




















# Procedure file

| Basic information                 |                |                     |
|-----------------------------------|----------------|---------------------|
| BUD - Budgetary procedure         | 2019/2028(BUD) | Procedure completed |
| 2020 general budget: all sections |                |                     |
| Subject<br>8.70.50 2020 budget    |                |                     |

| Key players  |   |   |
|--|---|---|
| European Parliament  | Former committee responsible  |   |
|  |  <a href="#">Budgets</a>                     |   |
|  |   | 11/07/2019  |
|  |   | 11/07/2019  |
|  |   |  <a href="#">HOHLMEIER Monika</a>         |
|  |   |  <a href="#">GARDIAZABAL RUBIAL Eider</a> |
|  | Former committee for opinion  |   |
|  |  <a href="#">Foreign Affairs</a>           |   |
|  |   | 15/07/2019  |
|  |   |  <a href="#">GAHLER Michael</a>         |
|  |  <a href="#">Development</a>               |   |
|  |   | 23/07/2019  |
|  |   |  <a href="#">GOERENS Charles</a>        |
|  |  <a href="#">International Trade</a>       |   |
|  | 18/07/2019  |   |
|  |  <a href="#">LANGE Bernd</a>              |   |
|  <a href="#">Budgetary Control</a>                          |   |   |
|  | 17/07/2019  |   |
|  |  <a href="#">CREU Corina</a>              |   |
|  <a href="#">Economic and Monetary Affairs</a>              |   |   |
|  <a href="#">Employment and Social Affairs</a>              |   |   |
|  | 24/07/2019  |   |
|  |  <a href="#">ĐURIŠ NICHOLSONOVÁ Lucia</a> |   |
|  <a href="#">Environment, Public Health and Food Safety</a> |   |   |
|  | 18/07/2019  |   |
|  |  <a href="#">CANFIN Pascal</a>            |   |
|  <a href="#">Industry, Research and Energy</a>              |   |   |
|  | 16/07/2019  |   |
|  |  <a href="#">VĂLEAN Adina-Ioana</a>       |   |
|  <a href="#">Internal Market and Consumer Protection</a>    |   |   |
|  | 18/07/2019  |   |



[HAHN Svenja](#)

TRAN [Transport and Tourism](#)

18/07/2019



[FREUND Daniel](#)

REGI [Regional Development](#)

Chair on behalf of committee

23/07/2019



[OMARJEE Younous](#)

AGRI [Agriculture and Rural Development](#)

16/07/2019



[DE CASTRO Paolo](#)

PECH [Fisheries](#)

Chair on behalf of committee 10/07/2019



[DAVIES Chris](#)

CULT [Culture and Education](#)

15/07/2019



[KAMMEREVERT Petra](#)

JURI [Legal Affairs](#)

The committee decided not to give an opinion.

LIBE [Civil Liberties, Justice and Home Affairs](#)

24/07/2019



[DELBOS-CORFIELD](#)

[Gwendoline](#)

AFCO [Constitutional Affairs](#)

Chair on behalf of committee 03/09/2019



[TAJANI Antonio](#)

FEMM [Women's Rights and Gender Equality](#)

09/07/2019



[FITZGERALD Frances](#)

PETI [Petitions](#)

The committee decided not to give an opinion.

Council of the European Union

Council configuration

Meeting

Date

[General Affairs](#)

[3732](#)

25/11/2019

European Commission

Commission DG


Commissioner

[Budget](#)

OETTINGER Günther

## Key events

|            |  |                               |         |
|------------|--|-------------------------------|---------|
| 05/07/2019 | Commission draft budget published                                      | <a href="#">COM(2019)0400</a> | Summary |
| 05/09/2019 | Council position on draft budget published                             | <a href="#">11734/2019</a>    | Summary |
| 16/09/2019 | Committee referral announced in Parliament, 1st reading/single reading |                               |         |
| 14/10/2019 | Vote in committee, 1st reading/single reading                          |                               |         |
| 15/10/2019 | Budgetary report tabled for plenary, 1st reading                       | <a href="#">A9-0017/2019</a>  | Summary |
| 22/10/2019 | Debate in Parliament   |                               |         |

|            |  |   |         |
|------------|--|---|---------|
| 23/10/2019 | Decision by Parliament, 1st reading/single reading       | <a href="#">T9-0038/2019</a>  | Summary |
| 23/10/2019 | Start of budgetary conciliation (Parliament and Council) |   |         |
| 18/11/2019 | Vote in committee, 1st reading/single reading            |   |         |
| 20/11/2019 | Budgetary conciliation report tabled for plenary         | <a href="#">A9-0035/2019</a>  | Summary |
| 20/11/2019 | Budgetary joint text published                           | <a href="#">14283/2019</a>  |         |
| 25/11/2019 | Draft budget approved by Council                         |   |         |
| 26/11/2019 | Debate in Parliament                                     |  |         |
| 27/11/2019 | Decision by Parliament, 1st reading/single reading       | <a href="#">T9-0071/2019</a>  | Summary |
| 27/11/2019 | Final act signed   |   |         |
| 27/11/2019 | End of procedure in Parliament                           |   |         |
| 27/02/2020 | Final act published in Official Journal                  |   |         |

### Technical information

|                            |                            |
|----------------------------|----------------------------|
| Procedure reference        | 2019/2028(BUD)             |
| Procedure type             | BUD - Budgetary procedure  |
| Procedure subtype          | Budget                     |
| Stage reached in procedure | Procedure completed        |
| Committee dossier          | BUDG/9/00540; BUDE/9/01742 |

