



Brussels, 6 February 2020
(OR. en)

5759/20

FIN 57
INST 20
PE-L 3

REPORT

From: Budget Committee
To: Permanent Representatives Committee/Council
Subject: Council conclusions on the budget guidelines for 2021
– *Adoption*

1. By way of preparation of the budget guidelines for 2021 to be established by the Council, the Budget Committee considered a set of draft Council conclusions, on the basis of a proposal from the Presidency.
2. At its meeting on 6 February 2020, the Budget Committee reached an agreement on the text as recorded in ANNEX 1.
3. The Permanent Representatives Committee is invited to advise the Council to:
 - adopt these draft Council conclusions at the ECOFIN Council on 18 February 2020; and
 - arrange for them to be forwarded to the European Parliament, the Commission and the other institutions and to approve the draft letter in ANNEX 2 to that effect.

**DRAFT COUNCIL CONCLUSIONS
ON THE BUDGET GUIDELINES FOR 2021**

1. The Council underlines that the budgetary procedure for 2021 will be the first in the new programming period 2021-2027. In this regard, the budget will play an important role in the development and delivery of the Union's objectives and priorities.
2. The Council emphasises the need for all Union's institutions and bodies to respect and comply with all elements of the new multiannual financial framework (MFF) when establishing and implementing the budget for 2021.
3. The Council reiterates that the budget should be established in accordance with the budgetary principles set out in the Financial Regulation¹, notably the principles of unity, annuality, sound financial management and transparency.
4. The Council considers that the budget for 2021 should be realistic, in line with actual needs, ensure prudent budgeting and leave, without prejudice to the provisions of the Interinstitutional Agreement², sufficient margins under the ceilings of the MFF to deal with unforeseen circumstances. At the same time, the budget for 2021 should provide sufficient resources to ensure the implementation of the Union's programmes and to allow commitments already made under the current MFF to be paid in due time, if necessary and in duly justified cases, after implementing all possible reallocations within the budget, through the use of available flexibilities, in order to avoid any unpaid claims submitted by the Member States.

¹ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

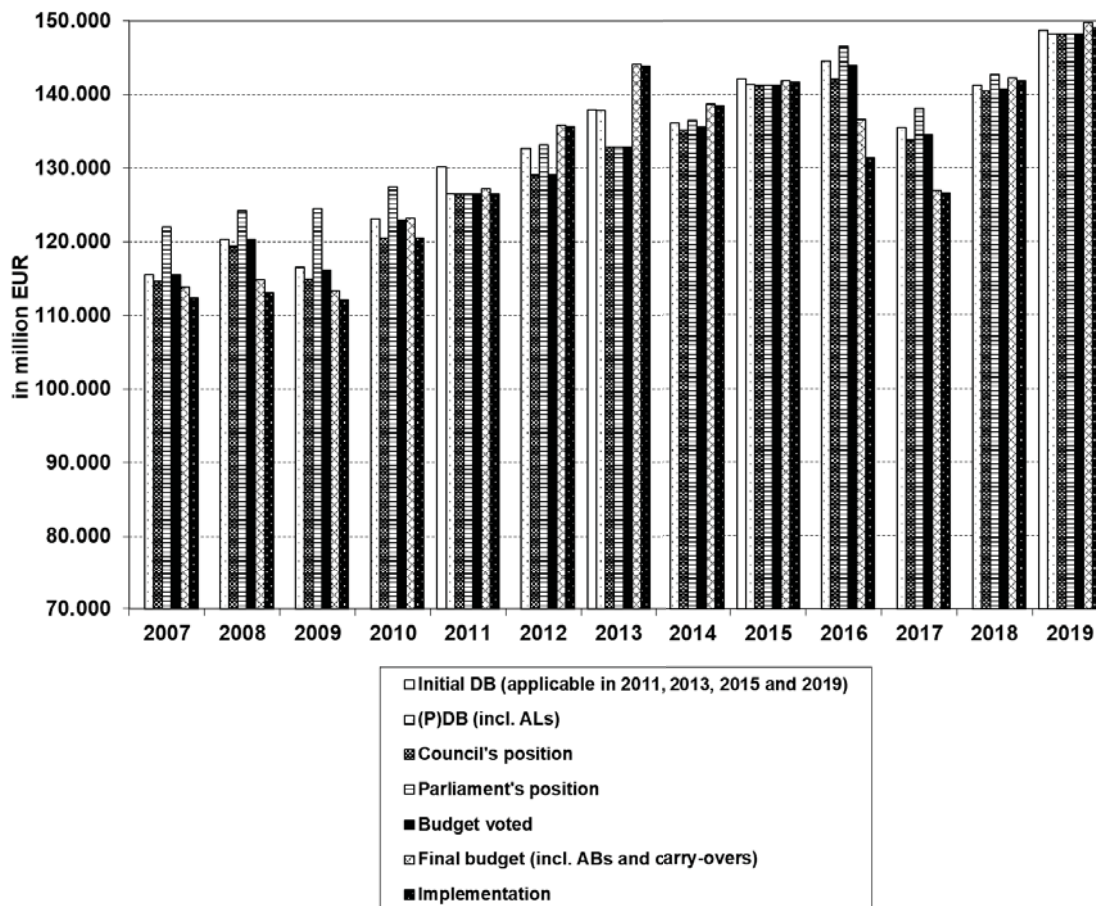
² Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (OJ C 373, 20.12.2013, p. 1).

