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DRAFT REPORT

on the Council position on the draft general budget of the European Union for the financial year 2020
(11734/2019 – C9-0119/2019 – 2019/2028(BUD))

Part 1: Motion for a resolution

Committee on Budgets

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the Council position on the draft general budget of the European Union for the financial year 2020
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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 Council Decision 2014/335/EU, Euratom of 26 May 2014 on the system of own resources of the European Union[1],

– having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014 and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012[2],

– 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[3] (the “MFF Regulation”),

– having regard to the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management[4],

– having regard to its resolution of 14 March 2019 on general guidelines for the preparation of the 2020 budget, Section III – Commission[5],

– having regard to its resolution of 28 March 2019 on Parliament’s estimates of revenue and expenditure for the financial year 2020[6],

– having regard to the draft general budget of the European Union for the financial year 2020, which the Commission adopted on 5 July 2019 (COM(2019)0400) (the “DB”),

– having regard to the position on the draft general budget of the European Union for the financial year 2020, which the Council adopted on 3 September 2019 and forwarded to Parliament on 13 September 2019 (11734/2019 – C9-0119/2019),

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1 OJ L 168, 7.6.2014, p. 105.
2 OJ L 193, 30.7.2018, p. 1.
3 OJ L 347, 20.12.2013, p. 884.
4 OJ C 373, 20.12.2013, p. 1.
5 Texts adopted of that date, P8_TA(2019)0210.
6 Texts adopted of that date, P8_TA(2019)0326.

– having regard to Rule 94 of its Rules of Procedure,

– having regard to the opinions of the other committees concerned,

– having regard to the report of the Committee on Budgets (A9-0000/2019),

Section III

General overview

1. Recalls that, in its resolution of 14 March 2019 on general guidelines for the preparation of the 2020 budget, Parliament defined clear political priorities for the budget 2020 to be a bridge to the future Europe and provide European added value; reaffirms its strong commitment to those priorities and sets out the following position to ensure an appropriate level of financing to deliver on them;

2. Reiterates Parliament's view that the 2020 Union budget should pave the way to the 2021-2027 Multiannual Financial Framework (MFF) and provide a solid starting point for the launch of the new generation of EU 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 this period, including towards reaching the EU climate target and implementing the UN Sustainable Development Goals (SDGs); underlines that the budget 2020 should prepare the Union for an even more ambitious climate target in the 2021-2027 MFF;

3. Takes note of Council's position on the DB, cutting EUR 1,51 billion in commitment appropriations compared to the Commission's proposal; considers that the Council's cuts flatly contradict the Union's priorities, are not justified by absorption capacity and are meant to revert all the specific increases requested and obtained by Parliament in previous budgetary years; decides therefore, as a general rule, to restore appropriations 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;

4. Strongly believes that it is imperative to rise to the climate challenge in a way that boosts employment and strengthens competitiveness; welcomes the powerful calls for action made by EU leaders at the recent UN climate change summit and the commitments made recently by several Member States to ramp up spending in areas such as energy efficiency and transport and energy infrastructure;

5. Proposes, therefore, a 2020 Union budget that makes an important contribution to tackling environmental challenges and climate change and offsets as much as possible the existing backlog towards reaching the target of 20 % of climate-related Union expenditure for the period 2014-2020; proposes a significant reinforcement by more than EUR 2 billion above DB levels for budget lines across different Headings, and predominantly in Subheading 1a, which make a high contribution towards the climate-expenditure target; carefully targets those reinforcements towards lines that have an excellent implementation rate and the operational capacity to absorb the additional appropriations in 2020;

6. Emphasises that youth remains an overarching priority for the Union budget. Highlights that despite the positive trends towards a decline in youth unemployment rates in the Union, the lack of future opportunities for young people is a real social emergency in certain parts of the Union, with significant disparities across the Member States and regions; decides therefore to reinforce the Youth Employment Initiative (YEI) above the level proposed by the Commission, also in order to ensure a smooth transition towards the European Social Fund Plus (ESF+) in the next MFF; also reinforces the financial resources to meet future demand for Erasmus+, the primary programme for education and training, including vocational education and training, youth and sport in Europe; recalls its commitment to triple the funding for Erasmus+ in the MFF 2021-2027;

