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REPORT

on general guidelines for the preparation of the 2020 budget, Section III –
Commission
(2019/2001(BUD))

Committee on Budgets

Rapporteur: Monika Hohlmeier

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on general guidelines for the preparation of the 2020 budget, Section III – Commission (2019/2001(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 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 966/2012¹ (hereinafter ‘the Financial Regulation’),
- 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 (hereinafter ‘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 management³,
- having regard to Council Decision 2014/335/EU, Euratom of 26 May 2014 on the system of own resources of the European Union⁴,
- having regard to the general budget of the European Union for the financial year 2019⁵ and the joint statements agreed between Parliament, the Council and the Commission annexed thereto,
- having regard to UN General Assembly Resolution 70/1 of 25 September 2015 entitled ‘Transforming our world: the 2030 Agenda for Sustainable Development’, which entered into force on 1 January 2016, and to the reflection paper recently presented by the Commission entitled ‘Towards a Sustainable Europe by 2030’,
- having regard to the Council conclusions of ... 2019 on the 2020 budget guidelines (00000/2019),
- having regard to Rule 86a of its Rules of Procedure,

¹ OJ L 193, 30.7.2018, p. 1.

² OJ L 347, 20.12.2013, p. 884.

³ OJ C 373, 20.12.2013, p. 1.

⁴ OJ L 168, 7.6.2014, p. 105.

⁵ OJ L xx,

- having regard to the report of the Committee on Budgets (A8-0172/2019),
- A. whereas negotiations on the 2020 Union budget will run in parallel with the negotiations on the next multiannual financial framework (MFF) and the reform of the EU own resources system; whereas 2019 will mark the seventh year of the 2014-2020 MFF;
- B. whereas the Council has repeatedly contradicted itself over the last few years, by presenting new political priorities for the EU but showing itself unwilling to provide for fresh appropriations to finance them; whereas new political priorities and upcoming challenges for the EU should be financed by fresh appropriations and not by reducing the appropriations amount for existing programmes;
- C. whereas towards the end of the current financial programming period the implementation of the multiannual programmes will require adequate financial resources and therefore anticipating the payments necessary in 2020 to prevent another payment crisis in the first years of the 2021-2027 MFF;

Budget 2020: bridge to the future Europe – Investing in innovation, sustainable development, citizens’ protection and security

1. Underlines that the 2020 Union budget is the bridge to the MFF for the period 2021-2027 and should contribute to creating a common, long-term vision on the future political priorities of the Union, and provide European added value; expects, at the time of adoption of the 2020 budget, to be engaged with the Council in fully-fledged MFF negotiations, following a political agreement in the European Council; believes that a strong, responsible and forward-looking 2020 budget will facilitate an agreement and the transition towards the next MFF; intends, therefore, to make full use of the existing flexibility and other provisions set out in the MFF Regulation and the Financial Regulation, in order to reinforce key EU programmes in the 2020 budget, taking due account of the performance-based budgeting approach in the EU budget;
2. Considers, therefore, that the EU budget for next year should define clear political priorities and enable the Union to create sustainable and inclusive economic growth and jobs, further invest in innovation and research capacities for future solutions, boost competitiveness, ensure a safe, secure and peaceful Europe, strengthen citizens’ working and living conditions, enhance economic, social and territorial cohesion, bolster the Union in its fight against environmental challenges and climate change towards meeting its obligations under the Paris Agreement, contribute to the full implementation of the UN Sustainable Development Goals, and deliver on the European Pillar of Social Rights;
3. Points out that, 2020 being the last year of the current MFF, the implementation of EU programmes, and notably those under shared management in cohesion, common agricultural and common fisheries policies, needs to be further accelerated so as to compensate for previous delays and reach the closing phase; expects this to be reflected in a substantial increase in payment requests and anticipates, therefore, a peak in the annual level of payment appropriations for 2020; emphasises Parliament’s commitment to securing the necessary payments in 2020 and to preventing another payment crisis in the first years of the 2021-2027 MFF, as happened during the current period; underlines the need to continuously improve the control and correction mechanisms, so as to ensure a proper and speedy implementation of EU programmes;

