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## NOTE

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From:	Budget Committee
To:	Permanent Representatives Committee/Council
Subject:	Draft general budget of the European Union for the financial year 2018 – <i>Council position</i>

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## I. INTRODUCTION

The draft general budget of the European Union for 2018 (**DB 2018**) as proposed by the European Commission amounts<sup>1</sup> to:

- EUR 160 642 105 435 in **commitment** appropriations;
- EUR 145 425 106 549 in **payment** appropriations.

Compared to the 2017 budget<sup>2</sup>, these amounts represent a +1.72 % increase in commitment appropriations and a +8.13 % increase in payment appropriations.

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<sup>1</sup> These amounts include appropriations foreseen for specific instruments outside the multiannual financial framework.

<sup>2</sup> Amending budgets No 1 and 2/2017 included.

## II. APPROACH TAKEN

The Budget Committee examined the DB 2018 during the months of June and July 2017 on the basis of the following principles:

- to work within the framework of the budget guidelines established for the 2018 budget in the Council conclusions adopted on 21 February 2017<sup>1</sup>;
- to follow an approach leading to a budget complying with budgetary discipline and sound financial management, as well as taking duly into account the ongoing economic and budgetary constraints in Member States;
- to provide adequate funding for the Union's various priorities, determining appropriations on the basis of past and current budget implementation and realistic absorption capacities;
- to foresee the necessary appropriations enabling the smooth implementation of the different programmes in the fifth year of the multiannual financial framework 2014-2020;
- to provide the appropriations necessary to support the political priorities of the Union, notably enhancing jobs and growth and responding to the challenges in the areas of security and migration;
- to leave adequate margins in commitment appropriations under the ceilings of the headings and sub-headings of the multiannual financial framework, with the exception of (sub-)headings 1b and 3, in order to be able to cope with unforeseen situations;
- to keep payment appropriations under control, resulting in a reduction in payment appropriations in particular under headings 1 and 2. A draft Council statement on payment appropriations is set out in ANNEX I.

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<sup>1</sup> Doc. 6522/17.

As regards *administrative expenditure*, the Budget Committee examined the budgets of the institutions on the following basis:

- to keep under strict control the volume of administrative expenditure of the institutions, in line with the approach followed by the Member States for their national civil services;
- to set the administrative budget of each institution at the appropriate level, taking into account their specificities and real and justified needs;
- to carry out targeted reductions and increase the standard flat rate abatement on salaries for almost all institutions and offices, taking into account their past and current budget implementation and vacancy rates;

This approach would result in an appropriate level of administrative expenditure ensuring a proper functioning of the institutions.

A draft Council statement on the 5% staff reduction is set out in ANNEX II.

The Budget Committee also focused on administrative support expenditure linked to operational programmes and on appropriations for *executive agencies*. In this respect, it is suggested to carry out targeted reductions on the basis of the same principles as those followed for administrative expenditure of the institutions.

As regards *decentralised agencies*, it is suggested to reduce the overall level of contributions from the Union budget by -EUR 5 million in commitment and payment appropriations. Agencies which did not fully implement the contributions received from the Union budget in the past and/or for which the absorption capacities could be lower than the forecasts made by the Commission would be affected by those reductions.

### III. OUTCOME OF PROCEEDINGS<sup>1</sup>

On the basis of the above approach, the Budget Committee reached an agreement on the **Council's position on the DB 2018** that would amount<sup>2</sup> to:

- EUR 158 917 298 644 in **commitment** appropriations;
- EUR 144 429 559 426 in **payment** appropriations.

Compared to the 2017 budget<sup>3</sup>, these amounts would represent a +0.63 % increase in commitment appropriations and a +7.39 % increase in payment appropriations.

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<sup>1</sup> A summary table of the outcome of proceedings is set out in ANNEX IV.

<sup>2</sup> These amounts include appropriations foreseen for specific instruments outside the multiannual financial framework.

<sup>3</sup> Amending budgets No 1 and 2/2017 included.

In this respect, the Budget Committee suggests the following changes to the DB 2018<sup>1</sup>:

1. **Smart and inclusive growth** (heading 1 of the multiannual financial framework)

a) **Competitiveness for growth and jobs** (sub-heading 1a of the multiannual financial framework)

- establish the level of commitment appropriations, targeting a total reduction of -EUR 750.00 million in the appropriations requested in the DB 2018 on a number of specific budget lines including administrative support expenditure and technical assistance, namely related to *Large Infrastructure Projects* (-EUR 98.64 million, of which -EUR 45.91 million on the *European satellite and navigation systems (EGNOS and Galileo)*, -EUR 32.71 million on the *International Thermonuclear Experimental Reactor (ITER)* and -EUR 20.03 million on the *European Earth Observation Programme (Copernicus)*), the *Common Strategic Framework for Research and Innovation* (-EUR 504.43 million, of which -EUR 12.96 million on the *Euratom Research and Training Programme* and -EUR 491.47 million on *Horizon 2020*), *Employment and Social Innovation* (-EUR 9.82 million), *Customs 2020 and Fiscalis 2020* (-EUR 4.25 million), the *Connecting Europe Facility* (-EUR 111.56 million, of which -EUR 58.57 million on *Energy*, -EUR 19.99 million on *Transport* and -EUR 33.00 million on *Information and Communication Technology (ICT)*), *actions financed under the prerogatives of the Commission and specific competences conferred to the Commission* (-EUR 13.31 million) and *other actions and programmes* (-EUR 7.49 million);
- this includes the use of the Global margin for commitments for an amount of EUR 658.35 million under this sub heading;

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<sup>1</sup> The detailed results of the examination are provided in Addenda 1 to 5 to this document relating to the various policy areas.

- set the level of payment appropriations, reducing the appropriations requested in the DB 2018 by a total amount of -EUR 190.00 million, of which -EUR 30.88 million in *Large Infrastructure Projects* (of which -EUR 8.80 million on the *European satellite and navigation systems (EGNOS and Galileo)*, -EUR 14.02 million on the *International Thermonuclear Experimental Reactor (ITER)* and -EUR 8.06 million on the *European Earth Observation Programme (Copernicus)*), -EUR 120.37 million in the *Common Strategic Framework for Research and Innovation* (of which -EUR 3.46 million in the *Euratom Research and Training Programme* and -EUR 116.91 million in *Horizon 2020*), -EUR 0.1 million in *Employment and Social Innovation*, -EUR 2.07 million in *Customs 2020 and Fiscalis 2020*, -EUR 23.05 million in the *Connecting Europe Facility* (of which -EUR 8.12 million on *Energy*, -EUR 9.91 million on *Transport* and -EUR 5.02 million on *Information and Communication Technology (ICT)*), -EUR 8.00 million in *actions financed under the prerogatives of the Commission and specific competences conferred to the Commission* and -EUR 5.02 million in *other actions and programmes*;
- the amounts mentioned above also take into account reductions in contributions to decentralised agencies for a total amount of -EUR 0.52 million in commitment and payment appropriations under this sub-heading;
- the margin available under sub-heading 1a would be EUR 806.05 million.

**b) Economic, social and territorial cohesion** (sub-heading 1b of the multiannual financial framework)

- maintain the level of commitment appropriations as requested in the DB 2018;

- set the level of payment appropriations, reducing the appropriations requested in the DB 2018 by a total amount of -EUR 240.00 million, in particular for 2014-2020 programmes, notably: *Transition regions* (-EUR 55.00 million), *Competitiveness (More developed regions)* (-EUR 85.00 million), *Outermost as sparsely populated regions* (-EUR 5 million), *European territorial cooperation* (-EUR 90.50 million) and *Technical assistance and innovative actions* (-EUR 4.50 million);
- the margin available under sub-heading 1b would be EUR 6.45 million.

