



Brussels, 8 July 2019
(OR. en)

10919/19

FIN 472
INST 191
PE-L 18

NOTE

From:	Budget Committee
To:	Permanent Representatives Committee/Council
Subject:	Council position on the draft general budget of the European Union for the financial year 2020 – <i>Adoption</i>

I. INTRODUCTION

The draft general budget of the European Union for 2020 (**DB 2020**) as proposed by the European Commission amounts¹ to:

- EUR 168 271.71 million in **commitment** appropriations;
- EUR 153 620.72 million in **payment** appropriations.

Compared to the 2019 budget², these amounts represent a +1.49 % increase in commitment appropriations and a +3.66 % increase in payment appropriations.

¹ These amounts include appropriations foreseen for special instruments outside the multiannual financial framework.

² Draft amending budgets Nos 1 to 4/2019 not included.

II. APPROACH TAKEN

The Budget Committee examined the DB 2020 during the months of June and July 2019 on the basis of the principles established in the Council conclusions on the budget guidelines for 2020. In particular, the aim to ensure prudent and realistic budgeting and provide adequate resources to support clearly set priorities, constituted the guiding principles in establishing the present Council position on the DB 2020. The result of the application of this guidelines should leave sufficient margins under the ceilings to deal with unforeseen circumstances

These guiding principles, led the Budget Committee to undertake a detailed analysis of the commitment appropriations for each programme and action by budget line, based on two concepts:

- a well founded absorption capacity showed by the real implementation of the programs on previous years;
- a realistic acceleration of the implementation of programmes by avoiding excessive increases compared to 2019;

In addition to the technical analysis, some political choices were made. In line with the position of the Council on DB 2019, the proposal from the Commission to use Article 15(3) of the Financial Regulation was rejected. Moreover, appropriations were moved to the reserve in order to increase the budgetary transparency in a sensitive policy area. Finally, several adjustments were made in order to respect past agreements.

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

As regards administrative expenditure, a stringent approach was taken. Yet, all institutions benefit from an increase of their annual budget for 2020. An analysis by budget line conducted by the Budget Committee allowed adjustments, in particular, in view of stabilising the staffing levels. In line with the above-mentioned budget guidelines, the Budget Committee took the view that additional needs should primarily be covered by reprioritisation of expenditure.

III. OUTCOME OF PROCEEDINGS¹

On the basis of the above approach, the Budget Committee reached an agreement on the **Council's position on the DB 2020** that would amount² to:

- EUR 166 763.93 million in **commitment** appropriations;
- EUR 153 111.91 million in **payment** appropriations.

Compared to the 2019 budget³, these amounts would represent a +0.58 % increase in commitment appropriations and a +3.32 % increase in payment appropriations.

¹ A summary table of the outcome of proceedings is set out in ANNEX IV.

² These amounts include appropriations foreseen for special instruments outside the multiannual financial framework.

³ Draft amending budgets Nos 1 to 4/2019 not included.

In this respect, the Budget Committee suggests the following changes to the DB 2020¹:

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 747.40 million in the appropriations requested in the DB 2020 on a number of specific budget lines including operational and support expenditure, namely related to the *Common Strategic Framework (CSF) for Research and Innovation* (-EUR 424.90 million, of which -EUR 413.00 million on *Horizon 2020* and -EUR 11.90 million on the *Euratom Research and Training Programme*), the *Connecting Europe Facility (CEF)* (-EUR 197.00 million, of which -EUR 169.00 million on *Transport* and -EUR 28.00 million on *Information and Communication Technology (ICT)*), the *European Fund for Strategic Investments (EFSI)* (-EUR 90.00 million), *Competitiveness of enterprises and small and medium-sized enterprises (COSME)* (-EUR 20.00 million), *Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission* (-EUR 8.00 million) and *Employment and Social Innovation (EaSI)* (-EUR 5.00 million);

¹ 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 2020 by a total amount of -EUR 104.42 million, of which -EUR 73.42 million in the *Common Strategic Framework for Research and Innovation* (of which -EUR 69.42 million in *Horizon 2020* and -EUR 4.00 million in the *Euratom Research and Training Programme*), -EUR 20.00 million in the *Connecting Europe Facility (CEF) - Transport*, -EUR 6.00 million in *Competitiveness of enterprises and small and medium-sized enterprises (COSME)* and -EUR 2.50 million in *Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission*;
- the amounts mentioned above also take into account reductions in contributions to decentralised agencies for a total amount of -EUR 2.50 million in commitment and payment appropriations under this sub-heading;
- the margin available under sub-heading 1a would be EUR 1 221.96 million.

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

- establish the level of commitment appropriations, targeting a total reduction by -EUR 141.89 million in the appropriations requested in the DB 2020 on specific budget lines, namely related to the *Youth Employment Initiative (specific top-up allocation)* (-EUR 116.67 million) and *Technical assistance and innovative actions* (-EUR 25.22 million);

- set the level of payment appropriations, reducing the appropriations requested in the DB 2020 for the *Youth Employment Initiative (specific top-up-allocation)* by of -EUR 35.00million;
- the Global Margin for Commitments is no longer used;
- the margin available under sub-heading 1b would be equal to zero.