7. Proposes further targeted reinforcements to other budget lines related to Parliament's priorities, in areas such as SMEs, digitalisation, cancer research, security and justice cooperation, migration and external policy;

8. Endorses, as a general rule, the Commission's estimates of the budgetary needs of decentralised agencies; considers, therefore, that any cuts proposed by the Council would endanger the proper functioning of the agencies and would not allow them to fulfil their tasks; proposes targeted increases to the level of appropriations of agencies which will be dealing with additional tasks or which are confronted with increased workload due to emerging challenges;

9. Concludes that, for the purpose of adequately financing the pressing priorities expressed above, and considering the very tight or inexistent margins under certain Headings in 2020, the Flexibility Instrument and the Global Margin for Commitments need to be fully mobilised, the Contingency Margin needs to be partially mobilised, and the possibility to re-use de-commitments for research laid down in Article 15(3) of the Financial Regulation needs to be used in full; also recalls that flexibilities set out in the MFF Regulation will lapse at the end of this period;

10. Sets the overall level of appropriations for the 2020 budget (all Sections) at EUR 170 971 519 973 in commitment appropriations, representing an increase of EUR 2 699 813 994 compared to the DB; decides in addition to make available an amount of EUR 280 700 000 in commitment appropriations further to de-commitments under Article 15(3) of the Financial Regulation;

Subheading 1a – Competitiveness for growth and jobs

11. Points out that Horizon 2020 provides very strong European added value and makes a vital contribution to the development of green technology and climate- and environment-friendly innovation, so as to lay the foundations for a decarbonised future; stresses, moreover, the importance of the programme for other significant areas of European research such as digitalisation and cancer research; significantly increases, therefore, the allocation of Horizon 2020 over the level of the DB by EUR 737,8 million in commitment appropriations; furthermore, in accordance with Article 15(3) of the Financial Regulation, makes available the entire amount of EUR 280,7 million in commitment appropriations de-committed in 2018 as a result of non-implementation of research projects, for the budget lines of Horizon 2020 that are most relevant to climate-related research projects;

12. Highlights the crucial role of the Connecting Europe Facility (CEF) in fostering the development of a high-performance trans-European network that is sustainable and interconnected across the areas of transport, energy and ICT infrastructure and significantly contributes to the transition towards a climate-neutral society; proposes therefore to increase the funding for CEF-Transport and CEF- Energy by a total amount of EUR 545 million in commitment appropriations above DB levels;

13. Considers that it is also necessary to strengthen further important priorities in the Subheading; points in that regard to SMEs, which are an essential part of the Union economy and play a crucial role in job creation in all Member States; emphasises that Erasmus+ remains a highly valued and hugely popular programme, with a volume of applications that far exceeds the funding available, and that it helps foster a strong sense of shared European identity;

14. Increases therefore the level of commitment appropriations for Subheading 1a by EUR 1 503 766 221 above DB (excluding pilot projects and preparatory actions), to be financed by using the available margin and mobilising the special instruments; in addition, makes available to the Subheading an amount of EUR 280 700 000 in commitment appropriations further to de-commitments under Article 15(3) of the Financial Regulation;

Subheading 1b – Economic, social and territorial cohesion

15. Underlines the importance of reinforcing the employability of young people and is determined to ensure the proper funding for the YEI programme in the last year of the current MFF; underlines the need to accelerate the implementation of this programme and to further improve its efficiency, so as to ensure that it brings more European added value to national employment policies; proposes therefore an increase of EUR 363,3 million above DB levels in commitment appropriations for the YEI;

16. Steps up funding for technical assistance, to address the complexity of project management procedures, from the preparation of applications to financial management and impact monitoring, which is a major obstacle to a better absorption of 'Structural Funds';

17. Increases the level of commitment appropriations for Subheading 1b by EUR 373 278 264 above DB (excluding pilot projects and preparatory actions), to be financed by mobilising the special instruments;

Heading 2 – Sustainable growth: natural resources

18. In line with the overall priority to tackle climate change, focuses substantial increases worth EUR 233 million in commitment appropriations on budget lines pertaining to the LIFE+ programme in titles 7 and 34; expects the Commission to warrant the necessary absorption capacity for an effective use of these additional means;

