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European Union

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BUDGET 23

EXPLANATORY MEMORANDUM

Subject: Draft general budget of the European Union for the financial year 2019:
Council position of 4 September 2018

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I. INTRODUCTION

On 4 September 2018, the Council adopted its position on the draft general budget of the European Union for the financial year 2019, details of which are set out in the present explanatory memorandum.

A first technical annex, set out in Addenda 1 to 4 to this explanatory memorandum, contains a breakdown by heading of the multiannual financial framework (MFF) for 2014-2020, as well as corresponding detailed figures for each institution and by title.

II. MAIN FEATURES OF THE COUNCIL'S POSITION ON THE DRAFT GENERAL BUDGET FOR THE FINANCIAL YEAR 2019

A. The Council adopted its position on the draft budget (DB) for 2019.

The main features of this position are as follows:

AGGREGATE EXPENDITURE¹ AS A RESULT OF THE COUNCIL'S POSITION

(EUR million - in rounded figures)

Commitment appropriations (c/a)	164 067.94
Payment appropriations (p/a)	148 169.63

B. Under the Council's position on the DB for 2019, commitment appropriations increase by +2.09 % compared to the 2018 budget² and payment appropriations increase by +2.34 %.

The total amount of payment appropriations provided for in the Council's position on the DB for 2019 corresponds to 0.90 % of the EU gross national income (GNI).³

¹ Amounts include appropriations foreseen for special instruments.

² Amending budgets (ABs) No 1 to No 3/2018 included.

³ Based on the May 2018 forecast of GNI.

C. A summary of the Council's position on the DB for 2019, by heading of the MFF, is given in the following tables:

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

	Description	1		2		3		3/1	
		Budget 2018 (ABs No 1/2018 to 3/2018 incl.)		Council's position on DB 2019		Difference (amount)		Difference (%)	
		c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a
1	Smart and inclusive growth	77 533 697 652	66 624 486 101	79 139 396 584	67 455 788 673	+1 605 698 932	+831 302 572	+2,07%	+1,25%
	<i>flexibility instrument</i>			0					
	<i>global margin for commitments</i>			231 403 236					
	<i>ceiling</i>			79 924 000 000					
	<i>margin</i>			1 016 006 652					
1a	Competitiveness for growth and jobs	22 001 452 724	20 097 167 844	22 065 993 348	20 422 216 455	+64 540 624	+325 048 611	+0,29%	+1,62%
	<i>ceiling</i>			23 082 000 000					
	<i>margin</i>			1 016 006 652					
1b	Economic, social and territorial cohesion	55 532 244 928	46 527 318 257	57 073 403 236	47 033 572 218	+1 541 158 308	+506 253 961	+2,78%	+1,09%
	<i>flexibility instrument</i>			0					
	<i>global margin for commitments</i>			231 403 236					
	<i>ceiling</i>			56 842 000 000					
	<i>margin</i>			0					
2	Sustainable growth: natural resources	59 285 323 122	56 084 143 633	59 689 077 986	57 462 277 331	+403 754 864	+1 378 133 698	+0,68%	+2,46%
	<i>ceiling</i>			60 344 000 000					
	<i>margin</i>			654 922 014					
	Of which: European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments	43 234 516 899	43 188 677 466	43 273 047 000	43 197 499 417	+38 530 101	+8 821 951	+0,09%	+0,02%
	<i>sub-ceiling</i>			43 881 000 000					
	<i>excluded when calculating the sub-margin (1)</i>			- 659 000					
	<i>sub-margin</i>			607 294 000					
3	Security and citizenship	3 493 241 199	2 980 707 175	3 693 391 138	3 482 394 394	+200 149 939	+501 687 219	+5,73%	+16,83%
	<i>flexibility instrument</i>			892 391 138					
	<i>ceiling</i>			2 801 000 000					
	<i>margin</i>			0					
4	Global Europe	10 068 842 411	8 906 075 154	11 077 907 562	9 462 775 038	+1 009 065 151	+556 699 884	+10,02%	+6,25%
	<i>global margin for commitments</i>			809 907 562					
	<i>ceiling</i>			10 268 000 000					
	<i>margin</i>			0					
5	Administration	9 665 513 627	9 666 318 627	9 890 918 775	9 894 898 795	+225 405 148	+228 580 168	+2,33%	+2,36%
	<i>ceiling</i>			10 786 000 000					
	<i>offset of the contingency margin</i>			-253 882 156					
	<i>margin</i>			641 199 069					
	Of which: Administrative expenditure of the institutions	7 579 920 627	7 580 725 627	7 689 314 855	7 693 294 875	+109 394 228	+112 569 248	+1,44%	+1,48%
	<i>sub-ceiling</i>			8 700 000 000					
	<i>offset of the contingency margin</i>			-253 882 156					
	<i>sub-margin</i>			756 802 989					
	MFF headings	160 046 618 011	144 261 730 690	163 490 692 045	147 758 134 231	+3 444 074 034	+3 496 403 541	+2,15%	+2,42%
	<i>flexibility instrument</i>			892 391 138	899 719 628				
	<i>global margin for commitments</i>			1 041 310 798					
	<i>ceiling</i>			164 123 000 000	166 709 000 000				
	<i>offset of the contingency margin</i>			-253 882 156					
	<i>margin (2)</i>			2 312 127 735	19 850 585 397				
	Appropriations as % of GNI (3)/(4)	1,02%	0,92%	0,99%	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 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.

(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.

BREAKDOWN FOR "SPECIAL INSTRUMENTS"

Description	1		2		3		2/1	
	Budget 2018 (ABs No 1/2018 to 3/2018 incl.)		Council's position on DB 2019		Difference from DB 2019 (amount)		Difference from budget 2018 (ABs No 1/2018 to 3/2018 incl.) (%)	
	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a
Emergency Aid Reserve (EAR)	344 600 000	344 600 000	351 500 000	351 500 000	0	0	+2.00	+2.00
European Globalisation Adjustment Fund (EGF)	172 302 000	25 000 000	175 748 000	10 000 000	0	0	+2.00	+2.00
European Union Solidarity Fund (EUSF)	147 646 105	147 646 105	50 000 000	50 000 000	0	0	-66.14	-66.14
Special Instruments	664 548 105	517 246 105	577 248 000	411 500 000	0	0	-13.14	-13.14

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

Description	1		2		3		2/1	
	Budget 2018 (ABs No 1/2018 to 3/2018 incl.)		Council's position on DB 2019		Difference from DB 2019 (amount)		Difference from budget 2018 (ABs No 1/2018 to 3/2018 incl.) (%)	
	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a
MFF headings	160 046 618 011	144 261 730 690	163 490 692 045	147 758 134 231	-1 551 414 857	-505 839 357	+2.15	+2.42
Special Instruments	664 548 105	517 246 105	577 248 000	411 500 000	0	0	-13.14	-13.14
Grand total	160 711 166 116	144 778 976 795	164 067 940 045	148 169 634 231	-1 551 414 857	-505 839 357	+2.09	+2.34
Appropriations as % of GNI^{1,2}	1,02%	0,92%	1,00%	0,90%				
¹ 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. ² 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.								

The detailed results are set out in the parts of this explanatory memorandum relating to the various sections and titles of the budget.¹

¹ See also ADD 1 to ADD 4 to this explanatory memorandum.

- D. When adopting its position on the DB for 2019, the Council took into account the following principles:

1. GENERALLY

The Budget Committee examined the DB 2019 during the months of May, June and July 2018 on the basis of the principles established in the Council conclusions on the budget guidelines for 2019. In particular, the aim to ensure prudent budgeting and provide adequate resources to support clearly set priorities, while leaving sufficient margins under the ceilings, constituted the guiding principles in establishing the present Council position on the DB 2019.

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 three pillars:

- firstly, allowing for an overall increase of the 2019 budget of no less than 2 % compared to the 2018 budget;
- secondly, ensuring that no heading is reduced compared to 2018 and no programme is reduced compared to that year, unless objective reasons (such as the financial programming or a foreseeable reduction in needs or a decrease in the Commission proposal), in line with political priorities indicate a decrease; and
- thirdly, to establish an expenditure level of no less than 1 % of the GNI of all Member States, which the Budget Committee considered adequate in the light of national budget constraints and in keeping with the political priorities of the European Union.

Payment appropriations were not targeted during this year's budgetary analysis, given the already high margin. The reduction of payment appropriations is, therefore, a mere consequence of reductions of non-differentiated appropriations.

As regards administrative expenditure, a similar albeit stricter approach was taken. All institutions benefit from an increase of their annual budget for 2019. An analysis by budget line conducted by the Budget Committee allowed a reduction, in particular, of expenditure for contractual staff by approximately -1 % based on the 2018 budget. 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.

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

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*, and following the general line applied for the institutions, it is suggested to reduce the overall level of contributions from the Union budget by -EUR 31.9 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.

The Council approved the following 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 2019 budget.

The Council calls on the Commission to continue closely and actively monitoring during the year 2019 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 2019 payment appropriations. If the figures show that the appropriations entered in the 2019 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."

The Council also approved the following 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 to reassess the needs under heading 5 when establishing the letter of amendment 2019 taking into account these revenues."

And, finally, the Council approved the following statement on *mid-term review (MTR) redeployments*:

"The Council recalls the statement of the European Parliament and the Council on reinforcements (top-ups) for the remaining period of the multiannual financial framework (MFF) in the context of the mid-term review of the MFF 2014-2020, as well as the agreement between the European Parliament and the Council on the annual budget for 2017.

Noting that the year 2019 will be the second-last year of the current MFF, the Council reaffirms the importance of fully financing all MTR-related top-ups in (sub-)headings 1a and 4 made in the budget years 2017-2020 through redeployments, while not reducing pre-allocated national envelopes."

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

2. *IN OTHER GENERAL RESPECTS*

(a) Budget remarks

It is suggested to align the budget remarks contained in the DB 2019 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.

(b) Nomenclature

As regards nomenclature, it is suggested to accept the DB 2019.

