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REPORT

on the mandate for the trilogue on the 2019 draft budget
(2018/2024(BUD))

Committee on Budgets

Rapporteur: Daniele Viotti

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the mandate for the trilogue on the 2019 draft budget (2018/2024(BUD))

The European Parliament,

- having regard to Article 314 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to the draft general budget of the European Union for the financial year 2019, which the Commission adopted on 23 May 2018 (COM(2018)0600),
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002¹,
- having regard to Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020² and its subsequent amendment by Council Regulation (EU, Euratom) No 2017/1123 of 20 June 2017³,
- having regard to the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management⁴,
- having regard to its resolution of 15 March 2018 on general guidelines for the preparation of the 2018 budget, Section III – Commission⁵,
- having regard to the Council conclusions of 20 February 2018 on the 2019 budget guidelines (06315/2018),
- having regard to Rule 86a of its Rules of Procedure,
- having regard to the report of the Committee on Budgets and the opinions of the other committees concerned (A8-0247/2018),

Draft budget 2019 - reinforcing solidarity and preparing for a sustainable future

1. Recalls that in its resolution of 15 March 2018 Parliament identified the following priorities for the 2019 EU budget: sustainable growth, innovation, competitiveness, security, the fight against climate change and the transition to renewable energy and migration, and also called for a particular focus on young people;
2. Recalls that the 2019 EU budget will be the last under the current parliamentary term and will be negotiated in parallel with the negotiations on the next multiannual financial

¹ OJ L 298, 26.10.2012, p. 1.

² OJ L 347, 20.12.2013, p. 884.

³ OJ L 163, 24.6.2017, p. 1.

⁴ OJ C 373, 20.12.2013, p. 1.

⁵ Texts adopted, P8_TA(2018)0089.

framework (MFF) and the reform of EU own resources; recalls also that the UK has committed to contribute to, and participate in, the implementation of the Union annual budgets for 2019 and 2020 as if it had remained in the Union after March 2019;

3. Welcomes the Commission proposal and believes that it corresponds broadly to Parliament's own priorities; intends to further reinforce key programmes and ensure an appropriate level of financing corresponding to the latter; notes the increase of 3.1 % in commitment appropriations and the lower percentage of GNI as compared to 2018 both for commitment appropriations (1 % as compared to 1.02 %) and payment appropriations (0.9% as compared to 0.92 %);
4. Welcomes the proposed reinforcements to Horizon 2020, the Connecting Europe Facility(CEF), Erasmus+ and programmes contributing to increase the security of EU citizens; points, however, to the need to further reinforce support for SMEs, which are key to enabling economic growth and job creation, and to dedicate appropriate resources to the digitalisation of EU industry and the promotion of digital skills and digital entrepreneurship, as well as to programmes supportive of young people, and specifically ErasmusPro; recalls its conviction that the Erasmus+ budget for 2019 needs to be at least doubled;
5. Regrets the fact that the increase for the EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME), in comparison with the 2018 budget, is only 2.3% (EUR 362.2 million in commitment appropriations), and that the proposed payment appropriations are lower by 0.6%; recalls that this is a successful programme which has far more applicants than recipients of funding; stresses that SMEs are an important driver of employment, economic growth and competitiveness in the EU, represent the backbone of the European economy, and have the capacity to create growth and jobs; urges, as a top priority, that this be reflected in sufficient funding for SME programmes and a further increase in appropriations for COSME given the success of this programme;
6. Commends the role of the European Fund for Strategic Investments (EFSI) in reducing the investment gap in the EU; calls, in the framework of an optimal regional and sectorial balance, for reinforcement of the social dimension of EFSI deployment, including innovation in healthcare and medicine, social infrastructure, environmental protection, sustainable transport, renewable energy and energy storage infrastructures; reiterates its long-standing position that any new initiatives within the MFF must be financed by new appropriations and not to the detriment of the existing programmes; reiterates also its commitment to reinforce Horizon 2020 and CEF so as to reverse as far as possible the cuts made to those programmes to finance the extension of EFSI in the 2019 budget;
7. Notes the commitment to a renewed EU defence agenda, namely through the agreement on the European Defence Industrial Development Programme (EDIDP), as a first stage of the European Defence Fund; believes that this shared commitment will contribute to achieving economies of scale and greater coordination among Member States and businesses, allowing the EU to retain its strategic autonomy and become a genuine world player;
8. Notes that the Commission has proposed an increase for the Youth Employment

Initiative (YEI) of EUR 233 million, in line with financial programming; reaffirms once again that Parliament did not agree to any frontloading of the 2018-2020 top-up resulting from the MFF mid-term revision (MTR); maintains that the budgetary authority retains in full its prerogatives as regards deciding the levels of funding of all programmes, including those which have been subject to the MFF MTR; underlines the importance of sincere cooperation between the institutions, and calls on all actors concerned to retain trust throughout the 2019 budgetary procedure;

9. Remains committed to the fight against unemployment and against youth unemployment in particular; believes in this respect that the YEI should be further strengthened, thus reflecting the need to step up EU funding in order to achieve the Pillar of Social Rights, in spite of the complexities involved in reprogramming YEI and ESF programmes in case of modifications of the YEI envelope; recognises that youth unemployment has not been adequately addressed across the EU, with youth unemployment still higher than 2007 levels; calls on the Commission to guarantee that Member States do not replace their own policies and funding with YEI funding to fight youth unemployment but, rather, use it as a complement; emphasises the fact that both vocational training and apprenticeship constitute efficient practices to tackle youth unemployment; stresses that mobility through Erasmus Pro strongly stimulates benchmarking for implementation of best practices;
10. Stresses that in 2019 cohesion policy programmes will be at cruising speed, and emphasises Parliament's commitment to ensuring adequate appropriations for these programmes; welcomes the fact that almost all of the managing authorities for the 2014-2020 programmes have now been designated; points out that the unacceptable delays in the implementation of operational programmes have been to a large extent due to the late designation of those authorities; calls on the Member States to ensure that the implementation of the programmes is accelerated so as to catch up with the delays, and to seek the Commission's assistance in this respect;
11. Takes note of the reports on the functioning of regional and cohesion policy in the Union and the economic challenges facing lagging regions, which recurrently point out shortcomings as regards efficiency and results;
12. Take notes of the fact that the Commission proposal would enable reaching the target of 20 % of the budget being dedicated to climate spending in 2019; regrets, however, that the Commission has not followed up on Parliament's request regarding offsetting the lower allocations made during the first years of the MFF; considers this proposal to be insufficient since in total only 19.3 % of the EU budget 2014-2020 would be dedicated to climate-related measures, which would prevent the EU from meeting its target of climate mainstreaming of at least 20 % during 2014-2020, also if it again allocates only 20 % of the budget to climate protection in 2020; regrets that the Commission has not been able to present draft budgets that are aligned with the commitments and targets set by the Union in this field in the European Council conclusions of 7-8 February 2013; believes that more should be done through the development of an action plan within programmes having massive potential, as for example under Horizon 2020, CEF, ESF, EAGF, EAFRD, EMFF or LIFE+, as these programmes allow notably for investments in energy efficiency and renewable energy; recalls the Court of Auditors' reasoned criticism as regards the methodology deployed by the Commission, and calls for swift

improvements in this light and in this regard;

13. Welcomes the commitment of the Commission to improve the biodiversity tracking methodology; disapproves, however, the proposed decrease of the total contribution to biodiversity protection to 8.2 %, which is in contrast to the objective of halting and reversing the loss of biodiversity and ecosystem services by 2020;
14. Believes that ensuring the security of the Union's citizens and addressing the challenges of migration and refugees remain two top Union priorities in 2019; deems it crucial to maintain spending in these areas at a level that is adequate to respond to the needs raised by the migration and refugee crisis in the African continent, especially in the Sahel, as well as in the Levant countries and the Mediterranean sea; considers that the necessary solidarity among Member States in order to manage the flow of migration, in particular once the revision of the Dublin Regulation has been adopted, has to be reflected in the EU budget; notes that the 2019 draft budget integrates the budgetary implications of the Commission's proposal;
15. Emphasises that several important legislative initiatives under negotiation or in the early stages of implementation, such as the revision of the Dublin Regulation, the establishment of the Entry/Exit System and the European Travel Information and Authorisation System, the upgrading of the Schengen Information System and the initiative on interoperability of EU information systems for security, borders and migration management, are expected to have significant budgetary implications for the 2019 budget, and underlines the importance of adequate financing to match the Union's ambition in these areas; encourages the Commission to engage in an open and proactive dialogue with the budgetary authority on the above initiatives, in order to allow it to adjust appropriations, where necessary and without prejudging, during the annual budgetary procedure, the outcome of ongoing legislative procedures;
16. Regrets the Commission's proposal for the funding of the second tranche of the Facility for Refugees in Turkey (FRT); supports the continuation of the FRT, but maintains that, as also proposed by the Commission on 14 March 2018, the EU budget should contribute to its financing to the sum of EUR 1 billion, with Member States contributing EUR 2 billion by means of bilateral contributions, in order to leave sufficient margins under the MFF special instruments for unforeseen events in the last two years of the current MFF, as well as the financing of other priorities; also maintains that as the FRT has been a new initiative within this MFF, it should be funded by fresh appropriations; regrets that, despite Parliament's clear request to be fully associated with the decision-making process relating to the extension of the FRT, inter alia to avoid the repetition of the procedure of its setting-up, no negotiations on the financing of the second tranche of the FRT have so far taken place between Parliament and the Council; informs Member States that Parliament has every right to assume its role as an arm of the budgetary authority of the Union and that it will do so, as already announced on previous occasions; deplores the failure of the Council up till now to find a common position on the financing of the FRT despite the humanitarian urgency;
17. Notes that the draft budget for 2019 leaves very limited margins or no margin under the MFF ceilings throughout Headings 1a, 1b, 3 and 4, as a consequence of the limited flexibility of the current MFF in terms of responding to new challenges and accommodating new initiatives; expresses its intention to further mobilise the flexibility

provisions under the revised MFF as part of the amending process;

18. Remains concerned at the possible reconstitution of a backlog of unpaid bills towards the end of the current MFF period; notes the moderate increase of 2.7 % in payment appropriations over the 2018 budget, mainly due to AMIF, ISF and FRT; notes the proposed margin of EUR 19.3 billion under the payment ceiling; invites the Commission to remain vigilant on the evolution of payments, so as to allow the budgetary authority to take the necessary measures to avoid an abnormal backlog in due time; is convinced that the credibility of the EU is also linked to its ability to ensure an adequate level of payment appropriations in the EU budget in order to deliver on its commitments;

Subheading 1a – Competitiveness for growth and jobs

19. Notes that in comparison with 2018, the Commission proposal for 2019 corresponds to an increase in commitments under Subheading 1a of +3.9 %, to EUR 22 860 million; notes that Horizon 2020, the Connecting Europe Facility, Large Infrastructure Projects and Erasmus+ account for an important part of this increase as their commitment appropriations have risen by 8.5 %, 36.4 %, 7.8 % and 10.4 % respectively; underlines, however, that these increases are mostly in line with the financial programming and thus do not constitute additional reinforcements;
20. Recalls that programmes related to research and innovation, such as Horizon 2020, are essential for the creation of jobs and competitiveness within Europe; urges the Commission to reflect this within its priorities; calls for an appropriate level of funding for programmes related to research and innovation; stresses that in particular, Member States facing economic and financial difficulties should be supported in this area;
21. Recalls that new initiatives in the past few years such as EFSI (I and II), Wifi4EU and the European Defence Industrial Development Programme (EDIDP) have come at the expense of several programmes under Subheading 1a which were severely impacted by redeployments, namely Horizon 2020, CEF, Galileo, ITER, Copernicus and EGNOS;
22. Stresses that Erasmus+ remains the leading programme for fostering youth mobility at all levels of education and vocational training and encouraging young people to take part in European democracy; recalls that administrative efforts need to be made to increase access to Erasmus+ and that the volume of eligible applications is by far exceeding the current budget ; believes, therefore, that the envelope of Erasmus+ should be able to meet the eligible demand for this programme, notably that linked to lifelong learning;
23. Notes with concern the discussions on the financing of the European Solidarity Corps (ESC), which confirmed Parliament's fear that new initiatives would come at the expense of existing well-performing programmes; notes as well with concern the precedent set by the outcome of the trilogue procedure, which fails to provide clarity on the sources of financing of the initiative, leaving further clarification to the annual budgetary procedure; expects the Commission to implement the agreement in a way that fully reflects the discussions in trilogue and the spirit of the agreement;
24. Welcomes the fact that the agreement reached on the financing of the EDIDP foresees

much lower cuts to Subheading 1a programmes than those initially proposed by the Commission; is, however, concerned that the Council appears to put more emphasis on maintaining margins than on providing sufficient funding for what it identifies itself as high priorities;

25. Welcomes the allocation of EUR 500 million to the EDIDP for 2019 and 2020; notes that, according to EPRS estimates, the lack of cooperation between national industries in this field costs the EU EUR 10 billion per year; considers that defence is a clear example of how greater effectiveness could be achieved by transferring certain competences and actions currently performed by the Member States and the corresponding appropriations to the EU; emphasises that this would result in the demonstration of European added value and would make it possible to limit the overall burden of public expenditure in the EU;
26. Welcomes the proposal for the creation of the European High Performance Computing Joint Undertaking, which will promote the latest high performance computing and data infrastructure and support the development of its technologies and application across a wide range of fields, to the benefit of scientists, industry and the public sector;