19. Proposes necessary increases for selected budget lines, in particular for the financing of measures to address the impact of African swine fever in several Member States;

20. Recalls that the level of appropriations of the European Agricultural Guarantee Fund

(EAGF) will still need to be adjusted by taking into account of the assigned revenue expected to be available in 2020 as communicated in the Commission's Amending Letter;

21. In summary, increases commitment appropriations by EUR 267,3 million in Heading 2 (excluding pilot projects and preparatory actions), to be financed using the available margin under the ceiling;

Heading 3 - Security and Citizenship

22. Reinforces, against the background of an unrealistically low ceiling since the beginning of the current MFF, funding for Parliament's priorities in the fields of internal security, migration and fundamental rights; strongly objects to Council's cuts to the Asylum, Migration and Integration Fund (AMIF) and Internal Security Fund (ISF) and rejects the Council's proposal to move EUR 400 million in commitment appropriations into a reserve awaiting a break-through on the reform of the Dublin III Regulation; underlines that it is of paramount importance to invest in adequate funding and staffing levels for all agencies operating in the fields of migration, security and border control, in particular Europol, Eurojust, EPPO and Frontex;

23. Proposes a 10 % increase in committment appropriations for the MEDIA and Culture sub-programmes of the Creative Europe programme, in order to remedy their chronic underfunding and low application success rates; also increases appropriations for multimedia actions, which are crucial in tackling disinformation and promoting independent journalism;

24. Reinforces therefore Heading 3 by EUR 121 799 746 in commitment appropriations above DB levels (excluding pilot projects and preparatory actions), to be financed by a further mobilisation of special instruments;

Heading 4 – Global Europe

25. Underlines the need for the EU budget to contribute more to climate change mitigation and adaptation measures in the countries covered by the Development Cooperation Instrument and the Union Civil Protection Mechanism;

26. Proposes an increase in funding for the Western Balkans countries under the Instrument for Pre-Accession Assistance, especially in the areas of functioning democratic institutions, rule of law, good governance and public administration;

27. Recalls that, given the persisting security threats and the deterioration of the security environment at the EU's Eastern borders as well as the challenging reforms Eastern European partners are confronted with, it is important to provide sufficient funding in support of stability, democracy and confidence-building and to step up efforts to support poverty reduction and economic development in the region; further recalls that the countries of the Southern neighbourhood are facing enormous pressure, including the conflicts in Syria and Libya, the rise of extremism and the related refugee and migrant movements;

28. Deems it necessary to increase appropriations for the Turkish Cypriot Community

budget line for the purpose of contributing decisively to the continuation and intensification of the mission of the Committee on Missing Persons in Cyprus, the wellbeing of Maronites wishing to resettle and that of all enclaved persons as agreed in the 3rd Vienna Agreement, and of supporting the bicommunal Technical Committee on Cultural Heritage, thereby promoting trust and reconciliation between the two communities;

29. Believes that given the serious and persistent deficits in the areas of democracy, the rule of law and fundamental rights in Turkey, it is justified to further reduce the allocations for Turkey under the Instrument for Pre-Accession Assistance; decides therefore not to reverse Council's cuts to the funding for Turkey, to reduce that funding by additional EUR 5 million, and to put EUR 100 million of the funding into reserve;

30. Reinforces Heading 4 overall by EUR 257 217 394 above DB (excluding pilot projects and preparatory actions), to be financed by further mobilisation of special instruments;

Heading 5 - Administration; Other Headings - administrative and research support expenditure

31. Restores DB levels for administrative expenditure lines, including administrative and research support expenditure in Headings 1 to 4; proposes an increase of EUR 5,5 million in commitment appropriations above DB related to a Conference on European Democracy/Future of Europe.