### Documentation gateway

|                                  |                      |                               |            |     |         |
|----------------------------------|----------------------|-------------------------------|------------|-----|---------|
| Commission draft budget          |                      | <a href="#">COM(2019)0400</a> | 05/07/2019 | EC  | Summary |
| Committee opinion                | <a href="#">IMCO</a> | <a href="#">PE639.801</a>     | 03/09/2019 | EP  |         |
| Committee opinion                | <a href="#">PECH</a> | <a href="#">PE638.756</a>     | 04/09/2019 | EP  |         |
| Committee opinion                | <a href="#">AFCO</a> | <a href="#">PE639.807</a>     | 04/09/2019 | EP  |         |
| Committee opinion                | <a href="#">ENVI</a> | <a href="#">PE639.770</a>     | 05/09/2019 | EP  |         |
| Council position on draft budget |                      | <a href="#">11734/2019</a>    | 05/09/2019 | CSL | Summary |
| Committee opinion                | <a href="#">ECON</a> | <a href="#">PE638.801</a>     | 06/09/2019 | EP  |         |
| Committee opinion                | <a href="#">AGRI</a> | <a href="#">PE639.624</a>     | 06/09/2019 | EP  |         |
| Committee opinion                | <a href="#">LIBE</a> | <a href="#">PE639.622</a>     | 11/09/2019 | EP  |         |
| Specific opinion                 | <a href="#">INTA</a> | <a href="#">PE639.813</a>     | 25/09/2019 | EP  |         |
| Committee opinion                | <a href="#">ITRE</a> | <a href="#">PE639.655</a>     | 26/09/2019 | EP  |         |
| Committee opinion                | <a href="#">CONT</a> | <a href="#">PE639.783</a>     | 26/09/2019 | EP  |         |
| Committee opinion                | <a href="#">TRAN</a> | <a href="#">PE639.932</a>     | 26/09/2019 | EP  |         |
| Committee opinion                | <a href="#">EMPL</a> | <a href="#">PE639.697</a>     | 27/09/2019 | EP  |         |

|  |             |                               |            |        |         |
|--|-------------|-------------------------------|------------|--------|---------|
| Committee opinion                                | <b>CULT</b> | <a href="#">PE639.789</a>     | 02/10/2019 | EP     |         |
| Committee opinion                                | <b>FEMM</b> | <a href="#">PE639.795</a>     | 02/10/2019 | EP     |         |
| Committee opinion                                | <b>AFET</b> | <a href="#">PE639.811</a>     | 02/10/2019 | EP     |         |
| Committee draft report                           |             | <a href="#">PE641.127</a>     | 03/10/2019 | EP     |         |
| Committee opinion                                | <b>REGI</b> | <a href="#">PE639.988</a>     | 07/10/2019 | EP     |         |
| Committee opinion                                | <b>DEVE</b> | <a href="#">PE639.818</a>     | 09/10/2019 | EP     |         |
| Document attached to the procedure               |             | <a href="#">COM(2019)0487</a> | 15/10/2019 | EC     | Summary |
| Budgetary report tabled for plenary, 1st reading |             | <a href="#">A9-0017/2019</a>  | 15/10/2019 | EP     | Summary |
| Budgetary text adopted by Parliament             |             | <a href="#">T9-0038/2019</a>  | 23/10/2019 | EP     | Summary |
| Budgetary joint text                             |             | <a href="#">14283/2019</a>    | 20/11/2019 | CSL/EP |         |
| Budgetary conciliation report tabled for plenary |             | <a href="#">A9-0035/2019</a>  | 20/11/2019 | EP     | Summary |
| Budgetary joint text approved by Parliament      |             | <a href="#">T9-0071/2019</a>  | 27/11/2019 | EP     | Summary |

## Final act

Budget 2020/227

[OJ L 057 27.02.2020, p. 0001](#) Summary

[Corrigendum to final act 32020B0227R\(01\)](#)

[OJ L 106 06.04.2020, p. 0001](#)

## 2019/2028(BUD) - 05/07/2019 Commission draft budget

**PURPOSE:** presentation of the Commissions draft general budget for 2020 (all sections).

**BACKGROUND:** the EU budget for 2020 is the latest budget under the EU's Multiannual Financial Framework (MFF) for the period 2014 to 2020 and falls within the limits set by that framework. The proposal is based on the principle that the United Kingdom will participate fully in the implementation and financing of the EU 2020 budget as if it were a Member State.

The 2020 budget will be implemented during the first year of the mandate of a newly elected European Parliament and a new European Commission. In order to ensure the required stability and continuity from one programming period to the next, the Commission considers it essential that an agreement within the European Council on the new MFF be reached in autumn 2019, in accordance with the conclusions of the European Council of December 2018, followed by a comprehensive agreement by the end of 2019.

### PROPOSED APPROPRIATIONS

The draft budget for 2020 (including special instruments) is as follows:

- total commitment appropriations (including special instruments) would amount to EUR 168 271.7 million, corresponding to 0.99% of GNI, an increase of EUR 2 082.5 million compared to the 2019 budget (+1.3%). The resulting total margin under the MFF commitment ceiling is EUR 1 781.0 million;

- payment appropriations would amount to EUR 153 620.7 million, corresponding to 0.90 % of GNI and representing an increase of 3.5 % compared to payment appropriations in the 2019 budget. The margin that remains below the MFF payment ceiling for 2020 is EUR 20 067.6 million.

### KEY PRIORITIES FOR 2020

The 2020 EU budget is therefore a budget of continuity and transition. It will continue to support the achievements of the EU in the past years and the priorities of the current programmes, but will also offer the best possible starting point for the new generation of programmes starting in 2021.

As far as the Commission's proposal is concerned, the appropriations allocated under the 2020 budget are mainly intended for the following priority areas:

(1) Sustainable and inclusive investment, growth and jobs

More than EUR 83 billion in commitments are intended to stimulate economic growth and European regions and support youth.

For growth to benefit all Europeans, and in particular those that are hit the hardest, the EU and its Member States will have to invest in the jobs of the future and create opportunity from the digital and low-carbon transition. The Connecting Europe Facility (CEF) will further support the deployment and operation of digital service infrastructures, fast and ultrafast broadband networks and free local wireless access points through the WiFi4EU initiative

The 2020 budget will also contribute to the European High Performance Computing Joint Undertaking, aiming to develop and support ultra-fast (exascale) supercomputing by 2022/2023 and will fund new components of Horizon 2020, such as the enhanced European Innovation Council pilot initiative, paving the way to the successor programme, Horizon Europe.

