The EU Budget for 2019: growth, solidarity and security in Europe and beyond — provisional agreement reached

This agreement is to be confirmed next week during the last plenary session of the European Parliament in Strasbourg.EU funds will continue to be invested in growth and jobs, research and innovation, students and young people — the priorities of the Juncker Commission. In line with the Commission's proposals of June and November 2018, the effective management of migration and of the Union's external borders will also remain a priority in the 2019 budget.

Commissioner Günther H. **Oettinger**, in charge of the Budget and Human Resources, said: "This agreement is a sign that when we stand together, we can deliver the added value that our citizens ask for. The next objective is our long-term budget beyond 2020, and I hope that the constructive spirit and the strong involvement of all three institutions in the negotiations for the 2019 budget will be maintained in these discussions. We should focus on its timely adoption so our scientists, students, businesses, farmers and regions do not lose out."

The 2019 EU budget is set at €165.8 billion in commitments (money that can be agreed in contracts in a given year) and €148.2 billion in payment credits (money that will be paid out). Some key features include:

- Close to half of the funds €80.5 billion in commitments will go towards boosting the European economy, employment and competitiveness. For instance, €12.2 billion will go to Horizon 2020 (+10% compared to 2018) including €194 million for a new European High Performance Computing Joint Undertaking and €3.8 billion will support infrastructure networks through the Connecting Europe Facility (CEF). A further €57.2 billion via the European Structural and Investment Funds (ESI Funds) will help narrow economic gaps, nationally as well as between Member States;
- The EU will support young people in several ways. €2.8 billion will be dedicated to education through Erasmus+ (+20% compared to 2018). The European Solidarity Corps will create opportunities to volunteer or work in projects at home or abroad with €143 million. A further €350 million via the Youth Employment Initiative, will support young people in regions where youth unemployment is high;
- European farmers will benefit from €59.0 billion;
- Security will be enforced within and beyond EU borders. As President **Juncker** proposed in his <u>2018 State of the Union speech</u>, the European Border and Coast Guard, the EU Agency for Asylum, and other agencies that work on border and visa issues, will also receive additional resources in 2019.
- Moreover, the 2019 budget will provide the necessary means for the Facility for Refugees in Turkey, so it can continue to provide food,

education and housing to those fleeing wars in Syria and elsewhere.

The agreement today is based on the premise that the United Kingdom, following its withdrawal from the European Union as of 30 March 2019, will continue to contribute to and participate in the implementation of EU budgets until the end of 2020 as if it were a Member State.

EU budget 2019 (in million euro):

| APPROPRIATIONS BY HEADING | Budget 2019 (nominal change in % compared to 2018) | |
|---------------------------------------------------------|----------------------------------------------------------|-----------------|
| | Commitments | Payments |
| Smart and inclusive growth: | 80,527 (+3.9%) | 67,557 (+1.4%) |
| Competitiveness for growth and jobs | 23,335 (+6.1%) | 20,522 (+2.1%) |
| Economic, social and territorial cohesion | 57,192 (+3.0%) | 47,035 (+1.1%) |
| Sustainable Growth: natural resources | 59,642 (+0.7%) | 57,400 (+2.4%) |
| Market related expenditure and direct aids | 43,192 (-0.1%) | 43,116 (-0.2%) |
| 3. Security and Citizenship | 3,787 (+8.4%) | 3,527 (+18.3%) |
| 4. Global Europe | 11,319 (+12.4%) | 9,358 (+5.1%) |
| 5. Administration | 9,943 (+2.9%) | 9,945 (+2.9%) |
| Other special Instruments | 577 (-17.5%) | 412 (-25.2%) |
| Total appropriations | 165,795 (+3.2%) | 148,199 (+2.4%) |

Background

Every year, usually in late spring, the European Commission tables a draft EU budget. This year, the Commission presented its initial proposal on 23 May 2018.

On this basis, the European Parliament and the Council each take a position. This year, the Council formally adopted its position on 4 September 2018. The European Parliament adopted its position on 24 October 2018.

Differences between the positions of the European Parliament and the Council are addressed in a negotiation process known as the 'conciliation procedure'. This year, the 21-day conciliation period ran from 30 October until 19 November but did not lead to an agreement. As a next step, on 30 November 2018, the Commission put swiftly forward a second proposal.

On the European Parliament side, the negotiations were conducted by Mr. Jean Arthuis, Chair of the Committee on Budgets, Mr. Daniele Viotti and Mr. Paul Rübig, rapporteurs of the 2019 budget. On the Council side, the negotiations were conducted by the Austrian Federal Minister of Finance, Mr. Hartwig Löger. The European Commission, playing the important role of an honest broker, was represented by the Commissioner in charge of the Budget, Mr. Günther H Oettinger, with the support of experts from the Directorate-General for Budget.

Next steps

To seal the compromise reached today, the European Parliament and the Council both have to formally approve the text.

For More Information

- Draft EU budget 2019: Commission proposes a budget focused on continuity
 and delivery for growth, solidarity, security (23 May 2018)
- Draft EU Budget 2019: Questions and Answers (23 May 2018)
- Commission proposal for the long-term EU budget 2021-27: Commission proposes a modern budget for a Union that protects, empowers and defends (2 May 2018)