## Basic information

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|---|---|
| **2017/2044(BUD)**<br>BUD - Budgetary procedure | Procedure completed |
| 2018 general budget: all sections<br>**Subject**<br>8.70.58 2018 budget | |

## Key players

European Parliament

| Committee responsible | Rapporteur | Appointed |
|---|---|---|
| BUDE Budgetary Conciliation Committee | MUREŞAN Siegfried (PPE)<br>ASHWORTH Richard (ECR) | 24/11/2016<br>24/11/2016 |

| Former committee responsible | Former rapporteur | Appointed |
|---|---|---|
| BUDG Budgets | MUREŞAN Siegfried (PPE)<br>ASHWORTH Richard (ECR) | 27/03/2017<br>27/03/2017 |

| Former committee for opinion | Former rapporteur for opinion | Appointed |
|---|---|---|
| AFET Foreign Affairs | PREDA Cristian Dan (PPE) | 28/02/2017 |
| DEVE Development | GOERENS Charles (ALDE) | 08/03/2017 |
| INTA International Trade | BÖGE Reimer (PPE) | 20/03/2017 |
| CONT Budgetary Control | ZELLER Joachim (PPE) | 15/03/2017 |
| ECON Economic and Monetary Affairs | FERBER Markus (PPE) | 21/03/2017 |
| EMPL Employment and Social Affairs | CLUNE Deirdre (PPE) | 14/03/2017 |
| ENVI Environment, Public Health and Food Safety | VĂLEAN Adina (PPE) | 31/01/2017 |
| ITRE Industry, Research and Energy | BUZEK Jerzy (PPE) | 28/02/2017 |

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|---|---|---|---|
| IMCO | Internal Market and Consumer Protection | DALTON Daniel (ECR) | 21/03/2017 |
| TRAN | Transport and Tourism | TOŠENOVSKÝ Evžen (ECR) | 20/03/2017 |
| REGI | Regional Development | MIHAYLOVA Iskra (ALDE) | 28/02/2017 |
| AGRI | Agriculture and Rural Development | SZANYI Tibor (S&D) | 28/02/2017 |
| PECH | Fisheries | CADEC Alain (PPE) | 28/02/2017 |
| CULT | Culture and Education | LØKKEGAARD Morten (ALDE) | 09/02/2017 |
| JURI | Legal Affairs | SVOBODA Pavel (PPE) | 22/03/2017 |
| LIBE | Civil Liberties, Justice and Home Affairs | JEŽEK Petr (ALDE) | 09/03/2017 |
| AFCO | Constitutional Affairs | HÜBNER Danuta Maria (PPE) | 20/03/2017 |
| FEMM | Women's Rights and Gender Equality | MATERA Barbara (PPE) | 28/02/2017 |
| PETI | Petitions | The committee decided not to give an opinion. | |

Council of the European Union

| Council configuration | Meetings | Date |
|---|---|---|
| Competitiveness (Internal Market, Industry, Research and Space) | 3580 | 2017-11-30 |

European Commission

| Commission DG | Commissioner |
|---|---|
| Budget | GEORGIEVA Kristalina |

**Key events**

| Date | Event | Reference | Summary |
|---|---|---|---|
| 29/06/2017 | Commission draft budget published | COM(2017)0400 | Summary |

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|---|---|---|---|
| 04/09/2017 | Council position on draft budget published | 11815/2017 | Summary |
| 02/10/2017 | Committee referral announced in Parliament | | |
| 10/10/2017 | Vote in committee | | |
| 11/10/2017 | Budgetary report tabled for plenary | A8-0299/2017 | Summary |
| 24/10/2017 | Debate in Parliament | | |
| 25/10/2017 | Decision by Parliament | T8-0408/2017 | Summary |
| 25/10/2017 | Results of vote in Parliament | | |
| 26/10/2017 | Start of budgetary conciliation (Parliament and Council) | | |
| 18/11/2017 | Vote in committee | | |
| 22/11/2017 | Budgetary conciliation report tabled for plenary | A8-0359/2017 | Summary |
| 27/11/2017 | Budgetary joint text published | 14587/2017 | |
| 29/11/2017 | Debate in Parliament | | |
| 30/11/2017 | Decision by Parliament | T8-0458/2017 | Summary |
| 30/11/2017 | Results of vote in Parliament | | |
| 30/11/2017 | Draft budget approved by Council | | |
| 30/11/2017 | Final act signed | | |
| 30/11/2017 | End of procedure in Parliament | | |
| 28/02/2018 | Final act published in Official Journal | | |

## Technical information

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| **Procedure reference** | 2017/2044(BUD) |
| **Procedure type** | BUD - Budgetary procedure |
| **Procedure subtype** | Budget |
| **Stage reached in procedure** | Procedure completed |
| **Committee dossier** | BUDE/8/11411<br>BUDG/8/09490 |

## Documentation gateway

**European Parliament**

| Document type | Committee | Reference | Date | Summary |
|---|---|---|---|---|
| Committee opinion | CULT | PE606.013 | 11/07/2017 | |
| Committee opinion | AFCO | PE606.067 | 13/07/2017 | |
| Committee opinion | IMCO | PE604.889 | 20/07/2017 | |
| Committee opinion | ENVI | PE604.869 | 31/08/2017 | |

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|---|---|---|---|---|
| Committee opinion | AGRI | PE606.201 | 31/08/2017 | |
| Committee opinion | EMPL | PE607.885 | 31/08/2017 | |
| Committee opinion | INTA | PE607.959 | 31/08/2017 | |
| Committee opinion | PECH | PE605.915 | 04/09/2017 | |
| Committee opinion | AFET | PE606.051 | 04/09/2017 | |
| Committee opinion | TRAN | PE606.064 | 05/09/2017 | |
| Committee opinion | LIBE | PE606.219 | 05/09/2017 | |
| Committee opinion | CONT | PE606.012 | 07/09/2017 | |
| Committee opinion | ECON | PE606.132 | 07/09/2017 | |
| Committee opinion | REGI | PE606.253 | 08/09/2017 | |
| Committee opinion | FEMM | PE606.300 | 27/09/2017 | |
| Committee opinion | DEVE | PE609.383 | 27/09/2017 | |
| Committee draft report | | PE610.722 | 28/09/2017 | |
| Amendments tabled in committee | | PE612.016 | 04/10/2017 | |
| Committee opinion | ITRE | PE606.112 | 10/10/2017 | |
| Budgetary report tabled for plenary, 1st reading | | A8-0299/2017 | 11/10/2017 | Summary |
| Budgetary text adopted by Parliament | | T8-0408/2017 | 25/10/2017 | Summary |
| Budgetary conciliation report tabled for plenary | | A8-0359/2017 | 22/11/2017 | Summary |
| Budgetary joint text approved by Parliament | | T8-0458/2017 | 30/11/2017 | Summary |