Subheading 1b – Economic, social and territorial cohesion

27. Notes that total commitment appropriations for Subheading 1b amount to EUR 57 113.4 million, representing an increase of 2.8 % compared to the 2018 budget; further notes that the proposed amount of EUR 47 050.8 million in payment appropriations is 1.1 % higher than in 2018;
28. Welcomes the fact that the implementation of the 2014-2020 programmes is reaching full speed, and reiterates that any ‘abnormal’ buildup of unpaid bills must be avoided in the future; also welcomes the fact that the great majority of the national managing authorities have now been designated; calls on the Commission and the Member States to resolve any outstanding issues in order for the implementation to proceed smoothly;
29. Recalls that, as a result of revised forecasts by the Member States, the Amending Budget 6/2017 reduced the payment appropriations under Subheading 1b by EUR 5.9 billion; sincerely hopes that both the national authorities and the Commission have improved their estimates of payment needs in the 2019 budget and that the proposed level of payment appropriations will be fully executed;
30. Underlines that in times of rapid technological development – including in fields such as AI – the divide between fast developing regions and lagging ones might widen if the impact of the Structural Funds is not enhanced by conditionalities of efficiency;
31. Notes the Commission’s proposal to fund the continuation of the YEI, as well as the proposed mobilisation of EUR 233.3 million from the Global Margin for commitments; recalls that any increase in the dedicated allocation for the YEI should be matched with the corresponding amounts from the European Social Fund (ESF); recalls the commitment made by the Commission at the conciliation on the 2018 budget to swiftly present the revision of the Common Provisions Regulation (CPR) in order to include the 2018 increase for the YEI; underlines that the Commission has not lived up to its commitment, and requests it to explain in detail the reasons for the delay in the

presentation of the CPR revision;

32. Commits to adopting the new YEI and ESF legislation rapidly in order to facilitate an ambitious increase in YEI appropriations in 2019 without undermining other programmes running under the ESF in Member States, potentially by relieving Member States of their obligation to match ESF appropriations dedicated to youth employment, under the strict condition that the proposed modifications would neither allow Member States to be excused from the financial commitments they have already made in this area, nor imply a decrease in general terms of EU budget appropriations dedicated to the fight against youth unemployment;

Heading 2 – Sustainable growth: natural resources

33. Takes note of the proposed EUR 59 991.1 million in commitments (+1.2 % compared to 2018) and EUR 57 790.4 million in payments (3 %) for Heading 2; notes that EAGF expenditure for 2019 is estimated at EUR 44 162.5 million, which is lower than in the 2018 budget (by EUR -547.9 million);
34. Notes that the Commission has left a EUR 344.9 million margin under the ceiling of Heading 2; points to the fact that increased volatility of agricultural markets, such as experienced with the Russian ban, might justify recourse to this margin; calls on the Commission to ensure that the margin left under the ceilings is sufficient to address any crises that may arise;
35. Notes that some measures related to the Russian ban and included in the 2018 budget will not be extended (e.g. for fruit and vegetables where the market situation is still difficult), while market difficulties can still be found in the dairy sector; awaits the Commission's letter of amendment, expected in October, which should be based on updated information on EAGF funding in order to verify the real needs in the agricultural sector; underlines that cases where market intervention is needed under the EAGF remain limited and represent only a relatively small part of the EAGF (around 5.9 %);
36. Stresses that part of the solution for combating youth unemployment lies in adequately supporting young people in rural areas; regrets that the Commission has not proposed increasing the budget line for young farmers;
37. Underlines that the implementation of the EMFF is accelerating and should approach cruising speed in 2019, following a slow start at the beginning of the programming period; welcomes the increase in commitments for the LIFE+ programme (+6 %), in line with financial programming; notes that the European Environment Agency (EEA) will assume additional responsibilities in the period 2019-2020 for environmental monitoring and reporting, as well as for the verification of CO₂ emissions from heavy duty vehicles;

Heading 3 – Security and Citizenship

38. Notes that a total of EUR 3 728.5 million in commitment appropriations is proposed for Heading 3, which represents a 6.7 % increase over 2018, and that the total for payment

appropriations is EUR 3 486.4 million, i.e. a 17 % increase over last year's proposals; underlines, however, that these increases follow years of declining funding levels and that overall funding for different key areas such as migration, border management or internal security still represents only 2.3 % of total proposed EU spending in 2019; questions the proposed EUR 281.2 million in commitments for supporting legal migration to the Union and promoting the effective integration of third-country nationals and enhancing fair and effective return strategies, which represents a 14.4 % decrease over 2018; calls on the Commission to provide further explanations as to the reasons for this cut;

39. Notes that, for the fourth consecutive year, all margins under the Heading 3 ceiling are exhausted, proving that as things stand today the EU budget is not fully equipped to deal with the scale and depth of the present migration and security challenges facing the Union; welcomes, in this regard, the proposed mobilisation of the Flexibility Instrument for an amount of EUR 927.5 million in commitment appropriations;
40. Expects the pressure on some Member States' migration and asylum systems, as well as on their borders, to remain high in 2019, and urges the Union to remain vigilant regarding any future, unpredictable needs in these areas; calls in this regard for the reinforcement of the means of control at the external borders, and in this context for an adequate funding and staffing of the EU agencies dealing with these issues, and reaffirms that tackling the root causes of the migration and refugee crisis represents a long-term sustainable solution, along with stabilisation of the EU's neighbourhoods, and that investments in the countries of origin of migrants and refugees are key to achieving this objective;
41. Notes that the instrument allowing the provision of emergency humanitarian support within the Union will expire in March 2019; invites the Commission, against the backdrop of persisting humanitarian needs of refugees and asylum seekers in certain Member States, to assess whether a reactivation and replenishment of this instrument would be appropriate; highlights the need for greater solidarity towards those countries in which arrivals and asylum seekers are concentrated; underlines, in the meantime, the importance of the continued availability of funding through the emergency assistance mechanisms under the Asylum, Migration and Integration Fund (AMIF), notably for the continued support of Greece; considers that financial support should also be granted to Italy; calls, therefore, on the Commission to state the reasons which led it not to propose this; recalls that Italy is the only Member State where a majority of the population consider that they have not benefited from membership of the European Union; regrets the sharp decrease in commitment appropriations for the second AMIF component, 'Supporting legal migration to the Union and promoting the effective integration of third-country nationals and enhancing fair and effective return strategies';
42. Believes that in the context of a wide range of security concerns, including changing forms of radicalisation, cybercrime, violence and terrorism that surpass individual Member States' capacity to respond, the EU budget should encourage cooperation on security-related matters with the help of established EU agencies; in this context, questions how this high-risk security context is reconcilable with the proposed significant decrease of commitment appropriations (-26.6 %) for the Internal Security Fund (ISF); highlights that spending in this area is efficient only when obstacles to

intra-European cooperation and targeted information sharing are removed while fully applying any relevant data protection in line with EU legislation; regrets that the Commission has still not presented a proposal which would provide for the expression of financial solidarity at EU level to victims of acts of terrorism and their families, and calls on the Commission to do the necessary to ensure that such aid is put in place rapidly;

43. Takes note of the proposed revision of the legal base of the Union Civil Protection Mechanism, which, once adopted, is expected to have a major budgetary impact in the last two years of the current MFF, with EUR 256.9 million to be borne by Heading 3 alone; insists that it is only logical that this significant upgrading of a key Union policy should be financed through new and additional means; warns against the use of redeployments, which are clearly at the expense of other valuable, well-functioning policies and programmes;
44. Reconfirms Parliament's strong support for Union programmes in the areas of culture, justice, fundamental rights and citizenship; welcomes the proposed increase for the Creative Europe Programme; insists, furthermore, on sufficient funding for the Europe for Citizens programme and the European Citizens' Initiatives, particularly in the run-up to the European elections;
45. Recalls Parliament's support for the rights, equality, citizenship and justice programmes; underlines that the EU must maintain its commitment to enforcing women's and LGBTI rights;
46. Welcomes the increase in commitment appropriations for the Food and Feed programme, which should allow the Union to manage effectively any outbreaks of serious animal diseases and plant pests, including the recent epidemic of avian influenza that hit several Member States in recent years;
47. Calls on the Commission to provide adequate budget funding to raise the profile of the 2019 European Parliament elections and increase the effectiveness of media coverage thereof, and in particular to promote knowledge of the 'Spitzenkandidaten', the candidates for the Commission presidency;

Heading 4 – Global Europe

48. Takes note of the overall increase in proposed financing for Heading 4, amounting to EUR 11 384.2 million (+13.1 % compared with the 2018 budget) in commitment appropriations; notes that this increase is linked primarily to the financing of the second tranche of the FRT, for which the Commission proposes mobilising the Global Margin for commitments (EUR 1 116.2 million); notes that this proposal would result in an absence of margin under the ceiling of Heading 4;
49. Calls on the Member States to provide higher contributions to the Africa Trust Fund, the 'Madad' Fund, and the European Fund for Sustainable Development, in order to support stabilisation in crisis regions, provide aid to refugees, and foster social and economic development on the African continent and in the countries of the European neighbourhood;

50. Remains convinced that the challenges that the EU's external action is faced with call for sustained funding exceeding the current size of Heading 4; maintains that new initiatives should be funded with fresh appropriations and that all flexibility options should be fully used; opposes, however, the proposed financing of the FRT extension, as it would substantially limit both the funding possibilities of other priority areas within Heading 4 and the instrumental role of the EU budget in reaching out to people in need and promoting fundamental values;
51. Welcomes the increases aimed at migration-related projects linked to the Central Mediterranean Route, as well as the moderate increase for the Eastern component of the European Neighbourhood Instrument (ENI) and the reallocation of priorities under the Development Cooperation Instrument (DCI) to the Middle East; calls for the allocation of sufficient financial resources to UNRWA, in order to ensure continuous support for Palestinian refugees in the region, in light of the recent US decision to withdraw its contribution to the agency;
52. Welcomes the increased support for regional actions in the Western Balkans; is, however, of the opinion that support for political reforms should be further stepped up; regrets the increased support for political reforms in Turkey (IPA II) and questions its alignment to the budgetary authority's decision to reduce the appropriations on this line for the current budgetary year; reiterates its position in which it called for funds destined for the Turkish authorities under the IPA II to be made conditional on improvements in the field of human rights, democracy and the rule of law; calls for the appropriations on this line, if no progress is made in these fields and being aware of the limited space for manoeuvre, to be predominantly redirected to civil society actors with a view to implementing measures supportive of the objectives relating to the rule of law, democracy, human rights and media freedoms; supports the overall downward trend for political reforms in the allocations for Turkey;
53. Underlines the noticeable decrease in the amount to be provisioned in the 2019 budget to the Guarantee Fund for external actions managed by the European Investment Bank (EIB), as well as the substantial reduction of the planned amount of macrofinancial assistance (MFA) grants, due to a lower amount of outstanding EIB loans than previously estimated, as well as to a lower disbursement of MFA loans compared to the latest financial programming;
54. Reaffirms its full support for the pledges made by the EU at the Brussels conferences on Syria, confirming those made previously; agrees with the reinforcement of the ENI and of humanitarian aid by EUR 120 million each in order to meet this pledge in 2019;
55. Reiterates its support for the allocation of adequate financial resources to EU strategic communication aimed at tackling disinformation campaigns and cyberattacks, as well as the promotion of an objective image of the Union outside its borders;

Heading 5 – Administration

56. Notes that Heading 5 expenditure is increased by 3.0 % compared to the 2018 budget, up to EUR 9 956.9 million (+EUR 291.4 million) in commitment appropriations; notes that, as for the previous budgetary exercise, the increase is mostly driven by the

evolution of pensions (+ EUR 116.7 million), representing 20.2 % of Heading 5 expenditure; observes that the share of expenditure on administration in the draft budget remains unchanged at a level of 6.0 % in commitment appropriations;

57. Acknowledges the efforts made by the Commission to integrate all possibilities for savings and rationalisations in non-salary-related expenditure for its own budget; notes that the evolution of the Commission's expenditure (+ 2.0 %) is mostly due to the automatic adaptation of salary expenditure and contractual commitments; further notes the Commission's internal redeployment of staff to fulfil its new priorities;
58. Notes that the effective margin is EUR 575.2 million under the ceiling after the offsetting of EUR 253.9 million for the use of the contingency margin mobilised in 2018; considers the margin to be important in nominal terms, and believes it reflects the efforts made by the Commission, in particular to freeze the evolution of non-salary expenditure; believes that an additional effort to stabilise or reduce the Commission's administrative expenditure could lead to the postponement of important investments or jeopardise the proper functioning of the administration;

Pilot projects - preparatory actions

59. Stresses the importance of pilot projects (PPs) and preparatory actions (PAs) as tools for the formulation of political priorities and the introduction of new initiatives that might turn into standing EU activities and programmes; intends to proceed with the identification of a balanced package of PP-PAs, reflecting the political priorities of Parliament and taking into account a proper and timely pre-assessment by the Commission; notes that in the current proposal, the margin in some headings is limited or even non-existent, and intends to explore ways to make room for possible PP-PAs in ways that are not detrimental to other political priorities;

Agencies

60. Notes the overall increase in the draft budget 2019 of the allocations for the decentralised agencies, of +10.8 % (without taking into account assigned revenues) and +259 posts; welcomes the fact that for the majority of the agencies their own budget increases while the EU contribution decreases; notes in this regard that Parliament is currently exploring the possibilities of further extending the fee-financing of decentralised agencies; notes with satisfaction that agencies with 'new tasks' (ESMA, EU-LISA and FRONTEX) are granted a significant increase in appropriations and establishment plan staff; calls for further financial support for the agencies that are dealing with migration and security challenges; believes that Europol and Eurojust should be further strengthened and that EASO should receive adequate financing for its transformation into the European Asylum Agency;
61. Reiterates its position that the 5 % staff reduction target has been successfully reached and underlines that in the light of the Court of Auditors' rapid case review, this practice did not necessarily meet the expected results; believes that the decentralised agencies need to be assessed using a case-by-case approach; welcomes the endorsement by all institutions of the recommendations of the Interinstitutional Working Group;

62. Welcomes the creation of two new EU bodies to be considered as decentralised agencies, respectively the European Public Prosecutor's Office (EPPO) and the European Labour Authority (ELA); notes that appropriations corresponding to the ELA have been put into reserve pending the finalisation of the legislative procedure; notes that the EPPO has its seat in Luxembourg, and asks it to submit to the two branches of the budgetary authority all information on its buildings policy pursuant to the Financial Regulation; considers that new agencies have to be created by allocating fresh resources and new posts, while avoiding any kind of redeployment unless it is clearly demonstrated that certain activities are entirely transferred from the Commission or other existing bodies, such as Eurojust, to the new agencies; notes that Eurojust remains competent to deal with PIF cases, in close cooperation with EPPO, while being fully engaged in ensuring operational support to Member States in the fight against organised crime, terrorism, cybercrime and migrant smuggling; recalls the provisions laid down in the Common Approach for newly created decentralised agencies;
63. Expects the negotiations on the 2019 budget to be based on the principle that both branches of the budgetary authority make a commitment to start the negotiations at the earliest possible stage and to fully exploit the timespan of the whole conciliation period, while providing a level of representation that ensures a genuine political dialogue;
64. Instructs its President to forward this resolution to the Council and the Commission.

