

2013 general budget: all sections, second version

2012/2307(BUD) - 12/12/2012 - Final act

PURPOSE : definitive adoption of the European Union's general budget for the financial year 2013.

LEGISLATIVE ACT : 2013/102/EU, Euratom.

CONTENT : on 12 December 2012, the European Parliament voted the adoption of the 2013 EU budget. It herewith confirmed the deal reached between the Cyprus presidency, representatives of the European Parliament and of the Commission at a trilogue on 29 November 2012. This agreement shall avoid the application of the "provisional twelfths" scheme next year which would have major consequences to the implementation of key EU policies and programmes.

Problem of payment appropriations : the agreement provides for additional resources within the 2012 EU budget in order to address a **shortfall of payments** and puts the spending priorities within the 2013 EU budget on measures enhancing growth and jobs while taking account of member states' consolidation efforts. The shortfall of payments in the 2012 EU budget is addressed by draft [amending budget no 6 for 2012](#) which increases this year's payments' level by EUR 6.0 billion. Moreover, additional redeployments of EUR 100.43 million between various budget lines have been agreed.

In a joint statement : the Parliament and the Council ask the Commission to initiate any necessary action to request additional payment appropriations in an amending budget if the appropriations entered in the 2013 budget prove 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), Heading 3 (Citizenship, freedom, security and justice) and Heading 4 (EU as a global player).

Moreover, the European Parliament and the Council urge the Commission to present by mid-October 2013 at the latest updated figures concerning the state of play and estimates regarding payment appropriations under Sub-heading 1b and Heading 2. A draft amending budget may possibly be required as early as mid-2013.

In this context, there is a need to ensure that an orderly progression of the total appropriations for payments in relation to the appropriations for commitments, so as to avoid any abnormal evolution of outstanding commitments ('RAL').

In any event, the European Parliament, the Council and the Commission recall their shared responsibility shall ensure that the financial means are made available to allow the Union to fulfil its legal obligation in respect of third parties.

Another joint statement highlights the problem as regards payment needs for 2012 and the parallel adoption of Amending Budget 6/2012 (appropriations lowered by 2.9 billion with respect to the amount proposed by the Commission). The Commission is asked to present at an early stage in the year 2013 a draft amending budget devoted to the sole purpose of covering the 2012 suspended claims as soon as the suspensions are lifted.

Procedural elements : negotiations on the first draft of the 2013 budget, presented by the Commission in spring, failed to reach an agreement within the conciliation committee. Consequently and in accordance

with Article 314(8) of the Treaty on the Functioning of the European Union, the Commission presented on 23 November 2012 a new draft general budget for 2013, which served as the basis of the definitive budget agreement reached between the European Parliament and the Council.

2013 budget figures :

- Total amount of payments : **EUR 132.84 billion**. This corresponds to 0.99% of the EU's Gross National Income (GNI) and represents an increase of 2.4% compared to the EU budget for 2012 as amended by amending budget nos 1-5.
- Total amount of commitments : **EUR 150.90 billion** (+ 1.6%), leaving an overall margin of EUR 2.5 billion below the ceilings of the current multiannual financial framework (MFF).

Main budget priorities : in 2013, the EU budget will focus on two major priorities: **enhancing economic growth and job creation**, which can only be achieved next to fiscal consolidation through **investment** in future growth. The EU budget complements national efforts aimed at meeting this objective by investing in the priority areas defined in the **Europe 2020 strategy**, which was adopted by all EU Member States. The 2013 EU budget is an essential step on the way to reaching these goals. In 2013, EUR 64.5 billion is directly linked to the Europe 2020's flagships, an increase of 2.7 % over 2012.

The 2013 EU budget takes into account the difficult economic context and pressure on national budgets. It **freezes future expenditure** and includes a strong emphasis on savings and cost efficiency. As 2013 is the last year of the current multiannual financial framework, the budget has to include the payments for programmes which are going to be finalised. These contributions are essential for many Member States, as they cover key infrastructure projects.

2013 Budget – Amounts heading by heading :

Heading 1 – Sustainable development : this heading has been allocated EUR 70.63 billion in commitments and EUR 59 billion in payments to stimulate the European economy. It includes 2 specific sub-headings which cover 46.8% of the budget :

- **Sub-heading 1a - Competitiveness for growth and employment** : commitments have been set at EUR 16.1 billion, leaving a margin of EUR 2 million under the ceiling of the MFF. This amount shall be dedicated to lifelong learning and training programmes (including Erasmus), the remaining amount shall be used to finance three new agencies in charge of the supervision of financial markets. Payments have been set at EUR 11.9 billion. 1 billion has been allocated to Lifelong Learning and the Competitiveness and Innovation Framework Programme for which a total amount of EUR 435 million has been agreed. This budget heading also includes major programmes such as the seventh framework programme for research and technological development (FP7), the competitiveness and innovation programme (CIP) and the trans-European networks (TENs). Other actions concern the internal market, statistics, financial services and supervision, taxation, the customs union and the fight against fraud.

