



---

*Plenary sitting*

---

**A8-0359/2017**

21.11.2017

## REPORT

on the joint text on the draft general budget of the European Union for the financial year 2018 approved by the Conciliation Committee under the budgetary procedure  
(00000/2017 – C8-0000/2017 – 2017/2044(BUD))

European Parliament delegation to the Conciliation Committee

Rapporteurs:           Siegfried Mureşan (Section III – Commission)  
                              Richard Ashworth (other sections)

**CONTENTS**

	<b>Page</b>
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION.....	3
ANNEX.....	5
PROCEDURE – COMMITTEE RESPONSIBLE.....	21

## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the joint text on the draft general budget of the European Union for the financial year 2018 approved by the Conciliation Committee under the budgetary procedure (00000/2017 – C8-0000/2017 – 2017/2044(BUD))**

*The European Parliament,*

- having regard to the joint text approved by the Conciliation Committee and the relevant Parliament, Council and Commission statements (00000/2017 – C8-0000/2017),
- having regard to the draft general budget of the European Union for the financial year 2018, which the Commission adopted on 29 June 2017 (COM(2017)0400),
- having regard to the position on the draft general budget of the European Union for the financial year 2018, which the Council adopted on 4 September 2017 and forwarded to Parliament on 13 September 2017 (11815/2017 – C8-0313/2017),
- having regard to Letter of amendment No 1/2017 to the draft general budget of the European Union for the financial year 2018, which the Commission presented on 16 October,
- having regard to its resolution of 25 October 2017 on the Council position on the draft general budget of the European Union for the financial year 2018<sup>1</sup> and to the budget amendments contained therein,
- 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>2</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>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>,
- 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>,

---

<sup>1</sup> Texts adopted of that date, P8\_TA(2017)0408.

<sup>2</sup> OJ L 168, 7.6.2014, p. 105.

<sup>3</sup> OJ L 298, 26.10.2012, p. 1.

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

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

- having regard to Rule 90 and Rule 91 of its Rules of Procedure,
  - having regard to the report of its delegation to the Conciliation Committee (A8-0359/2017),
1. Approves the joint text agreed by the Conciliation Committee, which consists of the following documents taken together:
    - list of budget lines not modified, compared to the draft budget or the Council's position;
    - summary figures by financial framework headings;
    - line by line figures on all budget items;
    - a consolidated document showing the figures and final text of all lines modified during the conciliation;
  2. Confirms the joint statements by Parliament, the Council and the Commission annexed to this resolution;
  3. Takes note of the unilateral statements by the Commission and by the Council annexed to this resolution;
  4. Instructs its President to declare that the general budget of the European Union for the financial year 2018 has been definitively adopted and to arrange for its publication in the *Official Journal of the European Union*;
  5. Instructs its President to forward this legislative resolution to the Council, the Commission, the other institutions and bodies concerned and the national parliaments.

## ANNEX

18.11.2017

### FINAL Budget 2018 – Elements for joint conclusions

These joint conclusions cover the following sections:

1. Budget 2018
2. Budget 2017 – Draft Amending Budget 6/2017
3. Statements

#### Summary overview

##### A. Budget 2018

According to the elements for joint conclusions:

- The overall level of commitment appropriations in the 2018 budget is set at EUR 160 113,5 million. Overall, this leaves a margin below the MFF ceilings for 2018 of EUR 1 600,3 million in commitment appropriations.
- The overall level of payment appropriations in the 2018 budget is set at EUR 144 681,0 million.
- The Flexibility Instrument for 2018 is mobilised in commitment appropriations for an amount of EUR 837,2 million for heading 3 *Security and Citizenship*.
- The Global margin for commitments is used at a level of EUR 1 113,7 million for heading 1a *Competitiveness for Growth and Jobs* and heading 1b *Economic, Social and Territorial Cohesion*.
- The decision EU 2017/344 of the European Parliament and of the Council of 14 December 2016 on the mobilisation of the Contingency margin in 2017<sup>1</sup> will be amended to adjust the offsetting profile to decrease the amount offset in heading 5 *Administration* in 2018 from EUR 570 million to EUR 318 million and correspondingly introduce offsetting of EUR 252 million for the same heading in 2020.
- The 2018 payment appropriations related to the mobilisation of the Flexibility Instrument in 2014, 2016, 2017 and 2018 are estimated by the Commission at EUR 678,3 million.

##### B. Budget 2017

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

---

<sup>1</sup> OJ L 50, 28.2.2017, p. 57.

## **1. Budget 2018**

### **1.1. 'Closed' lines**

Unless stated otherwise below in these conclusions, all budget lines not amended by either Council or Parliament, and those for which Parliament accepted Council's amendments during their respective reading, are confirmed.

