

2020 EU budget: Council agrees its position

EU ambassadors today agreed the Council's position on the 2020 EU draft budget. Once formally adopted by the Council, this will serve as a mandate for the presidency in negotiations with the European Parliament.

In total, the Council's position for next year's budget amounts to €166.8 billion in commitments and €153.1 billion in payments. Compared to 2019, this is an increase of +0.6% in commitments and +3.3% in payments.

The increase in payments reflects the acceleration of programme implementation towards the end of the multiannual financial framework for 2014-2020. It should allow for budgetary commitments to be paid in sufficient time to avoid the accumulation of outstanding bills, in particular in cohesion policy, where the implementation of programmes continues at an accelerated pace.

The agreed figures are based on the premise that the UK will continue to participate fully in the financing and implementation of the EU budget until the end of 2020.

Next year's budget is the last under the current multiannual financial framework. Member states want it to be realistic and fit for purpose. The Council's position provides for adequate payment levels and funding for key priority areas, such as growth and jobs, climate action and the management of migration. At the same time, it includes targeted adjustments to the Commission's proposal and leaves sufficient margins for unforeseen needs. The agreement reached today will provide a solid basis for negotiations with the European Parliament.

Kimmo Tiilikainen, State Secretary, Ministry of Finance of Finland, chief Council negotiator for the 2020 EU budget

Continued support for growth and jobs

Strengthening the European economy remains a key priority for member states.

The Council therefore continues to support the reinforcement of programmes under the "Competitiveness for growth and jobs" heading, which would receive €24.0 billion in total, or +2.72% compared to 2019.

The biggest increases in the 2020 budget would concern European satellite navigation systems (EGNOS and Galileo: €1.2 billion, or +74.75%), the energy strand of the Connecting Europe Facility (€1.2 billion, or +24.94%) and the European Solidarity Corps (€166 million, +15.88%). In all these cases the

Council has supported the funding levels proposed by the Commission.

Increases are also foreseen for the EU's flagship programmes Horizon 2020 (€12.8 billion, or +3.73%) and Erasmus+ (€2.8 billion, or +2.49%), as well as for COSME, which supports SMEs and entrepreneurship, and the European Defence Industrial Development Programme, which will help to pave the way for the European Defence Fund for the 2021-2027 period (+7.06% and +4.08%, respectively).

The "Economic, social and territorial cohesion" heading, gets a boost of +€633.6 million, which represents an increase of +2.23% compared to 2019.

Other priority areas

The Council also backs a reinforcement of the LIFE programme, which provides funding for environment and climate action (€580 million, or +3.85%).

In total, nearly 20 % of the EU budget spending would be dedicated to tackling climate change, in line with the EU's target for the 2014-2020 period.

In the area of migration, additional resources are budgeted for the European Border and Coast Guard Agency (Frontex) (€101.4 million, or +32.4% compared to 2019) to set up a standing corps of 10 000 border guards by 2027.

To strengthen civil protection, increased funding by €156.2 million is provided for the Union Civil Protection Mechanism, which helps member states deal with natural, technological and man-made disasters.

As regards external action in "Global Europe" heading, the overall decrease of commitments compared to 2019 is explained by the end of the period for budgetary commitments related to the Facility for Refugees in Turkey.

The Turkey lines of the Instrument for Pre-accession Assistance (IPA II) have again been adjusted downwards compared to the financial programming, to bring them to 2019 levels. The relevant funds have been reallocated, including as increased support for the Western Balkans.

Limits to administrative expenditure

As regards administrative expenditure, the Council has taken a stringent approach. While all institutions benefit from an increase of their annual budget for 2020 due to statutory and contractual obligations, adjustments have been made to the Commission's draft budget, in particular to stabilise staffing levels. Non-salary expenditure is kept frozen at 2019 levels, with minor exceptions.

The Council takes the view that any additional needs in the field of administrative expenditure should be covered mainly by re-prioritisation.

A summary of the Council's position is set out in the table below*:

MFF headings	Council's position on DB 2020		Difference with the 2019 budget (%)	
	c/a	p/a	c/a	p/a
1. Smart and inclusive growth	82 439 038 982	72 011 498 751	+2,37%	+6,59%
1a Competitiveness for growth and jobs	23 969 038 982	22 004 091 901	+2,72%	+7,22%
1b Economic, social and territorial cohesion	58 470 000 000	50 007 406 850	+2,23%	+6,32%
2 Sustainable growth: natural resources	59 751 006 170	57 774 363 718	+0,18%	+0,65%
3 Security and citizenship	3 602 729 558	3 689 420 926	-4,86%	+4,59%
4 Global Europe	10 114 334 239	8 946 061 191	-10,64%	-4,41%
5 Administration	10 269 060 577	10 272 063 787	+3,28%	+3,29%
MFF headings	166 176 169 526	152 693 408 373	+0,58%	+3,32%
Special instruments	587 763 000	418 500 000	+1,82%	+1,70%
Emergency Aid Reserve	358 500 000	358 500 000	+1,99%	+1,99%
European Globalisation Adjustment Fund	179 263 000	10 000 000	+2,00%	
European Union Solidarity Fund	50 000 000	50 000 000		
Total appropriations	166 763 932 526	153 111 908 373	+0,58%	+3,32%

*in billion €, c/a commitments, p/a payments, DB: draft budget

Next steps

The Council is expected to formally adopt its position on the 2020 EU budget in early September. The adoption of the Parliament's position is scheduled for the second half of October.