# 2018 general budget: all sections

2017/2044(BUD) - 04/09/2017 - Council position on draft budget

On 4 September 2017, the Council adopted its position on the draft general budget of the European Union for the financial year 2018.

The Council provides **EUR 158 917.3 million in commitment appropriations and EUR 144 429.56 million in payment appropriations**. This represents an increase of 0.63% and 7.39% respectively compared to the 2017 EU budget.

The significant increase in payments reflects the fact that the 2014-2020 programmes will be at an advanced stage of implementation.

The total amount of payment appropriations provided for in the Council's position on the DB for 2018 corresponds to **0.92%** of the EU gross national income (GNI).

**A. Principles:** when adopting its position, the Council took into account the following principles:

- work within the framework of the budget guidelines established for the 2018 budget in the Council conclusions adopted on 21 February 2017;
- follow an approach leading to a budget complying with **budgetary discipline** and sound financial management, as well as taking duly into account the ongoing economic and budgetary constraints in Member States;
- provide adequate funding for the European Union's various priorities, determining appropriations on the basis of past and current budget implementation and **realistic absorption capacities**;
- foresee the necessary appropriations enabling the smooth implementation of the different programmes in the fifth year of the MFF 2014-2020;
- provide the appropriations necessary to support the political priorities of the Union, notably **enhancing jobs and growth and responding to the challenges in the areas of security and migration**;
- **leave adequate margins** in commitment appropriations under the ceilings of the headings and sub-headings of the multiannual financial framework, with the exception of **(sub-)headings 1b and 3**, in order to be able to cope with unforeseen situations;
- keep **payment appropriations under control**, resulting in a reduction in payment appropriations in particular under headings 1 and 2.

**Administrative expenditure**: the Council acknowledged the efforts made to reach the **-5% staff reduction target**. It insisted that a proper assessment of the outcome of the 5% staff reduction exercise be carried out.

In order to ensure an appropriate level of administrative expenditure and the proper functioning of the institutions, the Council adopted the following approach:

- strict control of the administrative expenditure of the institutions, in accordance with the approach followed by the Member States for their respective national civil services;
- appropriate level for setting the administrative budget of each institution, taking into account their specific, genuine and justified needs.

**Decentralised agencies**: the Council suggested reducing the overall level of contributions from the Union budget by **EUR 5 million** in commitment and payment appropriations. Agencies which did not fully

implement the contributions received from the Union budget in the past and/or for which the absorption capacities could be lower than the forecasts made by the Commission would be affected by those reductions.

**Payment appropriations**: the Council will carefully examine the letter of amendment for agriculture (including information on assigned revenue) in order to appropriately assess the level of resources under heading 2 (Sustainable growth: natural resources) in the 2018 budget.

The Council also called on the Commission to:

- closely scrutinise the implementation of the 2014-2020 programmes and present in a timely manner **updated figures concerning the state of affairs and estimates regarding 2018 payment appropriations**;
- ensure the timely presentation of the statement of estimates for 2018, allowing each institution enough time to undertake a detailed technical analysis of the disseminated estimates and to prepare thoroughly its position in accordance with an agreed pragmatic calendar.

**B. Expenditure by main MFF headings:**

**Heading 1: Smart and inclusive growth**: **EUR 76 499 million in commitments and EUR 66 415 million in payments**, up by 2.1% and 17.5% respectively compared to 2017.

***1a) Competitiveness for growth and jobs***: the amount is set at EUR 21 091 million in commitments, a decrease of 1.04% compared to 2017.

The sub-heading is characterised by the following elements:

- establish the **level of commitment appropriations, targeting a total reduction of EUR 750 million** in the appropriations requested in the DB 2018;
- set the level of payment appropriations, **reducing the appropriations requested in the DB 2018 by a total amount of EUR 190 million** in the appropriations requested in the DB 2018.

The reductions envisaged would involve a number of specific budget lines in the following areas:

- large infrastructure projects (-EUR 98.64 million in commitments and -EUR 30.88 million in payments);
- common strategic framework for research and innovation (-EUR 504.43 million in commitments and -EUR 120.37 million in payments);
- employment and social innovation (-EUR 9.82 million in commitments and -EUR 0.1 million in payments);
- Customs 2020 and Fiscalis 2020 programmes (-EUR 4.25 million in commitments and -EUR 2.07 million in payments);
- Connection Europe facility (-EUR 111.56 million in commitments and -EUR 23.05 million in payments);
- actions financed under the prerogatives of the Commission (-EUR 13.31 million in commitments and -EUR 8.00 million in payments);
- other actions and programmes (-EUR 7.49 million in commitments and –EUR 5.02 million euros in payments).

