



---

*Plenary sitting*

---

**A8-0454/2018**

10.12.2018

# REPORT

on the Council position on the second draft general budget of the European Union for the financial year 2019  
(15205/2018 – C8-0499/2018 – 2018/2275(BUD))

Motion for a resolution

Committee on Budgets

Rapporteurs:           Daniele Viotti (Section III – Commission)  
                                  Paul Rübzig (other sections)

**CONTENTS**

	<b>Page</b>
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION .....	3
ANNEX.....	7
INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE .....	14
FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE.....	15

## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### on the Council position on the second draft general budget of the European Union for the financial year 2019 (15205/2018 – C8-0499/2018 – 2018/2275(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 Council Decision 2014/335/EU, Euratom of 26 May 2014 on the system of own resources of the European Union<sup>1</sup>,
- 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 1605/2002<sup>2</sup>,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU, and repealing Regulation (EU, Euratom) No 966/2012<sup>3</sup>,
- having regard to Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020<sup>4</sup> (the “MFF Regulation”),
- 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 management<sup>5</sup>,
- having regard to its resolution of 15 March 2018 on general guidelines for the preparation of the budget<sup>6</sup>,
- having regard to its resolution of 19 April 2018 on Parliament’s estimates of revenue and expenditure for the financial year 2019<sup>7</sup>,
- having regard to the draft general budget of the European Union for the financial year 2019, which the Commission adopted on 21 June 2018 (COM(2018)0600),

---

<sup>1</sup> OJ L 168, 7.6.2014, p. 105.

<sup>2</sup> OJ L 298, 26.10.2012, p. 1.

<sup>3</sup> OJ L 193, 30.7.2018, p. 1.

<sup>4</sup> OJ L 347, 20.12.2013, p. 884.

<sup>5</sup> OJ C 373, 20.12.2013, p. 1.

<sup>6</sup> Texts adopted of that date, P8\_TA(2018)0089.

<sup>7</sup> Texts adopted of that date, P8\_TA(2018)0182.

- having regard to the position on the draft general budget of the European Union for the financial year 2019, which the Council adopted on 4 September 2018 and forwarded to Parliament on 13 September 2018 (11737/2018 – C8-0410/2018),
- having regard to its resolution of 5 July 2018 on the mandate for the trilogue on the 2019 draft budget<sup>1</sup>,
- having regard to its resolution of 24 October 2018 on the Council position on the draft general budget of the European Union for the financial year 2019<sup>2</sup>,
- having regard to the fact that the Conciliation Committee did not agree on a joint text within the twenty-one days referred to in Article 314(6) of Treaty on the Functioning of the European Union,
- having regard to the second draft general budget of the European Union for the financial year 2019, which the Commission adopted on 30 November 2018 (COM(2018)0900), in accordance with Article 314(8) TFEU,
- having regard to the conclusions of the budgetary trilogue on 4 December 2018,
- having regard to the position on the second draft general budget of the European Union for the financial year 2019, which the Council adopted on 11 December 2018 (15205/2018 – C8-0499/2018),
- having regard to Rule 88 of its Rules of Procedure,
- having regard to the report of the Committee on Budgets (A8-0454/2018),

---

<sup>1</sup> Texts adopted of that date, P8\_TA(2018)0311.

<sup>2</sup> Texts adopted of that date, P8\_TA(2018)0404.