(c) Legal bases

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

(d) Programme statements

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

3. *EXPENDITURE BY HEADING OF THE MULTIANNUAL FINANCIAL FRAMEWORK*

As to expenditure under the different headings and sub-headings of the MFF, the Council's position is to:

- (a) in the case of expenditure for **smart and inclusive growth (heading 1 of the MFF)**
 - (i) as regards **competitiveness for growth and jobs** expenditure **(sub-heading 1a of the MFF)**
 - establish the level of commitment appropriations, targeting a total reduction of -EUR 794 million in the appropriations requested in the DB 2019 on a number of specific budget lines including operational expenditure, support expenditure, external personnel, technical assistance and contributing to executive agencies, namely related to *Large Infrastructure Projects* (-EUR 167.24 million, of which -EUR 19 million on the *International Thermonuclear Experimental Reactor (ITER)* and -EUR 148.24 million on the *European Earth Observation Programme (Copernicus)*), the *Common Strategic Framework for Research and Innovation* (-EUR 313.65 million, of which -EUR 13.25 million on the *Euratom Research and Training Programme* and -EUR 300.4 million on *Horizon 2020*), *Employment and Social Innovation (EaSI)* (-EUR 7.5 million), the *Connecting Europe Facility* (-EUR 274.33 million, of which -EUR 85 million on *Energy*, -EUR 182.07 million on *Transport* and -EUR 7.26 million on *Information and Communication Technology (ICT)*), *actions financed under the prerogative of the Commission and specific competences conferred to the Commission* (-EUR 3.03 million) and *other actions and programmes* (-EUR 3.45 million);

- set the level of payment appropriations, reducing the appropriations requested in the DB 2019 by a total amount of -EUR 44.95 million, of which -EUR 0.74 million in *Large Infrastructure Projects* (of which -EUR 0.5 million on the *International Thermonuclear Experimental Reactor (ITER)* and -EUR 0.24 million on the *European Earth Observation Programme (Copernicus)*, -EUR 18.29 million in the *Common Strategic Framework for Research and Innovation* (of which -EUR 3.94 million in the *Euratom Research and Training Programme* and -EUR 14.35 million in *Horizon 2020*), -EUR 1.07 million in the *Connecting Europe Facility - Transport* and -EUR 0.05 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 24.8 million in commitment and payment appropriations under this sub-heading;
- the margin available under sub-heading 1a would be EUR 1 016 million.

(ii) concerning **economic, social and territorial cohesion** expenditure
(**sub-heading 1b of the MFF**)

- commitment appropriations (-EUR 40 million) and payment appropriations (-EUR 17.2 million) requested in the DB 2019 for the revision proposal of the *Structural Reforms Support Programme (SRSP)* are transferred from sub-heading 1b to heading 2, and put into reserve pending the adoption of the reviewed legal basis;
- the proposed mobilisation of the Flexibility Instrument to provide financing of the extension of the SRSP for an amount of EUR 38.07 million in commitment appropriations is therefore restored;
- the Global Margin for Commitments is used for an amount of EUR 231 403 236 under this sub-heading;
- the margin available under sub-heading 1b would be equal to zero.

(b) regarding expenditure for **sustainable growth: natural resources**
(**heading 2 of the MFF**)¹

- reduce the level of commitment appropriations requested in the DB 2019 by -EUR 310 million on administrative support lines, on operational technical assistance lines and on operational lines under the *European Agricultural Guarantee Fund* (-EUR 340.4 million), the *European Maritime and Fisheries Fund (EMFF)* (-EUR 1.67 million) and the *LIFE programme* (-EUR 4.1 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.

- set the level of payment appropriations, reducing the appropriations requested in the DB 2019 by a total amount of -EUR 328.13 million, of which -EUR 340.4 million on the *European Agricultural Guarantee Fund* and -EUR 1.1 million in the *LIFE programme*;
 - for SRSP, EUR 40 million in commitment appropriations and EUR 17.2 million in payment appropriations transferred from sub-heading 1b, are put in the reserve;
 - the amounts mentioned above also take into account reductions in contributions to decentralised agencies for an amount of -EUR 3.83 million in commitment and payment appropriations under this heading;
 - the margin available under heading 2 would be EUR 654.92 million.
- (c) in the case of expenditure relating to **security and citizenship (heading 3 of the MFF)**
- establish the level of commitment appropriations, targeting a total reduction of -EUR 35.13 million in the appropriations requested in the DB 2019 on a number of specific budget lines, including operational expenditure and support expenditure, namely related to *Food and Feed* (-EUR 15.9 million), *Creative Europe* (-EUR 8.44 million), *Rights, Equality and Citizenship* (-EUR 1.2 million), *Health* (-EUR 1.5 million), *Consumer* (-EUR 1 million), *Actions financed under the prerogatives of the Commission* (-EUR 3.3 million), *Europe for citizens* (-EUR 0.08 million), *Justice* (-EUR 0.12 million) and the *Asylum, Migration and Integration Fund* (-EUR 0.35 million);

- set the level of payment appropriations, reducing the appropriations requested in the DB 2019 by a total amount of -EUR 3.97 million, including on a number of budget lines concerning administrative support expenditure (-EUR 0.73 million);
- the amounts mentioned above also take into account reductions in contributions to decentralised agencies for a total amount of -EUR 3.24 million in commitment and payment appropriations under this heading;
- commitment appropriations (EUR 501.11 million) and payment appropriations (EUR 140.92 million) requested in the DB 2019 for legislative proposals that are not adopted yet, are put into reserve. This concerns the legislative proposals for *Dublin II (eu-LISA)* and *Dublin II (AMIF)*, *EURODAC (eu-LISA)*, the *SIS package*, *Interoperability (Europol)*, *Interoperability (eu-LISA)*, *ECRIS TCN* and the *European citizens' initiative*;
- the margin available under heading 3 would be equal to zero;
- the Flexibility Instrument is mobilised for an amount of EUR 892.39 million (-EUR 35.13 million) in commitment appropriations.

(d) in the context of expenditure relating to **Global Europe (heading 4 of the MFF)**

- establish the level of commitment appropriations, targeting a total reduction by -EUR 306.28 million in the appropriations requested in the DB 2019 on a number of specific budget lines, including operational expenditure and support expenditure, namely related to the *Instrument for Pre-accession assistance (IPA II)* (-EUR 176.8 million), the *European Neighbourhood Instrument (ENI)* (-EUR 1.2 million), the *Development Cooperation Instrument (DCI)* (-EUR 55.4 million), the *Partnership instrument for cooperation with third countries (PI)* (-EUR 0.45 million), the *European Instrument for Democracy and Human Rights (EIDHR)* (-EUR 0.15 million), the *Instrument contributing to Stability and Peace (IcSP)* (-EUR 6.1 million), *Humanitarian aid (HUMA)* (-EUR 0.15 million), the *Common Foreign and Security Policy* (-EUR 5 million), *Macro-financial Assistance (MFA)* (-EUR 20 million) and the *Guarantee Fund for external actions (GF)* (-EUR 41 million);

- set the level of payment appropriations, reducing the appropriations requested in the DB 2019 by a total amount of -EUR 45.58 million as a consequence of the reductions in commitment appropriations where non-differentiated appropriations are concerned, of which -EUR 0.1 million in the *Instrument for Pre-accession assistance (IPA II)*, -EUR 1.2 million in the *European Neighbourhood Instrument (ENI)*, -EUR 1.4 million in the *Development Cooperation Instrument (DCI)*, -EUR 0.45 million in the *Partnership instrument for cooperation with third countries (PI)*, -EUR 0.15 million in the *European Instrument for Democracy and Human Rights (EIDHR)*, -EUR 1.10 million in the *Instrument contributing to Stability and Peace (IcSP)*, -EUR 0.15 million in *Humanitarian aid (HUMA)* and -EUR 41 million in the *Guarantee Fund for external actions (GF)*;
- this includes the use of the Global Margin for Commitments for an amount of EUR 809.91 million under this heading;
- the amounts mentioned above also take into account reductions in contributions to decentralised agencies for a total amount of -EUR 0.03 million in commitment and payment appropriations under this heading;
- the margin available under heading 4 would be equal to zero.

(e) regarding **administration (heading 5 of the MFF)**

– the position of the Council is summarised in the following table:

Description	1		2		3		2/1	
	Budget 2018 (ABs No 1/2018 to 3/2018 incl.)		Council's position on DB 2019		Difference (amount)		Difference (%)	
	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a
Pensions and European Schools	2 085 593 000	2 085 593 000	2 201 603 920	2 201 603 920	+116 010 920	+116 010 920	+5,56%	+5,56%
Pensions	1 892 805 800	1 892 805 800	2 009 507 000	2 009 507 000	+116 701 200	+116 701 200	+6,17%	+6,17%
<i>Staff Pensions</i>	<i>1 867 151 600</i>	<i>1 867 151 600</i>	<i>1 983 019 000</i>	<i>1 983 019 000</i>	<i>+115 867 400</i>	<i>+115 867 400</i>	<i>+6,21%</i>	<i>+6,21%</i>
<i>Pensions of former Members</i>	<i>25 654 200</i>	<i>25 654 200</i>	<i>26 488 000</i>	<i>26 488 000</i>	<i>+833 800</i>	<i>+833 800</i>	<i>+3,25%</i>	<i>+3,25%</i>
European Schools	192 787 200	192 787 200	192 096 920	192 096 920	-690 280	-690 280	-0,36%	-0,36%
Administrative expenditure of the institutions	7 579 920 627	7 580 725 627	7 689 314 855	7 693 294 875	+109 394 228	+112 569 248	+1,44%	+1,48%
Section III -Commission	3 565 496 601	3 566 301 601	3 591 444 774	3 595 424 794	+25 948 173	+29 123 193	+0,73%	+0,82%
<i>Commission, excluding Offices</i>	<i>3 243 894 401</i>	<i>3 244 699 401</i>	<i>3 270 173 446</i>	<i>3 274 153 466</i>	<i>+26 279 045</i>	<i>+29 454 065</i>	<i>+0,81%</i>	<i>+0,91%</i>
<i>Annex 2 -Publications Office</i>	<i>94 536 400</i>	<i>94 536 400</i>	<i>93 065 265</i>	<i>93 065 265</i>	<i>-1 471 135</i>	<i>-1 471 135</i>	<i>-1,56%</i>	<i>-1,56%</i>
<i>Annex 3 -European Anti-Fraud Office</i>	<i>59 082 800</i>	<i>59 082 800</i>	<i>59 231 681</i>	<i>59 231 681</i>	<i>+148 881</i>	<i>+148 881</i>	<i>+0,25%</i>	<i>+0,25%</i>
<i>Annex 4 -European Personnel Selection Office</i>	<i>26 175 800</i>	<i>26 175 800</i>	<i>26 322 238</i>	<i>26 322 238</i>	<i>+146 438</i>	<i>+146 438</i>	<i>+0,56%</i>	<i>+0,56%</i>
<i>Annex 5 -Office for Administration and Payment of Individual Entitlements</i>	<i>38 698 600</i>	<i>38 698 600</i>	<i>38 904 334</i>	<i>38 904 334</i>	<i>+205 734</i>	<i>+205 734</i>	<i>+0,53%</i>	<i>+0,53%</i>
<i>Annex 6 -Office for Infrastructure and Logistics — Brussels</i>	<i>78 345 000</i>	<i>78 345 000</i>	<i>78 933 598</i>	<i>78 933 598</i>	<i>+588 598</i>	<i>+588 598</i>	<i>+0,75%</i>	<i>+0,75%</i>
<i>Annex 7 -Office for Infrastructure and Logistics — Luxembourg</i>	<i>24 763 600</i>	<i>24 763 600</i>	<i>24 814 212</i>	<i>24 814 212</i>	<i>+50 612</i>	<i>+50 612</i>	<i>+0,20%</i>	<i>+0,20%</i>
Other institutions	4 014 424 026	4 014 424 026	4 097 870 081	4 097 870 081	+83 446 055	+83 446 055	+2,08%	+2,08%
<i>Section I -European Parliament</i>	<i>1 950 241 773</i>	<i>1 950 241 773</i>	<i>1 998 529 000</i>	<i>1 998 529 000</i>	<i>+48 287 227</i>	<i>+48 287 227</i>	<i>+2,48%</i>	<i>+2,48%</i>
<i>Section II -European Council and Council</i>	<i>572 894 377</i>	<i>572 894 377</i>	<i>582 881 000</i>	<i>582 881 000</i>	<i>+9 986 623</i>	<i>+9 986 623</i>	<i>+1,74%</i>	<i>+1,74%</i>
<i>Section IV -Court of Justice of the European Union</i>	<i>409 985 089</i>	<i>409 985 089</i>	<i>425 746 669</i>	<i>425 746 669</i>	<i>+15 761 580</i>	<i>+15 761 580</i>	<i>+3,84%</i>	<i>+3,84%</i>
<i>Section V -Court of Auditors</i>	<i>146 015 591</i>	<i>146 015 591</i>	<i>146 743 120</i>	<i>146 743 120</i>	<i>+727 529</i>	<i>+727 529</i>	<i>+0,50%</i>	<i>+0,50%</i>
<i>Section VI -European Economic and Social Committee</i>	<i>135 630 905</i>	<i>135 630 905</i>	<i>137 068 515</i>	<i>137 068 515</i>	<i>+1 437 610</i>	<i>+1 437 610</i>	<i>+1,06%</i>	<i>+1,06%</i>
<i>Section VII -Committee of the Regions</i>	<i>96 100 540</i>	<i>96 100 540</i>	<i>97 179 964</i>	<i>97 179 964</i>	<i>+1 079 424</i>	<i>+1 079 424</i>	<i>+1,12%</i>	<i>+1,12%</i>
<i>Section VIII -European Ombudsman</i>	<i>10 627 545</i>	<i>10 627 545</i>	<i>11 308 428</i>	<i>11 308 428</i>	<i>+680 883</i>	<i>+680 883</i>	<i>+6,41%</i>	<i>+6,41%</i>
<i>Section IX -European Data Protection Supervisor</i>	<i>14 449 068</i>	<i>14 449 068</i>	<i>16 657 166</i>	<i>16 657 166</i>	<i>+2 208 098</i>	<i>+2 208 098</i>	<i>+15,28%</i>	<i>+15,28%</i>
<i>Section X -European External Action Service</i>	<i>678 479 138</i>	<i>678 479 138</i>	<i>681 756 219</i>	<i>681 756 219</i>	<i>+3 277 081</i>	<i>+3 277 081</i>	<i>+0,48%</i>	<i>+0,48%</i>
TOTAL ADMINISTRATION	9 665 513 627	9 666 318 627	9 890 918 775	9 894 898 795	+225 405 148	+228 580 168	+2,33%	+2,36%

- following 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 253.88 million are offset against the margin of heading 5;
- the margin available under heading 5 would be EUR 641.2 million;

¹ OJ L 50, 28.2.2017, p. 57.

- as regards staff levels, it is suggested to accept the establishment plans in the DB 2019 as proposed by the Commission, except for the European External Action Service (EEAS) for which the 28 new posts related to the withdrawal of the United Kingdom from the European Union are rejected. It is suggested to align the EEAS establishment plan contained in the DB 2019 accordingly.

4. *SPECIAL INSTRUMENTS*

It is suggested to maintain the appropriations entered in the DB 2019 for the Emergency Aid Reserve, the European Globalisation Adjustment Fund and the European Union Solidarity Fund.

III. **ESTIMATED REVENUE**

1. According to the Council's position on the DB for 2019, the European Union's total budget revenue amounts to EUR 148 169 634 231, equivalent to 0.90 % of the EU gross national income (GNI)¹.

The own resources needed to finance the European Union's DB for 2019, as resulting from the Council's position, represent 0.89 % of EU GNI, less than the ceiling of 1.20 % of GNI, as arrived at by the method of calculation in Article 3(1) of Council Decision 2014/335/EU, Euratom of 26 May 2014 on the system of own resources of the European Union² and adapted following the communication from the Commission to the European Parliament and the Council of 21 December 2016³.

The revenue to finance the Council's position on the DB for 2019 is shown in the table below.

2. Net traditional own resources (customs duties) amount to EUR 21 471.2 million.

¹ Based on the May 2018 forecast of GNI (EU 28).

² OJ L 168, 7.6.2014, p. 105.

³ COM(2016) 829 final.

3. The Union VAT base amounts to EUR 69 256.4 million for 2019 (at the rate of 1 %), taking into account the general capping of Member States' GNI base at 50 %, which has actually had to be applied in the case of the VAT bases of four Member States (Croatia, Cyprus, Luxembourg and Malta). The uniform rate of VAT own resources is 0.30 %, except for three Member States (Germany, Netherlands and Sweden) for which the rate for the period 2014-2020 was fixed at 0.15 %. The own resources accruing from VAT amount to EUR 17 738.7 million.
4. In Title 4 (Miscellaneous Community taxes, levies and dues), Articles 4 0 0, 4 0 4 and 4 1 0 have been adjusted on the basis of the decisions taken regarding appropriations and staff.
5. Revenue other than own resources (Titles 4 to 9) amounts to EUR 1 893.3 million.
6. The rate to be applied to each Member State's GNI base to finance the part of the budget not covered by the other resources from the Council's position on the DB for 2019 is 0.6510 %.

A. FINANCING OF THE GENERAL BUDGET

**Appropriations to be covered during the financial year 2019
pursuant to Council Decision 2014/335/EU, Euratom of 26 May 2014 on the system of the own
resources of the European Union**

EXPENDITURE

Description	Council's position on DB 2019	Budget 2018 ¹	Change (%)
1. Smart and inclusive growth	67 455 788 673	66 624 486 101	1,25
2. Sustainable growth: natural resources	57 462 277 331	56 083 793 633	2,46
3. Security and citizenship	3 482 394 394	2 980 707 175	16,83
4. Global Europe	9 462 775 038	8 906 075 154	6,25
5. Administration	9 894 898 795	9 666 318 627	2,36
Special instruments	411 500 000	517 246 105	-20,44
Total expenditure²	148 169 634 231	144 778 626 795	2,34

REVENUE

Description	Council's position on DB 2019	Budget 2018 ¹	Change (%)
Miscellaneous revenue (Titles 4 to 9)	1 893 309 248	1 848 645 936	2,42
Surplus available from the preceding financial year (Chapter 3 0, Article 3 0 0)	p.m.	555 542 325	—
Surplus of own resources resulting from the repayment of the surplus of the Guarantee Fund for external actions (Chapter 3 0, Article 3 0 2)	p.m.	p.m.	—
Balance of own resources accruing from VAT and GNP/GNI-based own resources for earlier years (Chapters 3 1 and 3 2)	p.m.	p.m.	—
Total revenue for Titles 3 to 9	1 893 309 248	2 404 188 261	-21,25
Net amount of customs duties and sugar levies (Chapters 1 1 and 1 2)	21 471 164 787	22 844 000 000	-6,01
VAT-based own resource at the uniform rate (Chapter 1 3)	17 738 667 150	17 249 560 050	2,84
Remainder to be financed by the additional resource (GNI-based own resource, Chapter 1 4)	107 066 493 046	102 280 878 484	4,68
Appropriations to be covered by the own resources referred to in Article 2 of Decision 2014/335/EU, Euratom³	146 276 324 983	142 374 438 534	2,74
Total revenue²	148 169 634 231	144 778 626 795	2,34

¹ The figures in this column correspond to those in the 2018 budget (OJ L 57, 28.2.2018, p. 1) plus amending budgets No 1 to No 3/2018.

² The third subparagraph of Article 310(1) of the Treaty on the Functioning of the European Union reads: "*The revenue and expenditure shown in the budget shall be in balance*".

³ The own resources for the 2019 budget are determined on the basis of the budget forecasts adopted at the 172th meeting of the Advisory Committee on Own Resources on 18 May 2018.

IV. ESTIMATED EXPENDITURE

A. ADMINISTRATIVE EXPENDITURE FOR EACH INSTITUTION¹

EUROPEAN PARLIAMENT - Section I²

The Council did not modify the European Parliament's draft budget in its position on the DB for 2019.

Budget 2018 (ABs No 1/2018 to 3/2018 incl.)	DB 2019	Council's position on DB 2019	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
1 950 241 773	1 998 529 000	1 998 529 000	0	+2.48

EUROPEAN COUNCIL AND COUNCIL - Section II

The Council modified the European Council's and Council's draft budget in its position on the DB for 2019 as follows:

Budget 2018 (ABs No 1/2018 to 3/2018 incl.)	DB 2019	Council's position on DB 2019	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
527 894 377	582 963 377	582 881 000	-82 377	+1.74

Taking into account the current vacancy rate, it is suggested to maintain the standard flat rate abatement on salaries at 5.0 % as proposed in the DB 2019.

