

# 2013 general budget: all sections

2012/2092(BUD) - 25/07/2012 - Council position on draft budget

The Council adopted its position on the draft budget of the European Union for 2013.

The main features of the position are as follows:

- **EUR 149 776.77 million in commitment appropriations;**
- **EUR 132 695.47 million in payment appropriations.**

Under the Council's position on the draft budget for 2013, commitment appropriations increase by 1.27% compared to the 2012 budget and payment appropriations increase by 2.79%.

The total amount of payment appropriations provided for in the Council's position on the draft budget for 2013 corresponds to **0.99% of EU GNI**.

**A. Generalities:** the Council's position on the draft budget for 2013:

- 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 2013 budget in the [Council conclusions adopted in February 2012](#);
- is an approach resulting in a budget that is both realistic and comprehensively balanced, that meets the conditions of **budgetary discipline and sound financial management in seeking to make additional efforts in comparison to the draft budget put forward by the Commission**;
- provides adequate funding for the European Union's various priorities, by determining appropriations on the basis of the budget implementation rate in 2011, budget forecast alerts in 2012 and realistic absorption capacities, given the particularities of the various financial years. This approach was also followed with regard to allocations for administrative expenditures relating to the operational programmes and expenditures of the executive agencies;
- **ensures a limited and controlled growth of payment appropriations** in line with 2012 under all headings and sub-headings of the multiannual financial framework, adjusting the amounts on the basis of an analysis of the 2011 budget implementation and the 2012 budget forecast alerts. This approach should be seen in the context of the budgetary constraints applied in all Member States;
- applies the same approach as that adopted in relation to the institutions' administrative expenditures to those of the decentralised agencies;
- **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:** besides the abovementioned principles, the Council also approved a statement on payment appropriations calling on the Commission to submit as early as possible **the letter of amendment for agriculture** (including information about the possible carry-over of assigned revenue) and, if necessary, **a letter of amendment concerning sub-heading 1b** in order to appropriately calibrate the level of resources in heading 2 (Preservation and management of natural resources) and sub-heading 1b in the 2013 budget.

Furthermore, the Council asks the Commission to submit a draft amending budget if the payment appropriations entered in the 2013 budget are insufficient to cover expenditure under:

- sub-heading 1a (Competitiveness for growth and employment),
- sub-heading 1b,
- heading 2 and
- **heading 4** (EU as a global player).

It urges the Commission to present as early as possible 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 is as follows:

**Heading 1: Sustainable growth (EUR 70.055 billion in commitments):**

**Sub-heading 1a:** as regards **competitiveness for growth and employment** expenditure, the amount of this sub-heading totals **EUR 15.563 billion** in commitment appropriations, thus a reduction of EUR 469.15 million in the appropriations requested in the DB in respect of a number of specific budget lines under this sub-heading, of which EUR 35.51 million resulting from the approach taken in regard to administrative expenditure.

The sub-heading is characterised by the following:

- the fixing of the level of the appropriations for subsidies for decentralised agencies, reducing the appropriations requested in the DB by a total of EUR 2.77 million in commitments and payments as a result of the approach followed for these agencies(a total of 111 temporary posts are accepted);
- the setting of the level of payment appropriations, **targeting a total reduction of EUR 1 897.65 million in the appropriations requested in the DB** of which EUR 151 million in the field of competitiveness, EUR 63.05 million in the field of transport, EUR 1 237.09 million in the field of research, EUR 104 million in the field of education and training, EUR 13.4 million in the field of social policy, EUR 202 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 77.1 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 560.1 million.

**Sub-heading 1b):** expenditures on **cohesion for growth and employment:** the Council has foreseen an amount of **EUR 54.492 billion** in commitments. The other main points about this sub-heading are the following:

- the establishment of the level of commitment appropriations, targeting a total reduction of EUR 7.4 million in the appropriations requested in the DB in respect of a number of specific budget lines related to administrative expenditure under this subheading;
- the setting of the level of payment appropriations, **reducing the appropriations requested in the DB by a total of EUR 1 599.74 million, resulting in an increase of 8.07 % in comparison with 2012**. This amount represents a reduction in payment appropriations concentrated in the fields of the European Regional Development Fund (EUR 310 million), the European Social Fund (EUR 831 million) and the Cohesion Fund (EUR 459 million), representing an adjustment on the basis of the available information.

The margin available under sub-heading 1b would be EUR 32.45 million.

