

Estimated Expenditure – 2023 Initial Budget

The budgetary balance assuming unchanged policy amounts to -1.4 billion euros in the 2023 initial budget (IB). This result is corrected by 1 billion euros, including a correction for the main works of the Oosterweel Link and for the Flemish Resilience recovery plan, since this type of expenditure is excluded from the budgetary target. The overall net policy space thus equals -450.9 million euros. The following alterations are made:

- net policy space is expanded by 458.4 million euros
- net policy space is reduced through the additional use of 2 billion euros resulting from new policy in 2023

The budgetary balance as compared to the balanced budget target therefore amounts to -1.9 billion euros.

The total consolidated ESA expenditure of the Flemish Community amounts to 62.3 billion euros. This not only includes expenditure of the Flemish Community but also of the Flemish legal entities:

- the expenditure of the Flemish Community totals 34.8 billion euros
- the expenditure of the Flemish legal entities totals 27.5 billion euros

Compared to the 2022 adjusted budget (AB), expenditure increases by 5.4 billion euros as a result of developments given unchanged policy, the expanded net policy space and additional use of resources for new policy initiatives.

Assuming that policy remains unchanged and that the Flemish Community will continue its current commitments, expenditure in 2023 will be 3.9 billion euros higher than in the 2022 adjusted budget, having a negative impact on the budgetary balance and therefore also on the available policy space.

When looking at the updated settlement appropriations given unchanged policy, the following adjustments on the expenditure side catch the eye:

- index: +2,7 billion euros
- provision for tackling the coronavirus crisis (reversal): -700 million euros
- updated settlement appropriation recovery plan: -459.1 million euros
- resources Ukraine crisis 2022 (reversal): -254.6 million euros
- resources Ukraine crisis 2023: +200 million euros
- provision Programmatic Approach to Nitrogen (PAN): +169 million euros
- one-time buffer settlement appropriations 2022 (reversal): -175 million euros
- interest rate adjustments: +199.03 million euros
- provision for loans in the context of the Ukraine crisis: +1 billion euros (implementation does not affect the ESA budget balance)
- redemption of green certificates (reversal): -107 million euros
- growth rate of 3.5% for financing local governments: +109.9 million euros

As a result of the measures taken by the Flemish Government to expand the net policy space, expenditure decreases by 446.4 million euros including:

- a 204.3 million euro decrease due to measures taken in the coalition agreement

- a 201.1 million euro decrease due to decisions made in the 2022 IB
- a 40.9 million euro decrease due to decisions made in the 2023 IB

In total, the Flemish Government provides 2.2 billion euros of policy appropriations and 2 billion euros of settlement appropriations for new policy in 2023 (additional use of resources), also through the above-mentioned expansion of policy space. These expenses can be subdivided into two categories:

- 1.7 billion euros of policy appropriations and 1.6 billion euros of settlement appropriations for new policy incentives included in the 2023 initial budget
- 524.6 million euros of policy appropriations and 389.5 million euros of settlement appropriations for the implementation of the coalition agreement

The budgetary balance amounts to -2.9 billion euros in the 2023 initial budget.