Basic information

2016/2323(BUD) BUD - Budgetary procedure	Procedure completed
2018 budget: guidelines, Section III - Commission **Subject** 8.70.58 2018 budget	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	MUREŞAN Siegfried (PPE)	24/11/2016
	Shadow rapporteur VIOTTI Daniele (S&D) KÖLMEL Bernd (ECR) JÄÄTTEENMÄKI Anneli (ALDE) NÍ RIADA Liadh (GUE/NGL) TARAND Indrek (Verts/ALE) ŻÓŁTEK Stanisław (ENF)	

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	3520	2017-02-21

European Commission

Commission DG	Commissioner
Budget	OETTINGER Günther

Key events

Date	Event	Reference	Summary
21/02/2017	Resolution/conclusions adopted by Council		
06/03/2017	Vote in committee		
08/03/2017	Committee report tabled for plenary	A8-0060/2017	Summary

14/03/2017	Debate in Parliament		
15/03/2017	Decision by Parliament	T8-0085/2017	Summary
15/03/2017	Results of vote in Parliament		
15/03/2017	End of procedure in Parliament		

Technical information	
Procedure reference	2016/2323(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budgetary preparation
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/8/08781

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE599.492	06/02/2017	
Amendments tabled in committee		PE599.722	14/02/2017	
Committee report tabled for plenary, single reading		A8-0060/2017	08/03/2017	Summary
Parliament's opinion on budgetary estimates/guidelines		T8-0085/2017	15/03/2017	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

2018 budget: guidelines, Section III - Commission

2016/2323(BUD) - 15/03/2017 - Parliament's opinion on budgetary estimates/guidelines

The European Parliament adopted by 445 votes to 134, with 101 abstentions, a resolution on the general guidelines for the preparation of the 2018 budget, Section III – Commission.

A budget for sustainable growth, jobs and security: Parliament stressed that decent, quality and stable jobs, particularly for young people, economic growth and socio-economic convergence, migration, security and tackling populism, as well as climate change, are the main concerns at EU level and that the EU budget remains part of the solution to these issues. It stated that, while maintaining budget discipline, the EU budget must be equipped with the tools to enable it to respond to **multiple crises simultaneously**, a certain level of flexibility thus being required.

While growth and jobs continue to remain the core priorities of the EU budget, obtaining sustainable progress and development in these fields has to be accomplished in parallel to addressing EU citizens' concerns regarding safety and security; reiterates its call for thematic concentration when setting priorities for the 2018 EU budget.

Parliament stressed that **research, infrastructure and SMEs are key enablers of growth and jobs**. Adequate budgetary support is therefore needed to boost investment in both private and public sectors, with special attention to SMEs. Consequently, it called for particular importance to be given to Heading 1a.

As regards innovation: Parliament called for an appropriate level of appropriations to be ensured for Horizon 2020, while continuing with its simplification agenda. It stressed the importance of strengthening the COSME programme in the new MFF in order to provide SMEs with more substantial support from the EU.

Parliament underlined the important role and potential of the European Fund for Strategic Investments (EFSI) in reducing the investment gap which still exists in Europe. It welcomed the Commission proposal for extending the EFSI until 2020 and called on it to regularly analyse the added value of EFSI.

Education and youth employment – prerequisites for the success of the younger generation: according to Parliament, education is a prerequisite for sustainable, well-paid and stable jobs. It called, in this context, for the **funding for the Erasmus+ programme to be further increased in 2018**.

The resolution noted that youth unemployment is one of the main concerns at European level and noted the proposal to launch an "**18th Birthday Interrail Pass for Europe**" which has the potential to boost European consciousness.

Traditional EU budget priorities as investment policies: Parliament showed support for economic, social and territorial cohesion and the agricultural sector. It called on the Commission to continue to support farmers across Europe in coping with unexpected market volatility and in securing safe and quality food supplies.