For the other budget lines, the Conciliation Committee has agreed on the conclusions included in sections 1.2 to 1.7 below.

### **1.2. Horizontal issues**

#### **Decentralised agencies**

The EU contribution (in commitment and payment appropriations and the number of posts) for all decentralised agencies are set at the level proposed by the Commission in the Draft Budget, as amended by Amending Letter 1/2018 with the exception of:

- Under heading 3:
  - The European Police Office (EUROPOL, budget article 18 02 04) for which 10 additional posts are allocated and commitment and payment appropriations increased by EUR 3 690 000.
  - The European Asylum Office (EASO, budget article 18 03 02) for which the commitment and payment appropriations are increased by EUR 5 000 000.
  - The European Body for the Enhancement of Judicial Cooperation (EUROJUST, budget article 33 03 04) for which 5 additional posts are allocated and commitment and payment appropriations increased by EUR 1 845 000.
- Under heading 1a:
  - The European GNSS Agency (GSA, budget article 02 05 11) for which 5 additional posts are allocated and commitment and payment appropriations increased by EUR 345 000.
  - The European Securities and Markets Authority (ESMA, budget article 12 02 06) for which the level of commitment and payment appropriations and the number of posts are reduced at the level of the Draft Budget.

#### **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 Draft Budget 2018, as amended by Amending Letter 1/2018.

#### **Pilot Projects/Preparatory Actions**

A comprehensive package of 87 pilot projects/preparatory actions (PP/PA), for a total amount of EUR 100,0 million in commitment appropriations is agreed as proposed by the Parliament in addition to the preparatory action proposed by the Commission in the Draft budget 2018.

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 fully respects the ceilings for pilot projects and preparatory actions set in the Financial Regulation.

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

After taking into account the above conclusions on 'closed' budget lines, agencies and pilot projects and preparatory actions, the Conciliation Committee has agreed on the following:

#### **Heading 1a – Competitiveness for Growth and Jobs**

Commitment appropriations are set at the level proposed by the Commission in the Draft Budget, as amended by Amending Letter 1/2018 but with the adjustments, agreed by the Conciliation Committee, detailed in the following table:

*In EUR*

Budget line / Programme	Name	DB 2018 (incl. AL1)	Budget 2018	Difference
<b>1.1.11</b>	<b><i>European satellite navigation systems (EGNOS and Galileo)</i></b>			<b><i>-4 090 000</i></b>
02 05 01	Developing and providing global satellite-based radio navigation infrastructures and services (Galileo) by 2020	623 949 000	621 709 000	-2 240 000
02 05 02	Providing satellite-based services improving the performance of GPS to gradually cover the whole European Civil Aviation Conference (ECAC) region by 2020 (EGNOS)	185 000 000	183 150 000	-1 850 000
<b>1.1.13</b>	<b><i>European Earth Observation Programme (Copernicus)</i></b>			<b><i>-10 370 000</i></b>
02 06 01	Delivering operational services relying on space-borne observations and in-situ data (Copernicus)	130 664 000	129 364 000	-1 300 000
02 06 02	Building an autonomous Union's Earth observation capacity (Copernicus)	507 297 000	498 227 000	-9 070 000
<b>1.1.14</b>	<b><i>European Solidarity Corps (ESC)</i></b>			<b><i>-30 000 000</i></b>
15 05 01	European Solidarity Corps	68 235 652	38 235 652	-30 000 000
<b>1.1.31</b>	<b><i>Horizon 2020</i></b>			<b><i>110 000 000</i></b>
02 04 02 01	Leadership in space	173 389 945	184 528 490	11 138 545
02 04 02 03	Increasing innovation in small and medium-sized enterprises (SMEs)	36 937 021	43 178 448	6 241 427
06 03 03 01	Achieving a resource-efficient, environmentally-friendly, safe and seamless European transport system	53 986 199	56 835 072	2 848 873
08 02 01 01	Strengthening frontier research in the European Research Council	1 827 122 604	1 842 122 604	15 000 000