2. Sustainable growth: natural resources (heading 2 of the multiannual financial framework)¹

- reduce the level of commitment appropriations requested in the DB 2020 by -EUR 243.90 million on operational lines, namely under the *European Agricultural Guarantee Fund -Market related expenditure and direct payments* (-EUR 239.90 million) and the *Sustainable Fisheries Partnership Agreements (SFPAs)* (-EUR 4.00 million);
- set the level of payment appropriations, reducing the appropriations requested in the DB 2020 by a total amount of -EUR 239.90 million as a consequence of the reduction in commitment appropriations on the *European Agricultural Guarantee Fund* where non-differentiated appropriations are concerned;
- the margin available under heading 2 would be EUR 669.99 million.

¹ 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.

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

- establish the level of commitment appropriations, targeting a total reduction of -EUR 126.34 million in the appropriations requested in the DB 2020 on a number of specific budget lines, namely related to *Asylum, Migration and Integration Fund* (-EUR 34.60 million), *Internal Security Fund* (-EUR 25.40 million) *Food and feed* (-EUR 10.00 million), *Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission* (-EUR 10.00 million), of which *Communication actions* (-EUR 8.00 million), *Creative Europe* (-EUR 6.23 million), *Rights, Equality and Citizenship* (-EUR 2.00 million), *Health* (-EUR 1.37 million), *Europe for Citizens* (-EUR 1.13 million), *Justice* (-EUR 0.70 million) and *Consumer* (-EUR 0.43 million);
- set the level of payment appropriations, reducing the appropriations requested in the DB 2020 by a total amount of -EUR 34.49 million;
- the amounts mentioned above also take into account reductions in contributions to decentralised agencies for a total amount of -EUR 34.49 million in commitment and payment appropriations under this heading;
- as regards the *Asylum, Migration and Integration Fund*, an amount of EUR 400.00 million in c/a and EUR 115.40 million in p/a is put in reserve in accordance with point (b) of Article 49(1) of the Financial Regulation. During the course of the financial year 2020, the Commission may present one or more transfer proposals in accordance with Article 31 of the Financial Regulation to release the amount or part of it, where justified on the basis of a thorough assessment of needs in response to the ongoing migration crisis;

- the margin available under heading 3 would be equal to zero;
- in view of the absence of margin in heading 3, the Flexibility Instrument is used in the amount of EUR 338.90 million and the Global Margin for Commitments is used in the amount of EUR 312.83 million.

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

- establish the level of commitment appropriations, targeting a total reduction by -EUR 193.24 million in the appropriations requested in the DB 2020 on a number of specific budget lines, including operational expenditure, namely related to the *Development Cooperation Instrument (DCI)* (-EUR 70.00 million), *Humanitarian aid (HUMA)* (-EUR 50.00 million), the *Instrument for Pre-accession assistance (IPA II)* (-EUR 31.00 million), the *European Neighbourhood Instrument (ENI)* (-EUR 23.00 million), the *Partnership instrument for cooperation with third countries (PI)* (-EUR 8.28 million), the *European Instrument for Democracy and Human Rights (EIDHR)* (-EUR 4.60 million), the *EU Aid Volunteers initiative (EUAV)* (-EUR 1.07 million) and *Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission* (-EUR 5.29 million);
- set the level of payment appropriations, reducing the appropriations requested in the DB 2020 by a total amount of -EUR 40.00 million as a consequence of the reductions in commitment appropriations where non-differentiated appropriations are concerned, of which -EUR 20.00 million in the *Development Cooperation Instrument (DCI)*, -EUR 10.00 million in the *Instrument for Pre-accession assistance (IPA II)* and -EUR 10.00 million in the *European Neighbourhood Instrument (ENI)*;
- the margin available under heading 4 would be EUR 395.67 million.

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 2020 (Section I) be approved as it stands (EUR 2 026.39 million), representing an increase of +1.50 % compared to the 2019 budget.

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

An overall amount of EUR 594.26 million is suggested for the European Council and Council, representing an increase of +2.12 % compared to the 2019 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 2020.

Targeted reductions are suggested by applying a specific decrease to the appropriations related to *other staff* (-EUR 0.05 million), *interpreting costs* (-EUR 0.25 million, applied to the general interpretation part), *fitting-out and installation work* (-EUR 0.05 million), *computer systems, equipment and furniture* (-EUR 0.05 million), *information and public events* (-EUR 0.05 million) and *legal expenses and costs, damages and compensation* (-EUR 0.05 million).

c) **Section III - Commission**

An overall amount of EUR 3 735.77 million is suggested for the Commission's administrative expenditure (including OP, OLAF, EPSO, PMO, OIB and OIL), representing an increase of +2.78 % compared to the 2019 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 2.5 % (-EUR 7.00 million). The standard flat rate abatement for Commission's delegations is maintained at 5.5 % as proposed in the DB 2020.

Targeted reductions are suggested by applying a specific decrease to the appropriations related to *external staff (CEOS, SNE, Agency staff, Social)* (-EUR 7.50 million, of which -EUR 2.70 million for *contract staff* and -EUR 4.80 million for *traineeships*), *external IT services* (-EUR 4.90 million, of which -EUR 2.50 million in *Data Centre Operation*, -EUR 1.40 million in *second level support* and -EUR 1.00 million in *moving and handling equipment*), *termination of service* (-EUR 2.00 million), *acquisition and renting of buildings in Brussels* (-EUR 1.50 million), *other expenditure related to buildings* (-EUR 1.00 million) and *enhanced security measures* (-EUR 1.00 million).