**2. Sustainable growth: natural resources** (heading 2 of the multiannual financial framework)<sup>1</sup>

- reduce the level of commitment appropriations requested in the DB 2018 by -EUR 275.01 million on administrative support lines, on operational technical assistance lines and on operational lines under the *European Agricultural Guarantee Fund* (-EUR 269.36 million), the *European Agricultural Fund for Rural Development* (-EUR 0.76 million), the *European Maritime and Fisheries Fund*, *Sustainable Fisheries Partnership Agreements and compulsory contributions to Regional Fisheries Management Organisations and to other international organisations* (-EUR 4.32 million) and the *LIFE programme* (-EUR 0.15 million);

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<sup>1</sup> A further examination of the proposal will take place in the context of the annual letter of amendment updating the estimated needs and appropriations for agricultural expenditure as set out in the draft Council statement on payment appropriations in ANNEX II.

- set the level of payment appropriations, reducing the appropriations requested in the DB 2018 by a total amount of -EUR 271.01 million, of which -EUR 265.36 million in the *European Agricultural Guarantee Fund*, -EUR 0.76 million in the *European Agricultural Fund for Rural Development*, -EUR 4.32 million in the *European Maritime and Fisheries Fund*, *Sustainable Fisheries Partnership Agreements and compulsory contributions to Regional Fisheries Management Organisations and to other international organisations* and -EUR 0.15 million in the *LIFE programme*;
- the amounts mentioned above also take into account reductions in contributions to decentralised agencies for an amount of -EUR 0.41 million in commitment and payment appropriations under this heading;
- the margin available under heading 2 would be EUR 988.48 million.

**3. Security and citizenship** (heading 3 of the multiannual financial framework)

- establish the level of commitment appropriations with a total reduction of -EUR 30.82 million of the appropriations requested in the DB 2018 on a number of budget lines concerning administrative support expenditure (-EUR 0.80 million) and operational expenditure for new programmes (-EUR 25.94 million);
- set the level of payment appropriations, including a total reduction of -EUR 19.56 million of the appropriations requested in the DB 2018 on a number of budget lines concerning administrative support expenditure (-EUR 0.80 million) and operational expenditure (-EUR 14.68 million);
- the amounts mentioned above also take into account reductions in contributions to decentralised agencies for a total amount of -EUR 4.08 million in commitment and payment appropriations under this heading;



- the margin available under heading 3 would be equal to zero;
- the Flexibility Instrument is mobilised for an amount of EUR 786.24 million in commitment appropriations.

**4. Global Europe** (heading 4 of the multiannual financial framework)

- establish the level of commitment appropriations, targeting a total reduction by -EUR 90 million in the appropriations requested in the DB 2018 on a number of specific budget lines related to the *Instrument for Pre-accession assistance* (-EUR 36.24 million), the *European Neighbourhood Instrument* (-EUR 1.91 million), the *Development Cooperation Instrument* (-EUR 19.57 million), the *Partnership instrument for cooperation with third countries* (-EUR 10.17 million), the *European Instrument for Democracy and Human Rights* (-EUR 0.22 million), the *Instrument contributing to Stability and Peace* (-EUR 15.10 million), the *EU Aid Volunteers initiative* (-EUR 0.05 million), *actions financed under the prerogatives of the Commission and specific competences conferred to the Commission* (-EUR 6.70 million) and *other actions and programmes* (-EUR 0.03 million);
- set the level of payment appropriations, reducing the appropriations requested in the DB 2018 by a total amount of -EUR 20 million, of which -EUR 7.79 million in the *Instrument for Pre-accession assistance*, -EUR 1.91 million in the *European Neighbourhood Instrument*, -EUR 8.02 million in the *Development Cooperation Instrument*, -EUR 0.27 million in the *Partnership instrument for cooperation with third countries*, -EUR 0.22 million in the *European Instrument for Democracy and Human Rights*, -EUR 1.70 million in the *Instrument contributing to Stability and Peace*, -EUR 0.05 million in the *EU Aid Volunteers initiative* and -EUR 0.03 million in *other actions and programmes*;
- the margin available under heading 4 would be EUR 321.95 million.

5. **Administration** (heading 5 of the multiannual financial framework)

A summary table of the appropriations suggested is recorded in ANNEX V.

a) **Section I - European Parliament**

For the European Parliament, it is suggested that the DB 2018 (Section I) be approved as it stands.

b) **Section II - European Council and Council**

An overall amount of EUR 574 221 000 is suggested for the European Council and Council's budget, representing an increase of +2.25 % compared to the 2017 budget.

Taking into account the current vacancy rate, it is suggested to maintain the standard flat rate abatement on salaries at 5 % as proposed in the DB 2018.

Targeted reductions are suggested by applying a specific decrease to the appropriations related to *general interpretation costs* (-EUR 500 000) and the *contingency reserve* (-EUR 500 000).

c) **Section III - Commission**

An overall amount of EUR 3 540 885 536 million is suggested for the Commission's administrative expenditure (including OP, OLAF, EPSO, PMO, OIB and OIL), representing an increase of +1.21 % compared to the 2017 budget.

Taking into account the current vacancy rate, it is suggested to set the standard flat rate abatement on salaries for the Commission's headquarters at 3.3 % (-EUR 16 614 174). The standard flat rate abatement for delegations is maintained at 5.5 % as proposed in the DB 2018.

Targeted reductions are suggested by applying a specific decrease to the appropriations related to *external staff (CEOS, SNE, Agency staff, Social)* (-EUR 5 174 000), *Members (salaries and allowances)* (-EUR 360 000), *recruitment costs* (-EUR 1 000 000), *termination of service* (-EUR 2 143 000), *linguistic external services* (-EUR 1 000 000), *fitting-out of premises* (-EUR 250 000), *security* (-EUR 500 000), *mission and representation* (-EUR 500 000), *meetings, committees and conferences* (-EUR 1 950 000), *studies and investigations* (-EUR 500 000), *general equipment, vehicle, furniture* (-EUR 200 000) and *other administrative expenditure* (-EUR 1 200 000).

An overall amount of EUR 2 091 169 200 million is suggested for pensions and European Schools, representing an increase of +5.85 % compared to the 2017 budget.

#### ***Publications Office (OP)***

An overall amount of EUR 95 412 770 is suggested for OP's budget, representing an increase of +15.29 % compared to the 2017 budget.

Taking into account the current vacancy rate, it is suggested to set the standard flat rate abatement on salaries at 1.2 % (-EUR 546 230).

#### ***European Anti-Fraud Office (OLAF)***

An overall amount of EUR 58 640 146 is suggested for OLAF's budget, representing a decrease of -2.18 % compared to the 2017 budget.

Taking into account the current vacancy rate, it is suggested to set the standard flat rate abatement on salaries at 2.6 % (-EUR 328 854).

Targeted reductions are suggested by applying a specific decrease to the appropriations related to *other management expenditure* (-EUR 35 000) and *buildings and related expenditure* (-EUR 200 000).

### ***European Personnel Selection Office (EPSO)***

An overall amount of EUR 26 123 326 is suggested for EPSO's budget, representing a decrease of -2.04 % compared to the 2017 budget.

Taking into account the current vacancy rate, it is suggested to set the standard flat rate abatement on salaries at 2.2 % (-EUR 83 674).

### ***Office for Administration and Payment of Individual Entitlements (PMO)***

An overall amount of EUR 38 369 872 is suggested for PMO's budget, representing a minor decrease of -0.85 % compared to the 2017 budget.

Taking into account the current vacancy rate, it is suggested to set the standard flat rate abatement on salaries at 2.9 % (-EUR 136 794).

A targeted reduction is suggested by applying a specific decrease to the appropriations related to *external personnel* (-EUR 239 334).