4. Points to the importance of decentralised agencies in ensuring the implementation of the EU's legislative priorities and thereby accomplishing EU policy objectives, such as those related to competitiveness, sustainable growth, employment, and managing the current migration and refugee flows; expects the negotiations on the 2020 budget to lead to adequate operational and administrative funding for the EU agencies, enabling them to accomplish their growing tasks and deliver the best possible results; reiterates its position that 2018 was the last year of the implementation of the 5 % staff reduction and the so-called 'redeployment pool'; expects the Commission and the Council to refrain from further cutting agencies' resources in the 2020 budget;

Innovation and research for future solutions: supporting sustainable and inclusive economic growth to anticipate change and boost competitiveness

5. Underlines the importance of Europe's claim to leadership in key technologies in areas such as space, healthcare, the environment, agriculture, safety and transportation; highlights the need to ensure that research and innovation activities continue to provide solutions for Europe's needs, challenges and competitiveness, and recalls, in this context, the important role of fundamental research; stresses that the transition from Horizon 2020 to Horizon Europe must be smooth to ensure stability for businesses, research facilities and academia; is alarmed by the substantial underfunding of Horizon 2020 during the entire period, resulting in a low success rate for excellent applications; intends, therefore, to secure the largest possible annual allocation for Horizon 2020 in next year's budget, making full use of the existing flexibility provisions of the MFF Regulation and the Financial Regulation; highlights, moreover, the importance of deepening synergies with the European Structural and Investment Funds;
6. Stresses the potential for economic growth stemming from Europe's technological transformation and calls for the EU budget to make the appropriate contribution to supporting the digitalisation of European industry, and the promotion of digital skills and entrepreneurship; underlines the importance of additional investments in digital capabilities, including EU high-performance computing, artificial intelligence and cybersecurity; stresses that the Digital Europe Programme is expected to secure a significantly higher allocation in the 2021-2027 MFF and, therefore, intends to increase funding in this area in next year's budget;
7. Highlights the success of the European Fund for Strategic Investments (EFSI) in triggering additional investments in the EU with the aim of reaching an investment target of at least EUR 500 billion by 2020, following the extension of its duration; points, however, to the recommendations of the European Court of Auditors to further improve its implementation with regard to the additionality of the projects selected; recalls that the EFSI guarantee fund was financed partly through redeployments from Horizon 2020 and the Connecting Europe Facility, and reconfirms its long-standing position that new initiatives must be wholly financed with fresh funding;
8. Is fully convinced that improving fairness and providing equal chances within the European social market economy is a prerequisite for the sustainable development of the Union; intends to secure sufficient funding for programmes such as COSME and Future and Emerging Technologies (FET) that significantly contribute to the success of start-ups and SMEs, which are the backbone of the European economy and key drivers

of economic growth, job creation, innovation and social integration; underlines the high level of implementation of these programmes, and points to their capacity to absorb even more;

Safety, security and peace for European citizens

9. Considers that the protection of the EU's external borders and internal security with the support of a strengthened European Border and Coast Guard and Europol, a European Union without internal borders, and the proper functioning of the Schengen area and freedom of movement within the EU, are inextricably linked and mutually beneficial; stresses, at the same time, the importance of robust EU investments in the area of internal security with a view to, among other things, enhancing EU law enforcement and judicial response to cross-border criminal threats and promoting information exchange, with enhanced support for Eurojust and the European Public Prosecutor's Office; considers it an obligation to ensure adequate funding, staffing and staff training for all agencies operating in the field of security, justice and border control as the current level of funding is insufficient in view of the considerable increase in their responsibilities, the importance of cooperation among them, the need for technological innovations and adaptation, and their vital role in reinforcing cooperation and coordination among the Member States;
10. Stresses, in parallel, the humanitarian responsibility of the EU in migration policy and recognises the key role of the European Asylum Support Office and the Fundamental Rights Agency in developing and implementing common asylum practices in Member States; considers it an obligation to ensure adequate funding, staffing and staff training for all agencies operating in the field of migration, asylum and human rights, with adequate financial and human resources for them to properly perform their role;
11. Welcomes the Member States' commitment to a renewed EU defence agenda and their willingness for further European defence cooperation; highlights the importance of launching the European Defence Industrial Development Programme (EDIDP) as a first stage of the European Defence Fund; requests a further increase in the Union's defence budget, to be exclusively financed by fresh appropriations, in order to improve the competitiveness and innovation of the European defence industry;
12. Strongly supports strengthened EU efforts to tackle rising security threats such as radicalisation and violent extremism within Europe and neighbouring countries as well as better coordination of such programmes at EU level;
13. Stresses that cybersecurity is critical to the Union's prosperity and security, as well as to the privacy of its citizens, that cyberattacks, cybercrime and manipulation are threatening open societies, and that economic espionage is hindering the functioning of the digital single market and endangering the competitiveness of European enterprises; requests adequate financial resources to equip all relevant agencies with adequate funds to cover their operational and administrative tasks to help secure network and information systems, build strong cyber resilience, and combat cybercrime; supports, in this context, the strategic cooperation between EU Agency for Network and Information Security (ENISA) and Europol;
14. Recalls that peace and stability are core values that are supported by the budget of the