The Commission plans to allocate EUR 13.2 billion for research and innovation across Europe in the context of Horizon 2020 and EUR 1.2 billion (+75% compared to 2019) for Galileo, Europe's own satellite radionavigation system.

The draft budget also proposes EUR 255 million for the European Defence Industrial Development Programme (EDIDP) in 2020 to encourage companies to cooperate in the joint development of defence products and technology until a genuine European Defence Fund is established in 2021.

In the fields of education, training, youth and sport, EUR 2.8 billion will be available for the Erasmus+ programme. With a budget of EUR 166 million, the European Solidarity Corps will enable young people to gain experience in volunteering with many types of organisations across Europe. The Youth Employment Initiative (YEI) has so far received just over EUR 4.4 billion in the current MFF, and an additional EUR 116.7 million is proposed for 2020.

## (2) Migration, solidarity and security in an increasingly multipolar world

The EU budget will continue in 2020 to implement all measures taken at European level that allow for better management of migration flows, less irregular migration and more attention to the root causes of migration: the new Entry-Exit System to strengthen border management, the European Travel Information and Authorisation System, the upgraded Schengen Information System, the Facility for Refugees in Turkey and the European Fund for Sustainable Development to name but a few. The EU budget will continue to deliver all these measures in 2020, and will support more sustainable long-term measures if these are agreed in the meantime.

Similarly, awaiting the adoption of the Commission's proposal to review the Dublin Regulation, the Asylum, Migration and Integration Fund (AMIF) for 2020 should continue to support Member States under pressure, with a particular focus on Greece, and assist solidarity and resettlement efforts.

The draft budget provides in particular for:

- EUR 420.6 million (+34.6% compared to 2019) for the European Border and Coast Guard Agency (Frontex), following the agreement reached in March 2019 by the European Parliament and the Council to set up a standing corps of 10 000 border guards by 2027;
- EUR 56.2 million for the new rescEU programme (modernisation of the Union's civil protection mechanism) to increase response capacity to earthquakes, forest fires and other disasters;
- EUR 560 million for people in need in Syria and for refugees and their host communities in the region, as well as a EUR 60 million reinforcement for the European Neighbourhood Instrument for the North Africa window of the Emergency Trust Fund for Africa to prevent irregular migration and improve the situation of migrants and refugees.

## (3) The fight against climate change

The Commission's proposal foresees spending 21% of the overall budget for 2020 on climate change, which is part of the ambitious objective of spending 20% of the EU's long-term budget on climate change activities. An even more ambitious target is proposed for the next MFF, to support the EU's commitment under the Paris Agreement to reduce its greenhouse gas emissions by at least 40% by 2030 with a view to a climate-neutral economy.

### MAIN ASPECTS BY HEADING OF THE FINANCIAL FRAMEWORK 2014-2020

In the MFF, the overall ceiling for commitment appropriations for 2020 is EUR 168 797 million, which represents 0.99% of the Union's gross national income (GNI). The ceiling for payment appropriations is EUR 172 420 million, or 1.01 % of GNI.

- Heading 1a - Competitiveness for growth and employment: commitment appropriations amount to EUR 24 716.4 million. This amount is up by 5.5% compared to the 2019 budget, mainly due to increase under the Common Strategic Framework for Research and Innovation, the Connecting Europe Facility, major infrastructure projects and Erasmus+. This leaves a margin of EUR 474.6 million. Payment appropriations increase by 7.7 % to EUR 22 108.5 million.

- Heading 1b - Economic, social and territorial cohesion: commitment appropriations increased by 2.5% to EUR 58 611.9 million, leaving no margin. Payment appropriations for the heading increase by 6.4 % compared to the 2019 budget to EUR 50 042.4 million. There is no need for payment appropriations for the closure of the 2007-2013 programmes as they are all expected to be closed in 2019. The implementation of the 2014-2020 programmes should continue at cruising speed.

- Heading 2 - Sustainable growth: natural resources: commitment appropriations for agriculture, fisheries and environment policies amount to EUR 59 994.9 million, an increase of 0.6% compared to the 2019 budget. The level of expenditure leaves a margin of EUR 426.1 million under the ceiling. Payment appropriations amounted to EUR 58 014.3 million, an increase of 1.1% compared to 2019. The financing of market-related expenditure and direct payments under the European Agricultural Guarantee Fund amounts to EUR 43 531.8 million in commitment appropriations and EUR 43 501.7 million in payment appropriations.

- Heading 3 - Security and citizenship: the level of commitment appropriations for heading 3 is set at EUR 3 729.1 million, which is 2.5% lower than the 2019 budget but still EUR 778.1 million above the ceiling, which requires the mobilisation of the flexibility instrument for the same amount. Payment appropriations amount to EUR 3 723.9 million, which represents an increase of 5.6 % compared to the 2019 budget.

- Heading 4 - Global Europe: the Commission proposes commitment appropriations amounting to EUR 10 307.6 million (- 8.9% compared to the 2019 budget). For 2020, it is proposed to use EUR 240 million of the unallocated margin under this heading to reinforce the humanitarian aid and European Neighbourhood Instrument lines by EUR 120 million each in order to meet the commitment made at the 2019 Syria conference. Payment appropriations amount to EUR 8 986.1 million, which corresponds to a decrease of 4.0 %.

- Heading 5 - Administration: all institutions combined, including pensions and the European Schools, increased by 3.8 %, (payment

appropriations also increased by 3.8 %), commitments amounting to EUR 10 324.1 million. The margin still available amounts to EUR 677.9 million for 2020.

One of the Commission's key priorities is to ensure that the EU budget creates added value for EU citizens. The draft budget for 2020 has been drawn up taking into account information on the performance of all EU spending programmes, which shows that the EU budget produces concrete results for citizens in the EU and beyond.

## 2019/2028(BUD) - 05/09/2019 Council position on draft budget

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The Council adopted its position on the draft general budget of the European Union for the financial year 2020.