Budget line / Programme	Name	DB 2018 (incl. AL1)	Budget 2018	Difference
08 02 02 01	Leadership in nanotechnologies, advanced materials, laser technology, biotechnology and advanced manufacturing and processing	518 395 125	524 204 453	5 809 328
08 02 03 03	Making the transition to a reliable, sustainable and competitive energy system	330 244 971	336 486 398	6 241 427
08 02 03 04	Achieving a European transport system that is resource-efficient, environmentally friendly, safe and seamless	230 777 055	239 323 675	8 546 620
08 02 03 05	Achieving a resource-efficient and climate change resilient economy and a sustainable supply of raw materials	297 738 618	303 307 891	5 569 273
08 02 08	SME instrument	471 209 870	481 209 870	10 000 000
09 04 02 01	Leadership in information and communications technology	722 055 754	725 189 515	3 133 761
15 03 01 01	Marie Skłodowska-Curie actions — generating, developing and transferring new skills, knowledge and innovation	870 013 019	885 710 765	15 697 746
32 04 03 01	Making the transition to a reliable, sustainable and competitive energy system	300 984 111	320 757 111	19 773 000
<b>1.1.4</b>	<b><i>Competitiveness of enterprises and small and medium-sized enterprises (COSME)</i></b>			<b>15 000 000</b>
02 02 02	Improving access to finance for small and medium-sized enterprises (SMEs) in the form of equity and debt	199 554 000	214 554 000	15 000 000
<b>1.1.5</b>	<b><i>Education, Training and Sport (Erasmus+)</i></b>			<b>54 000 000</b>
15 02 01 01	Promoting excellence and cooperation in the European education and training area and its relevance to the labour market	1 955 123 300	1 979 123 300	24 000 000
15 02 01 02	Promoting excellence and cooperation in the European youth area and the participation of young people in European democratic life	182 672 916	212 672 916	30 000 000
<b>1.1.7</b>	<b><i>Customs, Fiscalis and Anti-Fraud</i></b>			<b>-1 365 232</b>
14 02 01	Supporting the functioning and modernisation of the customs union	80 071 000	78 860 555	-1 210 445
14 03 01	Improving the proper functioning of the taxation systems	32 043 000	31 888 213	-154 787
<b>1.1.81</b>	<b><i>Connecting Europe Facility (CEF) - Energy</i></b>			<b>-19 773 000</b>
32 02 01 04	Union contribution to Financial Instruments for creating an environment more conducive to private investment for energy projects	19 773 000	0	-19 773 000
<b>1.1.DAG</b>	<b><i>Decentralised agencies</i></b>			<b>-3 965 555</b>
02 05 11	European GNSS Agency	30 993 525	31 338 525	345 000
12 02 06	European Securities and Markets Authority (ESMA)	15 947 170	11 636 615	-4 310 555
<b>1.1.OTH</b>	<b><i>Other actions and programmes</i></b>			<b>-2 346 000</b>
02 03 02 01	Support to standardisation activities performed by CEN, Cenelec and ETSI	18 908 000	18 562 000	-346 000



In EUR

Budget line / Programme	Name	DB 2018 (incl. AL1)	Budget 2018	Difference
26 02 01	Procedures for awarding and advertising public supply, works and service contracts	8 500 000	7 500 000	-1 000 000
29 02 01	Providing quality statistical information, implementing new methods of production of European statistics and strengthening the partnership within the European Statistical System	59 475 000	58 475 000	-1 000 000
<b>1.1.PPPA</b>	<b><i>Pilot projects and preparatory actions</i></b>			<b>51 650 000</b>
<b>1.1.SPEC</b>	<b><i>Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission</i></b>			<b>-2 900 000</b>
01 02 01	Coordination and surveillance of, and communication on, the economic and monetary union, including the euro	12 000 000	11 500 000	-500 000
04 03 01 08	Industrial relations and social dialogue	16 438 000	15 038 000	-1 400 000
06 02 05	Support activities to the European transport policy and passenger rights including communication activities	11 821 000	10 821 000	-1 000 000
	<b>Total</b>			<b>155 840 213</b>

As a consequence, the agreed level of commitment appropriations is set at EUR 22 001,5 million, with no margin left under the expenditure ceiling of heading 1a of EUR 21 239 million, and the use of the Global Margin for Commitments for an amount of EUR 762,5 million.

### **Heading 1b – Economic, social and territorial Cohesion**

Commitment appropriations are set at the level proposed by the Commission in the Draft Budget, as amended by Amending Letter 1/2018 but with the adjustment, agreed by the Conciliation Committee, detailed in the following table:

In EUR

Budget line / Programme	Name	DB 2018 (incl. AL1)	Budget 2018	Difference
<b>1.2.5</b>	<b><i>Youth Employment initiative (specific top-up allocation)</i></b>			<b>116 666 667</b>
04 02 64	Youth Employment Initiative	233 333 333	350 000 000	116 666 667
<b>1.2.PPPA</b>	<b><i>Pilot projects and preparatory actions</i></b>			<b>7 700 000</b>
	<b>Total</b>			<b>124 366 667</b>

As a consequence, the agreed level of commitment appropriations is set at EUR 55 532,2 million, with no margin left under the expenditure ceiling of heading 1b of EUR 55 181 million, and the use of the Global Margin for Commitments for an amount of EUR 351,2 million.

