# 2018 general budget: all sections

2017/2044(BUD) - 11/10/2017 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the joint report by Siegfried MUREAN (EPP, RO) (Section III – Commission) and Richard ASHWORTH (ECR, UK) (other sections) on the Council position on the draft general budget of the European Union for the financial year 2018.

**Political priorities**: Members stressed that Parliament's reading of the 2018 budget **fully reflects the political priorities** adopted by an overwhelming majority in its resolution of 15 March 2017 on general guidelines and of 5 July 2017 on a mandate for the trilogue. They recalled that sustainable growth, jobs, in particular youth employment, security and climate change are at the **core of those priorities**.

However, given that the Union continues to face numerous challenges, the **necessary financial resources must be deployed** from the Union budget, in order to meet the political priorities and allow the Union to deliver concrete answers and effectively respond to those challenges. Union spending should be based on the principle of **European added value** and should respect the principle of subsidiarity.

**Proposed cuts**: Members **failed to understand** how the Union can achieve progress considering the **EUR 750 million cuts proposed by the Council** under subheading 1a. They proposed instead to **additionally reinforce research and innovation programmes** that have a very high implementation rate and which, due to oversubscription, are faced with a particularly low success rate for applications.

Members remained committed to its pledges made during the EFSI negotiations, namely to minimise the impact of EFSI-related cuts on Horizon 2020 and the Connecting Europe Facility (CEF) in the framework of the annual budgetary procedure. They proposed to **offset** those cuts by **restoring the original annual profile of those two programmes**, in order to allow them to fully accomplish the objectives agreed during the adoption of the relevant legislation.

Moreover, they expressed their political support for the establishment of the European Solidarity Corps (ESC) and welcomed the legislative proposal put forward in this regard by the Commission. However, pending a decision on the financing of the ESC and the adoption of the relevant regulation under the ordinary legislative procedure, **no financial provision should be entered for this purpose in the 2018 budget.** They proposed, therefore, that relevant appropriations and redeployments, entered by the Commission in the Draft Budget 2018 (DB), should be for the **moment reversed**, as the decision on the 2018 budget should not prejudge in any way the outcome of the legislative negotiations.

**Strengthening policies**: concerned by the fact that youth unemployment remains at unprecedented levels, Members recommended **reinforcing the Youth Employment Initiative** (YEI) beyond the level proposed by the Commission for 2018. They proposed to bring the YEI to EUR 600 million in commitments in 2018.

Members stated that, while at present **the peak of the migratory and refugee crisis seems to have decreased**, the Commission is urged to continuously monitor the adequacy of allocations under Heading 3 (Security and Citizenship) and make full use of all available instruments under the current MFF to respond in a timely manner to any unforeseen event that might require additional funding. They proposed reinforcing in a **limited manner** the Asylum Migration and Integration Fund and the Internal Security Fund, as well as the agencies with responsibilities in the field of asylum, such as the European Asylum Support Office (EASO). Overall, Heading 3 is reinforced by **EUR 108.8 million** in commitment appropriations above the DB.

As regards **climate**, Members regretted that the Commission has failed to put forward concrete and realistic proposals to achieve the Paris Agreement goals. Therefore, they proposed to increase above the level of the DB for climate-related actions and for the Commission to present all the necessary proposals to reach the goals in the forthcoming draft budgets.

As the Union's external action is faced with ever growing funding needs which greatly exceed the current size of Heading 4, Members considered that the mobilisation of the Union budget to respond to the migration challenge will continue to require dynamic responses in the coming years. Therefore, Members suggested **reversing almost all of the Council's cuts and reinforcing Heading 4** by EUR 299.7 million above the DB in commitment appropriations.

On **administration** in general, Members considered that **Council's cuts do not reflect the real needs** and thus jeopardise the already significantly rationalised administrative expenditure. They suggested restoring the DB for all Commission administrative expenditure, including administrative and research support expenditure in Headings 1 to 4.

Members set the overall level of appropriations for 2018 at **EUR 162 597 930 901** in commitment appropriations and **EUR 146 712 004 932** in payment appropriations.

Members went on to make a series of observations and recommendations under each sub-heading of the budget and each Union institution, in line with their general budgetary views.