**ANNEX: JOINT STATEMENT ON THE DATES FOR THE BUDGETARY
PROCEDURE AND MODALITIES FOR THE FUNCTIONING OF THE
CONCILIATION COMMITTEE IN 2018**

- A. In accordance with Part A of the annex to the interinstitutional agreement between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, the European Parliament, the Council and the Commission agree on the following key dates for the 2019 budgetary procedure:
1. The Commission will endeavour to present the Statement of Estimates 2019 by late May;
 2. A trilogue will be called on 12 July in the morning, before the adoption of the Council's position;
 3. The Council will endeavour to adopt its position and transmit it to the European Parliament by week 37 (third week of September), in order to facilitate a timely agreement with the European Parliament;
 4. The European Parliament's Committee on Budgets will endeavour to vote on amendments to the Council's position by the end of week 41 (mid-October) at the latest;
 5. A trilogue will be called on 18 October in the morning, before the reading of the European Parliament;
 6. The European Parliament's Plenary will vote on its reading in week 43 (Plenary session of 22-25 October);
 7. The Conciliation period will start on 30 October. In agreement with the provisions of Article 314(4)(c) TFEU, the time available for conciliation will expire on 19 November 2018;
 8. The Conciliation Committee will meet on 7 November in the morning hosted by the European Parliament and on 16 November hosted by the Council and may resume as appropriate; the sessions of the Conciliation Committee will be prepared by trilogue(s). A trilogue is scheduled on 7 November in the morning. Additional trilogue(s) may be called during the 21-day conciliation period, including possibly on 14 November (Strasbourg).
- B. The modalities for the functioning of the Conciliation Committee are set out in Part E of the annex to the above-mentioned interinstitutional agreement.

19.6.2018

OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

for the Committee on Budgets

on the mandate for the trilogue on the 2019 draft budget
(2018/2024(BUD))

Rapporteur for opinion: Marita Ulvskog

SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Emphasises that the 2019 budget should contribute towards achieving the Europe 2020 targets in the social and employment area, which are furthest from being achieved, and a successful implementation of the European Pillar of Social Rights, particularly when it comes to combating youth and long-term unemployment, rising inequalities, social exclusion and poverty; stresses, in this regard, that the 2019 budget cannot be understood outside the context of the 2014-2020 multiannual financial framework (MFF);
2. Recalls that robust recovery and sustainable growth are key factors to creating decent jobs leading to quality employment, increasing shared prosperity and boosting upward social convergence, and that the European structural and investment funds should be directed more effectively towards creating employment, promoting inclusive growth, fostering social and territorial cohesion, supporting structural reforms, reducing inequalities, and promoting upskilling measures and life-long-learning; emphasises the importance of research and innovation for stimulating growth and job creation;
3. Highlights the need to provide resources for combating poverty, child poverty in particular, and for supporting measures to address children's basic needs, such as food supplies, housing, education and healthcare;
4. Underlines the importance of adequate funding for the programmes and initiatives within the 2014-2020 MFF that seek to address unemployment, poverty and social exclusion, and especially those aimed at the most disadvantaged in society, such as the European Social

Fund (ESF), the Youth Employment Initiative (YEI), the European Globalisation Adjustment Fund (EGF), the various axes of the Programme for Employment and Social Innovation (EaSI), including supporting SMEs as a source of job creation, and the Fund for European Aid to the Most Deprived (FEAD); insists, therefore, that the resources of these programmes should be increased in real terms for the 2019 budget, or at least maintained at the levels of the previous year;

5. Stresses, furthermore, that the budget lines supporting European social dialogue and measures for social partners are of prime importance when it comes to strengthening social partners' involvement, for example in the European Semester and the implementation of the European Pillar of Social Rights; considers that such funding is therefore essential;
6. Points out that the lack of future opportunities for young people is a very real social emergency in some regions, which requires innovative and focused solutions, to be implemented promptly, in order to bring concrete improvements in the short term; expects the 2019 budget, therefore, to continue demonstrating great ambition to fight youth unemployment;
7. Commits to adopting the new YEI and ESF legislation rapidly in order to facilitate an ambitious increase in YEI appropriations in 2019 without undermining other programmes running under the ESF in Member States, potentially by relieving Member States of their obligation to match ESF appropriations dedicated to youth employment, under the strict condition that the proposed modifications would neither allow Member States to be excused from the financial commitments that they have already made in this area, nor imply a decrease in general terms of EU budget appropriations dedicated to the fight against youth unemployment;
8. Acknowledges that the Youth Guarantee represents progress in the fight against youth unemployment; notes, however, that recent evidence shows that the Youth Guarantee is not producing the results desired at the pace expected in some areas, for reasons related not to the scheme itself but to its implementation, mainly as a result of the unwillingness to compromise and lack of political will of some national governments, the lack of involvement of social partners and regional and local governments, the questionable quality of the offers, and failures in the effective integration of the participants into the labour market beyond the duration of the offer;
9. Calls for the continuation of efforts to improve the implementation of the YEI, including by ensuring that the offers of employment, education or training match participants' profiles and labour market demand in order to place participants in sustainable employment;
10. Asks the Commission to launch an emergency plan for youth employment, complementary to the YEI and with a budget of EUR 500 million, to support the implementation of quality employment programmes that promote job creation and entrepreneurship opportunities in the EU regions in which the youth unemployment rate is above 40 %; stresses that this scheme should finance innovation, quality and good practices and reward the projects with the highest levels of quality and sustainability in

employment creation for people under 30;

11. Notes that payment appropriations provided for in the 2018 budget have until now been sufficient to meet the Member States' requests for payments and, according to the Commission forecast, are expected to correspond to their annual needs, unlike in previous years of the current programming period, as the structural funds were not then being absorbed as quickly as anticipated; stresses that as a result adequate payment appropriations need to be provided for in the 2019 budget; notes that the low absorption rate is partly due to administrative barriers; calls, therefore, for a further reduction of administrative barriers to improve access to funds;
12. Insists that adequate commitment and, in particular, payment appropriations for the ESF must be guaranteed in the 2019 budget, given that it is entering a period of intense implementation and that the number of Member State payment requests will increase;
13. Recalls that the principle of proportionality must prevail in the management and control of structural programmes; calls on the Commission and the Member States to explore the possibilities of an online application system for project managers more conducive to administrative simplification;
14. Calls on the Commission to better identify and monitor funding earmarked for labour mobility within the scope of the EaSI and the ESF, and to ensure complementarity and better performance monitoring of the funds and hence their efficient and effective use, in line with European Court of Auditors' Special Report 06/2018;
15. Reiterates that pilot projects and preparatory actions are very valuable tools for initiating new activities and policies; stresses that a number of ideas presented by the Committee on Employment and Social Affairs have been successfully implemented as pilot projects or preparatory actions; calls for Parliament to be given regular and detailed updates on the various stages of the implementation of pilot projects and preparatory actions by the Commission, and calls on the Commission, for its part, to implement these projects and actions swiftly and to respect their contents, as agreed and approved by Parliament and the Council;
16. Highlights the important contribution of all the employment and social affairs agencies (Cedefop, ETF, Eurofound and EU-OSHA) in dealing with a wide range of employment and social issues; stresses, in this connection, that their tasks are growing constantly and that they must therefore be given the necessary financial and human resources to fulfil their respective remits and ensure the best possible results in support of EU legislative and policy objectives; supports the creation of the European Labour Authority, which is expected to begin operating in 2019; highlights the need to provide for additional funding to ensure that sufficient financial resources are set aside for its establishment, and that this cannot be accomplished by redeploying allocations from the other employment and social affairs agencies;
17. Reiterates its concern about the negative budgetary impact of the growing Irish country coefficient, which increasingly risks undermining the financial capability of Eurofound to deliver on its mandate; expects the Union institutions to take action to offset the effects, as

expressed in Eurofound's 2016 discharge report; emphasises the need for additional funding in order to maintain the level of research carried out by the agency, in particular to secure the work done on pan-European surveys.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	19.6.2018
Result of final vote	+: 37 -: 7 0: 3
Members present for the final vote	Laura Agea, Guillaume Balas, Enrique Calvet Chambon, Ole Christensen, Michael Detjen, Lampros Fountoulis, Elena Gentile, Czesław Hoc, Rina Ronja Kari, Agnieszka Kozłowska-Rajewicz, Kostadinka Kuneva, Jérôme Lavrilleux, Jeroen Lenaers, Verónica Lope Fontagné, Javi López, Thomas Mann, Dominique Martin, Anthea McIntyre, Miroslavs Mitrofanovs, Emilian Pavel, João Pimenta Lopes, Georgi Pirinski, Marek Plura, Dennis Radtke, Sofia Ribeiro, Robert Rochefort, Claude Rolin, Siôn Simon, Romana Tomc, Yana Toom
Substitutes present for the final vote	Georges Bach, Heinz K. Becker, Rosa D'Amato, António Marinho e Pinto, Edouard Martin, Ivare Padar, Evelyn Regner, Anne Sander, Joachim Schuster, Michaela Šojdrová, Ivo Vajgl, Kosma Złotowski
Substitutes under Rule 200(2) present for the final vote	Malin Björk, Karoline Graswander-Hainz, Jytte Guteland, Angelika Mlinar, Keith Taylor

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

37	+
ALDE	Enrique Calvet Chambon, António Marinho e Pinto, Angelika Mlinar, Robert Rochefort, Yana Toom, Ivo Vajgl
GUE/NGL	Kostadinka Kuneva
PPE	Georges Bach, Heinz K. Becker, Agnieszka Kozłowska-Rajewicz, Jérôme Lavrilleux, Jeroen Lenaers, Verónica Lope Fontagné, Thomas Mann, Marek Plura, Dennis Radtke, Sofia Ribeiro, Claude Rolin, Anne Sander, Michaela Šojdrová, Romana Tomc
S&D	Guillaume Balas, Ole Christensen, Michael Detjen, Elena Gentile, Karoline Graswander-Hainz, Jytte Guteland, Javi López, Edouard Martin, Ivari Padar, Emilian Pavel, Georgi Pirinski, Evelyn Regner, Joachim Schuster, Siôn Simon
VERTS/ALE	Miroslavs Mitrofanovs, Keith Taylor

7	-
ECR	Czesław Hoc, Anthea McIntyre, Kosma Złotowski
ENF	Dominique Martin
GUE/NGL	Malin Björk, Rina Ronja Kari, João Pimenta Lopes

3	0
EFDD	Laura Agea, Rosa D'Amato
NI	Lampros Fountoulis

Key to symbols:

+ : in favour

- : against

0 : abstention

21.6.2018

OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT

for the Committee on Budgets

on the mandate for the trilogue on the 2019 draft budget
(2018/2024(BUD))

Rapporteur for opinion: Ramón Luis Valcárcel Siso

SUGGESTIONS

The Committee on Agriculture and Rural Development calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Highlights the important role that both agriculture and rural development play in delivering a number of EU objectives in the fields of food security, sustainable economic growth, animal welfare, job creation, forestry, climate change, innovation, and territorial and environmental balance; stresses the fact that agriculture and rural development constitute an important part of the overall EU budget, and underlines the need for sustained funding of those areas; recalls that spending on agriculture has declined and that budgetary reductions to the CAP may have negative effects, compromising the monitoring and control process and jeopardising the fulfilment of CAP objectives;
2. Stresses that it is essential that funds earmarked for research in the agri-food sector, in particular from the Horizon 2020 budget, remain fully available as such in order to stimulate innovation in the agricultural sector;
3. Advocates stability in the agriculture budget, and hence strongly opposes any cuts to it in the 2019 budget, especially in view of the serious crises and price volatility experienced by the agricultural sector in recent years;
4. Calls on the Member States to step up their contributions to the Union budget in order to ensure stability and avert the possibility of future crises in the agricultural sector;
5. Highlights the need for a fairer distribution of CAP direct aid between countries and between large, small and medium-sized farms;