European Union and highlights in this regard the significant contribution the Union has made to peace and reconciliation on the island of Ireland, in particular through its support for the Good Friday agreement and funding for PEACE and INTERREG programmes; underlines the importance of maintaining funding for these programmes post-Brexit;

15. Believes, with reference to its resolution of 25 October 2018 on the use of Facebook users' data by Cambridge Analytica and the impact on data protection⁶, that the fight against disinformation, in particular tracking and uncovering disinformation and any other type of foreign interference, is a priority to ensure fair and democratic elections, in particular in the year of the European elections; requests additional financial resources to enhance systematic use of strategic communication tools to enable a strong coordinated EU response; supports the guidelines that the Commission has set out on how existing EU rules should be used to tackle the use of personal data to target citizens on social media during election periods and guarantee the fairness of the electoral process;
16. Is concerned that not enough European citizens have the impression that the European Union works for them and provides them with substantial benefits; requests adequate financial resources for the Commission to invest in tools such as the recent Parliament initiatives 'What Europe does for me' and the 'Citizens' App' to inform citizens about the Union's work and highlight the efforts undertaken to promote peace, democracy, the rule of law and freedom of speech; considers that such tools should be better disseminated at national level;
17. Points out that the common agricultural policy and the common fisheries policy are cornerstones of European integration which aim to ensure safe, high-quality food supply for European citizens, the proper functioning of the agricultural single market, the sustainability of rural regions for many years and the sustainable management of natural resources; recalls that those policies contribute to the viability and stability of the EU; calls on the Commission to continue to support producers across Europe in coping with unexpected market volatility and in securing safe, high-quality food supplies; asks for particular attention to be paid to small-scale agriculture and small fisheries;

Strengthening solidarity and mutual understanding

18. Requests additional financial resources to meet future demand for Erasmus+, the primary programme for education and training, including vocational education and training, youth and sport in Europe, also taking into account its external dimension; underlines that adequate resources are needed to 'democratise' the programme, making its funding accessible to people of all backgrounds and working towards the European Framework for Quality and Effective Apprenticeships as a way to fight against youth unemployment; recalls that Parliament requested that the financial envelope for this programme be tripled in the next MFF; calls for cooperation to be strengthened between education, apprenticeships, culture and research;
19. Recalls that, at a time when the European project is being called into question, it is vital to renew a strong commitment to Europe through culture, knowledge, creation and

⁶ Texts adopted, P8_TA(2018)0433.

innovation; believes therefore that the Creative Europe and MEDIA programmes should be supported at an appropriate level;