The **margin available** under sub-heading 1a would be **EUR 806.05 million**.

***1b) Economic, social and territorial cohesion***: the Council provided **EUR 55 407 million in commitments**, an increase of 3.4% compared to 2017.

Other main features of this sub-heading include:

- **maintain the level of commitment appropriations** as requested in the DB 2018;
- set the level of payment appropriations, reducing the appropriations requested in the DB 2018 by a total amount of -EUR 240 million, in particular for 2014-2020 programmes, notably: Transition regions (-EUR 55.00 million), Competitiveness (More developed regions) (-EUR 85.00 million), Outermost and sparsely populated regions (-EUR 5 million), European territorial cooperation (-EUR 90.50 million) and Technical assistance and innovative actions (-EUR 4.50 million).

The **margin available** under sub-heading 1b would be **EUR 6.45 million**.

**Heading 2: Sustainable growth: natural resources**: **EUR 59 278 million** in commitments. This is an increase of 1.18% to 2017.

The heading is characterised by the following elements:

- reduce the level of **commitment appropriations** requested in the DB 2018 by **EUR 275.01 million**;
- set the level of **payment appropriations**, reducing the appropriations requested in the DB 2018 by a total amount of **-EUR 271.01 million**.

Reductions would be made as regards administrative support, operational technical assistance and operational lines under:

- the European Agricultural Guarantee Fund (-EUR -269.36 million in commitments and -EUR 265.36 million in payments);
- the European Agricultural Fund for Rural Development (-EUR 0.76 million in commitments and –EUR 0.76 million in payments);
- the European Maritime and Fisheries Fund, partnership agreements in the field of sustainable fisheries and compulsory contributions to regional fisheries management organisations and other international organisations (-EUR 4.32 million in commitments and –EUR 4.32 million in payments);
- the LIFE programme (-EUR 0.15 million in commitments and –EUR 0.15 million in payments).

The **margin available** under heading 2 would be **EUR 988.48 million**.

**Heading 3: Security and citizenship**: the amount of this heading is set at **EUR 3 442 million** in appropriations and sees an increase of 19.65% compared to the 2017 budget.

This heading is characterised by the following:

- establish the level of commitment appropriations with a total reduction of EUR 30.82 million of the appropriations requested in the DB 2018 on a number of budget lines concerning administrative support expenditure (-EUR 0.80 million) and operational expenditure for new programmes (-EUR 25.94 million);
- set the level of payment appropriations, including a total reduction of -EUR 19.56 million of the appropriations requested in the DB 2018 on a number of budget lines concerning administrative support expenditure (-EUR 0.80 million) and operational expenditure (-EUR 14.68 million).

The **margin available** under heading 3 would be **equal to zero**. The **Flexibility Instrument is mobilised for an amount of EUR 786.24** million in commitment appropriations.

**Heading 4: Global Europe**: the Council lays down an amount of **EUR 9 503 million** in commitments, a decrease of 6.49% compared to 2017. It also decided to:

- establish the level of commitment appropriations, targeting **a total reduction by -EUR 90 million in the appropriations requested in the DB 2018** on a number of specific budget lines:
- set the level of payment appropriations, reducing the appropriations requested in the DB 2018 by a total amount of -EUR 20 million, of which:

    - -EUR 7.79 million in the Instrument for Pre-accession assistance;
    - -EUR 1.91 million in the European Neighbourhood Instrument;
    - -EUR 8.02 million in the Development Cooperation Instrument.

The **margin available** under heading 4 would be **EUR 321.95 million**.

**Heading 5: Administrative expenditure**: the administrative expenditure amounts to **EUR 9 627 million**, a decrease of 2.51% compared to 2017. As regards staff levels, the Council accepted the establishment plans as proposed by the Commission in the DB for 2018.

The **margin available** under heading 5 would be **EUR 148.58 million**.

**Special instruments**: the Council maintained the appropriations entered in the DB for 2018 for the Emergency Aid Reserve and the European Union Globalisation Adjustment Fund. Moreover, it did not include any amount in the reserve for the European Union Solidarity Fund (-EUR 524.0 million in commitment appropriations, -EUR 200.0 million in payment appropriations).