### **Heading 2 – Sustainable Growth: Natural Resources**

Commitment appropriations are set at the level proposed by the Commission in the Draft Budget, as amended by Amending Letter 1/2018 but with the adjustments, agreed by the

Conciliation Committee, detailed in the following table:

*In EUR*

Budget line / Programme	Name	DB 2018 (incl. AL1)	Budget 2018	Difference
<b>2.0.10</b>	<b><i>European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments</i></b>			<b>-229 900 000</b>
05 03 01 10	Basic payment scheme (BPS)	16 556 000 000	16 326 100 000	-229 900 000
<b>2.0.PPPA</b>	<b><i>Pilot projects and preparatory actions</i></b>			<b>15 600 000</b>
	<b>Total</b>			<b>-214 300 000</b>

The decrease of commitment appropriations is fully attributed to higher assigned revenue available arising from the EAGF surplus of 31 October 2017 which will cover the full needs of the sector as updated in Amending Letter 1/2018. Among these updated needs, Amending Letter 1/2018 increases the payments for :

- Young farmers by EUR 34 million (budget item 05 03 01 13),
- Agricultural practices beneficial for the climate and environment by EUR 95 million (budget item 05 03 01 11),
- Other measures for pigmeat, poultry, eggs, bee-keeping and other animal products by EUR 60 million (budget item 05 02 15 99)
- National support programmes for the wine sector by EUR 7 million (budget item 05 02 09 08), and
- Storage measures for skimmed-milk powder by EUR 2 million (budget item 05 02 12 02).

As a consequence, the agreed level of commitment appropriations is set at EUR 59 285,3 million, leaving a margin of EUR 981,7 million under the expenditure ceiling of heading 2.

### **Heading 3 – Security and Citizenship**

Commitment appropriations are set at the level proposed by the Commission in the Draft Budget, as amended by Amending Letter 1/2018 but with the adjustments, agreed by the Conciliation Committee, detailed in the following table:

*In EUR*

Budget line / Programme	Name	DB 2018 (incl. AL1)	Budget 2018	Difference
<b>3.0.11</b>	<b><i>Creative Europe</i></b>			<b>3 500 000</b>
15 04 01	Strengthening the financial capacity of SMEs and small and very small organisations in the European cultural and creative sectors, and fostering policy development and new business models	34 528 000	35 528 000	1 000 000
15 04 02	Culture sub-programme — Supporting cross-border actions and promoting transnational circulation and mobility	68 606 000	71 106 000	2 500 000
<b>3.0.8</b>	<b><i>Food and feed</i></b>			<b>-6 500 000</b>
17 04 01	Ensuring a higher animal health status and high level of protection of animals in the Union	161 500 000	160 000 000	-1 500 000
17 04 02	Ensuring timely detection of harmful organisms for plants and their eradication	25 000 000	22 000 000	-3 000 000

In EUR

Budget line / Programme	Name	DB 2018 (incl. AL1)	Budget 2018	Difference
17 04 03	Ensuring effective, efficient and reliable controls	57 483 000	55 483 000	-2 000 000
<b>3.0.DAG</b>	<b>Decentralised agencies</b>			<b>10 535 000</b>
18 02 04	European Union Agency for Law Enforcement Cooperation (Europol)	116 687 271	120 377 271	3 690 000
18 03 02	European Asylum Support Office (EASO)	85 837 067	90 837 067	5 000 000
33 03 04	The European Union's Judicial Cooperation Unit (Eurojust)	36 506 468	38 351 468	1 845 000
<b>3.0.PPPA</b>	<b>Pilot projects and preparatory actions</b>			<b>12 650 000</b>
	<b>Total</b>			<b>20 185 000</b>

As a consequence, the agreed level of commitment appropriations is set at EUR 3 493,2 million, with no margin left under the expenditure ceiling of heading 3, and the mobilisation of EUR 837,2 million through the Flexibility Instrument.

