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#### COVER NOTE

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From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	15 May 2019
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union

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Subject:	Draft amending budget No 2 to the general budget for 2019: Reinforcement of key programmes for EU competitiveness: Horizon 2020 and Erasmus+

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Delegations will find attached document COM(2019) 320 final.

Encl.: COM(2019) 320 final



Brussels, 15.5.2019  
COM(2019) 320 final

**DRAFT AMENDING BUDGET No 2  
TO THE GENERAL BUDGET 2019**

**Reinforcement of key programmes for EU competitiveness: Horizon 2020 and Erasmus+**

Having regard to:

- the Treaty on the Functioning of the European Union, and in particular Article 314 thereof, in conjunction with the Treaty establishing the European Atomic Energy Community, and in particular Article 106a thereof,
- Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union (...) <sup>1</sup>, and in particular Article 44 thereof,
- the general budget of the European Union for the financial year 2019, as adopted on 12 December 2018 <sup>2</sup>,
- draft amending budget No<sup>o</sup>1/2019 <sup>3</sup>, adopted on 15 April 2019,

The European Commission hereby presents to the European Parliament and to the Council Draft Amending Budget No 2 to the 2019 budget.

### **CHANGES TO THE STATEMENT OF REVENUE AND EXPENDITURE BY SECTION**

The changes to the statement of expenditure of section III are available on EUR-Lex (<http://eur-lex.europa.eu/budget/www/index-en.htm>). An English version of the changes to this statement is attached for information as a budgetary annex.

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<sup>1</sup> OJ L 193, 30.7.2018, p. 1.

<sup>2</sup> OJ L 67, 7.3.2019.

<sup>3</sup> COM(2019) 300, 15.4.2019.

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## EXPLANATORY MEMORANDUM

### 1. INTRODUCTION

Draft Amending Budget (DAB) No 2/2019 is intended to provide an additional EUR 100 million of commitment appropriations to Horizon 2020 and Erasmus+ as decided by the European Parliament and the Council in their agreement on the budget 2019. No reinforcement in payment appropriations is proposed.

### 2. REINFORCEMENT OF HORIZON 2020 AND ERASMUS +

#### 2.1. Context

In their final agreement on the budget 2019<sup>4</sup>, the European Parliament and the Council agreed “to budget EUR 100 million in an amending budget in 2019 to reinforce H2020 and Erasmus”. They invited the Commission to “present this amending budget, which will not contain any other elements, as soon as the technical adjustment of the Multiannual Financial Framework for 2020 including the calculation of the Global margin for commitments is completed in the spring of 2019.”

The technical adjustment having now been adopted<sup>5</sup>, the Commission proposes to amend the budget 2019 to reflect the above-mentioned agreement.

#### 2.2. Reinforcement of Horizon 2020

Horizon 2020, the flagship programme to support research and innovation, has set an ambitious goal for its contribution to the climate target of the EU budget. Whilst the expenditure for climate change shows a considerable increase compared to the 7<sup>th</sup> Framework Programme for Research Funding 2007-2013 (FP7), specific measures should be reinforced with the aim of approaching the target of 35 % of the overall Horizon 2020 budget devoted to climate-related research activities. It is therefore proposed to allocate an additional **EUR 80 million** to activities and projects in that area, more specifically for transport-related research and Future Emerging Technologies under the European Innovation Council (EIC) Pilot:

- The Commission proposes to allocate an additional EUR 34,6 million to Horizon 2020 budget item 08 02 03 04 — *Achieving a European transport system that is resource-efficient, environmentally friendly, safe and seamless* to reinforce the 2019 actions against climate change, in particular batteries, Green Vehicles and Greening Aviation.
- The Commission proposes to allocate an additional EUR 45,4 million to Horizon 2020 budget item 08 02 01 02 — *Strengthening research in future and emerging technologies* to increase the amount for the “Breakthrough zero-emissions energy generation for full decarbonisation” and “Energy and climate change related technologies” topics. The action will mainly support the multidisciplinary exploration of new directions for clean, compact and low-cost power generation, targeting stand-alone, mobile or portable uses in specific contexts. It will select projects that pave the way to radically new fully-decarbonised technologies as a means of limiting the effect of the energy sector on climate change.

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<sup>4</sup> European Parliament resolution of 12 December 2018 on the second draft general budget of the European Union for the financial year 2019 (15205/2018 – C8-0499/2018 – [2018/2275\(BUD\)](#)).

<sup>5</sup> COM(2019) 310, [14.5.2019].

### 2.3. Reinforcement of Erasmus+

Erasmus+ is the EU's programme supporting education, training, youth and sport in Europe. The programme will provide opportunities for over 4 million Europeans to study, train, and gain experience abroad over the 2014-20 period.

The Commission proposes to allocate an additional **EUR 20 million** to Erasmus+ budget item *15 02 01 01 — Promoting excellence and cooperation in the European education and training area and its relevance to the labour market*. The allocation would reinforce EU funding support for core mobility activities of the programme, in particular in the field of higher education and vocational education and training, as well as for centres of vocational excellence. It will also reinforce *European Universities*, a recent action developed in the framework of the *European Education Area by 2025*<sup>6</sup>.