6. Notes that the frequency of crises and increased price volatility indicate the need for a higher budget for agriculture;
7. Calls on the Commission and the Member States to monitor, in a timely way, the price volatility of agricultural products, which has adverse effects on farmers' incomes, and to react promptly and effectively when needed, giving farmers the option of combating such price volatility directly;
8. Stresses the need to reverse the long-term trend of falling farmers' incomes seen in recent decades;
9. Expresses its concern and disappointment, having noted the difficulties experienced by producers in finding new markets, at the Commission's decision to end support measures from 30 June 2018 for the sectors adversely affected by the Russian veto, which, in effect, amounts to penalising these sectors for events beyond their control;
10. Urges the Commission to constantly renew its efforts to identify new market outlets;
11. Underscores the importance of developing new markets in maintaining competitiveness and increasing the resistance of European agriculture to market crises such as in the case of the Russian embargo; calls, therefore, for financial support to be given to new market opportunities;
12. Calls on the Commission to adopt a decision prolonging aid for those affected by the embargo imposed by Russia before adopting its draft legislation on the 2019 budget or, at the latest, prior to the amending letter in autumn;
13. Expresses concern at the consequences that any failure of the ongoing negotiations on the United Kingdom's withdrawal from the European Union might have for the 2019 budget;
14. Draws attention to the volume of food imports currently destined for the UK market that will subsequently have to be absorbed within the single market;
15. Calls on the Commission to support sustainable agriculture tailored to EU markets and to encourage the use of safe and environmentally friendly alternatives to pesticides and to step up support for such solutions in 2019 accordingly;
16. Questions once more the value of the current crisis reserve and financial discipline mechanism, which, in the case of the 2019 budget, will again simply create an administrative burden; notes that European agriculture has increasingly been exposed to crises in recent years; urges, therefore, the Commission to look into introducing a multiannual reserve that is independent from direct payments and deals with overheating markets and severe crises;
17. Points out that market organisations must guarantee targeted quantity control in order to avoid surplus production;
18. Urges the Member States and the Commission to strengthen support measures for young farmers in 2019, to enhance generational renewal, which remains at a low level and has a long-term impact on European agriculture; points out that the insufficient generational renewal is caused, among other factors, by the lack of a fair and viable return from farming; considers it important, therefore, to simplify and reduce the bureaucratic obstacles encountered by young people and to promote the good practices

successfully implemented in a number of Member States that can demonstrably contribute to generational renewal;

19. Highlights the importance of investing in new technologies and innovation in order to make European farming more competitive and environmentally sustainable; calls, in this regard, on the Commission to design an agricultural budget particularly focused on farmers' needs and policy goals with a higher uptake of smart and innovative practices that will assure the viability of EU farming in the long-term.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	20.6.2018
Result of final vote	+: 35 -: 1 0: 7
Members present for the final vote	John Stuart Agnew, Clara Eugenia Aguilera García, Eric Andrieu, Richard Ashworth, José Bové, Daniel Buda, Nicola Caputo, Matt Carthy, Michel Dantin, Paolo De Castro, Albert Deß, Diane Dodds, Jørn Dohrmann, Herbert Dorfmann, Norbert Erdős, Luke Ming Flanagan, Karine Gloanec Maurin, Beata Gosiewska, Martin Häusling, Esther Herranz García, Jan Huitema, Peter Jahr, Ivan Jakovčić, Zbigniew Kuźmiuk, Norbert Lins, Philippe Loiseau, Mairead McGuinness, Giulia Moi, Ulrike Müller, Maria Noichl, Marijana Petir, Bronis Ropé, Maria Lidia Senra Rodríguez, Czesław Adam Siekierski, Marc Tarabella, Maria Gabriela Zoană, Marco Zullo
Substitutes present for the final vote	Franc Bogovič, Karin Kadenbach, Elsi Katainen, Anthea McIntyre, Momchil Nekov, Miguel Viegas
Substitutes under Rule 200(2) present for the final vote	Krzysztof Hetman

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

35	+
ALDE	Ivan Jakovčić, Elsi Katainen, Ulrike Müller
ECR	Jørn Dohrmann, Beata Gosiewska, Zbigniew Kuźmiuk, Anthea McIntyre
ENF	Philippe Loiseau
NI	Diane Dodds
PPE	Richard Ashworth, Franc Bogovič, Daniel Buda, Michel Dantin, Albert Deß, Herbert Dorfmann, Norbert Erdős, Krzysztof Hetman, Peter Jahr, Norbert Lins, Mairead McGuinness, Marijana Petir, Czesław Adam Siekierski
S&D	Clara Eugenia Aguilera García, Eric Andrieu, Nicola Caputo, Paolo De Castro, Karine Gloanec Maurin, Karin Kadenbach, Momchil Nekov, Maria Noichl, Marc Tarabella, Maria Gabriela Zonã
Verts/ALE	José Bové, Martin Häusling, Bronis Ropè

1	-
EFDD	John Stuart Agnew

7	0
ALDE	Jan Huitema
EFDD	Giulia Moi, Marco Zullo
GUE/NGL	Matt Carthy, Luke Ming Flanagan, Maria Lidia Senra Rodríguez, Miguel Viegas

Key to symbols:

+ : in favour

- : against

0 : abstention

7.6.2018

OPINION OF THE COMMITTEE ON CULTURE AND EDUCATION

for the Committee on Budgets

on the mandate for the trilogue on the 2019 draft budget
(2018/2024(BUD))

Rapporteur for opinion: Morten Løkkegaard

SUGGESTIONS

The Committee on Culture and Education calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Points out that programmes in the fields of education, youth, culture and citizenship remain vital means to increase awareness of our shared European identity across the board;
2. Recalls, inter alia in the light of its 30th anniversary celebrations, that Erasmus+ remains the main programme for promoting youth mobility, as demonstrated by the volume of applications received, which exceeds the funding available; deeply regrets that the funding levels proposed for the Erasmus+ programme in the 2019 draft budget fall well below Parliament's expectations and merely reflect the fact that Erasmus+ funding levels are now reaching their peak for the current multiannual financial framework (MFF), failing to provide even the remaining top-up funding for the programme under the MFF revision; insists on the need for enhanced funding, in particular with regard to continuous training and the youth sector, including non-formal education, and to ensure greater participation by vulnerable groups, particularly young people with disabilities; reiterates its call for Erasmus+ funding to be tripled in the next MFF, given the popularity of the programme and, at the same time, its capacity to build a European sense of belonging and enhance the job prospects of young Erasmus+ participants;

3. Stipulates, moreover, the need to provide what is currently termed the European Solidarity Corps, presently under negotiation, with its own budget line and its own resources, composed of the previous European Voluntary Service funds under Erasmus+ and further funds coming exclusively from unallocated margins;
4. Stresses the value of Creative Europe in supporting the Union's audiovisual and cultural sectors; insists that funding levels should match the ambitions of the programme, in particular in the case of the culture sub-programme, which is chronically underfinanced and which consequently has difficulty in achieving satisfactory success rates, frustrating the expectations of candidates; stresses that low success rates are symptomatic of inadequate levels of financing, which do not correspond to the ambitious goals of the programme; considers that a reinforcement of the cross-sectoral strand of the Creative Europe programme could provide a way for the Commission to scale up efforts to tackle fake news, both through enhanced media literacy work and by fostering sectoral dialogue; believes, finally, that the exploitation of synergies between the European Fund for Strategic Investments (EFSI) and the Cultural and Creative Sector Guarantee Facility should continue, including to enable the cultural and creative industries to fully express their dual value in protecting and highlighting European cultural and linguistic diversity, and supporting quality job creation, generating sustainable growth and driving innovation and production; insists that a substantial financial contribution should be made from EFSI to investment in education, training and research, and that appropriate support should be given to the cultural and creative sectors; stresses that tailored, sector-specific support is essential to ensure that the cultural and creative sectors benefit from EFSI loans;
5. Takes note of the interest aroused by the launch of the European Year of Cultural Heritage 2018; calls, therefore, for the governance actions and instruments linked to the European Year of Cultural Heritage to continue beyond 2018, including with the help of dedicated funding under other multi-annual programmes, such as the research, external action, cohesion and Erasmus+ programmes and initiatives to digitise cultural heritage, and inclusion in the Digital Education Action Plan;
6. Urges the Commission to conduct a full-scale review – to be provided to Parliament – of all activities under the 'multimedia actions' line to ensure that they deliver on their core aims and that the next MFF strikes the right funding balance across actions; recalls that the 'multimedia actions' line was established to fund the provision of general information to citizens on operations concerning the Union, for the purpose of increasing the visibility of the work of the Union institutions, the decisions taken and the stages in the construction of Europe; urges the Commission, therefore, to fund current activities under this line that serve other purposes through other appropriate budget lines; calls for extra funding in 2019 to secure the work of Euranet Plus for the remainder of the MFF; insists, however, that the network's current 'hand-to-mouth' existence is unsustainable and calls for a long-term financing basis in the next MFF;
7. Notes the success of the Preparatory Action entitled 'Subtitling European cultural television content throughout Europe', which is currently being implemented by ARTE Europe and will no longer be eligible for EU budget support after 2018; underlines that this project enables European cultural content to be broadcast in five (soon to be six) EU languages, thereby reaching some 70 % of EU citizens in their mother tongue via various

media platforms; believes that the project has been exceptionally well received by its audience and makes an important contribution to improving cross-border access to European cultural content and promoting intercultural exchange; urges the Commission, therefore, to continue support for multilingual access to quality programmes for a large number of EU citizens by incorporating the subtitling initiative into an existing programme or budget line, for example under Creative Europe;

8. Calls, in the light of the serious deterioration of the situation of press and media freedom in Europe, for the existence of the Centre for Media Pluralism and Media Freedom (CMPF) in Florence and the European Centre for Press and Media Freedom (ECPMF) in Leipzig to be safeguarded for the remainder of the MFF and for additional funding to be made available for this purpose in 2019; notes that these centres complement each other perfectly in their activities and urges the Commission to guarantee them a long-term financing basis in the next MFF to enable them to develop as independently as possible as effective European instruments to safeguard media freedom and media pluralism and provide journalists in hazardous situations with tailor-made assistance and support;
9. Emphasises the value of Europe for Citizens in enhancing citizens' understanding of the Union and fostering a sense of citizenship, as well as in terms of the operational support it provides to European civil society organisations, which play a key role in the Union and require targeted financial assistance; reaffirms its commitment to better funding levels for the programme, using all available means to increase the project success rate in 2019, the year of the European Parliament elections, and beyond, ensuring a proper funding level; recalls that, in the 2018 budget and despite Parliament's opposition, the Commission reduced the Europe for Citizens budget by EUR 740 000 vis-à-vis the financial programming figure to boost the European Citizens' Initiative (ECI); deplors the fact, therefore, that according to the January 2018 financial programming update issued by the Commission, a further EUR 2.5 million (EUR 1.1 million in 2019 and EUR 1.4 million in 2020) will be taken from Europe for Citizens to fund the revamped ECI, which, the update states, is provided for in the proposal for the new ECI Regulation; notes that neither the proposal itself nor the accompanying legislative financial statement make reference to any budgetary impact on the Europe for Citizens programme; recalls that Parliament must be in possession of all the facts when examining proposed legislation and reminds the Commission of its obligation to disclose those facts; stresses its commitment to an effective, properly resourced Europe for Citizens programme, its resolute opposition to the proposed budget reduction and its intention to reverse those cuts in the 2019 and 2020 budgetary procedures;
10. Urges the Commission to improve synergies between cultural and education programmes and funding available through other programmes and instruments, notably the European Structural and Investment (ESI) Funds, EFSI and Horizon 2020; recalls, in this connection, that culture- and education-related projects have accounted for at least EUR 11 billion in the 2007-2013 and 2014-2020 European Regional Development Fund programming periods;
11. Stresses the key role of the Youth Employment Initiative (YEI) in combating youth unemployment; stresses the need for YEI funding that adequately matches the goals established and for enhanced synergies between the YEI, the European Social Fund and

Member States' national budgets;

12. Calls on the Commission to provide adequate budget funding to raise the profile of the 2019 European Parliament elections and increase the effectiveness of media coverage thereof, in particular to promote knowledge of the 'Spitzenkandidaten', the candidates for the Commission presidency;
13. Points to the potential of Pilot Projects and Preparatory Actions as means to test out measures in Union policy areas and introduce new innovative initiatives that could become long-term Union measures;
14. Recalls that the UK's withdrawal from the Union poses particularly acute challenges for the European Schools, especially given the size of the English-language section (around 21 % of all pupils) and the prevalence of English as a second language (61 % of all pupils in the 2016-2017 school year); welcomes the progress achieved in the negotiations to date and, notably, the provisional agreement on a transition period under which the UK would remain party to the European Schools Convention until the end of the 2020-2021 school year; notes, however, that important budgetary and educational questions remain with regard to the long-term provision of first-class English-language teaching and the continued recognition of the European Baccalaureate in the UK, notwithstanding the provisions set out in Article 120 of the draft withdrawal agreement; urges the Commission and the Board of Governors to report to the Committee on Culture and Education on its long-term plans to deal with the challenges of Brexit;
15. Welcomes the efforts made in recent years to tackle the problem of payment backlogs; points out that delays in finalising contracts between the relevant bodies and beneficiaries and late payments jeopardise the full implementation of the programmes by the Commission; points out that an increase in commitment appropriations must be accompanied by a corresponding increase in payment appropriations to ensure timely payments;
16. Stresses the importance of inclusivity and calls for sign language interpretation to be introduced at Parliament's plenary sittings;
17. Stresses the importance of inclusion for migrants and refugees and that giving them equal access to education, training and apprenticeships in their new state of residence, and to the unique culture there, helps them to feel welcome, integrate and resettle;
18. Recognises the social value of both natural and cultural heritage and the benefit of harnessing their potential as an economic driver;
19. Stresses the importance of addressing social exclusion and including people from disadvantaged backgrounds to ensure that they have full and equal access to both culture and education.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	7.6.2018
Result of final vote	+: 19 -: 0 0: 4
Members present for the final vote	Isabella Adinolfi, Dominique Bilde, Andrea Bocskor, Nikolaos Chountis, Silvia Costa, Damian Drăghici, Angel Dzhambazki, Jill Evans, María Teresa Giménez Barbat, Petra Kammerevert, Svetoslav Hristov Malinov, Rupert Matthews, Luigi Morgano, John Procter, Sabine Verheyen, Julie Ward, Bogdan Andrzej Zdrojewski
Substitutes present for the final vote	Norbert Erdős, Sylvie Guillaume, Morten Løkkegaard, Martina Michels
Substitutes under Rule 200(2) present for the final vote	John Flack, Gabriel Mato

