

2020 general budget: all sections

2019/2028(BUD) - 05/07/2019 - Commission draft budget

PURPOSE: presentation of the Commission's draft general budget for 2020 (all sections).

BACKGROUND: the EU budget for 2020 is the latest budget under the EU's Multiannual Financial Framework (MFF) for the period 2014 to 2020 and falls within the limits set by that framework. The proposal is based on the principle that the United Kingdom will participate fully in the implementation and financing of the EU 2020 budget as if it were a Member State.

The 2020 budget will be implemented during the first year of the mandate of a newly elected European Parliament and a new European Commission. In order to ensure the required stability and continuity from one programming period to the next, the Commission considers it essential that an agreement within the European Council on the new MFF be reached in autumn 2019, in accordance with the conclusions of the European Council of December 2018, followed by a comprehensive agreement by the end of 2019.

PROPOSED APPROPRIATIONS

The draft budget for 2020 (including special instruments) is as follows:

- total commitment appropriations (including special instruments) would amount to **EUR 168 271.7 million**, corresponding to 0.99% of GNI, an increase of EUR 2 082.5 million compared to the 2019 budget (+1.3%). The resulting total margin under the MFF commitment ceiling is EUR 1 781.0 million;

- payment appropriations would amount to **EUR 153 620.7 million**, corresponding to 0.90 % of GNI and representing an increase of 3.5 % compared to payment appropriations in the 2019 budget. The margin that remains below the MFF payment ceiling for 2020 is EUR 20 067.6 million.

KEY PRIORITIES FOR 2020

The 2020 EU budget is therefore a budget of continuity and transition. It will continue to support the achievements of the EU in the past years and the priorities of the current programmes, but will also offer the best possible starting point for the new generation of programmes starting in 2021.

As far as the Commission's proposal is concerned, the appropriations allocated under the 2020 budget are mainly intended for the following priority areas:

(1) Sustainable and inclusive investment, growth and jobs

More than EUR 83 billion in commitments are intended to stimulate economic growth and European regions and support youth.

For growth to benefit all Europeans, and in particular those that are hit the hardest, the EU and its Member States will have to invest in the jobs of the future and create opportunity from the digital and low-carbon transition. The Connecting Europe Facility (CEF) will further support the deployment and operation of digital service infrastructures, fast and ultrafast broadband networks and free local wireless access points through the WiFi4EU initiative

The 2020 budget will also contribute to the European High Performance Computing Joint Undertaking, aiming to develop and support ultra-fast (exascale) supercomputing by 2022/2023 and will fund new

components of Horizon 2020, such as the enhanced European Innovation Council pilot initiative, paving the way to the successor programme, Horizon Europe.

The Commission plans to allocate EUR 13.2 billion for research and innovation across Europe in the context of Horizon 2020 and EUR 1.2 billion (+75% compared to 2019) for Galileo, Europe's own satellite radionavigation system.

The draft budget also proposes EUR 255 million for the European Defence Industrial Development Programme (EDIDP) in 2020 to encourage companies to cooperate in the joint development of defence products and technology until a genuine European Defence Fund is established in 2021.

In the fields of education, training, youth and sport, EUR 2.8 billion will be available for the Erasmus+ programme. With a budget of EUR 166 million, the European Solidarity Corps will enable young people to gain experience in volunteering with many types of organisations across Europe. The Youth Employment Initiative (YEI) has so far received just over EUR 4.4 billion in the current MFF, and an additional EUR 116.7 million is proposed for 2020.

(2) Migration, solidarity and security in an increasingly multipolar world

The EU budget will continue in 2020 to implement all measures taken at European level that allow for better management of migration flows, less irregular migration and more attention to the root causes of migration: the new Entry-Exit System to strengthen border management, the European Travel Information and Authorisation System, the upgraded Schengen Information System, the Facility for Refugees in Turkey and the European Fund for Sustainable Development to name but a few. The EU budget will continue to deliver all these measures in 2020, and will support more sustainable long-term measures if these are agreed in the meantime.

Similarly, awaiting the adoption of the Commission's proposal to review the Dublin Regulation, the Asylum, Migration and Integration Fund (AMIF) for 2020 should continue to support Member States under pressure, with a particular focus on Greece, and assist solidarity and resettlement efforts.

