Basic information

2018/2046(BUD) BUD - Budgetary procedure	Procedure lapsed or withdrawn
2019 general budget: all sections **Subject** 8.70.59 2019 budget	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDE Budgetary Conciliation Committee	RÜBIG Paul (PPE) VIOTTI Daniele (S&D)	04/12/2017 04/12/2017

Former committee responsible	Former rapporteur	Appointed
BUDG Budgets	RÜBIG Paul (PPE) VIOTTI Daniele (S&D)	04/12/2017 04/12/2017

Former committee for opinion	Former rapporteur for opinion	Appointed
AFET Foreign Affairs	BENIFEI Brando (S&D)	22/02/2018
DEVE Development	LIETZ Arne (S&D)	19/04/2018
INTA International Trade	(THE EARL OF) DARTMOUTH William (EFDD)	21/03/2018
CONT Budgetary Control	ZELLER Joachim (PPE)	18/04/2018
ECON Economic and Monetary Affairs	NIEDERMAYER Luděk (PPE)	23/01/2018
EMPL Employment and Social Affairs	ULVSKOG Marita (S&D)	15/03/2018
ENVI Environment, Public Health and Food Safety	VĂLEAN Adina (PPE)	20/03/2018

ITRE	Industry, Research and Energy	GEIER Jens (S&D)	06/03/2018
IMCO	Internal Market and Consumer Protection	SELIMOVIC Jasenko (ALDE)	21/03/2018
TRAN	Transport and Tourism	TELIČKA Pavel (ALDE)	09/04/2018
REGI	Regional Development	VAUGHAN Derek (S&D)	20/02/2018
AGRI	Agriculture and Rural Development	VALCÁRCEL SISO Ramón Luis (PPE)	21/02/2018
PECH	Fisheries	CADEC Alain (PPE)	24/01/2018
CULT	Culture and Education	LØKKEGAARD Morten (ALDE)	22/02/2018
JURI	Legal Affairs	SVOBODA Pavel (PPE)	09/07/2018
LIBE	Civil Liberties, Justice and Home Affairs	CHRYSOGONOS Kostas (GUE/NGL)	19/03/2018
AFCO	Constitutional Affairs	HÜBNER Danuta Maria (PPE)	21/03/2018
FEMM	Women's Rights and Gender Equality	BJÖRK Malin (GUE/NGL)	24/01/2018
PETI	Petitions	EVI Eleonora (EFDD)	22/02/2018

Council of the European Union

Council configuration	Meetings	Date
Agriculture and Fisheries	3642	2018-10-15

European Commission

Commission DG	Commissioner
Budget	OETTINGER Günther

Key events

Date	Event	Reference	Summary

21/06/2018	Commission draft budget published	COM(2018)0600	Summary
07/09/2018	Council position on draft budget published	11737/2018	Summary
01/10/2018	Committee referral announced in Parliament		
09/10/2018	Vote in committee		
11/10/2018	Budgetary report tabled for plenary	A8-0313/2018	Summary
22/10/2018	Debate in Parliament		
24/10/2018	Decision by Parliament	T8-0404/2018	Summary
24/10/2018	Results of vote in Parliament		
24/10/2018	Start of budgetary conciliation (Parliament and Council)		
19/11/2018	Agreement not reached in budgetary conciliation		

Technical information

Procedure reference	2018/2046(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Stage reached in procedure	Procedure lapsed or withdrawn
Committee dossier	BUDE/8/14877 BUDG/8/12644

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	AFCO	PE622.283	04/07/2018	
Committee opinion	IMCO	PE622.282	12/07/2018	
Committee opinion	INTA	PE623.884	29/08/2018	
Committee opinion	TRAN	PE622.233	30/08/2018	
Committee opinion	ENVI	PE623.639	30/08/2018	
Committee opinion	AGRI	PE623.647	30/08/2018	
Committee opinion	EMPL	PE623.861	30/08/2018	
Committee opinion	AFET	PE623.654	31/08/2018	
Committee opinion	PECH	PE623.684	31/08/2018	
Committee opinion	ECON	PE623.755	31/08/2018	
Committee opinion	REGI	PE623.795	03/09/2018	