5. The Council underlines that budgetary discipline should be maintained at all levels, and stresses the need to finance all necessary expenditure through prioritisation and without compromising budgetary principles.
6. The Council stresses the need for predictability of both Member States' contributions to the Union's budget and payments from the EU budget to Member States, recalling that both over- and under-budgeting pose unwelcome challenges for national budgets. In this regard, the Council invites the Commission to provide in a transparent way reliable and accurate forecasts of all revenues, including the annual amount payable by the United Kingdom in 2021 in accordance with the Withdrawal Agreement³, which will allow Member States to assess in a timely manner their expected contribution to the EU budget.
7. The Council underlines that corrective budgetary tools, such as amending budgets, should be kept to a justified minimum, introduced in a timely manner in order to avoid disruptions in the functioning of the Union programmes and financed primarily by redeployments. In particular, the Council invites the Commission to present revenue driven draft amending budgets separately and without delay after the relevant information becomes available. The Council reaffirms its strong commitment to take a position on draft amending budgets as soon as possible.
8. The Council considers that the level of staff of all institutions, bodies and agencies should reflect the MFF agreement and needs to be kept under continuous monitoring and control. In addition, the Council urges all Union's institutions, bodies and agencies to respect their establishment plans, and the financial envelopes and level of full-time equivalents (FTEs) for contractual agents. The Commission is encouraged to internally offset an adequate level of FTEs and corresponding appropriations when delegating tasks, previously performed by its own staff, to executive agencies or similar bodies when proposing a new or adapted mandate for them.

³ Agreement on the Withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (OJ L 29, 31.1.2020, p. 7).

9. The Council calls on the Commission to present the draft budget for 2021 in due time, allowing the Council to undertake a detailed technical analysis and to prepare thoroughly its position. It also encourages the Commission to continuously improve the content of its budgetary documents by making them simpler, as well as more concise and transparent. In addition, the Council urges the Commission to accompany the draft budget with the full set of applicable documents listed in Article 41 of the Financial Regulation, including reports on progress in achieving the programme objectives.
10. The Council encourages all institutions to collaborate efficiently and constructively, allowing for a smooth budgetary procedure and the establishment of the budget for 2021 within the deadlines set by the Treaty on the Functioning of the European Union (TFEU). In particular, the Council invites the Commission to play its role as honest broker during the whole budgetary procedure. The Council calls on the Commission to ensure the timely access to draft elements for joint conclusions, containing all relevant information (in particular on commitments and payments) in order to facilitate the conciliation process. In addition, the Council underlines that the negotiations on the budget for 2021 should avoid addressing issues not directly linked to the annual budgetary procedure.
11. The Council reiterates the great importance it attaches to these guidelines and expects the Commission to duly take them into account in the preparation of the draft budget for 2021.
12. These guidelines will be forwarded to the European Parliament and the Commission, as well as to the other institutions.