The draft budget provides in particular for:

- EUR 420.6 million (+34.6% compared to 2019) for the European Border and Coast Guard Agency (Frontex), following the agreement reached in March 2019 by the European Parliament and the Council to set up a standing corps of 10 000 border guards by 2027;
- EUR 56.2 million for the new rescEU programme (modernisation of the Union's civil protection mechanism) to increase response capacity to earthquakes, forest fires and other disasters;
- EUR 560 million for people in need in Syria and for refugees and their host communities in the region, as well as a EUR 60 million reinforcement for the European Neighbourhood Instrument for the North Africa window of the Emergency Trust Fund for Africa to prevent irregular migration and improve the situation of migrants and refugees.

(3) The fight against climate change

The Commission's proposal foresees spending 21% of the overall budget for 2020 on climate change, which is part of the ambitious objective of spending 20% of the EU's long-term budget on climate change activities. An even more ambitious target is proposed for the next MFF, to support the EU's commitment under the Paris Agreement to reduce its greenhouse gas emissions by at least 40% by 2030 with a view to a climate-neutral economy.

MAIN ASPECTS BY HEADING OF THE FINANCIAL FRAMEWORK 2014-2020

In the MFF, the overall ceiling for commitment appropriations for 2020 is EUR 168 797 million, which represents 0.99% of the Union's gross national income (GNI). The ceiling for payment appropriations is EUR 172 420 million, or 1,01 % of GNI.

- **Heading 1a - Competitiveness for growth and employment:** commitment appropriations amount to EUR 24 716.4 million. This amount is up by 5.5% compared to the 2019 budget, mainly due to increase under the Common Strategic Framework for Research and Innovation, the Connecting Europe Facility, major infrastructure projects and Erasmus+. This leaves a margin of EUR 474.6 million. Payment appropriations increase by 7.7 % to EUR 22 108.5 million.

- **Heading 1b - Economic, social and territorial cohesion:** commitment appropriations increased by 2.5% to EUR 58 611.9 million, leaving no margin. Payment appropriations for the heading increase by 6.4 % compared to the 2019 budget to EUR 50 042.4 million. There is no need for payment appropriations for the closure of the 2007-2013 programmes as they are all expected to be closed in 2019. The implementation of the 2014-2020 programmes should continue at cruising speed.

- **Heading 2 - Sustainable growth: natural resources:** commitment appropriations for agriculture, fisheries and environment policies amount to EUR 59 994.9 million, an increase of 0.6% compared to the 2019 budget. The level of expenditure leaves a margin of EUR 426.1 million under the ceiling. Payment appropriations amounted to EUR 58 014.3 million, an increase of 1.1% compared to 2019. The financing of market-related expenditure and direct payments under the European Agricultural Guarantee Fund amounts to EUR 43 531.8 million in commitment appropriations and EUR 43 501.7 million in payment appropriations.

- **Heading 3 - Security and citizenship:** the level of commitment appropriations for heading 3 is set at EUR 3 729.1 million, which is 2.5% lower than the 2019 budget but still EUR 778.1 million above the ceiling, which requires the mobilisation of the flexibility instrument for the same amount. Payment appropriations amount to EUR 3 723.9 million, which represents an increase of 5.6 % compared to the 2019 budget.

- **Heading 4 - Global Europe:** the Commission proposes commitment appropriations amounting to EUR 10 307.6 million (- 8.9% compared to the 2019 budget). For 2020, it is proposed to use EUR 240 million of the unallocated margin under this heading to reinforce the humanitarian aid and European Neighbourhood Instrument lines by EUR 120 million each in order to meet the commitment made at the 2019 Syria conference. Payment appropriations amount to EUR 8 986.1 million, which corresponds to a decrease of 4.0 %.

- **Heading 5 - Administration:** all institutions combined, including pensions and the European Schools, increased by 3.8 %, (payment appropriations also increased by 3.8 %), commitments amounting to EUR 10 324.1 million. The margin still available amounts to EUR 677.9 million for 2020.

One of the Commission's key priorities is to ensure that the EU budget creates added value for EU citizens. The draft budget for 2020 has been drawn up taking into account information on the performance of all EU spending programmes, which shows that the EU budget produces concrete results for citizens in the EU and beyond.