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BUDGET 23

EXPLANATORY MEMORANDUM

Subject: Draft general budget of the European Union for the financial year 2020:
– *Council position of 3 September 2019*

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I. INTRODUCTION

On 3 September 2019, the Council adopted its position on the draft general budget of the European Union for the financial year 2020, details of which are set out in the present explanatory memorandum.

A 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 2020

A. The Council adopted its position on the draft budget (DB) for 2020.

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)	166 763.93
Payment appropriations (p/a)	153 111.91

B. Under the Council's position on the DB for 2020, commitment appropriations increase by +0.58 % compared to the 2019 budget² and payment appropriations increase by +3.32 %.

The total amount of payment appropriations provided for in the Council's position on the DB for 2020 corresponds to 0.90 % of the EU gross national income (GNI).³

¹ Amounts include appropriations foreseen for special instruments outside the headings of the MFF.

² Draft amending budgets Nos 1 to No 4/2019 not included.

³ Based on the May 2019 forecast of GNI.

C. A summary of the Council's position on the DB for 2020 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 2019		Council's position on DB 2020		Difference (amount)		Difference (%)	
		c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a
1	Smart and inclusive growth	80 527 449 848	67 556 947 173	82 439 038 982	72 011 498 751	+1 911 589 134	+4 454 551 578	+2.37%	+6.59%
	<i>flexibility instrument</i>			0					
	<i>global margin for commitments</i>			0					
	<i>ceiling</i>			83 661 000 000					
	<i>margin</i>			1 221 961 018					
1.a	Competitiveness for growth and jobs	23 335 449 848	20 521 537 455	23 969 038 982	22 004 091 901	+633 589 134	+1 482 554 446	+2.72%	+7.22%
	<i>flexibility instrument</i>			0					
	<i>global margin for commitments</i>			0					
	<i>ceiling</i>			25 191 000 000					
	<i>margin</i>			1 221 961 018					
1.b	Economic, social and territorial cohesion	57 192 000 000	47 035 409 718	58 470 000 000	50 007 406 850	+1 278 000 000	+2 971 997 132	+2.23%	+6.32%
	<i>global margin for commitments</i>			0					
	<i>ceiling</i>			58 470 000 000					
	<i>margin</i>			0					
2	Sustainable growth: natural resources	59 642 077 986	57 399 857 331	59 751 006 170	57 774 363 718	+108 928 184	+374 506 387	+0.18%	+0.65%
	<i>ceiling</i>			60 421 000 000					
	<i>margin</i>			669 993 830					
	Of which: European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments	43 191 947 000	43 116 399 417	43 291 905 687	43 261 831 798	+99 958 687	+145 432 381	+0.23%	+0.34%
	<i>sub-ceiling</i>			43 888 000 000					
	<i>excluded when calculating the sub-margin (1)</i>			- 888 000					
	<i>sub-margin</i>			595 206 313					
3	Security and citizenship	3 786 629 138	3 527 434 894	3 602 729 558	3 689 420 926	-183 899 580	+161 986 032	-4.86%	+4.59%
	<i>flexibility instrument</i>			338 899 370					
	<i>global margin for commitments</i>			312 830 188					
	<i>ceiling</i>			2 951 000 000					
	<i>margin</i>			0					
4	Global Europe	11 319 265 627	9 358 295 603	10 114 334 239	8 946 061 191	-1 204 931 388	-412 234 412	-10.64%	-4.41%
	<i>global margin for commitments</i>			0					
	<i>ceiling</i>			10 510 000 000					
	<i>margin</i>			395 665 761					
5	Administration	9 942 974 723	9 944 904 743	10 269 060 577	10 272 063 787	+326 085 854	+327 159 044	+3.28%	+3.29%
	<i>ceiling</i>			11 254 000 000					
	<i>offset of the contingency margin</i>			-252 000 000					
	<i>margin</i>			732 939 423					
	Of which: Administrative expenditure of the institutions	7 747 285 803	7 749 215 823	7 930 277 215	7 933 280 425	+182 991 412	+184 064 602	+2.36%	+2.38%
	<i>sub-ceiling</i>			9 071 000 000					
	<i>offset of the contingency margin</i>			-252 000 000					
	<i>sub-margin</i>			888 722 785					
	MFF headings	165 218 397 322	147 787 439 744	166 176 169 526	152 693 408 373	+957 772 204	+4 905 968 629	+0.58%	+3.32%
	<i>flexibility instrument (3)</i>			338 899 370	619 826 831				
	<i>global margin for commitments</i>			312 830 188					
	<i>ceiling</i>			168 797 000 000	172 420 000 000				
	<i>offset of the contingency margin</i>			-252 000 000					
	<i>margin (2)</i>			3 020 560 032					
	Appropriations as % of GNI (4)(5)	1.00%	0.90%	0.98%	0.90%				

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

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

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

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

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

BREAKDOWN FOR "SPECIAL INSTRUMENTS"

Description	1		2		3		2/1	
	Budget 2019		Council's position on DB 2020		Difference from DB 2020 (amount)		Difference from budget 2019 (%)	
	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a
Emergency Aid Reserve (EAR)	351 500 000	351 500 000	358 500 000	358 500 000	+7 000 000	+7 000 000	+1.99%	+1.99%
European Globalisation Adjustment Fund (EGF)	175 748 000	10 000 000	179 263 000	10 000 000	+3 515 000		+2.00%	
European Union Solidarity Fund (EUSF)	50 000 000	50 000 000	50 000 000	50 000 000				
Special Instruments	577 248 000	411 500 000	587 763 000	418 500 000	+10 515 000	+7 000 000	+1.82%	+1.70%