#### **Heading 4 – Global Europe**

Commitment appropriations are set at the level proposed by the Commission in the Draft Budget, as amended by Amending Letter 1/2018, but with the adjustments, agreed by the Conciliation Committee, detailed in the following table:

In EUR

Budget line / Programme	Name	DB 2018 (incl. AL1)	Budget 2018	Difference
<b>4.0.1</b>	<b>Instrument for Pre-accession assistance (IPA II)</b>			<b>-95 000 000</b>
05 05 04 02	Support to Turkey — Economic, social and territorial development and related progressive alignment with the Union acquis	148 000 000	131 000 000	-17 000 000
22 02 01 01	Support to Albania, Bosnia and Herzegovina, Kosovo <sup>1</sup> , Montenegro, Serbia and the former Yugoslav Republic of Macedonia — Political reforms and related progressive alignment with the Union acquis	189 267 000	199 267 000	10 000 000
22 02 03 01	Support to Turkey — Political reforms and related progressive alignment with the Union acquis	217 400 000	167 400 000	-50 000 000
22 02 03 02	Support to Turkey - Economic, social and territorial development and related progressive alignment with the Union acquis	274 384 000	236 384 000	-38 000 000
<b>4.0.2</b>	<b>European Neighbourhood Instrument (ENI)</b>			<b>50 000 000</b>
22 04 01 03	Mediterranean countries — Confidence building, security and the prevention and settlement of conflicts	262 072 675	296 072 675	34 000 000

<sup>1</sup> This designation is without prejudice to positions on status, and is in line with the United Nations Security Council Resolution 1244(1999) and the International Court of Justice opinion on Kosovo's declaration of independence.

Budget line / Programme	Name	DB 2018 (incl. AL1)	Budget 2018	Difference
22 04 01 04	Support to the peace process and financial assistance to Palestine and to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA)	293 379 163	299 379 163	6 000 000
22 04 02 02	Eastern Partnership — Poverty reduction and sustainable development	351 556 726	361 556 726	10 000 000
<b>4.0.3</b>	<b><i>Development Cooperation Instrument (DCI)</i></b>			<b>20 000 000</b>
21 02 07 03	Human development	193 374 058	205 874 058	12 500 000
21 02 20	Erasmus+ — Contribution from the development cooperation instrument (DCI)	94 928 673	102 428 673	7 500 000
<b>4.0.4</b>	<b><i>Partnership instrument for cooperation with third countries (PI)</i></b>			<b>-3 000 000</b>
19 05 01	Cooperation with third countries to advance and promote Union and mutual interests	126 263 000	123 263 000	-3 000 000
<b>4.0.OTH</b>	<b><i>Other actions and programmes</i></b>			<b>-1 083 000</b>
13 07 01	Financial support for encouraging the economic development of the Turkish Cypriot community	32 473 000	34 473 000	2 000 000
21 02 40	Commodities agreements	5 583 000	2 500 000	-3 083 000
<b>4.0.PPPA</b>	<b><i>Pilot projects and preparatory actions</i></b>			<b>8 900 000</b>
<b>4.0.SPEC</b>	<b><i>Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission</i></b>			<b>1 000 000</b>
19 06 01	Information outreach on the Union's external relations	12 000 000	15 000 000	3 000 000
21 08 01	Evaluation of the results of Union aid and follow-up and audit measures	30 676 000	29 176 000	-1 500 000
21 08 02	Coordination and promotion of awareness on development issues	13 036 000	12 536 000	-500 000
	<b>Total</b>			<b>-19 183 000</b>

As a consequence, the agreed level of commitment appropriations is set at EUR 9 568,8 million, leaving a margin of EUR 256,2 million under the expenditure ceiling of heading 4.

### **Heading 5 – Administration**

The number of posts in the establishment plans of the Institutions and the appropriations proposed by the Commission in the Draft Budget, as amended by Amending Letter 1/2018 are agreed by the Conciliation Committee with the following exceptions:

- The section of the Parliament for which its reading is approved;
- The section of the Council for which its reading is approved;
- The European External Action Service for which EUR 800 000 are allocated to a newly created budget item 2 2 1 4 *Strategic Communication Capacity*. This is aimed at properly equipping the European External Action Service to cover strategic communication tools, contracting strategic communication expertise, supporting language plurality of strategic communication products and engaging and maintaining

a network of counter-disinformation specialists in Member States and neighbouring countries. The budget item 3 0 0 4 *Other administrative expenditure* is reduced by EUR 800 000 to ensure budget neutrality.

