

Procedure file

Basic information		
BUD - Budgetary procedure	2017/2043(BUD)	Procedure completed
2018 budget: mandate for trilogue		
Subject 8.70.58 2018 budget		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Budgets	 MUREȘAN Siegfried	27/03/2017
		Shadow rapporteur	
		 VIOTTI Daniele	
		 KÖLMEL Bernd	
		 JÄÄTTEENMÄKI Anneli	
		 TARAND Indrek	
		 ŻÓŁTEK Stanisław	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Foreign Affairs	The committee decided not to give an opinion.	
	 Development	The committee decided not to give an opinion.	
	 International Trade	The committee decided not to give an opinion.	
	 Budgetary Control	The committee decided not to give an opinion.	
	 Economic and Monetary Affairs	The committee decided not to give an opinion.	
 Women's Rights and Gender Equality		28/02/2017	
	 LE GRIP Constance		
 Environment, Public Health and Food Safety		01/02/2017	
	 VĂLEAN Adina-Ioana		
 Industry, Research and Energy	The committee decided not to give an opinion.		
 Internal Market and Consumer Protection		21/03/2017	
	 DALTON Daniel		

Council of the European Union European Commission	TRAN	Transport and Tourism	The committee decided not to give an opinion.	
	REGI	Regional Development	The committee decided not to give an opinion.	
	AGRI	Agriculture and Rural Development		28/02/2017
			 SZANYI Tibor	
	PECH	Fisheries	The committee decided not to give an opinion.	
	CULT	Culture and Education		09/02/2017
			 LØKKEGAARD Morten	
	JURI	Legal Affairs	The committee decided not to give an opinion.	
	LIBE	Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.	
	AFCO	Constitutional Affairs	The committee decided not to give an opinion.	
	EMPL	Employment and Social Affairs		09/03/2017
		 CLUNE Deirdre		
PETI	Petitions	The committee decided not to give an opinion.		
Commission DG		Commissioner		
Budget		OETTINGER Günther		

Key events

29/06/2017	Vote in committee		
30/06/2017	Committee report tabled for plenary	A8-0249/2017	Summary
04/07/2017	Debate in Parliament		
05/07/2017	Results of vote in Parliament		
05/07/2017	Decision by Parliament	T8-0302/2017	Summary
05/07/2017	End of procedure in Parliament		

Technical information

Procedure reference	2017/2043(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budgetary preparation
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/8/09470

Documentation gateway

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Committee opinion	CULT	PE601.262	31/05/2017	EP	
Committee opinion	AGRI	PE601.192	01/06/2017	EP	
Committee draft report		PE605.968	08/06/2017	EP	
Committee opinion	IMCO	PE602.828	09/06/2017	EP	
Committee opinion	FEMM	PE603.115	09/06/2017	EP	
Committee opinion	EMPL	PE602.924	15/06/2017	EP	
Amendments tabled in committee		PE606.168	20/06/2017	EP	
Committee report tabled for plenary, single reading		A8-0249/2017	30/06/2017	EP	Summary
Parliament's opinion on budgetary estimates/guidelines		T8-0302/2017	05/07/2017	EP	Summary

2018 budget: mandate for trilogue

The Committee on Budgets adopted the report by Siegfried MUREŞAN (EPP, RO) on the mandate for the trilogue on the 2018 draft budget.

Draft budget 2018: delivering on growth, jobs and security results: Members recalled that in the [resolution](#) of 15 March 2017 Parliament stated that sustainable growth, decent, stable and quality jobs, socio-economic cohesion, security, migration and climate change were the priorities of the 2018 budget.

Overall, the Commission's budget proposal is considered a good starting point for this year's negotiations, but does not fully correspond to Parliament's call for action on climate change.

Welcoming the Commission's decision to include in the draft budget the results of the mid-term review of the 2014-2020 multiannual financial framework (MFF) even before its formal adoption by the Council, Members called for investment in research, innovation, infrastructure, education and SMEs to foster growth and employment. They noted in this respect that the proposed allocation for the COSME programme is 2.9% lower than in the 2017 budget and indicated that they will call on Parliament to further strengthen this programme in the 2018 budget.