**Council of the EU**

| Document type | Reference | Date | Summary |
|---|---|---|---|
| Council position on draft budget | 11815/2017 | 04/09/2017 | Summary |

**European Commission**

| Document type | Reference | Date | Summary |
|---|---|---|---|
| Commission draft budget | COM(2017)0400 | 29/06/2017 | Summary |
| Document attached to the procedure | COM(2017)0615 | 16/10/2017 | Summary |

**Other institutions and bodies**

| Institution/body | Document type | Reference | Date | Summary |
|---|---|---|---|---|
| CSL/EP | Budgetary joint text | 14587/2017 | 27/11/2017 | |

| Additional information | | |
|---|---|---|
| **Source** | **Document** | **Date** |
| European Commission | EUR-Lex | |
| | | |

| Final act | |
|---|---|
| Budget 2018/0251<br>OJ L 057 28.02.2018, p. 0001 | Summary |

# 2018 general budget: all sections

2017/2044(BUD) - 22/11/2017 - Budgetary conciliation report tabled for plenary

The European Parliament delegation to the Conciliation Committee adopted a report by Siegfried MUREŞAN (EPP, RO) (Section III – Commission) and Richard ASHWORTH (ECR, UK) (other sections) on the joint text on the draft general budget of the European Union for the financial year 2018 approved by the Conciliation Committee under the budgetary procedure.

The EP delegation called on the Parliament to approve the joint text agreed by the Conciliation Committee.

The main elements are as follows:

- the overall level of commitment appropriations in the 2018 budget is set at EUR 160 113.5 million. Overall, this leaves a margin below the MFF ceilings for 2018 of EUR 1 600.3 million in commitment appropriations;
- the overall level of payment appropriations in the 2018 budget is set at EUR 144 681.0 million;
- the Flexibility Instrument for 2018 is mobilised in commitment appropriations for an amount of EUR 837.2 million for heading 3 Security and Citizenship;
- the Global margin for commitments is used at a level of EUR 1 113.7 million for heading 1a Competitiveness for Growth and Jobs and heading 1b Economic, Social and Territorial Cohesion;
- Decision EU 2017/344 of the European Parliament and of the Council on the mobilisation of the Contingency margin in 2017 will be amended to adjust the offsetting profile to decrease the amount offset in heading 5 Administration in 2018 from EUR 570 million to EUR 318 million and correspondingly introduce offsetting of EUR 252 million for the same heading in 2020;
- the 2018 payment appropriations related to the mobilisation of the Flexibility Instrument in 2014, 2016, 2017 and 2018 are estimated by the Commission at EUR 678.3 million.

Members confirmed the joint statements by Parliament, the Council and the Commission annexed to this resolution which concern in particular:

- payment appropriations;
- the youth employment initiative;
- the 5 % staff reduction.

# 2018 general budget: all sections

2017/2044(BUD) - 29/06/2017 - Commission draft budget

PURPOSE: Presentation of the Commission's Draft Budget (DB) for 2018 (all sections).

BACKGROUND: The 2018 draft budget is in line with the annual evolution foreseen in the multiannual financial framework (MFF). It focuses on the challenge of **migration, both within and outside the EU**. The 2018 budget will be the fifth of the current MFF.

The budget is proposed in the context of the mid-term review of the MFF formally adopted by the Council.

The Commission should also **use the budget under the 'Agriculture' heading to allocate additional funding for security and migration**.

**The budget in a few figures:** the draft budget for 2018 (including special instruments) is as follows:

- the overall ceiling for **commitment appropriations (CAs)** amounts to **EUR 160.6 billion**, corresponding to 1.02% of GNI, and represents an increase of EUR 2 213.9 million compared to the 2017 budget. The resulting total margin under the ceiling of the commitments of the MFF amounts to EUR 1.1 billion;

- the ceiling on **payment appropriations (PAs)** amounts to **EUR 145.4 billion**, which corresponds to 0.92% of GNI, **i.e. an increase of 8.1% in the amounts compared with 2017**, due to the structural programmes And EU investment for the period 2014-2020 that will reach their cruising speed, after a slow start. The remaining margin under the MFF payments ceiling for 2018 is EUR 10.4 billion.

The main budgetary priorities for the year are as follows:

- **employment and investment:** The European Strategic Investment Fund (ESIF) aims to support employment and boost growth through the more intelligent use of existing and new financial resources in order to capitalise on private investment. It has already mobilised EUR 194 billion of investment to date. In 2018, the Commission proposes to allocate an additional **EUR 2 billion to the ESIF guarantee fund**.

In general, EUR 55.4 billion will be allocated to the Structural and Investment Funds for regions and Member States and around EUR 59.6 billion for farmers and rural development.

The **promotion of sustainable development** will also guide the actions covered by the EU budget outside the Union, which will be considerably strengthened as regards neighbouring countries. The new **European Sustainable Development Fund** should therefore mobilise additional funds, particularly from the private sector;

- **new prospects for young people:** the **Erasmus + programme** will increase to EUR 2.3 billion, an increase of 9.5% compared to the 2017 budget. By the end of 2016, around 1.6 million young people had benefited from actions under the **Youth Employment Initiative**. This initiative has helped to **reduce the youth unemployment rate in most Member States**. However, given that unemployment rates are still higher than pre-financial crisis levels, it is necessary to continue efforts at EU level and to provide assistance. To this end, an additional EUR 1.2 billion should be allocated to the initiative for the period 2017-2020 of which **EUR 233 million is included in the 2018 draft budget and EUR 500 million in an amending budget for 2017**, proposed in parallel.