Committee opinion	LIBE	PE623.736	04/09/2018	
Committee opinion	CULT	PE623.756	04/09/2018	
Committee opinion	DEVE	PE623.732	06/09/2018	
Committee opinion	ITRE	PE623.785	25/09/2018	
Committee draft report		PE626.971	27/09/2018	
Committee opinion	CONT	PE622.320	28/09/2018	
Committee opinion	FEMM	PE623.661	28/09/2018	
Amendments tabled in committee		PE628.526	03/10/2018	
Budgetary report tabled for plenary, 1st reading		A8-0313/2018	11/10/2018	Summary
Budgetary text adopted by Parliament		T8-0404/2018	24/10/2018	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position on draft budget	11737/2018	07/09/2018	Summary

European Commission

Document type	Reference	Date	Summary
Commission draft budget	COM(2018)0600	21/06/2018	Summary
Commission document (COM)	COM(2018)0709	16/10/2018	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

2019 general budget: all sections

2018/2046(BUD) - 07/09/2018 - Council position on draft budget

The Council adopted its **position on the draft budget (DB) for 2019**.

For the budget for the next financial year, the Council plans in total:

- **EUR 164 067.94 million in commitment appropriations** (c/a) and
- **EUR 148 169.63 million in payment appropriations** (c/p).

Compared to 2018, commitment appropriations increase by **+2.09%** and payment appropriations increase by **+2.34%.**

The total amount of payment appropriations provided for corresponds **to 0.90 % of the EU gross national income** (GNI).

A. Guiding principles: the Council's position on the DB 2019 has been defined according to the guiding principles of sound budgeting and sufficient resources to support clearly defined priorities, while leaving sufficient margins below the ceilings. The Budget Committee analysed the commitment appropriations for each programme and action, by budget line, based on three pillars:

- allowing for an **overall increase of the 2019 budget of no less than 2 %** compared to the 2018 budget;
- ensuring that no heading is reduced compared to 2018 and no programme is reduced compared to that year, unless objective reasons (such as the financial programming or a foreseeable reduction in needs or a decrease in the Commission proposal), in line with political priorities indicate a decrease; and
- establishing an expenditure level of no less than **1 % of the GNI** of all Member States.

As regards **administrative expenditure**, a similar albeit stricter approach was taken. All institutions benefit from an increase of their annual budget for 2019. An analysis by budget line conducted by the Budget Committee allowed a reduction, in particular, of expenditure for contractual staff by approximately -1 % based on the 2018 budget.

As regards **decentralised agencies**, it is suggested to reduce the overall level of contributions from the Union budget by -EUR 31.9 million in commitment and payment appropriations.

B. Expenditure by main MFF headings (2019):

Heading 1: Smart and inclusive growth: **EUR 79.139 billion in c/a and EUR 67.455 billion in c/a, an increase of 2.07% and 1.25%** respectively compared to 2018.

1a) Competitiveness for growth and employment: the amount is set at **EUR 22.065 billion** in c/a, an increase of 0.29% compared to 2018.

The subheading is characterised by the following elements:

- establish the level of commitment appropriations, targeting a total reduction of **-EUR 794 million** in the appropriations requested in the DB 2019;
- set the level of payment appropriations, reducing the appropriations requested in the DB 2019 by a total amount of **-EUR 44.95 million**.

The planned reductions would mainly concern:

- large infrastructure projects (-EUR 167.24 million in c/a and -EUR 0.74 million in c/a);
- the Common Strategic Framework for Research and Innovation (-EUR 313.65 million in c/a and -EUR 18.29 million in c/a);
- the Connecting Europe Facility (-EUR 274.33 million in c/e and -EUR 1.07 million in c/p).

The amounts take into account reductions in contributions to decentralised agencies for a total amount of -EUR 24.8 million in commitment and payment appropriations under this sub-heading.

The **margin available** under sub-heading 1a would be **EUR 1.016 billion**.

1b) Economic, social and territorial cohesion: **EUR 57.073 billion** in c/a, an increase of 2.78% compared to 2018.

The main features of this sub-heading include:

- commitment appropriations (-EUR 40 million) and payment appropriations (-EUR 17.2 million) requested in the DB 2019 for the revision proposal of the Structural Reforms Support Programme (SRSP) are transferred from sub-heading 1b to heading 2, and put into reserve pending the adoption of the reviewed legal basis;
- the proposed mobilisation of the Flexibility Instrument to provide financing of the extension of the SRSP for an amount of EUR 38.07 million in commitment appropriations is therefore restored.

