

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

2018/2275(BUD) - 12/12/2018 - Budgetary text adopted by Parliament

The European Parliament adopted by 451 votes to 142, with 78 abstentions, a resolution on the Council position on the second draft general budget of the European Union for the financial year 2019.

The European Parliament approved the Council's position on the second draft general budget of the European Union for the 2019 financial year and the joint statements annexed to the resolution.

Commitment appropriations

Members welcomed the overall level of commitment appropriations agreed, which represents an increase of EUR 1.728 million compared to the original reading of the Council. The increases obtained in the negotiations worth EUR 943 million correspond to Parliament's main political priorities, namely in support of researchers, young people, SMEs, tackling root causes of migration, climate change, increasing the security of EU citizens, and defence.

Payment appropriations

Parliament welcomed the 2.4% increase in total agreed payment appropriations for 2019 compared to 2018. As the amount of payments represents only 0.9% of the Union's GNI, Members stressed the importance of the joint statement on payment appropriations, in which Parliament and the Council commit to take necessary decisions to cover any insufficient needs to be covered.

Refugee Facility in Turkey (FRT)

Parliament regretted the Council's intransigence on the issue of financing the second tranche of FRT, to which the Union will contribute EUR 2 billion and the Member States EUR 1 billion. It reiterated that new initiatives must not be financed to the detriment of existing EU projects and that budgetary satellites such as FRT should not be created in the post-2021 MFF.

Strengthening of subheading 1a

Members insisted, in line with the joint statement by Parliament, the Council and the Commission, that the agreed reinforcement of the Horizon 2020 and Erasmus+ programmes by an amount of EUR 100 million in an amending budget in 2019 will not be financed through redeployments from other programmes but through fresh appropriations.

Creation of posts

The creation of five posts and the related increase of appropriations by the Commission in the 2019 DB to prevent any bottleneck that might be detrimental to the productivity of the courts in the context of new activities taken up by the Court and of continuous increase of the workload especially due to Brexit. It was pointed out, however, that the real need for the ECJ was 16 new permanent posts for the support services.

BUDGET 2019 - JOINT CONCLUSIONS

The 'draft package' concluded after difficult negotiations by Parliament and the Council during the trilogue of 4 December 2018 consists of the following elements:

- the overall level of commitment appropriations (c/a) in the budget 2019 is set at EUR 165 795.6 million. Overall, this leaves a margin below the MFF ceilings for 2019 of EUR 1 291.1 million in c/a;
- the overall level of payment appropriations (p/a) in the budget 2019 is set at EUR 148 198.9 million;
- the Flexibility Instrument for 2019 is mobilised in c/a for an amount of EUR 1 164.3 million for sub-heading 1a (Competitiveness for Growth and Jobs) and heading 3 (Security and Citizenship);
- the Global Margin for Commitments is used at the level of EUR 1 476.0 million for sub-heading 1a (Competitiveness for Growth and Jobs), sub-heading 1b (Economic, Social and Territorial Cohesion) and heading 4 (Global Europe);
- the Contingency Margin mobilised in 2017 is offset for EUR 253.9 million against the unallocated margins under heading 5 (Administration);
- the 2019 p/a related to the mobilisation of the Flexibility Instrument in 2016, 2017, 2018 and 2019 are estimated by the Commission at EUR 961.9 million.

MFF EXPENDITURE HEADINGS – COMMITMENT APPROPRIATIONS

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).

JOINT STATEMENTS

The draft package with the Council also contains four joint statements and one unilateral statement. These statements concern:

Payment appropriations

The statement recalled the need to ensure, in the light of implementation, an orderly progression of payments in relation to the appropriations for commitments so as to avoid any abnormal level of unpaid invoices at year-end.

The Youth Employment Initiative

Reducing youth unemployment remains a high and shared political priority and reaffirm their determination to make the best possible use of budgetary resources to reach this goal, and in particular through the Youth Employment Initiative (YEI).

Climate mainstreaming

The statement recalled the importance of building a low-carbon, resource-efficient and climate resilient economy and investing at least 20% of the EU budget in climate-related expenditure over the period 2014-2020.

The reinforcement of sub-heading 1a through an amending budget

Due to the limited availabilities of the Flexibility Instrument and the Global Margin For Commitments, the European Parliament and the Council have agreed to budget EUR 100 million in an amending budget in 2019 to reinforce Horizon 2020 and Erasmus+.