In addition, the **European Solidarity Corps**, which aims to offer young people voluntary, internship and employment offers for periods of 2 to 12 months, to promote solidarity within society throughout Europe. This initiative will have its own budget and a legal basis to allow 100 000 Europeans to participate by 2020, for a total amount of EUR 342 million for the period 2018-2020, of which **EUR 89 million in 2018**;

**-increasing security within and outside the EU:** given that migration and security remain top priorities, the Commission plans to continue funding a wide range of related actions within the European Union such as the provision of humanitarian aid, the strengthening of the management of external borders and the support of the Member States most affected. The **EUR 4.1 billion** allocated for this purpose in the draft budget for 2018 in the areas of migration and security covers the EU's overall allocation for migration and security to an unprecedented amount of EUR 22 billion for the period 2015-2018.

Additional funds will also be available to combat the **root causes of migration** externally, including by providing assistance to third countries facing large migratory flows, such as **Lebanon and Jordan**. The draft budget also includes the commitments made for this region at the **Brussels conference on aid for the future of Syria** in April 2017 totalling **EUR 560 million**.

In the **area of security**, EU funding will focus on preventive security measures, in particular in the field of organised crime, including enhanced coordination and cooperation between national law enforcement agencies, improving the security of the Union's external borders and supporting Member States in **combating terrorism and cybercrime**.

In addition, in 2017, the Commission launched a **preparatory action for defence-funded research work** financed by the Union. A total of **EUR 90 million** is envisaged in the budget for the period 2017-2019 to finance collaborative research in **innovative technologies and products in the field of defence**.

MAIN FEATURES OF THE BUDGET BY HEADING: the following presentation is structured according to the budget headings set out in the 2014-2020 financial framework:

**Heading 1:** ***Smart and inclusive growth*****:** this budget heading is divided into two sub-headings:

- **1.a Competitiveness for growth and employment:** Commitment appropriations for this sub-heading amount to EUR 21.841 billion. This amount is up by 2.5% compared to the 2017 budget, mainly due to increases in support of the Common Strategic Framework for Research and Innovation, the European Interconnection Mechanism and Erasmus +. There remains a margin of EUR 56.1 million, after recourse to the overall margin for commitments, of EUR 658.4 million. Payment appropriations increase by 3.9% to EUR 20 billion;

- **1.b Economic, social and territorial cohesion:** commitment appropriations increase by 2.4% to EUR 55.408 billion, leaving a margin of EUR 6.5 million. In line with the political agreement reached on the MFF mid-term review, an amount of EUR 233 million is proposed for the Youth Employment Initiative in 2018. Payment appropriations for the heading as a whole have increased by 25.7% compared to the budget for 2017 rising to EUR 46.763 billion;

**Heading 2:** ***Sustainable Growth: Natural Resources:*** Commitment appropriations amounting to EUR 59.553 billion are proposed for this heading, an increase of 1.7% compared to 2017. The level of expenditure leaves a margin of EUR 713.5 million below the ceiling. Payment appropriations amount to EUR 56.36 billion, an increase of 2.6% compared to 2017. The financing of market-related expenditure and direct payments amounted to EUR 43.5 billion in commitment appropriations and EUR 43.47 billion in payment appropriations.

**Heading 3:** ***Security and citizenship:*** given the scale of the challenges, the Commission proposes to continue to make a major effort in 2018 to finance migration and security-related expenditure in Heading 3. The level of commitment appropriations amounted to EUR 3.473 billion, i.e. EUR 817 million above the ceiling. There is therefore **no margin under this heading**, which will require the **mobilisation of the flexibility instrument**, the envelope of which has been increased as part of the MFF mid-term review, in order to cover all the needs of heading 3 in 2018 (EUR 817 million). Payment appropriations amount to EUR 2.964 billion. The level of commitments and payments is lower (-18.9% for commitments and -21.7% for payments) than for the 2017 budget, which was very high, due to the need for an **urgent response to migration**.

**Heading 4:** ***Europe in the world:*** commitments amounting to EUR 9,593 billion are envisaged. By 2017, the Commission had mobilised EUR 730 million under the contingency margin in favour of this heading. For 2018, it is proposed to leave a margin of EUR 232 million to cover new needs that might still arise, such as the **possible extension of the refugee facility in Turkey**, for the Commission will perhaps need to submit a letter of amendment to the draft budget or an amending budget. The commitment appropriations for 2018 therefore correspond to a decrease of EUR -569.1 million, or -5.6%, compared with the budget for 2017. The level of payment appropriations, amounting to EUR 8.951 billion, is down -5.6%, reflecting the **absence of any arrears of outstanding commitments under this heading**;

**Heading 5:** ***Administration (expenditure of the European institutions and staff):*** Commitment and payment appropriations for heading 5, 'Administration', including all institutions, including European pensions and schools, have each increased by 3.1% with commitments amounting to EUR 9.682 billion. The draft budget includes adjustments made by the Commission to ensure a better match between the draft estimates of expenditure for the Court of Justice, the European Economic and Social Committee and the European Committee of the Regions. The margin under the ceiling of heading 5 amounts to EUR 663.6 million, of which EUR 570 million compensate for the recourse in the 2017 budget to the contingency margin for expenditure under heading 3 relating to migration. The **margin for 2018 still available** amounts to **EUR 93.6 million**.

# 2018 general budget: all sections

2017/2044(BUD) - 04/09/2017 - Council position on draft budget

On 4 September 2017, the Council adopted its position on the draft general budget of the European Union for the financial year 2018.

The Council provides **EUR 158 917.3 million in commitment appropriations and EUR 144 429.56 million in payment appropriations**. This represents an increase of 0.63% and 7.39% respectively compared to the 2017 EU budget.

The significant increase in payments reflects the fact that the 2014-2020 programmes will be at an advanced stage of implementation.

The total amount of payment appropriations provided for in the Council's position on the DB for 2018 corresponds to **0.92%** of the EU gross national income (GNI).

**A. Principles:** when adopting its position, the Council took into account the following principles:

- work within the framework of the budget guidelines established for the 2018 budget in the Council conclusions adopted on 21 February 2017;
- follow an approach leading to a budget complying with **budgetary discipline** and sound financial management, as well as taking duly into account the ongoing economic and budgetary constraints in Member States;
- provide adequate funding for the European Union's various priorities, determining appropriations on the basis of past and current budget implementation and **realistic absorption capacities**;
- foresee the necessary appropriations enabling the smooth implementation of the different programmes in the fifth year of the MFF 2014-2020;
- provide the appropriations necessary to support the political priorities of the Union, notably **enhancing jobs and growth and responding to the challenges in the areas of security and migration**;
- **leave adequate margins** in commitment appropriations under the ceilings of the headings and sub-headings of the multiannual financial framework, with the exception of **(sub-)headings 1b and 3**, in order to be able to cope with unforeseen situations;
- keep **payment appropriations under control**, resulting in a reduction in payment appropriations in particular under headings 1 and 2.