### ***Office for Infrastructure and Logistics in Brussels (OIB)***

An overall amount of EUR 76 743 558 is suggested for OIB's budget, representing an increase of +12.60 % compared to the 2017 budget.

Taking into account the current vacancy rate, it is suggested to set the standard flat rate abatement on salaries at 2.0 % (-EUR 396 442).

Targeted reductions are suggested by applying a specific decrease to the appropriations related to *external personnel* (-EUR 966 000) and *buildings and related expenditure* (-EUR 350 000).

## *Office for Infrastructure and Logistics in Luxembourg (OIL)*

An overall amount of EUR 24 585 538 is suggested for OIL's budget, representing an increase of +0.89 % compared to the 2017 budget.

Taking into account the current vacancy rate, it is suggested to set the standard flat rate abatement on salaries at 1.7 % (-EUR 96 962).

A targeted reduction is suggested by applying a specific decrease to the appropriations related to *external personnel* (-EUR 116 500).

### **d) Section IV - Court of Justice of the European Union**

An overall amount of EUR 406 902 250<sup>1</sup> is suggested for the Court of Justice's budget, representing an increase of +1.89 % compared to the 2017 budget.

Taking into account the current vacancy rate, it is suggested to set the standard flat rate abatement on salaries at 3.5 % (-EUR 2 540 000).

Targeted reductions are suggested by applying a specific decrease to the appropriations related to *other staff* (-EUR 306 000), *in-service training and staff exchanges* (-EUR 88 500), *missions* (-EUR 53 500), *social contacts between members of staff and other welfare expenditure* (-EUR 42 750), *PMO expenditure for the administration of matters concerning the Court's staff* (-EUR 11 500), *fitting-out of premises* (-EUR 150 000), *studies and technical assistance in connection with building projects* (-EUR 100 000), *cleaning and maintenance* (-EUR 300 000), *purchase, servicing and maintenance of equipment and software* (-EUR 50 000), *external services for the operation, creation and maintenance of software and systems* (-EUR 260 000), *legal expenses and damages* (-EUR 30 000) and *documentation, library and archiving expenditure* (-EUR 330 000).

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<sup>1</sup> This amount takes into account the institution's contribution to accredited European Schools (Type 2) of EUR 40 000.

e) **Section V - Court of Auditors**

An overall amount of EUR 144 374 000 is suggested for the Court of Auditors' budget, representing an increase of +2.22 % compared to the 2017 budget.

Taking into account the current vacancy rate, it is suggested to set the standard flat rate abatement on salaries at 4.0 % (-EUR 627 000).

Targeted reductions are suggested by applying a specific decrease to the appropriations related to *members' missions* (-EUR 110 000), *members' training* (-EUR 50 000), *other staff* (-EUR 166 000), *in-service training and staff exchanges* (-EUR 26 000), *other external services* (-EUR 10 000), *further training for staff* (EUR 50 000), *staff missions* (-EUR 300 000), *PMO expenditure on management of matters concerning Court of Auditors staff* (-EUR 130 000), *fitting-out of premises* (-EUR 20 000), *external services for the operation, implementation and maintenance of software and systems* (-EUR 90 000), *furniture* (-EUR 176 000), *technical equipment and installations* (-EUR 80 000), *legal expenses and damages* (-EUR 100 000), *other administrative expenditure* (-EUR 30 000), *meetings, congresses and conferences* (-EUR 30 000) and *publications of a general nature* (-EUR 100 000).

f) **Section VI - European Economic and Social Committee**

An overall amount of EUR 135 048 961 is suggested for the European Economic and Social Committee's budget, representing an increase of +0.93 % compared to the 2017 budget.

Taking into account the current vacancy rate, it is suggested to maintain the standard flat rate abatement on salaries at 4.5 % as proposed in the DB 2018.

Targeted reductions are suggested by applying a specific decrease to the appropriations related to *further training* (-EUR 23 800), *purchase, servicing and maintenance of equipment and software, and related work* (-EUR 32 304), *furniture* (-EUR 32 304), *miscellaneous expenditure on internal meetings* (-EUR 20 000), *expenditure on the organisation of and participation in hearings and other events* (-EUR 160 627), *representation expenses* (-EUR 20 000), *interpreting* (-EUR 341 686), *communication* (-EUR 159 636), *studies, research and hearings* (-EUR 45 000) and *documentation and library expenditure* (-EUR 29 048).

**g) Section VII - Committee of the Regions**

An overall amount of EUR 94 470 541 is suggested for the Committee of the Regions' budget, representing an increase of +1.26 % compared to the 2017 budget.

Taking into account the current vacancy rate, it is suggested to maintain the standard flat rate abatement on salaries at 6.0 % as proposed in the DB 2018.

Targeted reductions are suggested by applying a specific decrease to the appropriations related to *remuneration and allowances* (-EUR 1 406 870), *other staff* (-EUR 128 919), *interpreting services* (-EUR 97 303), *cleaning and maintenance* (-EUR 150 000) and *external expertise and studies* (-EUR 56 300).

**h) Section VIII - European Ombudsman**

For the European Ombudsman, it is suggested that the DB 2018 be approved as it stands (EUR 10 869 161<sup>1</sup>), representing a minor decrease of -0.33 % compared to the 2017 budget.

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<sup>1</sup> This amount takes into account the institution's contribution to accredited European Schools (Type 2) of EUR 210 000.

i) **Section IX - European Data Protection Supervisor**

An overall amount of EUR 13 428 697 is suggested for the European Data Protection Supervisor's budget, representing an increase of +18.58 % compared to the 2017 budget.

Taking into account the current vacancy rate, it is suggested to set the standard flat rate abatement at 1.0 % on *remuneration and allowances of the staff of the institution* (-EUR 54 370), as well as on *remuneration and allowances of the Board* (-EUR 11 986).

Targeted reductions are suggested by applying a specific decrease to the appropriations related to *cost of traineeships and staff exchanges* (-EUR 26 000), *rents, charges and buildings expenditure* (-EUR 200 000), *other operating expenditure* (-EUR 85 000), *expenditure on publishing and information* (-EUR 46 000), *other activities related to external stakeholders* (-EUR 100 000), *meetings of the Board* (-EUR 120 000), *translation and interpretation costs of the Board* (-EUR 160 000), *information technology equipment and services of the Board* (-EUR 100 000), *external consultancy and studies of the Board* (-EUR 100 000) and *expenditure in connection with the activities of the European Data Protection Board* (-EUR 40 000).

j) **Section X - European External Action Service**

An overall amount of EUR 665 814 904 is suggested for the European External Action Service's budget, representing an increase of +0.88 % compared to the 2017 budget.

A correction in line 1200 (*contract staff*) is included corresponding to an error in the total number of posts for contract agents in Group Function IV (-EUR 71 000).



Taking into account the current vacancy rate, it is suggested to set the standard flat rate abatement on salaries in headquarters at 2.3 % (-EUR 1 375 432), in delegations at 3.8 % (-EUR 705 480) and for Military seconded national experts at 3.4 % (-EUR 292 868).

Targeted reductions are suggested by applying a specific decrease to the appropriations related to:

- at headquarters: *contract staff* (-EUR 1 205 316), *recruitment* (-EUR 50 000), *entitlements on entering the service, transfers and leaving the service* (-EUR 160 000), *medical service* (-EUR 150 000), *information and communication technology* (-EUR 1 000 000), *cryptography and highly classified information and communications technology* (-EUR 1 000 000), *security of information and communication technology up to the level EU restricted* (-EUR 500 000), *technical security countermeasures* (-EUR 210 000), *technical equipment and installations* (-EUR 50 000), *documentation and library expenditure* (-EUR 150 000), *public information and public events* (-EUR 150 000), *legal expenses and costs, damages and compensation* (-EUR 50 000), *other operating expenditure* (-EUR 50 000) and *conflict prevention and mediation support services* (-EUR 50 000); and
- in delegations: *buildings and associated costs* (-EUR 1 770 000).