An overall amount of EUR 2 338.78 million is suggested for pensions and European Schools, representing an increase of +6.52 % compared to the 2019 budget.

Publications Office (OP)

An overall amount of EUR 102.54 million is suggested for OP's budget, representing an increase of +10.12 % compared to the 2019 budget.

Taking into account the current vacancy rate, it is suggested to set the standard flat rate abatement on salaries at 2.3 % (-EUR 0.20 million).

A targeted reduction is suggested by applying a specific decrease to the appropriations related to *buildings and related expenditure* (-EUR 1.50 million).

European Anti-Fraud Office (OLAF)

For OLAF, it is suggested that the DB 2020 be approved as it stands (EUR 60.92 million), representing an increase of +2.35% compared to the 2019 budget.

European Personnel Selection Office (EPSO)

For EPSO, it is suggested that the DB 2020 be approved as it stands (EUR 26.33 million), representing a minor decrease of -0.57 % compared to the 2019 budget.

Office for Administration and Payment of Individual Entitlements (PMO)

An overall amount of EUR 41.58 million is suggested for PMO's budget, representing an increase of +4.93 % compared to the 2019 budget.

Taking into account the current vacancy rate, it is suggested to maintain the standard flat rate abatement on salaries at 3.9 % as proposed in the DB 2020.

A targeted reduction is suggested by applying a specific decrease to the appropriations related to *external personnel* (-EUR 0.30 million).

Office for Infrastructure and Logistics in Brussels (OIB)

An overall amount of EUR 83.42 million is suggested for OIB's budget, representing an increase of +3.40 % compared to the 2019 budget.

Taking into account the current vacancy rate, it is suggested to maintain the standard flat rate abatement on salaries at 2.0 % as proposed in the DB 2020.

A targeted reduction is suggested by applying a specific decrease to the appropriations related to *external personnel* (-EUR 0.70 million).

Office for Infrastructure and Logistics in Luxembourg (OIL)

An overall amount of EUR 26.02 million is suggested for OIL's budget, representing an increase of +3.12 % compared to the 2019 budget.

Taking into account the current vacancy rate, it is suggested to maintain the standard flat rate abatement on salaries at 3.4 % as proposed in the DB 2020.

A targeted reduction is suggested by applying a specific decrease to the appropriations related to *external personnel* (-EUR 0.20 million).

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

An overall amount of EUR 439.49 million¹ is suggested for the Court of Justice's budget, representing an increase of +2.35 % compared to the 2019 budget.

A targeted reduction is suggested by applying a specific decrease to the appropriations related to *remunerations and allowances* (-EUR 0.50 million).

e) Section V - Court of Auditors

An overall amount of EUR 152.52 million is suggested for the Court of Auditors' budget, representing an increase of +3.83 % compared to the 2019 budget.

Taking into account the current vacancy rate, it is suggested to set the standard flat rate abatement on salaries at 3.6 % (-EUR 0.40 million).

A targeted reduction is suggested by applying a specific decrease to the appropriations related to *other staff* (-EUR 0.30 million), *cleaning and maintenance* (-EUR 0.25 million), *purchase, servicing and maintenance of equipment and software* (-EUR 0.15 million).

As the Court decided not to cover the costs of procuring and financing the *audit of the EU agencies and other bodies* for 2020, it asked the Council to reduce the requested appropriations by -EUR 0.90 million.

¹ This amount takes into account the institution's contribution to accredited European Schools (Type 2) of EUR 45 000.

f) Section VI - European Economic and Social Committee

An overall amount of EUR 142.16 million is suggested for the European Economic and Social Committee's budget, representing an increase of +2.64 % compared to the 2019 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 2020.

Targeted reductions are suggested by applying a specific decrease to the appropriations related to *graduate traineeships, grants and exchanges of officials* (-EUR 0.10 million), *expert advice connected with legislative work* (-EUR 0.10 million), *cleaning and maintenance* (-EUR 0.45 million), *telecommunications* (-EUR 0.20 million), *expenditure on the organisation of and participation in hearings and other events* (-EUR 0.16 million), *legal costs and damages* (-EUR 0.10 million), *studies, research and hearings* (-EUR 0.05 million) and *representation expenses* (-EUR 0.04 million).

g) Section VII - Committee of the Regions

An overall amount of EUR 101.32 million is suggested for the Committee of the Regions' budget, representing an increase of +2.60 % compared to the 2019 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 2020.

Targeted reductions are suggested by applying a specific decrease to the appropriations related to *cleaning and maintenance* (-EUR 0.20 million), *energy consumption* (-EUR 0.20 million), *outside assistance for the operation, development and maintenance of software systems* (-EUR 0.20 million), *fitting-out of premises* (-EUR 0.10 million) and *relationship with press and audio-visual support* (-EUR 0.10 million).

h) Section VIII - European Ombudsman

An overall amount of EUR 11.95 million¹ is suggested for the European Ombudsman, representing an increase of +5.94 % compared to the 2019 budget.