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

Description	1		2		3		2/1	
	Budget 2019		Council's position on DB 2020		Difference from DB 2020 (amount)		Difference from budget 2019 (%)	
	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a
MFF headings	165 218 397 322	147 787 439 744	166 176 169 526	152 693 408 373	+957 772 204	+4 905 968 629	+0.58%	+3.32%
Special Instruments	577 248 000	411 500 000	587 763 000	418 500 000	+10 515 000	+7 000 000	+1.82%	+1.70%
Grand total	165 795 645 322	148 198 939 744	166 763 932 526	153 111 908 373	+968 287 204	+4 912 968 629	+0.58%	+3.32%
Appropriations as % of GNI^{1,2}	1.01%	0.90%	0.98%	0.90%				

¹ The GNI for 2019 is based on the forecast of GNI issued after the Advisory Committee on Own Resources (ACOR) meeting held on 18 May 2018.
² The GNI for 2020 is based on the forecast of GNI issued after the Advisory Committee on Own Resources (ACOR) meeting held on 24 May 2019.

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 2020, the Council took into account the following principles:

1. OVERVIEW

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

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

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

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

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

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

This approach would result in an appropriate level of administrative expenditure ensuring a proper functioning 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 36.99 million in commitment and payment appropriations.

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 2020 budget.

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

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, in consultation with the institutions concerned, to reassess the needs under heading 5 when establishing the letter of amendment 2020 taking into account these revenues."

2. OTHER GENERAL ASPECTS

(a) Budget remarks

It is suggested to align the budget remarks contained in the DB 2020 with the changes made to expenditure in the Council's position and in particular the Union contributions to the financing of the different EU bodies, as well as the standard flat rate abatements of EU institutions and offices.

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

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

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

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

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

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

(b) Nomenclature

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

(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 as follows:

(a) **Smart and inclusive growth** (heading 1 of the MFF)

(i) **Competitiveness for growth and jobs** (sub-heading 1a of the MFF)

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

- to set the level of payment appropriations, reducing the appropriations requested in the DB 2020 by a total amount of -EUR 104.42 million, of which -EUR 73.42 million in the *Common Strategic Framework for Research and Innovation* (of which -EUR 69.42 million in *Horizon 2020* and -EUR 4.00 million in the *Euratom Research and Training Programme*), -EUR 20.00 million in the *Connecting Europe Facility (CEF) - Transport*, -EUR 6.00 million in *Competitiveness of enterprises and small and medium-sized enterprises (COSME)* and -EUR 2.50 million in *Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission*;
 - the amounts mentioned above also take into account reductions in contributions to decentralised agencies for a total amount of -EUR 2.50 million in commitment and payment appropriations under this sub-heading;
 - the margin available under sub-heading 1a would be EUR 1 221.96 million.
- (ii) **Economic, social and territorial cohesion** (sub-heading 1b of the MFF)
- to establish the level of commitment appropriations by targeting a total reduction of -EUR 141.89 million in the appropriations requested in the DB 2020, namely related to the *Youth Employment Initiative (specific top-up allocation)* (-EUR 116.67 million) and *Technical assistance and innovative actions* (-EUR 25.22 million);

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

(b) **Sustainable growth: natural resources** (heading 2 of the MFF)¹

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

¹ A further examination of the proposal will take place in the context of the annual letter of amendment updating the estimated needs and appropriations for agricultural expenditure.

(c) **Security and citizenship** (heading 3 of the MFF)

- to establish the level of commitment appropriations, targeting a total reduction of -EUR 126.34 million in the appropriations requested in the DB 2020 on a number of specific budget lines, namely related to *Asylum, Migration and Integration Fund* (-EUR 34.60 million), *Internal Security Fund* (-EUR 25.40 million), *Food and feed* (-EUR 10.00 million), *Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission* (-EUR 10.00 million), of which *Communication actions* (-EUR 8.00 million), *Creative Europe* (-EUR 6.23 million), *Rights, Equality and Citizenship* (-EUR 2.00 million), *Health* (-EUR 1.37 million), *Europe for Citizens* (-EUR 1.13 million), *Justice* (-EUR 0.70 million) and *Consumer* (-EUR 0.43 million);
- to set the level of payment appropriations, reducing the appropriations requested in the DB 2020 by a total amount of -EUR 34.49 million;
- the amounts mentioned above also take into account reductions in contributions to decentralised agencies for a total amount of -EUR 34.49 million in commitment and payment appropriations under this heading;
- as regards the *Asylum, Migration and Integration Fund*, an amount of EUR 400.00 million in c/a and EUR 115.40 million in p/a is put in reserve in accordance with point (b) of Article 49(1) of the Financial Regulation. During the course of the financial year 2020, the Commission may present one or more transfer proposals in accordance with Article 31 of the Financial Regulation to release the amount or part of it, where justified on the basis of a thorough assessment of needs in response to the ongoing migration crisis;
- the margin available under heading 3 would be equal to zero;

- in view of the absence of margin in heading 3, the Flexibility Instrument is used in the amount of EUR 338.90 million and the Global Margin for Commitments is used in the amount of EUR 312.83 million.