The **Global Margin** for Commitments is used for an amount of EUR 231 403 236 under this sub-heading. The margin available under sub-heading 1b would be equal to zero.

Heading 2: Sustainable growth: natural resources: **EUR 59.689 billion** in c/a, an increase of 0.68% compared to 2018.

The main features of this section include:

- reduced level of commitment appropriations requested in the DB 2019 **by -EUR 310 million** on administrative support lines, on operational technical assistance lines and on operational lines under the European Agricultural Guarantee Fund (-EUR 340.4 million), the European Maritime and Fisheries Fund (EMFF) (-EUR 1.67 million) and the LIFE programme (-EUR 4.1 million);
- setting the level of payment appropriations, reducing the appropriations requested in the DB 2019 by a total amount of -EUR 328.13 million, of which -EUR 340.4 million on the European Agricultural Guarantee Fund and -EUR 1.1 million in the LIFE programme.

The amounts mentioned above also take into account reductions in contributions to decentralised agencies for an amount of -EUR 3.83 million in commitment and payment appropriations under this heading.

The **margin available** under heading 2 would be **EUR 654.92 million**.

Heading 3: Security and citizenship: **EUR 3.693 million** in commitments, an increase of 5.73% compared to the 2018 budget.

The heading is characterised by the following elements:

- establishing the level of commitment appropriations, targeting a total **reduction of -EUR 35.13 million** in the appropriations requested in the DB 2019 on a number of specific budget lines, including operational expenditure and support expenditure, namely related to Food and Feed, Creative Europe, Rights, Equality and Citizenship, Health, Consumer, actions financed under the prerogatives of the Commission, Europe for citizens, Justice and the Asylum, Migration and Integration Fund;
- setting the level of payment appropriations, reducing the appropriations requested in the DB 2019 by a total amount **of -EUR 3.97 million**
- commitment appropriations (EUR 501.11 million) and payment appropriations (EUR 140.92 million) requested in the DB 2019 for legislative proposals that are not adopted yet, are put into reserve. This concerns the legislative proposals for Dublin II (eu-LISA) and Dublin II (AMIF), EURODAC (eu-LISA), the SIS package, Interoperability (Europol), Interoperability (eu-LISA), ECRIS TCN and the European citizens' initiative;
- the margin available under heading 3 would be equal to zero;
- the **Flexibility Instrument** is mobilised for an amount of EUR 892.39 million (-EUR 35.13 million) in commitment appropriations.

Heading 4: Global Europe: **EUR 11.077 billion** in c/a, an increase of 10.02% compared to 2018. The Council proposed to:

- establish the level of commitment appropriations, targeting **a total reduction by -EUR 306.28 million** in the appropriations requested in the DB 2019, namely related to: (i) the Instrument for Pre-accession assistance (IPA II) (-EUR 176.8 million), (ii) the Development Cooperation Instrument (DCI) (-EUR 55.4 million), (iii) the Common Foreign and Security Policy (-EUR 5 million), (iv) macro-financial Assistance (MFA) (-EUR 20 million) and (v) the Guarantee Fund for external actions (GF) (-EUR 41 million);
- set the level of payment appropriations, reducing the appropriations requested in the DB 2019 by a total amount of **-EUR 45.58 million** as a consequence of the reductions in commitment appropriations.

This includes the use of the Global Margin for Commitments for an amount of EUR 809.91 million under this heading. The margin available under heading 4 would be equal to zero.

Heading 5: Administration: administrative expenditure amounts to **EUR 9.890 billion, an increase of 2.33% compared to 2018**.

The **margin available** under this heading would be EUR 641.2 million.

Special instruments: the Council suggested maintaining the appropriations in the DB 2019 for the Emergency Aid Reserve, the European Globalisation Adjustment Fund and the European Union Solidarity Fund.

2019 general budget: all sections

2018/2046(BUD) - 21/06/2018 - Commission draft budget

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

BACKGROUND: 2019 will be the **sixth and penultimate year of the current multiannual financial framework (MFF)** of the Union for the period 2014-2020 and is within the limits set by this framework. It takes account of the European Parliament resolution on the general guidelines for the preparation of the 2019 budget.

