

## Parliament's reading of the 2023 EU budget

During the October II plenary session, Parliament is expected to vote on amendments to the Council's position on the draft EU budget for 2023. The 2023 budget is the third under the 2021-2027 multiannual financial framework (MFF). It is also the third and last year of the Next Generation EU recovery instrument, designed to run for the years 2021 to 2023. The report of the Committee on Budgets (BUDG) reverses almost all the reductions proposed by the Council to the Commission's proposal. It also proposes a considerable increase in contributions from the 2023 budget to Parliament's priorities, in particular addressing the consequences of the war in Ukraine, the energy crisis, defence, research, humanitarian aid, Erasmus+, digitalisation and infrastructure. The BUDG report sets the 2023 EU budget at €187.3 billion in commitments. For payments, it proposes €167.6 billion.

### The budgetary procedure for 2023

On 7 June 2022, the Commission adopted its [draft general budget](#) for the EU for 2023 (DB 2023), the third under the 2021-2027 MFF. The draft totals €185.6 billion in commitments and €166.3 billion in payments, including special instruments. The [Next Generation EU \(NGEU\)](#) coronavirus crisis recovery instrument reinforces several EU programmes by an additional €113.9 billion in commitments as [assigned revenue](#) to the 2023 budget. On 12 July, the Council adopted its [position](#) on the draft budget, proposing to reduce commitments to €183.9 billion (-0.9 % on the draft) and reduce payments to €165.7 billion (-0.3 %).

### Parliament's priorities for the 2023 Union budget

On 3 October, the Committee on Budgets (BUDG) adopted amendments to the Council's position, and on 10 October it adopted an explanatory report. The report confirms the Parliament's priorities, set out in its [resolution](#) of 5 April 2022. It refers to the extraordinarily complex set of challenges facing the Union, including: the repercussions of the war in Ukraine, high inflation, rising levels of poverty, high energy prices and security of supply risks, and a worsening economic outlook. The report highlights the need to secure a just, inclusive and sustainable recovery from the pandemic. It also refers to crises in many other parts of the world, technological change, gender equality, and the increasingly urgent need to tackle climate change and the biodiversity crisis while ensuring a just transition, including through investment in energy efficiency.

The report restores appropriations to DB 2023 levels on almost all lines cut by the Council. Moreover, it increases the Commission's proposal by over €1.7 billion in commitments, bringing it to almost €187.3 billion. For payments, BUDG sets the level at €167.6 billion. The report underlines Parliament's long-standing position that new policy priorities or tasks must be accompanied by fresh resources. Moreover, to finance the priorities adequately, the report calls for the Flexibility Instrument to be fully mobilised and for further partial use of the Single Margin Instrument. It also reiterates the urgent need for substantial revision of the MFF. The report proposes to make available a further €836 million in commitment appropriations for research, by reusing unspent commitments in line with [Article 15\(3\)](#) of the Financial Regulation.

On 19 October, Parliament is expected to hold a plenary vote on amendments to the Council's position on the draft EU budget for 2023 and therefore adopt its reading of the Union budget for 2023. The next step in the [procedure](#) will be the convening of the Conciliation Committee. The 21-day conciliation period will last until 14 November, with the first meeting scheduled for 27 October. Amending letter 1 to the draft 2023 budget ([AL1/2023](#)), which the Commission adopted on 5 October in part to address the consequences of Russia's war in Ukraine, will be considered in the conciliation negotiations.

Budgetary procedure: [2022/0212\(BUD\)](#); Committee responsible: BUDG; Rapporteur: Nicolae Ștefănuță (Renew Europe, Romania) Section III – European Commission, and Niclas Herbst (EPP, Germany) other sections.

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