(d) **Global Europe** (heading 4 of the MFF)

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

(e) **Administration** (heading 5 of the MFF)

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

Description	1		2		3		2/1	
	Budget 2019		Council's position on DB 2020		Difference (amount)		Difference (%)	
	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a
Pensions and European Schools	2 195 688 920	2 195 688 920	2 338 783 362	2 338 783 362	+143 094 442	+143 094 442	+6.52%	+6.52%
Pensions	2 003 592 000	2 003 592 000	2 145 879 000	2 145 879 000	+142 287 000	+142 287 000	+7.10%	+7.10%
<i>Staff Pensions</i>	1 977 185 000	1 977 185 000	2 115 973 000	2 115 973 000	+138 788 000	+138 788 000	+7.02%	+7.02%
<i>Pensions of former Members</i>	26 407 000	26 407 000	29 906 000	29 906 000	+3 499 000	+3 499 000	+13.25%	+13.25%
European Schools	192 096 920	192 096 920	192 904 362	192 904 362	+807 442	+807 442	+0.42%	+0.42%
Administrative expenditure of the institutions	7 747 285 803	7 749 215 823	7 930 277 215	7 933 280 425	+182 991 412	+184 064 602	+2.36%	+2.38%
Section III -Commission	3 632 741 946	3 634 671 966	3 732 762 367	3 735 765 577	+100 020 421	+101 093 611	+2.75%	+2.78%
<i>Commission, excluding Offices</i>	3 308 088 546	3 310 018 566	3 391 950 367	3 394 953 577	+83 861 821	+84 935 011	+2.54%	+2.57%
<i>Annex 2 -Publications Office</i>	93 116 400	93 116 400	102 542 000	102 542 000	+9 425 600	+9 425 600	+10.12%	+10.12%
<i>Annex 3 -European Anti-Fraud Office</i>	59 526 000	59 526 000	60 925 000	60 925 000	+1 399 000	+1 399 000	+2.35%	+2.35%
<i>Annex 4 -European Personnel Selection Office</i>	26 478 000	26 478 000	26 328 000	26 328 000	- 150 000	-150 000	-0.57%	-0.57%
<i>Annex 5 -Office for Administration and Payment of Individual Entitlements</i>	39 623 000	39 623 000	41 576 000	41 576 000	+1 953 000	+1 953 000	+4.93%	+4.93%
<i>Annex 6 -Office for Infrastructure and Logistics — Brussels</i>	80 679 000	80 679 000	83 423 000	83 423 000	+2 744 000	+2 744 000	+3.40%	+3.40%
<i>Annex 7 -Office for Infrastructure and Logistics — Luxembourg</i>	25 231 000	25 231 000	26 018 000	26 018 000	+ 787 000	+ 787 000	+3.12%	+3.12%
Other institutions	4 114 543 857	4 114 543 857	4 197 514 848	4 197 514 848	+82 970 991	+82 970 991	+2.02%	+2.02%
<i>Section I -European Parliament</i>	1 996 363 262	1 996 363 262	2 026 385 411	2 026 385 411	+30 022 149	+30 022 149	+1.50%	+1.50%
<i>Section II -European Council and Council</i>	581 895 459	581 895 459	594 260 000	594 260 000	+12 364 541	+12 364 541	+2.12%	+2.12%
<i>Section IV -Court of Justice of the European Union</i>	429 410 436	429 410 436	439 485 500	439 485 500	+10 075 064	+10 075 064	+2.35%	+2.35%
<i>Section V -Court of Auditors</i>	146 890 518	146 890 518	152 517 000	152 517 000	+5 626 482	+5 626 482	+3.83%	+3.83%
<i>Section VI -European Economic and Social Committee</i>	138 502 768	138 502 768	142 159 065	142 159 065	+3 656 297	+3 656 297	+2.64%	+2.64%
<i>Section VII -Committee of the Regions</i>	98 751 065	98 751 065	101 318 480	101 318 480	+2 567 415	+2 567 415	+2.60%	+2.60%
<i>Section VIII -European Ombudsman</i>	11 279 261	11 279 261	11 949 231	11 949 231	+ 669 970	+ 669 970	+5.94%	+5.94%
<i>Section IX -European Data Protection Supervisor</i>	16 638 572	16 638 572	17 640 998	17 640 998	+1 002 426	+1 002 426	+6.02%	+6.02%
<i>Section X -European External Action Service</i>	694 812 516	694 812 516	711 799 163	711 799 163	+16 986 647	+16 986 647	+2.44%	+2.44%
TOTAL ADMINISTRATION	9 942 974 723	9 944 904 743	10 269 060 577	10 272 063 787	+326 085 854	+327 159 044	+3.28%	+3.29%

- following Decision (EU) 2018/9 of the European Parliament and of the Council of 12 December 2017 amending Decision (EU) 2017/344 of the European Parliament and of the Council of 14 December 2016 on the mobilisation of the Contingency margin in 2017¹, EUR 252.00 million are offset against the margin of heading 5;
- the margin available under heading 5 would be EUR 732.94 million;

¹ OJ L 3, 6.1.2018, p. 7.

- as regards staff levels, it is suggested to accept the establishment plans in the DB 2020 as proposed by the Commission, except for the European Court of Justice (-5 posts), the European Ombudsman (-3 posts), the European Data Protection Supervisor (-13 posts) and the European External Action Service (EEAS) (-56 posts);
- the additional posts requested by the EEAS for Stratcom have been accepted and budgeted accordingly (9 AD posts, 4 contractual agents and 27 local agents);
- it is suggested to align the adjusted establishment plans of these institutions contained in the DB 2020 accordingly.

4. *SPECIAL INSTRUMENTS*

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

The Council proposes to mobilise the Global Margin for Commitments in the amount of EUR 312.83 million in c/a and the Flexibility Instrument in the amount of EUR 338.90 million in c/a.

III. ESTIMATED REVENUE

1. According to the Council's position on the DB 2020, the Union's total budget revenue amounts to EUR 153 111 908 373, equivalent to 0.90 % of the EU gross national income (GNI)¹.

¹ Based on the May 2019 forecast of GNI (EU 28).

The own resources needed to finance the Union's DB 2020, 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 Union¹ and adapted following the communication from the Commission to the European Parliament and the Council of 21 December 2016².

The revenue to finance the Council's position on the DB for 2020 is shown in the table below.

