

# Adoption of the European Union's 2022 Budget

During the November II plenary session, the European Parliament is due to adopt the European Union's general budget for 2022. In practice, Parliament will vote on the provisional agreement reached on 15 November 2021 during the budgetary conciliation between Parliament and the Council. If agreed, commitment appropriations for 2022 will amount to €169.5 billion and payments to €170.6 billion. The negotiations also reached agreement on Amending Letter No 1 to the 2022 budget (AL 1/2022) and draft amending budgets 5 and 6 to the 2021 budget (DAB 5/2021 and DAB 6/2021). The annual budgetary negotiations this year took place in the dynamic context of the Covid-19 pandemic, climate debates and humanitarian crises.

## European Union budget for 2022

The Union budget for 2022 is the second under the 2021-2027 multiannual financial framework (MFF). For the 2022 budget, commitment appropriations are agreed at €169.5 billion (+1,9 % compared to the 2021 budget, including amending budgets (ABs) 1-4 and DAB 5 and DAB 6), leaving a margin for 2022 of almost €1.17 billion beneath the MFF ceilings. The overall level of payment appropriations is set at €170.6 billion (+1.8 % compared to the 2021 budget including ABs 1-4 and DAB 5 and 6), leaving a margin of almost €1.7 billion in payment appropriations below the MFF ceilings. Figure 1 shows the allocations of commitments and payments under each MFF heading. Several EU programmes are reinforced with an additional €143.5 billion in commitments as [assigned revenue](#) to the 2022 budget through the coronavirus crisis recovery instrument, [Next Generation EU \(NGEU\)](#).

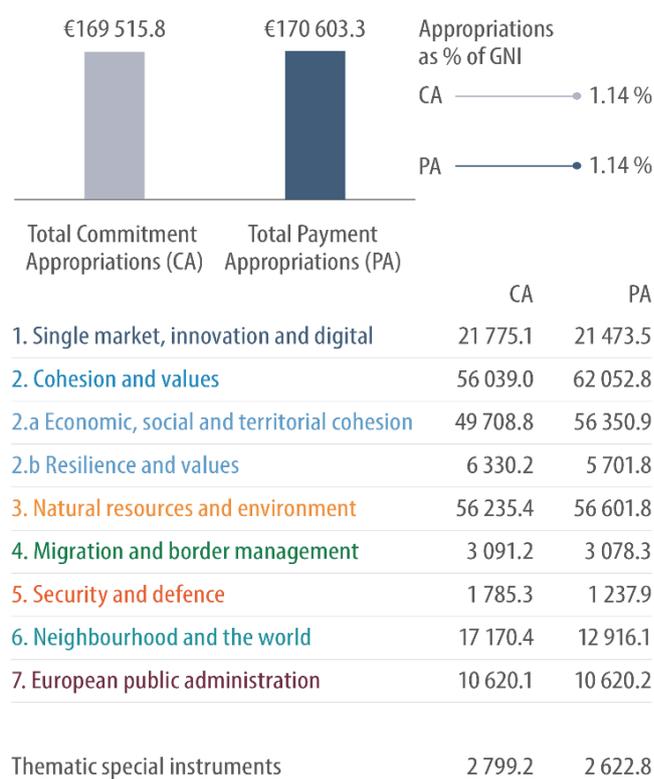
The 2022 EU budget includes a net increase of €479.1 million over the draft budget with AL 1/2022. During conciliation negotiations, the Parliament obtained an increase of €508.5 million in total to finance its main political priorities, partly above the draft budget and partly from redeployments.

Particularly noteworthy are the increases for: Neighbourhood, Development and International Cooperation Instrument-Global Europe (€190 million); Horizon Europe (€60 million + a frontloading of €40 million research decommitments under [Article 15\(3\)](#) of the Financial Regulation); LIFE (€47.5 million), Erasmus+ (€35 million); EU4Health (€31 million + a frontloading of €20 million), the single market programme (€30 million); Creative Europe (€5.5 million); and the Citizens' Rights and Values programmes (€5.5 million).

The 2022 budget includes the package of pilot projects and preparatory actions as adopted by the Parliament, for a total of €89.5 million in commitments. The Flexibility Instrument for 2022 is mobilised in commitment appropriations for €368.4 million for heading 6 'Neighbourhood and the World', including for measures to fight the Covid-19 pandemic globally.