Targeted reductions are suggested by applying a specific decrease to the appropriations related to *other staff* (-EUR 304 000), *fitting-out and installation work* (-EUR 10 000), *legal expenses and costs, damages and compensation* (-EUR 500 000) and the *contingency reserve* (-EUR 1 200 000).

¹ See also ADD 2 and ADD 3 to this explanatory memorandum.

² The amounts do not include the institution's contribution to accredited European Schools (Type II) of EUR 445 600 in 2018 and EUR 615 000 in 2019.

It is suggested to partially restore the initial amount requested in the 2019 draft estimates for the budget line related to *Interpreting costs* (+EUR 1 931 623), which has been cut by the Commission in its draft budget proposal in order to keep the language envelopes at the same level as in 2018 and to cover the general interpretation costs.

COMMISSION – Section III

ADMINISTRATIVE APPROPRIATIONS

The Council's position regarding the Commission's administrative budget for 2019 is as follows:

Description	1		2		3		3-2	3/1	
	Budget 2018 (ABs No 1/2018 to 3/2018 incl.)		DB 2019		Council's position on DB 2019		Difference (amount)	Difference (%)	
	c/a	p/a	c/a	c/a and p/a	c/a	p/a	c/a and p/a	c/a	p/a
Commission, excluding Offices	3 243 894 401	3 244 699 401	3 311 864 400	-41 690 954	3 270 173 446	3 274 153 466	-41 690 954	+0,81%	+0,91%
Annex 2 -Publications Office	94 536 400	94 536 400	93 289 400	-224 135	93 065 265	93 065 265	-224 135	-1,56%	-1,56%
Annex 3 -European Anti-Fraud Office	59 082 800	59 082 800	59 651 000	-419 319	59 231 681	59 231 681	-419 319	+0,25%	+0,25%
Annex 4 -European Personnel Selection Office	26 175 800	26 175 800	26 511 000	-188 762	26 322 238	26 322 238	-188 762	+0,56%	+0,56%
Annex 5 -Office for Administration and Payment of Individual Entitlements	38 698 600	38 698 600	39 726 000	-821 666	38 904 334	38 904 334	-821 666	+0,53%	+0,53%
Annex 6 -Office for Infrastructure and Logistics — Brussels	78 345 000	78 345 000	80 904 000	-1 970 402	78 933 598	78 933 598	-1 970 402	+0,75%	+0,75%
Annex 7 -Office for Infrastructure and Logistics — Luxembourg	24 763 600	24 763 600	25 270 000	-455 788	24 814 212	24 814 212	-455 788	+0,20%	+0,20%
Section III -Commission	3 565 496 601	3 566 301 601	3 637 215 800	-45 771 026	3 591 444 774	3 595 424 794	-45 771 026	+0,73%	+0,82%

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 3.6 % (-EUR 17 500 954). The standard flat rate abatement for delegations is maintained at 7.7 % as proposed in the DB 2019.

Targeted reductions are suggested by applying a specific decrease to the appropriations related to *external staff (CEOS, SNE, Agency staff, Social)* (-EUR 7 100 000), *Members (salaries and allowances)* (-EUR 700 000), *other staff* (-EUR 2 500 000, of which *recruitment costs* (-EUR 1 000 000) and *social* (-EUR 1 500 000)), *IT-services* (-EUR 3 090 000), *linguistic external services* (-EUR 1 000 000), *rent and purchases* (-EUR 6 500 000), *mission and representation* (-EUR 300 000), *meetings, committees and conferences* (-EUR 2 200 000), *studies and investigations* (-EUR 500 000) and *other administrative expenditure* (-EUR 300 000).

An overall amount of EUR 2 201 603 920 is suggested for pensions and European Schools, representing an increase of +5.56 % compared to the 2018 budget.

PUBLICATIONS OFFICE (OP)

The Council's position is as follows:

Budget 2018 (ABs No 1/2018 to 3/2018 incl.)	DB 2019	Council's position on DB 2019	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
94 536 400	93 289 400	93 065 265	-224 135	-1.56

Taking into account the current vacancy rate, it is suggested to set the standard flat rate abatement on salaries at 3.3 % (-EUR 224 135).

EUROPEAN ANTI-FRAUD OFFICE (OLAF)

The Council's position is as follows:

Budget 2018 (ABs No 1/2018 to 3/2018 incl.)	DB 2019	Council's position on DB 2019	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
59 082 800	59 651 000	59 231 681	-419 319	+0.25

Taking into account the current vacancy rate, it is suggested to set the standard flat rate abatement on salaries at 3.3 % (-EUR 319 319).

A targeted reduction is suggested by applying a specific decrease to the appropriations related to *buildings and related expenditure* (-EUR 100 000).

EUROPEAN PERSONNEL SELECTION OFFICE (EPSO)

The Council's position is as follows:

Budget 2018 (ABs No 1/2018 to 3/2018 incl.)	DB 2019	Council's position on DB 2019	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
26 175 800	26 511 000	26 322 238	-188 762	+0.56

Taking into account the current vacancy rate, it is suggested to set the standard flat rate abatement on salaries at 2.7 % (-EUR 88 762).

A targeted reduction is suggested by applying a specific decrease to the appropriations related to *other management expenditure* (-EUR 100 000).

**OFFICE FOR THE ADMINISTRATION AND PAYMENT OF INDIVIDUAL
ENTITLEMENTS (PMO)**

The Council's position is as follows:

Budget 2018 (ABs No 1/2018 to 3/2018 incl.)	DB 2019	Council's position on DB 2019	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
38 698 600	39 726 000	38 904 334	-821 666	+0.53

Taking into account the current vacancy rate, it is suggested to set the standard flat rate abatement on salaries at 4.5 % (-EUR 121 666).

Targeted reductions are suggested by applying a specific decrease to the appropriations related to *external personnel* (-EUR 300 000) and *buildings and related expenditure* (-EUR 400 000).

OFFICE FOR INFRASTRUCTURE AND LOGISTICS IN BRUSSELS (OIB)

The Council's position is as follows:

Budget 2018 (ABs No 1/2018 to 3/2018 incl.)	DB 2019	Council's position on DB 2019	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
78 345 000	80 904 000	78 933 598	-1 970 402	0.75

Taking into account the current vacancy rate, it is suggested to set the standard flat rate abatement on salaries at 2.1 % (-EUR 360 402).

Targeted reductions are suggested by applying a specific decrease to the appropriations related to *external personnel* (-EUR 1 260 000) and *buildings and related expenditure* (-EUR 350 000).

OFFICE FOR INFRASTRUCTURE AND LOGISTICS IN LUXEMBOURG (OIL)

The Council's position is as follows:

Budget 2018 (ABs No 1/2018 to 3/2018 incl.)	DB 2019	Council's position on DB 2019	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
24 763 600	25 270 000	24 814 212	-455 788	+0.20

Taking into account the current vacancy rate, it is suggested to set the standard flat rate abatement on salaries at 3.7 % (-EUR 95 788).

A targeted reduction is suggested by applying a specific decrease to the appropriations related to *external personnel* (-EUR 360 000).

COURT OF JUSTICE OF THE EUROPEAN UNION – Section IV¹

The Council's position is as follows:

Budget 2018 (ABs No 1/2018 to 3/2018 incl.)	DB 2019	Council's position on DB 2019	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
409 985 089	429 964 109	425 746 669	-4 217 440	+3.84

Taking into account the current vacancy rate, it is suggested to set the standard flat rate abatement on salaries at 3.2 % (-EUR 1 535 000).

Targeted reductions are suggested by applying a specific decrease to the appropriations related to *contract agents* (-EUR 337 440), *external services in the linguistic field* (-EUR 350 000), *missions* (-EUR 80 000), *social contacts between members of staff and other welfare expenditure* (-EUR 15 000), *restaurants and canteens* (-EUR 15 000), *studies and technical assistance in connection with building projects* (-EUR 10 000), *cleaning and maintenance* (-EUR 120 000), *purchase, servicing and maintenance of equipment and software* (-EUR 510 000), *external services for the operation, creation and maintenance of software and systems* (-EUR 260 000), *furniture* (-EUR 430 000), *technical equipment and installations* (-EUR 110 000), *stationery, office supplies and miscellaneous consumables* (-EUR 60 000), *financial charges* (-EUR 5 000), *other administrative expenditure* (-EUR 200 000), *expenditure on meetings and conferences* (-EUR 80 000) and *documentation, library and archiving expenditure* (-EUR 100 000).

¹ The amounts do not include the institution's contribution to accredited European Schools (Type II) of EUR 40 000 in 2018 and EUR 58 500 in 2019.

EUROPEAN COURT OF AUDITORS - Section V

The Council's position is as follows:

Budget 2018 (ABs No 1/2018 to 3/2018 incl.)	DB 2019	Council's position on DB 2019	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
146 015 591	147 250 000	146 743 120	-506 880	+0.50

Taking into account the current vacancy rate, it is suggested to set the standard flat rate abatement on salaries at 3.3 % (-EUR 406 880).

A targeted reduction is suggested by applying a specific decrease to the appropriations related to *contract agents* (-EUR 100 000).

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE – Section VI

The Council's position is as follows:

Budget 2018 (ABs No 1/2018 to 3/2018 incl.)	DB 2019	Council's position on DB 2019	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
135 630 905	138 750 808	137 068 515	-1 682 293	+1.06

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 2019.

Targeted reductions are suggested by applying a specific decrease to the appropriations related to *other staff* (-EUR 153 372), *graduate traineeships*, *grants and exchanges of officials* (-EUR 200 000), *expert advice connected with legislative work* (-EUR 250 000), *cleaning and maintenance* (-EUR 518 921), *furniture* (-EUR 80 000), *stationery*, *office supplies and miscellaneous consumables* (-EUR 20 000), *expenditure on the organisation of and participation in hearings and other events* (-EUR 200 000), *representation expenses* (-EUR 30 000), *communication* (-EUR 120 000), *studies, research and hearings* (-EUR 60 000) and *archiving and related work* (-EUR 50 000).

