cooperation (PESCO) in the area of security and defence.

The following elements are worth underlining:

PESCO[33]

The PESCO was established by a Council Decision 14866/17 in 2017 with 25[34] participating Member States. Currently there are 26 EU Member States participating in PESCO[35]. Together with the Coordinated Annual Review on Defence (CARD), the European Defence Fund and the Military Planning and Conduct Capability (MPCC), PESCO forms a new comprehensive defence framework for the EU. This framework for defence cooperation allows Member States that sign up to jointly develop defence capabilities, invest in shared projects, or enhance the

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27 Article 20 and Title III of Part VI TFEU (Arts. 326 - 335 TFEU); more information on the enhance cooperation procedure can be found at: https://www.eumonitor.eu/9353000/1/j9vvik7m1c3gyxp/vh7dow6rirz4

28 Article 332 TFEU

29 See also: Enhanced cooperation on matrimonial and registered partnership property issues (summary) at: https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=LEGISSUM:4353120

30 See also: Law applicable to divorce and legal separation (summary) at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM:230205_2

31 See also: Single EU patent boosts intellectual property protection and cuts related costs (summary)at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM:2406030201_1

32 See also: The establishment of the European Public Prosecutor's Office (summary) at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM:4319113

33 More information on the PESCO can be found at: https://pesco.europa.eu/

34 Denmark did not participate as that time, it has an opt-out from the Common Security and Defence Policy (CFSP), nor did the United Kingdom and Malta.

35 Denmark joined the PESCO on 23 May 2023.

operational readiness and contribution of their armed forces. The first PESCO projects[36] are already taking shape. The first PESCO Strategic Review was conducted in 2020 and the Council validated on 20 November 2020 guidance for the next PESCO phase (2021-2025) in terms of overall aim, key policy goals, processes, as well as incentives to improve the fulfilment of the more binding commitments. The Council established the general conditions under which non-EU countries could exceptionally be invited to participate in individual PESCO projects, thereby paving the way for stronger and more ambitious defence cooperation with partners in the EU framework.

Pursuant to Art 41(2) of the Treaty on the European Union (TEU), the Union budget cannot finance operating expenditure under the CFSP having military or defence implications. PESCO being a form of enhanced co-operation with a specific military and defence character means that its operating expenditure cannot be financed under the EU budget. The Council decision establishing PESCO provides that operating expenditure arising from projects undertaken within its framework shall be supported primarily by the participating Member States that take part in an individual project. Contributions from the general budget of the Union may be made to such projects in compliance with the Treaties and in accordance with the relevant Union instruments. Administrative expenditure of the Union institutions and the EEAS arising from its implementation shall be charged to the Union budget.

The European Public Prosecutor's Office

The Regulation[37] establishing **the European Public Prosecutor's Office** under enhanced cooperation was adopted on 12 October 2017 and entered into force on 20 November 2017.

The European Chief Prosecutor was appointed by the Council and the European Parliament in October 2019. Nine months later, on 27 July 2020, the European Prosecutors from 22 participating EU Member States[38] were appointed by the Council of the European Union. On 26 May 2021, the Commission adopted its Implementing Decision determining the date on which the European Public Prosecutor's Office assumes its investigative and prosecutorial task. On 1 June 2021, the European Public Prosecutor's Office launched its operations and started to investigate and prosecute crimes affecting the Union's financial interests that were committed after 20 November 2017. As of this date, EU institutions and bodies, as well as the competent authorities of the 22 Member States participating in the European Public Prosecutor's Office, shall without undue delay report to the European Public Prosecutor's Office any criminal conduct in respect of which it could exercise its competence. Any individual can also report alleged cases of fraud and other crimes affecting the Union budget directly to the European Public Prosecutor's Office. The related costs are included in the EU Budget as from Budget 2019. Non-participating countries are compensated for the costs incurred on the basis of the procedure laid down in Article 11 of the Making Available Regulation (609/2014).

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36 There are currently 68 collaborative projects in various areas: The projects that are being developed in the context of PESCO cover areas such as training, land, maritime, air, cyber, and joint enablers. More information to be found at: https://www.pesco.europa.eu/ .