The proposal is based on the principle that the **United Kingdom**, after its planned withdrawal on 30 March 2019, will continue to contribute and participate in the implementation of EU budgets until the end of 2020, as if it were still a Member State.

PROPOSED APPROPRIATIONS: the draft budget 2019 (including special instruments) is as follows:

- **total commitment appropriations would amount to EUR 165 619.4 million**, corresponding to 1.00 % of GNI, an increase of EUR 4 908.2 million **(+ 3.1 %**) compared to the 2018 budget. The resulting total margin under the MFF commitment ceiling amounts to EUR 1 142.1 million;
- **payment appropriations would amount to EUR 148 675.5 million**, which corresponds to 0.90 % of GNI and represents an **increase of 2.7 %** compared to payment appropriations in the 2018 budget. The margin remaining under the MFF payment ceiling for 2019 amounts to EUR 19 344.7 million.

MAIN PRIORITIES FOR 2019: the proposed budget focuses on continuity and implementation and aims to invest in a stronger and more resilient European economy and to promote solidarity and security across EU borders.

(1) Boosting the European economy: the 2019 budget should continue to boost investment and growth, promote employment and create new jobs, enhance effective EU cohesion and agriculture within the Union, and foster competitiveness. At the same time, the **social and environmental dimensions** should be mainstreamed into the budget, in order to help Member States implement the Paris climate agreement. The aim is to have used, **by 2020, 20 % of the budget to address climate change**.

The Commission proposes almost **EUR 80 billion** in commitment appropriations for smart and inclusive growth to support economic growth. Almost **EUR 60 billion** would be devoted to agricultural policy to support agriculture and fisheries, the fight against global warming and the preservation of biodiversity, while **EUR 57 billion** would be devoted to cohesion policy (+2.8% compared to 2018).

The 2019 draft budget integrates the proposal to set up – as part of the European Defence Fund – the **European Defence Industrial Development Programme**. The combined expenditure for both actions in the 2019 budget is EUR 270 million. Account is also taken of the Commission's proposal to set up a European joint undertaking for **high-performance computing**.

In particular, the following is planned:

- EUR 12.5 billion (+8.4% compared to 2018) for research and innovation with **Horizon 2020** and EUR 3.8 billion under the **European Interconnection Mechanism** (EIM) (+36.4% compared to 2018) for infrastructure networks;
- EUR 167 million in commitment appropriations to provision the guarantee fund in the context of the agreement on the extension of the **European Strategic Investment Fund** (EFSI), which aims to reach EUR 500 billion by 2020;
- an increase of EUR 40 million for the extension of the **structural reform support programme**;
- EUR 11 million for the creation of the **European Labour Authority**, which will help to ensure fair labour mobility within the internal market and simplify cooperation between national authorities;
- EUR 2.6 billion for education under the **Erasmus+ programme** (+10.4% compared to 2018);
- an additional EUR 233.3 million for the **Youth Employment Initiative** (YEI), which aims to support people living in regions with high youth unemployment, corresponding to the amount from the European Social Fund.

(2) Promoting solidarity and security across EU borders: the draft budget 2019 aims to improve the treatment of the internal and external dimensions of migration and the protection of external borders. It also proposes new measures to achieve a real and effective security and civil protection union. The draft budget takes into account the expected budgetary implications of the Commission's proposal to **review the Dublin Regulation**. It shall also fund:

- the **new entry/exit system** to strengthen border management,
- the establishment of the **European travel information and authorisation system**,
- the improvement of the **Schengen Information System**,
- strengthening the **European Border and Coast Guard**, the EU Agency for Asylum, eu-LISA and other agencies working on border and visa issues,
- developing the **interoperability of EU information systems** in the area of security, migration and border management.

Also planned:

- EUR 175 million targeted reinforcement of the **Asylum, Migration and Integration Fund** will continue to support refugees in Greece;
- an additional EUR 1.5 billion for the **Facility for Refugees in Turkey** to continue financing food, education and shelter for people fleeing conflict in Syria and elsewhere (an additional EUR 500 million will already be paid under the current 2018 budget);
- EUR 100 million for the **European Neighbourhood Instrument** for the North Africa component of the EU Trust Fund for Africa to prevent irregular migration and improve the situation of migrants and refugees along the Central Mediterranean migratory route;
- continued support to Member States in their efforts to increase the **security of citizens** in the EU through funding for police cooperation, cyber security, prevention and suppression of radicalisation and crime, and crisis management.