20. Stresses that the fight against youth unemployment requires substantial additional financial efforts to create opportunities for education, training and employment; underlines, in this respect, the positive impact of the Youth Employment Initiative, which had supported approximately 1.7 million young people by the end of 2017; welcomes the fact that, at the strong request of Parliament, the result of the negotiations on the 2019 budget was to bring the Youth Employment Initiative to a total amount of EUR 350 million in 2019; expects the 2020 budget to demonstrate high ambition for this programme, in order to ensure a smooth transition towards the European Social Fund Plus (ESF+) programme in the next MFF; underlines the need to accelerate the implementation of this programme and to further improve its efficiency, so as to ensure that it brings more European added value to national employment policies;
21. Believes that social cohesion in Europe must contribute to sustainable solutions to the fight against poverty, social exclusion and discrimination, for better inclusion of people with disabilities, and to long-term structural demographic change; emphasises the need for financial resources for relevant EU programmes that help provide ageing populations in Europe with adequate support in terms of access to mobility, healthcare and public services;
22. Recalls the need for solidarity and responsibility-sharing between the Member States in the area of migration and asylum and calls on the Member States to make good use of the Asylum, Migration and Integration Fund (AMIF) through national programmes; requests adequate budgeting for this fund in 2020 in order to support the reception of asylum seekers in the Member States, effective return strategies, resettlement programmes, legal migration policies and promotion of effective integration of third country nationals; considers that the support of cities and municipalities in the European asylum system should be strengthened;
23. Recalls that the long-lasting solution to the current migration phenomenon lies in the political, economic, social and environmental development of the countries from which migration flows originate; calls for the European Neighbourhood Instrument and the Development Cooperation Instrument to be endowed with sufficient financial resources to support this priority and promote the further development of sustainable and mutually beneficial partnerships, e.g. with African countries; within this context, reaffirms the need to provide international organisations, including the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the UN Refugee Agency (UNHCR) and the International Organisation for Migration (IOM), with sufficient and continuous financial support; requests enhanced financial and organisational support for programmes contributing to exchanges between EU and partner countries in areas such as professional training, creation of start-ups, support for SMEs, healthcare, and education, and for policies related to clean water, wastewater treatment and waste disposal;
24. Believes that gender-related discrimination is intolerable and incompatible with the values of the EU; points out that the success rate of applications to the Daphne programme and other funds aimed at fighting violence against women and girls is

alarmingly low, and intends to secure increased funding for the programme; furthermore, considers gender mainstreaming to be an effective strategy for achieving gender equality and combating discrimination and calls for a gender equality perspective to be integrated in the relevant EU policies and spending programmes; expects the Commission to present at the earliest possibility a framework for gender-mainstreaming in the Union budget;

25. Reiterates the importance of the European Neighbourhood policy strengthening relations with neighbouring countries, endorsing peace processes, and boosting economic and social growth and sustainable cross-border cooperation; points out that strong relations between the EU and the Western Balkans are vital for the stabilisation of the area and their pre-accession process; recalls that funding from the Union's budget must be tailored to strengthen the ability of the countries to continue the necessary legal, political, social and economic reforms, in particular enhancing the proper functioning of the public administration and supporting the stability and resilience of democratic institutions and the implementation of rule of law;

Tackling environmental challenges and climate change

26. Stresses that the 2020 budget must contribute significantly to tackling environmental challenges and climate change in order to offset the existing backlog and reach the EU's commitments; recalls the Union's pledge to be a frontrunner in the transition to a low-carbon circular and climate-neutral economy, but regrets that the Union is falling short of its climate goals, in particular as regards making 20 % of Union expenditure climate-related in 2014-2020; considers therefore that a significant increase in climate-related spending is essential in order to progress towards the objectives of the Union's climate policy and of the Paris Agreement; believes that climate mainstreaming in all sectors of Union policy should be further promoted and optimised and climate- and sustainability-proofing introduced where applicable; requests increased financial resources for all relevant Union programmes to support projects with European added value contributing to a clean energy transition and resource efficiency, the promotion of a sustainable green and blue economy, and nature conservation, with a focus on biodiversity, habitats and endangered species;
27. Stresses that, with a view to a coherent and effective approach to tackling climate change, the EU should make ratification and implementation of the Paris Agreement a condition for future trade agreements; recalls in this regard its resolution of 3 July 2018 on climate diplomacy⁷ and its call on the Commission for a comprehensive assessment of consistency between existing free trade agreements and the Paris Agreement commitments; considers that if these commitments should not be fulfilled by an EU partner, the Commission could impose a temporary suspension of EU trade liberalisation commitments towards those partners;