**Administrative expenditure**: the Council acknowledged the efforts made to reach the **-5% staff reduction target**. It insisted that a proper assessment of the outcome of the 5% staff reduction exercise be carried out.

In order to ensure an appropriate level of administrative expenditure and the proper functioning of the institutions, the Council adopted the following approach:

- strict control of the administrative expenditure of the institutions, in accordance with the approach followed by the Member States for their respective national civil services;
- appropriate level for setting the administrative budget of each institution, taking into account their specific, genuine and justified needs.

**Decentralised agencies**: the Council suggested reducing the overall level of contributions from the Union budget by **EUR 5 million** in commitment and payment appropriations. Agencies which did not fully implement the contributions received from the Union budget in the past and/or for which the absorption capacities could be lower than the forecasts made by the Commission would be affected by those reductions.

**Payment appropriations**: the Council will carefully examine the letter of amendment for agriculture (including information on assigned revenue) in order to appropriately assess the level of resources under heading 2 (Sustainable growth: natural resources) in the 2018 budget.

The Council also called on the Commission to:

- closely scrutinise the implementation of the 2014-2020 programmes and present in a timely manner **updated figures concerning the state of affairs and estimates regarding 2018 payment appropriations**;
- ensure the timely presentation of the statement of estimates for 2018, allowing each institution enough time to undertake a detailed technical analysis of the disseminated estimates and to prepare thoroughly its position in accordance with an agreed pragmatic calendar.

**B. Expenditure by main MFF headings:**

**Heading 1: Smart and inclusive growth**: **EUR 76 499 million in commitments and EUR 66 415 million in payments**, up by 2.1% and 17.5% respectively compared to 2017.

*1a) Competitiveness for growth and jobs*: the amount is set at EUR 21 091 million in commitments, a decrease of 1.04% compared to 2017.

The sub-heading is characterised by the following elements:

- establish the **level of commitment appropriations, targeting a total reduction of EUR 750 million** in the appropriations requested in the DB 2018;
- set the level of payment appropriations, **reducing the appropriations requested in the DB 2018 by a total amount of EUR 190 million** in the appropriations requested in the DB 2018.

The reductions envisaged would involve a number of specific budget lines in the following areas:

- large infrastructure projects (-EUR 98.64 million in commitments and -EUR 30.88 million in payments);
- common strategic framework for research and innovation (-EUR 504.43 million in commitments and -EUR 120.37 million in payments);
- employment and social innovation (-EUR 9.82 million in commitments and -EUR 0.1 million in payments);
- Customs 2020 and Fiscalis 2020 programmes (-EUR 4.25 million in commitments and -EUR 2.07 million in payments);
- Connection Europe facility (-EUR 111.56 million in commitments and -EUR 23.05 million in payments);
- actions financed under the prerogatives of the Commission (-EUR 13.31 million in commitments and -EUR 8.00 million in payments);
- other actions and programmes (-EUR 7.49 million in commitments and –EUR 5.02 million euros in payments).

The **margin available** under sub-heading 1a would be **EUR 806.05 million**.

*1b) Economic, social and territorial cohesion*: the Council provided **EUR 55 407 million in commitments**, an increase of 3.4% compared to 2017.

Other main features of this sub-heading include:

- **maintain the level of commitment appropriations** as requested in the DB 2018;
- set the level of payment appropriations, reducing the appropriations requested in the DB 2018 by a total amount of -EUR 240 million, in particular for 2014-2020 programmes, notably: Transition regions (-EUR 55.00 million), Competitiveness (More developed regions) (-EUR 85.00 million), Outermost and sparsely populated regions (-EUR 5 million), European territorial cooperation (-EUR 90.50 million) and Technical assistance and innovative actions (-EUR 4.50 million).

The **margin available** under sub-heading 1b would be **EUR 6.45 million**.

**Heading 2: Sustainable growth: natural resources**: **EUR 59 278 million** in commitments. This is an increase of 1.18% to 2017.

The heading is characterised by the following elements:

- reduce the level of **commitment appropriations** requested in the DB 2018 by **EUR 275.01 million**;
- set the level of **payment appropriations**, reducing the appropriations requested in the DB 2018 by a total amount of **-EUR 271.01 million**.

Reductions would be made as regards administrative support, operational technical assistance and operational lines under:

- the European Agricultural Guarantee Fund (-EUR -269.36 million in commitments and -EUR 265.36 million in payments);
- the European Agricultural Fund for Rural Development (-EUR 0.76 million in commitments and –EUR 0.76 million in payments);
- the European Maritime and Fisheries Fund, partnership agreements in the field of sustainable fisheries and compulsory contributions to regional fisheries management organisations and other international organisations (-EUR 4.32 million in commitments and –EUR 4.32 million in payments);
- the LIFE programme (-EUR 0.15 million in commitments and –EUR 0.15 million in payments).

The **margin available** under heading 2 would be **EUR 988.48 million**.

**Heading 3: Security and citizenship**: the amount of this heading is set at **EUR 3 442 million** in appropriations and sees an increase of 19.65% compared to the 2017 budget.

This heading is characterised by the following:

- establish the level of commitment appropriations with a total reduction of EUR 30.82 million of the appropriations requested in the DB 2018 on a number of budget lines concerning administrative support expenditure (-EUR 0.80 million) and operational expenditure for new programmes (-EUR 25.94 million);
- set the level of payment appropriations, including a total reduction of -EUR 19.56 million of the appropriations requested in the DB 2018 on a number of budget lines concerning administrative support expenditure (-EUR 0.80 million) and operational expenditure (-EUR 14.68 million).

The **margin available** under heading 3 would be **equal to zero**. The **Flexibility Instrument is mobilised for an amount of EUR 786.24** million in commitment appropriations.

**Heading 4: Global Europe**: the Council lays down an amount of **EUR 9 503 million** in commitments, a decrease of 6.49% compared to 2017. It also decided to:

- establish the level of commitment appropriations, targeting **a total reduction by -EUR 90 million in the appropriations requested in the DB 2018** on a number of specific budget lines:
- set the level of payment appropriations, reducing the appropriations requested in the DB 2018 by a total amount of -EUR 20 million, of which:

- -EUR 7.79 million in the Instrument for Pre-accession assistance;
- -EUR 1.91 million in the European Neighbourhood Instrument;
- -EUR 8.02 million in the Development Cooperation Instrument.