37 Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO').

38 At this stage, there are 22 participating EU countries. Denmark, Ireland, Hungary, Poland and Sweden do not participate in the EPPO.

Financial Transaction Tax (FTT)

In addition, a **Financial Transaction Tax (FTT)** has been discussed as an area where enhanced cooperation could apply. The proposal for a Directive on a common system of FTT was submitted by the Commission to the Council on 28 September 2011. Given that unanimous agreement by all Member States could not be attained, on the basis of the request of eleven Member States, and in accordance with the authorisation of the Council of 22 January 2013, and consent of the European Parliament of 12 December 2012, the Commission on 14 February 2013 submitted a proposal for a Council Directive implementing enhanced cooperation in the area of financial transaction tax.

At this stage, 10 Member States[39] continue to discuss the enhanced co-operation in the area of FTT. The negotiations on the FTT prove to be complicated and negotiations have not taken place since the Portuguese Presidency in the first half of 2021.

39 Austria, Belgium, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain.

6. Implementation of NextGenerationEU – point 17 of IIA

In December 2020 the Council established the European Union Recovery Instrument (NextGenerationEU)[40] to help the EU tackle the crisis caused by the COVID-19 pandemic. NextGenerationEU is a temporary instrument of up to EUR 720 billion if the full complement of Member States' requests for Recovery and Resilience Facility (RRF) loans are approved[41]. It is at the heart of the European Union's response to the coronavirus crisis and has the ambition to support the economic recovery and build a greener, more digital and more resilient future.

To finance NextGenerationEU, the Commission is borrowing on the capital markets on behalf of the EU. The borrowing takes place between mid-2021 and 2026. All borrowing will be repaid by 2058. The EU budget – which is financed by own resources and contributions from all EU Member States – backs the borrowing.

In 2022, the second year of its implementation, the Commission raised on the capital markets the funding necessary for payments to Member States under the Recovery and Resilience Facility as well as the other NextGenerationEU-funded programmes.

6.1. Borrowing operations in 2022

The Commission executed 9 syndicated transactions and 10 bond auctions in 2022 to issue EUR 99.8 billion in bonds (nominal amount of bonds issued), bringing the total outstanding long-term bonds issued to finance NextGenerationEU since the start of the programme in June 2021 to EUR 171 billion.

The Commission also issues 3-month and 6-month EU-Bills to meet short-term funding needs. As of 31 December 2022, the Commission had EUR 17.0 billion of EU-Bills outstanding (nominal amount of EU-Bills issued). Therefore, on 31 December 2022, the outstanding nominal amount of bonds and EU-Bills issued under the NextGenerationEU instrument was EUR 188 billion in total. The outstanding liabilities reported in table 2.2.5 are lower - EUR 183.1 billion - as the book value also takes amortised costs, accrued interest, and liabilities for liquidity management costs into account.

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40 Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis, OJ L 433I, 22.12.2020, p. 23–27.

41 13 Member States have requested a loan ahead of the legal deadline of 31 August 2023. In case these additional loan requests are positively assessed by the Commission and approved by the Council, around EUR 292.6 billion in current prices of loan support would be committed under the RRF, which is about 76% of the EUR 385.8 billion in loan support that is available under the RRF. For more information, see Overview of Member States' loan requests under the RRF (europa.eu).

Table: Overview of the NextGenerationEU syndicated transactions and bond auctions up to 31 December 2022