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

19	+
ALDE	María Teresa Giménez Barbat, Morten Løkkegaard
EFDD	Isabella Adinolfi
GUE/NGL	Nikolaos Chountis, Martina Michels
PPE	Andrea Bocskor, Norbert Erdős, Svetoslav Hristov Malinov, Gabriel Mato, Sabine Verheyen, Bogdan Andrzej Zdrojewski
S&D	Silvia Costa, Damian Drăghici, Giorgos Grammatikakis, Sylvie Guillaume, Petra Kammerevert, Luigi Morgano, Julie Ward
Verts/ALE	Jill Evans

0	-

4	0
ECR	John Flack, Rupert Matthews, John Procter
ENF	Dominique Bilde

Key to symbols:

+ : in favour

- : against

0 : abstention

20.6.2018

OPINION OF THE COMMITTEE ON WOMEN'S RIGHTS AND GENDER EQUALITY

for the Committee on Budgets

on the mandate for the trilogue on the 2019 draft budget
(2018/2024(BUD))

Rapporteur for opinion: Malin Björk

SUGGESTIONS

The Committee on Women's Rights and Gender Equality calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas Article 8 of the Treaty on the Functioning of the European Union states that the promotion of equality between men and women is a fundamental principle of the EU, which makes gender mainstreaming and gender budgeting important tools, within the budgetary process, for the integration of this principle into EU policies, measures and actions, with a view to advancing equality, combating discrimination and increasing the active involvement of women in the labour market, as well as economic and social activities;
- B. whereas inequality is a growing problem in the EU, and whereas the Union budget must increasingly be designed to make a significant contribution to safeguarding and developing social rights, access to public welfare services, especially healthcare services, education, housing, and decent working conditions, with a specific focus on improving gender equality and the situation of women and girls;
- C. whereas stereotypes continue to constitute a barrier for women, not least in the labour market; whereas the promotion of work-life balance is beneficial both for women's empowerment and the development of the EU economy;
- D. whereas equality between women and men is an ex ante conditionality of the Common Provisions Regulation, within the current multiannual financial framework (MFF) 2014-2020; stresses that one of the interinstitutional joint declarations annexed to the MFF affirms that the annual budgetary procedures will integrate gender-responsive elements, taking into account the ways in which the overall financial framework of the Union contributes to increased gender equality (and ensures gender mainstreaming);

- E. whereas women's empowerment will, as has been proven, lead to economic growth, and women's entrepreneurial potential represents an untapped source of economic development and job creation; whereas with women in rural areas facing particular challenges in developing their own businesses, the EU budget must be tailored to make a substantial contribution to improving equal access to information, training and financing;
- F. whereas economic independence is a key factor in women's emancipation; whereas the employment rate of women in the EU is still at an unacceptably low level, and women and girls' potential must be further enhanced, particularly in the digital economy and in the STEM and ICT sectors, in order to achieve true gender equality, overcome gender stereotypes and contribute to the growth and innovation of the economy;
- G. whereas despite the growing demand for ICT specialists and digital profiles, the number of women working in the digital fields is falling⁶; whereas according to the self-same study, more women in digital jobs could deliver an annual GDP boost to the EU of EUR 16 billion; whereas a lack of digital skills and female role models in the STEM sectors is deterring women and girls from engaging in the technology sector; whereas the ICT sector has significant potential in achieving a good work-life balance by enabling women to combine work and childcare duties, thanks to the possibilities that remote work offers;
- H. whereas around one in every three women have experienced physical and/or sexual violence since the age of 15, while the incidences and perpetrators of domestic violence in the EU are still chronically underreported, either because of fear or a lack of information about victims' rights; whereas the European Institute for Gender Equality (EIGE) has estimated that the cost of intimate partner violence against women in the EU could amount to EUR 109 billion per year⁷; whereas gender-based violence against women and girls, and against LGBTQI people, is a human rights violation that affects all levels of society; whereas it is essential that for the implementation of the Rights, Equality and Citizenship Programme, the profile of Daphne be kept as high as possible; whereas the Commission shall take into consideration the need to maintain sufficient funding levels, as well as to ensure continuity of actions and predictability of funding in all areas covered by specific objectives;
- I. whereas the EU is in the process of acceding to the Istanbul Convention, which represents a necessary step to improve and strengthen its work to eradicate gender-based violence across Europe; whereas, however, several Member States have not ratified the Convention;
- J. whereas the Union and its Member States collectively are the world's leading donor, providing over 50 % of all global development aid; whereas the reduction of aid from other donors in the field of sexual and reproductive health and rights (SRHR) and women's reproductive health requires the Union and its Member States to increase current funding, especially in those fields with a particular gender dimension;
- 1. Stresses that gender budgeting must become an integral part of the budgetary procedure

⁶ Study prepared for the Commission, *Women in the digital age*, March 2018.

⁷ European Institute for Gender Equality, *Estimating the costs of gender-based violence in the European Union*, Publications Office of the European Union, Luxembourg, 2014.

- at all its stages and in all budget lines, and not only in programmes in which the gender impact is most obvious, so that budgetary expenditure becomes an effective tool for promoting gender equality; reaffirms its request for increased resources to uphold women and girls' rights, promote their economic independence and reduce gender inequality, including through the use of existing instruments at EU and Member State level, such as gender impact assessments; calls on the Commission and the Council to use gender budgeting for public expenditure systematically and to apply gender mainstreaming in all budgetary headings, especially when negotiating the next MFF;
2. Regrets the fact that gender mainstreaming is not consistently implemented in the majority of existing EU programmes, financial instruments and the European Fund for Strategic Investments (EFSI); calls on the Commission, therefore, to reverse the situation in the next programming period in order to ensure a proper allocation of funds dedicated to gender equality;
 3. Calls on the Member States and local authorities to make use of the existing funds available under the European Social Fund (ESF), the European Regional Development Fund (ERDF), the European Agricultural Fund for Rural Development (EAFRD), Leader+ and Horizon 2020; calls, moreover, for greater synergies between the instruments available in order to advance gender equality, improve work-life balance, and create better living and working conditions for all through specific, tailored policies aimed at empowering women and girls and through education and health services, notably SRHR services, including comprehensive sexual education, counselling, treatment and care for the victims of gender-based and sexual violence, and for increased funding for such high-quality public care services;
 4. Calls for funding to be allocated to programmes which support women's entrepreneurship and their access to the labour market, including SMEs that are set up and led by women, as part of the COSME programme, and for women's access to loans and equity finance to be assured and encouraged; calls for support to be given to women and men entrepreneurs with care responsibilities, as such entrepreneurship not only exemplifies the successful reconciliation of a work-life balance, but also serves to galvanise new job opportunities and role models, thereby encouraging women, in particular, to put their own projects into practice, and promoting women's economic independence and emancipation;
 5. Highlights the need to attract more women to the STEM and ICT sectors; underlines the need to finance programmes that focus on addressing the challenges that women face in adapting to the digital era, as well as on addressing the digital gender gap, by developing women's digital skills and providing quality education and training to women and girls and raising awareness of the possibilities that the STEM and ICT sectors can offer, as part of Horizon 2020, Erasmus +, the ESF and the Youth Employment Initiative;
 6. Repeats its call for each specific objective of the Rights, Equality and Citizenship Programme, including with a view to preparing the next MFF, to have a separate budget line in order to increase transparency, to ensure the necessary funding for each of the specific objectives, particularly as regards the fight against gender-based violence and sexual harassment, and the gender equality objective, and for those objectives to be visible, with a particular focus on raising public awareness, informing women victims

about their rights and the services available to them, and providing training for the relevant professionals; calls for an increased budget allocation for women's shelters, which provide services for the women and child victims of gender-based violence and domestic violence, in order to reinforce their work in prevention and in supporting and empowering victims;

7. Insists that the commitments to implement the Istanbul Convention, which include measures to protect victims, prosecute perpetrators and support agencies and institutions, and to eradicate gender-based violence against women and girls, as well as against LGBTIQI people, irrespective of their residence status, need to be translated into concrete budgetary commitments and recommendations in the forthcoming EU budget;
8. Recalls that a very significant number of refugees and asylum seekers entering the EU are women and children; recalls that gender mainstreaming is among the founding principles of the Asylum, Migration and Integration Fund (AMIF); therefore calls on the EU and the Member States to include concrete measures and allocate adequate financial resources to ensure the protection of refugee women from violence, during the whole asylum procedure, by providing quality healthcare, separate and secure sleeping areas, sanitation areas reserved for women in transit and reception facilities, by creating safe spaces, ensuring the presence of a sufficient number of female staff members, providing information on rights and assistance services, specific training on recognising and preventing gender-based violence for staff working in transit and reception facilities, and by supporting resettlement and relocation programmes, which enable safe and legal ways for asylum seekers and refugees to come to Europe, with a specific focus on vulnerable groups, such as women, girls and LGBTIQI people;
9. Calls for the EU to promote women's rights organisations, civil society organisations working on and promoting gender equality issues, women's rights and the empowerment of girls and women's representation in decision-making through EU development aid; recalls the urgent need to increase EU funding for SRHR and involve Member States in order to counter the impact of the financing gap left by the US after the reinstatement and expansion of its 'global gag rule';
10. Calls for the EU to increase the budget allocation for civil society organisations that promote women's rights, and to strengthen the capacity of women's rights associations in Europe and the Global South;
11. Calls for the EU to ensure its gender mainstreaming targets for development aid are reached and to ensure that gender markers and purpose codes are used consistently in all EU reporting, including those used by the OECD Development Assistance Committee (DAC), which also monitors gender equality objectives in the implementation of official development assistance (ODA);
12. Recalls the important role played by the EIGE, and the need for a consolidated budget for collecting data and acquiring expertise in the area of gender equality, including combating violence against women and girls; calls for the EIGE's budget, staff establishment plan and independence to be kept stable.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	20.6.2018
Result of final vote	+: 24 -: 5 0: 0
Members present for the final vote	Daniela Aiuto, Maria Arena, Beatriz Becerra Basterrechea, Heinz K. Becker, Malin Björk, Vilija Blinkevičiūtė, Anna Hedh, Teresa Jiménez-Becerril Barrio, Agnieszka Kozłowska-Rajewicz, Florent Marcellesi, Angelika Mlinar, Maria Noichl, Margot Parker, Pina Picierno, João Pimenta Lopes, Terry Reintke, Liliana Rodrigues, Michaela Šojdrová, Ernest Urtaşun, Jadwiga Wiśniewska, Anna Záborská, Maria Gabriela Zoană
Substitutes present for the final vote	José Inácio Faria, Lívía Járóka, Kostadinka Kuneva, Marc Tarabella, Mylène Troszczynski, Julie Ward
Substitutes under Rule 200(2) present for the final vote	Ivan Štefanec

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

24	+
ALDE	Beatriz Becerra Basterrechea, Angelika Mlinar
EFDD	Daniela Aiuto
GUE/NGL	Malin Björk, Kostadinka Kuneva, João Pimenta Lopes
PPE	Heinz K. Becker, José Inácio Faria, Livia Járóka, Teresa Jiménez-Becerril Barrio, Agnieszka Kozłowska-Rajewicz, Ivan Štefanec
S&D	Maria Arena, Vilija Blinkevičiūtė, Anna Hedh, Maria Noichl, Pina Picierno, Liliana Rodrigues, Marc Tarabella, Julie Ward, Maria Gabriela Zoană
VERTS/ALE	Florent Marcellesi, Terry Reintke, Ernest Urtsun

5	-
ECR	Jadwiga Wiśniewska
EFDD	Margot Parker
ENF	Mylène Troszczynski
PPE	Michaela Šojdrová, Anna Záborská

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention

ANNEX: LETTER FROM THE COMMITTEE ON FOREIGN AFFAIRS

Letter of 19 June 2018 from David McAllister, Chair of the Committee on Foreign Affairs, and Brando Benifei, Rapporteur of the Committee on Foreign Affairs, to Jean Arthuis, Chair of the Committee on Budgets

Translation

Ref.: D(2018)22136

Mr Jean Arthuis
Chair
Committee on Budgets

Subject: AFET contribution to the report on the mandate for the budgetary trilogue

Dear Chair,

In view of your Committee's report on the *2019 budget: mandate for trilogue* (2018/2024(BUD)), we wish to inform you about the priorities of the Committee on Foreign Affairs (AFET) for the 2019 EU budget.

We are convinced that the EU must be equipped with sufficient resources in order to be able to use its full potential as a global player. In the current global environment, which is characterised by a high level of instability and a growing number of threats and challenges, **more funds need to be made available for EU external action**. We acknowledge the increase in commitment appropriations for heading 4, although most of this increase is due to the larger contribution toward the Facility for Refugees in Turkey (FRiT). Moreover, we would like to highlight that the draft budget completely exhausts the margins for heading 4. As a consequence, the EU will have very little room for manoeuvre in case of unforeseen external crises. Parliament must seek guarantees that further top-ups of heading 4 will be possible in case of urgent needs.

We continue to attach great importance to the **Enlargement** process and the related financial support to (potential) candidate countries through the Instrument for Pre-accession Assistance (IPA II). In particular, we underline the need for sufficient funding to implement the 2018-2020 Action Plan of the Western Balkans Strategy, prioritising support to the rule of law and regional integration. In this regard, it is disappointing that the Commission proposes to cut the allocation for political reforms in the Western Balkans by EUR 10 million. On the other hand, the substantial increase in commitment appropriations for regional actions in the Western Balkans is a positive step toward achieving the objectives of the Western Balkans strategy.