Moreover, the impact in the Budget 2018 of the automatic salary update to be applied from 1 July 2017 is integrated in all sections of the Institutions as follows:

	<i>in EUR</i>
Parliament	-2 796 000
Council	-948 000
Commission (including pensions)	-13 179 600
Court of Justice	-868 800
Court of Auditors	-357 000
European Economic & Social Committee	-193 000
Committee of the Regions	-146 000
Ombudsman	-24 600
European Data Protection Supervisor	-13 459
European External Action Service	-878 400
<b>Total</b>	<b>-19 404 859</b>

Finally, additional reductions of EUR 5 million were identified across all Institutions for expenditure related to buildings, as follows:

	<i>in EUR</i>
Council	-378 623
Commission (including pensions)	-3 637 499
Court of Justice	-270 611
Court of Auditors	-96 409
European Economic & Social Committee	-89 461
Committee of the Regions	-63 393
Ombudsman	-7 016
European Data Protection Supervisor	-9 526
European External Action Service	-447 462
<b>Total</b>	<b>-5 000 000</b>

As a consequence, and after taking into account pilot projects and preparatory actions (EUR 3,5 million) proposed under section 1.2 above, the agreed level of commitment appropriations is set at EUR 9 665,5 million, leaving a margin of EUR 362,5 million under the expenditure ceiling of heading 5, after the use of EUR 318,0 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) and for the Emergency Aid Reserve (EAR) are set at the level proposed by the Commission in the Draft Budget, as amended by Amending Letter 1/2018. The reserve for the European Union Solidarity Fund (EUSF) is suppressed (budget article 40 02 44).

### **1.4. Payment appropriations**

The overall level of payment appropriations in the 2018 Budget is set at the level of the Draft Budget, as amended by Amending Letter 1/2018 with the following adjustments agreed by the Conciliation Committee:

1. First, account is taken of the agreed level of commitment appropriations for non-differentiated expenditure, for which the level of payment appropriations is equal to the level of commitment appropriations. This includes the additional reduction of agricultural expenditure by -EUR 229,9 million. The combined effect is a decrease of -EUR 255,3 million;
2. The payment appropriations for all *new* pilot projects and preparatory actions proposed by the Parliament are set at 50% of the corresponding commitment appropriations, or at the level proposed by Parliament if lower. In the case of extension of *existing* pilot projects and preparatory actions the level of payment appropriations is the one defined in the Draft Budget plus 50% of the corresponding new commitment appropriations, or at the level proposed by Parliament if lower. The combined effect is an increase of EUR 50,0 million;
3. The adjustments on the following budget lines are agreed as a result of the evolution in commitment appropriations for differentiated expenditure:

*In EUR*

Budget line / Programme	Name	DB 2018 (incl. AL1)	Budget 2018	Difference
<b>1.1.14</b>	<b>European Solidarity Corps (ESC)</b>			<b>-22 501 000</b>
15 05 01	European Solidarity Corps	51 177 000	28 676 000	-22 501 000
<b>1.1.5</b>	<b>Education, Training and Sport (Erasmus+)</b>			<b>12 000 000</b>
15 02 01 01	Promoting excellence and cooperation in the European education and training area and its relevance to the labour market	1 845 127 000	1 857 127 000	12 000 000
<b>1.1.DAG</b>	<b>Decentralised agencies</b>			<b>-3 965 555</b>
02 05 11	European GNSS Agency	30 993 525	31 338 525	345 000
12 02 06	European Securities and Markets Authority (ESMA)	15 947 170	11 636 615	-4 310 555
<b>1.1.OTH</b>	<b>Other actions and programmes</b>			<b>-900 000</b>
26 02 01	Procedures for awarding and advertising public supply, works and service contracts	8 200 000	7 300 000	-900 000
<b>3.0.DAG</b>	<b>Decentralised agencies</b>			<b>10 535 000</b>
18 02 04	European Union Agency for Law Enforcement Cooperation (Europol)	116 687 271	120 377 271	3 690 000
18 03 02	European Asylum Support Office (EASO)	85 837 067	90 837 067	5 000 000
33 03 04	The European Union's Judicial Cooperation Unit (Eurojust)	36 506 468	38 351 468	1 845 000