2. Net traditional own resources (customs duties) amount to EUR 22 156 900 000.
3. The Union VAT base amounts to EUR 73 765.6 million for 2020 (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 five Member States (Croatia, Cyprus, Luxembourg, Malta and Portugal). 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 18 945 245 250.
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. Miscellaneous revenue (Titles 4 to 9) amounts to EUR 1 966 052 613.
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 2020 is 0.6478 %.

¹ OJ L 168, 7.6.2014, p. 105.

² COM(2016) 829 final.

A. FINANCING OF THE GENERAL BUDGET

Appropriations to be covered during the financial year 2020 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 2020	Budget 2019 ¹	Change (%)
1. Smart and inclusive growth	72 011 498 751	67 556 947 173	6.59%
2. Sustainable growth: natural resources	57 774 363 718	57 399 857 331	0.65%
3. Security and citizenship	3 689 420 926	3 527 434 894	4.59%
4. Global Europe	8 946 061 191	9 358 295 603	-4.41%
5. Administration	10 272 063 787	9 944 904 743	3.29%
Special instruments	418 500 000	411 500 000	1.70%
Total expenditure²	153 111 908 373	148 198 939 744	3.32

REVENUE

Description	Council's position on DB 2020	Budget 2019 ¹	Change (%)
Miscellaneous revenue (Titles 4 to 9)	1 966 052 613	1 894 392 136	3.78
Surplus available from the preceding financial year (Chapter 3 0, Article 3 0 0)	p.m.	p.m.	—
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	1 966 052 613	1 894 392 136	3.78
Net amount of customs duties and sugar levies (Chapters 1 1 and 1 2)	22 156 900 000	21 471 164 786	3.19
VAT-based own resource at the uniform rate (Chapter 1 3)	18 945 245 250	17 738 667 150	6.80
Remainder to be financed by the additional resource (GNI-based own resource, Chapter 1 4)	110 043 710 510	107 094 715 672	2.75
Appropriations to be covered by the own resources referred to in Article 2 of Decision 2014/335/EU, Euratom³	151 145 855 760	146 304 547 608	3.31
Total revenue²	153 111 908 373	148 198 939 744	3.32

¹ The figures in this column correspond to those in the 2019 budget (OJ L 67, 7.3.2019, p. 3).

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 2020 budget are determined on the basis of the budget forecasts adopted at the 175th meeting of the Advisory Committee on Own Resources on 24 May 2019.

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 2020.

Budget 2019	DB 2020	Council's position on DB 2020	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
1 996 363 262	2 026 385 411	2 026 385 411	0	+1.50

EUROPEAN COUNCIL AND COUNCIL - Section II

The Council's position is as follows:

Budget 2019	DB 2020	Council's position on DB 2020	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
581 895 459	594 760 000	594 260 000	-500 000	+2.12

Taking into account the current vacancy rate, it is suggested to maintain the standard flat rate abatement on salaries at 5 % as proposed in the DB 2020.

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

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

² These amounts do not include the institution's contribution to accredited European Schools (Type II) of EUR 615 000 in 2019 and EUR 626 000 in 2020.

COMMISSION – Section III

ADMINISTRATIVE APPROPRIATIONS

The Council's position regarding the Commission's administrative budget for 2020 is as follows:

Description	1		2		3		3-2	3/1	
	Budget 2019		DB 2020		Council's position on DB 2020		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	3 308 088 546	3 310 018 566	3 416 850 367	3 419 853 577	3 391 950 367	3 394 953 577	-24 900 000	+2.54%	+2.57%
Annex 2 -Publications Office	93 116 400	93 116 400	104 242 000	104 242 000	102 542 000	102 542 000	-1 700 000	+10.12%	+10.12%
Annex 3 -European Anti-Fraud Office	59 526 000	59 526 000	60 925 000	60 925 000	60 925 000	60 925 000		+2.35%	+2.35%
Annex 4 -European Personnel Selection Office	26 478 000	26 478 000	26 328 000	26 328 000	26 328 000	26 328 000		-0.57%	-0.57%
Annex 5 -Office for Administration and Payment of Individual Entitlements	39 623 000	39 623 000	41 876 000	41 876 000	41 576 000	41 576 000	-300 000	+4.93%	+4.93%
Annex 6 -Office for Infrastructure and Logistics — Brussels	80 679 000	80 679 000	84 123 000	84 123 000	83 423 000	83 423 000	-700 000	+3.40%	+3.40%
Annex 7 -Office for Infrastructure and Logistics — Luxembourg	25 231 000	25 231 000	26 218 000	26 218 000	26 018 000	26 018 000	-200 000	+3.12%	+3.12%
Section III -Commission	3 632 741 946	3 634 671 966	3 760 562 367	3 763 565 577	3 732 762 367	3 735 765 577	-27 800 000	+2.75%	+2.78%

Taking into account the current vacancy rate, it is suggested to set the standard flat rate abatement on salaries for the Commission's headquarters at 2.5 % (-EUR 7.00 million). The standard flat rate abatement for Commission's delegations is maintained at 5.5 % as proposed in the DB 2020.

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

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

PUBLICATIONS OFFICE (OP)

The Council's position is as follows:

Budget 2019	DB 2020	Council's position on DB 2020	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
93 116 400	104 242 000	102 542 000	-1 700 000	+10.12

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

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

EUROPEAN ANTI-FRAUD OFFICE (OLAF)

The Council did not modify OLAF's draft budget in its position on the DB 2020.

Budget 2019	DB 2020	Council's position on DB 2020	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
59 526 000	60 925 000	60 925 000	0	+2.35

EUROPEAN PERSONNEL SELECTION OFFICE (EPSO)

The Council did not modify EPSO's draft budget in its position on the DB 2020.