For the budget for the next financial year, the Council plans in total:

- EUR 166 763.93 million in commitment appropriations (c/a) and
- EUR 153 111.91 million in payment appropriations (c/p).

Compared to 2019, commitment appropriations increase by +0.58 % and payment appropriations increase by +3.32 %.

The total amount of payment appropriations foreseen corresponds to 0.90 % of the EU's gross national income (GNI).

### GUIDING PRINCIPLES

The Council's position on the BP 2020 has been defined according to the guiding principles of prudent and realistic budgeting and sufficient resources to support clearly defined priorities. The application of these principles should make it possible to leave sufficient margins under the ceilings to be able to deal with unforeseen circumstances:

- These guiding principles led the Budget Committee to undertake a detailed analysis of the commitment appropriations for each programme and action by budget line, based on two concepts: (i) a well-founded absorption capacity shown by the real implementation of the programmes in previous years; (ii) a realistic acceleration of the implementation of programmes by avoiding excessive increases compared to 2019.

- Payment appropriations were not targeted during this year's budgetary analysis, given the already high margin. Most of the reductions of payment appropriations are a consequence of reductions of non-differentiated appropriations.

- As regards administrative expenditure, a stringent approach was taken. Yet, all institutions benefit from an increase of their annual budget for 2020. An analysis by budget line conducted by the Budget Committee allowed adjustments, in particular, in view of stabilising the staffing levels.

- As regards decentralised agencies, it is suggested to reduce the overall level of contributions from the Union budget by -EUR 36.99 million in commitment and payment appropriations.

### EXPENDITURE BY HEADING OF THE MULTIANNUAL FINANCIAL FRAMEWORK

HEADING 1: Smart and inclusive growth: EUR 82.439 billion in commitment appropriations and EUR 72.011 billion in payment appropriations, an increase of 2.37% and 6.59% respectively compared to 2019.

1a) Competitiveness for growth and jobs: EUR 23.969 billion in commitments appropriations and EUR 22.004 billion in payment appropriations, an increase of 2.72% and 7.22% respectively compared to 2019.

The subheading focused on the following elements:

- establish the level of c/e by aiming for a total reduction of -EUR 747 million in the appropriations requested in the DB 2020;
- set the level of payment appropriations, reducing the appropriations requested in the DB 2020 by a total amount of - EUR 104.42 million.

The planned reductions mainly concern:

- the Common Strategic Framework for Research and Innovation (- EUR 424.90 million, of which - EUR 413 million for Horizon 2020);
- the Connecting Europe Facility (CEF) (- EUR 197 million, of which - EUR 169 million for transport and - EUR 28 million for information and communication technologies (ICT);
- the European Strategic Investment Fund (EFSI) (- EUR 90 million) and the Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME) (- EUR 20 million).

The amounts take into account the reductions in contributions granted to the decentralised agencies, totalling -EUR 2.5 million in commitment and payment appropriations under this subheading.

The margin available under heading 1a would amount to EUR 1 221 million.

1b) Economic, social and territorial cohesion: EUR 58.470 billion in commitment appropriations and EUR 50.007 billion in payment appropriations, an increase of 2.23% and 6.32% respectively compared to 2019.

The sub-heading is characterised by the following elements:

- establish the level of commitment appropriations by targeting a total reduction of EUR -141.89 million in the appropriations requested in the DB 2020 for specific budget lines, namely for the Youth Employment Initiative (additional specific envelope) (-EUR 116.67 million) and for technical assistance and innovative actions (-EUR 25.22 million);

- set the level of payment appropriations by reducing the appropriations requested in the DB 2020 for the Youth Employment Initiative (specific top-up allocation) by an amount of -EUR 35.00 million.

The global margin for commitments would no longer be used. The margin available under subheading 1b would be zero.

HEADING 2: Sustainable growth - natural resources: EUR 59.751 billion in commitment appropriations and EUR 57.774 billion in payment appropriations, an increase of 0.18% and 0.65% respectively compared to 2019.

The main features of this section include:

- to reduce the level of commitment appropriations requested in the DB 2020 by -EUR 243.90 million on operational lines, namely under the European Agricultural Guarantee Fund -Market related expenditure and direct payments (-EUR 239.90 million) and the Sustainable Fisheries Partnership Agreements (SFPAs) (-EUR 4.00 million);
- to set the level of payment appropriations, reducing the appropriations requested in the DB 2020 by a total amount of -EUR 239.90 million as a consequence of the reduction in commitment appropriations on the European Agricultural Guarantee Fund where non-differentiated appropriations are concerned.

The margin available under this heading would be EUR 669.99 million.

HEADING 3: Security and citizenship: EUR 3.602 billion in commitment appropriations and EUR 3.689 billion in payment appropriations, a reduction of -4.86% and an increase of 4.59% respectively compared to 2019.

The heading is characterised by the following elements:

- to establish the level of commitment appropriations, targeting a total reduction of -EUR 126.34 million in the appropriations requested in the DB 2020 on a number of specific budget lines, namely related to Asylum, Migration and Integration Fund, Internal Security Fund, Food and feed, communication actions, Creative Europe, Rights, Equality and Citizenship, Health, Europe for Citizens, Justice and Consumer;
- set the level of payment appropriations by reducing the appropriations requested in the 2020 DB by a total amount of EUR -34.49 million;
- place in reserve an amount of EUR 400 million in commitment appropriations and EUR 115.4 million in payment appropriations in respect of the Asylum, Migration and Integration Fund.

The margin available under this heading would be zero. Given the absence of a margin, the flexibility instrument is in the amount of EUR 338.90 million and the Global Margin for Commitments is used in the amount of EUR 312.83 million.

HEADING 4: Global Europe: EUR 10.114 billion in commitment appropriations and EUR 8.946 billion in payment appropriations, a reduction of -10.64% and -4.41% respectively compared to 2019.