The **margin available** under heading 4 would be **EUR 321.95 million**.

**Heading 5: Administrative expenditure**: the administrative expenditure amounts to **EUR 9 627 million**, a decrease of 2.51% compared to 2017. As regards staff levels, the Council accepted the establishment plans as proposed by the Commission in the DB for 2018.

The **margin available** under heading 5 would be **EUR 148.58 million**.

**Special instruments**: the Council maintained the appropriations entered in the DB for 2018 for the Emergency Aid Reserve and the European Union Globalisation Adjustment Fund. Moreover, it did not include any amount in the reserve for the European Union Solidarity Fund (-EUR 524.0 million in commitment appropriations, -EUR 200.0 million in payment appropriations).

# 2018 general budget: all sections

2017/2044(BUD) - 11/10/2017 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the joint report by Siegfried MUREŞAN (EPP, RO) (Section III – Commission) and Richard ASHWORTH (ECR, UK) (other sections) on the Council position on the draft general budget of the European Union for the financial year 2018.

**Political priorities**: Members stressed that Parliament's reading of the 2018 budget **fully reflects the political priorities** adopted by an overwhelming majority in its resolution of 15 March 2017 on general guidelines and of 5 July 2017 on a mandate for the trilogue. They recalled that sustainable growth, jobs, in particular youth employment, security and climate change are at the **core of those priorities**.

However, given that the Union continues to face numerous challenges, the **necessary financial resources must be deployed** from the Union budget, in order to meet the political priorities and allow the Union to deliver concrete answers and effectively respond to those challenges. Union spending should be based on the principle of **European added value** and should respect the principle of subsidiarity.

**Proposed cuts**: Members **failed to understand** how the Union can achieve progress considering the **EUR 750 million cuts proposed by the Council** under subheading 1a. They proposed instead to **additionally reinforce research and innovation programmes** that have a very high implementation rate and which, due to oversubscription, are faced with a particularly low success rate for applications.

Members remained committed to its pledges made during the EFSI negotiations, namely to minimise the impact of EFSI-related cuts on Horizon 2020 and the Connecting Europe Facility (CEF) in the framework of the annual budgetary procedure. They proposed to **offset** those cuts by **restoring the original annual profile of those two programmes**, in order to allow them to fully accomplish the objectives agreed during the adoption of the relevant legislation.

Moreover, they expressed their political support for the establishment of the European Solidarity Corps (ESC) and welcomed the legislative proposal put forward in this regard by the Commission. However, pending a decision on the financing of the ESC and the adoption of the relevant regulation under the ordinary legislative procedure, **no financial provision should be entered for this purpose in the 2018 budget.** They proposed, therefore, that relevant appropriations and redeployments, entered by the Commission in the Draft Budget 2018 (DB), should be for the **moment reversed**, as the decision on the 2018 budget should not prejudge in any way the outcome of the legislative negotiations.

**Strengthening policies**: concerned by the fact that youth unemployment remains at unprecedented levels, Members recommended **reinforcing the Youth Employment Initiative** (YEI) beyond the level proposed by the Commission for 2018. They proposed to bring the YEI to EUR 600 million in commitments in 2018.

Members stated that, while at present **the peak of the migratory and refugee crisis seems to have decreased**, the Commission is urged to continuously monitor the adequacy of allocations under Heading 3 (Security and Citizenship) and make full use of all available instruments under the current MFF to respond in a timely manner to any unforeseen event that might require additional funding. They proposed reinforcing in a **limited manner** the Asylum Migration and Integration Fund and the Internal Security Fund, as well as the agencies with responsibilities in the field of asylum, such as the European Asylum Support Office (EASO). Overall, Heading 3 is reinforced by **EUR 108.8 million** in commitment appropriations above the DB.

As regards **climate**, Members regretted that the Commission has failed to put forward concrete and realistic proposals to achieve the Paris Agreement goals. Therefore, they proposed to increase above the level of the DB for climate-related actions and for the Commission to present all the necessary proposals to reach the goals in the forthcoming draft budgets.

As the Union's external action is faced with ever growing funding needs which greatly exceed the current size of Heading 4, Members considered that the mobilisation of the Union budget to respond to the migration challenge will continue to require dynamic responses in the coming years. Therefore, Members suggested **reversing almost all of the Council's cuts and reinforcing Heading 4** by EUR 299.7 million above the DB in commitment appropriations.

On **administration** in general, Members considered that **Council's cuts do not reflect the real needs** and thus jeopardise the already significantly rationalised administrative expenditure. They suggested restoring the 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 2018 at **EUR 162 597 930 901** in commitment appropriations and **EUR 146 712 004 932** 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.

# 2018 general budget: all sections

2017/2044(BUD) - 30/11/2017 - Final act

PURPOSE: definitive adoption of the European Union's general budget for 2018.

LEGISLATIVE ACT: Definitive adoption (EU, Euratom) 2018/251 of the European Union's general budget for the financial year 2018.

CONTENT: on 30 November 2017, the Council and the European Parliament separately approved the deal reached in the conciliation committee on the 2018 budget. **The EU budget for 2018 is therefore adopted**.

- The 2018 EU budget is set at **EUR 160.1 billion in commitments**. This is an **increase of 0.2%** compared to the 2017 EU budget as amended over the past months. A margin of **EUR 1.6 billion** is left under the expenditure ceilings of the multiannual financial framework for 2014-2020, allowing the EU to react to unforeseen needs.
- **Total payments amount to EUR 144.7 billion**, rising 14.1% from 2017. Payments increase significantly because the implementation of the 2014-2020 programmes is expected to reach full speed in 2018.

**Policy areas of the 2018 budget**: the budget responds to the main priorities shared by the European Parliament and the Council for the financial year 2018, namely:

**1) Stimulate investment in competitiveness, employment and growth** by strengthening several programmes under heading 1 (Smart and Inclusive Growth). The budget for 2018 includes:

- an allocation of EUR 11.2 billion to the EU's **Horizon 2020** research and innovation programme, an increase of 8.4% compared to the EU budget for 2017;
- an allocation EUR 2.7 billion to the **Connecting Europe Facility**, an increase of 7.9% compared 2017 to finance projects in the fields of transport, energy and information and communication technology;
- additional funds for the **COSME programme** in support of SMEs (total EUR 354 million, an increase of 1.4%).

