



Brussels, 20 November 2019
(OR. en)

14283/19

FIN 757

'A' ITEM NOTE

From: General Secretariat of the Council
To: Council

Subject: Joint text on the general budget of the European Union for the financial year 2020
– *Approval*

1. Following meetings of the Conciliation Committee on 4, 15 and 18 November 2019, an agreement has been reached between the European Parliament and the Council on a joint text as provided for in Article 314(5) TFEU.
2. This joint text and its annexes have been forwarded to the European Parliament and the Council on 18 November 2019, which each have a period of fourteen days from this day to approve it (see ANNEX 1), and consists of the following documents taken together, recorded in Addenda 1 to 5 to this document:
 - summary figures by financial framework headings (see document 14283/19 ADD 1);
 - line by line figures on all budget items (see documents 14283/19 ADD 2 and ADD 3);
 - a consolidated document showing the figures and final text of all lines modified during the Conciliation (see documents 14283/19 ADD 4 and ADD 5).

3. The Conciliation Committee has also agreed on or taken note of the statements recorded in Annex 2 to ANNEX 1.
 4. The Council is invited to:
 - approve the joint text on the budget for 2020 as set out in ANNEX 1 and in addenda 1 to 5 to this document;
 - record in its minutes the statements agreed on or taken note of in the context of the joint text set out in Annex 2 to ANNEX 1;
 - record also in its minutes the unilateral statement by Denmark, the Netherlands, Austria and Sweden, set out in ANNEX 2.
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EUROPEAN UNION

Conciliation Committee on the 2020 budget

Brussels, 18 november 2019

President-in-Office of the Council of the European Union
175, rue de la Loi
B - 1048 Brussels

Dear President,

Based on Article 314(4) and (5) of the Treaty on the Functioning of the European Union (TFEU), and following information by the Council that it could not accept all the amendments adopted by the European Parliament on 23 October 2019 on the Council's position on the draft budget for 2020¹, the Conciliation Committee was convened for 29 October 2019, with a view to reaching agreement on a joint text.

The Conciliation Committee had at its disposal the following elements:

- draft budget proposed by the Commission (COM(2019) 400 final of 5 July 2019), as amended by letter of amendment No 1 (COM(2019) 487 final of 15 October 2019);
- Council's position on the draft budget (3 September 2019);
- European Parliament's amendments to the Council's position (23 October 2019).

Following meetings on 4, 15 and 18 November 2019, an agreement has been reached on 18 November 2019 on a joint text as provided for in Article 314(5) TFEU.

¹ See letter by the President of the Council of 23 October 2019.

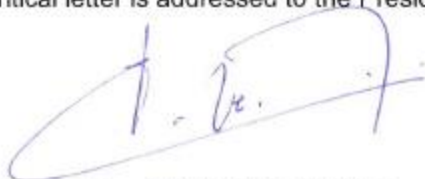
In accordance with Point 23 of the Annex to the Interinstitutional Agreement of 2 December 2013¹, the joint text for the budget 2020 shall consist of this letter and the following documents taken together, which are recorded in Annex 1:

- line by line figures for all budget items and summary figures by MFF headings;
- a consolidated document, indicating the figures and final text of all lines that have been modified during the conciliation procedure;
- the list of the lines not modified with regard to the draft budget or the Council's position on it.

Pursuant to Article 314(6) TFEU, the joint text is hereby forwarded to the European Parliament and the Council, which shall each have a period of fourteen days from this day, in which to approve the text for the purposes of paragraphs 7 and 8 of the same Article.

The Conciliation Committee has also agreed on or taken note of the statements recorded in Annex 2 to this letter.

An identical letter is addressed to the President of the European Parliament.



Johan VAN OVERTVELDT
Co-chair



Kimmo TIILIKAINEN
Co-chair

Annexes: List of documents forming part of the joint text
Statements

cc: Günther H. Oettinger, Commissioner for Budget and Human Resources

¹ Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (OJ C 373, 20.12.2013, p. 1).

**2020 BUDGETARY PROCEDURE
CONCILIATION DOCUMENT
LIST OF DOCUMENTS FORMING PART OF THE JOINT TEXT
- BUDGET 2020¹ -**

Doc No 1: SUMMARY TABLES

FIGURES BY MFF HEADING

ESTABLISHMENT PLAN BY SECTION

Doc No 2: FIGURES BY BUDGET LINE

Doc No 2.1.: OTHER SECTIONS

Doc No 2.2.: SECTION III - COMMISSION

Doc No 3: MODIFICATIONS BY BUDGET LINE

**Doc No 4: LIST OF LINES NOT MODIFIED WITH REGARD TO THE DRAFT BUDGET
OR THE COUNCIL'S POSITION ON IT**

¹ The documents listed in this Annex will only be sent electronically.