Targeted reductions are suggested by applying a specific decrease to the appropriations related to *remunerations and allowances* (-EUR 0.20 million), *translation and interpretation* (-EUR 0.08 million) and *support for activities* (-EUR 0.02 million).

i) Section IX - European Data Protection Supervisor

An overall amount of EUR 17.64 million is suggested for the European Data Protection Supervisor, representing an increase of +6.02 % compared to the 2019 budget.

Targeted reductions are suggested by applying a specific decrease to the appropriations related to *remunerations and allowances* of staff (-EUR 1.10 million) and *contract staff* (-EUR 0.30 million) of the institution, as well as to *remunerations and allowances* of staff (-EUR 0.10 million), *contract staff* (-EUR 0.10 million) and *translation and interpretation costs* (-EUR 0.30 million) of the European Data Protection Board.

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

j) Section X - European External Action Service

An overall amount of EUR 711.82 million is suggested for the European External Action Service's budget, representing an increase of +2.44 % compared to the 2019 budget.

At headquarters, targeted reductions are suggested by applying a specific decrease to the appropriations related to *basic salaries* (-EUR 4.20 million), *entitlements under the Staff Regulations related to the personal circumstances of the staff member* (-EUR 1.30 million), *non-military seconded national experts* (-EUR 0.15 million), *military seconded national experts* (-EUR 0.60 million), *missions* (-EUR 0.13 million), *rent and annual lease payments* (-EUR 1.00 million), *fitting-out and security works* (-EUR 2.10 million), *cleaning and maintenance* (-EUR 0.80 million), *water, gas, electricity and heating* (-EUR 0.25 million), *security and surveillance of buildings* (-EUR 0.87 million), *information and communication technology* (-EUR 1.00 million), *cryptography and highly classified information and communications technology* (-EUR 0.20 million), *security of information and communication technology up to the level EU restricted* (-EUR 0.75 million), *technical security countermeasures* (-EUR 0.10 million), *organisation of meetings, conferences and congresses* (-EUR 0.10 million), *interpretation* (-EUR 0.15 million), *interinstitutional cooperation* (-EUR 0.20 million).

In delegations, targeted reductions are suggested by applying a specific decrease to the appropriations related to *remunerations and entitlements of statutory staff* (-EUR 0.50 million), *external staff and outside services* (-EUR 2.10 million), *other expenditure related to staff* (-EUR 0.60 million), *buildings and associated costs* (-EUR 0.20 million) and *other administrative expenditure* (-EUR 2.70 million).

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 2017¹, EUR 252.00 million are offset against the margin of heading 5.

The margin available under heading 5 would be EUR 732.94 million.

6. **Special instruments**

It is suggested to maintain the appropriations entered in the DB 2020 for the Emergency Aid Reserve, the European Globalisation Adjustment Fund and the European Union Solidarity Fund.

The Council proposes to mobilise the Global Margin for Commitments in the amount of EUR 312.83 million in c/a. The estimated p/a of EUR 163.80 million for those commitments are included in the Council's position on the DB 2020.

7. **Staff levels**

It is suggested to accept the establishment plans in the DB 2020 as proposed by the Commission, except for the European Court of Justice (-5 posts), the European Ombudsman (-3 posts), the European Data Protection Supervisor (-13 posts) and the European External Action Service (EEAS) (-56 posts).

The additional posts request by the EEAS for Stratcom have been accepted and budgeted accordingly (9 AD9 posts, 4 contractual agents and 27 local agents).

It is suggested to align the adjusted establishment plans of these institutions contained in the DB 2020 accordingly.

8. **Revenue**

As regards revenue, it is suggested to accept the DB 2020 after the technical adjustments arising from the changes made to expenditure in the Council's position.

¹ OJ L 50, 28.2.2017, p. 57.

9. Budget remarks

It is suggested to align the budget remarks contained in the DB 2020 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.

In particular, the last sentence of the budget remark to Article 08 02 08 (*SME Instrument*) is deleted to reflect the Council's position that no recourse to Article 15(3) of the Financial Regulation should be had:

"In accordance with Article 15(3) of the Financial Regulation, an amount of EUR 72 000 000 in commitment appropriations is available for this budget article further to decommitments made in 2018 as a result of total or partial non-implementation of research projects."

The condition for lifting the reserve on budget Item 18 03 01 01 (*Strengthening and developing the common European asylum system and enhancing solidarity and responsibility-sharing between the Member States*) reads as follows:

"An amount of EUR 400.00 million is put in reserve in accordance with point (b) of Article 49(1) of the Financial Regulation. During the course of the financial year 2020, the Commission may present one or more transfer proposals in accordance with Article 31 of the Financial Regulation to release the amount or part of it, where justified on the basis of a thorough assessment of needs in response to the ongoing migration crisis."

The budget remark of budget Item 18 03 01 01 is modified accordingly.

10. Nomenclature

As regards nomenclature, it is suggested to accept the DB 2020.

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;
 - 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.

COUNCIL DECISION

**ADOPTING THE COUNCIL'S POSITION ON THE DRAFT GENERAL BUDGET OF THE
EUROPEAN UNION FOR THE FINANCIAL YEAR 2020**

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 5 June 2019, the Commission submitted a proposal containing the draft general budget of the European Union for the financial year 2020¹,
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 Union², 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 2014-2020³,

¹ COM(2019) 400 final.

² OJ L 168, 7.6.2014, p. 105.

³ 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 2020 was adopted by the Council on 3 September 2019.