**2) Support for young people**:

- allocations for the **Erasmus+** programme are increased by 12.1% to EUR 2.3 billion;
- the **Youth Employment Initiative** (YEI) has received EUR 350 million to help improve the possibilities for young people of getting a job. The need to speed up the implementation of YEI was stressed;
- the creation of the new **European Solidarity Corps**, which provides opportunities for young people to volunteer or work in projects that benefit communities across Europe, is also reflected in the budget.

**3) To better tackle migration and security related challenges**: agencies in the field of security and citizenship will receive EUR 940 million, 8.9% more than in 2017. The additional support is mainly aimed at strengthening Europol, Eurojust and the European Asylum Support Office.

**4) Environment and climate**: additional funds are made available for environmental and climate action under the LIFE programme, which receives EUR 523 million, 5**.9% more than in 2017**.

**Turkey**: in view of the situation in Turkey as regards democracy, rule of law, human rights and press freedom, **its pre-accession funds have been cut by EUR 105 million** compared to the Commission's initial proposal, with a further EUR 70 million held in reserve until the country makes "measurable sufficient improvements" in these fields.

**BUDGET 2018 (by budget headings)**:

**Heading 1 – Smart and inclusive growth**: the level of appropriations is fixed at **EUR 77.53 billion in commitments and EUR 66.62 billion in payments**. This section includes 2 specific subheadings of the budget:

- **1a - Competitiveness for growth and jobs**: commitments have been set at EUR 22 billion. This sub-heading includes in particular: (i) the Horizon 2020 Framework Programme for Research and Innovation; (ii) Erasmus+, (iii) the Connecting Europe Facility (CEF) and (iv) COSME, competitiveness of enterprises and small and medium-sized enterprises (SMEs);
- **1b - Economic, social and territorial cohesion**: the level of commitment appropriations is set at **EUR 55.53 billion**. This sub-heading includes the Youth Employment Initiative (YEI).

**Heading 2 – Sustainable growth**: **natural resources**: the level of commitment appropriations is set at **EUR 59.28 billion**. The decrease in commitment appropriations is entirely due to the increase in available assigned revenue from the surplus of the EAGF as at 31 October 2017, which will cover all the needs of the sector as updated in the letter of amendment n ° 1/2018.

**Heading 3 – Security and citizenship**: the level of commitment appropriations is fixed at **EUR 3.49 billion**, with no margin under the expenditure ceiling of heading 3, and with mobilisation of the flexibility instrument for a total of EUR 837.2 million.

**Heading 4 – Global Europe**: the level of commitment appropriations is fixed at **EUR 9.56 billion**, leaving a margin of EUR 256.2 million below the expenditure ceiling of heading 4. This heading includes programmes such as the Instrument for Pre-Accession Assistance, the European

Neighbourhood Instrument, the Development Cooperation Instrument, the European Instrument for Democracy and Human Rights and the Stability Instrument.

**Headings 5 – Administration**: commitments and payments under this heading have been set at **EUR 9.66 billion**. The EU budget for 2018 strengthens the strategic communication capacity of the European External Action Service, which receives **EUR 0.8 million** to intensify the fight against misinformation in the Member States and neighbouring countries.

**Special instruments**: commitments are set at **EUR 567 million**. The commitment appropriations for the European Globalisation Adjustment Fund (EGF) and the Emergency Aid Reserve are set at the level proposed by the Commission in the draft budget, as amended by Amending Letter No 1/2018. The reserve for the European Union Solidarity Fund (EUSF) is deleted.

# 2018 general budget: all sections

2017/2044(BUD) - 25/10/2017 - Budgetary text adopted by Parliament

The European Parliament adopted by 414 votes to 163, with 90 abstentions, a resolution on the Council position on the draft general budget of the European Union for the financial year 2018.

It set the overall amount of appropriations for 2018 at:

- **EUR 162 597 930 901 in commitment appropriations**;
- **EUR 146 712 004 932 in payment appropriations**.

**Political priorities**: Members stressed that Parliament's reading of the 2018 budget fully reflects the political priorities adopted by an overwhelming majority in its resolution of 15 March 2017 on general guidelines and of 5 July 2017 on a mandate for the trilogue. They recalled that sustainable growth, jobs, in particular youth employment, security and climate change are at the core of those priorities.

However, given that the Union continues to face numerous challenges, the necessary financial resources must be deployed from the Union budget, in order to meet the political priorities and allow the Union to deliver concrete answers and effectively respond to those challenges. Union spending should be based on the principle of European added value and should respect the principle of subsidiarity.

**Proposed cuts**: reaffirming its commitment to financing Union policies that enhance jobs and growth in all its regions through investment in research, education, infrastructure, SMEs and employment, in particular youth employment, Parliament failed to understand how the Union can achieve progress in those fields considering the **EUR 750 million cuts proposed by the Council under subheading 1a**. It decided instead to additionally reinforce research and innovation programmes that have a very high implementation rate and which, due to oversubscription, are faced with a particularly low success rate for applications.

It remained committed to its pledges made during the European Fund for Strategic Investments (EFSI) negotiations, namely to minimise the impact of EFSI-related cuts on Horizon 2020 and the Connecting Europe Facility (CEF) in the framework of the annual budgetary procedure. It proposed to offset those cuts by restoring the original annual profile of those two programmes, in order to allow them to fully accomplish the objectives agreed during the adoption of the relevant legislation.

Moreover, Members expressed their political support for the establishment of the European Solidarity Corps (ESC) and welcomed the legislative proposal put forward in this regard by the Commission. However, pending a decision on the financing of the ESC and the adoption of the relevant regulation under the ordinary legislative procedure, no financial provision should be entered for this purpose in the 2018 budget. They proposed, therefore, that relevant appropriations and redeployments, entered by the Commission in the Draft Budget 2018 (DB), should be for the moment reversed, as the decision on the 2018 budget should not prejudge in any way the outcome of the legislative negotiations.