COMMITTEE OF THE REGIONS – Section VII

The Council's position is as follows:

Budget 2018 (ABs No 1/2018 to 3/2018 incl.)	DB 2019	Council's position on DB 2019	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
96 100 540	98 931 667	97 179 964	-1 751 703	+1.12

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 2019.

Targeted reductions are suggested by applying a specific decrease to the appropriations related to *remuneration and allowances* (-EUR 1 000 000), *other staff* (-EUR 270 003), *graduate traineeships, grants and exchanges of officials* (-EUR 60 000), *further training, retraining and information for staff* (-EUR 50 000), *fitting-out of premises* (-EUR 109 000), *furniture* (-EUR 40 000), *organisation of events (in Brussels or in decentralised locations) in partnership with local and regional authorities, with their associations and with the other Union institutions* (-EUR 50 000), *representation expenses* (-EUR 42 700), *relations with the press (European, national, regional, local or specialised) and conclusion of partnerships with audiovisual, written or radio media* (-EUR 50 000), *edition and distribution of paper, audiovisual, electronic or web-based (Internet/Intranet) information supports* (-EUR 50 000) and *documentation and library expenditure* (-EUR 30 000).

EUROPEAN OMBUDSMAN – Section VIII¹

The Council did not modify the European Ombudsman's draft budget in its position on the DB for 2019:

Budget 2018 (ABs No 1/2018 to 3/2018 incl.)	DB 2019	Council's position on DB 2019	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
10 627 545	11 308 428	11 308 428	0	+6.41

EUROPEAN DATA PROTECTION SUPERVISOR – Section IX

The Council's position is as follows:

Budget 2018 (ABs No 1/2018 to 3/2018 incl.)	DB 2019	Council's position on DB 2019	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
14 449 068	16 757 166	16 657 166	-100 000	+15.28

A targeted reduction is suggested by applying a specific decrease to the appropriations related to *translation and interpretation costs* (-EUR 100 000).

EUROPEAN EXTERNAL ACTION SERVICE – Section X²

The Council's position is as follows:

Budget 2018 (ABs No 1/2018 to 3/2018 incl.)	DB 2019	Council's position on DB 2019	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
678 479 138	693 651 357	681 756 219	-11 895 138	+0.48

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 1 350 438) and in delegations at 2.3 % (-EUR 761 700).

¹ The amounts do not include the institution's contribution to accredited European Schools (Type II) of EUR 210 000 in 2018 and EUR 217 000 in 2019.

² The amounts do not include the institution's contribution to accredited European Schools (Type II) of EUR 20 000 in 2018 and 2019.

At headquarters, targeted reductions are suggested by applying a specific decrease to the appropriations related to *contract staff* (-EUR 865 000), *military seconded national experts* (-EUR 800 000), *crèches and childcare facilities* (-EUR 150 000), *fitting-out and security works* (-EUR 50 000), *cleaning and maintenance* (-EUR 200 000), *water, gas, electricity and heating* (-EUR 50 000), *security and surveillance of buildings* (-EUR 110 000), *information and communication technology* (-EUR 400 000), *security of information and communication technology up to the level EU restricted* (-EUR 50 000), *organisation of meetings, conferences and congresses* (-EUR 35 000), *documentation and library expenditure* (-EUR 50 000), *public information and public events* (-EUR 25 000), *interinstitutional cooperation* (-EUR 200 000) and *other administrative expenditure* (-EUR 90 000).

In addition, and in relation to the withdrawal of the United Kingdom from the European Union, the following appropriations have been adjusted:

- at headquarters: *basic salaries* (-EUR 966 000), *entitlements under the Staff Regulations related to the personal circumstances of the staff member* (-EUR 245 000), *social security cover* (-EUR 37 000) and *missions* (-EUR 50 000); and
- in delegations: *remuneration and entitlements of statutory staff* (-EUR 1 455 000), *external staff and outside service* (-EUR 1 063 000), *other expenditure related to staff* (-EUR 2 507 000) and *other administrative expenditure* (-EUR 385 000).

B. COMMISSION EXPENDITURE BY TITLE¹

TITLE 01 – ECONOMIC AND FINANCIAL AFFAIRS

Based on budget implementation in 2017, budget implementation forecasts for 2018, realistic absorption capacities, the three pillars of the assessment outlined in section II D as well as due to the availability of external assigned revenue, the Council retained the following reduction:

Operational expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
01 02 01	Coordination and surveillance of, and communication on, the economic and monetary union, including the euro	11 730 000	11 500 000	-270 000	
01 03 02	Macro-financial assistance	22 000 000	42 000 000	-20 000 000	
01 03 06	Provisioning of the Guarantee Fund for external actions	7 222 935	7 222 935	-41 000 000	-41 000 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.²

TITLE 02 - INTERNAL MARKET, INDUSTRY, ENTREPRENEURSHIP AND SMEs

Based on budget implementation in 2017, budget implementation forecasts for 2018, realistic absorption capacities and the three pillars of the assessment outlined in section II D, the Council retained the following reduction:

Operational expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
02 03 02 01	Support to standardisation activities performed by CEN, Cenelec and ETSI	18 554 000	17 430 000	-1 300 000	
02 04 02 01	Leadership in space	191 350 867	169 500 000	-3 672 000	
02 06 01	Delivering operational services relying on space-borne observations and in-situ data (Copernicus)	138 755 000	140 000 000	-49 000 000	
02 06 02	Building an autonomous Union's Earth Observation capacity (Copernicus)	587 315 000	472 000 000	-99 000 000	

¹ See also ADD 4 to this explanatory memorandum.

² Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 56).

Applying a similar approach as for the administrative expenditure of institutions, and taking into account realistic absorption capacities, the Council reduced the appropriations on the following budget lines:

Support expenditure, external personnel and decentralised agency

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
02 01 04 02	Support expenditure for Standardisation and approximation of legislation	130 000	130 000	-30 000	-30 000
02 01 04 04	Support expenditure for European Earth observation programme (Copernicus)	2 663 000	2 663 000	-237 000	-237 000
02 01 05 02	External personnel implementing Research and Innovation programmes — Horizon 2020	2 644 111	2 644 111	-67 000	-67 000
02 01 05 03	Other management expenditure for Research and Innovation programmes — Horizon 2020	2 000 000	2 000 000	-400 000	-400 000
02 05 11	European GNSS Agency	31 970 863	31 970 863	-300 000	-300 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

TITLE 03 – COMPETITION

In this policy area, the Council accepted the appropriations requested by the Commission.¹

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 56).

TITLE 04 – EMPLOYMENT, SOCIAL AFFAIRS AND INCLUSION

Based on budget implementation in 2017, budget implementation forecasts for 2018, realistic absorption capacities and the three pillars of the assessment outlined in section II D, the Council retained the following specific reductions:

Operational expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
04 03 01 04	Analysis of and studies on the social situation, demographics and the family	4 151 000	4 300 000	-300 000	
04 03 01 06	Information, consultation and participation of representatives of undertakings	7 103 000	5 000 000	-800 000	
04 03 01 08	Industrial relations and social dialogue	15 000 000	9 700 000	-1 000 000	
04 03 02 01	Progress — Supporting the development, implementation, monitoring and evaluation of Union employment and social policy and working conditions legislation	74 373 225	60 000 000	-3 000 000	
04 03 02 02	EURES — Promoting workers' voluntary geographical mobility and boosting employment opportunities	24 126 491	15 000 000	-4 500 000	

Applying a similar approach as for the administrative expenditure of institutions, and taking into account realistic absorption capacities, the Council reduced the appropriations on the following budget lines:

Decentralised agency

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
04 03 14	European Training Foundation (ETF)	20 457 990	20 457 990	-31 000	-31 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 56).

TITLE 05 – AGRICULTURE AND RURAL DEVELOPMENT

Based on budget implementation in 2017, budget implementation forecasts for 2018, realistic absorption capacities and the three pillars of the assessment outlined in section II D, the Council retained the following specific reductions:

Operational expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
05 02 08 03	Operational funds for producer organisations	599 000 000	599 000 000	-150 000 000	-150 000 000
05 03 01 10	Basic payment scheme (BPS)	16 516 900 000	16 516 900 000	-190 000 000	-190 000 000
05 09 03 01	Securing sufficient supplies of safe and high quality food and other bio-based products	257 147 225	211 249 489	-30 000 000	

Applying a similar approach as for the administrative expenditure of institutions, and taking into account realistic absorption capacities, the Council reduced the appropriations on the following budget lines:

Support expenditure, external personnel and executive agency

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
05 01 05 01	Expenditure related to officials and temporary staff implementing Research and Innovation programmes — Horizon 2020	1 594 756	1 594 756	-50 000	-50 000
05 01 05 02	External personnel implementing Research and Innovation programmes — Horizon 2020	438 271	438 271	-15 000	-15 000
05 01 06 01	Consumer, Health, Agriculture and Food Executive Agency — Contribution from the agricultural promotion programme	3 160 000	3 160 000	-400 000	-400 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 56).

TITLE 06 – MOBILITY AND TRANSPORT

Based on budget implementation in 2017, budget implementation forecasts for 2018, realistic absorption capacities and the three pillars of the assessment outlined in section II D, the Council retained the following specific reductions:

Operational expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
06 02 01 01	Removing bottlenecks, enhancing rail interoperability, bridging missing links and improving cross-border sections	1 945 649 498	802 702 000	-99 000 000	
06 02 01 02	Ensuring sustainable and efficient transport systems	135 936 280	73 487 000	-82 000 000	
06 02 05	Support activities to the European transport policy and passenger rights including communication activities	11 040 000	8 400 000	-460 000	
06 03 03 01	Achieving a resource-efficient, environmentally-friendly, safe and seamless European transport system	62 381 686	55 486 437	-7 000 000	
06 03 07 32	Single European Sky Air Traffic Management Research 2 (SESAR2) Joint Undertaking	105 747 589	107 837 182	-1 000 000	
06 03 07 34	Shift2Rail (S2R) Joint Undertaking	75 500 000	59 782 478	-1 000 000	

Applying a similar approach as for the administrative expenditure of institutions, and taking into account realistic absorption capacities, the Council reduced the appropriations on the following budget lines:

Support expenditure, external personnel, executive agency and joint technology initiatives

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
06 01 04 01	Support expenditure for Connecting Europe Facility (CEF) — Transport	2 000 000	2 000 000	-500 000	-500 000
06 01 05 02	External personnel implementing Research and Innovation programmes — Horizon 2020	2 404 837	2 404 837	-193 000	-193 000
06 01 05 03	Other management expenditure for Research and Innovation programmes — Horizon 2020	608 400	608 400	-30 000	-30 000
06 01 06 01	Innovation and Networks Executive Agency — Contribution from Connecting Europe Facility (CEF)	14 559 985	14 559 985	-570 000	-570 000
06 03 07 31	Single European Sky Air Traffic Management Research (SESAR) Joint Undertaking — Support expenditure	3 200 411	3 200 411	-52 000	-52 000
06 03 07 33	Shift2Rail (S2R) Joint Undertaking — Support expenditure	1 600 000	1 600 000	-23 000	-23 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 56).

