

# 2013 budget: priorities - section III, Commission

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The Council adopted conclusions setting its priorities for the EU's general budget for 2013. They will serve as the basis for negotiations with the European Parliament and the Commission later this year.

Some delegations asked the Commission to ensure that its draft EU budget for 2013 reflects the consolidation efforts currently being undertaken at national level. Others highlighted the need to honour commitments made in the past.

## Key elements of the budget for 2013

**A realistic budget:** the first key element of the requested budgetary discipline is that the budget for 2013 should **strictly respect the ceilings of the current MFF**. Moreover, with the exception of sub-heading 1b (Cohesion for growth and employment), the Council stresses the need to leave sufficient margins under all ceilings of the various headings and sub-headings of the MFF, in order to be able to deal with unforeseen circumstances.

The Council insists on the need for a **realistic budget respecting the principle of sound financial management**. Especially in the current economic context, commitment and payment appropriations have to be kept under strict control and correspond to real needs.

Moreover, it encourages the Commission and Member States to continue their efforts to deliver better forecasts in all domains. An accurate draft budget is essential to allow Member States to precisely anticipate the level of their contribution to the Union's budget. The draft budget has to present appropriations reflecting genuine needs, taking into account past implementation, future needs and **absorption capacities**. In this respect, the Council asks the Commission to deliver, together with its draft budget, precise and transparent information on the underlying assumptions on which the figures for each heading and sub-heading are based. The Commission should also provide precise and frequent information on the budget implementation at every stage of the budgetary procedure. This rigorous follow-up is essential to avoid past experience of significant under-implementation of certain funds and unjustified carry-overs, or to justify any additional need for appropriations or redeployment of existing resources.

In close relation with all these issues, the Council notes with great concern the volume of outstanding commitments (**at the end of 2011, outstanding commitments (RAL) amounted to EUR 207 billion**). This issue has to be examined thoroughly and the Council urges the Commission to take all appropriate remedial measures in each annual budgetary procedure.

- **Specific issues:** on a strictly technical level, the Council encourages the Commission to continue the improvement of the documents accompanying its draft budget. These documents should be as transparent, simple and concise as possible, and clearly justify the appropriations requested. Particular attention should be paid to the information on the evolution of the volume of outstanding commitments and on payment profiles.

- **Administrative expenditure:** in the context of a rigorous fiscal consolidation in Member States, already highlighted in the introduction, national administrations have to optimise the use of limited resources. Therefore, the Council urges the institutions not to increase administrative expenditure and to provide

financing only for real needs, in order to give a positive signal to the citizens. All the institutions should continue their efforts by increasing administrative efficiency with restricted resources and by preferring redeployment and reprioritisation to requests for additional appropriations.

The Council welcomes the Commission's initiative to reduce by 1% the number of posts for 2013 in its establishment plans. It calls on all institutions and agencies to follow a similar approach, without prejudice to its position in the context of the revision of the staff regulation and the negotiations on the next MFF. The Council is concerned about the evolution in appropriations for pensions and their impact on administrative expenditure in the future.

- **Agencies:** the Council regrets the **recurrent over-budgeting of some agencies**, leading to unjustified carry-overs. It reiterates the importance of keeping their funding under firm control, so as to provide for real needs. It expects the Commission to continue to provide a comprehensive picture concerning agencies, including their building policy, in due time for the draft budget for 2013. The Council strongly urges the Commission, when establishing its draft budget, to continue to take into account the appropriations unused by the agencies, in order to **bring down their annual surpluses**. It also urges the Commission to carefully check, and if necessary revise, the requirements of funds and posts as proposed by the agencies taking into account proven problems with implementation and recruitment with the aim of presenting a **realistic budget proposal**.

- **Financing of the ITER project:** the Council recalls the agreement reached in December 2011 on the additional financing of the ITER project in 2012 and 2013. According to this agreement the ceiling for commitment appropriations under sub-heading 1a (Competitiveness for growth and employment) has been increased in 2013 by EUR 190 million and a further EUR 360 million will be made available within the ceilings. It recalls its preference that the outstanding appropriations in the budget for 2013 should be made available through redeployments. Therefore, the Council asks the Commission to examine all possibilities of redeployment and accordingly make concrete proposals within the draft budget for 2013.