Following the decision (EU) 2017/344 of the European Parliament and of the Council of 14 December 2016 on the mobilisation of the Contingency Margin in 2017<sup>1</sup>, EUR 570 million are offset against the margin of heading 5.

The margin available under heading 5 would be EUR 148.58 million.

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<sup>1</sup> OJ L 50, 28.2.2017, p. 57.

**6. Special instruments**

It is suggested to maintain the appropriations entered in the DB 2018 for the Emergency Aid Reserve and the European Globalisation Adjustment Fund and to reduce the appropriations for the European Union Solidarity Fund (-EUR 524 million in commitment appropriations and -EUR 200 million in payment appropriations).

**7. Staff levels**

With regard to staff levels, it is suggested to accept the establishment plans in the DB 2018 as proposed by the Commission.

**8. Revenue**

As regards revenue, it is suggested to accept the DB 2018 after the technical adjustments arising from the changes made to expenditure in the Council's position.

**9. Budget remarks**

It is suggested to align the budget remarks contained in the DB 2018 with the changes made to expenditure in the Council's position and in particular the Union contributions to the financing of the different EU bodies, as well as the standard flat rate abatements of EU institutions and offices.

**10. Nomenclature**

As regards nomenclature, it is suggested to accept the DB 2018.

**11. Legal bases**

Special care is taken to comply with the provisions of the Interinstitutional Agreement as regards legal bases.

**12. Programme statements**

Particular attention is given to the programme statements presented by the Commission.

#### IV. CONCLUSION

The Permanent Representatives Committee is asked to:

- advise the Council to:
  - confirm the outcome of proceedings as set out in this document;
  - to adopt the Council's position as set out in this document;
  - mandate the Presidency to forward the Council's position together with the explanatory memorandum to the European Parliament, in accordance with Article 314(3) TFEU, and to approve the draft letter in ANNEX III to that effect;
  - propose that the Council enter in its minutes the statements set out in ANNEX II;
  - have the Council's position published in the *Official Journal of the European Union* as set out in ANNEX I;
- agree, by unanimity, to the use of the written procedure for this purpose.

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**COUNCIL DECISION**

**ADOPTING THE COUNCIL'S POSITION ON THE DRAFT GENERAL BUDGET OF  
THE EUROPEAN UNION FOR THE FINANCIAL YEAR 2018**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 314(3) thereof, in conjunction with the Treaty establishing the European Atomic Energy Community and in particular Article 106a thereof,

Whereas:

1. On 29 June 2017, the Commission submitted a proposal containing the draft general budget of the European Union for the financial year 2018<sup>1</sup>,
2. The Council examined the Commission proposal with a view to defining a position consistent, on the revenue side, with Council Decision 2014/335/EU, Euratom of 26 May 2014 on the system of own resources of the European Union<sup>2</sup>, and, on the expenditure side, with Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020<sup>3</sup>,

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<sup>1</sup> COM(2017) 400 final.

<sup>2</sup> OJ L 168, 7.6.2014, p. 105.

<sup>3</sup> OJ L 347, 20.12.2013, p. 884.

HAS DECIDED AS FOLLOWS:

*Sole Article*

The Council's position on the draft general budget of the European Union for the financial year 2018 was adopted by the Council on 4 September 2017.

The full text can be accessed for consultation or downloading on the Council's website:

<http://www.consilium.europa.eu/>

Done at Brussels, on 4 September 2017.

*For the Council*

*The President*

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DRAFT STATEMENTS FOR ENTRY IN THE COUNCIL MINUTES

A. COUNCIL STATEMENTS

1. Council statement on payment appropriations

'The Council will carefully examine the letter of amendment for agriculture (including information on assigned revenue) in order to appropriately assess the level of resources under heading 2 (*Sustainable growth: natural resources*) in the 2018 budget.

The Council calls on the Commission to continue closely scrutinising the implementation of the 2014-2020 programmes. To that end, it invites the Commission to present in a timely manner updated figures concerning the state of affairs and estimates regarding 2018 payment appropriations with a view to allowing the budgetary authority to take any necessary decisions in due time for justified needs.'

2. Council statement on the 5 % staff reduction

'The Council recalls that the target year for implementing the 5 % reduction of staff, to be applied to all institutions, bodies and agencies, is 2017 as stipulated in Point 27 of the Interinstitutional Agreement of 2 December 2013 on budgetary discipline, on cooperation in budgetary matters and on sound financial management.

The Council acknowledges the efforts made to reach this target, as illustrated in the table provided by the Commission and included in Appendix 1. It considers that the level of staff in all institutions, bodies and agencies needs to be kept under continuous monitoring to ensure that the savings achieved in administrative expenditure are lasting. The Council also underlines the importance of monitoring closely the appropriations for all categories of external staff. It therefore welcomes the Commission's overview of consolidated data on all external staff employed by the institutions, presented in Appendix 2, in line with point (b) of Article 38(3) of the Financial Regulation. It invites the Commission to continue providing this information to the budgetary authority when presenting its draft budgets for future years.

The Council insists that a proper assessment of the outcome of the 5 % staff reduction exercise be carried out, and in that context looks forward to receiving the independent evaluation of the results from the European Court of Auditors.'

## Appendix 1 to the Council statement on the 5 % staff reduction

Establishment plan posts – All institutions												
Evolution to date vis-à-vis the -5 % reduction target over 5 years 2013-2017												
Institutions	2012 budget <sup>1</sup>	2013-2017 reduction target -5 %	Annual reference target <sup>2</sup> -1 %	Posts reduction implementation <sup>3</sup>							Remaining distance to -5 %	
				2013	2014	2015	2016	2017	DB2018	Total	Posts	% points
European Parliament <sup>4</sup>	5 603	-281	-56	-	-37	-47	-17 <sup>5</sup>	-60 <sup>6</sup>	-60	-187	94	1.7%
European Council and Council	3 136	-157	-31	-46	-42	-22	-32	-15	-	-157	-	0.0%
Commission	25 073	-1 254	-251	-250	-250	-263	-252	-239	-	-1 254	-	0.0%
Court of Justice of the European Union	1 952	-98	-20	-20	-20	-7 <sup>5</sup>	-13 <sup>5</sup>	-19	-	-79	19	1.0%
European Court of Auditors	885	-44	-9	-9	-9	-9	-9	-9	-	-45	-	0.0%
European Economic and Social Committee	685	-34	-7	-7	-7	-7	-7	-6	-	-34	-	0.0%
Committee of the Regions	500	-25	-5	-	-5	-5	-7	-9	-	-26	-	0.0%
European Ombudsman	64	-3	-1	-	-	-1	-1	-1	-	-3	-	0.0%
European Data-Protection Supervisor	43	-2	-	-	-	-1	-1	-	-	-2	-	0.0%
European External Action Service	1 679	-84	-17	-	-17	-17	-17	-17	-16	-84	-	0.0%
<b>Total institutions</b>	<b>39 620</b>	<b>-1 982</b>	<b>-397</b>	<b>-332</b>	<b>-387</b>	<b>-379</b>	<b>-322</b>	<b>-375</b>	<b>-76</b>	<b>-1 871</b>	<b>113</b>	<b>0.3%</b>

<sup>1</sup> Authorised 2012 posts excluding Croatia enlargement (140 posts) and EP political groups (1 015 posts) with the following adjustments:

- 60 posts were added to the EP and deducted from the EESC (-36) and from the CoR (-24) in order to reflect the impact of the cooperation agreement signed on 5 February 2014 between those institutions;
- 10 posts were transferred from the Council to the EEAS in 2014;
- 2 posts were transferred from the EEAS to the Commission (PMO) in 2014;
- 1 post was transferred from the Court of Auditors to the Commission (PMO) in 2015;
- 1 post was transferred from the Council to the EEAS in 2015;
- 6 posts were transferred from the Council to the Commission (PMO) in 2015;
- 2 posts were transferred from the EP to the Commission in 2016;
- 1 post was transferred from the Court of Auditors to the Commission in 2016;
- 2 posts will be transferred from the Council to the Commission in 2018.

