2019 general budget: all sections

2018/2046(BUD) - 21/06/2018 - Commission draft budget

PURPOSE: presentation of the Commission's Draft Budget (DB) for 2018 (all sections).

BACKGROUND: 2019 will be the **sixth and penultimate year of the current multiannual financial framework (MFF)** of the Union for the period 2014-2020 and is within the limits set by this framework. It takes account of the European Parliament resolution on the general guidelines for the preparation of the 2019 budget.

The proposal is based on the principle that the **United Kingdom**, after its planned withdrawal on 30 March 2019, will continue to contribute and participate in the implementation of EU budgets until the end of 2020, as if it were still a Member State.

PROPOSED APPROPRIATIONS: the draft budget 2019 (including special instruments) is as follows:

- **total commitment appropriations would amount to EUR 165 619.4 million**, corresponding to 1.00 % of GNI, an increase of EUR 4 908.2 million **(+ 3.1 %**) compared to the 2018 budget. The resulting total margin under the MFF commitment ceiling amounts to EUR 1 142.1 million;
- **payment appropriations would amount to EUR 148 675.5 million**, which corresponds to 0.90 % of GNI and represents an **increase of 2.7 %** compared to payment appropriations in the 2018 budget. The margin remaining under the MFF payment ceiling for 2019 amounts to EUR 19 344.7 million.

MAIN PRIORITIES FOR 2019: the proposed budget focuses on continuity and implementation and aims to invest in a stronger and more resilient European economy and to promote solidarity and security across EU borders.

(1) Boosting the European economy: the 2019 budget should continue to boost investment and growth, promote employment and create new jobs, enhance effective EU cohesion and agriculture within the Union, and foster competitiveness. At the same time, the **social and environmental dimensions** should be mainstreamed into the budget, in order to help Member States implement the Paris climate agreement. The aim is to have used, **by 2020, 20 % of the budget to address climate change**.

The Commission proposes almost **EUR 80 billion** in commitment appropriations for smart and inclusive growth to support economic growth. Almost **EUR 60 billion** would be devoted to agricultural policy to support agriculture and fisheries, the fight against global warming and the preservation of biodiversity, while **EUR 57 billion** would be devoted to cohesion policy (+2.8% compared to 2018).

The 2019 draft budget integrates the proposal to set up – as part of the European Defence Fund – the **European Defence Industrial Development Programme**. The combined expenditure for both actions in the 2019 budget is EUR 270 million. Account is also taken of the Commission's proposal to set up a European joint undertaking for **high-performance computing**.

In particular, the following is planned:

- EUR 12.5 billion (+8.4% compared to 2018) for research and innovation with **Horizon 2020** and EUR 3.8 billion under the **European Interconnection Mechanism** (EIM) (+36.4% compared to 2018) for infrastructure networks;

- EUR 167 million in commitment appropriations to provision the guarantee fund in the context of the agreement on the extension of the **European Strategic Investment Fund** (EFSI), which aims to reach EUR 500 billion by 2020;
- an increase of EUR 40 million for the extension of the **structural reform support programme**;
- EUR 11 million for the creation of the **European Labour Authority**, which will help to ensure fair labour mobility within the internal market and simplify cooperation between national authorities;
- EUR 2.6 billion for education under the **Erasmus+ programme** (+10.4% compared to 2018);
- an additional EUR 233.3 million for the **Youth Employment Initiative** (YEI), which aims to support people living in regions with high youth unemployment, corresponding to the amount from the European Social Fund.

(2) Promoting solidarity and security across EU borders: the draft budget 2019 aims to improve the treatment of the internal and external dimensions of migration and the protection of external borders. It also proposes new measures to achieve a real and effective security and civil protection union. The draft budget takes into account the expected budgetary implications of the Commission's proposal to **review the Dublin Regulation**. It shall also fund:

- the **new entry/exit system** to strengthen border management,
- the establishment of the **European travel information and authorisation system**,
- the improvement of the **Schengen Information System**,
- strengthening the **European Border and Coast Guard**, the EU Agency for Asylum, eu-LISA and other agencies working on border and visa issues,
- developing the **interoperability of EU information systems** in the area of security, migration and border management.

Also planned:

- EUR 175 million targeted reinforcement of the **Asylum, Migration and Integration Fund** will continue to support refugees in Greece;
- an additional EUR 1.5 billion for the **Facility for Refugees in Turkey** to continue financing food, education and shelter for people fleeing conflict in Syria and elsewhere (an additional EUR 500 million will already be paid under the current 2018 budget);
- EUR 100 million for the **European Neighbourhood Instrument** for the North Africa component of the EU Trust Fund for Africa to prevent irregular migration and improve the situation of migrants and refugees along the Central Mediterranean migratory route;
- continued support to Member States in their efforts to increase the **security of citizens** in the EU through funding for police cooperation, cyber security, prevention and suppression of radicalisation and crime, and crisis management.

(3) Support for new initiatives: the budget also provides support for new initiatives:

- EUR 103 million for the **European Solidarity Corps**, offering young people opportunities to volunteer or work on projects at home or abroad;
- EUR 50 million to reinforce the **response capacity to earthquakes, forest fires** and other disasters through a civil protection reserve at EU level, including rescEU equipment and teams;
- EUR 5 million for the creation of the new **European Public Prosecutor's Office** for the prosecution of cross-border crime, including fraud, money laundering and corruption.

MAIN ASPECTS BY HEADING OF THE FINANCIAL FRAMEWORK 2014-2020:

- ***Heading 1a - Competitiveness for growth and employment***: the commitment appropriations for this heading amount to **EUR 22 860.0 million**. This amount is up 3.9% compared to the 2018 budget.

This leaves a margin of EUR 222.0 million. Payment appropriations increase by 1.8 % to EUR 20 467.2 million.

- ***Heading 1b - Economic, social and territorial cohesion***: commitment appropriations increase by 2.8 % to **EUR 57 113.4 million**, leaving no margin. Payment appropriations for the heading as a whole increase by 1.1% compared to the 2018 budget to EUR 47 050.8 million. The needs for the closure of the 2007-2013 programmes are expected to decrease. The implementation of the 2014-2020 programmes is reaching cruising speed.
- ***Heading 2 - Sustainable growth: Natural resources***: commitment appropriations for the heading amount to **EUR 59 999.1 million**, an increase of 1.2% compared to the 2018 budget. This leaves a margin of **EUR 344.9 million** under the ceiling. Payment appropriations amount to EUR 57 790.4 million, an increase of 3.0% compared to 2018. The financing of market-related expenditure and direct payments amounts to EUR 43 613.4 million in commitment appropriations and EUR 43 537.9 million in payment appropriations.
- ***Heading 3 - Security and citizenship***: the level of commitment appropriations is **EUR 3 728.5 million** (+ 6.7 % compared to 2018), i.e. EUR 927.5 million above the ceiling. There is no margin left under this heading, which will require the **mobilisation of the flexibility instrument** to finance actions under this heading, including emergency assistance, relocation, resettlement, return and integration. Payment appropriations amount to EUR 3 486.4 million.
- ***Heading 4 – Global Europe***: the Commission proposes commitment appropriations amounting to **EUR 11 384.2 million** (+ 13.1% compared to the 2018 budget). For 2019, it is proposed to use the full unallocated margin under this heading and an amount of EUR 1 116.2 million from the **global margin for commitments**.
- ***Heading 5 - Administration***: all institutions combined, including pensions and European Schools, increase by 3.0 % (payment appropriations also increase by 3.0 %), commitments amounting to EUR 9 956.9 million. This leaves a margin of EUR 829.1 million under the ceiling of heading 5.