Pilot projects and preparatory actions (PP-PAs)

32. Recalls the importance of pilot projects and preparatory actions (PP-PAs) as tools for the formulation of political priorities and the introduction of new initiatives that have the potential to turn into standing Union activities and programmes; having carried out a careful analysis of all the proposals submitted and taking fully into account the Commission's assessment of their respect of legal requirements and implementability, adopts a balanced package of PP-PAs that reflects Parliament's political priorities; calls on the Commission to swiftly implement PP-PAs and provide feedback on their performance and results delivered on the ground;

Payments

33. Points 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; stresses 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, as was the case in the current period, and may prevent an orderly start of the next generation of programmes for 2021-2027;

34. Increases, therefore, payments for European Structural and Investment Funds by an overall EUR 3 billion based on the anticipation 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; increases the provisioning of the EFSI guarantee fund by EUR 948 million in order to bring forward to 2020, in a

budget-neutral manner, those annual instalments which were so far planned for the years 2021 to 2023, i.e. when the pressure on payments is expected to be higher; finally, reinforces payment appropriations on those lines where commitment appropriations are increased;

Other Sections

Section I – European Parliament

35. Restores the appropriations established in the estimates on the basis of a careful and responsible analysis of the needs of Parliament for 2020 and adopted by plenary on 28 March 2019 with a large majority; is aware that Article 314 of the Treaty on the Functioning of the European Union allows the Commission to adjust the draft estimates of the other Institutions; expresses nonetheless its surprise and deep concern at the Commission's cuts in Parliament's budget, which breaks the tradition of good cooperation between the two institutions.

36. Increases two lines above the DB, due to new elements impacting the transitional allowances for 2020 budget, which it was not possible to prevent: the higher non re-election rate following the European elections (63 %, whilst the average of 50 % served as the calculation base) and the postponement of Brexit until 31 October 2019; increases also the line on European political foundations, since their work is crucial in promoting democracy and fighting fake news and disinformation;

37. In line with the estimates adopted by the Parliament:

- asks the Bureau to work on a technical solution to allow MEPs to exercise their right to vote while benefitting from their maternity, paternity or long term sickness leave;

- recalls its request to the Bureau to take action for the full alignment of the allowances rates incurred in respect of duty travel between Parliament's three places of work between officials, others servants and APA as from beginning of 2020;

- reiterates its call on the Conference of Presidents and the Bureau to revise the implementing provisions governing the work of delegations and missions outside the European Union; underlines the fact that such a revision should consider the possibility for APAs, subject to certain conditions, to accompany Members on official Parliament delegations and missions;

- asks the Secretary General to swiftly present the implementation rules to ensure the statutory rights of APAs in order to avoid discretional interpretation and the current inequalities that prevent from the full exercise of their work as stated under the Members' and Assistants' Statutes;

- asks for the full implementation of the measures recommended in Parliament's resolution of 26 October 2017 on combating sexual harassment and abuse in the European Union, namely the implementation of the anti-harassment training for all staff and Members, the external audit of the two existing anti-harassment committees as well as the re-structuring of the two existing committees into one independent committee, with doctors and lawyers as standing members; requests further support to cover the cost of additional staff that are competent to manage harassment cases within Parliament, bringing together in a dedicated service staff with expert medical, psychological, legal, and human resources management background and to cover the judicial and medical expenses of victims of harassment in accordance with Article 24 of the Staff Regulations;

Other sections (Sections IV-X)

38. Notes that the 2020 DB reflects in the main the estimates of the various institutions falling within the other sections of the budget and therefore matches, with some exceptions, their financial requirements; considers that the cuts proposed by the Council would therefore have a deleterious effect on the working of the institutions concerned and consequently on the vital contribution they make to the functioning of the European Union; on that account, proposes to restore the levels of the 2020 DB in almost all cases, including with regard to the establishment plans of the European Data Protection Supervisor and the European External Action Service;

39. Considers that, in a limited number of cases and taking into account the institutions' estimates, it is necessary to increase lines above the 2020 budget and to suggest additional posts; proposes therefore:

    a) in relation to the Court of Justice and on account of its increasing workload, to restore the 11 posts proposed by the Court in its estimates (7 AD posts and 4 AST), which the Commission did not include in the 2020 DB, and to provide the necessary appropriations for remunerations and allowances;

    b) in relation to the European Economic and Social Committee and the Committee of the Regions, to increase the appropriations above the 2020 DB for a few lines, so as to maintain a level of appropriations similar to last year's;

    c) in relation to the European Ombudsman, to add two AD posts above the 2020 budget, combined with minor cuts to three budget lines, in order to balance the amounts restored to two other lines;

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40. Instructs its President to forward this resolution, together with the amendments to the draft general budget, to the Council, the Commission, the other institutions and bodies concerned and the national parliaments.