<sup>2</sup> Linear projection over 5 years at 1 % per year, rounded figures.

<sup>3</sup> Sources: authorised budgets 2013, 2014, 2015, 2016, 2017 (including amending and/or draft amending budgets), and 2018 draft budget.

<sup>4</sup> The reduction target for the EP is based on the 2014 budget (excluding posts relating to political groups); as stipulated in the EP's statement on the application of Point 27 of the Interinstitutional Agreement (*see budget 2016 Joint Conclusions*). The EP is committed to continue the reduction of the total number of posts in its establishment plan and to complete it by 2019.

<sup>5</sup> Posts granted to the institution by the budgetary authority during the period 2013-2017 thus consciously deviating from the trajectory proposed by the Commission to reach the overall reduction target.

<sup>6</sup> 76 posts have been reduced in the establishment plan of the EP's administration as a compensatory decrease to fully offset an increase of 76 posts for political groups.



**Appendix 2 to the Council statement on the 5 % staff reduction**

<b>EVOLUTION OF EXTERNAL STAFF IN ALL INSTITUTIONS 2013 - 2018</b>																
<b>Institution</b>	<b>B2013</b>		<b>B2014</b>		<b>B2015</b>		<b>B2016 (incl. DAB3/2016)</b>		<b>B2017</b>		<b>DB2018</b>		<b>Evolution 2018/2017</b>		<b>Evolution 2018/2013</b>	
	<b>€ (mn)</b>	<b>FTE</b>	<b>€ (mn)</b>	<b>FTE</b>	<b>€ (mn)</b>	<b>FTE</b>	<b>€ (mn)</b>	<b>FTE</b>	<b>€ (mn)</b>	<b>FTE</b>	<b>€ (mn)</b>	<b>FTE</b>	<b>€ (mn)</b>	<b>FTE</b>	<b>€ (mn)</b>	<b>FTE</b>
European Parliament	217.7	6 854	231	7 515	237.3	7 253	257.6	7 672	273.8	7 579	276.5	7 750	2.7	171	58.8	896
European Council and Council	10.7	240	9.9	234	10.2	234	10.2	234	11.1	246	11.6	246	0.5	0	0.9	6
Commission	455.5	8 412	448.9	8 313	449.2	8 162	454.1	8 040	464	7 928	473	7 889	9.0	-39	17.5	-523
Court of Justice of the European Union	6.1	158	6.2	163	6.4	156	6.7	162	7.7	176	8.4	184	0.7	8	2.3	26
Court of Auditors	3.5	74	3.4	69	3.5	71	3.9	77	4.3	80	4.9	86	0.6	6	1.4	12
European Economic and Social Committee	2.7	50	2.5	47	2.6	47	2.6	45	2.7	53	2.8	53	0.1	0	0.1	3
Committee of the Regions	2.6	88	2.5	88	2.5	55	2.7	59	2.9	63	3.2	64	0.3	1	0.6	-24
European Ombudsman	0.3	6	0.4	9	0.5	10	0.5	12	0.7	15	0.7	15	0.0	0	0.4	9
European Data-Protection Supervisor	0.4	8	0.4	8	0.4	9	0.6	12	0.9	16	0.9	16	0.0	0	0.5	8
European External Action Service	83.1	1 853	80.6	1 894	81.3	1 828	86.3	1 764	92.3	1 826	100.1	1 884	7.8	58	17.0	31
<b>Total institutions</b>	<b>782.6</b>	<b>17 743</b>	<b>785.7</b>	<b>18 338</b>	<b>793.8</b>	<b>17 825</b>	<b>825.3</b>	<b>18 077</b>	<b>860.3</b>	<b>17 981</b>	<b>882.1</b>	<b>18 186</b>	<b>21.8</b>	<b>205</b>	<b>99.5</b>	<b>443</b>

## **B. OTHER STATEMENTS**

### **1. Unilateral statement by Bulgaria, the Czech Republic, Latvia, Lithuania, Poland, Romania and Slovakia on EU Strategic Communication**

'Bulgaria, the Czech Republic, Latvia, Lithuania, Poland, Romania and Slovakia (hereinafter referred to as 'Member States') acknowledge the overall need for rationalisation of EU's administrative expenditure and recognise that the European External Action Service is also subject to prudent budgeting. However, there are clear political priorities identified by the European Council that need to be addressed properly. In the light of this, the Member States recall the important role of the EU external Strategic Communication capacity as a meaningful tool in promoting the key EU policies and core values.

With the aim to make well informed decisions, the Member States stress the importance of having timely and detailed information regarding the distribution of budgetary and human resources among the West Balkans, South and East Strategic Communication teams in 2018 and onwards. For this reason the Member States invite the European External Action Service to ensure the necessary transparency.

While recognising the focus on the enforcement of the South team and the West Balkans team so far, the Member States stress the increasing need to adequately reinforce the East team<sup>1</sup> currently dependent mainly on seconded experts from Member States.'

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<sup>1</sup> In accordance with the European Council conclusions of 19-20 March 2015.

## 2. Unilateral statement by France and Luxembourg

France and Luxembourg would point out that, by adopting the Edinburgh Decision of 12 December 1992, the governments of the Member States affirmed that the seat of the European Parliament established in Strasbourg constitutes the principal place where that institution meets in ordinary plenary sitting. The provisions of the Edinburgh Decision are now incorporated into the protocols on the seats of the institutions annexed to the TEU and the TFEU (Protocol No 6) and to the EAEC Treaty (Protocol No 3). Those binding provisions include the requirement that the budget session be held in Strasbourg.

In an action for annulment brought in February 2017 (Case C-73/17), the French Government, supported by the Luxembourg Government, considers that the European Parliament, in definitively adopting the budget for the financial year 2017 at the additional plenary session held in Brussels on 30 November and 1 December 2016, clearly disregarded the rule according to which it must exercise its budgetary powers in Strasbourg. However, for obvious reasons of legal certainty and the continuity of the European public service, the French Government asked the Court to maintain the effects of the budget for a certain time. Proceedings in that case are ongoing.

In the light of past experience and the calendars for ordinary plenary sessions of the European Parliament for 2017 and 2018, France and Luxembourg would underline the risk that, in the course of the budgetary procedure for the financial years 2018 and 2019, the European Parliament may not exercise in Strasbourg all the budgetary powers accorded to it under Article 314 TFEU.

France and Luxembourg will closely monitor compliance with the Treaties.'

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**DRAFT LETTER**

from : President of the Council

to : President of the European Parliament

Sir,

Please find under separate cover the Council's position on the draft general budget of the European Union for the financial year 2018 as adopted by the Council.

