

2012 budget: all sections

2011/2020(BUD) - 25/07/2011 - Council position on draft budget

The Council adopted its position on the draft budget of the European Union for 2012.

The main features of the position are as follows:

- **EUR 146 245.34 in commitment appropriations;**
- **EUR 129 088.04 in payment appropriations.**

Under the Council's position on the draft budget for 2012 adopted by the Council, commitment appropriations increase by 2.92% compared to the 2011 budget and payment appropriations increase by 2.02%.

The total amount of payment appropriations provided for in the Council's position on the draft budget for 2012 corresponds to 0.98% of EU GNI.

A. Generally: the Council's position on the draft budget for 2012:

- shows due regard to the [Interinstitutional Agreement of 17 May 2006](#) on budgetary discipline and sound financial management;
- is within the framework of the budget guidelines established for the 2012 budget in the Council conclusions adopted in February 2011;
- follows an approach leading to a **budget that is realistic and comprehensively balanced**, complying with budgetary discipline and sound financial management. While recognising the efforts already made by the Commission in its draft budget, the need of additional efforts was underlined;
- provides adequate funding for the European Union's various priorities, determining appropriations on the basis of the budget implementation rate in 2010, budget forecast alerts in 2011 and realistic absorption capacities. This approach was also followed with regard to allocations for administrative expenditure arising from operational programmes and the expenditure of the executive agencies responsible for their management;
- ensures a limited and controlled growth of payment appropriations in comparison with 2011 under all headings and sub-headings of the multiannual financial framework, adjusting the amounts on the basis of an analysis of the 2010 budget implementation and the 2011 budget forecast alert. This approach should be seen in the context of the **budgetary constraints applied in all Member States**;
- leaves adequate margins under the ceilings of the headings and sub-headings of the multiannual financial framework, with the exception of sub-heading 1b, in order to be able to cope with unforeseen situations, while respecting as far as possible the amounts in commitment appropriations proposed by the Commission regarding co-decided programmes.

Statement on payment appropriations: as well as the abovementioned principles, the Council approved a statement on payment appropriations stating that if the payment appropriations entered in the 2012 budget are insufficient to cover expenditure under sub-heading 1a (Competitiveness for growth and employment), sub-heading 1b (Cohesion for growth and employment), heading 2 (Preservation and management of natural resources) and heading 4 (EU as a global player), the Commission should present by the end of September 2012 at the latest updated figures concerning the state of affairs and estimates regarding payment appropriations under sub-heading 1b and, if necessary, to present a draft amending budget for this sole purpose. The Council will take position on the draft amending budget as quickly as possible in order to avoid any shortfall in payment appropriations.

B. Expenditure by heading of the financial framework: as to expenditure under the different headings of the financial framework the Council's position leads to:

Heading 1: Sustainable growth (EUR 67.267 billion in commitments):

Heading 1a: as regards **competitiveness for growth and employment expenditure:** the amount of this sub-heading totals **EUR 14.028 billion** in commitment appropriations, targeting a total reduction of EUR 695.90 million in the appropriations requested in the DB in respect of a number of specific budget lines under this heading, of which EUR 45.90 million resulting from the approach followed for administrative expenditure and decentralised agencies. The remaining reduction of **EUR 650 million** is linked to the possible revision of the multiannual financial framework for **ITER**. The Council has not included in its position on the draft budget for 2012 the proposed additional financing for the ITER project based on a possible revision of the multiannual financial framework 2007-2013 (MFF), pending the end of the agricultural year for 2011 and new information on implementation rates. It will re-examine the situation after the end of the agricultural year for 2011, in view of deciding on the sources and scale of additional financing. The Council invites the Commission, in cooperation with F4E, to present by 15 October 2011 reports on the progress achieved in implementing the cost containment and savings plan and on the performance and management of the European Joint Undertaking for ITER and the Development of Fusion Energy and the ITER project, and on the fulfilment of the scheduled activities within the annual budget.

This sub-heading is also characterised by the following:

- the creation of budget line 04 03 15 (European Year for Active Ageing and Solidarity between generations 2012), its financing coming from budget line 04 03 07 (Analysis, studies and awareness raising on the social situation, demographics and the family);
- fixing the level of the appropriations for subsidies for decentralised agencies, reducing the appropriations requested in the DB by a total of EUR 15.52 million in commitments and EUR 17.84 million in payments as a result of the approach followed for these agencies. A total of 63 temporary posts was accepted;
- setting the level of payment appropriations, targeting a total reduction of EUR 1 132.00 million in the appropriations requested in the DB of which EUR 99.46 million in the field of competitiveness, EUR 101.99 million in the field of transports, EUR 563.22 million in the field of research, EUR 86 million in the field of education and training, EUR 147 million on budget lines related to the European economic recovery plan, EUR 50 million on the budget line for the European Globalisation Adjustment Fund and EUR 84.33 million on various other budget lines, on the basis of an analysis of past and current budget implementation and realistic absorption capacities.

The margin available under sub-heading 1a would be EUR 175.30 million.

Heading 1b: concerning cohesion for growth and employment expenditure: the Council has provided an amount of **EUR 52.739 billion** in commitments as in the Commission draft budget.

Other main characteristics of this sub-heading are as follows:

- set the level of payment appropriations, reducing the appropriations requested in the DB by a total of EUR 1 299.28 million while resulting in an increase of 5.2 % in comparison with 2011;
- a reduction in payment appropriations concentrated in the field of the European Regional Development Fund (EUR 706 million), the European Social Fund (EUR 394 million) and the Cohesion Fund (EUR 199 million), representing an adjustment on the basis of the available information.

The margin available under sub-heading 1b would be EUR 22.12 million.