The Council proposed:

- to establish the level of commitment appropriations, targeting a total reduction by -EUR 193.24 million in the appropriations requested in the DB 2020 on a number of specific budget lines, including operational expenditure, namely related to the Development Cooperation Instrument (DCI), Humanitarian aid (HUMA), the Instrument for Pre-accession assistance (IPA II), the European Neighbourhood Instrument (ENI), the Partnership instrument for cooperation with third countries (PI), the European Instrument for Democracy and Human Rights (EIDHR), the EU Aid Volunteers initiative (EUAV);
- to set the level of payment appropriations, reducing the appropriations requested in the DB 2020 by a total amount of -EUR 40.00 million as a consequence of the reductions in commitment appropriations where non-differentiated appropriations are concerned, of which -EUR 20.00 million in the Development Cooperation Instrument (DCI), -EUR 10.00 million in the Instrument for Preaccession assistance (IPA II) and -EUR 10.00 million in the European Neighbourhood Instrument (ENI).

The margin available under heading 4 would be EUR 395.67 million.

HEADING 5: Administration: Administrative expenditure would amount to EUR 10.269 billion, an increase of 3.28% compared to 2019.

The margin available under this heading would amount to EUR 732.94 million.

Special instruments

The Council suggested maintaining the appropriations entered in the DB 2020 for the Emergency Aid Reserve, the European Globalisation Adjustment Fund and the European Union Solidarity Fund. It proposed to mobilise the Global Margin for Commitments in the amount of EUR 312.83 million in commitment appropriations and the Flexibility Instrument in the amount of EUR 338.90 million in commitment appropriations.

## 2019/2028(BUD) - 15/10/2019 Document attached to the procedure

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The European Commission presents to the European Parliament and to the Council Amending Letter No 1 to the draft general budget of the European Union for the financial year 2020.

Overall, the net impact of AL 1/2020 on expenditure in the draft budget 2020 is an increase of EUR 16.4 million in commitment appropriations and a decrease of EUR 5.4 million in payment appropriations.

European agricultural guarantee fund

AL 1/2020 updates estimates for agricultural expenditure based on the most up-to-date economic data and legislative framework. Apart from taking into account market factors, this AL 1/2020 also incorporates the impact of legislative decisions in the agricultural sector since the DB 2020 was drawn up in June 2019, as well as for some that are still under preparation, soon to be adopted.

Overall, 2020 EAGF needs (after taking into account EAGF provisions related to 'financial discipline') are now estimated at EUR 44 481.1 million, which is an increase by EUR 304.3 million compared to the DB 2020. This increase is mostly due to additional needs for:

- chapter 05 07 Audit of agricultural expenditure financed by the European Agricultural Guarantee Fund (EAGF) (+EUR 174.3 million);
- chapter 05 03 Direct payments aimed at contributing to farm incomes, limiting farm incomes variability and meeting environment and climate objectives (+EUR 94 million);
- chapter 05 02 Improving the competitiveness of the agricultural sector through interventions in agricultural markets for +EUR 36 million.

The amount of assigned revenue estimated to be available in 2020 increases from EUR 645 million in DB 2020 to EUR 999 million (+EUR 354 million), more than compensating the additional needs.

As a result of these updates, the Commission proposes to reduce the expenditure estimates for agriculture by EUR 49.7 million compared to DB 2020. Commitment appropriations of EUR 43 482.1 million, which include EUR 478 million for the Reserve for crises in the agricultural sector, are required to cover EAGF needs for 2020.

Adjustments related to the legislative proposals included in the Brexit preparedness package

European Union Solidarity Fund

The Commission [proposes](#) for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 2012/2002 in order to provide financial assistance to Member States to cover serious financial burden inflicted on them following a withdrawal of the United Kingdom from the Union without an agreement introduces a new Article with a higher maximum amount of EUR 100 million for advances (compared to EUR 50 million in the initial regulation).

Therefore the Commission proposes to increase of the level of advance payments under the European Union Solidarity Fund by EUR 50 million, and to put that additional amount under reserve pending the adoption of the amendment to the legal base by the European Parliament and the Council.

Creation of a new budget line in the General Statement of Revenue

In order to allow the Commission to implement the [proposal](#), in particular to enable it to enter the contribution of the United Kingdom in the general budget, the necessary budgetary structure needs to be created for the 2020 budget. The Commission therefore proposes to create a new budget line in part B of the General Statement of revenue: new Article 3 8 0 intended to receive the UK contribution in relation to the application of the contingency framework.

Adjustments concerning the administrative budgets of the European Parliament and the European External Action Service, and partnership agreements in the field of sustainable fisheries

European Parliament

The Commission proposes to include in the 2020 DB the following elements: (i) 89 additional posts for the 2020 establishment plan and (ii) EUR 13.3 million of appropriations for external staff, corresponding to 155 contract agent posts, as well as the increase in appropriations necessary to cover salary updates and career progression.

European External Action Service

Since the presentation of the DB 2020, two items in the section of the European External Action Service (EEAS) have evolved, and require updating, namely:

- the NEO building: the reprioritisation and planned redeployment, the additional amount requested for 2020 (EUR 5 million) can be reduced to EUR 2.8 million;
- adaptation of the staffing of the EU Office in Kosovo: additional budget to finance three further posts was made available to the EEAS as from January 2019, bringing the total number of posts for transition tasks to 15.

Update of the Sustainable Fisheries Partnership Agreements

The Commission proposes to move commitment appropriations for an amount of EUR 16.9 million and payment appropriations for an amount of EUR 14.9 million from the reserve (40 02 41) to the operational line (11 03 01 Establishing a governance framework for fishing activities carried out by Union fishing vessels in third country waters). This budgetary-neutral transfer relates to the Fisheries Agreements with the Republic of Cape Verde, the Republic of the Gambia and the Republic of Guinea-Bissau.

Technical adjustments and corrections

The Commission proposes:

- to put in place the necessary budgetary structure in the 2020 budget to enable the Commission to start implementing the Innovation Fund created by [Directive \(EU\) 2018/410](#) of the European Parliament and of the Council, in particular with a view to launching, by mid-2020, a first call for project proposals;
- to reduce payment appropriations for the European Union Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA) by EUR 21.8 million, giving a total of EUR 196 million, which represents the actual needs of the agency for 2020.