They also called for the extension of the European Fund for Strategic Investments (EFSI) and considered that it should not support entities established or incorporated in jurisdictions listed under the relevant EU policy on non-cooperative jurisdictions, or that do not effectively comply with EU or international tax standards on transparency and exchange of information.

They also called for the improvement of competitiveness and innovation in the European defence industry.

Members deplored the fact that the Commission has not responded to Parliament's request to create an 18th Birthday Interrail Pass for Europe in order to boost European consciousness and identity. They await the Commission to make proposals along these lines.

They welcomed the proposal for an additional financial envelope for the Youth Employment Initiative (YEI), via the amending budget proposal No 3/2017, including EUR 500 million in commitment appropriations for the YEI.

They recalled that cohesion policy plays a key role in the development and growth of the Union and deplored the unacceptable delays in the implementation of the operational programmes at national level. In this regard, Members are particularly concerned about the possible reconstitution of a backlog of unpaid bills towards the end of the current MFF period.

Members also warned of the detrimental effect that a new payment crisis would have especially on the beneficiaries of the EU budget. The credibility of the EU is also linked to its ability to ensure an adequate level of payments.

At the same time, it underlined the importance of the Union meeting its commitment to achieve the goals set at COP21, in particular in the light of the recent decision by the US administration to withdraw from the agreement. Noting the modest increase of 0.1% in the budget allocated to biodiversity, Members reiterated their call for the development of a method for tracking biodiversity-related expenditure.

Members also highlight the fact that the unprecedented mobilisation of special instruments has shown that the EU budget was not initially designed to deal with issues such as the current crisis of migrants and refugees. Considering that it is still too early to move on to a post-crisis approach, Members opposed proposals to reduce Heading 3 compared to the 2017 budget. Instead, they insisted on a more systemic and proactive approach in this area supported by the efficient use of the Union budget. Members stressed that addressing the root causes of the migrant and refugee crisis by investing in the countries of origin is essential, including through the European Sustainable Development Fund (EFSD). In this respect, Members deplored the cuts made in Heading 4.

Members further highlighted the limited margins under the MFF ceilings under Headings 1, 3 and 4. They also declared their intention to widely mobilise provisions related to fiscal flexibility as much as necessary.

Again, Members called for genuine own resources in the EU budget.

Letter of amendment: Members noted the numerous references made in the draft budget to the need for a letter of amendment which could partially undermine Parliament's position in the budgetary procedure. Instead of including them in the draft budget, the Commission announced that possible new initiatives in the area of security and migration and the possible extension of the Facility for Refugees in Turkey (FRT) could be proposed as part of a further letter of amendment. For Members, these potential initiatives should not disregard the requests and amendments presented by Parliament in the context of the budgetary procedure.

They also reaffirmed their support for the implementation of a results-based budgetary strategy and, in line with the foregoing, proposed a series of proposals for each budget heading, the main points of which:

- Sub-heading 1a - Competitiveness for growth and jobs: in addition to strengthening the COSME programme and extending the EFSI, Members recalled the importance of the new WiFi4EU initiative and the financing of future European Solidarity Corps (ESC);
- Subheading 1b - Economic, social and territorial cohesion: Members called for the full implementation of the 2014-2020 programmes, which must imperatively reach cruising speed. They also recalled the importance of the Fund for European Aid to the Most Deprived (FEAD) in combating poverty and social exclusion;
- Heading 2 - Sustainable Growth: natural resources: Members noted that the increased volatility of agricultural markets as was the case in the dairy sector in the past might mean envisaging recourse to the margin left under this heading. They called on the Commission to ensure that the margin left under the ceilings is sufficient to address any crises that may arise. They also drew attention to the extension of exceptional support measures for certain fruits whose market situation is still difficult;
- Heading 3 - Security and citizenship: Members considered that the significant reductions in commitment appropriations (-18.9%) and payment appropriations (-21.7%) proposed for heading 3 compared to the 2017 budget are not justifiable by the delays in implementation of the agreed measures or in adoption of the new legal proposals. They therefore called for increased budgetary resources, in particular for security or border management, to be used to finance new information systems such as the European Travel Information and Authorisation System (ETIAS) and the entry/exit system (EES). They also deplored the fact that for the third consecutive year the Commission's proposal leaves no margin under the ceiling of Heading 3, which shows that the size of the smallest heading in the MFF no longer corresponds to reality. For Members, the level of expenditure under this heading remains insufficient;
- Heading 4 Global Europe: in general, Members regretted the overall reduction under this heading. In particular, they called for an increase in the financial resources allocated to the peace process, financial assistance to Palestine and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). They also called on the Commission to suspend pre-accession funds to Turkey if the accession negotiations are suspended and, in this case, to use these funds to directly support civil society in Turkey. They also lent their full support to the pledges made by the EU at the Brussels conference on Syria, confirming the previous London pledges;
- Heading 5 - Administration: Members noted that the number of retired European civil servants is expected to rise in the coming years and that consequently Heading 5s share of the EU budget has slightly increased to 6.0 % (in commitment appropriations) due to pensions.

Members also made a series of budgetary recommendations on EU agencies and bodies. They pointed out that EU agencies active in the field of justice and home affairs should be given urgent and necessary means in terms of operational expenditure and staffing in order to be able to carry out additional tasks and missions

Lastly, they recalled that gender mainstreaming is a legal obligation stemming directly from the Treaties and called for such integration to be made compulsory.

2018 budget: mandate for trilogue

The European Parliament adopted by 445 votes to 144 with 80 abstentions a resolution on the mandate for the trilogue on the 2018 draft budget.

Draft budget 2018: delivering on growth, jobs and security results: Parliament recalled that in the [resolution](#) of 15 March 2017, it stated that sustainable growth, decent, stable and quality jobs, socio-economic cohesion, security, migration and climate change were the priorities of the 2018 budget.

Overall, the Commission's budget proposal is considered a good starting point for this year's negotiations, but does not fully correspond to Parliament's call for action on climate change.

Welcoming the Commission's decision to include in the draft budget the results of the mid-term review of the 2014-2020 multiannual financial framework (MFF) even before its formal adoption by the Council, Parliament called for investment in research, innovation, infrastructure, education and SMEs to foster growth and employment. It noted in this respect that the proposed allocation for the COSME programme is 2.9% lower than in the 2017 budget and indicated that it will call on Parliament to further strengthen this programme in the 2018 budget.

It also called for the extension of the European Fund for Strategic Investments (EFSI) and considered that it should not support entities established or incorporated in jurisdictions listed under the relevant EU policy on non-cooperative jurisdictions, or that do not effectively comply with EU or international tax standards on transparency and exchange of information.

It also called for the improvement of competitiveness and innovation in the European defence industry.

Members deplored the fact that the Commission has not responded to Parliament's request to create an 18th Birthday Interrail Pass for Europe in order to boost European consciousness and identity. They await the Commission to make proposals along these lines.

They welcomed the proposal for an additional financial envelope for the Youth Employment Initiative (YEI), via the amending budget proposal No 3/2017, including EUR 500 million in commitment appropriations for the YEI.

Parliament recalled that cohesion policy plays a key role in the development and growth of the Union and deplored the unacceptable delays in the implementation of the operational programmes at national level. In this regard, it is particularly concerned about the possible reconstitution of a backlog of unpaid bills towards the end of the current MFF period.

It also warned of the detrimental effect that a new payment crisis would have especially on the beneficiaries of the EU budget. The credibility of the EU is also linked to its ability to ensure an adequate level of payments.

At the same time, it underlined the importance of the Union meeting its commitment to achieve the goals set at COP21, in particular in the light of the recent decision by the US administration to withdraw from the agreement. Noting the modest increase of 0.1% in the budget allocated to biodiversity, Members reiterated their call for the development of a method for tracking biodiversity-related expenditure.