In view of the continuous backsliding in the areas of rule of law, democracy and fundamental rights, in accordance with the principle of conditionality, we support the corresponding reduction in the amount allocated to **Turkey** for measures related to economic, social and territorial development and the reorientation toward civil society and fundamental rights.

As regards the funding of the second tranche of the **FRiT**, Parliament should insist on maintaining the current contribution ratio (EUR 2 billion from Member States, EUR 1 billion from the EU budget), as envisaged in the Commission proposal of 14 March 2018. The proposed allocation in the draft budget should therefore be revised in order to bring the total EU contribution down to EUR 1 billion (taking account of any funds made available under the 2018 budget). In addition, it must be ensured that any contribution from heading 4 to the FRiT will not lead to a reduction in the funds available for the existing programmes. Furthermore, Parliament insists on the need to closely monitor the use of funds of the FRiT and the full compliance of the disbursements with its legal basis.

Ensuring support to the **Eastern and Southern Neighbourhood**, which is of enormous strategic importance to the EU, is another key priority for AFET. We are concerned by the fact that the European Neighbourhood Instrument's (ENI) budget will continue to be under considerable stress in 2019. This pressure is exacerbated by the use of ENI funds to finance the pledge made at the Brussels II Conference for the Syria crisis and the countries affected by the conflict and an additional EUR 100 million for migration-related projects under the EU Emergency Trust Fund for Africa (EUTF). While we fully support the Syria pledge and measures to address the root causes of migration, this should not come at the expense of other priorities in the neighbourhood. Unfortunately, these new commitments are only partially compensated by reinforcements, leading to a reduction in the funds remaining for the ENI core business. We urge the Committee on Budgets to address this problem in the budgetary negotiations.

AFET welcomes the Commission's intention to continue to provide increased support to **Ukraine** and **Tunisia**. In addition, funding in support of the stabilisation of **Libya** should be considered in view of recent political developments. We underline moreover the need to support political reforms in **Moldova** and **Georgia**. Of course, we insist on proper monitoring of implementation and reform progress in the partner countries concerned. Furthermore, it is essential that the EU support to the **Middle East Peace Process**, the Palestinian Authority and UNRWA be strengthened, also in view of the worsening situation on the ground and the US decision to drastically reduce its engagement.

With regard to the **European Instrument for Democracy and Human Rights**, more funds should be dedicated to the protection of human rights defenders at risk, including through the Human Rights Defenders Mechanism (ProtectDefenders.eu), which should be able to operate in a predictable way. In addition, we would like to see increased financial assistance to parliaments in third countries with a view to actively supporting the development of an inside expertise on human rights. Moreover, sufficient funding for EU electoral observation missions must be ensured.

The **Common Foreign and Security Policy** (CFSP) budget continues to be under heavy pressure, and the expansion of a number of Common Security and Defence (CSDP) missions

risks exacerbating this problem in 2019. In addition, the budget line for emergency measures is reduced by more than a third (EUR 10,1 million), which would result in less flexibility in dealing with unexpected crises. This cut should therefore be reversed and the CFSP budget be increased commensurably.

Moreover, we underline the importance of continued implementation of the development and security nexus in the **Instrument Contributing to Stability and Peace** and we therefore call for additional funds which are to be implemented under the existing IcSP components.

Finally, we welcome that the 2019 draft budget integrates the **European Defence Industrial Development Programme (EDIDP)**. We stress that additional tasks require equivalent additional financial means by EU Member States for the Union's budget, and should not be financed from budgetary allocations for the other policies. Together with the preparatory action for EU defence research, this programme is vital for promoting cooperative capability development and the consolidation of European defence industry. Furthermore, we reiterate our call for covering the administrative and operational expenditure of the European Defence Agency (EDA) and Permanent Structured Cooperation (PESCO) by the Union budget.

We would be very grateful if the suggestions of our committee were taken into account in the budgetary negotiations.

Yours sincerely,

David McAllister

Brando Benifei

Copy: Mr Daniele Viotti, Rapporteur for the 2019 EU budget

ANNEX: LETTER FROM THE COMMITTEE ON INTERNATIONAL TRADE

Committee on International Trade
The Chair

EXPO-COM-INTA D (2018) 24544

Mr Daniele Viotti
Rapporteur for the 2019 Budget
Committee on Budgets

Subject: Mandate for the trilogue on the 2019 Budget

Dear Mr Viotti,

As Chair of the Committee on International Trade (INTA), I would like to inform you about INTA's priorities for the 2019 Budget, as agreed by the INTA Coordinators on 20 June 2018.

Firstly, INTA is of the opinion that the European Union's budget should underpin with sufficient financial means the fact that the Commission defines trade as one of the top priorities in its work programme. Trade is not only a powerful instrument for creating growth and jobs in Europe but also an important foreign policy tool, promoting the European values abroad. Trade is also a tool to stabilise the geopolitical situation in nearby countries by bringing a better future prospect, new markets to local producers and a source of foreign direct investment.

Trade Related Assistance - the EU provides trade related assistance to partner countries, such as support for the Aid for Trade scheme. Experience shows that no country has managed to achieve long-term economic growth without participating in the regional and global markets. Enhanced trade contributes to more efficient production through specialisation and participation in regional and global value chains. Conducted rightly, trade related assistance can contribute to the strengthening of negotiating capacity and the capacity to establish a regulatory framework that facilitates trade. The Union's Trade related assistance shall develop a stronger emphasis on supporting the increase of intra-regional trade in our partner regions.

Small and Medium Enterprises (SMEs) - SMEs are the backbone of Europe's economy, providing 85% of all new jobs and are a key tool to bolster social cohesion within the EU. The emphasis in the budget should be support for small and medium enterprises (SMEs) by making full use available of EU's funds to support internationalization.

It is accepted that SMEs lead the economy, they do not follow it. It is also to a large extent SMEs that provide growth and innovation. This contribution should be recognised in the EU budget.

Trade Agreements - The EU's current trade negotiating agenda is more ambitious than it has ever been. The EU has recently concluded negotiations with Japan, Singapore, Vietnam, Mexico and have current negotiations ongoing with, among others, Mercosur countries, Indonesia, Chile, Australia, New Zealand and Tunisia. In order for this agenda to be successful, it should be matched with suitable resources for interim and ex post assessments of the compliance of third countries with their commitments towards the EU regarding other policy issues linked to trade agreements such as human and labour rights and environmental standards implementation. Civil society's demands for more transparency need to be further addressed and sufficient resources have to be allocated to analysis and dialogue with stakeholders.

A value based trade policy - While, international trade policy primarily serves to promote mutually beneficial economic growth it is also a tool to promote other values that the European Union is pushing for in the multilateral arena, such as respect for human rights, including equal rights for women and men, the rule of law, implementation of international labour standards and environmental protection. The trade and sustainable development chapters have to be fully binding and enforceable and commitments of third countries under the Generalised Scheme of Preferences require sufficient resources for monitoring, dialogue and cooperation on these matters.

Filling the Brexit Breach - when the UK leaves the EU, the UKs' contribution as a Member State to the EU budget will cease for the next multiannual financial framework. The future UK financial contributions related to her cooperation with the EU are yet to be determined. In any case Brexit will constitute a significant diminution in revenue. In order to achieve a smooth transition of current EU policies until the time for the next multiannual financial framework, preparedness for the expected loss of revenue will need to be taken into regard for the 2019 budget. Hopefully, the EU will enter into a satisfactory trade agreement with the UK. Both partners would benefit from such a solution.

Yours sincerely,

Bernd Lange

ANNEX: LETTER FROM THE COMMITTEE ON BUDGETARY CONTROL

Letter of 31 May 2018 from Ingeborg Gräßle, Chair of the Committee on Budgetary Control and Joachim Zeller, Member of the Committee on Budgetary Control to Jean Arthuis, Chair of the Committee on Budgets

Translation

Subject: Contribution on behalf of the Committee on Budgetary Control as regards the Mandate for the budgetary trilogue as to the budget 2019

Dear Mr Arthuis,

The Committee on Budgetary Control calls on the Committee on Budgets, as the committee responsible, to bear in mind the following concerns in its mandate for the budgetary trilogue

1. Our Committee is very concerned, as in previous years, by the record level of outstanding commitments. The outstanding commitments have reached an all-time high of EUR 238 billion, by the end of 2016, 72 % higher than in 2007 and equivalent to 2.9 years of payments compared to 2.2 years in 2007. Our committee stresses that the final outstanding commitments reached EUR 266, 8 billion on 31.12.2017 and that the increase in 2017 was higher than expected reaching EUR 28, 8 billion;
2. Our Committee points out in particular that the delays in the implementation of programmes in the first three years of the current MFF led to the transfer of commitment appropriations from 2014, mainly to 2015 and 2016, and to low payments in 2016 (and implementation of the Union budget at 7 % in 2014-2016 period of the current MFF). We admit, however, that in 2017 the implementation of ESIF programmes accelerated. We expect that this trend will continue in 2018 and 2019. Our committee believes that sufficient levels of funds should be provided in order for the implementation to proceed smoothly;
3. Our Committee fears that a backlog of payments may increase again towards the end of the current MFF and in the first few years of the next MFF. We consider that financing the new MFF will require realistic budgetary appropriations to cover projected outstanding commitments;
4. Our Committee points out that Union funds represent a significant share of some Member States' public expenditure, in particular that in nine Member States (Lithuania, Bulgaria, Latvia, Romania, Hungary, Poland, Croatia, Estonia, and Slovakia) outstanding commitments of ESI funds represent financial support of more than 15 % of general government spending;
5. Our Committee regrets that the overall financial exposure of the Union budget has grown, with significant long-term liabilities, guarantees and legal obligations. These obligation require careful management in future;

6. Our Committee fears that despite the extensive use of special instruments (the Emergency Aid reserve, the European Union Solidarity Fund, the European Globalisation Adjustment Fund and the Flexibility Instrument) and margins, the amounts left on the budget lines may not be sufficient to fund unexpected incidents that may occur before 2020;
7. Our Committee noticed in particular that the Commission mobilised various funds to deal with the refugee and migration crisis, but regrets that the Commission did not establish a reporting structure to enable it to report comprehensively on the use of the funds in that area. We deplore that it is currently impossible to know how much money was spent on each migrant or refugee;
8. Our Committee insists that the European Public Prosecutor Office (EPPO) be adequately financed and staffed; notes that in the draft budget for 2019 the Union contribution amounts to a total of EUR 4 911 000; points out that this appropriation is intended to cover EPPO's staff related expenditure, infrastructure and operating expenditure and operational expenditure to start the development of the EPPO case management system; deplores that only 35 staff posts are foreseen which implies that after deduction of the posts of (23) Deputy Prosecutors, only 12 posts are foreseen for administrative tasks; considers that it is not realistic;
9. Our Committee also points out that the Union is using ever more financial instruments and regrets that, in addition, the establishment of EFSI created new governance arrangements, for which the level of public scrutiny remains unsatisfactory, thus requiring more careful surveillance by the European Parliament;
10. Our Committee therefore calls on the Commission to:
 - a) take measures with the view to strictly observing the rules and timetables regarding outstanding commitments;
 - b) proactively assist Member States which encounter difficulties with timely and smooth absorption of available Union funding by using the available resources for technical assistance at the initiative of the Commission;
 - c) establish, for management and reporting purposes, a way of recording Union budgetary expenditure that will make it possible to report on all funding related to the refugee and migration crisis;
11. Our Committee recalls finally that in accordance with article 247 of the draft revised financial regulation the Commission will be obliged to communicate to the European Parliament and the Council, by 31 July of the following financial year, an integrated set of financial and accountability reports including, in particular, a long term forecast of future inflows and outflows covering the next 5 years.

Yours sincerely,

Ingeborg Gräßle
CONT Chairman

Joachim Zeller
Rapporteur for the Commission discharge

ANNEX: LETTER FROM THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY

D(2018) 22301

Mr Daniele VIOTTI
General rapporteur for the 2019 Budget
Committee on Budgets
ASP 15G217

Dear Mr Viotti,

In accordance with the decision taken by the Environment, Public Health and Food Safety (ENVI) Committee on 20 March 2018, both as ENVI Chair and as Standing Rapporteur for the Budget, I would like to provide you with our recommendations on the mandate for the trilogue on the 2019 Draft Budget.

On a general level, I would like to reiterate, on behalf of the ENVI Committee, our strong conviction that climate and resource efficiency mainstreaming is of horizontal importance to all EU policies in achieving the goals set by the Europe 2020 strategy. The EU budget must support the fulfilment of international commitments, including the implementation of the Sustainable Development Goals and the delivery of the Paris Agreement. Only an appropriate level of financial support will help bring about climate change mitigation, and boost the transition towards a circular, low-carbon economy. Furthermore, European-funded projects should not have a negative impact on this transition. In this context, we are deeply concerned about the risk of falling short of meeting the spending target of at least 20 % of the EU budget on climate-related action between 2014 and 2020. I would therefore like to stress that every effort should be made to set the relevant allocations in the 2019 Draft Budget at a level that will ensure that the overall EU budget target will be reached by the end of 2020. In addition, I would like to highlight that we were interested to note the latest developments in the field of green and sustainable finance, as an additional way to promote investment in the low-carbon, resource-efficient and circular economy. In this context, it is important to establish a balanced definition of sustainable assets.