Evolution of payment appropriations (2007 - 2019)



EVOLUTION OF PAYMENT APPROPRIATIONS (2007-2019)
(excluding assigned revenue)

| Budgetary procedure | Initial DB (applicable in 2011, 2013, 2015 and 2019) | (P)DB | (P)DB (incl. ALs) | Council's position | Parliament's position | Budget voted | Final budget (incl. ABs and carry-overs) | Implementation | Final budget - implementation (figures) | Final budget - implementation (%) | Implementation (P)DB (incl. ALs) |
|---------------------|--|------------------|-------------------|--------------------|-----------------------|------------------|--|------------------|---|-----------------------------------|----------------------------------|
| | | 1 | 2 | | | 3 | 4 | 5 | 6 (=4 - 5) | 7 (=6/4) | 8 (=5/2) |
| 2007 | | 116.370 | 115.531 | 114.613 | 122.016 | 115.497 | 113.835 | 112.377 | 1.458 | 1,28% | 97,27% |
| 2008 | | 121.533 | 120.347 | 119.410 | 124.196 | 120.347 | 114.835 | 113.070 | 1.765 | 1,54% | 93,95% |
| 2009 | | 116.744 | 116.546 | 114.972 | 124.488 | 116.096 | 113.395 | 112.107 | 1.288 | 1,14% | 96,19% |
| 2010 | | 122.316 | 123.061 | 120.521 | 127.526 | 122.937 | 123.203 | 120.490 | 2.713 | 2,20% | 97,91% |
| 2011 | 130.136 | 126.527 | 126.527 | 126.527 | 126.527 | 126.527 | 127.219 | 126.497 | 722 | 0,57% | 99,98% |
| 2012 | | 132.739 | 132.668 | 129.088 | 133.139 | 129.088 | 135.842 | 135.602 | 240 | 0,18% | 102,21% |
| 2013 | 137.924 | 137.798 | 137.798 | 132.837 | 132.837 | 132.837 | 144.057 | 143.785 | 272 | 0,19% | 104,34% |
| 2014 | | 136.066 | 136.061 | 135.005 | 136.444 | 135.505 | 138.577 | 138.440 | 137 | 0,10% | 101,75% |
| 2015 | 142.137 | 141.337 | 141.337 | 141.214 | 141.214 | 141.214 | 141.769 | 141.586 | 183 | 0,13% | 100,18% |
| 2016 | | 143.541 | 144.456 | 142.120 | 146.459 | 143.885 | 136.517 | 131.400 | 5.117 | 3,75% | 90,96% |
| 2017 | | 134.899 | 135.422 | 133.790 | 138.029 | 134.490 | 126.877 | 126.610 | 267 | 0,21% | 93,49% |
| 2018 | | 141.406 | 141.240 | 140.431 | 142.663 | 140.666 | 142.215 | 141.780 | 436 | 0,31% | 100,38% |
| 2019 | 148.675 | 148.199 | 148.199 | 148.199 | 148.199 | 148.199 | 149.731 | 149.050 | 681 | 0,45% | 100,57% |
| Total | | 1.719.476 | 1.719.193 | 1.698.726 | 1.743.738 | 1.707.288 | 1.708.071 | 1.692.793 | 15.278 | 0,89% | 98,46% |

Information on 2019 ABs, carry-overs and implementation is provisional

DRAFT LETTER

from : President of the Council

to : President of the European Parliament
Secretary-General of the Council
President of the Commission
President of the Court of Justice
President of the Court of Auditors
President of the Committee of the Regions
President of the European Economic and Social Committee
European Ombudsman
European Data Protection Supervisor
High Representative of the Union for Foreign Affairs and Security Policy

Dear Madam / Dear Sir,

I am sending you under separate cover⁴ the Council's conclusions on the budget guidelines for 2021, adopted by the Council at its meeting on 18 February 2020.

[Complimentary close].

⁴ Doc. 5759/20.