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

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

Done at Brussels, on 3 September 2019.

For the Council

The President

DRAFT COUNCIL STATEMENTS FOR ENTRY IN THE COUNCIL MINUTES

1. 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 2020 budget.

The Council calls on the Commission to continue closely and actively monitoring during the year 2020 the implementation of the 2014-2020 programmes (particularly in sub-heading 1b and Rural Development). To that end, it invites the Commission to present in a timely manner updated figures concerning the state of affairs and estimates regarding 2020 payment appropriations. If the figures show that the appropriations entered in the 2020 budget are insufficient to cover the needs, the Council invites the Commission to present as soon as possible an appropriate solution, *inter alia* a draft amending budget, with a view to allow the budgetary authority to take any necessary decisions in due time for justified needs. Where applicable, the Council will take into account the urgency of the matter, shortening the eight-week period for a decision if deemed necessary."

2. Statement on assigned revenues

"The Council takes note of the level of assigned revenues in heading 5 (*Administration*) and is concerned about their significant and recurrent underimplementation in that heading during this MFF¹. The Council asks the Commission, in consultation with the institutions concerned, to reassess the needs under heading 5 when establishing the letter of amendment 2020 taking into account these revenues."

¹ As indicated in Working Document Part V accompanying the draft general budget of the EU.

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 2020 as adopted by the Council.

(Complimentary close)

BREAKDOWN BY HEADING FOR "TOTAL EXPENDITURE" IN THE MFF HEADINGS

	Description	1		2		2/1		3		4		4-1		4/1	
		Budget 2019		DB 2020		Difference (%)		Council's changes on DB 2020		Council's position on DB 2020		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
1	Smart and inclusive growth	80 527 449 848	67 556 947 173	83 328 329 504	72 150 922 336	+3,48%	+6,80%	- 889 290 522	- 139 423 585	82 439 038 982	72 011 498 751	+1 911 589 134	+4 454 551 578	+2,37%	+6,59%
	<i>flexibility instrument</i>			0						0					
	<i>global margin for commitments</i>			141 890 522				- 141 890 522		0					
	<i>ceiling</i>			83 661 000 000						83 661 000 000					
	<i>margin</i>			474 561 018				747 400 000		1 221 961 018					
1.a	Competitiveness for growth and jobs	23 335 449 848	20 521 537 455	24 716 438 982	22 108 515 486	+5,92%	+7,73%	- 747 400 000	- 104 423 585	23 969 038 982	22 004 091 901	+ 633 589 134	+1 482 554 446	+2,72%	+7,22%
	<i>flexibility instrument</i>			0						0					
	<i>global margin for commitments</i>			0						0					
	<i>ceiling</i>			25 191 000 000						25 191 000 000					
	<i>margin</i>			474 561 018						1 221 961 018					
1.b	Economic, social and territorial cohesion	57 192 000 000	47 035 409 718	58 611 890 522	50 042 406 850	+2,48%	+6,39%	- 141 890 522	- 35 000 000	58 470 000 000	50 007 406 850	+1 278 000 000	+2 971 997 132	+2,23%	+6,32%
	<i>global margin for commitments</i>			141 890 522				- 141 890 522		0					
	<i>ceiling</i>			58 470 000 000						58 470 000 000					
	<i>margin</i>			0						0					
2	Sustainable growth: natural resources	59 642 077 986	57 399 857 331	59 994 906 170	58 014 263 718	+0,59%	+1,07%	- 243 900 000	- 239 900 000	59 751 006 170	57 774 363 718	+ 108 928 184	+ 374 506 387	+0,18%	+0,65%
	<i>ceiling</i>			60 421 000 000						60 421 000 000					
	<i>margin</i>			426 093 830						669 993 830					
	Of which: European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments	43 191 947 000	43 116 399 417	43 531 805 687	43 501 731 798	+0,79%	+0,89%	- 239 900 000	- 239 900 000	43 291 905 687	43 261 831 798	+ 99 958 687	+ 145 432 381	+0,23%	+0,34%
	<i>sub-ceiling</i>			43 888 000 000						43 888 000 000					
	<i>excluded when calculating the sub-margin (1)</i>			- 888 000						- 888 000					
	<i>sub-margin</i>			355 306 313						595 206 313					
3	Security and citizenship	3 786 629 138	3 527 434 894	3 729 074 489	3 723 911 857	-1,52%	+5,57%	- 126 344 931	- 34 490 931	3 602 729 558	3 689 420 926	- 183 899 580	+ 161 986 032	-4,86%	+4,59%
	<i>flexibility instrument</i>			778 074 489				- 439 175 119		338 899 370					
	<i>global margin for commitments</i>			0				312 830 188		312 830 188					
	<i>ceiling</i>			2 951 000 000						2 951 000 000					
	<i>margin</i>			0						0					
4	Global Europe	11 319 265 627	9 358 295 603	10 307 572 239	8 986 061 191	-8,94%	-3,98%	- 193 238 000	- 40 000 000	10 114 334 239	8 946 061 191	-1 204 931 388	- 412 234 412	-10,64%	-4,41%
	<i>global margin for commitments</i>			0						0					
	<i>ceiling</i>			10 510 000 000						10 510 000 000					
	<i>margin</i>			202 427 761						395 665 761					

