2019 budget: mandate for trilogue

2018/2024(BUD) - 29/06/2018 - Committee report tabled for plenary, single reading

The Committee on Budgets adopted the report by Daniele VIOTTI (S&D, IT) on the mandate for the trilogue on the 2019 draft budget.

The motion for a resolution sets out the principles to be followed during the 2019 budgetary negotiations with the Council. It makes the following points:

Reinforcing solidarity and preparing for a sustainable future: Members welcomed the Commission proposal and believes that it corresponds broadly to Parliament's own priorities. In particular, the committee:

- welcomed the proposed reinforcements to **Horizon 2020, the Connecting Europe Facility(CEF), Erasmus+** and programmes contributing to increase the security of EU citizens. Members pointed, however, to the need to further reinforce **support for small and medium-sized enterprises** (SMEs), and to dedicate appropriate resources to the digitalisation of EU industry and the promotion of digital skills and digital entrepreneurship, as well as to programmes supportive of young people, and specifically ErasmusPro. The Erasmus+ budget for 2019 needs to be at least doubled;
- regretted the fact that the small increase for the EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (**COSME**), a successful programme which has far more applicants than recipients of funding;
- remained committed to the **fight against unemployment and against youth unemployment in particular**. The Youth Employment Initiative (YEI) should be further strengthened, thus reflecting the need to step up EU funding in order to achieve the Pillar of Social Rights;
- called for an increase in **climate spending** so that the EU might meet its target of climate mainstreaming of at least 20 % during 2014-2020;
- believed that ensuring the security of the Union's citizens and addressing the **challenges of migration and refugees** remain two top Union priorities in 2019 and that spending in these areas should be maintained at a level that is adequate to respond to the needs raised by the migration and refugee crisis in the African continent, especially in the Sahel, as well as in the Levant countries and the Mediterranean sea;
- regretted the Commission's proposal for the funding of the second tranche of the **Facility for Refugees in Turkey** (FRT). While supporting the continuation of the FRT, Members t maintained that the EU budget should contribute to its financing to the sum of EUR 1 billion, with Member States contributing EUR 2 billion by means of bilateral contributions, in order to leave sufficient margins under the MFF special instruments for unforeseen events in the last two years of the current MFF;
- invited the Commission to remain vigilant on the **evolution of payments**, so as to allow the budgetary authority to take the necessary measures to avoid an abnormal backlog in due time.

Subheading 1a - Competitiveness for growth and jobs: in comparison with 2018, the Commission proposal for 2019 corresponds to an **increase in commitments of +3.9 %,** to EUR 22 860 million. Members recalled that programmes related to research and innovation, such as **Horizon 2020,** are essential for the creation of jobs and competitiveness within Europe. They believed that the envelope of Erasmus+ should be able to meet the eligible demand for this programme, notably that linked to lifelong learning.

Subheading 1b – Economic, social and territorial cohesion: total commitment appropriations amount to EUR 57 113.4 million, representing an **increase of 2.8 %** compared to the 2018 budget; the proposed amount of EUR 47 050.8 million in payment appropriations is 1.1 % higher than in 2018.

Members noted the Commission's proposal to fund the continuation of the YEI, as well as the proposed mobilisation of EUR 233.3 million from the Global Margin for commitments. Any increase in the dedicated allocation for the **YEI** should be matched with the corresponding amounts from the European Social Fund (ESF).

Heading 2 – Sustainable growth: natural resources: the proposed amount is EUR 59 991.1 million in commitments **(+1.2 % compared to 2018**) and EUR 57 790.4 million in payments (3 %) for Heading 2; EAGF expenditure for 2019 is estimated at EUR 44 162.5 million, which is lower than in the 2018 budget (by EUR -547.9 million).

Noting that the Commission has left a **EUR 344.9 million margin** under the ceiling of Heading 2, Members called on the Commission to ensure that the margin left under the ceilings is sufficient to address any crises that may arise.

Heading 3 – Security and Citizenship: a total of EUR 3 728.5 million in commitment appropriations is proposed, which represents **a 6.7 % increase** over 2018, and the total for payment appropriations is EUR 3 486.4 million, i.e. a 17 % increase over last year's proposals. Members expected the pressure on some Member States' migration and asylum systems, as well as on their borders, to remain high in 2019, and urged the Union to **remain vigilant regarding any future, unpredictable needs in these areas.**

In the context of a wide range of **security concerns**, including changing forms of radicalisation, cybercrime, violence and terrorism that surpass individual Member States' capacity to respond, the EU budget should encourage cooperation on security-related matters with the help of established EU agencies.

Heading 4 – Global Europe: the overall increase in proposed financing amounts to EUR 11 384.2 million **(+13.1 % compared with the 2018 budget**) in commitment appropriations. This increase is linked primarily to the financing of the second tranche of the FRT.

Members remained convinced that the challenges that the EU's external action is faced with call for **sustained funding** exceeding the current size of Heading 4. They maintained that new initiatives should be funded with **fresh appropriations** and that all flexibility options should be fully used. They opposed, however, the proposed financing of the FRT extension, as it would substantially limit both the funding possibilities of other priority areas within Heading 4.

Administration: expenditure is increased by 3.0 % compared to the 2018 budget, up to EUR 9 956.9 million (+EUR 291.4 million) in commitment appropriations. Members noted that, as for the previous budgetary exercise, the increase is mostly driven by the evolution of pensions (+ EUR 116.7 million), representing 20.2 % of Heading 5 expenditure. They observe that the share of expenditure on administration in the draft budget remains unchanged at a level of 6.0 % in commitment appropriations.