Furthermore, I would like to call for adequate financing to be allocated in the 2019 budget to ensure the long-term protection of biodiversity across the EU. Tackling biodiversity loss is one of our key priorities, which is intrinsically linked to climate change mitigation. It is important therefore that biodiversity concerns are integrated into other policy areas. In the context of financing Natura 2000, sufficient financing should be made available for the various projects, making use of synergies between different sources of funding. Furthermore, the tracking methodology for biodiversity spending should be improved, in particular, negative spending that is counter to the protection of nature should also be tracked.

Moreover, in their efforts to foster economic recovery, Member States should view environment and climate-friendly policies, as well as measures and projects, as an opportunity to improve public health, promote job creation and economic growth among SMEs.

Health is a value in itself and a prerequisite for promoting EU-wide growth. Therefore, it is crucially important that the health programme is restored as a stand-alone programme in the next MFF. Public health is a priority for the ENVI Committee, therefore it is important that with regard to ongoing work on antimicrobial resistance and health technology assessments among others, the necessary financing should be adequate to ensure an ambitious EU health policy that will encourage and complement action at Member State level.

The environment, climate change, public health, civil protection, consumer protection and food and feed safety are all key concerns for EU citizens. Therefore, I would like to emphasise, on behalf of the ENVI Committee, that the ceilings as agreed in the Multiannual Financial Framework should be fully respected, and that any change that would reduce the budgetary programming for the respective budget lines must be firmly rejected. I would also like to stress the importance of the LIFE and Health for Growth programmes, as well as the Union Civil Protection Mechanism, which must be preserved in the future. Furthermore, smaller programmes must not be sidelined in favour of those more in the public and political focus. In addition, the new pilot projects and preparatory actions included in the 2018 Budget in the field of the Environment, Public Health and Food Safety should be followed up with commitment appropriations in the 2019 Budget, to ensure their comprehensive implementation.

Moreover, let me state that we are particularly concerned about the budget constraints affecting the EU decentralised agencies falling under the remit of our Committee. Although their tasks and duties are constantly growing, most of them have absorbed significant staff cuts in recent years, regardless of their workload. I believe that these agencies must be allocated more financial and human resources, where appropriate, in order to fulfil their mandate and execute their tasks, and to promote a science-based approach in the EU. Therefore, we strongly support a case-by-case approach in assessing the individual needs of the decentralised agencies.

Finally, in anticipation of the budgetary implications of the United Kingdom's withdrawal from the EU, not just on the agencies under its remit (in particular, European Medicines agency), but also on EU funds and programmes in the fields of environment, public health and food safety, we call for these funds to be reinforced and safeguarded.

I have sent a similar letter to Mr Jean Arthuis, Chair of the Committee on Budgets.

Yours sincerely,

Adina-Ioana Vălean

ANNEX: LETTER FROM THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY

Mr Jean ARTHUIS
Chair
Committee on Budget (BUDG)
European Parliament

D(2018)21285
AA/ge

Strasbourg,

Subject: ITRE priorities for the mandate for the trilogue on the 2019 Draft Budget

Dear Chair of the Budget Committee, dear Mr Arthuis,

As the ITRE draftsperson for the Budget 2019 and in view of the upcoming budgetary trilogue, we would like to convey to you the priorities of the ITRE Committee for the Budget 2019 with this letter.

To begin with, we would like to thank the 2019 Budget Rapporteur Mr Daniele Viotti on behalf of ITRE members for the insightful exchange of views with the ITRE Committee on 24 April 2018, and for the helpful information on procedural matters which we received from the BUDG Secretariat.

The European Parliament adopted its resolution on the general guidelines for the preparation of the 2019 Budget (2017/2286 (BUD)) on 15 March 2018. On behalf of the ITRE Committee, we have analysed these guidelines. We are delighted that many of our main priorities for the Budget 2019 which we also emphasized during our exchange with Mr. Viotti in March have already been taken up in the BUDG Committee's resolution.

We appreciate that core ITRE concerns such as growth, research and innovation, competitiveness, digitalisation, the fight against climate change and the transition to renewable energy in line with the EU's commitments under the Paris agreement have been identified as priorities for the 2019 Budget and agree with the BUDG Committee that the EU budget is a crucial instrument to react to these challenges properly. The ITRE Committee thus reiterates the BUDG Committee's call for an increase in budget under Heading 1a, and especially for relevant programmes and budget lines, which we will lay out in further detail below. This is particularly essential due to the severe Council cuts under this heading for the budget 2018.

Research and innovation are key tools to achieve sustainable growth, quality jobs and competitiveness in global markets for a forward-looking EU industrial base. The European Union should hence seek to develop leadership in innovation and in disruptive technologies throughout all European regions, in which it is currently lagging behind. In this respect, it is alarming that merely 25% of high quality proposals submitted are selected for funding under

Horizon 2020, which is leading to very low success rates. This is a signal for the strong underfunding of this successful programme. The lowest success rates under the programme can be found in “Future and Emerging Technologies”, the SME Instrument, “Europe in a changing world - inclusive, innovative and reflective societies” and in “Access to risk finance”, all of which are programme lines of utmost importance to gain leadership in innovation, to take innovation from research to implementation in commercial business and to face the aforementioned challenges. Therefore, the ITRE Committee would highly appreciate an increase in the respective budget lines for the Budget 2019.

We share the Budget Committee’s viewpoint that SMEs are the backbone of the European economy. They are also a major source for high quality and sustainable employments and together with start-ups, scale-ups and midcaps, can be a motor for innovation, such as eco-innovations. Thus, we support your call for the creation of a favourable environment for innovation and research with a special focus on SMEs, as well as the increase in COSME appropriations for that purpose.

The ITRE Committee also welcomes your focus on the younger generation and on supporting women’s entrepreneurship in order to create sustainable employment for all parts of the society. We consider this important to make full use of the potential in the European Union, and thus call on the Commission to provide new increased levels of support for young and female researchers and entrepreneurs through programmes such as Horizon 2020 and COSME.

In the area of energy policy, the ITRE Committee highlights the importance of completing the internal energy market and of interconnecting and decarbonizing our energy systems. We therefore see the necessity to prioritize the areas of budget that serve this purpose, especially by providing adequate funds for projects on renewable energy, energy efficiency, emission saving, sector coupling, smart grids and tackling energy poverty through e.g. the EFSI technical assistance and Horizon 2020. Further, to support the inter-connectivity of our power and gas networks and the diversification of energy sources in order to achieve clean, affordable and secure energy for all Europeans, the ITRE Committee underlines the importance of sufficient funding for the projects of common interest as well as providing additional funds for EFSI technical assistance in order to aggregate and generate projects on smart grids, energy efficiency and renewable energy. ITRE Committee also stresses the importance of financing of Renewables Projects of Energy Union Interest (RPEI).

For the same purposes, as well as for enhancing sector coupling between energy, transport and digital networks, the ITRE Committee stresses the importance of the CEF and hence calls for an increase in its budget for 2019.

As highlighted by the BUDG committee, the fight against climate change and the decarbonisation of our economy is crucial, as the EU strives to achieve its climate goals and to fulfil the UN Sustainability goals, as well as the Paris Agreement. The ITRE Committee thus appreciates the BUDG Committee’s call for the optimisation of the climate mainstreaming mechanism. We reiterate that the target for expenditure on sustainable development and climate change action has not yet been met and thus support the Budget Committee’s request for spending at least 20% of the EU budget on climate and decarbonisation purposes. Sufficient funding for the just transition of coal- and carbon-intensive regions should also be provided.

We recognize the importance and usefulness of EFSI and its extension and highlight your statement that it should make progress towards a better geographical coverage in order to foster development in all regions. Nonetheless, as Horizon2020 and CEF are crucial instruments in order to achieve the EU priorities, the ITRE Committee suggests to restore the budget lines for these programmes that have been cut by the EFSI Guarantee Fund. This could be done through the use of all financial means existing under the current MFF-Regulation. In this respect, the ITRE Committee recalls the Parliament's commitment during the EFSI negotiations to limit to a minimum the negative impact on these two programmes. We highlight the BUDG Committee's general position that new priorities shall be financed by new appropriations.

Due to this reasoning, we take note of the security challenge the European Union has to deal with and of the European Defence Industry Development Programme (EDIDP) that has been adopted in Parliament. We applaud the BUDG Committee's position to finance this programme solely through financial resources from unallocated margins or special instruments and we reiterate that no existing programmes should be impeded by the EDIDP.

Furthermore, digitalisation is a key issue for the ITRE Committee in order to make our society and economy fit for the future. For this, it is important to finalise the digital single market. Hence, the ITRE Committee calls for sufficient financial means for the WIFI4EU initiative and insists on keeping the commitment to pay 120 million EUR between 2017 and 2019 for this initiative.

Additionally, the ITRE Committee welcomes your concern for sufficient funding for agencies to ensure that they can properly implement EU legislative priorities. We also underline that the 5% cut in staff and the redeployment pool are ended with this budget. Hence, the ITRE Committee supports the position that no more resources shall be cut for agencies. In addition, we recall our position that the human and financial resources of agencies that are confronted with increasing or new tasks should be increased accordingly. Therefore, as ongoing legislation confers more tasks to ACER and ENISA, and is likely to confer more tasks to BEREC Office, we support an increase in their staff and budget. The ITRE Committee has repeatedly emphasised the need that extended mandates be accompanied by an adequate reinforcement of resources. A persistent shortage of resources is seriously undermining the agencies' ability to fulfil their statutory mandates. As the GNSS Agency is confronted with the increasing challenge of guaranteeing cybersecurity, and as outsourcing is likely to lead to conflicts of interest in this sensitive area, the ITRE Committee also sees the need to increase its human and financial resources.

Moreover, the ITRE Committee is delighted that the United Kingdom will contribute and participate to the 2019 and 2020 budgets as if it had remained in the EU. We thus believe that there will be no direct impact of Brexit on the 2019 budget and hence on programmes under ITRE remit.

Finally, the ITRE Committee agrees with the BUDG Committee on the fact that the need for adequate financial resources is increasing and crucial, considering that we are approaching the end of the current MFF and that therefore the implementation of the multiannual programmes will be advanced rapidly.

We would be very grateful if the BUDG Committee could consider our priorities and concerns for the preparation of its report on the mandate for the trilogue. We look forward to

further cooperation between our committees throughout the whole 2019 budgetary cycle and beyond.

Yours sincerely,

Jerzy Buzek
ITRE Chair

Jens Geier
ITRE draftsperson on
2019 Budget

cc: Daniele Viotti, 2019 Budget Rapporteur

ANNEX: LETTER FROM THE COMMITTEE ON THE INTERNAL MARKET AND CONSUMER PROTECTION

CM/ds
D(2018)19768

Mr Jean Arthuis
Chair of the Committee on Budgets
WIC M02024

Subject: Letter-opinion on the mandate for the budget trilogue of July

Dear Chair,

The Committee on the Internal Market and Consumer Protection (IMCO) calls on the Committee on Budgets to incorporate the following suggestions into its motion for a resolution on the mandate to negotiate the Budget of the year 2019:

IMCO wishes to recall that a well-functioning Single Market with unhindered movement of goods, services, people and capital is a key element that creates economic growth in the EU, fosters the competitiveness of its industry, sustains the creation of quality jobs and helps enhance the living standards of its citizens. Still today, undue barriers to the free exchange of products and services, inadequate enforcement of existing rules, low levels of cross-border public procurement and insufficient political support for structural reforms limit the opportunities for businesses (especially SMEs) and citizens, resulting in fewer jobs and unnecessarily high prices.

Therefore, IMCO is of the opinion that an adequate level of participation of the budget of the Union in support of the completion of a performing single market and an efficient consumer protection is of capital importance, especially in the current context of transformation of economic activities in the digital era. In line with the Commission's Single Market Strategy and Digital Single Market Strategy, IMCO calls for an appropriate funding of the following key elements in the Budget of the year 2019;

1 – Consumer protection

A healthy consumer environment is a key factor for the completion of the Single Market and for economic growth throughout Europe. EU consumer protection legislation has given predictability and confidence to citizens and businesses in many areas such as passenger rights, consumer rights, the fight against unfair commercial practices, unfair contract terms, counterfeiting of products, or dual quality of products.

However, consumer policy challenges still remain, both in the digital and physical sphere. Unsafe and non-compliant products are still present in the European market, which makes the case for better coordination and effectiveness of market surveillance. As regards the Digital Single Market, increasing the education and awareness of the average consumer is of capital importance, as well as the adjustment of consumers' rights to technological changes. IMCO would therefore like to ensure that adequate funding is directed to consumer protection in the Budget of the year 2019, taking into account that important pieces of legislation within that field are expected to enter into force still in 2018 or in 2019, among which:

- "Directive Contracts for the sales of goods COM(2015)0635 - COM(2017)0637 2015/0288 (COD) IMCO/8/05564";
- "Directive on Contracts for the supply of digital contents" COM(2015)0634-2015/0287 (COD) CJ24/8/06371";
- "Regulation on Establishing a single digital gateway to provide information, procedures, assistance and problem solving services and amending Regulation (EU) No 1024/2012 - COM(2017)256 final - 2017/0086(COD) - IMCO/8/09874";
- "Regulation for a framework for the free flow of non-personal data in the European Union - COM(2017) 495 final; 2017/0228 (COD) IMCO/8/11036";
- "Directive on Representative actions for the protection of the collective interests of consumers COM(2018)0184 - 2018/0089 (COD) IMCO/8/12818" ;
- "Directive on Better enforcement and modernisation of EU consumer protection rules COM(2018)0185 - 2018/0090 (COD) IMCO/8/12813".
- Regulation on addressing unjustified geo-blocking and other forms of discrimination based on customers' nationality, place of residence or place of establishment within the internal market" COM (2016)0289 - 2016/0152 (COD) IMCO/8/06772
- "Regulation of the European Parliament and of the Council laying down rules and procedures for compliance with and enforcement of Union harmonisation legislation on products - COM (2017)0795 - 2017(0353) COD".