(3) Support for new initiatives: the budget also provides support for new initiatives:

- EUR 103 million for the **European Solidarity Corps**, offering young people opportunities to volunteer or work on projects at home or abroad;
- EUR 50 million to reinforce the **response capacity to earthquakes, forest fires** and other disasters through a civil protection reserve at EU level, including rescEU equipment and teams;
- EUR 5 million for the creation of the new **European Public Prosecutor's Office** for the prosecution of cross-border crime, including fraud, money laundering and corruption.

MAIN ASPECTS BY HEADING OF THE FINANCIAL FRAMEWORK 2014-2020:

- ***Heading 1a - Competitiveness for growth and employment***: the commitment appropriations for this heading amount to **EUR 22 860.0 million**. This amount is up 3.9% compared to the 2018 budget. This leaves a margin of EUR 222.0 million. Payment appropriations increase by 1.8 % to EUR 20 467.2 million.
- ***Heading 1b - Economic, social and territorial cohesion***: commitment appropriations increase by 2.8 % to **EUR 57 113.4 million**, leaving no margin. Payment appropriations for the heading as a whole increase by 1.1% compared to the 2018 budget to EUR 47 050.8 million. The needs for the closure of the 2007-2013 programmes are expected to decrease. The implementation of the 2014-2020 programmes is reaching cruising speed.
- ***Heading 2 - Sustainable growth: Natural resources***: commitment appropriations for the heading amount to **EUR 59 999.1 million**, an increase of 1.2% compared to the 2018 budget. This leaves a margin of **EUR 344.9 million** under the ceiling. Payment appropriations amount to EUR 57 790.4 million, an increase of 3.0% compared to 2018. The financing of market-related expenditure and direct payments amounts to EUR 43 613.4 million in commitment appropriations and EUR 43 537.9 million in payment appropriations.
- ***Heading 3 - Security and citizenship***: the level of commitment appropriations is **EUR 3 728.5 million** (+ 6.7 % compared to 2018), i.e. EUR 927.5 million above the ceiling. There is no margin left under this heading, which will require the **mobilisation of the flexibility instrument** to finance actions under this heading, including emergency assistance, relocation, resettlement, return and integration. Payment appropriations amount to EUR 3 486.4 million.
- ***Heading 4 – Global Europe***: the Commission proposes commitment appropriations amounting to **EUR 11 384.2 million** (+ 13.1% compared to the 2018 budget). For 2019, it is proposed to use the full unallocated margin under this heading and an amount of EUR 1 116.2 million from the **global margin for commitments**.
- ***Heading 5 - Administration***: all institutions combined, including pensions and European Schools, increase by 3.0 % (payment appropriations also increase by 3.0 %), commitments amounting to EUR 9 956.9 million. This leaves a margin of EUR 829.1 million under the ceiling of heading 5.

2019 general budget: all sections

2018/2046(BUD) - 11/10/2018 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the joint report by Daniele VIOTTI (S&D, IT) (Section III – Commission) and Paul RÜBI (EPP, AT) (other sections) on the Council position on the draft general budget of the European Union for the financial year 2019.

Political priorities: Members stressed that Parliament's reading of the 2019 budget **fully reflects the political priorities** adopted by an overwhelming majority in its abovementioned resolutions of 15 March 2018 on general guidelines and of 5 July 2018 on a mandate for the trilogue. They recalled that sustainable growth, innovation, competitiveness, security, tackling root causes of refugees and migration flows, managing refugee and migration flows, the fight against climate change and the transition to sustainable energy, and a particular focus on young people are at the **core of those priorities**.

The report highlighted that ahead of the **withdrawal of the United Kingdom** from the Union, the Union needs the necessary financial resources to respond to citizens expectations, to allow the Union to effectively tackle the numerous abovementioned priorities and challenges it faces and to improve the day-to-day life of its citizens.

Proposed cuts: Members expressed disapproval that the Council yet again proposes cuts to the very programmes that are designed to make the Union economy more competitive and innovative. In this respect, they proposed to **reinforce considerably Erasmus+** and to strengthen programmes that contribute to growth and job creation, including **Horizon 2020, Connecting Europe Facility (CEF) and COSME**.