1. Recalls that the "draft package" agreed, after difficult and intense negotiations, by Parliament and Council during the trilogue of 4 December 2018 consists of two elements: the Union Budget for the year 2019 set at a level of EUR 165 795,6 million and EUR 148 198,9 million, respectively in commitment and payment appropriations, and four joint statements as well as one unilateral statement;
2. Underlines that, although the Draft Budget (DB) as modified by Council does not entirely meet the real need for a sustainable, coherent and efficient Union budget, Parliament's objective is to provide the Union with a budget that can deliver tangible benefits to the citizens and companies;
3. Welcomes the overall level of commitment appropriations agreed, which represents an increase of EUR 1.728 million compared to the original reading of the Council; is pleased that the increases obtained in the negotiations worth EUR 943 million correspond to Parliament's main political priorities, namely in support of researchers, young people, SMEs, tackling root causes of migration, climate change, increasing the security of EU citizens, and defence;
4. Welcomes that the overall level of payment appropriations agreed for 2019 increases by 2,4 % compared to Budget 2018; notes however that the payments level represents merely 0,9 % of the Union's GNI; underlines the importance of the joint statement on the payments appropriations in which the Parliament and the Council commit to take necessary decisions to cover any insufficient needs to be covered;
5. Regrets that the Council, under the pretext that it did not have the necessary time to analyse it, refused as a matter of principle, in the context of the 2019 budgetary procedure, any discussion on the use of the new Article 15(3) of the Financial Regulation, allowing de-committed amounts from research to be made available again in the framework of the annual budgetary procedure; invites therefore the Commission to report at least on a biannual basis specifically on the amounts de-committed for research programmes and provide all relevant information and elements on Article 15(3) and to propose its use in the context of the 2020 budgetary procedure;
6. Regrets once again that Parliament, being one of the two arms of the budgetary authority, was not duly involved by the Council and the Commission in the discussions on the extension of the Facility for Refugees in Turkey (FRT); regrets the uncompromising position of the Council on the financing of the second tranche of the FRT, to which the Union budget will contribute EUR 2 billion, while the Member States will contribute EUR 1 billion; reiterates its longstanding position that new initiatives must not be financed to the detriment of existing Union external projects; recalls that because of the unwillingness of the Council, the ceilings of the current MFF have not been risen on the occasion of the mid-term revision and the MFF has been lacking sufficient flexibility to respond to unforeseen circumstances; underlines that lessons must be learnt for the post-2021 MFF in order to avoid, inter alia, the creation of budgetary satellites such as the FRTs;
7. In line with the joint statement agreed between the Parliament, the Council and the Commission, insists that the agreed reinforcement of Horizon 2020 and Erasmus+

programmes of EUR 100 million in an amending budget in 2019 will not be financed through redeployments from other programmes but through fresh appropriations;

8. In view of the increased support that Europol provides to the Member States in the framework of the law enforcement cooperation and its involvement in the fight against terrorism and cybercrime, welcomes the creation of 10 additional posts and the related increase of appropriations for Europol;
9. Welcomes the creation of 5 posts and the related increase of appropriations by the Commission in the 2019 DB to prevent any bottleneck that might be detrimental to the productivity of the courts in the context of new activities taken up by the Court and of continuous increase of the workload especially due to Brexit; points out, however, that the real need for the ECJ was 16 new permanent posts for the support services;
10. Welcomes the reinforcement to the EEAS budget line on Strategic Communication Capacity, to deliver a stronger coordinated Union response to the challenge of disinformation;
11. Approves the Council position on the second draft general budget of the European Union for the financial year 2019 as well as the Joint Statements annexed to this resolution;
12. Instructs its President to declare that the general budget of the European Union for the financial year 2019 has been definitively adopted and to arrange for its publication in the Official Journal of the European Union;
13. Instructs its President to forward this resolution to the Council, the Commission, the other institutions and bodies concerned and the national parliaments.