(Complimentary close)

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**BREAKDOWN BY HEADING FOR 'TOTAL EXPENDITURE' IN THE FINANCIAL FRAMEWORK**

	Description	1		2		2/1		3		4		4-1		4/1	
		Budget 2017 (AB Nos 1/2017 and 2/2017 incl.)		DB 2018		Difference (%)		Council's changes on DB 2018		Council's position on DB 2018		Difference (amount)		Difference (%)	
		c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a
<b>1</b>	<b>Smart and inclusive growth</b>	<b>74 898 754 456</b>	<b>56 521 763 545</b>	<b>77 249 180 217</b>	<b>66 845 867 101</b>	<b>+3,14%</b>	<b>+18,27%</b>	<b>- 750 000 000</b>	<b>- 430 000 000</b>	<b>76 499 180 217</b>	<b>66 415 867 101</b>	<b>+1 600 425 761</b>	<b>+9 894 103 556</b>	<b>+2,14%</b>	<b>+17,50%</b>
	<i>global margin for commitments</i>			891 685 985						891 685 985					
	<i>ceiling</i>			76 420 000 000						76 420 000 000					
	<i>margin</i>			62 505 768				750 000 000		812 505 768					
1.a	Competitiveness for growth and jobs	21 312 155 821	19 320 944 503	21 841 301 956	20 082 398 844	+2,48%	+3,94%	- 750 000 000	- 190 000 000	21 091 301 956	19 892 398 844	- 220 853 865	+ 571 454 341	-1,04%	+2,96%
	<i>global margin for commitments</i>			658 352 652						658 352 652					
	<i>ceiling</i>			21 239 000 000						21 239 000 000					
	<i>margin</i>			56 050 696				750 000 000		806 050 696					
1.b	Economic, social and territorial cohesion	53 586 598 635	37 200 819 042	55 407 878 261	46 763 468 257	+3,40%	+25,71%		- 240 000 000	55 407 878 261	46 523 468 257	+1 821 279 626	+9 322 649 215	+3,40%	+25,06%
	<i>global margin for commitments</i>			233 333 333						233 333 333					
	<i>ceiling</i>			55 181 000 000						55 181 000 000					
	<i>margin</i>			6 455 072						6 455 072					
<b>2</b>	<b>Sustainable growth: natural resources</b>	<b>58 584 443 884</b>	<b>54 913 969 537</b>	<b>59 553 523 122</b>	<b>56 359 793 633</b>	<b>+1,65%</b>	<b>+2,63%</b>	<b>- 275 006 000</b>	<b>- 271 006 000</b>	<b>59 278 517 122</b>	<b>56 088 787 633</b>	<b>+ 694 073 238</b>	<b>+1 174 818 096</b>	<b>+1,18%</b>	<b>+2,14%</b>
	<i>ceiling</i>			60 267 000 000						60 267 000 000					
	<i>margin</i>			713 476 878				275 006 000		988 482 878					
	Of which: European Agricultural Guarantee Fund (EAGF) – Market related expenditure and direct payments	42 612 572 079	42 562 967 974	43 518 316 899	43 472 477 466	+2,13%	+2,14%	- 269 364 200	- 265 364 200	43 248 952 699	43 207 113 266	+ 636 380 620	+ 644 145 292	+1,49%	+1,51%
	<i>sub-ceiling</i>			44 163 000 000						44 163 000 000					
	<i>excluded when calculating the sub-margin<sup>1</sup></i>			- 650 000						- 650 000					
<b>3</b>	<b>Security and citizenship</b>	<b>4 284 030 960</b>	<b>3 786 957 287</b>	<b>3 473 056 199</b>	<b>2 963 847 175</b>	<b>-18,93%</b>	<b>-21,74%</b>	<b>- 30 819 328</b>	<b>- 19 559 660</b>	<b>3 442 236 871</b>	<b>2 944 287 515</b>	<b>- 841 794 089</b>	<b>- 842 669 772</b>	<b>-19,65%</b>	<b>-22,25%</b>
	<i>flexibility instrument</i>			817 056 199				- 30 819 328		786 236 871					
	<i>ceiling</i>			2 656 000 000						2 656 000 000					
	<i>margin</i>			0				0		0					
<b>4</b>	<b>Global Europe</b>	<b>10 162 120 000</b>	<b>9 483 081 178</b>	<b>9 593 045 411</b>	<b>8 951 045 154</b>	<b>-5,60%</b>	<b>-5,61%</b>	<b>- 90 000 000</b>	<b>- 20 000 000</b>	<b>9 503 045 411</b>	<b>8 931 045 154</b>	<b>- 659 074 589</b>	<b>- 552 036 024</b>	<b>-6,49%</b>	<b>-5,82%</b>
	<i>ceiling</i>			9 825 000 000						9 825 000 000					
	<i>margin</i>			231 954 589				90 000 000		321 954 589					

<sup>1</sup> This amount, resulting from the rounding for the calculations of the sub-ceiling and the net transfer, is excluded when calculating the sub-margin.

	Description	1		2		2/1		3		4		4-1		4/1	
		Budget 2017 (AB Nos 1/2017 and 2/2017 incl.)		DB 2018		Difference (%)		Council's changes on DB 2018		Council's position on DB 2018		Difference (amount)		Difference (%)	
		c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a
5	<b>Administration</b>	<b>9 394 513 816</b>	<b>9 394 599 816</b>	<b>9 682 398 486</b>	<b>9 684 953 486</b>	<b>+3,06%</b>	<b>+3,09%</b>	<b>- 54 981 463</b>	<b>- 54 981 463</b>	<b>9 627 417 023</b>	<b>9 629 972 023</b>	<b>+ 232 903 207</b>	<b>+ 235 372 207</b>	<b>+2,48%</b>	<b>+2,51%</b>
	<i>ceiling</i>			<i>10 346 000 000</i>						<i>10 346 000 000</i>					
	<i>offset of the contingency margin</i>			<i>- 570 000 000</i>						<i>- 570 000 000</i>					
	<i>margin</i>			<i>93 601 514</i>				<i>54 981 463</i>		<i>148 582 977</i>					
	<b>Of which: Administrative expenditure of the institutions</b>	<b>7 418 902 660</b>	<b>7 418 988 660</b>	<b>7 591 229 286</b>	<b>7 593 784 286</b>	<b>+2,32%</b>	<b>+2,36%</b>	<b>- 54 981 463</b>	<b>- 54 981 463</b>	<b>7 536 247 823</b>	<b>7 538 802 823</b>	<b>+ 117 345 163</b>	<b>+ 119 814 163</b>	<b>+1,58%</b>	<b>+1,61%</b>
	<i>sub-ceiling</i>			<i>8 360 000 000</i>						<i>8 360 000 000</i>					
	<i>offset of the contingency margin</i>			<i>- 570 000 000</i>						<i>- 570 000 000</i>					
	<i>sub-margin</i>			<i>198 770 714</i>				<i>54 981 463</i>		<i>253 752 177</i>					
	<b>Negative reserve</b>	<b>p.m.</b>	<b>- 70 402 434</b>	<b>p.m.</b>	<b>p.m.</b>		<b>-100,00%</b>			<b>p.m.</b>	<b>p.m.</b>		<b>+ 70 402 434</b>		<b>-100,00%</b>
	<b>MFF Headings</b>	<b>157 323 863 116</b>	<b>134 029 968 929</b>	<b>159 551 203 435</b>	<b>144 805 506 549</b>	<b>+1,42%</b>	<b>+8,04%</b>	<b>-1 200 806 791</b>	<b>- 795 547 123</b>	<b>158 350 396 644</b>	<b>144 009 959 426</b>	<b>+1 026 533 528</b>	<b>+9 979 990 497</b>	<b>+0,65%</b>	<b>+7,45%</b>
	<i>flexibility instrument</i>			<i>817 056 199</i>	<i>667 152 692</i>			<i>- 30 819 328</i>	<i>- 667 152 692</i>	<i>786 236 871</i>	<i>0</i>				
	<i>global margin for commitments</i>			<i>891 685 985</i>						<i>891 685 985</i>					
	<i>ceiling</i>			<i>159 514 000 000</i>	<i>154 565 000 000</i>					<i>159 514 000 000</i>	<i>154 565 000 000</i>				
	<i>offset of the contingency margin</i>			<i>- 570 000 000</i>						<i>- 570 000 000</i>					
	<i>Margin<sup>1</sup></i>			<i>1 101 538 749</i>	<i>10 426 646 143</i>			<i>1 169 987 463</i>	<i>128 394 431</i>	<i>2 271 526 212</i>	<i>10 555 040 574</i>				
	<b>Appropriations as % of GNI<sup>2,3</sup></b>	<b>1,05%</b>	<b>0,89%</b>	<b>1,01%</b>	<b>0,92%</b>			<b>-0,01%</b>	<b>-0,01%</b>	<b>1,01%</b>	<b>0,91%</b>				

<sup>1</sup> These amounts are calculated not taking into account appropriations for special instruments (EAR, EGF, EUSF).