TITLE 07 – ENVIRONMENT

Applying a similar approach as for the administrative expenditure of institutions, and taking into account realistic absorption capacities, the Council reduced the appropriations on the following budget lines:

Decentralised agencies and executive agency

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
07 01 06 01	Executive Agency for Small and Medium-sized Enterprises — Contribution from LIFE	3 979 000	3 979 000	-1 100 000	-1 100 000
07 02 05	European Chemicals Agency — Activities in the field of legislation on import and export of dangerous chemicals	1 049 615	1 049 615	-500 000	-500 000
07 02 06	European Environment Agency	38 060 364	38 060 364	-1 200 000	-1 200 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

TITLE 08 – RESEARCH AND INNOVATION

Based on budget implementation in 2017, budget implementation forecasts for 2018, realistic absorption capacities and the three pillars of the assessment outlined in section II D, the Council retained the following specific reductions:

Operational expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
08 02 01 01	Strengthening frontier research in the European Research Council	1 936 672 172	1 624 989 887	-33 000 000	
08 02 01 03	Strengthening European research infrastructures, including e-infrastructures	227 362 607	187 233 718	-8 000 000	
08 02 02 02	Enhancing access to risk finance for investing in research and innovation	424 388 299	324 237 047	-11 000 000	
08 02 03 01	Improving lifelong health and well-being	642 211 398	458 962 266	-31 313 500	
08 02 03 06	Fostering inclusive, innovative and reflective European societies	126 500 611	126 186 096	-3 500 000	
08 02 04	Spreading excellence and widening participation	125 749 390	148 909 913	-3 400 000	
08 02 06	Science with and for society	66 887 298	63 859 544	-1 500 000	
08 02 07 34	Bio-Based Industries (BBI) Joint Undertaking	110 864 316	162 648 921	-21 560 000	
08 02 07 38	Fuel Cells and Hydrogen 2 (FCH 2) Joint Undertaking	74 923 275	103 162 807	-4 900 000	
08 02 08	SME instrument	481 589 527	482 502 033	-60 000 000	
08 03 01 01	Euratom — Fusion energy	158 222 878	156 511 817	-1 360 000	
08 03 01 02	Euratom — Nuclear fission and radiation protection	63 145 532	65 946 436	-6 000 000	

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 56).

Applying a similar approach as for the administrative expenditure of institutions, and taking into account realistic absorption capacities, the Council reduced the appropriations on the following budget lines:

Support expenditure, external personnel, executive agencies and joint technology initiatives

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
08 01 05 01	Expenditure related to officials and temporary staff implementing Research and Innovation programmes — Horizon 2020	95 674 662	95 674 662	-1 000 000	-1 000 000
08 01 05 02	External personnel implementing Research and Innovation programmes — Horizon 2020	25 565 429	25 565 429	-378 000	-378 000
08 01 05 03	Other management expenditure for Research and Innovation programmes — Horizon 2020	45 932 428	45 932 428	-1 500 000	-1 500 000
08 01 05 11	Expenditure related to officials and temporary staff implementing Research and Innovation programmes — Euratom programme	9 968 772	9 968 772	-300 000	-300 000
08 01 05 12	External personnel implementing Research and Innovation programmes — Euratom programme	682 000	682 000	-270 000	-270 000
08 01 05 13	Other management expenditure for Research and Innovation programmes — Euratom programme	3 271 764	3 271 764	-120 000	-120 000
08 01 06 01	European Research Council Executive Agency — Contribution from Horizon 2020	47 590 184	47 590 184	-1 800 000	-1 800 000
08 01 06 02	Research Executive Agency — Contribution from Horizon 2020	65 929 652	65 929 652	-3 500 000	-3 500 000
08 01 06 03	Executive Agency for Small and Medium-sized Enterprises — Contribution from Horizon 2020	26 888 149	26 888 149	-2 500 000	-2 500 000
08 01 06 04	Innovation and Networks Executive Agency — Contribution from Horizon 2020	7 001 542	7 001 542	-300 000	-300 000
08 02 07 31	Innovative Medicines Initiative 2 (IMI2) Joint Undertaking — Support expenditure	5 134 615	5 134 615	-250 000	-250 000
08 02 07 35	Clean Sky 2 Joint Undertaking — Support expenditure	4 449 515	4 449 515	-200 000	-200 000
08 02 07 37	Fuel Cells and Hydrogen 2 (FCH 2) Joint Undertaking — Support expenditure	2 334 363	2 334 363	-288 000	-288 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

TITLE 09 – COMMUNICATIONS NETWORKS, CONTENT AND TECHNOLOGY

Based on budget implementation in 2017, budget implementation forecasts for 2018, realistic absorption capacities and the three pillars of the assessment outlined in section II D, the Council retained the following specific reductions:

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 56).

Operational expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
09 02 01	Definition and implementation of the Union's policy in the field of electronic communications	3 265 000	3 000 000	-500 000	
09 03 03	Promoting interoperability, sustainable deployment, operation and upgrading of trans-European digital service infrastructures, as well as coordination at European level	106 955 551	108 276 000	-2 500 000	
09 03 04	WiFi4EU — Support the deployment of free local wifi	18 717 093	28 240 000	-4 760 000	
09 04 01 01	Strengthening research in future and emerging technologies	428 437 089	201 142 000	-1 500 000	
09 04 01 02	Strengthening European research infrastructure, including e-infrastructure	124 061 317	132 553 000	-6 500 000	
09 04 03 01	Improving lifelong health and well-being	160 573 074	124 898 000	-3 400 000	
09 04 03 02	Fostering inclusive, innovative and reflective European societies	46 960 665	40 075 000	-1 250 000	
09 04 03 03	Fostering secure European societies	55 959 660	55 871 000	-2 350 000	
09 04 07 32	Electronic Components and Systems for European Leadership (ECSEL) Joint Undertaking	181 000 000	159 289 000	-7 000 000	
09 05 01	MEDIA Sub-programme — Operating transnationally and internationally and promoting transnational circulation and mobility	111 960 000	105 800 000	-5 300 000	

Applying a similar approach as for the administrative expenditure of institutions, and taking into account realistic absorption capacities, the Council reduced the appropriations on the following budget lines:

Support expenditure, external personnel, decentralised agencies and joint technology initiative

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
09 01 04 02	Support expenditure for Creative Europe programme — media sub-programme	1 517 130	1 517 130	-90 000	-90 000
09 01 05 02	External personnel implementing Research and Innovation programmes — Horizon 2020	10 879 605	10 879 605	-23 500	-23 500
09 02 03	European Union Agency for Network and Information Security (ENISA)	10 724 465	10 724 465	-4 700 000	-4 700 000
09 02 04	Body of European Regulators for Electronic Communications (BEREC) — Office	4 234 665	4 234 665	-1 300 000	-1 300 000
09 04 07 31	Electronic Components and Systems for European Leadership (ECSEL) Joint Undertaking — Support expenditure	1 958 000	1 958 000	-52 000	-52 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 56).

TITLE 10 – DIRECT RESEARCH

Based on budget implementation in 2017, budget implementation forecasts for 2018, realistic absorption capacities and the three pillars of the assessment outlined in section II D, the Council retained the following specific reductions:

Operational expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
10 02 01	Horizon 2020 — Customer-driven scientific and technical support to Union policies	31 167 300	31 000 000	-7 000 000	
10 03 01	Euratom activities of Direct Research	10 144 519	11 000 000	-1 950 000	

Applying a similar approach as for the administrative expenditure of institutions, and taking into account realistic absorption capacities, the Council reduced the appropriations on the following budget lines:

Support expenditure and external personnel

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
10 01 05 02	External personnel implementing Research and Innovation programmes — Horizon 2020	32 989 675	32 989 675	-1 166 000	-1 166 000
10 01 05 04	Other expenditure for new major research infrastructures — Horizon 2020	2 000 000	2 000 000	-40 000	-40 000
10 01 05 11	Expenditure related to officials and temporary staff implementing Research and Innovation programmes — Euratom programme	54 226 000	54 226 000	-1 600 000	-1 600 000
10 01 05 12	External personnel implementing Research and Innovation programmes — Euratom programme	9 900 000	9 900 000	-350 000	-350 000
10 01 05 13	Other management expenditure for Research and Innovation programmes — Euratom programme	35 060 937	35 060 937	-1 300 000	-1 300 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 56).

TITLE 11 – MARITIME AFFAIRS AND FISHERIES

Based on budget implementation in 2017, budget implementation forecasts for 2018, realistic absorption capacities and the three pillars of the assessment outlined in section II D, the Council retained the following specific reduction:

Operational expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
11 06 61	Fostering the development and implementation of the Union's Integrated Maritime Policy	48 840 314	41 100 000	-500 000	
11 06 62 03	Voluntary contributions to international organisations	12 640 000	9 500 000	-1 000 000	
11 06 62 04	Governance and communication	5 730 000	4 100 000	-170 000	

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

TITLE 12 – FINANCIAL STABILITY, FINANCIAL SERVICES AND CAPITAL MARKETS UNION

Applying a similar approach as for the administrative expenditure of institutions, and taking into account realistic absorption capacities, the Council reduced the appropriations on the following budget lines:

Decentralised agencies

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
12 02 04	European Banking Authority (EBA)	16 458 256	16 458 256	-2 700 000	-2 700 000
12 02 05	European Insurance and Occupational Pensions Authority (EIOPA)	9 474 234	9 474 234	-4 000 000	-4 000 000
12 02 06	European Securities and Markets Authority (ESMA)	29 035 160	29 035 160	-9 200 000	-9 200 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 56).