Figure 1 – 2022 Union Budget by MFF heading

2022 budget, € million, current prices



Source: Joint Conclusions, 15 November 2021.

## Budgetary procedure for 2022

The European Commission [adopted](#) its draft general EU budget for 2022 on 9 July 2021. The draft amounted to €167.79 billion in commitments and €169.39 billion in payments, including special instruments. The coronavirus crisis recovery instrument, Next Generation EU (NGEU), reinforced several EU programmes, with an additional €143.5 billion in commitments as assigned revenue.

In July 2021, the Commission published [draft amending budget No 5](#) to the 2021 budget (DAB 5/2021), dealing with humanitarian support for refugees in Turkey. The DAB 5 amendment means an additional €149.6 million in commitment appropriations to ensure the continuation of humanitarian support for refugees in Turkey. No additional payment appropriations were requested for this purpose in 2021.

On 6 September 2021, Council adopted its position on the draft budget, proposing to reduce commitments to €167.66 billion (a -0.1 % cut) and to increase payments to €169.97 billion (+0.3 %). In fact, the Council proposed cuts in commitments amounting to €1.43 billion, but simultaneously introduced a technical increase of €1.3 billion, given the entry into force of the Brexit Adjustment Reserve (BAR) Regulation. As for payments, the Council reduced the appropriations by €724 million and added €1.3 billion for BAR.

In October 2021, the Commission adopted [draft amending budget No 6](#) to the 2021 budget, dealing with financing vaccines for low and lower-middle income countries, reinforcement of the Union Civil Protection Mechanism and other adjustments to expenditure and revenue. The DAB 6 amendment adds €450 million in commitment and payment appropriations supporting global vaccination against Covid-19, and €57.8 million in commitment appropriations to strengthen the UCPM.

On 12 October 2021, the Commission adopted [Amending Letter No 1](#) to the draft EU general budget for the 2022 financial year (AL 1/2022). As amended, the Commission's draft budget set commitment appropriations at €169 billion, and payment appropriations at €170.6 billion. Overall, the net impact of AL 1/2022 on expenditure in the 2022 draft budget is an increase of €1.24 billion in commitment appropriations and an increase of €1.23 billion in payment appropriations.

Parliament's [reading](#) of the draft 2022 EU budget, adopted on 21 October 2021, amended the Council position. Parliament confirmed its priorities, set out in its [guidelines of 25 March 2021](#), with the overarching objective being support to Covid-19 recovery. The top priorities are: investment, with a particular focus on small and medium-sized enterprises, the green and digital transitions, providing fresh opportunities for young people and protection for children, as well as a strong European Health Union (including the COVAX programme). Finally, the Parliament underlined priorities in the fields of security, migration, asylum and integration, fundamental rights and Union values. The Parliament restored appropriations to the level of the draft budget on Commission lines cut by the Council. Moreover, it increased the Commission's proposal by over €2.7 billion in commitments (plus approving the Council's amendment of €1.3 billion for BAR); bringing it to €171.8 billion. For payments, the Parliament set the level at almost €172.47 billion. The Parliament aimed to reinforce lines with a high implementation rate and the operational capacity to absorb the additional appropriations. Moreover, to adequately finance the priorities, the Parliament called for the Flexibility Instrument to be fully mobilised and for further partial use of the Single Margin Instrument. The Parliament proposed to make a further €486 million available in commitment appropriations for research, by reusing unspent commitments in line with [Article 15\(3\)](#) of the Financial Regulation. The Parliament underlined that new policy priorities or tasks must be accompanied by fresh resources.

The President of Parliament, in agreement with the President of the Council, convened the Conciliation Committee, which then had until 15 November 2021 to agree on a joint text. On the very last day, just before the midnight deadline, the Conciliation Committee reached a provisional agreement on the content of the 2022 Union budget. The DAB 5 and DAB 6 amendments were included in the conciliation negotiations and were approved as proposed by the Commission. The [Council](#) intends to adopt the joint text on 23 November 2021, confirming the provisional agreement reached during the conciliation. Parliament thereafter plans to adopt the joint text during its November II plenary session. Parliament's President should then sign the budget into law. The 2022 Union budget enters into force on 1 January 2022.

Budgetary procedure: [2021/0227\(BUD\)](#); Committee responsible: BUDG; Rapporteurs: Karlo Ressler (EPP, Croatia) Section III – European Commission, and Damian Boeselager (Greens/EFA, Germany) other sections.

