

2012 budget: all sections

2011/2020(BUD) - 01/12/2011 - Final act

PURPOSE: [the definitive adoption of the European Union's general budget for the financial year 2012.](#)

LEGISLATIVE ACT: 2012/70/EU, Euratom.

CONTENT: on 1 December 2011 the European Parliament voted the EU budget 2012, in accordance with the procedure laid down in the Lisbon Treaty. The budget as adopted in plenary by the European Parliament is based on the overall compromise reached within the budgetary conciliation committee on 18-19 November 2011.

The 2012 budget: in summary, the overall 2012 budget is broken down as follows:

- total payments for the 2012 EU budget amount to **EUR 129.09 billion** (a very limited increase of 1.86% compared to the 2011 EU budget, if draft amending budgets Nos 6 and 7 are taken into account). This amount is equivalent to 0.98% of Gross National Income (GNI) of the EU;
- total commitments for 2012 amount to **EUR 147.23 billion**, an increase of +3.54% (+3.57% if draft amending budgets Nos 6 and 7 are excluded). This leaves a margin of EUR 1.4 billion below the ceiling of the multiannual financial framework (MFF).

It should be noted that because an inflation rate of 2% is forecast for the EU in 2012, the budget is hence expected to **diminish in real terms** (in terms of payment appropriations).

This budget was adopted following intense negotiations to achieve a balance between a strict limitation on its size (to help Member States in their consolidation efforts) and the financing of measures designed to stimulate growth and jobs. The EU has made considerable efforts to limit the increase of its own administrative spending.

Budget priorities: the 2012 budget gives priority to the European economy and EU citizens. It will focus on the following main priorities in the context of the Europe 2020 strategy:

- Innovation Union: EUR 23.0 billion;
- Youth on the move: EUR 1.4 billion;
- A digital agenda for Europe: EUR 2.4 billion;
- A resource-efficient Europe: EUR 22.1 billion;
- An industrial policy for the globalisation era: EUR 1.8 billion;
- An agenda for new skills and jobs: EUR 9.5 billion;
- European platform against poverty: EUR 2.0 billion.

Response to the crisis: in 2012, EUR 62.2 billion (about 42.3 % of the total budget) is linked to the Europe 2020 strategy. That represents an overall increase of 4.5 % compared with 2011. This increase was made possible by keeping some administrative expenses down, redefining priorities and mainstreaming the key activities. The largest part of the budget (94.4%), will be directed to Union programmes and operations in favour of Europe's regions and towns, business, scientists, citizens and the EU's actions in the world.

The 2012 budget – heading by heading:

- **Heading 1: SUSTAINABLE GROWTH:** this heading has **EUR 67.5 billion** in commitment and EUR 55.3 billion in payment appropriations to stimulate the European economy. It is broken down into two sub-headings and covers 45.8% of the total budget:

- **1a - Competitiveness for growth and employment:** in 2012, the budget will seek to rationalise support for research and development. With EUR 14.8 billion (compared with EUR 13.5 billion in 2011), this heading will cover the majority of the EU's most innovative programmes and actions. As an example, in 2012 the contribution to the competitiveness and innovation framework programme (CIP) represents EUR 614.4 million. In the areas of biotechnology and healthcare research and related activities, the EU allocated EUR 939.5 million to improve research at EU and international levels in the field of drug development process and the fight against major diseases. It should also be noted that funding for education programmes has increased by 8% and amounts to EUR 1.2 billion;
- **1b – Cohesion for growth and jobs:** with an allocation of EUR 52.8 billion in commitments and EUR 43.8 in payment appropriations, this sub-heading focuses on the Union's structural actions, environmental policy and spatial policy. In comparison with 2011, commitment appropriations have increased by 3.5%. In the context of this sub-heading, EUR 153 million is available for labour market measures to improve access to employment and increase participation and progress of women.