Heading 2: Preservation and management of natural:the amount of this heading is set at **EUR 59.613 billion** in commitments. The Council foresees a total reduction of EUR 545.60 million in commitment appropriations requested in the DB, of which EUR 197.94 million in the field of agriculture, EUR 337.60 million on the budget line for clearance of accounts and EUR 10.06 million on various other budget lines, on the basis of past and current budget implementation.

The Council also aims to:

- fix the level of the appropriations for subsidies for decentralised agencies, reducing the appropriations requested in the DB by a total of EUR 1.46 million in commitments and EUR 2.67 million in payments as a result of the approach followed for these agencies. As regards staff requests, 4 temporary posts were accepted;
- set the level of payment appropriations, reducing the appropriations requested in the DB by a total of EUR 786.51 million, of which EUR 229.93 million in the field of agriculture, EUR 337.60 million on the budget line for clearance of accounts, EUR 140 million in the field of Rural development, EUR 46.50 million in the field of European Fisheries Fund and EUR 32.48 million on various other budget lines, on the basis of past and current budget implementation. These amounts estimated on the basis of past budget implementation and available information may be reviewed in the light of the Autumn letter of amendment.

The margin available under heading 2 would be EUR 1 197.16 million.

Heading 3: citizenship, freedom, security and justice: the amount of this heading is set at **EUR 1.953 billion** in commitments, divided between 2 sub-headings:

Heading 3a: for freedom, security and justice expenditure (EUR 1.285 billion in commitments): for this heading, the Council aims to:

- set the level of commitment appropriations, reducing by a total of EUR 55.65 million commitment appropriations requested in the DB in respect of a number of specific budget lines under this heading, on the basis of past and current budget implementation and of realistic absorption capacities;
- fix the level of the appropriations for subsidies for decentralised agencies, reducing the appropriations requested in the DB by a total of EUR 11.55 million in commitments and
- EUR 12.73 million in payments as a result of the approach followed for these agencies. A total of 12 temporary posts was accepted;
- set the level of payment appropriations, targeting a total reduction of EUR 44.26 million in the appropriations requested in the DB on a number of budget lines on the basis of past and current budget implementation.

The margin available under sub-heading 3a would be EUR 121.27 million.

Heading 3b: citizenship expenditure (EUR 668 million in commitments), the Council aims to:

- set the level of commitment appropriations, reducing by a total of EUR 15.55 million the commitment appropriations requested in the DB in respect of a number of specific budget lines under this heading on the basis of past and current budget implementation and of realistic absorption capacities;
- fix the level of the appropriations for subsidies for decentralised agencies, reducing the appropriations requested in the DB by a total of EUR 9.48 million in commitments and EUR 6.46 million in payments as a result of the approach followed for these agencies;

- set the level of payment appropriations, reducing by a total amount of EUR 14.53 million the appropriations requested in the DB in a targeted manner over a series of budget lines, on the basis of past and current budget implementation.

The available margin under sub-heading 3b would be EUR 31.08 million.

Heading 4: The EU as a global player: the Council envisages an overall amount of **EUR 9.206 billion** in commitments. It decided to:

- accept letter of amendment No 1/2012. This letter is fully financed under the current ceiling of heading 4 by additional redeployments;
- set the level of commitment appropriations, reducing by a total amount of EUR 203.57 million the commitment appropriations requested in the DB on a number of specific budget lines under this heading, on the basis of past and current budget implementation and of realistic absorption capacities;
- fix the level of the appropriations for subsidies for the decentralised agency, reducing the appropriations requested in the DB by a total of EUR 0.28 million in commitments and EUR 0.40 million in payments as a result of the approach followed for these agencies;
- set the level of payment appropriations, reducing by a total of EUR 300.37 million the appropriations requested in the DB, of which on the one hand EUR 190.37 million in a targeted manner over a series of budget lines, on the basis of past and current budget implementation and of realistic absorption capacities, and on the other hand by not retaining the amount of EUR 110 million proposed in the DB for the Emergency Aid Reserve.

The margin available under heading 4 would be EUR 50.23 million to cover additional needs at a later stage.

Heading 5: Administrative expenditure: administrative expenditure is set at **EUR 8.207 billion** in commitments. The Council decided to:

- keep under strict control the volume of the administrative expenditure of the EU institutions, in line with the approach followed by the Member States for their national civil service;
- set the administrative budget of each institution at the appropriate level, taking into account their specificities and real and justified needs;
- carry out targeted reductions for all the institutions, taking into account past and current budget implementation and real needs;
- increase the standard flat rate abatement on salaries for most of the institutions, taking into account their current vacancy rate;
- **not accept any new post requested by the institutions** with the exception of part of the posts requested by the European External Action Service which is a new institution;
- accept the requested conversions, transformations, upgradings and transfers of posts.

This approach has resulted in an appropriate level of administrative expenditure ensuring a proper functioning of the institutions. A margin of EUR 546.44 million remained available under the ceiling of heading 5 of the multiannual financial framework. When examining the administrative budgets, the Council also focused on administrative expenditure linked to operational programmes and on administrative expenditure of the executive agencies. In this respect, it was decided to carry out targeted reductions on the basis of a similar approach as the one followed for the institutions.

Agencies: as regards decentralised agencies, the Council also applied a similar approach as for the institutions. Therefore, no increase in appropriations compared to 2011 and no new posts were accepted for the agencies at "cruising speed". Regarding agencies in charge of new tasks, an increase limited to 1.5 % compared to 2011 and one third of the new posts requested were accepted. In addition, the creation of

new auto-financed posts was registered. For agencies in the "start-up" phase, new posts and increases in the corresponding contribution to Titles 1 and 2 were limited to 3/4 of the requests.