2 – Customs Policy

The customs policy should be a quintessential example of a policy area where public spending has the potential to kick-start betterments that benefit the economy as a whole, as well as every Member State and any company or individual wishing to engage in trade activities. The customs protect the Single Market and the health and safety of the citizens. The Union Customs Code sets the regulatory framework for the customs area. It is to be recalled that the benefits of the Union Customs code are to take full effect only after all the transactions will have been transferred to electronic processing methods.

To this end, the overall strategy on customs should be coherent, ambitious and be implemented in an effective manner. The simplification of the procedures and their effective enforcement are crucial to combat fraud and drive competition.

It is necessary to maintain a fair balance between the efforts of Member States and those of the budget of the Union, reassessing whether the spending level on this area should be enhanced in order to co-finance the swift development of interoperable IT systems. A fully electronic environment for customs activities would help deter effectively the so-called “port shopping” practices by exporters to the Union and detect appropriately any possible undervaluation of imports so as to guarantee the appropriate collection of the own-resources of the Union. This is especially relevant in the context of the possible entry into force in 2019 of the proposal of amendment of Article 278 of the Union Customs Code prolonging the transitional use of means other than the electronic data-processing techniques (COM(2018) 85 final - 2018/0040 (COD) IMCO/8/12381), that effectively extends the period in which the comparatively less effective paper-based procedures are admitted until the future moment when electronics systems that are to replace them will be operational.

Adequate spending in the coming years on this policy area would actually ensure a return from the investment in the future, making of it an example of better EU spending. A sufficient level of staffing for the Commission in this area is also imperative to guarantee the smooth running of the transition to an effective e-customs environment.

3 – SMEs and microenterprises

SMEs and microenterprises are key elements to the European economy. IMCO considers it to be of utmost importance that they continue to benefit from information and assistance services such as SOLVIT of Your Europe and in general about European legislation of relevance to their activity, to give them stronger support to enter the foreign markets that are opening up and to help them embrace the digital transformation and adopt circular economy business models. An appropriate level of capital may leverage their capacity to face the challenges of the economy and its transformation towards digital commerce. Therefore, the importance of an appropriate budget allocation for COSME is stressed.

4 – Standardisation activities

Lastly, it is of paramount importance to keep an adequate funding level for the standardization activities of the European Standard Organizations. Standards are at the cornerstone of the Single Market and underpin the competitiveness of the European industry. Consumers and stakeholders should be part of the standard setting process, as provided for by EU law.

Yours sincerely,

Anneleen Van Bossuyt

CC: Mr Daniele Viotti

ANNEX: LETTER FROM THE COMMITTEE ON FISHERIES

Letter of 11 April 2018 from Alain Cadec, Chair of the Committee on Fisheries, to Daniele Viotti, General Rapporteur for the 2019 Budget

Translation

Subject: PECH Committee Priorities for the 2019 Commission Budget

Dear colleague,

The Committee on Fisheries has decided to inform the Committee on Budgets on its priorities for the 2019 Commission budget through written procedure and in the format of a letter adopted by its Coordinators on 28 March 2018.

The Committee on Fisheries has therefore decided that the following priorities should be incorporated in the Mandate for Trilogue:

Common Fisheries Policy (CFP) financial resources are concentrated in Section III and Title 11, 'Maritime Affairs and Fisheries, European Maritime and Fisheries Fund (EMFF)' and the compulsory contributions to Regional Fisheries Management Organisations and Sustainable Fisheries Agreements.

1. Appropriated and accessible fisheries funds are necessary in order to implement the Common Fisheries Policy (CFP), to ensure the sustainability of European aquaculture and fisheries, to cope with the financial burden of the landing obligation and to achieve the maximum sustainable yield (MSY) objective;
2. The European Union is the most important world importer of fisheries products; more than 60% of the supply of fisheries products to the EU comes from international waters and the Exclusive Economic Zones of Third countries. Adequate and reliable budgetary provisions must be calculated in the annual budget for 2019, particularly due to the renewal of the Protocols with Mauritania and Senegal;
3. The Committee on Fisheries stresses the need to maintain enough financial provisions for co-financed activities to enable coastal and artisanal fleet sectors to obtain funding; recognises that, on the basis of the general framework facilitated by the EMFF, the Member States have to set their funding priorities in such a way as to respond to the specific problems of this sector;
4. Notes that all the Operational Programmes on fisheries have been adopted by the Member States, so in the 2019 budgetary exercise the Commission and the national administration should speed up the actions to ensure a timely implementation of the projects concerned;
5. Stresses that the level of implementation of the 2014-2020 EMFF four years after its adoption on 15 May 2014 remains unsatisfactory, as by March 2018 only 3,5% of the

EUR 6.4 billion fund had been used; hopes that the level of implementation of the EMFF will eventually improve; highlights that the low level of implementation is largely due to bureaucratic burdens at national level;

6. Calls for greater flexibility in allocating appropriations and, in particular, for data-related funding not used by Member States to be transferable to research institutes and, for control purposes, to the European Fisheries Control Agency (EFCA);
7. Notes the quality and relevance of the joint work carried out by the Agency as part of the pilot common project with the European Maritime Safety Agency and Frontex on the creation of a coastguard function; but reminds the Commission that the Agency should be given sufficient resources for this type of project or any other future project;
8. Stresses the excellent implementation rate for commitment appropriations (99.6 %), an improvement over the previous year, and for payment appropriations (88.5 %);
9. Stresses the importance of maintaining at least the same level of financing resources for maritime and fisheries investigation in order to achieve the maximum sustainable yield and consolidate the recovery of depleted fisheries species;
10. Recalls the need to improve the gathering of scientific data and ensure better access to it, and to foster cooperation and the exchange of scientific data between the maritime and fisheries sector on the one hand and the scientific community;
11. Highlights the importance of fisheries control and scientific data collection, those activities being pillars of the CFP; takes the view that they must continue to receive EU funding and that Member States must step up their efforts to increase the use of the resources concerned.

Kind regards,

Alain CADEC

ANNEX: LETTER FROM THE COMMITTEE ON CIVIL LIBERTIES, JUSTICE AND HOME AFFAIRS

IPOL-COM-LIBE D(2018)16301

Mr Jean ARTHUIS
Chair of the Committee on Budgets
ASP 09G205
Brussels

Subject: **LIBE Committee priorities for the Draft Budget 2019**

Dear Chair,

I am writing to you to convey the LIBE priorities for the Draft Budget 2019.

The Committee expects that the level of financial resources provided for the area of Justice and Home Affairs by the Multiannual Financial Framework (MFF) for 2019, including the “top up” agreed for Heading III (Security and Citizenship) as part of the Mid-term revision in 2017, will be fully budgeted. Regarding emergency humanitarian support within the Union, I also expect from the Commission that the entire envelope of €650 million granted for the period from 2016 to 2018 will have been spent as planned by the end of 2018. Due to the continuing challenges linked to the increased number of arrivals of migrants at the EU borders, it is of utmost importance to provide the necessary funding to turn the European Asylum Support Office (EASO) into a fully-fledged European Agency for Asylum that guarantees the monitoring and respect of the procedural rights of all the applicants, to provide adequate reception facilities as well as of measures supporting migrant’s integration. The LIBE Committee also calls on the Commission to take the necessary measures to ensure that sufficient money is allocated in the area of asylum if key files in the area of asylum are adopted this year. In this context, it is also important to provide Frontex with adequate funding in order to fulfil its mandate effectively and meet challenges at the EU external borders.

Regarding the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF), the Committee is counting on the Commission to work closely with Member States in 2018 in order to ensure that they put in place the measures required to be able to absorb the available AMIF and ISF funding in 2019. The situation at the end of 2017 that resulted in the reallocation of 275 million euros in payment appropriations from the AMIF due to absorption capacity issues of some Member States has to be prevented in the future. In this context the Committee would like to maintain its requests to set one budget line for each of its objectives (4 budget lines needed instead of 2) to allow the LIBE Committee to play its scrutiny role and enhance the transparency of EU funding. The current breakdown of budget lines in AMIF is very unsatisfactory for the LIBE Committee as reflected by budgetary amendments adopted at the Committee level last year. A dedicated budget line should also be set up for the financial support of Search and Rescue operations at Sea by Member States or by some eligible private actors.

Regarding the protection of fundamental rights, the Committee would like to stress the importance of funding adequate oversight mechanisms in the area of Justice and Home Affairs. As it is evident that fundamental rights are under pressure in the European Union, the Committee recommends that the budgets of the Fundamental Rights Agency (FRA) and the

European Data Protection Supervisor (EDPS) should be appropriately increased. In this context, also the financial support to human rights and equality bodies should be adequately funded. It would also be essential to provide EU-LISA with enough resources in 2019 so that it can recruit the staff and the expertise that it needs to fulfil the additional tasks it has been attributed.

Regarding the Internal Security Fund, the Committee would like to highlight that the strengthening of police and judicial cooperation with a view to fighting terrorism, other serious cross-border crimes as well as cybercrime is a priority. Fights against environmental crimes and against trafficking in human beings should also be properly funded in 2019. As there has been a substantial increase of such phenomena across the European Union, the budget of EUROJUST should be sufficiently funded in order to improve its role regarding the coordination of investigations and prosecutions between the competent authorities in the Member States, in particular by facilitating the execution of international mutual legal assistance and the implementation of extradition requests. The Committee also insists on ensuring proper funding for the establishment of the EPPO as soon as possible. In light of its important role in the fight against the different types of crime and its expanding cooperation with third countries, also Europol shall be provided with adequate funding.

Furthermore, the funding of European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) should be increased, in order to enable it to effectively achieve its core task of providing sound and comparable information on drugs in Europe, as well as to develop the infrastructure and tools needed to collect country data in a harmonised and optimal way. This is important due to the increase of drug trafficking, which also plays a substantial role in the financing of global terrorism and in the increase of opioid-related overdose deaths in the European Union.

The Committee sees the revision of the European Union Agency for Network and Information Security (ENISA) mandate as critical for improving the fight against cybercrime, for increasing the protection of critical infrastructures as well as for protecting fundamental rights on-line through better IT security standards. In this context, the implementation of the revision of the ENISA mandate should be properly funded in 2019.

Yours sincerely,

Claude MORAES

ANNEX: LETTER FROM THE COMMITTEE ON CONSTITUTIONAL AFFAIRS

Committee on Constitutional Affairs
The Chair

Ref.: D(2018)18206

Mr Jean Arthuis
Chair of the Committee on Budgets
Building Altiero Spinelli
ASP 09G205
B-1047 Brussels

Subject: AFCO priorities for the mandate for trilogue for Budget 2019

Dear Chair,

Due to the very tight calendar for the adoption of your Report on the Mandate for Trilogue for Budget 2019, as Rapporteur for AFCO's opinion on Budget 2019 I was mandated to prepare our contribution to this draft report in the form of a letter outlining AFCO's priorities for next year's budget.

The Committee on Constitutional Affairs would therefore like to draw your attention to the following priority areas, which deserve to be addressed during this year's budgetary negotiations:

- as always, AFCO is committed to secure adequate funding for the Europe for Citizens programme and for the European Citizens' Initiative (ECI). We believe these two programmes are complementary but at the same time they should be financed independently as both of them are important for citizens' engagement in different ways.

- as you might be aware, we are currently working on the Commission draft proposal reforming the ECI, where we are insisting on its financial separation from the Europe for Citizens programme. We want to achieve full transparency of the financing of the two programmes and therefore believe that their budgetary sources should be streamlined and clearly traceable.

- another AFCO priority is to ensure sufficient funding for communication with citizens in view of the 2019 European elections and the start of a new legislature. We would also be keen on reinforcing the debate on the future of Europe. In this perspective we would like to explore possibilities for using the EU budget in order to finance so called “citizens’ consultations”.

I am confident that the Committee on Budgets will take our suggestions into consideration when preparing the Mandate for Trilogue for Budget 2019.

Yours sincerely,

Prof. Danuta Hübner

CC: Daniele Viotti, BUDG Rapporteur for Budget 2019 - Section III Commission
Paul Rübig, BUDG Rapporteur for Budget 2018 - Other Sections

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	28.6.2018
Result of final vote	+: 20 -: 4 0: 1
Members present for the final vote	Jean Arthuis, Richard Ashworth, Gérard Deprez, Manuel dos Santos, André Elissen, José Manuel Fernandes, Eider Gardiazabal Rubial, Esteban González Pons, Ingeborg Gräßle, Monika Hohlmeier, John Howarth, Vladimír Maňka, Siegfried Mureşan, Urmas Paet, Paul Rübig, Eleftherios Synadinos, Indrek Tarand, Isabelle Thomas, Inese Vaidere, Daniele Viotti, Tiemo Wölken
Substitutes under Rule 200(2) present for the final vote	Jonathan Bullock, David Coburn, Thomas Waitz, Bogdan Brunon Wenta

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

20	+
ALDE	Jean Arthuis, Gérard Deprez, Urmas Paet
PPE	Richard Ashworth, José Manuel Fernandes, Esteban González Pons, Ingeborg Gräßle, Monika Hohlmeier, Siegfried Mureşan, Paul Rübig, Inese Vaidere, Bogdan Brunon Wenta
S&D	Eider Gardiazabal Rubial, John Howarth, Vladimír Maňka, Manuel dos Santos, Isabelle Thomas, Daniele Viotti, Tiemo Wölken
VERTS/ALE	Indrek Tarand

4	-
EFDD	Jonathan Bullock, David Coburn
ENF	André Elissen
NI	Eleftherios Synadinos

1	0
VERTS/ALE	Thomas Waitz

Key to symbols:

+ : in favour

- : against

0 : abstention