	Description	1		2		2/1		3		4		4-1		4/1	
		Budget 2019		DB 2020		Difference (%)		Council's changes on DB 2020		Council's position on DB 2020		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	Administration	9 942 974 723	9 944 904 743	10 324 060 577	10 327 063 787	+3,83%	+3,84%	- 55 000 000	- 55 000 000	10 269 060 577	10 272 063 787	+ 326 085 854	+ 327 159 044	+3,28%	+3,29%
	<i>ceiling</i>			11 254 000 000						11 254 000 000					
	<i>offset of the contingency margin</i>			- 252 000 000						- 252 000 000					
	<i>margin</i>			677 939 423						732 939 423					
	Of which: Administrative expenditure of the institutions	7 747 285 803	7 749 215 823	7 985 277 215	7 988 280 425	+3,07%	+3,09%	- 55 000 000	- 55 000 000	7 930 277 215	7 933 280 425	+ 182 991 412	+ 184 064 602	+2,36%	+2,38%
	<i>sub-ceiling</i>			9 071 000 000						9 071 000 000					
	<i>offset of the contingency margin</i>			- 252 000 000						- 252 000 000					
	<i>sub-margin</i>			833 722 785						888 722 785					
	MFF headings	165 218 397 322	147 787 439 744	167 683 942 979	153 202 222 889	+1,49%	+3,66%	-1 507 773 453	- 508 814 516	166 176 169 526	152 693 408 373	+ 957 772 204	+4 905 968 629	+0,58%	+3,32%
	<i>flexibility instrument (3)</i>			778 074 489	849 779 197			- 439 175 119	- 229 952 366	338 899 370	619 826 831				
	<i>global margin for commitments</i>			141 890 522				170 939 666		312 830 188					
	<i>ceiling</i>			168 797 000 000	172 420 000 000					168 797 000 000	172 420 000 000				
	<i>offset of the contingency margin</i>			- 252 000 000						- 252 000 000					
	<i>margin (2)</i>			1 781 022 032	20 067 556 308			1 239 538 000	278 862 150	3 020 560 032					
	Appropriations as % of GNI (4)(5)	1,00%	0,90%	0,99%	0,90%			-0,01%	0,00%	0,98%	0,90%				

(1) This amount, resulting from the rounding for the calculations of the sub-ceiling and the net transfer, is excluded when calculating the sub-margin.

(2) These amounts are calculated not taking into account appropriations for special instruments (EAR, EGF, EUSF).

(3) The changes, both in c/a and p/a, for the flexibility instrument, only reflect that the amounts to be financed via the flexibility instrument are lower than the amounts proposed by the Commission.

(4) The GNI for 2019 is based on the forecast of GNI issued after the Advisory Committee on Own Resources (ACOR) meeting held on 18 May 2018.

(5) The GNI for 2020 is based on the forecast of GNI issued after the Advisory Committee on Own Resources (ACOR) meeting held on 24 May 2019.

BREAKDOWN FOR "SPECIAL INSTRUMENTS"

Description	1		2		2/1		3	4		4-1		4/1	
	Budget 2019		DB 2020		Difference (%)		Council's changes on DB 2020	Council's position on DB 2020		Difference (amount)		Difference (%)	
	c/a	p/a	c/a	p/a	c/a	p/a	Appropriation	c/a	p/a	c/a	p/a	c/a	p/a
Emergency Aid Reserve (EAR)	351 500 000	351 500 000	358 500 000	358 500 000	+1,99%	+1,99%		358 500 000	358 500 000	+ 7 000 000	+ 7 000 000	+1,99%	+1,99%
European Globalisation Adjustment Fund (EGF)	175 748 000	10 000 000	179 263 000	10 000 000	+2,00%			179 263 000	10 000 000	+ 3 515 000		+2,00%	
European Union Solidarity Fund (EUSF)	50 000 000	50 000 000	50 000 000	50 000 000				50 000 000	50 000 000				
Special Instruments	577 248 000	411 500 000	587 763 000	418 500 000	+1,82%	+1,70%		587 763 000	418 500 000	+ 10 515 000	+ 7 000 000	+1,82%	+1,70%

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

Description	1		2		2/1		3		4		4-1		4/1	
	Budget 2019		DB 2020		Difference (%)		Council's changes on DB 2020		Council's position on DB 2020		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	165 218 397 322	147 787 439 744	167 683 942 979	153 202 222 889	+1,49%	+3,66%	-1 507 773 453	- 508 814 516	166 176 169 526	152 693 408 373	+ 957 772 204	+4 905 968 629	+0,58%	+3,32%
Special Instruments	577 248 000	411 500 000	587 763 000	418 500 000	+1,82%	+1,70%			587 763 000	418 500 000	+ 10 515 000	+ 7 000 000	+1,82%	+1,70%
Grand total	165 795 645 322	148 198 939 744	168 271 705 979	153 620 722 889	+1,49%	+3,66%	-1 507 773 453	- 508 814 516	166 763 932 526	153 111 908 373	+ 968 287 204	+4 912 968 629	+0,58%	+3,32%
Appropriations as % of GNI (1)(2)	1,01%	0,90%	0,99%	0,90%			-0,01%	0,00%	0,98%	0,90%				

(1) The GNI for 2019 is based on the forecast of GNI issued after the Advisory Committee on Own Resources (ACOR) meeting held on 18 May 2018.