Budget 2019	DB 2020	Council's position on DB 2020	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
26 478 000	26 328 000	26 328 000	0	-0.57

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

The Council's position is as follows:

Budget 2019	DB 2020	Council's position on DB 2020	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
39 623 000	41 876 000	41 576 000	-300 000	+4.93

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

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

OFFICE FOR INFRASTRUCTURE AND LOGISTICS IN BRUSSELS (OIB)

The Council's position is as follows:

Budget 2019	DB 2020	Council's position on DB 2020	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
80 679 000	84 123 000	83 423 000	-700 000	+3.40

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

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

OFFICE FOR INFRASTRUCTURE AND LOGISTICS IN LUXEMBOURG (OIL)

The Council's position is as follows:

Budget 2019	DB 2020	Council's position on DB 2020	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
25 231 000	26 218 000	26 018 000	-200 000	+3.12

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

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

COURT OF JUSTICE OF THE EUROPEAN UNION – Section IV¹

The Council's position is as follows:

Budget 2019	DB 2020	Council's position on DB 2020	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
429 410 436	439 985 500	439 485 500	-500 000	+2.35

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

¹ These amounts do not include the institution's contribution to accredited European Schools (Type 2) of EUR 58 500 in 2019 and EUR 45 000 in 2020.

EUROPEAN COURT OF AUDITORS - Section V

The Council's position is as follows:

Budget 2019	DB 2020	Council's position on DB 2020	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
146 890 518	154 517 000	152 517 000	-2 000 000	+3.83

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

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

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

EUROPEAN ECONOMIC AND SOCIAL COMMITTEE – Section VI

The Council's position is as follows:

Budget 2019	DB 2020	Council's position on DB 2020	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
138 502 768	143 359 065	142 159 065	-1 200 000	+2.64

Taking into account the current vacancy rate, it is suggested to maintain the standard flat rate abatement on salaries at 4.5 % as proposed in the DB 2020.

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

COMMITTEE OF THE REGIONS – Section VII

The Council's position is as follows:

Budget 2019	DB 2020	Council's position on DB 2020	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
98 751 065	102 118 480	101 318 480	-800 000	+2.60

Taking into account the current vacancy rate, it is suggested to maintain the standard flat rate abatement on salaries at 6.0 % as proposed in the DB 2020.

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

EUROPEAN OMBUDSMAN – Section VIII¹

The Council's position is as follows:

Budget 2019	DB 2020	Council's position on DB 2020	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
11 279 261	12 249 231	11 949 231	-300 000	+5.94

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

¹ These amounts do not include the institution's contribution to accredited European Schools (Type II) of EUR 217 000 in 2019 and EUR 210 000 in 2020.

EUROPEAN DATA PROTECTION SUPERVISOR – Section IX

The Council's position is as follows:

Budget 2019	DB 2020	Council's position on DB 2020	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
16 638 572	19 540 998	17 640 998	-1 900 000	+6.02

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

EUROPEAN EXTERNAL ACTION SERVICE – Section X¹

The Council's position is as follows:

Budget 2019	DB 2020	Council's position on DB 2020	Difference (amount)	Difference (%)
1	2	3	3-2	3/1
694 812 516	731 799 163	711 799 163	-20 000 000	+2.44

At headquarters, targeted reductions are suggested by applying a specific decrease to the appropriations related to *basic salaries* (-EUR 4.20 million), *entitlements under the Staff Regulations related to the personal circumstances of the staff member* (-EUR 1.30 million), *non-military seconded national experts* (-EUR 0.15 million), *military seconded national experts* (-EUR 0.60 million), *missions* (-EUR 0.13 million), *rent and annual lease payments* (-EUR 1.00 million), *fitting-out and security works* (-EUR 2.10 million), *cleaning and maintenance* (-EUR 0.80 million), *water, gas, electricity and heating* (-EUR 0.25 million), *security and surveillance of buildings* (-EUR 0.87 million), *information and communication*

¹ These amounts do not include the institution's contribution to accredited European Schools (Type II) of EUR 20 000 in 2019 and EUR 20 320 in 2020.

technology (-EUR 1.00 million), *cryptography and highly classified information and communications technology* (-EUR 0.20 million), *security of information and communication technology up to the level 'EU restricted'* (-EUR 0.75 million), *technical security countermeasures* (-EUR 0.10 million), *organisation of meetings, conferences and congresses* (-EUR 0.10 million), *interpretation* (-EUR 0.15 million), *interinstitutional cooperation* (-EUR 0.20 million).

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

B. COMMISSION EXPENDITURE BY TITLE¹

TITLE 01 – ECONOMIC AND FINANCIAL AFFAIRS

Based on the guiding principles and the detailed analysis of the commitment appropriations for each programme and action by budget line outlined in section II D, the Council retained the following reduction:

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
01 04 05	Provisioning of the EFSI Guarantee Fund	62 852 000	1 088 216 000	-90 000 000	

The Council accepted the appropriations requested by the Commission for the other budget lines in this policy area².

TITLE 02 - INTERNAL MARKET, INDUSTRY, ENTREPRENEURSHIP AND SMEs

Based on the guiding principles and the detailed analysis of the commitment appropriations for each programme and action by budget line outlined in section II D, the Council retained the following reductions:

Operational expenditure

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
02 02 02	Improving access to finance for small and medium-sized enterprises (SMEs) in the form of equity and debt	244 160 000	204 000 000	-20 000 000	-6 000 000
02 03 01	Operation and development of the internal market of goods and services	24 027 000	24 110 000	-8 000 000	-2 500 000
02 04 02 01	Leadership in space	195 373 454	204 450 000	-19 000 000	
02 04 02 03	Increasing innovation in small and medium-sized enterprises (SMEs)	46 601 570	45 197 000	-4 000 000	

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 line:

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 46).