Members proposed that **all cuts** proposed by Council to the Draft Budget 2019 (2019 DB) across all headings **be restored**, with limited exceptions in Heading 4 and subheading 1b. They refused to accept the proposed cuts to programmes with the highest European added value, for example those to Horizon 2020 and CEF, two programmes already affected by redeployments to EFSI, or majority of cuts to external policies.

They stressed that the logic behind Council's cuts is **not substantiated by the actual implementation figures** and ignores the varying implementation patterns of certain programmes. They concluded that, for the purpose of adequately financing all pressing needs, and considering the very tight or inexistent margins under certain headings in 2019, **all means available in the MFF Regulation in terms of flexibility will need to be deployed**.

Members expect that the Council will share that approach and that an **agreement will easily be reached in conciliation**, allowing the Union to rise to the occasion and effectively respond to the challenges ahead, particularly given that this year's conciliation will be the last ahead of the May 2019 European elections.

Strengthened policies: as regards youth unemployment, Members proposed to strengthen the **Youth Employment Initiative** (YEI) beyond the level proposed by the Commission.

Regretting that Parliament has not been duly involved in the discussions on the extension of the Facility for Refugees in Turkey (FRT), Members reiterated its longstanding position that new initiatives must not be financed to the detriment of existing Union external projects. They maintain that, given the stretched situation under Heading 4 to respond to external challenges, including migration, the Union budget should contribute to the financing of the second tranche in the same proportion as for the first one, i.e. EUR 1 billion, while the Member States should contribute EUR 2 billion to its financing.

In the light of recent security concerns across the Union, funding under Heading 3 should pay particular attention to measures which will lead to **enhancing security of Union citizens**. Further support is called for in the field of Justice and Home Affairs such as the European Union Agency for Law Enforcement Cooperation (EUROPOL), the European Union Agency for Law Enforcement Training (CEPOL), European Union Agency for the operational management of Large-Scale IT Systems (eu-LISA), the European Union's Judicial Cooperation Unit (Eurojust) and for the new European Public Prosecutor's Office (EPPO) which, due to increased workload and additional tasks, have been facing shortage of staff and funding in the past years.

Part of the solution to the **migratory and refugee challenge** lies in addressing the root causes of migration and devoting sufficient financial means to internal and external instruments that aim at tackling issues such as poverty, lack of employment, education and economic opportunities, instability, conflict and climate change in the European Neighbourhood and Africa. Members are of the opinion that the Union should make optimal use of financial means under Heading 4 which proved to be insufficient to equally address all external challenges.

On **administration**, Members considered that Council's cuts are **unjustified** and do not reflect the real needs. They suggested restoring the 2019 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 2019 at **EUR 166 340 415 936** in commitment appropriations and **EUR 149 349 039 470** 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.

2019 general budget: all sections

2018/2046(BUD) - 24/10/2018 - Budgetary text adopted by Parliament

The European Parliament adopted by 389 votes to 158, with 123 abstentions, a resolution on the Council position on the draft general budget of the European Union for the financial year 2019.

Parliament set the overall level of appropriations for 2019 at EUR 166 340 415 936 in commitment appropriations and EUR 149 349 039 470 in payment appropriations which represents an **increase of EUR 721 061 034 in commitment appropriations** compared to the draft budget for 2019.

In its resolution, Parliament reaffirmed its **political priorities** adopted in its resolutions of 15 March 2018 on the general guidelines and of 5 July 2018 on the mandate for the trialogue, namely sustainable growth, innovation, competitiveness, security, tackling the root causes of refugees and migration flows, managing refugee and migration flows, combating climate change and the transition to sustainable energy, with particular attention to young people.

Members stressed that ahead of the United Kingdom's withdrawal from the Union, the Union needed the necessary financial resources to effectively address the many challenges and priorities mentioned above.

Cuts proposed by the Council

Members **restored all cuts proposed** by Council to the Draft Budget 2019 across all headings, with limited exceptions in Heading 4 (Global Europe) and subheading 1b (Economic, social and territorial cohesion) of the Multiannual Financial Framework (MFF). In order to be able to finance all urgent needs, and given the very limited or non-existent margins under some headings of the MFF in 2019, all means available in the MFF Regulation on **flexibility** should be deployed.