(2) The GNI for 2020 is based on the forecast of GNI issued after the Advisory Committee on Own Resources (ACOR) meeting held on 24 May 2019.

ADMINISTRATIVE EXPENDITURE													
Description	1		2		2/1		3	4		4-1		4/1	
	Budget 2019		DB 2020		Difference (%)		Council's changes on DB 2020	Council's position on DB 2020		Difference (amount)		Difference (%)	
	c/a	p/a	c/a	p/a	c/a	p/a	Appropriation	c/a	p/a	c/a	p/a	c/a	p/a
Pensions and European Schools	2 195 688 920	2 195 688 920	2 338 783 362	2 338 783 362	+6,52%	+6,52%		2 338 783 362	2 338 783 362	+ 143 094 442	+ 143 094 442	+6,52%	+6,52%
Pensions	2 003 592 000	2 003 592 000	2 145 879 000	2 145 879 000	+7,10%	+7,10%		2 145 879 000	2 145 879 000	+ 142 287 000	+ 142 287 000	+7,10%	+7,10%
<i>Staff Pensions</i>	<i>1 977 185 000</i>	<i>1 977 185 000</i>	<i>2 115 973 000</i>	<i>2 115 973 000</i>	<i>+7,02%</i>	<i>+7,02%</i>		<i>2 115 973 000</i>	<i>2 115 973 000</i>	<i>+ 138 788 000</i>	<i>+ 138 788 000</i>	<i>+7,02%</i>	<i>+7,02%</i>
<i>Pensions of former Members</i>	<i>26 407 000</i>	<i>26 407 000</i>	<i>29 906 000</i>	<i>29 906 000</i>	<i>+13,25%</i>	<i>+13,25%</i>		<i>29 906 000</i>	<i>29 906 000</i>	<i>+ 3 499 000</i>	<i>+ 3 499 000</i>	<i>+13,25%</i>	<i>+13,25%</i>
European Schools	192 096 920	192 096 920	192 904 362	192 904 362	+0,42%	+0,42%		192 904 362	192 904 362	+ 807 442	+ 807 442	+0,42%	+0,42%
Administrative expenditure of the institutions	7 747 285 803	7 749 215 823	7 985 277 215	7 988 280 425	+3,07%	+3,09%	- 55 000 000	7 930 277 215	7 933 280 425	+ 182 991 412	+ 184 064 602	+2,36%	+2,38%
Section III - Commission	3 632 741 946	3 634 671 966	3 760 562 367	3 763 565 577	+3,52%	+3,55%	- 27 800 000	3 732 762 367	3 735 765 577	+ 100 020 421	+ 101 093 611	+2,75%	+2,78%
<i>Commission, excluding Offices</i>	<i>3 308 088 546</i>	<i>3 310 018 566</i>	<i>3 416 850 367</i>	<i>3 419 853 577</i>	<i>+3,29%</i>	<i>+3,32%</i>	<i>- 24 900 000</i>	<i>3 391 950 367</i>	<i>3 394 953 577</i>	<i>+ 83 861 821</i>	<i>+ 84 935 011</i>	<i>+2,54%</i>	<i>+2,57%</i>
<i>Annex 2 - Publications Office</i>	<i>93 116 400</i>	<i>93 116 400</i>	<i>104 242 000</i>	<i>104 242 000</i>	<i>+11,95%</i>	<i>+11,95%</i>	<i>- 1 700 000</i>	<i>102 542 000</i>	<i>102 542 000</i>	<i>+ 9 425 600</i>	<i>+ 9 425 600</i>	<i>+10,12%</i>	<i>+10,12%</i>
<i>Annex 3 - European Anti-Fraud Office</i>	<i>59 526 000</i>	<i>59 526 000</i>	<i>60 925 000</i>	<i>60 925 000</i>	<i>+2,35%</i>	<i>+2,35%</i>		<i>60 925 000</i>	<i>60 925 000</i>	<i>+ 1 399 000</i>	<i>+ 1 399 000</i>	<i>+2,35%</i>	<i>+2,35%</i>
<i>Annex 4 - European Personnel Selection Office</i>	<i>26 478 000</i>	<i>26 478 000</i>	<i>26 328 000</i>	<i>26 328 000</i>	<i>-0,57%</i>	<i>-0,57%</i>		<i>26 328 000</i>	<i>26 328 000</i>	<i>- 150 000</i>	<i>- 150 000</i>	<i>-0,57%</i>	<i>-0,57%</i>
<i>Annex 5 - Office for Administration and Payment of Individual Entitlements</i>	<i>39 623 000</i>	<i>39 623 000</i>	<i>41 876 000</i>	<i>41 876 000</i>	<i>+5,69%</i>	<i>+5,69%</i>	<i>- 300 000</i>	<i>41 576 000</i>	<i>41 576 000</i>	<i>+ 1 953 000</i>	<i>+ 1 953 000</i>	<i>+4,93%</i>	<i>+4,93%</i>