Decentralised agency

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
02 03 03	European Chemicals Agency — Chemicals legislation	59 527 657	59 527 657	-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

TITLE 04 – EMPLOYMENT, SOCIAL AFFAIRS AND INCLUSION

Based on the guiding principles and the detailed analysis of the commitment appropriations for each programme and action by budget line outlined in section II D, the Council retained the following reductions:

Operational expenditure

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
04 02 64	Youth Employment Initiative	p.m.	565 000 000	-116 666 667	-35 000 000
04 03 02 01	Progress — Supporting the development, implementation, monitoring and evaluation of Union employment and social policy and working conditions legislation	73 400 000	59 400 000	-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 46).

Decentralised agencies

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
04 03 12	European Agency for Safety and Health at Work	15 427 072	15 427 072	-80 000	-80 000
04 03 13	European Centre for the Development of Vocational Training (CEDEFOP)	16 445 490	16 445 490	-1 670 000	-1 670 000

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

TITLE 05 – AGRICULTURE AND RURAL DEVELOPMENT

Based on the guiding principles and the detailed analysis of the commitment appropriations for each programme and action by budget line outlined in section II D, the Council retained the following reductions:

Operational expenditure

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
05 02 08 03	Operational funds for producer organisations	643 200 000	643 200 000	-55 800 000	-55 800 000
05 03 01 10	Basic payment scheme (BPS)	16 329 900 000	16 329 900 000	-184 100 000	-184 100 000
05 05 04 02	Support for economic, social and territorial development and related progressive alignment with the Union acquis	28 178 364	70 000 000		-10 000 000
05 09 03 01	Securing sufficient supplies of safe and high quality food and other bio-based products	312 162 041	246 618 066	-10 000 000	

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 46).

TITLE 06 – MOBILITY AND TRANSPORT

Based on the guiding principles and the detailed analysis of the commitment appropriations for each programme and action by budget line outlined in section II D, the Council retained the following reductions:

Operational expenditure

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		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	1 673 979 805	980 000 000	-59 000 000	
06 02 01 02	Ensuring sustainable and efficient transport systems	283 547 370	95 000 000	-50 000 000	
06 02 01 03	Optimising the integration and interconnection of transport modes and enhancing interoperability	397 547 618	352 469 092	-60 000 000	-20 000 000

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 and decentralised agencies

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
06 02 04	European Union Agency for Railways	26 990 121	26 990 121	-450 000	-450 000
06 03 07 31	Single European Sky Air Traffic Management Research (SESAR) Joint Undertaking — Support expenditure	3 340 354	2 268 071	-13 000 000	-1 000 000
06 03 07 33	Shift2Rail (S2R) Joint Undertaking — Support expenditure	1 694 004	1 031 451	-3 500 000	

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

TITLE 07 – ENVIRONMENT

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 46).

TITLE 08 – RESEARCH AND INNOVATION

Based on the guiding principles and the detailed analysis of the commitment appropriations for each programme and action by budget line outlined in section II D, the Council retained the following reductions:

Operational expenditure

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
08 02 01 01	Strengthening frontier research in the European Research Council	2 051 470 133	1 965 553 728	-118 500 000	-13 000 000
08 02 01 02	Strengthening research in future and emerging technologies	p.m.	p.m.		-35 423 585
08 02 01 03	Strengthening European research infrastructures, including e-infrastructures	235 770 417	198 815 486	-11 500 000	
08 02 02 01	Leadership in nanotechnologies, advanced materials, laser technology, biotechnology and advanced manufacturing and processing	536 300 594	510 793 206	-60 000 000	-8 000 000
08 02 02 02	Enhancing access to risk finance for investing in research and innovation	435 764 801	120 856 938	-28 000 000	
08 02 02 03	Increasing innovation in small and medium-sized enterprises (SMEs)	46 196 783	31 186 450	-12 500 000	
08 02 03 01	Improving lifelong health and well-being	642 685 745	597 667 007	-6 000 000	
08 02 03 02	Securing sufficient supplies of safe, healthy and high quality food and other bio-based products	260 528 659	196 048 586	-28 200 000	
08 02 03 04	Achieving a European transport system that is resource-efficient, environmentally friendly, safe and seamless	231 584 054	271 036 863	-34 600 000	-10 300 000
08 02 03 06	Fostering inclusive, innovative and reflective European societies	130 057 525	128 990 572	-9 500 000	
08 02 05	Horizontal activities of Horizon 2020	111 882 001	99 235 199	-3 500 000	
08 02 06	Science with and for society	68 431 161	64 810 922	-5 000 000	
08 02 08	SME instrument	659 742 199	532 049 827	+72 000 000	
08 03 01 01	Euratom — Fusion energy	166 626 872	173 511 650	-5 900 000	-1 100 000
08 03 01 02	Euratom — Nuclear fission and radiation protection	71 854 023	91 397 374	-2 900 000	-900 000

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 line:

External personnel

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		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	98 702 032	98 702 032	-500 000	-500 000

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 the guiding principles and the detailed analysis of the commitment appropriations for each programme and action by budget line outlined in section II D, the Council retained the following reductions:

Operational expenditure

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
09 03 03	Promoting interoperability, sustainable deployment, operation and upgrading of trans-European digital service infrastructures, as well as coordination at European level	102 606 990	74 179 000	-23 500 000	
09 03 04	WiFi4EU — Support the deployment of free local Wi-Fi	19 798 355	49 838 000	-4 500 000	
09 04 01 01	Strengthening research in future and emerging technologies	442 952 871	466 500 000	-4 000 000	
09 04 01 02	Strengthening European research infrastructure, including e-infrastructure	65 582 043	76 500 000	-8 000 000	
09 04 02 01	Leadership in information and communications technology	831 375 691	711 700 000	-46 000 000	
09 04 03 01	Improving lifelong health and well-being	164 001 775	147 200 000	-15 750 000	
09 04 03 02	Fostering inclusive, innovative and reflective European societies	48 382 314	46 700 000	-5 250 000	-1 000 000
09 04 03 03	Fostering secure European societies	58 403 053	55 400 000	-19 750 000	
09 05 01	MEDIA Sub-programme — Operating transnationally and internationally and promoting transnational circulation and mobility	114 695 000	99 200 000	-1 228 000	
09 05 05	Multimedia actions	18 732 000	22 000 000	-2 000 000	

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 46).