## 2019/2028(BUD) - 15/10/2019 Budgetary report tabled for plenary, 1st reading

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The Committee on Budgets adopted the report by Monika HOHLMEIER (EPP, DE) and Eider GARDIAZABAL RUBIAL (S&D, ES) on the Council position on the draft general budget of the European Union for the financial year 2020.

The committee proposed to set the overall level of budget appropriations for 2020 (all sections) at EUR 170 971 519 973 in commitment appropriations, an increase of EUR 2 699 813 994 over the draft budget, and to set the overall level of budget appropriations for 2020 (all sections) at EUR 159 146 168 195 in payment appropriations.

Members stressed that the 2020 budget should pave the way for the 2021-2027 Multiannual Financial Framework (MFF) and provide a solid starting point for the launch of the new generation of Union programmes and policies; recalls, moreover, that 2020 is the last year of the current MFF and, therefore, the last chance for the Union to come closer to meeting the political commitments set for that period, including towards reaching the EU climate target and implementing the UN Sustainable Development Goals (SDGs) and delivering on the European Pillar of Social Rights.



## Restoring appropriations

Members took note of the Council position on the draft budget, which reduced commitment appropriations by EUR 1.51 billion compared to the Commission's proposal. Considering that the Council's cuts flatly contradict the Union's priorities, they called for appropriations to be restored on all lines cut by the Council to the level of the DB, for both operational and administrative expenditure, and to take the DB as the starting point to build its position upon.

## Enhanced climate budget

Members stressed the need to tackle climate change and protect the environment in a way that promotes employment, enhances competitiveness, promotes sustainable development and ensures social prosperity. They stressed the essential role of new and emerging technologies in achieving this objective. The 2020 budget should also prepare the Union for an even more ambitious target for climate and biodiversity mainstreaming in the 2021-2027 MFF.

Therefore, Members proposed to substantially increase by more than EUR 2 billion above the draft budget levels for budget lines across the different headings - in particular subheading 1a. of the MFF - to respond to environmental challenges and climate change.

## Other additional financing

Members also recommended that:

- the Youth Employment Initiative (YEI) be strengthened beyond the amount proposed by the Commission, also to ensure a smooth transition to the European Social Fund Plus (ESF+) in the next MFF;
- financial resources need to be strengthened to meet future demands for Erasmus+, the key flagship programme for education and training, including vocational education and training, youth and sport in Europe;
- budget lines relating to Parliament's priorities, in areas such as SMEs, digitalisation, artificial intelligence, cancer research, security and justice cooperation, customs, migration and external policy, including humanitarian and development aid should be reinforced.

## Flexibility Instrument

In order to adequately financing the pressing priorities and considering the very tight or inexistent margins under certain Headings in 2020, Members stated that the Flexibility Instrument and the Global Margin for Commitments need to be fully mobilised, the Contingency Margin needs to be mobilised, while part of it also remains available for the financing of unforeseen events that may occur in the course of next year.

They also stressed the need to fully re-use de-commitments for research as laid down in Article 15(3) of the Financial Regulation.

Members then made a series of observations and recommendations for each subheading of the MFF.

## European Parliament

Members proposed to restore the appropriations established in the estimates on the basis of a careful and responsible analysis of the needs of Parliament for 2020. However, they expressed concern about the Commission's cuts to Parliament's budget.

Members want to increase two lines above the draft budget, due to the higher rate of non re-election following the European elections (63%, whilst an average of 50% served as the calculation basis) and the postponement of Brexit to 31 October 2019. They also want to increase the line on European political foundations.

## 2019/2028(BUD) - 23/10/2019 Budgetary text adopted by Parliament

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The European Parliament adopted by 529 votes to 130, with 43 abstentions, a resolution on the Council position on the draft general budget of the European Union for the financial year 2020.

Parliament:

- set the overall level of budget appropriations for 2020 (all sections) at EUR 170 971 519 973 in commitment appropriations, an increase of EUR 2 699 813 994 over the draft budget;
- decided to make available EUR 280 700 000 in commitment appropriations further to de-commitments under Article 15(3) of the Financial Regulation;
- set the overall level of budget appropriations for 2020 (all sections) at EUR 159 146 168 195 in payment appropriations.

In its resolution, Parliament stressed that the 2020 budget should pave the way for the 2021-2027 Multiannual Financial Framework (MFF) and is the last chance for the Union to come closer to meeting the political commitments set for that period, including towards reaching the EU climate target and implementing the UN Sustainable Development Goals (SDGs) and delivering on the European Pillar of Social Rights and the Union's target to reach a carbon-neutral economy by 2050.

## Restoring appropriations

Parliament took note of the Council position on the draft budget, which reduced commitment appropriations by EUR 1.51 billion compared to the Commission's proposal. Considering that the Council's cuts flatly contradict the Union's priorities, they called for appropriations to be restored on all lines cut by the Council to the level of the DB, for both operational and administrative expenditure, and to take the DB as the starting point to build its position upon.

## Enhanced climate budget

Parliament stressed the need to tackle climate change and protect the environment in a way that promotes employment, enhances competitiveness, promotes sustainable development and ensures social prosperity. It regretted that, under the current MFF, the Union budget

has limited means to address the climate challenge on its own and points to the much higher needs for investment in this area, estimated by the Commission in the range of EUR 175 to 290 billion a year. The 2020 budget should also prepare the Union for an even more ambitious target for climate and biodiversity mainstreaming in the 2021-2027 MFF.

While calling for a concrete proposal on the European Green Deal, Parliament proposed to substantially increase by more than EUR 2 billion above the draft budget levels for budget lines across the different headings - in particular subheading 1a. of the MFF - to respond to environmental challenges and climate change.