<i>Annex 6 - Office for Infrastructure and Logistics — Brussels</i>	<i>80 679 000</i>	<i>80 679 000</i>	<i>84 123 000</i>	<i>84 123 000</i>	<i>+4,27%</i>	<i>+4,27%</i>	<i>- 700 000</i>	<i>83 423 000</i>	<i>83 423 000</i>	<i>+ 2 744 000</i>	<i>+ 2 744 000</i>	<i>+3,40%</i>	<i>+3,40%</i>
<i>Annex 7 - Office for Infrastructure and Logistics — Luxembourg</i>	<i>25 231 000</i>	<i>25 231 000</i>	<i>26 218 000</i>	<i>26 218 000</i>	<i>+3,91%</i>	<i>+3,91%</i>	<i>- 200 000</i>	<i>26 018 000</i>	<i>26 018 000</i>	<i>+ 787 000</i>	<i>+ 787 000</i>	<i>+3,12%</i>	<i>+3,12%</i>
Other institutions	4 114 543 857	4 114 543 857	4 224 714 848	4 224 714 848	+2,68%	+2,68%	- 27 200 000	4 197 514 848	4 197 514 848	+ 82 970 991	+ 82 970 991	+2,02%	+2,02%
<i>Section I - European Parliament</i>	<i>1 996 363 262</i>	<i>1 996 363 262</i>	<i>2 026 385 411</i>	<i>2 026 385 411</i>	<i>+1,50%</i>	<i>+1,50%</i>		<i>2 026 385 411</i>	<i>2 026 385 411</i>	<i>+ 30 022 149</i>	<i>+ 30 022 149</i>	<i>+1,50%</i>	<i>+1,50%</i>
<i>Section II - European Council and Council</i>	<i>581 895 459</i>	<i>581 895 459</i>	<i>594 760 000</i>	<i>594 760 000</i>	<i>+2,21%</i>	<i>+2,21%</i>	<i>- 500 000</i>	<i>594 260 000</i>	<i>594 260 000</i>	<i>+ 12 364 541</i>	<i>+ 12 364 541</i>	<i>+2,12%</i>	<i>+2,12%</i>
<i>Section IV - Court of Justice of the European Union</i>	<i>429 410 436</i>	<i>429 410 436</i>	<i>439 985 500</i>	<i>439 985 500</i>	<i>+2,46%</i>	<i>+2,46%</i>	<i>- 500 000</i>	<i>439 485 500</i>	<i>439 485 500</i>	<i>+ 10 075 064</i>	<i>+ 10 075 064</i>	<i>+2,35%</i>	<i>+2,35%</i>
<i>Section V - Court of Auditors</i>	<i>146 890 518</i>	<i>146 890 518</i>	<i>154 517 000</i>	<i>154 517 000</i>	<i>+5,19%</i>	<i>+5,19%</i>	<i>- 2 000 000</i>	<i>152 517 000</i>	<i>152 517 000</i>	<i>+ 5 626 482</i>	<i>+ 5 626 482</i>	<i>+3,83%</i>	<i>+3,83%</i>
<i>Section VI - European Economic and Social Committee</i>	<i>138 502 768</i>	<i>138 502 768</i>	<i>143 359 065</i>	<i>143 359 065</i>	<i>+3,51%</i>	<i>+3,51%</i>	<i>- 1 200 000</i>	<i>142 159 065</i>	<i>142 159 065</i>	<i>+ 3 656 297</i>	<i>+ 3 656 297</i>	<i>+2,64%</i>	<i>+2,64%</i>
<i>Section VII - Committee of the Regions</i>	<i>98 751 065</i>	<i>98 751 065</i>	<i>102 118 480</i>	<i>102 118 480</i>	<i>+3,41%</i>	<i>+3,41%</i>	<i>- 800 000</i>	<i>101 318 480</i>	<i>101 318 480</i>	<i>+ 2 567 415</i>	<i>+ 2 567 415</i>	<i>+2,60%</i>	<i>+2,60%</i>
<i>Section VIII - European Ombudsman</i>	<i>11 279 261</i>	<i>11 279 261</i>	<i>12 249 231</i>	<i>12 249 231</i>	<i>+8,60%</i>	<i>+8,60%</i>	<i>- 300 000</i>	<i>11 949 231</i>	<i>11 949 231</i>	<i>+ 669 970</i>	<i>+ 669 970</i>	<i>+5,94%</i>	<i>+5,94%</i>
<i>Section IX - European Data Protection Supervisor</i>	<i>16 638 572</i>	<i>16 638 572</i>	<i>19 540 998</i>	<i>19 540 998</i>	<i>+17,44%</i>	<i>+17,44%</i>	<i>- 1 900 000</i>	<i>17 640 998</i>	<i>17 640 998</i>	<i>+ 1 002 426</i>	<i>+ 1 002 426</i>	<i>+6,02%</i>	<i>+6,02%</i>
<i>Section X - European External Action Service</i>	<i>694 812 516</i>	<i>694 812 516</i>	<i>731 799 163</i>	<i>731 799 163</i>	<i>+5,32%</i>	<i>+5,32%</i>	<i>- 20 000 000</i>	<i>711 799 163</i>	<i>711 799 163</i>	<i>+ 16 986 647</i>	<i>+ 16 986 647</i>	<i>+2,44%</i>	<i>+2,44%</i>
5 — Administration	9 942 974 723	9 944 904 743	10 324 060 577	10 327 063 787	+3,83%	+3,84%	- 55 000 000	10 269 060 577	10 272 063 787	+ 326 085 854	+ 327 159 044	+3,28%	+3,29%