Internal challenges: Parliament is convinced that the EU budget has proven to be insufficient to deal with the effects of the migratory and refugee crisis and corresponding humanitarian challenges or with the challenges in the security area such as increasing international terrorism. It underlined that, on this basis, a sustainable solution must be found to this issue, as it has been demonstrated by the repeated mobilisation of special instruments such as the flexibility instrument that **the EU budget was not initially designed to address crises of such magnitude**. A coherent strategy for tackling the migratory and refugee crisis, including clear, measurable and comprehensible objectives, has to be adopted. It called for adequate budgeting in the coming years for the Internal Security Fund (ISF) and the Asylum, Migration and Integration Fund (AMIF). It also reiterated the importance of the principle of **burden-sharing among Member States** in financing the efforts needed to adequately provide for refugees.

Parliament underlined that the current budget of the ISF (approximately EUR 700 million in commitments) is not sufficient for tackling the security challenges stemming from international terrorism and called for reinforced financial resources.

Parliament stressed that the EU budget is also an **instrument of external solidarity**, providing urgent assistance in humanitarian and civilian crises by offering support to countries in need. It reiterated the EU's commitment to contributing to the achievement of the Sustainable Development Goals (SDGs) and to achieving the 0.7 % ODA/GNI target within the time frame of the post-2015 agenda. It highlighted that, in the long-term, development aid yields a return on investment in the form of increased trade and GDP growth in Europe.

Parliament also called for:

- strengthened management of its borders;
- enhanced cooperation between law enforcement agencies and national authorities and fighting terrorism, radicalisation and serious and organised crime;
- strengthened cooperation in the field of defence;
- support for the fulfilment of the objectives of the Paris Agreement and tackling climate change.

External challenges: recalling the need to tackle the root causes of the current migratory and refugee crisis and the corresponding humanitarian challenges, Parliament called on the Commission to design a roadmap to tackle the migratory crisis in an effective way. It noted that the current trend on the Commission's part to resort to satellite budgetary mechanisms such as the Facility for Refugees in Turkey, trust funds and other similar instruments has not proved a success in all cases. It expressed concern that the establishment of financial instruments outside the Union budget undermines the transparent management of the budget and hampers the right of Parliament to exercise effective scrutiny of expenditure. It maintained its position that the *ad hoc* external financial instruments which have emerged in recent years must be incorporated into the EU budget, with Parliament having full scrutiny over the implementation of these instruments.

Parliament also called on the Commission to ensure that priority is given to investment in the EU Neighbourhood.

Sufficient payment appropriations resulting in increased credibility for the EU: Parliament reiterated its previous calls for providing the EU budget with an adequate level of payment appropriations in order to allow it to fulfil its main purpose as an investment budget. However, it stressed that delays in the implementation of the 2014-2020 programmes under shared management led to a drop in payment claims for 2016 and 2017.

It underlined that, despite a final agreement on the MFF mid-term revision not yet having been reached, several positive elements of the revision that are currently under negotiation – notably in terms of increased flexibility – might prove to be instrumental in preventing and responding to a future payment crisis.

It reiterated their long-standing position that the payments of special instruments must be counted over and above the MFF payment ceiling.

Plenary noted that regretted that corporate tax fraud and tax avoidance have caused huge losses of tax income for Member States, and therefore a reduction in their contributions to the EU budget. Parliament considered that such unfair tax competition in some cases means GDP transfer from one Member State to another and GNI transfer to non-EU tax havens, thus reducing aggregate Member State contributions to the EU budget.

Consequences of the UK's decision to leave the EU: Parliament called for the establishment of the new financial framework and a reformed and more efficient EU budget taking account of the UK's decision to leave the EU. It drew attention to the fact that the UK's withdrawal from the EU will provide

an opportunity to address the long-standing issues which have prevented the EU budget from reaching its real potential, especially as regards the revenue side, in order to phase out all rebates and correction mechanisms.

It reaffirmed their position in favour of an in-depth reform of EU own resources.

Lastly, it called on the **Council to live up to its political statements** and cooperate to ensure that the EU is equipped with an adequate budget.