TITLE 10 – DIRECT RESEARCH

Based on the guiding principles and the detailed analysis of the commitment appropriations for each programme and action by budget line outlined in section II D, the Council retained the following reductions:

Operational expenditure

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
10 01 05 14	Other expenditure for new major research infrastructures — Euratom programme	18 518 830	18 518 830	-1 500 000	-1 500 000
10 03 01	Euratom activities of Direct Research	12 101 830	11 500 000	-1 600 000	-500 000

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

TITLE 11 – MARITIME AFFAIRS AND FISHERIES

Based on the guiding principles and the detailed analysis of the commitment appropriations for each programme and action by budget line outlined in section II D, the Council retained the following reduction:

Operational expenditure

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
11 03 01	Establishing a governance framework for fishing activities carried out by Union fishing vessels in third country waters	57 856 978	57 931 978		
	<i>Reserve (40 02 41)</i>	<i>80 743 000</i>	<i>79 200 000</i>	<i>-4 000 000</i>	

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 46).

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

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

TITLE 13 – REGIONAL AND URBAN POLICY

Based on the guiding principles and the detailed analysis of the commitment appropriations for each programme and action by budget line outlined in section II D, the Council retained the following reduction:

Operational expenditure

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
13 08 01	Structural Reform Support Programme – Operational technical assistance transferred from H1b (ESF, ERDF and CF)	49 569 145	33 700 000	-25 223 855	

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

TITLE 14 – TAXATION AND CUSTOMS UNION

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

TITLE 15 – EDUCATION AND CULTURE

Based on the guiding principles and the detailed analysis of the commitment appropriations for each programme and action by budget line outlined in section II D, the Council retained the following reductions:

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 46).

Operational expenditure

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
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	36 241 000	29 200 000	-2 000 000	
15 04 02	Culture sub-programme — Supporting cross-border actions and promoting transnational circulation and mobility	72 246 000	66 000 000	-3 000 000	

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

TITLE 16 – COMMUNICATION

Based on the guiding principles and the detailed analysis of the commitment appropriations for each programme and action by budget line outlined in section II D, the Council retained the following reductions:

Operational expenditure

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
16 03 01 03	Information outlets	14 100 000	15 500 000	-2 000 000	
16 03 01 04	Communication of the Commission Representations, Citizens' Dialogues and 'Partnership' actions	17 825 000	20 600 000	-4 500 000	
16 03 02 05	Public opinion analysis	5 500 000	6 800 000	-1 500 000	

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 46).

TITLE 17 – HEALTH AND FOOD SAFETY

Based on the guiding principles and the detailed analysis of the commitment appropriations for each programme and action by budget line outlined in section II D, the Council retained the following reductions:

Operational expenditure

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		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)	62 258 000	58 100 000	-1 366 000	
17 04 01	Ensuring a higher animal health status and high level of protection of animals in the Union	163 000 000	143 880 000	-8 000 000	
17 04 02	Ensuring timely detection of harmful organisms for plants and their eradication	28 500 000	19 800 000	-2 000 000	

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 line:

Decentralised agencies

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
17 03 12 02	Special contribution for orphan medicinal products	14 215 000	14 215 000	-1 500 000	-1 500 000

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 46).

TITLE 18 – MIGRATION AND HOME AFFAIRS

Based on the guiding principles and the detailed analysis of the commitment appropriations for each programme and action by budget line outlined in section II D, the Council retained the following reductions:

Operational expenditure

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
18 02 01 02	Prevention and fight against cross-border organised crime and better management of security-related risks and crisis	165 897 628	190 358 325	-25 400 000	
18 03 01 01	Strengthening and developing the common European asylum system and enhancing solidarity and responsibility-sharing between the Member States	182 841 729	507 069 782	-407 000 000	-115 400 000
	<i>Reserve (40 02 41)</i>	<i>400 000 000</i>	<i>115 400 000</i>	<i>+400 000 000</i>	<i>+115 400 000</i>
18 03 01 02	Supporting legal migration to the Union and promoting the effective integration of third-country nationals and enhancing fair and effective return strategies	328 748 555	327 634 462	-27 600 000	
18 04 01 01	Europe for citizens — Strengthening remembrance and enhancing capacity for civic participation at the Union level	24 829 000	25 000 000	-1 130 000	
18 05 03 01	Fostering secure European societies	176 754 220	168 549 256	-18 750 000	

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 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
18 02 03	European Border and Coast Guard Agency (Frontex)	413 910 217	413 910 217	-6 645 625	-6 645 625
18 03 02	European Asylum Support Office (EASO)	108 327 419	108 327 419		
	<i>Reserve (40 02 41)</i>			<i>-24 685 306</i>	<i>-24 685 306</i>
18 06 02	European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)	15 406 349	15 406 349	-860 000	-860 000

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 46).

