New general budget of the European Union for the financial year 2019

2018/2275(BUD) - 30/11/2018 - Commission draft budget

PURPOSE: presentation of the second draft general budget of the European Union for the 2019 financial year.

BACKGROUND: on 21 June 2018, the Commission transmitted the draft budget for 2019. On 4 September 2018, the Council completed its reading of the draft budget and on 25 October 2018 the European Parliament adopted its reading. On 16 October, the Commission transmitted amending letter 1 /2019 with updated estimates for the year 2019. As the European Parliament adopted amendments to the draft budget which could not be accepted by the Council, a Conciliation Committee was convened.

In the absence of agreement in the Conciliation Committee, the Commission now submits a second draft budget for 2019, in which it is seeking to reconcile the positions of the European Parliament and Council, without recourse to a further period of conciliation because of timing constraints.

PROPOSED APPROPRIATIONS

The second draft budget for 2019 (including special instruments) is as follows:

- ***total commitment appropriations would amount to EUR 165 605.6 million***, corresponding to 1.00% of GNI, an increase of EUR 4 909.2 million compared to 2018 (+3.1%). Overall, a combined margin of EUR 1 291.1 million remains under the various ceilings of the Multiannual Financial Framework (MFF);

- ***payment appropriations would amount to EUR 148 198.9 million***, i.e. 0.90% of GNI, which represents an increase of EUR 3 431.0 million compared to 2018 (+ 2.4%). The margin that remains below the MFF payment ceiling for 2019 amounts to EUR 19 831.4 million.

MFF EXPENDITURE HEADINGS

Heading 1a - Competitiveness for growth and jobs

- Commitment appropriations amount to EUR 23 145.4 million. This is an increase of 5.2% compared to 2018, which mainly concerns the Connecting Europe Facility (CEF), Horizon 2020, Erasmus and the European Defence Industrial Development Programme (EDIDP), leaving no margin in this heading and requiring the use of the global margin for commitments (EUR 63.4 million);

- Payment appropriations increase by 2.1 % to EUR 20 521.5 million.

Heading 1b - Economic, social and territorial cohesion

- Commitment appropriations increase by 3.0 % to EUR 57 192.0 million, leaving no margin under this heading after using the global margin for commitments to finance the Youth Employment Initiative (EUR 350.0 million).

- Payment appropriations increase by 1.1 % to EUR 47 035.4 million.

Heading 2 - Sustainable growth: natural resources

- The proposed commitment appropriations amount to EUR 59 642.1 million. This level of expenditure represents an increase of 0.7% compared to 2018 and leaves a significant margin of EUR 701.9 million under the ceiling.

- Payment appropriations amount to EUR 57 399.9 million, which represents an increase of 2.4 % compared to 2018. Integrating the latest update on assigned revenue, the funding for market-related expenditure and direct aids is EUR 43 191.9 million in commitment appropriations, and EUR 43 116.4 million in payment appropriations.

Heading 3 - Security and citizenship

- The proposed commitment appropriations increase to EUR 3 786.6 million (an increase of 8.4%), leaving no margin under this heading after the mobilisation of the flexibility instrument (EUR 985.6 million).

- Payment appropriations increase by 18.3 % to EUR 3 527.4 million.

Heading 4 – Global Europe

- Commitment appropriations increase by 12.4% to EUR 11 319.3 million (taking into account the impact of the extension of the refugee facility in Turkey), leaving no margin under this heading and requiring the use of the overall margin for commitments (EUR 1 051.3 million).

- Payment appropriations increase by 5.1 % to EUR 9 358.3 million.

Heading 5 - Administration

All institutions combined, and including pensions and the European Schools, appropriations increase by 2.9 %, both for commitments (EUR 9 943.0 million) and payments (EUR 9 944.9 million). The resulting unallocated margin is EUR 589.1 million, after the offset of the use of the Contingency Margin for migration-related expenditure mobilised in 2017 (EUR 253.9 million).