Budget line / Programme	Name	DB 2018 (incl. AL1)	Budget 2018	Difference
<b>4.0.1</b>	<b><i>Instrument for Pre-accession assistance (IPA II)</i></b>			<b>-76 300 000</b>
05 05 04 02	Support to Turkey — Economic, social and territorial development and related progressive alignment with the Union acquis	120 000 000	107 200 000	-12 800 000
22 02 01 01	Support to Albania, Bosnia and Herzegovina, Kosovo <sup>1</sup> , Montenegro, Serbia and the former Yugoslav Republic of Macedonia — Political reforms and related progressive alignment with the Union acquis	219 000 000	221 500 000	2 500 000
22 02 03 01	Support to Turkey — Political reforms and related progressive alignment with the Union acquis	86 000 000	48 500 000	-37 500 000
22 02 03 02	Support to Turkey - Economic, social and territorial development and related progressive alignment with the Union acquis	291 000 000	262 500 000	-28 500 000
<b>4.0.2</b>	<b><i>European Neighbourhood Instrument (ENI)</i></b>			<b>12 500 000</b>
22 04 01 03	Mediterranean countries — Confidence building, security and the prevention and settlement of conflicts	125 000 000	133 500 000	8 500 000
22 04 01 04	Support to the peace process and financial assistance to Palestine and to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA)	260 000 000	261 500 000	1 500 000
22 04 02 02	Eastern Partnership — Poverty reduction and sustainable development	320 000 000	322 500 000	2 500 000
<b>4.0.3</b>	<b><i>Development Cooperation Instrument (DCI)</i></b>			<b>16 900 000</b>
21 02 07 03	Human development	170 000 000	179 400 000	9 400 000
21 02 20	Erasmus+ — Contribution from the development cooperation instrument (DCI)	95 995 100	103 495 100	7 500 000
<b>4.0.OTH</b>	<b><i>Other actions and programmes</i></b>			<b>1 000 000</b>
13 07 01	Financial support for encouraging the economic development of the Turkish Cypriot community	25 000 000	26 000 000	1 000 000
<b>4.0.SPEC</b>	<b><i>Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission</i></b>			<b>1 500 000</b>
19 06 01	Information outreach on the Union's external relations	13 700 000	15 200 000	1 500 000
	<b>Total</b>			<b>-49 231 555</b>

4. Additional reductions in payment appropriations are made on the following budget lines:

In EUR

<sup>1</sup> This designation is without prejudice to positions on status, and is in line with the United Nations Security Council Resolution 1244(1999) and the International Court of Justice opinion on Kosovo's declaration of independence.



Budget line / Programme	Name	DB 2018 (incl. AL1)	Budget 2018	Difference
<b>1.2.12</b>	<b>Transition regions</b>			<b>-55 000 000</b>
04 02 61	European Social Fund — Transition regions — Investment for growth and jobs goal	1 345 000 000	1 305 000 000	-40 000 000
13 03 61	European Regional Development Fund (ERDF) — Transition regions — Investment for growth and jobs goal	2 750 463 362	2 735 463 362	-15 000 000
<b>1.2.13</b>	<b>Competitiveness (More developed regions)</b>			<b>-90 000 000</b>
04 02 62	European Social Fund — More developed regions — Investment for growth and jobs goal	2 882 000 000	2 847 000 000	-35 000 000
13 03 62	European Regional Development Fund (ERDF) — More developed regions — Investment for growth and jobs goal	3 497 060 077	3 442 060 077	-55 000 000
<b>1.2.2</b>	<b>European territorial cooperation</b>			<b>-90 500 000</b>
13 03 64 01	European Regional Development Fund (ERDF) — European territorial cooperation	1 004 701 248	914 201 248	-90 500 000
<b>1.2.31</b>	<b>Technical assistance</b>			<b>-4 500 000</b>
13 03 65 01	European Regional Development Fund (ERDF) — Operational technical assistance	72 000 000	69 000 000	-3 000 000
13 03 66	European Regional Development Fund (ERDF) — Innovative actions in the field of sustainable urban development	43 321 859	41 821 859	-1 500 000
	<b>Total</b>			<b>-240 000 000</b>

1. The reserve for the European Union Solidarity Fund (budget article 40 02 44) is suppressed (-EUR 88,0 million).

These actions will provide a level of payment appropriations of EUR 144 681,0 million, a reduction of –EUR 582,5 million in comparison with the Draft Budget, as amended by Amending Letter 1/2018.

#### 1.5. Reserve

There are no reserves in addition to those of the Draft Budget, as amended by Amending Letter 1/2018, except for budget item 22 02 03 01 *Support to Turkey — Political reforms and related progressive alignment with the Union acquis* for which EUR 70 000 000 in commitment appropriations and EUR 35 000 000 in payment appropriations are placed in reserve pending the fulfilment of the following condition:

*"Amount to be released when Turkey makes measurable sufficient improvements in the fields of rule of law, democracy, human rights and press freedom, according to the annual report of the Commission."*

The budget remark of budget item 22 02 03 01 is modified accordingly.

#### 1.6. Budget remarks

Unless otherwise specifically addressed in previous paragraphs, amendments introduced by the European Parliament or the Council to the text of budget remarks are agreed, with the exception of those on budget lines listed in the two following tables:



- Budget lines for which the amendments introduced by the European Parliament are approved with the modification proposed by the Commission in its Executability Letter.