Other additional financing

Parliament made a series of observations and recommendations for each subheading of the MFF. In particular, it:

- (i) significantly increased - EUR 737.8 million in commitment appropriations - the appropriations allocated to Horizon 2020 above the draft budget levels and (ii) allocated to the most relevant Horizon 2020 budget lines for climate-related research projects the full amount of EUR 280.7 million in commitment appropriations decommitted in 2018 as a result of the non-implementation of research projects;
- proposed to increase the funding for the Connecting Europe Facility (CEF) (CEF-Transport and CEF-Energy) by a total amount of EUR 545 million in commitment appropriations above the draft budget levels;
- adopted an increase of EUR 50 million in commitment appropriations for the COSME programme in order to further stimulate the programme's capacity to promote entrepreneurship, especially among women, and to improve competitiveness and market access for EU companies;
- adopted an increase of EUR 123.4 million in commitment appropriations above the draft budget level to meet future demands for Erasmus+, the main programme for education and training, including vocational education and training, youth and sport in Europe.

Parliament also recommended:

- strengthening the Youth Employment Initiative (YEI) beyond the amount proposed by the Commission, also to ensure a smooth transition to the European Social Fund Plus (ESF+) in the next MFF;
- reinforcing budget lines relating to Parliament's priorities, in areas such as SMEs, digitalisation, artificial intelligence, cancer research, security and justice cooperation, customs, migration and external policy, including humanitarian and development aid.

Flexibility Instrument

In order to adequately financing the pressing priorities and considering the very tight or inexistent margins under certain Headings in 2020, Parliament stated that the Flexibility Instrument and the Global Margin for Commitments need to be fully mobilised, the Contingency Margin needs to be mobilised, while part of it also remains available for the financing of unforeseen events that may occur in the course of next year.

Payments

Members pointed to the unprecedented margin of EUR 20 067.6 million left under the payment ceiling in the DB, as a result of the very late take-off of the 2014-2020 programmes and a corresponding accumulation of unused payments, notably in Subheading 1b. They stressed the necessity to prevent a substantial accumulation of payment claims in the beginning of the next MFF that may lead to another payment crisis in the Union budget.

Parliament, therefore, increased payments for European Structural and Investment Funds by an overall EUR 3 billion based on the expectation that Member States will further accelerate the implementation of their operational programmes in the last year of the current MFF, and better adhere to their own forecasts.

Lastly as regards Parliament, Members proposed to restore the appropriations established in the estimates on the basis of a careful and responsible analysis of the needs of Parliament for 2020. However, they expressed concern about the Commission's cuts to Parliament's budget.

## 2019/2028(BUD) - 20/11/2019 Budgetary conciliation report tabled for plenary

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The European Parliament delegation to the Conciliation Committee adopted a report by Monika HOHLMEIER (EPP, DE) (Section III Commission) and Eider GARDIAZABAL RUBIAL (S&D, ES) (other sections) on the joint text on the draft general budget of the European Union for the financial year 2020 approved by the Conciliation Committee under the budgetary procedure.

The EP delegation called on the Parliament to approve the joint text agreed by the Conciliation Committee.

The main elements are as follows:

- the overall level of commitment appropriations in the 2020 budget is set at EUR 168 688.1 million, leaving a margin below the MFF ceilings for 2020 of EUR 1 492.3 million;
- the overall level of payment appropriations in the 2020 budget is set at EUR 153 566.2 million;
- the Flexibility Instrument for 2020 is mobilised in commitment appropriations for an amount of EUR 778.1 million for heading 3 Security and Citizenship;
- the Global margin for commitments is used at a level of EUR 269.6 million for headings 1a Competitiveness for Growth and Jobs and 1b Economic, Social and Territorial Cohesion;
- the Contingency margin mobilised in 2017 is offset for EUR 252 million against the unallocated margins under heading 5 Administration;
- the 2020 payment appropriations related to the mobilisation of the Flexibility Instrument in 2017, 2018, 2019 and 2020 are estimated by the Commission at EUR 849.8 million.

Members confirmed the joint statements by Parliament, the Council and the Commission annexed to this resolution which concern in

particular:

- payment appropriations;
- the funding of the European Union Agency for Asylum (EASO);
- the youth employment initiative;
- the 20% climate-related spending target during 2014-2020.

## 2019/2028(BUD) - 27/11/2019 Budgetary joint text approved by Parliament

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The European Parliament adopted by 543 votes to 136, with 23 abstentions, a resolution on the joint text on the draft general budget of the European Union for the financial year 2020 approved by the Conciliation Committee under the budgetary procedure.

Parliament approved the joint text agreed by the Conciliation Committee.

As a reminder, the main elements are as follows:

- the overall level of commitment appropriations in the 2020 budget is set at EUR 168 688.1 million, leaving a margin below the MFF ceilings for 2020 of EUR 1 492.3 million;
- the overall level of payment appropriations in the 2020 budget is set at EUR 153 566.2 million;
- the Flexibility Instrument for 2020 is mobilised in commitment appropriations for an amount of EUR 778.1 million for heading 3 Security and Citizenship;
- the Global margin for commitments is used at a level of EUR 269.6 million for headings 1a Competitiveness for Growth and Jobs and 1b Economic, Social and Territorial Cohesion;
- the Contingency margin mobilised in 2017 is offset for EUR 252 million against the unallocated margins under heading 5 Administration;
- the 2020 payment appropriations related to the mobilisation of the Flexibility Instrument in 2017, 2018, 2019 and 2020 are estimated by the Commission at EUR 849.8 million.

Expenditure headings of the financial framework - commitment appropriations (C/A)

Heading 1a - Competitiveness for growth and jobs

The agreed level of C/A is set at EUR 25 284.8 million (of which EUR 302 million for Horizon 2020 and EUR 50 million for Erasmus+), without leaving a margin under the expenditure ceiling of heading 1a and using the overall margin for commitments of EUR 93.8 million.

Heading 1b - Economic, social and territorial cohesion

The agreed level of C/A is set at EUR 58 645.8 million (including EUR 28.3 million for the Youth Employment Initiative), without leaving a margin under the expenditure ceiling of subheading 1b and using the overall margin for commitments of EUR 175.8 million.

Heading 2 - Sustainable growth: Natural resources

The level of C/A is set at EUR 59 907.0 million, leaving a margin of EUR 514.0 million under the expenditure ceiling of heading 2.