Instrument	Trading Date	Settlement Date	Maturity		Amount issued (billion EUR)
			Date	years	
Auction (green)	24-01-2022	26-01-2022	04-02-2037	15	2.499
Syndication	08-02-2022	15-02-2022	06-07-2051	30	5
Auction	28-02-2022	02-03-2022	06-07-2026	5	2.5
Syndication	22-03-2022	29-03-2022	06-07-2032	10	10
Auction	28-03-2022	30-03-2022	04-10-2028	6.5	2.498
Syndication (green)	05-04-2022	12-04-2022	04-02-2043	20.8	6
Auction	25-04-2022	27-04-2022	04-02-2037	15	2.499
Syndication	11-05-2022	18-05-2022	04-07-2025	3	6
			06-07-2051	30	3
Auction	23-05-2022	25-05-2022	06-07-2032	10	2.498
Syndication (green)	21-06-2022	28-06-2022	04-02-2048	25.6	5
Auction	27-06-2022	29-06-2022	06-07-2026	5	2.494
Syndication	12-07-2022	19-07-2022	04-12-2029	7	5
			04-07-2041	19	3
Auction	29-08-2022	31-08-2022	04-07-2025	3	3.749
Syndication	13-09-2022	20-09-2022	04-10-2027	5	7
			04-10-2052	30	5
Auction	26-09-2022	28-09-2022	04-07-2025	3	1.5
			06-07-2032	10	2.398
Syndication	11-10-2022	18-10-2022	04-12-2029	7	5
			04-11-2042	20	4
Auction (conventional and green)	24-10-2022	26-10-2022	06-07-2026	4	2.450
			04-02-2037	15	1.450
Syndication (green)	15-11-2022	22-11-2022	04-02-2033	10	6
Auction (conventional and green)	28-11-2022	30-11-2022	04-10-2027	5	2.265
			04-02-2043	21	1

6.2. Use of proceeds in 2022

Thanks to the diversified funding strategy, the Commission was able to fund all planned payments under the Recovery and Resilience Facility (RRF) for loans and grants (both the pre-financing and the first payments for the fulfilment of milestones and targets) and cover all the needs of the other EU policies that receive NextGenerationEU funding.

As of 31 December 2022, the Commission has disbursed EUR 138.7 billion under the RRF and EUR 23.5 billion under the other NextGenerationEU-funded programmes.

Recovery and Resilience Facility

In 2022, implementation of the RRF continued, with the following achievements:

- By 31 December 2022, all 27 Member States' recovery and resilience plans were positively assessed by the Commission and endorsed by the Council.
- Following the adoption of the National Recovery and Resilience Plans (NRRPs) and the signature of the necessary financing agreement and, where relevant, a loan agreement, in 2022 the Commission disbursed EUR 47.2 billion in the form of grants to 12 Member States and EUR 27.2 billion in the form of loans to 4 Member States. This brought the total disbursements in 2021 and 2022 to EUR 93.5 billion in grants and EUR 45.2 billion in loans.
- About 41% of the total allocation of the 27 RRPs is related to measures supporting climate objectives. All RRPs exceed – some by a substantial margin – the 37 % climate target set in the regulation by a substantial margin. The total climate expenditure in the 27 adopted plans amounts to EUR 204.5 billion.
- Aggregating over the adopted plans, the reforms and investments proposed by Member States in support of digital objectives represent EUR 129.7 billion, or about 26% of the total planned allocation – thus also comfortably exceeding the 20% target set in the regulation for each RRP.
- The RRF's implementation progressed well but also faced some difficulties. By the 3rd biannual reporting in October 2022, the 26 Member States with at the time Council-approved plans had reported 50% of milestones and targets as completed and of all milestones and targets, 11.8% have already been positively assessed by the Commission. A further 36.1 of milestones and targets were on track to be completed and only 4.1% reported as delayed.

Other NextGenerationEU-funded programmes

In addition to the disbursements under the RRF, the Commission disbursed in 2022 EUR 16.3 billion to six other programmes receiving support under NextGenerationEU:

- Horizon Europe (HE);
- InvestEU;
- REACT-EU;
- Union Civil Protection Mechanism programme (RescEU);
- European Agricultural Fund for Rural Development (EAFRD) under the Common Agricultural Policy (CAP);

- Just Transition Fund (JTF).

REACT EU was the largest programme receiving top-ups under NextGenerationEU in 2022, with EUR 11.4 billion paid. This included EUR 3.5 billion of additional pre-financing in April 2022 following the entry into force of the Cohesion’s Action for Refugees in Europe (CARE). Member States and regions used these funds to provide emergency support to people fleeing from Russia's invasion of Ukraine.

