2018 general budget: all sections

2017/2044(BUD) - 25/10/2017 - Budgetary text adopted by Parliament

The European Parliament adopted by 414 votes to 163, with 90 abstentions, a resolution on the Council position on the draft general budget of the European Union for the financial year 2018.

It set the overall amount of appropriations for 2018 at:

- **EUR 162 597 930 901 in commitment appropriations**;
- **EUR 146 712 004 932 in payment appropriations**.

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: reaffirming its commitment to financing Union policies that enhance jobs and growth in all its regions through investment in research, education, infrastructure, SMEs and employment, in particular youth employment, Parliament failed to understand how the Union can achieve progress in those fields considering the **EUR 750 million cuts proposed by the Council under subheading 1a**. It decided 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.

It remained committed to its pledges made during the European Fund for Strategic Investments (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. It 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, Members 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: Parliament underlined that the following policies should be enhanced:

Competitiveness for growth and jobs, Parliament rejected Council's unjustified EUR 750 million cuts to subheading 1a, which alone represent almost **two thirds of the overall Council cuts** in commitments in MFF headings. It stressed that **such cuts contradict Council's own stated political priorities**. Parliament decided, therefore, to further reinforce beyond the DB and the pre-EFSI and pre-ESC profiles those programmes that are key to boosting growth and jobs and that reflect widely agreed Union priorities,

namely Erasmus+, Horizon 2020 (Marie Curie, European Research Council, SME Instrument), COSME, and EaSI (Progress and Eures).

Moreover, it called for a **defence research programme with a dedicated budget** within the next Multiannual Financial Framework. Members also proposed that increased resources should be allocated in the framework of the 2018 Budget in order to conduct a comprehensive and unbiased assessment of the risk posed by third countries in terms of their strategic deficiencies in the area of **anti-money laundering and countering terrorist financing** and to establish a list of **'high-risk' jurisdictions**.

Adequate resources should also be allocated to the European Union Reference Laboratory for alternatives to animal testing (EURL ECVAM) to effectively perform its duties and tasks.

As a result, **Parliament increased the level of commitment appropriations for subheading 1a** above the DB by EUR 143.9 million.

Economic, social and territorial cohesion, Parliament disapproved of Council's proposed cuts of EUR 240 million in payments under subheading 1b, including on support lines and reverses them, pending updated forecasts from the Commission. It is especially concerned by the fact that youth unemployment remains at unprecedented levels and recommended **reinforcing the Youth Employment Initiative** (YEI) beyond the level proposed by the Commission for 2018. It proposed bringing the YEI to EUR 600 million in commitments in 2018.

Security and citizenship: 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.

Members are in favour of the creation of a **new budget line for a Search and Rescue Fund** to support Member States in their obligations under international maritime law. The Commission is called upon to present a legislative proposal to set up such an EU Search and Rescue Fund.

Global Europe: as the Union’s external action is faced with ever growing funding needs which greatly exceed the current size of Heading 4, Parliament 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.

Parliament also expressed grave concern at the rise of instability and uncertainty both within and outside the Union. It insisted on the need for a renewed focus on the Union’s approach to cohesion, integration, peace, sustainable development and human rights. The Commission and the Member States are urged to **boost efforts towards further sustaining peace and conflict prevention**. In this context, it recalled the worldwide inspiration brought by the Good Friday Agreement while acknowledging the unprecedented challenges and pressures in the aftermath of the United Kingdom 2016 Referendum. Parliament called upon the Commission and Member States to enhance their support for reconciliation to secure peace and stability in Ireland.

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

Decentralised Agencies: Parliament welcomed the inclusion of adequate resources provided for in the 2018 budget to support the European Supervisory Authorities (ESAs). It emphasised, however, that in the interest of a prudent use of their budgets, the ESAs must stick to the tasks and to the mandate assigned to them by the Union legislator.

Special instruments: Parliament called for an increase in the Emergency Aid Reserve (EAR) and the EU Solidarity Fund (EUSF) in light of the most recent and tragic disasters, namely the fires and extreme drought in Portugal and Spain.

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