## ANNEX

### DRAFT PACKAGE Budget 2019 – **Joint conclusions**

These joint conclusions cover the following sections:

1. Budget 2019
2. Statements

#### **Summary overview**

According to the elements for joint conclusions:

- The overall level of commitment appropriations in the 2019 budget is set at EUR 165 795,6 million. Overall, this leaves a margin below the MFF ceilings for 2019 of EUR 1 291,1 million in commitment appropriations.
- The overall level of payment appropriations in the 2019 budget is set at EUR 148 198,9 million.
- The Flexibility Instrument for 2019 is mobilised in commitment appropriations for an amount of EUR 1 164,3 million for heading 1a *Competitiveness for Growth and Jobs* and heading 3 *Security and Citizenship*.
- The Global margin for commitments is used at a level of EUR 1 476,0 million for heading 1a *Competitiveness for Growth and Jobs*, heading 1b *Economic, Social and Territorial Cohesion* and heading 4 *Global Europe*.
- The Contingency margin mobilised in 2017 is offset for EUR 253,9 million against the unallocated margins under heading 5 *Administration*.
- The 2019 payment appropriations related to the mobilisation of the Flexibility Instrument in 2016, 2017, 2018 and 2019 are estimated by the Commission at EUR 961,9 million.

## 1. Budget 2019

The European Parliament and the Council have agreed on the conclusions included in sections 1.1 to 1.6 below.

### 1.1. Horizontal issues

#### Decentralised agencies

The EU contribution (in commitment and payment appropriations) and the number of posts for decentralised agencies are set at the level proposed by the Commission in the second Draft Budget (second DB).

#### Executive agencies

The EU contribution (in commitment and payment appropriations) and the number of posts for executive agencies are set at the level proposed by the Commission in the second DB.

#### Pilot Projects/Preparatory Actions

A comprehensive package of 75 pilot projects/preparatory actions (PP/PA) is agreed, as proposed by the Commission in the second DB. When a pilot project or a preparatory action appears to be covered by an existing legal basis, the Commission may propose the transfer of appropriations to the corresponding legal basis in order to facilitate the implementation of the action.

This package, proposed by the European Parliament in its reading of the original Draft Budget, fully respects the ceilings for pilot projects and preparatory actions provided in the Financial Regulation.

### 1.2. Expenditure headings of the financial framework - commitment appropriations

#### Heading 1a

Commitment appropriations are set at the level proposed by the Commission in the second DB, but with the adjustments detailed in the following table.

*In EUR*

Budget line / Programme	Name	Variation in commitment appropriations		
		Second Draft Budget 2019	Budget 2019	Difference
<b>1.1.31</b>	<b>Horizon 2020</b>			<b>150 000 000</b>
08 02 03 04	Achieving a European transport system that is resource-efficient, environmentally friendly, safe and seamless	252 946 905	260 946 905	8 000 000
08 02 08	SME instrument	541 589 527	641 589 527	100 000 000
09 04 01 01	Strengthening research in future and emerging technologies	429 937 089	442 937 089	13 000 000
15 03 01 01	Marie Skłodowska-Curie actions — generating, developing and transferring new skills, knowledge and innovation	916 586 364	945 586 364	29 000 000
<b>1.1.5</b>	<b>Education, Training and Sport (Erasmus+)</b>			<b>40 000 000</b>



Budget line / Programme	Name	Variation in commitment appropriations		
		Second Draft Budget 2019	Budget 2019	Difference
15 02 01 01	Promoting excellence and cooperation in the European education and training area and its relevance to the labour market	2 411 836 200	2 441 036 200	29 200 000
15 02 01 02	Promoting excellence and cooperation in the European youth area and the participation of young people in European democratic life	175 070 000	185 870 000	10 800 000
	<b>Total</b>			<b>190 000 000</b>

As a consequence, the agreed level of commitment appropriations is set at EUR 23 335,4 million, with no margin left under the expenditure ceiling of heading 1a, the use of the Global Margin for Commitments for an amount of EUR 74,7 million and the mobilisation of EUR 178,7 million through the Flexibility Instrument.

### **Heading 1b**

Commitment appropriations are set at the level proposed by the Commission in the second DB.

As a consequence, the agreed level of commitment appropriations is set at EUR 57 192,0 million, with no margin left under the expenditure ceiling of heading 1b and the use of the Global Margin for Commitments for an amount of EUR 350,0 million.

### **Heading 2**

Commitment appropriations are set at the level proposed by the Commission in the second DB.

