2019 general budget: all sections

2018/2046(BUD) - 11/10/2018 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the joint report by Daniele VIOTTI (S&D, IT) (Section III – Commission) and Paul RÜBI (EPP, AT) (other sections) on the Council position on the draft general budget of the European Union for the financial year 2019.

Political priorities: Members stressed that Parliament's reading of the 2019 budget **fully reflects the political priorities** adopted by an overwhelming majority in its abovementioned resolutions of 15 March 2018 on general guidelines and of 5 July 2018 on a mandate for the trilogue. They recalled that sustainable growth, innovation, competitiveness, security, tackling root causes of refugees and migration flows, managing refugee and migration flows, the fight against climate change and the transition to sustainable energy, and a particular focus on young people are at the **core of those priorities**.

The report highlighted that ahead of the **withdrawal of the United Kingdom** from the Union, the Union needs the necessary financial resources to respond to citizens expectations, to allow the Union to effectively tackle the numerous abovementioned priorities and challenges it faces and to improve the day-to-day life of its citizens.

Proposed cuts: Members expressed disapproval that the Council yet again proposes cuts to the very programmes that are designed to make the Union economy more competitive and innovative. In this respect, they proposed to **reinforce considerably Erasmus+** and to strengthen programmes that contribute to growth and job creation, including **Horizon 2020, Connecting Europe Facility (CEF) and COSME**.

Members proposed that **all cuts** proposed by Council to the Draft Budget 2019 (2019 DB) across all headings **be restored**, with limited exceptions in Heading 4 and subheading 1b. They refused to accept the proposed cuts to programmes with the highest European added value, for example those to Horizon 2020 and CEF, two programmes already affected by redeployments to EFSI, or majority of cuts to external policies.

They stressed that the logic behind Council's cuts is **not substantiated by the actual implementation figures** and ignores the varying implementation patterns of certain programmes. They concluded that, for the purpose of adequately financing all pressing needs, and considering the very tight or inexistent margins under certain headings in 2019, **all means available in the MFF Regulation in terms of flexibility will need to be deployed**.

Members expect that the Council will share that approach and that an **agreement will easily be reached in conciliation**, allowing the Union to rise to the occasion and effectively respond to the challenges ahead, particularly given that this year's conciliation will be the last ahead of the May 2019 European elections.

Strengthened policies: as regards youth unemployment, Members proposed to strengthen the **Youth Employment Initiative** (YEI) beyond the level proposed by the Commission.

Regretting that Parliament has not been duly involved in the discussions on the extension of the Facility for Refugees in Turkey (FRT), Members reiterated its longstanding position that new initiatives must not be financed to the detriment of existing Union external projects. They maintain that, given the stretched situation under Heading 4 to respond to external challenges, including migration, the Union budget should contribute to the financing of the second tranche in the same proportion as for the first one, i.e. EUR 1 billion, while the Member States should contribute EUR 2 billion to its financing.

In the light of recent security concerns across the Union, funding under Heading 3 should pay particular attention to measures which will lead to **enhancing security of Union citizens**. Further support is called for in the field of Justice and Home Affairs such as the European Union Agency for Law Enforcement Cooperation (EUROPOL), the European Union Agency for Law Enforcement Training (CEPOL), European Union Agency for the operational management of Large-Scale IT Systems (eu-LISA), the European Union's Judicial Cooperation Unit (Eurojust) and for the new European Public Prosecutor's Office (EPPO) which, due to increased workload and additional tasks, have been facing shortage of staff and funding in the past years.

Part of the solution to the **migratory and refugee challenge** lies in addressing the root causes of migration and devoting sufficient financial means to internal and external instruments that aim at tackling issues such as poverty, lack of employment, education and economic opportunities, instability, conflict and climate change in the European Neighbourhood and Africa. Members are of the opinion that the Union should make optimal use of financial means under Heading 4 which proved to be insufficient to equally address all external challenges.

On **administration**, Members considered that Council's cuts are **unjustified** and do not reflect the real needs. They suggested restoring the 2019 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 2019 at **EUR 166 340 415 936** in commitment appropriations and **EUR 149 349 039 470** 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.