TITLE 13 – REGIONAL AND URBAN POLICY

Pending the adoption of the reviewed legal basis, the Council placed the following amounts into the reserve¹:

Reserves

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
13 08 01	Structural Reform Support Programme (SRSP) – Operational technical assistance transferred from H1b (ESF, ERDF and CF)	30 723 000	14 111 754	-40 000 000	-17 200 000
13 08 02 (R)	Structural Reform Support Programme (SRSP) – Operational technical assistance transferred from H2 (EAFRD)	40 000 000	17 200 000	+40 000 000	+17 200 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.²

TITLE 14 – TAXATION AND CUSTOMS UNION

In this policy area, the Council accepted the appropriations requested by the Commission.²

TITLE 15 – EDUCATION AND CULTURE

Based on budget implementation in 2017, budget implementation forecasts for 2018, realistic absorption capacities and the three pillars of the assessment outlined in section II D, the Council retained the following specific reductions:

Operational expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
15 03 05	European Institute of Innovation and Technology (EIT) — integrating the knowledge triangle of higher education, research and innovation	421 149 331	396 015 932	-35 000 000	
15 04 01	Strengthening the financial capacity of SMEs and small and very small organisations in the European cultural and creative sectors, and fostering policy development and new business models	36 127 000	15 300 000	-2 500 000	
15 04 02	Culture sub-programme — Supporting cross-border actions and promoting transnational circulation and mobility	70 776 000	59 000 000	-500 000	

¹ The amounts were moved from sub-heading 1b to heading 2.

² Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 56).

Applying a similar approach as for the administrative expenditure of institutions, and taking into account realistic absorption capacities, the Council reduced the appropriations on the following budget line:

Support expenditure and external personnel

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
15 01 04 02	Support expenditure for Creative Europe programme — Culture sub-programme	893 870	893 870	-50 000	-50 000
15 01 05 01	Expenditure relating to officials and temporary staff implementing research and innovation programmes — Horizon 2020	1 976 977	1 976 977	-250 000	-250 000
15 01 05 02	External personnel implementing Research and Innovation programmes — Horizon 2020	885 784	885 784	-27 000	-27 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

TITLE 16 – COMMUNICATION

Based on budget implementation in 2017, budget implementation forecasts for 2018, realistic absorption capacities and the three pillars of the assessment outlined in section II D, the Council retained the following specific reductions:

Operational expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
16 03 01 03	Information outlets	15 600 000	15 759 000	-200 000	
16 03 01 04	Communication of the Commission Representations, Citizens' Dialogues and Partnership actions	18 511 000	19 078 000	-2 000 000	
16 03 02 01	Visits to the Commission	4 000 000	4 178 000	-800 000	
16 03 02 05	Public opinion analysis	6 800 000	6 238 000	-200 000	

Applying a similar approach as for the administrative expenditure of institutions, the Council reduced the appropriations on the following budget line:

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 56).

Support expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
16 01 04 02	Support expenditure for communication actions	1 103 000	1 103 000	-100 000	-100 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

TITLE 17 – HEALTH AND FOOD SAFETY

Based on budget implementation in 2017, budget implementation forecasts for 2018, realistic absorption capacities and the three pillars of the assessment outlined in section II D, the Council retained the following specific reductions:

Operational expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
17 03 01	Third programme for the Union's action in the field of health (2014-2020)	60 758 000	54 000 000	-1 500 000	
17 04 01	Ensuring a higher animal health status and high level of protection of animals in the Union	160 500 000	134 040 000	-3 000 000	
17 04 02	Ensuring timely detection of harmful organisms for plants and their eradication	22 100 000	10 750 000	-400 000	
17 04 03	Ensuring effective, efficient and reliable controls	54 989 000	48 210 000	-4 000 000	
17 04 04	Fund for emergency measures related to animal and plant health	41 500 000	50 000 000	-8 500 000	

Applying a similar approach as for the administrative expenditure of institutions, and taking into account realistic absorption capacities, the Council reduced the appropriations on the following budget lines:

Decentralised agencies

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
17 03 10	European Centre for Disease Prevention and Control	55 209 826	55 209 826	-1 544 000	-1 544 000
17 03 12 02	Special contribution for orphan medicinal products	13 367 000	13 367 000	-633 000	-633 000
17 04 07	European Chemicals Agency — Activities in the field of biocides legislation	1 895 859	1 895 859	-2 130 000	-2 130 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 56).

TITLE 18 – MIGRATION AND HOME AFFAIRS

Based on budget implementation in 2017, budget implementation forecasts for 2018, realistic absorption capacities and the three pillars of the assessment outlined in section II D, the Council retained the following specific reductions:

Operational expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
18 05 03 01	Fostering secure European societies	175 375 555	171 687 622	-1 200 000	
18 06 01	Supporting initiatives in the field of drugs policy	2 815 000	2 686 612	-60 000	

Applying a similar approach as for the administrative expenditure of institutions, and taking into account realistic absorption capacities, the Council reduced the appropriations on the following budget lines:

Support expenditure and decentralised agency

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
18 01 04 02	Support expenditure for Asylum, Migration and Integration Fund	2 150 000	2 150 000	-350 000	-350 000
18 01 04 03	Support expenditure for the programme Europe for citizens	101 000	101 000	-80 000	-80 000
18 01 04 04	Support expenditure for the Justice Programme — Anti-drugs	40 000	40 000	-60 000	-60 000
18 02 05	European Union Agency for Law Enforcement Training (CEPOL)	8 837 082	8 837 082	-10 000	-10 000
18 02 07	European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA)	269 769 509	171 517 009	-21 581 000	-27 255 000
	<i>Reserve (40 02 41)</i>	<i>20 581 000</i>	<i>26 255 000</i>	<i>+20 581 000</i>	<i>+26 255 000</i>

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 56).

Pending the adoption of the reviewed legal basis, the Council placed the amounts on the following budget lines into the reserve:

Reserves

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
18 02 01 01	Support of border management and a common visa policy to facilitate legitimate travel	311 912 547	359 867 661	-18 405 000	-18 405 000
18 02 01 01 (R)	Support of border management and a common visa policy to facilitate legitimate travel	18 405 000	18 405 000	+18 405 000	+18 405 000
18 02 04	European Union Agency for Law Enforcement Cooperation (Europol)	120 099 065	120 099 065	-690 000	-690 000
18 02 04 (R)	European Union Agency for Law Enforcement Cooperation (Europol)	690 000	690 000	+690 000	+690 000
18 02 07	European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA)	269 769 509	171 517 009	-21 581 000	-27 255 000
18 02 07 (R)	European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA)	20 581 000	26 255 000	+20 581 000	+26 255 000
18 03 01 01	Strengthening and developing the common European asylum system and enhancing solidarity and responsibility-sharing between the Member States	377 106 629	527 969 782	-460 000 000	-94 500 000
18 03 01 01 (R)	Strengthening and developing the common European asylum system and enhancing solidarity and responsibility-sharing between the Member States	460 000 000	94 500 000	+460 000 000	+94 500 000
18 04 01 02	European citizens' initiative	p.m.	p.m.	-1 085 000	- 814 000
18 04 01 02 (R)	European citizens' initiative	1 085 000	814 000	+1 085 000	+814 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

TITLE 19 – FOREIGN POLICY INSTRUMENTS

Based on budget implementation in 2017, budget implementation forecasts for 2018, realistic absorption capacities and the three pillars of the assessment outlined in section II D, the Council retained the following specific reductions:

Operational expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
19 02 01	Response to crisis and emerging crisis	251 810 177	220 000 000	-5 000 000	
19 03 01 04	Other crisis management measures and operations	171 857 000	171 000 000	-5 000 000	

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 56).

Applying a similar approach as for the administrative expenditure of institutions, and taking into account realistic absorption capacities, the Council reduced the appropriations on the following budget lines:

Support expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
19 01 04 01	Support expenditure for Instrument contributing to Stability and Peace	7 100 000	7 100 000	-1 100 000	-1 100 000
19 01 04 04	Support expenditure for the Partnership Instrument	5 348 000	5 348 000	- 450 000	- 450 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

TITLE 20 – TRADE

In this policy area, the Council accepted the appropriations requested by the Commission.¹

TITLE 21 – INTERNATIONAL COOPERATION AND DEVELOPMENT

Based on budget implementation in 2017, budget implementation forecasts for 2018, realistic absorption capacities and the three pillars of the assessment outlined in section II D, the Council retained the following specific reductions:

Operational expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
21 02 01	Cooperation with Latin America	352 928 415	267 589 959	-8 000 000	
21 02 02	Cooperation with Asia	794 388 665	650 000 000	-16 000 000	
21 02 04	Cooperation with the Middle East	169 531 328	100 000 000	-25 000 000	
21 02 07 04	Food and nutrition security and sustainable agriculture	226 563 021	150 000 000	-5 000 000	

Applying a similar approach as for the administrative expenditure of institutions, and taking into account realistic absorption capacities, the Council reduced the appropriations on the following budget lines:

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 56).

Support expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
21 01 04 01	Support expenditure for the Development Cooperation Instrument (DCI)	86 247 486	86 247 486	-1 400 000	-1 400 000
21 01 04 03	Support expenditure for the European Instrument for Democracy and Human Rights (EIDHR)	10 423 850	10 423 850	-150 000	-150 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

TITLE 22 – NEIGHBOURHOOD AND ENLARGEMENT NEGOTIATIONS

Based on budget implementation in 2017, budget implementation forecasts for 2018, realistic absorption capacities, the three pillars of the assessment outlined in section II D and the political context, the Council retained the following specific reductions:

Operational expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
22 02 03 01	Support for political reforms and related progressive alignment with the Union acquis	97 400 000	150 719 568	-146 700 000	
22 02 04 01	Multi-country programmes, regional integration and territorial cooperation	573 729 000	204 433 787	-30 000 000	

Applying a similar approach as for the administrative expenditure of institutions, the Council reduced the appropriations on the following budget lines:

Support expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
22 01 04 01	Support expenditure for the Instrument for Pre-accession Assistance (IPA)	43 400 894	43 400 894	-100 000	-100 000
22 01 04 02	Support expenditure for the European Neighbourhood Instrument (ENI)	49 898 872	49 898 872	-1 200 000	-1 200 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 56).