**Heading 2: expenditure for preservation and management of natural resources:** the amount for this heading is set at **EUR 59.971 billion** in commitment appropriations, thus involving a total reduction of EUR 336 million in commitment appropriations requested in the DB, of which EUR 67 million in the field of agriculture, EUR 264 million on the budget line for clearance of accounts and EUR 4 million on the budget line for public awareness, on the basis of past and current budget implementation.

Market-related expenditures and direct aids are set at EUR 43.795 billion (in commitment appropriations) by the Council, i.e. a reduction of 0.4% in comparison with 2012.

Other points in regard to this budgetary heading include:

- the fixing of the level of the appropriations for subsidies for decentralised agencies, reducing the appropriations requested in the DB by a total of EUR 1.07 million in commitments and payments as a result of the approach followed for these agencies, (a total of 29 temporary posts accepted);
- the setting of the level of payment appropriations, **reducing the appropriations requested in the DB by a total of EUR 490.57 million**, of which EUR 67 million in the field of agriculture, EUR 264 million on the budget line for clearance of accounts, EUR 100 million in the field of rural development, EUR 38 million in maritime affairs and fisheries, and EUR 20.5 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 1 317.55 million.

**Heading 3: Citizenship, freedom, security and justice:** the allocation for this heading has been set at **EUR 2.057 billion** in commitment appropriations, divided between two sub-headings:

**3a)** in regard to **freedom, security and justice expenditure (EUR 1.377 billion** in commitment appropriations), the Council requests:

- the setting of the level of commitment appropriations, reducing by a total of EUR 14.95 million commitment appropriations requested in the DB in respect of a number of specific budget lines under this sub-heading, on the basis of past and current budget implementation and realistic absorption capacities;
- the fixing of the level of the appropriations for subsidies for decentralised agencies, reducing the appropriations requested in the DB by a total of EUR 2.83 million in commitments and payments as a result of the approach followed for these agencies (a total of 45 temporary posts accepted);
- the level of payment appropriations, targeting a **total reduction of EUR 50.97 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 283.72 million.

**3b)** as regards **citizenship** expenditure (**EUR 680 million** in commitment appropriations), the Council has sought to:

- set the level of commitment appropriations, reducing by a total of EUR 9.52 million the commitment appropriations requested in the DB in respect of a number of specific budget lines under this sub-heading on the basis of past and current budget implementation and 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 0.84 million in commitments and payments as a result of the approach followed for these agencies;

- set the level of payment appropriations, **reducing by a total amount of EUR 9.55 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 35.10 million.

**Heading 4: the EU as a global player**, the Council envisages a total amount of **EUR 9.295 billion** in commitment appropriations. It thus decided to:

- set the level of commitment appropriations, reducing by a total amount of EUR 171.7 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 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 0.21 million in commitments and payments as a result of the approach followed for these agencies;
- set the level of payment appropriations, **reducing by a total of EUR 1 034.29 million the appropriations requested in the DB**, of which on the one hand EUR 924.29 million in a targeted manner over a series of budget lines, on the basis of past and current budget implementation as well as realistic absorption capacities, while, on the other hand, **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 563.64 million to cover any additional needs at a later stage.

**Heading 5: administrative expenditure:** these amount to **EUR 8.398 billion** in commitment appropriations. The Council has 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, **reducing by a total amount of EUR 146.18 million the commitment and payment appropriations requested in the DB**;
- increase the standard flat rate abatement on salaries for certain institutions and offices;
- **not accept the 1.7 % increase related to the 2011 salary adjustment**;
- apply the Commission's proposal to reduce staff by 1% per year as from 2013 to all institutions, with the exception of the very small institutions (European Ombudsman and European Data Protection Supervisor) and the recently created European External Action Service;
- not accept the new posts requested by the European Ombudsman and the European Data Protection Supervisor;
- accept the requested conversions, transformations, upgradings and transfers of posts, with the exception of non-obligatory transformations of posts requested by the Court of Justice of the European Union;
- **accept all additional staff requests related to the Croatia enlargement**.

This approach has resulted in an appropriate level of administrative expenditure ensuring a proper functioning of the institutions. A margin of EUR 782.77 million remains available under the ceiling of heading 5 of the multiannual financial framework. 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 the decentralised agencies, the Council also applied a similar approach as for the institutions. Therefore, a 1% reduction was retained in the contribution to Titles 1 and 2 of all agencies.

As regards posts, a 1% reduction to the establishment plan was applied for the agencies at "cruising speed". Regarding agencies in charge of new tasks, only half of the new posts requested were accepted. For agencies in the "start-up" phase, the accepted new posts were limited to three-quarters of the requests.