Heading 3 - Security and citizenship

The agreed level of C/A is set at EUR 3 729.1 million, without leaving a margin under the expenditure ceiling of heading 3 and by mobilising the flexibility instrument for an amount of EUR 778.1 million.

Heading 4 - Global Europe

The level of C/A is set at EUR 10 261.6 million, leaving a margin of EUR 248.4 million below the expenditure ceiling of heading 4.

Heading 5 - Administration

The agreed level of C/A is set at EUR 10 272.1 million, leaving a margin of EUR 729.9 million below the expenditure ceiling of heading 5, after using EUR 252.0 million of the margin to offset the mobilisation of the contingency margin in 2017.

Joint statements

Parliament confirmed the joint statements by Parliament, the Council and the Commission annexed to the resolution, which concern in particular:

- the orderly progression of payments in relation to commitment appropriations in order to avoid an abnormal level of unpaid invoices at the end of the financial year;
- the funding of the European Union Asylum Agency (EASO), once the legislative proposal to strengthen the Agency's operational support capacities has been adopted;
- the determination to make the best use of the envelope under the Youth Employment Initiative (YEI);
- the need to move closer to the 20% target for climate-related expenditure for the period 2014-2020.

## 2019/2028(BUD) - 27/02/2020 Final act

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PURPOSE: definitive adoption of the European Unions general budget for 2020.

LEGISLATIVE ACT: Definitive adoption (EU, Euratom) 2020/227 of the European Unions general budget for the financial year 2020.

CONTENT: the European Parliament voted to adopt the 2020 EU budget, in accordance with the overall compromise reached in the Conciliation Committee under the budgetary procedure of 20 November 2020.

The 2020 budget shall continue to support growth and the competitiveness of the European economy, as well as other EU priorities, such as security and the management of migration. 21% of the budget shall go towards measures aimed at addressing climate change.

## Budget 2020

- Commitment appropriations: the overall level of commitment appropriations in the 2020 budget is set at EUR 168 688.1 million, leaving a margin below the MFF ceilings for 2020 of EUR 1 492.3 million;
- Payment appropriations: these are set at EUR 153 566.2 million.

These figures represent a variation rate of + 1.50 % and of + 3.42 % respectively by comparison with the 2019 budget. The increase in payments reflects the continuing implementation of the 2014-2020 programmes at full speed.

## Revenue

Budgetary revenue totals EUR 153 566 205 917. The uniform rate of call for the VAT resource is 0.30 % (except for Germany, Netherlands and Sweden for which the rate of call for the period 2014-2020 has been fixed at 0.15 %) whilst that for the GNI resource is 0.6507 %. Traditional own resources account for 14.43 % of the financing of the budget for 2020. The VAT resource accounts for 12.34 % and the GNI resource for 71.98 %.

Other revenue for this financial year is estimated at EUR 1 928 450 061.

The own resources needed to finance the 2020 budget account for 0.89 % of the total GNI.

## Expenditure headings of the financial framework - commitment appropriations (C/A)

### Heading 1a - Competitiveness for growth and jobs

The agreed level of C/A is set at EUR 25 284.8 million (of which EUR 302 million for Horizon 2020 and EUR 50 million for Erasmus+), without leaving a margin under the expenditure ceiling of heading 1a and using the overall margin for commitments of EUR 93.8 million.

Additional funds have been allocated to the Horizon 2020 research programme (EUR 13.5 billion in total, + 8.8 %), the European satellite navigation systems (EGNOS and Galileo) (EUR 1.2 billion, + 74.8 %) and the energy part of the Connecting Europe Facility (EUR 1.3 billion, + 35.0 %). Erasmus+ shall receive EUR 2.9 billion (+3.6%) to support youth exchanges.

### Heading 1b - Economic, social and territorial cohesion

The agreed level of C/A is set at EUR 58 645.8 million (including an additional EUR 28.3 million for the Youth Employment Initiative), without leaving a margin under the expenditure ceiling of subheading 1b and using the overall margin for commitments of EUR 175.8 million.

### Heading 2 - Sustainable growth: Natural resources

The level of C/A is set at EUR 59 907.0 million, leaving a margin of EUR 514.0 million under the expenditure ceiling of heading 2.

### Heading 3 - Security and citizenship

The agreed level of C/A is set at EUR 3 729.1 million, without leaving a margin under the expenditure ceiling of heading 3 and by mobilising the flexibility instrument for an amount of EUR 778.1 million.

The Asylum, Migration and Integration Fund received EUR 949 million for migration management. The Internal Security Fund shall receive EUR 501 million. Additional funding compared to 2019 shall be provided to several agencies, including for the recruitment of new staff by Frontex, the European Asylum Support Office, Europol and the European Public Prosecutor's Office.

### Heading 4 - Global Europe

The level of C/A is set at EUR 10 261.6 million, leaving a margin of EUR 248.4 million below the expenditure ceiling of heading 4.

### Heading 5 - Administration

The agreed level of C/A is set at EUR 10 272.1 million, leaving a margin of EUR 729.9 million below the expenditure ceiling of heading 5, after using EUR 252.0 million of the margin to offset the mobilisation of the contingency margin in 2017.

## Special instruments

Commitments are set at EUR 588 million. Special instruments provide some flexibility and allow, if need be, to respond to unforeseen budgetary needs.

Further elements of the budget include:

- the Flexibility Instrument for 2020 is mobilised in commitment appropriations for an amount of EUR 778.1 million for heading 3 Security and Citizenship;
- the Global margin for commitments is used at a level of EUR 269.6 million for headings 1a Competitiveness for Growth and Jobs and 1b Economic, Social and Territorial Cohesion;
- the Contingency margin mobilised in 2017 is offset for EUR 252 million against the unallocated margins under heading 5 Administration;
- the 2020 payment appropriations related to the mobilisation of the Flexibility Instrument in 2017, 2018, 2019 and 2020 are estimated by the Commission at EUR 849.8 million.