Outstanding issues for the 2020 procedure

28. Expects the withdrawal of the United Kingdom from the Union in March 2019 not to have a direct impact on the 2020 budget, as the United Kingdom will contribute to, and participate in, the implementation of the budget; urges the Commission nonetheless to

⁷ Texts adopted, P8_TA(2018)0280.

assess and prepare for all possible scenarios to ensure sound financial management of the Union budget and secure a contingency plan, defining clear commitments and outlying mechanisms, and protecting the EU budget in the event that the United Kingdom does not contribute to, or participate in, the implementation of the 2020 EU budget;

29. Recalls that, following the joint statement by Parliament, the Council and the Commission on the reinforcement of Heading 1a through an amending budget issued in the joint conclusions on the 2019 budget, the Commission will present an amending budget raising the levels of appropriations for Erasmus+ and H2020 as soon as the technical adjustment of the MFF for 2020 is completed in the spring of 2019 in order for the Council and Parliament to process it swiftly;
30. Underlines that Article 15(3) of the Financial Regulation allows de-committed amounts made as a result of total or partial non-implementation of corresponding research projects to be made available again for research programmes in the annual budgetary procedure, and sets no further preconditions in its implementation; invites the Commission to report specifically on the amounts de-committed for research programmes and to provide all relevant information and details concerning this Article; asks the Council Presidency to clarify whether this Article is now fully understood by all Member States; requests, in any event, that this provision and corresponding procedure is triggered in the context of the 2020 budgetary procedure, starting already with its inclusion in the draft budget;
31. Believes that, as the arm of the budgetary authority directly elected by citizens, Parliament should fulfil its political role and put forward proposals for pilot projects and preparatory actions expressing its political vision for the future; commits itself, in this context, to proposing a package of pilot projects and preparatory actions developed in close cooperation with each of its committees so as to find the right balance between political will and technical feasibility, as assessed by the Commission;
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 - ◦
32. Instructs its President to forward this resolution to the Council, the Commission and the Court of Auditors.

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	7.3.2019
Result of final vote	+: 24 -: 7 0: 2
Members present for the final vote	Jonathan Arnott, Jean Arthuis, Richard Ashworth, Gérard Deprez, Manuel dos Santos, André Elissen, José Manuel Fernandes, Eider Gardiazabal Rubial, Jens Geier, Ingeborg Gräßle, Monika Hohlmeier, John Howarth, Bernd Kölmel, Vladimír Maňka, Răzvan Popa, Jordi Solé, Patricija Šulin, Indrek Tarand, Isabelle Thomas, Daniele Viotti, Stanisław Żółtek
Substitutes present for the final vote	Karine Gloanec Maurin, Verónica Lope Fontagné, Andrey Novakov, Stanisław Ozóg, Pavel Poc, Nils Torvalds, Marie-Pierre Vieu
Substitutes under Rule 200(2) present for the final vote	Lynn Boylan, Christophe Hansen, Barbara Kudrycka, Fernando Ruas, Tom Vandenkendelaere

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

24	+
ALDE	Jean Arthuis, Gérard Deprez, Nils Torvalds
PPE	Richard Ashworth, José Manuel Fernandes, Ingeborg Gräßle, Christophe Hansen, Monika Hohlmeier, Barbara Kudrycka, Verónica Lope Fontagné, Andrey Novakov, Fernando Ruas, Patricija Šulin, Tom Vandenkendelaere
S&D	Eider Gardiazabal Rubial, Jens Geier, Karine Gloanec Maurin, John Howarth, Vladimír Maňka, Pavel Poc, Răzvan Popa, Manuel dos Santos, Isabelle Thomas, Daniele Viotti

7	-
ECR	Bernd Kölmel, Stanisław Ożóg
EFDD	Jonathan Arnott
ENF	André Elissen, Stanisław Żółtek
GUE/NGL	Lynn Boylan, Marie-Pierre Vieu

2	0
VERTS/ALE	Jordi Solé, Indrek Tarand

Key to symbols:

+ : in favour

- : against

0 : abstention