2018 budget: guidelines, Section III - Commission

2016/2323(BUD) - 08/03/2017 - Committee report tabled for plenary, single reading

The Committee on Budgets adopted the report by Siegfried MUREŞAN (EPP, RO) on the general guidelines for the preparation of the 2018 budget, Section III – Commission.

A budget for sustainable growth, jobs and security: Members underlined that only a strong and **targeted EU budget with genuine European added value will benefit all Member States and EU citizens alike**. They expect the Commission to put forward a draft 2018 budget that enables the EU to continue to generate prosperity through growth and jobs and ensures the **safety of its citizens**.

Members stressed that **research, infrastructure and SMEs are key enablers of growth and jobs** and that jobs are created mainly by the private sector. Adequate budgetary support is therefore needed to boost investment in both private and public sectors, with special attention to SMEs. Consequently, they called for particular importance to be given to Heading 1a.

As regards innovation: Members called for an appropriate level of appropriations to be ensured for Horizon 2020, while continuing with its simplification agenda. They stressed the importance of strengthening the COSME programme in the new MFF in order to provide SMEs with more substantial support from the EU.

Members underlined the important role and potential of the European Fund for Strategic Investments (EFSI) in reducing the investment gap which still exists in Europe. They welcomed the Commission proposal for extending the EFSI until 2020 and called on it to regularly analyse the added value of EFSI.

Education and youth employment – prerequisites for the success of the younger generation: according to Members, education is a prerequisite for sustainable, well-paid and stable jobs. They called, in this context, for the **funding for the Erasmus+ programme to be further increased in 2018**.

The report noted that youth unemployment is one of the main concerns at European level and noted the proposal to launch an "**18th Birthday Interrail Pass for Europe**" which has the potential to boost European consciousness.

Traditional EU budget priorities as investment policies: Members showed support for economic, social and territorial cohesion and the agricultural sector. They called on the Commission to continue to support farmers across Europe in coping with unexpected market volatility and in securing safe and quality food supplies.

Internal challenges: Members are convinced that the EU budget has proven to be insufficient to deal with the effects of the migratory and refugee crisis and corresponding humanitarian challenges or with the challenges in the security area such as increasing international terrorism. They underlined that, on this basis, a sustainable solution must be found to this issue, as it has been demonstrated by the repeated mobilisation of special instruments such as the flexibility instrument that **the EU budget was not initially designed to address crises of such magnitude**. A coherent strategy for tackling the migratory and refugee crisis, including clear, measurable and comprehensible objectives, has to be adopted. They called for adequate budgeting in the coming years for the Internal Security Fund (ISF) and the Asylum, Migration and Integration Fund (AMIF). They reiterated the importance of the principle of **burden-sharing among Member States** in financing the efforts needed to adequately provide for refugees.

They underlined that the current budget of the ISF (approximately EUR 700 million in commitments) is not sufficient for tackling the security challenges stemming from international terrorism and called for reinforced financial resources.

Members also called for:

- strengthened management of its borders;
- enhanced cooperation between law enforcement agencies and national authorities and fighting terrorism, radicalisation and serious and organised crime;
- strengthened cooperation in the field of defence;
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External challenges: recalling the need to tackle the root causes of the current migratory and refugee crisis and the corresponding humanitarian challenges, Members called on the Commission to design a roadmap to **tackle the migratory crisis in an effective way**. They noted that the current trend on the Commission's part to resort to satellite budgetary mechanisms such as the Facility for Refugees in Turkey, trust funds and other similar instruments has **not proved a success in all cases**. They expressed concern that the establishment of financial instruments outside the Union budget undermines the transparent management of the budget and **hampers the right of Parliament to exercise effective scrutiny** of expenditure. They maintain their position that the *ad hoc* external financial instruments which have emerged in recent years must be incorporated into the EU budget, with Parliament having full scrutiny over the implementation of these instruments.

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They reaffirmed their position in favour of an in-depth reform of EU own resources.