Budget line	Name
06 02 01 01	Removing bottlenecks, enhancing rail interoperability, bridging missing links and improving cross-border sections
09 05 01	MEDIA Sub-programme — Operating transnationally and internationally and promoting transnational circulation and mobility
18 04 01 01	Europe for citizens — Strengthening remembrance and enhancing capacity for civic participation at the Union level
21 02 07 03	Human development
22 02 03 02	Support for economic, social and territorial development and related progressive alignment with the Union acquis

- Budget lines for which the respective budget remark as proposed in the Draft Budget, as amended by Amending Letter 1/2018 and the EAGF update, are approved.

Budget line	Name
02 02 01	Promoting entrepreneurship and improving the competitiveness and access to markets of Union enterprises
02 03 04	Internal market governance tools
05 02 08 03	Operational funds for producer organisations
05 03 01 01	Single payment scheme (SPS)
05 03 01 10	Basic payment scheme (BPS)
05 04 60 01	Promoting sustainable rural development, a more territorially and environmentally balanced, climate-friendly and innovative Union agricultural sector
08 02 02 02	Enhancing access to risk finance for investing in research and innovation
09 05 05	Multimedia actions
13 03 61	European Regional Development Fund (ERDF) — Transition regions — Investment for growth and jobs goal
13 03 62	European Regional Development Fund (ERDF) — More developed regions — Investment for growth and jobs goal
13 06 01	Assistance to Member States in the event of a major natural disaster with serious repercussions on living conditions, the natural environment or the economy
18 02 01 02	Prevention and fight against cross-border organised crime and better management of security-related risks and crisis
18 03 01 01	Strengthening and developing the common European asylum system and enhancing solidarity and responsibility-sharing between the Member States
21 04 01	Enhancing the respect for and observance of human rights and fundamental freedoms and supporting democratic reforms
23 02 01	Delivery of rapid, effective and needs-based humanitarian aid and food assistance
33 02 07	European Institute for Gender Equality (EIGE)

This is with the understanding that amendments introduced by the European Parliament or the Council cannot modify or extend the scope of an existing legal base, or impinge on the administrative autonomy of institutions, and that the action can be covered by available resources.

### 1.7. New budget lines

The budget nomenclature proposed by the Commission in the Draft Budget, as amended by Amending Letter 1/2018, is agreed with the inclusion of:

- the *new* pilot projects and preparatory actions, proposed under section 1.2 above; and

- the new budget item 2 2 1 4 within the section of the European External Action Service, proposed under 1.3 above.

## **2. Budget 2017**

Draft Amending Budget (DAB) 6/2017 is approved as proposed by the Commission.

### **3. Statements**

#### **3.1. 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 calls 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 2018.

The Council and the European Parliament will take any necessary decisions in due time for duly justified needs to prevent the accumulation of an excessive amount of unpaid bills and to ensure that payment claims are duly reimbursed.

#### **3.2. Joint statement by the European Parliament, Council<sup>1</sup> and Commission on the Youth Employment Initiative**

The Parliament, the Council and the Commission recall that reducing unemployment and, in particular, youth unemployment, remains a high and shared political priority, and to this end they reaffirm their determination to make the best possible use of budgetary resources available to tackle it, and in particular through the Youth Employment Initiative.

Therefore, they welcome the increase of the amount allocated to this initiative in 2018. However, it is not only essential to provide for an adequate financing in the EU budget, but also to put in place, at the same time, the right procedures to implement them effectively.

In this regard, an effective cooperation between the Parliament, the Council and the Commission is needed to ensure the highest possible impact of the measures adopted.

Therefore, the Council and the European Parliament undertake to consider as a matter of priority the modification in the Common Provisions Regulation required by the adoption of the 2018 budget.

The Commission shall facilitate the swift approval of the changes in the programmes to implement the YEI.

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

Reducing youth unemployment remains a high political priority. The Commission undertakes to monitor closely the implementation trend of the Youth Employment Initiative (YEI). Should the trend of this initiative accelerate and should the absorption capacity allow for an increase, the Commission will propose an increase of the YEI funding through an amending budget to be financed by the Global margin for commitments in accordance with Article 14 of the MFF Regulation.

---

<sup>1</sup> The United Kingdom does not support this statement

In that case, the Commission expects the Council and the European Parliament to process rapidly any such draft amending budget.

#### **3.4. Unilateral statement by the Council on the 5 % staff reduction**

The Council recalls that the target year for the full implementation of the 5 % reduction of staff was 2017. However, as not all institutions, bodies and agencies have met the reduction target, the Council urges continued efforts in 2018 in order to fulfil the agreement.

It is essential that the 5% staff reduction target is implemented by all institutions, bodies and agencies, and monitored until it is fully achieved. With that in mind, the Council invites the Commission to continue to assess the outcome of the exercise in order to draw lessons for the future.

