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## TEXTS ADOPTED

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### **P8\_TA(2018)0311**

#### **2019 budget - Trilogue mandate**

#### **European Parliament resolution of 5 July 2018 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 1605/2002<sup>1</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>2</sup> and its subsequent amendment by Council Regulation (EU, Euratom) No 2017/1123 of 20 June 2017<sup>3</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>4</sup>,
- having regard to its resolution of 15 March 2018 on general guidelines for the preparation of the 2019 budget, Section III – Commission<sup>5</sup>,
- having regard to the Council conclusions of 20 February 2018 on the 2019 budget guidelines (06315/2018),

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

<sup>2</sup> OJ L 347, 20.12.2013, p. 884.

<sup>3</sup> OJ L 163, 24.6.2017, p. 1.

<sup>4</sup> OJ C 373, 20.12.2013, p. 1.

<sup>5</sup> Texts adopted, P8\_TA(2018)0089.

- 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. Underlines that the EU must be a frontrunner in implementing the UN Sustainable Development Goals (SDGs) through their mainstreaming into all EU policies;
3. 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 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;
4. 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 %);
5. 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;
6. Welcomes the launch of Discover EU, the distribution of 15 000 Interrail tickets to 18-year-old Europeans in 2018, as well as the Commission proposal of EUR 700 million for the MFF 2021-2027, which fits well with the EU's ambitions to promote learning mobility, active citizenship, social inclusion and solidarity among all young people; regrets that the Commission did not propose any appropriations for 2019 and 2020; is determined to continue the Preparatory Action in 2019 and 2020;
7. Takes note of the Commission's pre-assessment of the continuation of the Preparatory Action on the Child Guarantee scheme; underlines the reference made therein to a possible larger-scale implementation under the European Social Fund; suggests that the opportunity of a third implementation phase be taken in order to prepare for this larger-scale implementation under the ESF+;
8. 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;

9. 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;
10. 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;
11. 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;
12. 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;
13. 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;

14. Takes note of the reports on the functioning of regional and cohesion policy in the Union and the economic challenges facing lagging regions, which recurringly point out shortcomings as regards efficiency and results;
15. 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, European Social Fund (ESF), European Agricultural Guarantee Fund (EAGF), European Agricultural Fund for Rural Development (EAFRD), European Maritime and Fisheries Fund (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;
16. 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;
17. 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;
18. 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;

19. Regrets the Commission's proposal for the funding of the second tranche of the Facility for Refugees in Turkey (FRT) and the subsequent agreement reached between Member States in the Council on 29 June 2018; 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;
20. 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;
21. 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 the Asylum, Migration and Integration Fund (AMIF), Internal Security Fund (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***

22. 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, CEF, 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;
23. 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;

24. Recalls that new initiatives in the past few years such as EFSI (I and II), Wifi4EU and the 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 the European Geostationary Navigation Overlay Service (EGNOS);
25. 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;
26. 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;
27. 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;
28. 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;
29. 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***

30. 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;

31. 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;
32. Recalls that, as a result of revised forecasts by the Member States, 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;
33. 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;
34. 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 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;
35. 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***

36. 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);
37. 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;

38. 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 %);
39. 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;
40. 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 CO<sub>2</sub> emissions from heavy duty vehicles;

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

41. 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;
42. 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;
43. 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;



44. Welcomes the European Council's request of 28 June 2018 to further strengthen Frontex through increased resources and an enhanced mandate; asks for further information as to how many staff will be sent by the Member States and how many staff will be needed directly by the agency itself; invites the Commission to adapt its draft budget accordingly in the autumn amending letter; welcomes as well the additional EUR 45,6 million awarded to support Greece and Spain in their management of the flow of arriving migrants on their territory; underlines that effective border control must be accompanied with proper care of arriving migrants;
45. 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 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';
46. 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 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;
47. 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;
48. 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;

49. 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;
50. 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;
51. 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***

52. 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;
53. 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;
54. 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 and the related deal reached in the Council on 29 June 2018, as they 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;
55. 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;
56. 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;

57. 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;
58. 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;
59. 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***

60. 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;
61. 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;
62. 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***

63. 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*

64. 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;
65. 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;
66. 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;
67. 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;

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68. 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.