- **Sub-heading 1b - Cohesion for growth and employment** : commitments have been set at EUR 54.5 billion, leaving a margin of EUR 15.4 million. Payments amount to EUR 47.2 billion. These funds help strengthen economic, social and territorial cohesion between regions and the EU Member States and they support competitiveness and employment. The Structural Funds will benefit from EUR 42.1 billion in 2013, while the Cohesion Fund projects have a budget of EUR 12.4 billion. Following a decision by the European Council, money that is not allocated under the Structural Funds may be used by the Member States to reinforce their efforts to address youth unemployment and support small and medium-sized enterprises (SMEs).

Heading 2 - Preservation and management of natural resources : commitments have been set at EUR 60.1 billion, leaving a margin of EUR 1.1 billion. Payments have been set at EUR 57.5 billion. Compared to 2012, the budget allocated under this heading has increased by EUR 332 million. This amount covers market-related expenditure and direct aids, support for rural development, maritime affairs and fisheries, environment and climate action, as well as other actions and programmes. **Climate action is a key priority for the European Union**, which continues to be in the lead in terms of actions aiming at saving our planet. A relevant example is the LIFE+ programme, which has received a budget of EUR 366.6 million for 2013. This money will support measures relating to resource efficiency. The purpose is to enhance nature protection and biodiversity, reduce waste production and greenhouse gas emissions, develop clean technologies and improve air quality management.

Heading 3 – Citizenship, Freedom, Security and Justice : the amount under this heading is set at 1.4% of the EU budget with **EUR 2.1 billion** in commitments and EUR 1.5 billion in payments. It comprises 2 sub-headings (excluding the EU Solidarity Fund) :

- **Sub-heading 3a - Freedom, security and justice** : commitments have been set at EUR 1.4 billion. This sub-heading will support activities and projects in the following areas: solidarity and management of migration flows, fundamental rights and justice, security, and safeguarding liberties. The EU has allocated a budget of EUR 53.7 million to the area of prevention of and fight against crime, which targets law enforcement, cross-border cooperation, information exchange and training among law enforcement authorities, as well as the protection of witnesses and victims.

- **Sub-heading 3b - Citizenship** : commitments have been set at EUR 707 million. The EU budget contributes to several Europe 2020 strategy flagship initiatives, including ‘Youth on the move’, ‘An agenda for new skills and jobs’, ‘European platform against poverty’ and ‘Innovation Union’. This amount will cover programmes which are of key concern to the European citizens: access to basic goods and services, fostering European culture and diversity, civil protection, communication with citizens, MEDIA 2007 and other actions and programmes.

Heading 4 - The EU as a global player : commitments have been set at EUR 9.6 billion (as proposed in the new draft budget), leaving a margin of EUR 276.0 million, and payments at EUR 6.3 billion. In order to promote stability, security and prosperity in its neighbourhood, the EU finances a number of activities beyond its borders. In 2013, the amount under this heading will be available to finance the Instrument for Pre-Accession Assistance (IPA), the European Neighbourhood and Partnership Instrument (ENPI) and the Development Cooperation Instrument (DCI), to name a few. This heading also finances the **Spring programme** (support for partnership reform and inclusive growth) which supports the countries of the Arab spring that show genuine commitment to democratic reforms. The Commission continues to place special emphasis on the application of the principles laid out in the Organisation for Economic Cooperation and Development (OECD) Paris declaration of 2005 on aid effectiveness.

Heading 5 – Administration : in 2013, the total expenditure for administration for all European institutions is estimated at **EUR 8.4 billion**. In a context where rigorous cuts and maximum efficiency are demanded of most public administrations, the 2013 EU budget incorporates a 1% reduction in staff levels and constitutes part of the Commission’s endeavour to **reduce staff by 5% in all EU institutions over 5 years**, without prejudice to a limited request for additional staff in order to cope with the expected accession of Croatia to the EU on 1 July 2013. All new activities not linked to enlargement will be covered through efficiency gains and redeployment.

In accordance with a joint statement on this heading, the European Parliament and the Council agree not to include at this stage the budgetary impact of the 2011 salary adjustment in the 2013 Budget. They jointly request the Commission, should the Court rule in favour of the Commission and as soon as it does, to submit a draft amending budget devoted to finance, as needed, the impact of the 2011 adjustment for

the institutions, including its retro-active effect on previous years and possible late interest. The European Parliament and the Council thus commit to approve such draft amending budget as soon as possible and to provide the necessary additional appropriations without jeopardising political priorities.