### 2.4. Financing

Given the absence of margin under the commitments ceiling of heading 1a *Competitiveness for growth and jobs* in the general budget 2019, the reinforcement in commitment appropriations of Horizon 2020 and Erasmus+ will be financed from the Global Margin for Commitments.

The Commission considers that the payment appropriations for these two programmes in the 2019 budget do not need to be increased at this stage.

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<sup>6</sup> Communication on 'Strengthening European Identity through Education and Culture' of 14 November 2017, COM(2017) 673.

### 3. SUMMARY TABLE BY MFF HEADING

Heading	Budget 2019 (incl. DAB 1/2019)		Draft Amending Budget 2/2019		Budget 2019 (incl. DAB 1-2/2018)	
	CA	PA	CA	PA	CA	PA
<b>1. Smart and inclusive growth</b>	<b>80 527 449 848</b>	<b>67 556 947 173</b>	<b>100 000 000</b>		<b>80 627 449 848</b>	<b>67 556 947 173</b>
<i>Of which under Flexibility Instrument</i>	178 715 475				178 715 475	
<i>Of which under global margin for commitments</i>	424 734 373		100 000 000		524 734 373	
<i>Ceiling</i>	79 924 000 000				79 924 000 000	
<i>Margin</i>						
<b>1a Competitiveness for growth and jobs</b>	<b>23 335 449 848</b>	<b>20 521 537 455</b>	<b>100 000 000</b>		<b>23 435 449 848</b>	<b>20 521 537 455</b>
<i>Of which under Flexibility Instrument</i>	178 715 475				178 715 475	
<i>Of which under global margin for commitments</i>	74 734 373		100 000 000		174 734 373	
<i>Ceiling</i>	23 082 000 000				23 082 000 000	
<i>Margin</i>						
<b>1b Economic social and territorial cohesion</b>	<b>57 192 000 000</b>	<b>47 035 409 718</b>			<b>57 192 000 000</b>	<b>47 035 409 718</b>
<i>Of which under global margin for commitments</i>	350 000 000				350 000 000	
<i>Ceiling</i>	56 842 000 000				56 842 000 000	
<i>Margin</i>						
<b>2. Sustainable growth: natural resources</b>	<b>59 642 077 986</b>	<b>57 399 857 331</b>			<b>59 642 077 986</b>	<b>57 399 857 331</b>
<i>Ceiling</i>	60 344 000 000				60 344 000 000	
<i>Margin</i>	701 922 014				701 922 014	
Of which: European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments	43 191 947 000	43 116 399 417			43 191 947 000	43 116 399 417
<i>Sub-ceiling</i>	43 881 000 000				43 881 000 000	
<i>Rounding difference excluded from margin calculation</i>	659 000				659 000	
<i>EAGF Margin</i>	688 394 000				688 394 000	
<b>3. Security and citizenship</b>	<b>3 786 629 138</b>	<b>3 527 434 894</b>			<b>3 786 629 138</b>	<b>3 527 434 894</b>
<i>Of which under Flexibility Instrument</i>	985 629 138				985 629 138	
<i>Ceiling</i>	2 801 000 000				2 801 000 000	
<i>Margin</i>						
<b>4. Global Europe</b>	<b>11 319 265 627</b>	<b>9 358 295 603</b>			<b>11 319 265 627</b>	<b>9 358 295 603</b>
<i>Of which under global margin for commitments</i>	1 051 265 627				1 051 265 627	
<i>Ceiling</i>	10 268 000 000				10 268 000 000	
<i>Margin</i>						
<b>5. Administration</b>	<b>9 942 974 723</b>	<b>9 944 904 743</b>			<b>9 942 974 723</b>	<b>9 944 904 743</b>
<i>Ceiling</i>	10 786 000 000				10 786 000 000	
<i>Of which offset against Contingency margin</i>	- 253 882 156				- 253 882 156	
<i>Margin</i>	589 143 121				589 143 121	
Of which: Administrative expenditure of the institutions	7 747 285 803	7 749 215 823			7 747 285 803	7 749 215 823
<i>Sub-ceiling</i>	8 700 000 000				8 700 000 000	
<i>Of which offset against Contingency margin</i>	- 253 882 156				- 253 882 156	
<i>Margin</i>	698 832 041				698 832 041	
<b>Total</b>	<b>165 218 397 322</b>	<b>147 787 439 744</b>	<b>100 000 000</b>		<b>165 318 397 322</b>	<b>147 787 439 744</b>
<i>Of which under Flexibility Instrument</i>	1 164 344 613	961 862 659			1 164 344 613	961 862 659
<i>Of which under global margin for commitments</i>	1 476 000 000		100 000 000		1 576 000 000	
<i>Ceiling</i>	164 123 000 000	166 709 000 000			164 123 000 000	166 709 000 000
<i>Of which offset against Contingency margin</i>	- 253 882 156				- 253 882 156	
<i>Margin</i>	1 291 065 135	19 883 422 915			1 291 065 135	19 883 422 915
<b>Other special Instruments</b>	<b>577 248 000</b>	<b>411 500 000</b>			<b>577 248 000</b>	<b>411 500 000</b>
<b>Grand Total</b>	<b>165 795 645 322</b>	<b>148 198 939 744</b>	<b>100 000 000</b>		<b>165 895 645 322</b>	<b>148 198 939 744</b>