**Strengthening policies**: Parliament underlined that the following policies should be enhanced:

***Competitiveness for growth and jobs***, Parliament rejected Council's unjustified EUR 750 million cuts to subheading 1a, which alone represent almost **two thirds of the overall Council cuts** in commitments in MFF headings. It stressed that **such cuts contradict Council's own stated political priorities**. Parliament decided, therefore, to further reinforce beyond the DB and the pre-EFSI and pre-ESC profiles those programmes that are key to boosting growth and jobs and that reflect widely agreed Union priorities, namely Erasmus+, Horizon 2020 (Marie Curie, European Research Council, SME Instrument), COSME, and EaSI (Progress and Eures).

Moreover, it called for a **defence research programme with a dedicated budget** within the next Multiannual Financial Framework. Members also proposed that increased resources should be allocated in the framework of the 2018 Budget in order to conduct a comprehensive and unbiased assessment of the risk posed by third countries in terms of their strategic deficiencies in the area of **anti-money laundering and countering terrorist financing** and to establish a list of **'high-risk' jurisdictions**.

Adequate resources should also be allocated to the European Union Reference Laboratory for alternatives to animal testing (EURL ECVAM) to effectively perform its duties and tasks.

As a result, **Parliament increased the level of commitment appropriations for subheading 1a** above the DB by EUR 143.9 million.

***Economic, social and territorial cohesion***, Parliament disapproved of Council's proposed cuts of EUR 240 million in payments under subheading 1b, including on support lines and reverses them, pending updated forecasts from the Commission. It is especially concerned by the fact that youth unemployment remains at unprecedented levels and recommended **reinforcing the Youth Employment Initiative** (YEI) beyond the level proposed by the Commission for 2018. It proposed bringing the YEI to EUR 600 million in commitments in 2018.

***Security and citizenship***: Members stated that, while at present **the peak of the migratory and refugee crisis seems to have decreased**, the Commission is urged to continuously monitor the adequacy of allocations under Heading 3 (Security and Citizenship) and make full use of all available instruments under the current MFF to respond in a timely manner to any unforeseen event that might require additional funding. They proposed reinforcing in a **limited manner** the Asylum Migration and Integration Fund and the Internal Security Fund, as well as the agencies with responsibilities in the field of asylum, such as the European Asylum Support Office (EASO). Overall, Heading 3 is reinforced by **EUR 108.8 million** in commitment appropriations above the DB.

Members are in favour of the creation of a **new budget line for a Search and Rescue Fund** to support Member States in their obligations under international maritime law. The Commission is called upon to present a legislative proposal to set up such an EU Search and Rescue Fund.

***Global Europe***: as the Union's external action is faced with ever growing funding needs which greatly exceed the current size of Heading 4, Parliament considered that the mobilisation of the Union budget to respond to the migration challenge will continue to require dynamic responses in the coming years. Therefore, Members suggested **reversing almost all of the Council's cuts and reinforcing Heading 4** by EUR 299.7 million above the DB in commitment appropriations.

Parliament also expressed grave concern at the rise of instability and uncertainty both within and outside the Union. It insisted on the need for a renewed focus on the Union's approach to cohesion, integration, peace, sustainable development and human rights. The Commission and the Member States are urged to **boost efforts towards further sustaining peace and conflict prevention**. In this context, it recalled the worldwide inspiration brought by the Good Friday Agreement while acknowledging the unprecedented challenges and pressures in the aftermath of the United Kingdom 2016 Referendum. Parliament called upon the Commission and Member States to enhance their support for reconciliation to secure peace and stability in Ireland.

*On* ***administration*** in general, Parliament considered that **Council's cuts do not reflect the real needs** and thus jeopardise the already significantly rationalised administrative expenditure. It suggested restoring the DB for all Commission administrative expenditure, including administrative and research support expenditure in Headings 1 to 4.

**Decentralised Agencies**: Parliament welcomed the inclusion of adequate resources provided for in the 2018 budget to support the European Supervisory Authorities (ESAs). It emphasised, however, that in the interest of a prudent use of their budgets, the ESAs must stick to the tasks and to the mandate assigned to them by the Union legislator.

**Special instruments**: Parliament called for an increase in the Emergency Aid Reserve (EAR) and the EU Solidarity Fund (EUSF) in light of the most recent and tragic disasters, namely the fires and extreme drought in Portugal and Spain.

Members went on to make a series of more specific observations and recommendations under each sub-heading of the budget and each Union institution, in line with their general budgetary views.

# 2018 general budget: all sections

2017/2044(BUD) - 16/10/2017 - Document attached to the procedure

PURPOSE: presentation by the European Commission of amending letter No 1 to the draft general budget of the European Union for the financial year 2018.

CONTENT: this **amending letter No 1 to the draft budget for the financial year 2018** covers the following aspects:

**European Agricultural Guarantee Fund (EAGF)**: the Commission proposes to update the expenditure estimates for agriculture by **reducing the commitment and payments appropriations by EUR 53.9 million** compared to DB 2018. By late September 2017, the Commission has at its disposal a first indication of the level of production for 2017 and outlook for the agricultural markets, which are the basis for the updated estimates of the budgetary needs for 2018.

This AL 1/2018 also incorporates the impact of legislative decisions in the agricultural sector since the DB 2018 was drawn up in May 2017, as well as for some that are still under preparation, but to be adopted soon. Overall commitment appropriations requested for heading 2 in DB 2018 including AL 1/2018 are estimated at EUR 59 499.6 million. This leaves a margin of EUR 767.4 million in commitment appropriations below the corresponding MFF ceiling.

Heading 2 payment appropriations amount to EUR 56 305.9 after being decreased by the same amount (-EUR 53.9 million) as commitment appropriations compared to DB 2018.

It is proposed to budget appropriations for agricultural expenditure financed under the European Agriculture Guarantee Fund (EAGF) in AL 1/2018 at EUR 43 464.4 million, which is below the 2018 net balance available for EAGF expenditure ('net sub-ceiling') of EUR 44 162.4 million.

**European Union Solidarity Fund (EUSF)**: the Commission proposed to **decrease the appropriations entered in reserve** for the EUSF to take account of the frontloading recently decided by the European Parliament and the Council in the EUSF mobilisation decision for Italy following series of earthquakes that took place between August 2016 and January 2017 in the regions of Abruzzo, Lazio, Marche and Umbria.

The amount mobilised was not sufficient to cover the full mobilisation of the EUSF for Italy. It is proposed to reduce accordingly the amount entered in reserve in the DB 2018, both in commitment appropriations (- EUR 293 628 245) and in payment appropriations (- EUR 112 000 000).