The disbursements under the European Agricultural Fund for Rural Development amounted to EUR 1.2 billion in 2022. These funds were notably used for investment in physical assets which can improve the overall performance of the agricultural holding but also processing, marketing and development of agricultural products.

With regard to the Just Transition Fund, almost all programmes were adopted by the end of 2022. EUR 167 million were disbursed in 2022 related to pre-financing for the adopted programmes, as well as administrative support and technical assistance.

For Horizon Europe, the NextGenerationEU funds were used to reinforce research supporting the twin transition, fostering a greener and more digital Europe. For 2022, a total of EUR 1.93 billion of NextGenerationEU payments were made. They served mostly to cover the pre-financing of projects selected after the calls for proposals launched in 2021 and 2022.

For InvestEU, payments to the Common Provisioning Fund, which backs the EU guarantee, continued in line with the payments schedule. These regular payments allowed to progressively build the guarantee. At the end of 2022, EUR 1.2 billion had been disbursed.

Finally, for RescEU the implementation of payments in 2022 covered mostly the pre-financing of activities following the evaluation of the calls for proposals. An amount of EUR 305 million was disbursed in total in 2022.

The table below shows the NextGenerationEU-related disbursements in 2022.

	Total in 2022	January	February	March	April	May	June
Horizon Europe	1,926,221,292	4,561,791	56,832	11,797,501	43,810,055	400,987,839	137,570,426
InvestEU Fund	1,202,959,619	9,347	9,347	150,028,106	9,347	150,016,953	160,019,032
ReactEU	11,435,563,362	66,956,457	43,753,579	70,238,242	3,723,058,962	336,988,794	1,216,731,954
Union Civil Protection Mechanism (RescEU)	304,762,461	1,028,281	932,846	1,345,794	2,148,029	11,786,730	35,017,636
European Agricultural Fund for Rural Development (EAFRD)	1,243,820,720	0	196,575,678	197,312,839	9,052	246,339,607	48,999,221
Just Transition Fund	167,436,155	48,057	47,490	48,739	54,370	50,724	119,583
European Recovery and Resilience Facility (Grants incl technical support)	47,175,708,526	271,363,198	368,175	7,400,410,681	11,718,435,083	554,020,891	700,621,996
Total per month/semester	**63,456,472,136**	**343,967,130**				**1,700,191,538**	**2,299,079,848**
European Recovery and Resilience Facility (Loans)	27,186,645,494	1,942,479,890	0	0	12,845,493,144	609,000,000	0
Total NGEU (incl RRF loans)	**90,643,117,630**	**2,286,447,020**	**0**	**0**	**12,845,493,144**	**2,309,191,538**	**2,299,079,848**

	July	August	September	October	November	December
Horizon Europe	41,330,414	262,910,314	134,367,749	193,565,912	139,295,103	555,967,355
InvestEU Fund	150,018,485	162,647,363	110,019,670	320,019,707	18,999	143,263
ReactEU	616,922,566	216,794,234	220,380,738	211,181,472	542,926,837	4,169,629,526
Union Civil Protection Mechanism (RescEU)	17,798,942	8,741,946	777,541	303,255	179,630	224,701,831
European Agricultural Fund for Rural Development (EAFRD)	20,443	282,580,275	23,948,508	733,211	118,279,948	129,021,939
Just Transition Fund	5,684,859	15,868,060	555,483	17,285,900	22,059,997	105,612,893
European Recovery and Resilience Facility (Grants incl technical support)	12,399,280,682	500,992	833,673	1,974,157,050	10,085,650,179	2,070,065,925
Total per month/semester	**13,231,056,390**	**950,043,183**	**490,883,363**	**2,717,246,507**	**10,908,410,695**	**14,116,540,565**
European Recovery and Resilience Facility (Loans)	0	0	0	789,672,460	11,000,000,000	0
Total NGEU (incl RRF loans)	**13,231,056,390**	**950,043,183**	**490,883,363**	**3,506,918,967**	**21,908,410,695**	**14,116,540,565**