As a consequence, the agreed level of commitment appropriations is set at EUR 59 642,1 million, leaving a margin of EUR 701,9 million.

### **Heading 3**

Commitment appropriations are set at the level proposed by the Commission in the second DB.

As a consequence, the agreed level of commitment appropriations is set at EUR 3 786,6 million, with no margin left under the expenditure ceiling of heading 3, and the mobilisation of EUR 985,6 million through the Flexibility Instrument.

### **Heading 4**

Commitment appropriations are set at the level proposed by the Commission in the second DB.

As a consequence, the agreed level of commitment appropriations is set at EUR 11 319,3 million, with no margin left under the expenditure ceiling of heading 4 and the use of the Global Margin for Commitments for an amount of EUR 1 051,3 million.

## **Heading 5**

The number of posts in the establishment plans of the Institutions and the appropriations are set at the level proposed by the Commission in the second DB.

As a consequence, and after taking into account pilot projects and preparatory actions (EUR 4,1 million) proposed under section 1.1 above, the agreed level of commitment appropriations is set at EUR 9 943,0 million, leaving a margin of EUR 589,1 million under the expenditure ceiling of heading 5, after the use of EUR 253,9 million of the margin to offset the mobilisation of the Contingency margin in 2017.

### **Special instruments: EGF, EAR and EUSF**

Commitment appropriations for the European Globalisation Adjustment Fund (EGF), for the Emergency Aid Reserve (EAR) and for the European Union Solidarity Fund (EUSF) are set at the level proposed by the Commission in the second DB.

#### **1.3. Payment appropriations**

The overall level of payment appropriations in the 2019 Budget is set at the level proposed by the Commission in the second DB.

#### **1.4. Budgetary remarks**

Budgetary remarks as proposed by the Commission in the second DB are approved, except for the following budget lines:

- Article 08 02 08 — *SME Instrument* of the section of the European Commission, for which the text as proposed in the original Draft Budget is approved;
- item 2 2 1 4 — *Strategic Communication Capacity* of the section of the European External Action Service, for which the text included in the reading of the European Parliament of the original Draft Budget is approved.

#### **1.5. Nomenclature**

The nomenclature as proposed by the Commission in the second DB is approved.

#### **1.6. Reserves**

The reserves as proposed by the Commission in the second DB are approved. In addition, an amount of EUR 19 321 000 is put in reserve in both commitment and payment appropriations pending the adoption of the Commission's proposal COM(2018) 632 of 12 September 2018 for Article 18 03 02 *European Border and Coast Guard Agency (Frontex)*.

## **2. Statements**

### **2.1. Joint statement by the European Parliament, Council and Commission on the payment appropriations**

The European Parliament and the Council recall the need to ensure, in the light of implementation, an orderly progression of payments in relation to the appropriations for commitments so as to avoid any abnormal level of unpaid invoices at year-end.

The European Parliament and the Council call on the Commission to continue monitoring closely and actively the implementation of the 2014-2020 programmes. To that end, they invite the Commission to present, in a timely manner, updated figures concerning the state of implementation and estimates regarding payment appropriations requirements in 2019.

If the figures show that the appropriations entered in the 2019 budget are insufficient to cover the needs, the European Parliament and the Council invite the Commission to present as soon as possible an appropriate solution, inter alia amending budget, with a view to allow the Budgetary Authority to take any necessary decisions in due time for duly justified needs. Where applicable, the European Parliament and the Council will take account the urgency of the matter.

### **2.2. Joint statement by the European Parliament, Council and Commission on the Youth Employment Initiative**

The European Parliament, the Council and the Commission recall that reducing youth unemployment remains a high and shared political priority and reaffirm their determination to make the best possible use of budgetary resources to reach this goal, and in particular through the Youth Employment Initiative (YEI).