**Agencies**: the Commission proposes:

- **updating of the levels of appropriations and establishment plans of the European Securities and Markets Authority** (ESMA) further to the latest proposal tabled by the Commission on 13 June 2017 as regards the procedures and authorities involved for the authorisation of Central Counterparties (CCPs) and requirements for the recognition of third-country CCPs. ESMA will require additional human and financial resources to carry out its new tasks under the CCP Regulation, with a phasing in over the period 2018-2020;
- **adjusting the establishment plan of the European foundation for the improvement of living and working conditions** (EUROFOUND). The staff reduction target for EUROFOUND in Dublin translates into a reduction of two posts in 2018, i.e. from 93 posts authorised in the 2017 budget to 91 posts in the 2018 draft budget. The overall number of posts in the function group for Administrators is stable at the level initially requested for 2018 (49). This has no impact on expenditure;
- **creating a budget structure for operating costs that the Education, Audiovisual and Culture Executive Agency** (EACEA) will support for the implementation of the European Solidarity Corps which was proposed on 31 May 2017.

**Administration**: the Commission proposes adjusting some administrative expenses:

- for the **European Anti-Fraud Office** (OLAF); the modifications will cause no impact on OLAF's expenditure;
- for the **Publications Office** (PO): in the context of modernisation of support processes and the establishment of improved working methods, the Commission has set up a digital transformation agenda, especially in the field of local data consolidation centres, ICT equipment and security. It is proposed to transfer 14 posts and the related salary appropriations from OP to the Commission, as of 1 January 2018. The impact of this transfer on appropriations is neutral;
- for the **European External Action Service** (EEAS) due to (i) the EU's future engagement with Afghanistan following the end of the EUSR's double hatted mandate in Afghanistan; (ii) the transition of certain Monitoring, Mentoring and Advising (MMA) tasks from EULEX Kosovo to the EU Office in Kosovo; (iii) the creation of a separate budget line for the contribution to the financing of the European Schools.

# 2018 general budget: all sections

2017/2044(BUD) - 30/11/2017 - Budgetary joint text approved by Parliament

The European Parliament adopted by 295 votes to 154, with 197 abstentions, a legislative resolution on the joint text on the draft general budget of the European Union for the financial year 2018 approved by the Conciliation Committee under the budgetary procedure.

The European Parliament approved the **joint text** agreed upon by the Conciliation Committee, which consists of all the following documents:

- list of budget lines not modified, compared to the draft budget or the Council's position;
- summary figures by financial framework headings;
- line by line figures on all budget items;
- a consolidated document showing the figures and final text of all lines modified during the conciliation.

According to the elements for **joint conclusions**:

- **the overall level of commitment appropriations in the 2018 budget is set at EUR 160 113.5 million**. Overall, this leaves a margin below the MFF ceilings for 2018 of EUR 1 600,3 million in commitment appropriations;
- **the overall level of payment appropriations in the 2018 budget is set at EUR 144 681.0 million**;
- **the Flexibility Instrument** for 2018 is mobilised in commitment appropriations for an amount of EUR 837.2 million for heading 3 Security and Citizenship;
- **the Global margin for commitments** is used at a level of EUR 1 113,7 million for heading 1a Competitiveness for Growth and Jobs and heading 1b Economic, Social and Territorial Cohesion;
- the Decision EU 2017/344 of the European Parliament and of the Council on the mobilisation of the Contingency margin in 2017 will be amended to adjust the offsetting profile to decrease the amount offset in heading 5 Administration in 2018 from EUR 570 million to EUR 318 million and correspondingly introduce offsetting of EUR 252 million for the same heading in 2020;
- the 2018 payment appropriations related to the mobilisation of the Flexibility Instrument in 2014, 2016, 2017 and 2018 are estimated by the Commission at EUR 678.3 million.

According to the elements for joint conclusions, Draft Amending Budget 6/2017 is accepted as proposed by the Commission.

Similarly, the joint text confirms some **cross-cutting issues** relating to decentralised agencies and more specifically on the granting of posts to Europol, Eurojust, the European Asylum Office, the European GNSS Agency and the European Securities and Markets Authority.

A comprehensive package of **87 pilot projects**/preparatory actions (PP/PA), for a total amount of EUR 100 million in commitment appropriations is agreed as proposed by the Parliament in addition to the preparatory action proposed by the Commission in the Draft budget 2018.

The commitment appropriations are set as follows:

- ***Heading 1a - Competitiveness for growth and jobs***: **EUR 22 001.5 million**, with no margin left under the expenditure heading 1a ceiling set at EUR 21 239 million, and the use of the Global Margin for Commitments for an amount of EUR 762.5 million;
- ***Heading 1b - Economic, social and territorial cohesion***: **EUR 55 532.2 million**, with no margin left under the expenditure ceiling of heading 1b of EUR 55 181 million, and the use of the Global Margin for Commitments for an amount of EUR 351.2 million;
- ***Heading 2 - Sustainable growth: natural resources***: EUR 59 285.3 million, leaving a margin of EUR 981.7 million under the expenditure ceiling of heading 2;
- ***Heading 3 - Security and citizenship***: **EUR 3 493.2 million**, with no margin left under the expenditure ceiling of heading 3, and the mobilisation of EUR 837.2 million through the Flexibility Instrument;

- ***Heading 4 - Global Europe***: **EUR 9 568.8 million**, leaving a margin of EUR 256.2 million under the expenditure ceiling of heading 4;
- ***Heading 5 - Administration***: **EUR 9 665.5 million**, leaving a margin of EUR 362.5 million under the expenditure ceiling of heading 5, after the use of EUR 318 million of the margin to offset the mobilisation of the Contingency margin in 2017.

The joint text also contains two **joint statements** by the European Parliament, the Council and the Commission respectively on:

- **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 Council and the European Parliament will take any necessary decisions in due time for duly justified needs to prevent the accumulation of an excessive amount of unpaid bills and to ensure that payment claims are duly reimbursed;
- **the Youth Employment Initiative**: the three institutions recall that reducing unemployment, and in particular, youth unemployment, remains a high and shared political priority. They reaffirmed their determination to make the best possible use of budgetary resources available to tackle it, and in particular through the Youth Employment Initiative.

Lastly, the Council recalled that the deadline for the full implementation of the **5% workforce reduction** has been set for 2017. However, as not all the institutions, bodies and agencies have met this reduction target, the Council urged that efforts be continued in 2018 to respect the agreement.