The resolution also highlighted the fact that the unprecedented mobilisation of special instruments has shown that the EU budget was not

initially designed to deal with issues such as the current crisis of migrants and refugees. Considering that it is still too early to move on to a post-crisis approach, Parliament opposed proposals to reduce Heading 3 compared to the 2017 budget. Instead, it insisted on a more systemic and proactive approach in this area supported by the efficient use of the Union budget. It stressed that addressing the root causes of the migrant and refugee crisis by investing in the countries of origin is essential, including through the European Sustainable Development Fund (EFSD). In this respect, Members deplored the cuts made in Heading 4.

Plenary stressed the importance of the European Union Solidarity Fund (EUSF), which was set up to respond to major natural disasters and express European solidarity towards the regions affected in Europe and called on the Commission to evaluate without delay, whether a possible increase is necessary bearing in mind the earthquakes in Italy and the fires in Spain and Portugal. Parliament called, in particular, for the rules governing the mobilisation of this Fund to be adapted allowing for more flexibility and rapid availability of the funds.

Parliament further highlighted the limited margins under the MFF ceilings under Headings 1, 3 and 4. It also declared their intention to widely mobilise provisions related to fiscal flexibility as much as necessary.

Again, Parliament called for genuine own resources in the EU budget.

Letter of amendment: Parliament noted the numerous references made in the draft budget to the need for a letter of amendment which could partially undermine Parliament's position in the budgetary procedure. Instead of including them in the draft budget, the Commission announced that possible new initiatives in the area of security and migration and the possible extension of the Facility for Refugees in Turkey (FRT) could be proposed as part of a further letter of amendment. These potential initiatives should not disregard the requests and amendments presented by Parliament in the context of the budgetary procedure.

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- Heading 2 - Sustainable Growth: natural resources: Parliament noted that the increased volatility of agricultural markets as was the case in the dairy sector in the past might mean envisaging recourse to the margin left under this heading. It called on the Commission to ensure that the margin left under the ceilings is sufficient to address any crises that may arise. It also drew attention to the extension of exceptional support measures for certain fruits whose market situation is still difficult;
- Heading 3 - Security and citizenship: Parliament considered that the significant reductions in commitment appropriations (-18.9%) and payment appropriations (-21.7%) proposed for heading 3 compared to the 2017 budget are not justifiable by the delays in implementation of the agreed measures or in adoption of the new legal proposals. It therefore called for increased budgetary resources, in particular for security or border management, to be used to finance new information systems such as the European Travel Information and Authorisation System (ETIAS) and the entry/exit system (EES). It also deplored the fact that for the third consecutive year the Commission's proposal leaves no margin under the ceiling of Heading 3, which shows that the size of the smallest heading in the MFF no longer corresponds to reality. For Members, the level of expenditure under this heading remains insufficient. Parliament regretted that until now there has been no effective system for redistribution, and that this has resulted in an unequal load for some Member States, notably Italy and Greece;
- Heading 4 - Global Europe: in general, Parliament regretted the overall reduction under this heading. In particular, it called for an increase in the financial resources allocated to the peace process, financial assistance to Palestine and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). It also called on the Commission to suspend pre-accession funds to Turkey if the accession negotiations are suspended and, in this case, to use these funds to directly support civil society in Turkey. Parliament also lent its full support to the pledges made by the EU at the Brussels conference on Syria, confirming the previous London pledges;
- Heading 5 - Administration: Parliament noted that the number of retired European civil servants is expected to rise in the coming years and that consequently Heading 5's share of the EU budget has slightly increased to 6.0 % (in commitment appropriations) due to pensions.

The resolution also made a series of budgetary recommendations on EU agencies and bodies. It pointed out that EU agencies active in the field of justice and home affairs should be given urgent and necessary means in terms of operational expenditure and staffing in order to be able to carry out additional tasks and missions

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