2009 budget: Section III, Commission

2008/2026(BUD) - 18/12/2008 - Final act

PURPOSE: final adoption of the general budget of the European Union for the financial year 2009.

LEGISLATIVE ACT: 2009/165/EC, Euratom.

CONTENT: the general budget of the European Union for the financial year 2009 has been finally adopted in accordance with the budgetary procedure ended on 18 December 2008. The Union’s budget is therefore adopted in accordance with the priorities set out by the budgetary authority and the vote in Parliament’s second reading (please see the summary of Parliament’s resolution of 18.12.2008).

The 2009 budget is the third one to be issued under the 2007-2013 multiannual financial framework which covers the period until 2013. In 2009, the biggest share of the EU budget – 45% or EUR 60 billion - will go to research, innovation, employment and regional development programmes, combining short and longer-term measures to help Europe **respond to the current economic crisis as quickly and effectively as possible**. An 11% increase in research and a 22% increase in the EU's innovation programme will help boost competitiveness in difficult times as well as EU efforts to move to a low-carbon economy.

Funds for agriculture remain stable, taking over 40% of EU cash, while spending on the environment and rural development will rise by 2.9%.

Europe's role in the world will also see spending grow in 2009, including EUR 0.6 billion for the EUR 1 billion **food facility** to help developing countries respond to rising food prices, decided by a joint agreement between the European Parliament and the Council.

In global figures, the budget 2009 amounts to **EUR 133.8 billion** in commitment appropriations. This corresponds to an increase of 2.5% compared to 2008, and represents 1.03% of Community GNI. A margin of EUR 3.2 billion is left under the expenditure ceiling of the financial framework.

In payment appropriations, the budget 2009 is set at **EUR 116.1 billion**, or 0.89% of GNI. This represents an increase of 0.3% on 2008, and leaves a margin of EUR 7.8 million beneath the ceiling for payment appropriations.

The 2009 budget is broken down heading by heading as follows (in brackets the % of the total EU budget):

Heading 1: Sustainable development: in 2009, almost EUR 12 billion of the EU budget in 2009 will go on projects to boost Europe's competitiveness, 6.2% more than in 2008. In its entirety, this heading includes EUR 60.2 billion in commitments and around EUR 46 billion in payment appropriations. It includes 2 sub-headings:

- **1a – Competitiveness for growth and employment**: commitments under this heading amount to EUR 12 billion which includes funds for research which will rise by 11% for the second year running. A record investment of EUR 500 million will also be set aside for the EU's Competitiveness and Innovation programme (CIP) to finance ground-breaking sustainable technologies - an increase of 22% on 2008. More than EUR 1 billion will go to programmes to improve Europeans' skills, mainly through the Lifelong Learning Programme - a 6.5% rise on 2008;
- **1b – Cohesion for growth and employment**: funding for cohesion will continue to grow in 2009 with nearly EUR 48.5 billion for Europe's regions (a 2.5% rise on 2008). This will also be strengthened by the recent agreement to accelerate Structural Funds financing in 2009, providing

Member States with cash fast to support people hit by the crisis and increase financing for small and medium sized enterprises (SMEs). Efforts to integrate new Member States into common EU policies are also bearing fruit with 50% of all Cohesion and Structural Funds now going to the EU-12.

Heading 2: Preservation and management of natural resources: spending on agriculture will remain stable in 2009, absorbing more than EUR 40 billion. The shift within this policy area towards development in rural areas also means more spending on the environment the fight against climate change. Over 40% of rural development funding (EUR 13.6 billion) will be for environmental goals. On top of that, the LIFE+ environmental protection programme will grow by 19%, reaching EUR 317 million. The 22% increase in the EU's innovation programme will also help EU efforts to move to a **low-carbon economy** by financing sustainable technologies. In total, the amounts under this heading are characterised by the following: EUR 56.1 billion for market related expenditure and direct payments and EUR 52.5 billion in payment appropriations.

Heading 3: Citizenship, Freedom, Security and Justice: (1.1%) terrorism, crime as well as immigration are still big concerns for Europeans and support for these specific areas will see one of the biggest increases in spending in 2009 at EUR 864 million - up 18% from 2008. With EUR 1.5 billion in commitments (and EUR 1.3 in payments).

This heading is split into two separate headings:

- **Heading 3a**: Freedom, Security and Justice: with EUR 864 million;
- **Heading 3b**: Citizenship (including assistance to youth and culture): with EUR 651 million in commitments.

Heading 4: the EU as a global player: the European Union will maintain a central role as a global player, with the budget for external actions increasing by 7.3% to EUR 8.1 billion. The recent surge in food prices has hit the most vulnerable in the world worst and the EU is stepping up its support by providing a Food Facility package of EUR 1 billion over 2008, 2009, 2010. The largest share - up to EUR 568 million - will come from the 2009 EU budget. Maintaining its role as a global player, the EU will also channel over EUR 8 billion into external policies – a 7% rise on 2008. Support for the peace process in the Middle East, in Afghanistan and ensuring stability in Kosovo will be key investments in 2009 – EUR 361 million for Palestine and EUR 231 million for Afghanistan and €261m for projects in Kosovo.

Heading 5 – Administration: (5.8%) costs related to the administration of all EU institutions total EUR 7.7 billion. For the Commission, the 2009 foresees the last tranche of 250 new posts following the 2007 enlargement to Bulgaria and Romania.

Heading 6 – Compensations: (0.2%) the final tranche of budgetary compensation of EUR 209.1 million will be available in 2009, to ensure that Bulgaria and Romania keep a positive budgetary balance in the years immediately following their accession to the European Union.