The European Parliament and the Council take note of the past experience in the context of the increase of the resources of the specific allocation for the YEI, which triggered extensive amendments to programmes to provide amounts from the European Social Fund (ESF) to match the support from the YEI specific allocation.

Therefore, the European Parliament and the Council invite the Commission to present a legislative proposal for smooth implementation of the increased budgetary resources for YEI. The European Parliament and the Council agree to swiftly examine this proposal, taking into account the upcoming European Parliament elections, to make the re-programming exercise in 2019 as smooth as possible.

### **2.3. Unilateral statement by the Commission on the Youth Employment Initiative**

Without prejudice to the powers of the budgetary authority, the Commission confirms that the increase of the Youth Employment Initiative agreed for 2019 will not be considered as a frontloading of the amount currently foreseen for 2020 when it presents the updated financial programming and the legislative proposal to revise the Common Provisions Regulation.

### **2.4. Joint statement by the European Parliament, Council and Commission on the climate mainstreaming**

The European Parliament, the Council and the Commission recall the importance of building a low-carbon, resource-efficient and climate resilient economy. To this end, the Council and the EP agreed to invest at least 20% of the EU budget in climate-related expenditure over the period 2014-20. On average - and even though the 2019 budget alone does reach the 20% target - the current forecast for the whole 2014-20 period indicates that 19.3% of the EU budget will be allocated to climate action, mainly due to the delays in the implementation of the European Structural Investment Funds at the beginning of the period.

The Council and the European Parliament take note of this evolution and invite the Commission to make every effort to reach the 20% target for the whole 2014-20 period.

## **2.5. Joint statement by the European Parliament, Council and Commission on the reinforcement of heading 1a through an Amending budget**

Due to the limited availabilities of the Flexibility Instrument and the Global margin for commitments, the European Parliament and the Council have agreed to budget EUR 100 million in an amending budget in 2019 to reinforce H2020 and Erasmus+. The Commission will present this amending budget, which will not contain any other elements, as soon as the technical adjustment of the Multiannual Financial Framework for 2020 including the calculation of the Global margin for commitments is completed in the spring of 2019. This is without prejudice to any normal technical corrections the Commission will be called upon to make to ensure an orderly execution of the 2019 budget.

The Council and the European Parliament undertake to process swiftly the draft amending budget for 2019 put forward by the Commission.

## INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

<b>Date adopted</b>	10.12.2018
<b>Result of final vote</b>	+: 17 -: 2 0: 5
<b>Members present for the final vote</b>	Jean Arthuis, Richard Ashworth, Lefteris Christoforou, Manuel dos Santos, José Manuel Fernandes, Eider Gardiazabal Rubial, Jens Geier, Ingeborg Gräßle, John Howarth, Siegfried Mureşan, Liadh Ní Riada, Jan Olbrycht, Paul Rübig, Petri Sarvamaa, Jordi Solé, Patricija Šulin, Indrek Tarand, Monika Vana, Daniele Viotti, Marco Zanni
<b>Substitutes present for the final vote</b>	Xabier Benito Ziluaga, Karine Gloanec Maurin, Marco Valli
<b>Substitutes under Rule 200(2) present for the final vote</b>	Claudia Schmidt

## FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

17	+
ALDE	Jean Arthuis
PPE	Richard Ashworth, Lefteris Christoforou, José Manuel Fernandes, Ingeborg Gräßle, Siegfried Mureşan, Jan Olbrycht, Paul Rübzig, Petri Sarvamaa, Claudia Schmidt, Patricija Šulin
S&D	Eider Gardiazabal Rubial, Jens Geier, Karine Gloanec Maurin, John Howarth, Daniele Viotti, Manuel dos Santos

2	-
GUE/NGL	Xabier Benito Ziluaga, Liadh Ní Riada

5	0
EFDD	Marco Valli
ENF	Marco Zanni
Verts/ALE	Jordi Solé, Indrek Tarand, Monika Vana

**Key to symbols:**

+ : in favour

- : against

0 : abstention