<sup>2</sup> The GNI for 2017 is based on the forecast of GNI issued after the Advisory Committee on Own Resources (ACOR) meeting held on 18 May 2016.

<sup>3</sup> The GNI for 2018 is based on the forecast of GNI issued after the Advisory Committee on Own Resources (ACOR) meeting held on 19 May 2017.

## BREAKDOWN FOR 'SPECIAL INSTRUMENTS'

Description	1		2		2/1		3		4		4-1		4/1	
	Budget 2017 (AB Nos 1/2017 and 2/2017 incl.)		DB 2018		Difference (%)		Council's changes on DB 2018		Council's position on DB 2018		Difference (amount)		Difference (%)	
	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a
Emergency Aid Reserve (EAR)	315 000 000	315 000 000	344 600 000	344 600 000	+9,40%	+9,40%			344 600 000	344 600 000	+ 29 600 000	+ 29 600 000	+9,40%	+9,40%
European Globalisation Adjustment Fund (EGF)	168 924 000	25 000 000	172 302 000	25 000 000	+2,00%				172 302 000	25 000 000	+ 3 378 000		+2,00%	
European Union Solidarity Fund (EUSF)	120 402 434	120 402 434	574 000 000	250 000 000	+376,73%	+107,64%	- 524 000 000	- 200 000 000	50 000 000	50 000 000	- 70 402 434	- 70 402 434	-58,47%	-58,47%
<b>Special Instruments</b>	<b>604 326 434</b>	<b>460 402 434</b>	<b>1 090 902 000</b>	<b>619 600 000</b>	<b>+80,52%</b>	<b>+34,58%</b>	<b>- 524 000 000</b>	<b>- 200 000 000</b>	<b>566 902 000</b>	<b>419 600 000</b>	<b>- 37 424 434</b>	<b>- 40 802 434</b>	<b>-6,19%</b>	<b>-8,86%</b>

## GLOBAL AMOUNTS FOR 'TOTAL EXPENDITURE' IN THE MFF HEADINGS AND 'SPECIAL INSTRUMENTS'

Description	1		2		2/1		3		4		4-1		4/1	
	Budget 2017 (AB No 1/2017 to AB No 2/2017 incl.)		DB 2018		Difference (%)		Council's Changes on DB 2018		Council's Position on DB 2018		Difference (amount)		Difference (%)	
	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a
MFF Headings	157 323 863 116	134 029 968 929	159 551 203 435	144 805 506 549	+1,42%	+8,04%	-1 200 806 791	- 795 547 123	158 350 396 644	144 009 959 426	+1 026 533 528	+9 979 990 497	+0,65%	+7,45%
Special Instruments	604 326 434	460 402 434	1 090 902 000	619 600 000	+80,52%	+34,58%	- 524 000 000	- 200 000 000	566 902 000	419 600 000	- 37 424 434	- 40 802 434	-6,19%	-8,86%
<b>Grand total</b>	<b>157 928 189 550</b>	<b>134 490 371 363</b>	<b>160 642 105 435</b>	<b>145 425 106 549</b>	<b>+1,72%</b>	<b>+8,13%</b>	<b>-1 724 806 791</b>	<b>- 995 547 123</b>	<b>158 917 298 644</b>	<b>144 429 559 426</b>	<b>+ 989 109 094</b>	<b>+9 939 188 063</b>	<b>+0,63%</b>	<b>+7,39%</b>
Appropriations as % of GNI <sup>1,2</sup>	1,05%	0,89%	1,02%	0,92%			-0,01%	-0,01%	1,01%	0,92%				

<sup>1</sup> The GNI for 2017 is based on the forecast of GNI issued after the Advisory Committee on Own Resources (ACOR) meeting held on 18 May 2016.

<sup>2</sup> The GNI for 2018 is based on the forecast of GNI issued after the Advisory Committee on Own Resources (ACOR) meeting held on 19 May 2017.