TITLE 19 – FOREIGN POLICY INSTRUMENTS

Based on the guiding principles and the detailed analysis of the commitment appropriations for each programme and action by budget line outlined in section II D, the Council retained the following reduction:

Operational expenditure

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
19 05 01	Cooperation with third countries to advance and promote Union and mutual interests	134 165 000	110 000 000	-8 280 000	

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 the guiding principles and the detailed analysis of the commitment appropriations for each programme and action by budget line outlined in section II D, the Council retained the following reductions:

Operational expenditure

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
21 02 02	Cooperation with Asia	792 480 778	656 000 000	-29 000 000	
21 02 03	Cooperation with Central Asia	151 210 652	102 000 000	-12 500 000	
21 02 04	Cooperation with the Middle East	223 843 466	70 000 000	-20 000 000	
21 02 07 03	Human development	200 438 336	247 236 000		-10 000 000
21 02 07 04	Food and nutrition security and sustainable agriculture	229 008 470	175 000 000	-3 500 000	-10 000 000
21 02 08 01	Civil society in development	218 492 438	195 000 000	-5 000 000	
21 04 01	Enhancing the respect for and observance of human rights and fundamental freedoms and supporting democratic reforms	136 618 245	125 000 000	-4 596 000	
21 08 01	Evaluation of the results of Union aid and follow-up and audit measures	27 356 000	30 498 459	-5 288 000	

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 46).

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 the guiding principles and the detailed analysis of the commitment appropriations for each programme and action by budget line 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 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
22 02 03 01	Support for political reforms and related progressive alignment with the Union acquis	134 000 000	58 772 300	-26 000 000	
22 02 03 02	Support for economic, social and territorial development and related progressive alignment with the Union acquis	60 000 000	463 786 099	-5 000 000	
22 04 01 03	Mediterranean countries — Confidence building, security and the prevention and settlement of conflicts	386 220 115	188 963 018	-15 000 000	-5 000 000
22 04 03 03	Support to other multi-country cooperation in the neighbourhood — Umbrella programme	215 300 000	140 229 012	-8 000 000	-5 000 000

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

TITLE 23 – HUMANITARIAN AID AND CIVIL PROTECTION

Based on the guiding principles and the detailed analysis of the commitment appropriations for each programme and action by budget line outlined in section II D and the completion of the funding in commitment appropriations for the Facility for Refugees in Turkey, 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 46).

Operational expenditure

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
23 02 01	Delivery of rapid, effective and needs-based humanitarian aid and food assistance	992 234 779	1 144 000 000	-50 000 000	
23 04 01	EU Aid Volunteers initiative — Strengthening the Union's capacity to respond to humanitarian crises	18 281 000	17 584 960	-1 074 000	

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.

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

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

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 46).

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

TITLE 32 - ENERGY

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, external personnel and decentralised agency

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		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	2 319 194	2 319 194	-200 000	-200 000

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

TITLE 33 - JUSTICE AND CONSUMERS

Based on the guiding principles and the detailed analysis of the commitment appropriations for each programme and action by budget line outlined in section II D, the Council retained the following reductions:

Operational expenditure

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
33 02 01	Ensuring the protection of rights and empowering citizens	27 605 000	28 800 000	-1 000 000	
33 02 02	Promoting non-discrimination and equality	37 753 000	39 600 000	-1 000 000	
33 03 01	Supporting and promoting judicial training and facilitating effective access to justice for all	33 043 000	27 600 000	-700 000	
33 04 01	Safeguarding consumers' interest and improving their safety and information	26 570 000	25 000 000	-430 000	

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 46).

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 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
33 02 06	European Union Agency for Fundamental Rights (FRA)	22 407 712	22 407 712	-750 000	-750 000
33 02 07	European Institute for Gender Equality (EIGE)	7 963 905	7 963 905	-50 000	-50 000

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

TITLE 34 – CLIMATE ACTION

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

TITLE 40 – RESERVES

Based on the guiding principles and the detailed analysis of the commitment appropriations for each programme and action by budget line outlined in section II D, the Council introduced the following changes:

Line	Description	Council's position on DB 2020		Council's changes on DB 2020	
		c/a	p/a	c/a	p/a
40 02 41	Differentiated appropriations	481 746 000	195 603 000	371 314 694	90 714 694

¹ Except for appropriations on budget lines for administrative expenditure under heading 5 of the multiannual financial framework (see table on page 46).

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

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

Line	Description	1		2
		Council's position on DB 2020		Council's changes on DB 2020
		c/a	p/a	Appropriation
15 01 61	Cost of organising graduate traineeships with the institution	8 597 000	8 597 000	-4 800 000
26 01 22 02	Acquisition and renting of buildings in Brussels	210 904 000	210 904 000	-1 500 000
26 01 22 03	Expenditure related to buildings in Brussels	76 681 000	76 681 000	-1 000 000
26 01 40	Security and monitoring	13 436 000	13 436 000	-1 000 000
30 01 14 01	Allowances for staff assigned non-active status, retired in the interests of the service or dismissed	4 273 000	4 273 000	-2 000 000
A2 01 01	Expenditure related to officials and temporary staff	60 626 000	60 626 000	-200 000
A2 01 03	Buildings and related expenditure	23 795 000	23 795 000	-1 500 000
A5 01 02 01	External personnel	12 382 000	12 382 000	-300 000
A6 01 02 01	External personnel	31 427 000	31 427 000	-700 000
A7 01 02 01	External personnel	8 190 000	8 190 000	-200 000
XX 01 01 01 01	Remuneration and allowances	2 168 712 000	2 168 712 000	-7 000 000
XX 01 02 01 01	Contract staff	73 920 000	73 920 000	-2 700 000
XX 01 03 01 04	Information and communication technology services	81 492 000	81 492 000	-4 900 000
Administrative expenditure		2 792 356 000	2 792 356 000	-27 800 000