TITLE 23 – HUMANITARIAN AID AND CIVIL PROTECTION

Applying a similar, albeit more cautious, approach as for the administrative expenditure of institutions, and taking into account realistic absorption capacities, the Council reduced the appropriations on the following budget line:

Support expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
23 01 04 01	Support expenditure for humanitarian aid, food assistance and disaster preparedness	9 402 665	9 402 665	-150 000	-150 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

TITLE 24 – FIGHT AGAINST FRAUD

In this policy area, the Council accepted the appropriations requested by the Commission.¹

TITLE 25 – COMMISSION'S POLICY COORDINATION AND LEGAL ADVICE

In this policy area, the Council accepted the appropriations requested by the Commission.¹

TITLE 26 – COMMISSION'S ADMINISTRATION

Based on budget implementation in 2017, budget implementation forecasts for 2018, realistic absorption capacities and the three pillars of the assessment outlined in section II D, the Council retained the following specific reductions:

Operational expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
26 03 01	Interoperability solutions and common frameworks for European public administrations, businesses and citizens (ISA ²)	25 492 000	22 524 000	-960 000	-310 000
	<i>Reserve (40 02 41)</i>	<i>620 000</i>	<i>310 000</i>	<i>+620 000</i>	<i>+310 000</i>

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 56).

Pending the adoption of the reviewed legal basis, the Council placed the amounts on the following budget lines into the reserve:

Reserves

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
26 03 01	Interoperability solutions and common frameworks for European public administrations, businesses and citizens (ISA ²)	25 492 000	22 524 000	-960 000	-310 000
26 03 01 (R)	Interoperability solutions and common frameworks for European public administrations, businesses and citizens (ISA ²)	620 000	310 000	+620 000	+310 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

TITLE 27 – BUDGET

In this policy area, the Council accepted the appropriations requested by the Commission.¹

TITLE 28 – AUDIT

In this policy area, the Council accepted the appropriations requested by the Commission.¹

TITLE 29 – STATISTICS

Based on budget implementation in 2017, budget implementation forecasts for 2018, realistic absorption capacities and the three pillars of the assessment outlined in section II D, the Council retained the following specific reductions:

Operational expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
29 02 01	Providing quality statistical information, implementing new methods of production of European statistics and strengthening the partnership within the European Statistical System	72 185 000	56 000 000	-1 060 000	

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 56).

Applying a similar approach as for the administrative expenditure of institutions, and taking into account realistic absorption capacities, the Council reduced the appropriations on the following budget line:

Support expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
29 01 04 01	Support expenditure for the European statistical programme	3 290 000	3 290 000	-23 000	-23 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

TITLE 30 – PENSIONS AND RELATED EXPENDITURE

In this policy area, the Council accepted the appropriations requested by the Commission.¹

TITLE 31 – LANGUAGE SERVICES

In this policy area, the Council accepted the appropriations requested by the Commission.¹

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 56).

TITLE 32 - ENERGY

Based on budget implementation in 2017, budget implementation forecasts for 2018, realistic absorption capacities and the three pillars of the assessment outlined in section II D, the Council retained the following specific reductions:

Operational expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
32 02 01 01	Further integration of the internal energy market and the interoperability of electricity and gas networks across borders	283 740 881	109 300 000	-28 000 000	
32 02 01 02	Enhancing Union security of energy supply	283 240 881	108 000 000	-28 500 000	
32 02 01 03	Contributing to sustainable development and protection of the environment	283 239 120	108 000 000	-28 500 000	
32 02 02	Support activities for the European energy policy and internal energy market	5 010 000	4 902 000	-400 000	
32 05 01 02	Construction, operation and exploitation of the ITER facilities – European Joint Undertaking for ITER — Fusion for Energy (F4E)	330 108 200	366 696 185	-18 500 000	

Applying a similar approach as for the administrative expenditure of institutions, and taking into account realistic absorption capacities, the Council reduced the appropriations on the following budget lines:

Support expenditure, external personnel, decentralised agency and joint undertaking

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
32 01 05 01	Expenditure related to officials and temporary staff implementing Research and Innovation programmes — Horizon 2020	2 118 661	2 118 661	-130 000	-130 000
32 01 05 02	External personnel implementing Research and Innovation programmes — Horizon 2020	739 079	739 079	-120 000	-120 000
32 02 10	Agency for the Cooperation of Energy Regulators (ACER)	13 253 496	13 253 496	-2 600 000	-2 600 000
32 05 01 01	Construction, operation and exploitation of the ITER facilities — European Joint Undertaking for ITER — Fusion for Energy (F4E) — Support expenditure	49 017 000	49 017 000	-500 000	-500 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 56).

TITLE 33 - JUSTICE AND CONSUMERS

Based on budget implementation in 2017, budget implementation forecasts for 2018, realistic absorption capacities and the three pillars of the assessment outlined in section II D, the Council retained the following specific reductions:

Operational expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
33 02 01	Ensuring the protection of rights and empowering citizens	26 764 000	23 741 000	-745 000	-259 000
	<i>Reserve (40 02 41)</i>	<i>345 000</i>	<i>259 000</i>	<i>+345 000</i>	<i>+259 000</i>
33 02 02	Promoting non-discrimination and equality	36 462 000	33 000 000	- 800 000	
33 04 01	Safeguarding consumers' interest and improving their safety and information	25 647 000	21 000 000	- 1 000 000	

Applying a similar approach as for the administrative expenditure of institutions, and taking into account realistic absorption capacities, the Council reduced the appropriations on the following budget lines:

Decentralised agency

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
33 02 07	European Institute for Gender Equality (EIGE)	7 759 317	7 759 317	- 50 000	- 50 000

Pending the adoption of the reviewed legal basis, the Council placed the amounts on the following budget lines into the reserve:

Reserves

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
33 02 01	Ensuring the protection of rights and empowering citizens	26 764 000	23 741 000	-745 000	-259 000
33 02 01 (R)	Ensuring the protection of rights and empowering citizens	345 000	259 000	+345 000	+259 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 56).

TITLE 34 – CLIMATE ACTION

Based on budget implementation in 2017, budget implementation forecasts for 2018, realistic absorption capacities and the three pillars of the assessment outlined in section II D, the Council retained the following specific reductions:

Operational expenditure

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
34 02 02	Increasing the resilience of the Union to climate change	38 750 000	22 700 000	-2 750 000	
34 02 03	Better climate governance and information at all levels	15 605 000	13 500 000	-250 000	

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area.¹

TITLE 40 – RESERVES

Pending the adoption of the reviewed legal basis, the Council placed the following amounts into the reserve¹:

Reserve

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
40 02 41	Differentiated appropriations	1 333 492 145	643 195 594	+ 541 726 000	+ 158 433 000

The Council accepted the appropriations requested by the Commission for the other budget lines in this title.

¹ For more details see Titles 13, 18, 26 and 33.

BUDGET LINES RELATED TO ADMINISTRATIVE EXPENDITURE UNDER HEADING 5 OF THE MULTIANNUL FINANCIAL FRAMEWORK

The reductions retained by the Council are summarised in the following table:

Line	Description	Council's position on DB 2019		Council's changes on DB 2019	
		c/a	p/a	c/a	p/a
16 01 02 03	External personnel — Commission Representations	16 767 000	16 767 000	-1 100 000	-1 100 000
25 01 01 03	Salaries, allowances and payments of Members of the institution	12 158 000	12 158 000	-500 000	-500 000
25 01 02 03	Special advisers	780 000	780 000	-200 000	-200 000
25 01 02 13	Other management expenditure of Members of the institution	3 950 000	3 950 000	-200 000	-200 000
25 01 08	Legal advice, litigation and infringements — Legal expenses	3 200 000	3 200 000	-300 000	-300 000
26 01 22 02	Acquisition and renting of buildings in Brussels	204 007 000	204 007 000	-6 000 000	-6 000 000
26 01 23 02	Acquisition and renting of buildings in Luxembourg	43 635 000	43 635 000	-500 000	-500 000
26 01 60 04	Interinstitutional cooperation in the social sphere	8 589 000	8 589 000	-1 500 000	-1 500 000
31 01 07 03	Information technology expenditure of the Directorate-General for Interpretation	1 263 000	1 263 000	-200 000	-200 000
31 01 08 01	Translation expenditure	12 300 000	12 300 000	-1 000 000	-1 000 000
XX 01 01 01 01	Remuneration and allowances	2 091 581 046	2 091 581 046	-17 500 954	-17 500 954
XX 01 01 01 02	Expenses and allowances related to recruitment, transfers and termination of service	10 145 000	10 145 000	-1 000 000	-1 000 000
XX 01 02 01 01	Contract staff	68 447 400	68 447 400	-3 000 000	-3 000 000
XX 01 02 01 02	Agency staff and technical and administrative assistance in support of different activities	21 023 000	21 023 000	-500 000	-500 000
XX 01 02 01 03	National civil servants temporarily assigned to the institution	38 362 000	38 362 000	-2 000 000	-2 000 000
XX 01 02 02 01	Remuneration of other staff	9 510 000	9 510 000	-200 000	-200 000
XX 01 02 02 02	Training of junior experts and seconded national experts	1 979 000	1 979 000	-100 000	-100 000
XX 01 02 11 01	Mission and representation expenses	57 055 000	57 055 000	-300 000	-300 000
XX 01 02 11 02	Conferences, meetings and expert groups' expenses	21 429 000	21 429 000	-1 000 000	-1 000 000
XX 01 02 11 03	Meetings of committees	9 065 000	9 065 000	-1 200 000	-1 200 000
XX 01 02 11 04	Studies and consultations	4 870 000	4 870 000	-500 000	-500 000
XX 01 03 01 04	Information and communication technology services	72 754 000	72 754 000	-2 890 000	-2 890 000