**ADMINISTRATIVE EXPENDITURE**

Description	1		2		2/1		3		4		4-1		4/1	
	Budget 2017 (AB Nos 1/2017 and 2/2017 incl.)		DB 2018		Difference (%)		Council's changes on DB 2018		Council's position on DB 2018		Difference (amount)		Difference (%)	
	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a
Pensions and European Schools	1 975 611 156	1 975 611 156	2 091 169 200	2 091 169 200	+5,85%	+5,85%			2 091 169 200	2 091 169 200	+ 115 558 044	+ 115 558 044	+5,85%	+5,85%
Pensions	1 789 856 000	1 789 856 000	1 898 402 000	1 898 402 000	+6,06%	+6,06%			1 898 402 000	1 898 402 000	+ 108 546 000	+ 108 546 000	+6,06%	+6,06%
<i>Staff Pensions</i>	<i>1 764 769 000</i>	<i>1 764 769 000</i>	<i>1 872 671 000</i>	<i>1 872 671 000</i>	<i>+6,11%</i>	<i>+6,11%</i>			<i>1 872 671 000</i>	<i>1 872 671 000</i>	<i>+ 107 902 000</i>	<i>+ 107 902 000</i>	<i>+6,11%</i>	<i>+6,11%</i>
<i>Pensions of former Members</i>	<i>25 087 000</i>	<i>25 087 000</i>	<i>25 731 000</i>	<i>25 731 000</i>	<i>+2,57%</i>	<i>+2,57%</i>			<i>25 731 000</i>	<i>25 731 000</i>	<i>+ 644 000</i>	<i>+ 644 000</i>	<i>+2,57%</i>	<i>+2,57%</i>
European Schools	185 755 156	185 755 156	192 767 200	192 767 200	+3,77%	+3,77%			192 767 200	192 767 200	+ 7 012 044	+ 7 012 044	+3,77%	+3,77%
<b>Administrative expenditure of the institutions</b>	<b>7 418 902 660</b>	<b>7 418 988 660</b>	<b>7 591 229 286</b>	<b>7 593 784 286</b>	<b>+2,32%</b>	<b>+2,36%</b>	<b>- 54 981 463</b>	<b>- 54 981 463</b>	<b>7 536 247 823</b>	<b>7 538 802 823</b>	<b>+ 117 345 163</b>	<b>+ 119 814 163</b>	<b>+1,58%</b>	<b>+1,61%</b>
Section III - Commission	3 498 411 200	3 498 497 200	3 573 217 500	3 575 772 500	+2,14%	+2,21%	- 34 886 964	- 34 886 964	3 538 330 536	3 540 885 536	+ 39 919 336	+ 42 388 336	+1,14%	+1,21%
<i>Commission, excluding Offices</i>	<i>3 197 817 000</i>	<i>3 197 903 000</i>	<i>3 249 846 500</i>	<i>3 252 401 500</i>	<i>+1,63%</i>	<i>+1,70%</i>	<i>- 31 391 174</i>	<i>- 31 391 174</i>	<i>3 218 455 326</i>	<i>3 221 010 326</i>	<i>+ 20 638 326</i>	<i>+ 23 107 326</i>	<i>+0,65%</i>	<i>+0,72%</i>
<i>Annex 2 - Publications Office</i>	<i>82 761 200</i>	<i>82 761 200</i>	<i>95 959 000</i>	<i>95 959 000</i>	<i>+15,95%</i>	<i>+15,95%</i>	<i>- 546 230</i>	<i>- 546 230</i>	<i>95 412 770</i>	<i>95 412 770</i>	<i>+ 12 651 570</i>	<i>+ 12 651 570</i>	<i>+15,29%</i>	<i>+15,29%</i>
<i>Annex 3 - European Anti-Fraud Office</i>	<i>59 945 500</i>	<i>59 945 500</i>	<i>59 204 000</i>	<i>59 204 000</i>	<i>-1,24%</i>	<i>-1,24%</i>	<i>- 563 854</i>	<i>- 563 854</i>	<i>58 640 146</i>	<i>58 640 146</i>	<i>- 1 305 354</i>	<i>- 1 305 354</i>	<i>-2,18%</i>	<i>-2,18%</i>
<i>Annex 4 - European Personnel Selection Office</i>	<i>26 667 000</i>	<i>26 667 000</i>	<i>26 207 000</i>	<i>26 207 000</i>	<i>-1,72%</i>	<i>-1,72%</i>	<i>- 83 674</i>	<i>- 83 674</i>	<i>26 123 326</i>	<i>26 123 326</i>	<i>- 543 674</i>	<i>- 543 674</i>	<i>-2,04%</i>	<i>-2,04%</i>
<i>Annex 5 - Office for Administration and Payment of Individual Entitlements</i>	<i>38 698 500</i>	<i>38 698 500</i>	<i>38 746 000</i>	<i>38 746 000</i>	<i>+0,12%</i>	<i>+0,12%</i>	<i>- 376 128</i>	<i>- 376 128</i>	<i>38 369 872</i>	<i>38 369 872</i>	<i>- 328 628</i>	<i>- 328 628</i>	<i>-0,85%</i>	<i>-0,85%</i>
<i>Annex 6 - Office for Infrastructure and Logistics — Brussels</i>	<i>68 153 000</i>	<i>68 153 000</i>	<i>78 456 000</i>	<i>78 456 000</i>	<i>+15,12%</i>	<i>+15,12%</i>	<i>- 1 712 442</i>	<i>- 1 712 442</i>	<i>76 743 558</i>	<i>76 743 558</i>	<i>+ 8 590 558</i>	<i>+ 8 590 558</i>	<i>+12,60%</i>	<i>+12,60%</i>
<i>Annex 7 - Office for Infrastructure and Logistics — Luxembourg</i>	<i>24 369 000</i>	<i>24 369 000</i>	<i>24 799 000</i>	<i>24 799 000</i>	<i>+1,76%</i>	<i>+1,76%</i>	<i>- 213 462</i>	<i>- 213 462</i>	<i>24 585 538</i>	<i>24 585 538</i>	<i>+ 216 538</i>	<i>+ 216 538</i>	<i>+0,89%</i>	<i>+0,89%</i>
Other institutions	3 920 491 460	3 920 491 460	4 018 011 786	4 018 011 786	+2,49%	+2,49%	- 20 094 499	- 20 094 499	3 997 917 287	3 997 917 287	+ 77 425 827	+ 77 425 827	+1,97%	+1,97%
<i>Section I - European Parliament</i>	<i>1 909 295 000</i>	<i>1 909 295 000</i>	<i>1 953 037 773</i>	<i>1 953 037 773</i>	<i>+2,29%</i>	<i>+2,29%</i>			<i>1 953 037 773</i>	<i>1 953 037 773</i>	<i>+ 43 742 773</i>	<i>+ 43 742 773</i>	<i>+2,29%</i>	<i>+2,29%</i>
<i>Section II - European Council and Council</i>	<i>561 576 000</i>	<i>561 576 000</i>	<i>575 221 000</i>	<i>575 221 000</i>	<i>+2,43%</i>	<i>+2,43%</i>	<i>- 1 000 000</i>	<i>- 1 000 000</i>	<i>574 221 000</i>	<i>574 221 000</i>	<i>+ 12 645 000</i>	<i>+ 12 645 000</i>	<i>+2,25%</i>	<i>+2,25%</i>
<i>Section IV - Court of Justice of the European Union</i>	<i>399 323 000</i>	<i>399 323 000</i>	<i>411 124 500</i>	<i>411 124 500</i>	<i>+2,96%</i>	<i>+2,96%</i>	<i>- 4 262 250</i>	<i>- 4 262 250</i>	<i>406 862 250</i>	<i>406 862 250</i>	<i>+ 7 539 250</i>	<i>+ 7 539 250</i>	<i>+1,89%</i>	<i>+1,89%</i>
<i>Section V - Court of Auditors</i>	<i>141 240 000</i>	<i>141 240 000</i>	<i>146 469 000</i>	<i>146 469 000</i>	<i>+3,70%</i>	<i>+3,70%</i>	<i>- 2 095 000</i>	<i>- 2 095 000</i>	<i>144 374 000</i>	<i>144 374 000</i>	<i>+ 3 134 000</i>	<i>+ 3 134 000</i>	<i>+2,22%</i>	<i>+2,22%</i>
<i>Section VI - European Economic and Social Committee</i>	<i>133 807 338</i>	<i>133 807 338</i>	<i>135 913 366</i>	<i>135 913 366</i>	<i>+1,57%</i>	<i>+1,57%</i>	<i>- 864 405</i>	<i>- 864 405</i>	<i>135 048 961</i>	<i>135 048 961</i>	<i>+ 1 241 623</i>	<i>+ 1 241 623</i>	<i>+0,93%</i>	<i>+0,93%</i>
<i>Section VII - Committee of the Regions</i>	<i>93 294 946</i>	<i>93 294 946</i>	<i>96 309 933</i>	<i>96 309 933</i>	<i>+3,23%</i>	<i>+3,23%</i>	<i>- 1 839 392</i>	<i>- 1 839 392</i>	<i>94 470 541</i>	<i>94 470 541</i>	<i>+ 1 175 595</i>	<i>+ 1 175 595</i>	<i>+1,26%</i>	<i>+1,26%</i>
<i>Section VIII - European Ombudsman</i>	<i>10 650 441</i>	<i>10 650 441</i>	<i>10 659 161</i>	<i>10 659 161</i>	<i>+0,08%</i>	<i>+0,08%</i>			<i>10 659 161</i>	<i>10 659 161</i>	<i>+ 8 720</i>	<i>+ 8 720</i>	<i>+0,08%</i>	<i>+0,08%</i>
<i>Section IX - European Data Protection Supervisor</i>	<i>11 324 735</i>	<i>11 324 735</i>	<i>14 472 053</i>	<i>14 472 053</i>	<i>+27,79%</i>	<i>+27,79%</i>	<i>- 1 043 356</i>	<i>- 1 043 356</i>	<i>13 428 697</i>	<i>13 428 697</i>	<i>+ 2 103 962</i>	<i>+ 2 103 962</i>	<i>+18,58%</i>	<i>+18,58%</i>
<i>Section X - European External Action Service</i>	<i>659 980 000</i>	<i>659 980 000</i>	<i>674 805 000</i>	<i>674 805 000</i>	<i>+2,25%</i>	<i>+2,25%</i>	<i>- 8 990 096</i>	<i>- 8 990 096</i>	<i>665 814 904</i>	<i>665 814 904</i>	<i>+ 5 834 904</i>	<i>+ 5 834 904</i>	<i>+0,88%</i>	<i>+0,88%</i>
<b>5 — Administration</b>	<b>9 394 513 816</b>	<b>9 394 599 816</b>	<b>9 682 398 486</b>	<b>9 684 953 486</b>	<b>+3,06%</b>	<b>+3,09%</b>	<b>- 54 981 463</b>	<b>- 54 981 463</b>	<b>9 627 417 023</b>	<b>9 629 972 023</b>	<b>+ 232 903 207</b>	<b>+ 235 372 207</b>	<b>+2,48%</b>	<b>+2,51%</b>