2020 BUDGETARY PROCEDURE

CONCILIATION DOCUMENT

STATEMENTS

1. Joint statement by the European Parliament, Council and Commission on the funding of EASO

"The European Parliament and the Council take note of the Commission's intention to review the funding requirements of the European Union Agency for Asylum (EASO) for the financial year 2020, once the legislative proposal of 12 September 2018 to reinforce the Agency's operational support capabilities is adopted

The European Parliament and the Council undertake to treat a possible request for a reinforcement of the EU contribution to EASO in 2020, which may require a budget authority transfer or a draft amending budget, with due regard for its urgency."

2. Joint statement by the European Parliament, Council and Commission on the payment appropriations

"The European Parliament and the Council recall the need to ensure, in the light of implementation, an orderly progression of payments in relation to the appropriations for commitments so as to avoid any abnormal level of unpaid invoices at year-end.

The European Parliament and the Council call on the Commission to continue closely and actively monitoring the implementation of the 2014-2020 programmes (particularly in sub-heading 1b and Rural Development). To that end, they invite the Commission to present, in a timely manner, updated figures concerning the state of implementation 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 European Parliament and the Council invite the Commission to present as soon as possible an appropriate solution, inter alia an amending budget, to allow the Budgetary Authority to take any decisions necessary in due time for justified needs. Where applicable, the European Parliament and the Council will take into account the urgency of the matter. For the Council, this could entail shortening the eight-week period for a decision if deemed necessary."

3. Joint statement by the European Parliament, Council and Commission on the Youth Employment Initiative

"The European Parliament, the Council and the Commission recall that reducing youth unemployment remains a high and shared political priority, and to this end they reaffirm their determination to make the best possible use of budgetary resources available to tackle it, and in particular through the Youth Employment Initiative (YEI).

The European Parliament and the Council invite the Commission to observe closely the implementation trend of this initiative and to submit a report before 30 June 2020.

Should the Commission assessment confirm the need for an increase of the YEI, the Commission will present in parallel a draft amending budget increasing the YEI specific allocation by EUR 50 million.

The Council and the European Parliament undertake to process swiftly any such draft amending budget for 2020 put forward by the Commission."

4. **Unilateral statement by the Commission on the Youth Employment Initiative**

"The increase of the YEI specific allocation requires a technical amendment of the Common Provisions Regulation.

As was the case in the previous years, this amendment will be strictly limited to the modifications necessary to accommodate the additional YEI envelope and will have no impact on the implementation of the cohesion policy."

5. **Unilateral statement by the Commission on getting closer to the 20% climate-related spending target during 2014-2020**

"The Commission will monitor closely the implementation of the budget in the course of the year 2020. In case of under-implementation in the relevant headings, the Commission will make the appropriate budgetary proposals to reinforce climate-related expenditure where possible."

UNILATERAL STATEMENT BY DENMARK, THE NETHERLANDS, AUSTRIA AND SWEDEN ON THE JOINT TEXT ON THE BUDGET FOR 2020

"The agreement on the EU budget for 2020 reflects several priorities that we share, not least a greater focus on climate.

Financing priorities in a responsible manner requires real prioritisation. We regret that the agreement is not based on a more cautious approach to EU expenditure. We consider the record overall level of expenditure to be well above what is both necessary and appropriate in light of uncertainties facing us in 2020, including the transition to a Union of 27.

It is of great importance to preserve sufficient margins in 2020 for unforeseen needs. The agreement on the 2020 budget leaves little or no margin under several headings, and requires an extensive use of special flexibilities to circumvent the annual ceilings. This runs counter to point 8 of the Interinstitutional Agreement of 2 December 2013.

Annual increases to individual, larger programmes should be realistic and not go beyond what can be justified. Previous agreements should be respected. We regret that the agreement on the 2020 budget, being the final annual budget under the current MFF, does not deliver on the agreement on the midterm review of the MFF.

Finally, we regret the increased level of administrative expenditure and staff increases in various areas, including for the European Parliament. We urge the Parliament to fully implement the agreed 5 per cent staff reduction target, noting that the withdrawal of the United Kingdom necessitates that all institutions strictly limit their administrative expenditure."