- **Heading 2: PRESERVATION AND MANAGEMENT OF NATURAL RESOURCES:** this heading has been allocated **EUR 60 billion** in commitment and EUR 57 million in payment appropriations. It accounts for 40.8% of the overall budget. Agriculture plays an important role in providing a viable food supply and in the management of natural resources, and contributes to preserving biodiversity, landscapes, clean water, soil and air. EUR 40.5 billion is available in 2012 for direct aids as income support for farmers, 91.8 % of which is not linked to the level of production. EUR 14.6 billion is available through the European Agricultural Fund for Rural Development to improve the quality of life and to encourage diversification of activities by creating new jobs and contributing to an adequate level of services for the rural economy. This includes EUR 4.9 billion (+ 1.2 %) in 2012 for activities such as training, modernisation projects on farms, enterprise projects and participation of farms in 'quality schemes'. The 'Green cars' initiative encourages the rapid development of technologies supporting sustainable hybrid and electric cars. The budget for this initiative is EUR 20 million in 2012. An amount of EUR 0.4 billion is allocated for environment and combating climate change.

- **Heading 3: CITIZENSHIP, FREEDOM, SECURITY AND JUSTICE:** this heading now accounts for 1.4% of the Union's budget with **EUR 2.1 billion** in commitment and EUR 1.5 billion in payment appropriations. This heading has lost 12.7% of payment appropriations compared with 2011. It covers the two following sub-headings (excluding the Union's Solidarity Fund):

- o **3a – Freedom, security and justice:** EUR 1.4 billion in commitment appropriations. This sub-heading supports actions and programmes in the fields of fundamental rights, justice, security, safeguarding liberties, solidarity and management of migration flows. Part of the EU funding will be devoted to the support for a certain number of national programmes and actions focusing on return management and measures to address the specific situation of vulnerable returnees ;
- o **3b – Citizenship (including support for youth and culture):** with EUR 700 million in commitment appropriations, the budget for this sub-heading has fallen by 21% compared with 2011. With an allocation of EUR 2.7 million, the European Union and the member countries will implement a number of activities to promote active ageing in the areas of employment strategy, adult education, public health and the information society. With a budget of EUR 28.2 million in 2012, the 'Europe for citizens' programme encourages civil society and other

organisations to develop projects of European interest, town-twinning and activities directly involving citizens.

- **Heading 4: THE EU AS A GLOBAL PARTNER:** in 2012, this heading is allocated EUR 9.4 billion in commitment and EUR 7 billion in payment appropriations. It accounts for 6.4% of the budget (up from 6.2% in 2011). The heading includes instruments such as the Development Cooperation Instrument (DCI) that, with a budget of EUR 2.6 billion in 2012, contributes to eradicating poverty throughout the world, promoting democracy and respect for human rights of populations in 47 developing countries in Latin America, Asia and Central Asia, the Gulf region and South Africa. Furthermore, in the event of humanitarian crises, EUR 0.8 billion will be allocated in humanitarian aid to the millions of persons affected by man-made or natural catastrophes. To contribute to maintaining an area of peace, stability and prosperity, the EU is committed to spending EUR 2.3 billion on financial assistance through the European Neighbourhood and Partnership Instrument (ENPI). In 2012, the ENPI notably **contributes to supporting the countries in the Mediterranean region which were at the heart of the ‘Arab spring’** in their transition to democracy. The Instrument for Pre-Accession Assistance will benefit from EUR 1.9 billion to support candidate and potential candidate countries for EU membership in their efforts to align themselves with European standards and policies. Through its European External Action Service (EEAS) and its delegations around the world, supported by the services of the European Commission, the EU focuses on tackling the challenges facing Europe as well as the rest of the world: climate change, terrorism, drugs and energy security. The EEAS also contributes to preventing, managing and resolving conflict and building peace in the world.

- **Heading 5: ADMINISTRATION:** in 2012, 5.6% of the EU budget is planned to cover the functioning of all the EU institutions, compared to 5.7 % in 2011. Seven years ago, the European Commission undertook a major reform of its administration which has already saved the EU taxpayers EUR 3 billion. For several years, the Commission has maintained the policy of 0% staff growth. As a result, this heading has only increased by 1.3% compared with 2011 and has an allocation of **EUR 8.3 billion**.