Competitiveness for growth and employment

Members rejected Council's unjustified EUR 794 million cuts to subheading 1a, which represent just over half of the overall Council cuts in commitments in MFF headings. Such cuts run counter to Council's stated political priorities.

They increased **the level of commitment appropriations for subheading 1a by EUR 566 773 112**, which will be financed within the margin available and by a further mobilisation of the global margin for commitments.

Parliament refused to accept the proposed cuts to programmes with the highest European added value, for example those to **Horizon 2020 and Connecting Europe Facility (CEF),** two programmes already affected by redeployments to EFSI, or majority of cuts to external policies.

It therefore decided to **further reinforce those programmes that are key** to boosting growth and jobs and tackling climate change and that reflect widely agreed Union priorities, namely Erasmus+, Horizon 2020, COSME, CEF and EaSI.

Economic, social and territorial cohesion

Given the challenges posed by youth unemployment, Members decided to increase appropriations (**EUR 580 million in 2019) for the Youth Employment Initiative (YEI).** They called on Member States to accelerate the implementation of cohesion policy programmes to catch up with the delays. In addition, they proposed to increase funding for disaster preparedness in the Union.

Sustainable growth: natural resources

Parliament noted the Council's cuts of EUR 310 million in commitment appropriations and EUR 328.13 million in payment appropriations, while considering that the Commission's Amending Letter should remain the basis for any reliable revision of EAGF appropriations. It has therefore restored the amounts in the 2019 draft budget pending an examination of that Amending Letter in conciliation.

Parliament also decided to: (i) increase **emergency aid** appropriations, in particular to support pigmeat in the fight against African swine fever; (ii) increase by EUR 20 million for the **European Agricultural Fund for Rural Development** (EAFRD) to promote innovation in the agricultural and forestry sectors; (iii) increase by EUR 15.6 million in appropriations for **climate actions**.

Security and citizenship

Parliament considered that additional funding is needed in the field of **refugees and migration**, taking into account unpredictable needs that may arise in the future. It has therefore provided the Asylum, Migration and Integration Fund with **additional funds** to support legal migration to the Union, to facilitate the effective integration of third-country nationals and to strengthen fair and effective return strategies.

Members also proposed: (i) increasing the budget appropriations of the Internal Security Fund (ISF), in order to further support border management and provide assistance to victims of terrorist acts, and (ii) increasing the budget and staffing of Europol, the European Police Training Agency (CEPOL), the European Union Agency for the Operational Management of Large-Scale IT Systems (eu-LISA), Eurojust and the European Prosecutor's Office.

Parliament deplored the Council's arbitrary cuts of more than EUR 35 million in commitment appropriations in numerous programmes in the areas of **culture, citizenship, justice and public health** despite the excellent implementation rates of these programmes. It has restored all lines at least to the level of the draft budget while proposing additional increases to relevant lines.

Global Europe

Parliament has decided to restore almost all of the Council's cuts to **strengthen heading 4 by EUR 425.4 million above the 2019 draft budget**, while reducing the lines related to the **Refugee Facility for Turkey** (FRT) and Turkey and not restoring some of the Council's cuts, resulting in a total reduction of appropriations of EUR 1.24 billion, and therefore a net difference of EUR -819.1 million compared to the 2019 draft budget for heading 4.

Members have:

- strengthened certain budget lines related to the **root causes of migration** and the resulting humanitarian challenges in the Southern Neighbourhood, notably in Libya. They therefore decided to allocate more resources to the Development Cooperation Instrument (**DCI**) and the Southern Dimension of the European Neighbourhood Instrument (**ENI**) in order to also anticipate the continued pressure on the ENI in 2019;

- reaffirmed that the current ratio of contribution to the FRT from the Union budget (EUR 1 billion) and Member States (EUR 2 billion) should be maintained for the financing of the second tranche of the FRT. Parliament decided therefore to **reduce the contributions of the Union budget from EUR 1.45 billion to EUR 450 million**. The difference should be instead financed by the bilateral contributions of Member States;

- decided to increase the allocation of the **Instrument for Pre-Accession Assistance** (IPA II) for the Western Balkans.

Administration

Parliament considered that Council's cuts are unjustified and do not reflect the real needs. It suggested restoring the 2019 DB for all Commission administrative expenditure, including administrative and research support expenditure in Headings 1 to 4.