2014 general budget: all sections

2013/2145(BUD) - 02/09/2013 - Council position on draft budget

The Council adopted its position on the draft budget for the financial year 2014.

Following Council's deliberations, the main features of this position are as follows:

- **Commitment appropriations (c/a): EUR 142 226.93 million**
- **Payment appropriations (p/a) : EUR 135 004.61 million**

Under the Council's position on the DB for 2014, **commitment appropriations decrease by -6.15 % compared to the 2013 budget** and payment appropriations increase by +1.35 %.

The total amount of payment appropriations provided for in the Council's position on the DB for 2014 corresponds to **1.00 % of the EU gross national income (GNI)**.

A. General points: when adopting its position, the Council took into account a number of guidelines contained in its February 2013 conclusions and which may be summarised as follows:

- to follow an approach leading to a budget complying with budgetary discipline and sound financial management, as well as taking duly into account the ongoing economic and budgetary constraints in Member States;
- to provide adequate funding for the European Union's various priorities, determining appropriations on the basis of past and current budget implementation and **realistic absorption capacities**;
- to foresee the necessary appropriations enabling the fully-fledged start of the new programmes in the first year of the multiannual financial framework 2014-2020;
- to leave adequate margins under the ceilings of the headings and subheadings of the multiannual financial framework, with the exception of subheading 1b, in order to be able to cope with unforeseen situations;
- to **keep payment appropriations firmly under control** under all headings and sub-headings of the multiannual financial framework, adjusting the amounts on the basis of an analysis of past and current budget implementation and realistic absorption capacities;
- to **limit the increase requested by the institutions for administrative expenditure in 2014 and to reduce their number of staff in line with the -5% target over the period 2013-2017** set in the European Council conclusions of 7/8 February 2013, while taking into account the salary adjustment of 2011 and 2012 (European Parliament excepted, in accordance with the "gentlemen's agreement").

Statement on payment appropriations: in addition to the guidelines described above, 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 a **letter of amendment for sub-heading 1b** in order to appropriately calibrate the level of resources in heading 2 in the 2014 budget.

Furthermore, the Council asked the Commission to submit a draft amending budget if the payment appropriations entered in the 2014 budget are insufficient to cover expenditure under:

- sub-heading 1a (Competitiveness for growth and jobs),
- sub-heading 1b (Economic, social and territorial cohesion),
- heading 2 and

- heading 4 (Global Europe) of the multiannual
- financial framework.

It urged 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 would then take position on the draft amending budget as quickly as possible in order to avoid any **shortfall in payment appropriations**.

B. Expenditure by main budget headings: as to expenditure under the different headings and sub-headings of the multiannual financial framework, the Council's position is the following:

Heading 1: "Smart and inclusive growth » (EUR 63.762 billion in commitment appropriations):

1a: expenditure on **competitiveness for growth and jobs**: the amount for this heading was set at EUR 16.204 billion in commitment appropriations, an increase of 2.89% compared with the 2013 budget.

Characteristics in regard to subheading 1a include:

- to establish the level of **commitment appropriations**, targeting **a total reduction by -EUR 60 million in the appropriations requested in the draft budget for 2014** on a number of specific budget lines related, besides agencies, to administrative support expenditure under this sub-heading;
- to set the level of **payment appropriations, reducing the appropriations requested in the draft budget for 2014 by a total amount of -EUR 426.5 million**, of which -EUR 154 million in large infrastructure projects, -EUR 120.7 million in the Common Strategic Framework for Research and Innovation, -EUR 86.9 million in the Connecting Europe Facility, and -EUR 61.3 million in other programmes;
- these amounts also take into account reductions in contributions to decentralised agencies by a total amount of -EUR 3.3 million in commitment and payment appropriations under this sub-heading.

The margin available under sub-heading 1a would be EUR 185.8 million.

1b: economic, social and territorial cohesion expenditure: the Council has foreseen an amount of **EUR 47.557 billion** in commitment appropriations (a fall of 13.5% compared with the 2013 budget). The other main characteristics of this subheading are:

- to establish the level of **commitment appropriations**, targeting **a total reduction by -EUR 3.3 million in the appropriations requested in the draft budget for 2014** on a number of specific budget lines related to administrative support expenditure under this sub-heading;
- to set the level of payment appropriations, reducing the appropriations requested in the draft budget for 2014 by **a total amount of -EUR 202.3 million,** in particular in the field of Investment for growth and jobs (-EUR 114 million) and in European territorial cooperation (-EUR 85 million).

The margin available under sub-heading 1b would be EUR 25.7 million.

Heading 2: Sustainable growth: natural resources: the amount for this heading was fixed at **EUR 59.246 billion** in commitment appropriations, a total reduction of 1.07% compared with the 2013 budget.

Expenditure on the European Agricultural Guarantee Fund (EAGF) and market-related expenditure and direct payments are set at EUR 43.778 billion (in commitments) by the Council, an increase of 0.28% compared with 2013.

The characteristics of this budget heading are the following:

- to establish the level of **commitment appropriations**, targeting a **total reduction by -EUR 1.6 million in the appropriations requested in the draft budget for 2014** notably in administrative support expenditure for Maritime affairs and fisheries (-EUR 1 million);
- to set the level of **payment appropriations, reducing the appropriations requested in the draft budget for 2014 by a total amount of -EUR 112.6 million**, of which -EUR 54.3 million in the field of Rural development, -EUR 46 million in the European Maritime and Fisheries Fund, -EUR 1 million in Regional Fisheries Management Organisations and Sustainable Fisheries Agreements, and -EUR 10.7 million in Environment and climate action, on the basis of past, current or expected budget implementation. These amounts - estimated on the basis of information currently available - may be reviewed in the light of the letter of amendment expected in the autumn;
- these amounts also take into account reductions in contributions to decentralised agencies by a total amount of -EUR 0.59 million in commitment and payment appropriations under this heading.

The margin available under heading 2 would be EUR 56.9 million.

Heading 3: security and citizenship: the amount for this heading was set at **EUR 2.134 billion** in commitment appropriations and has been reduced by 9.63% compared with the 2013 budget. The characteristics of this budget heading are the following:

- to establish the level of commitment appropriations, targeting **a total reduction by -EUR 5.2 million in the appropriations requested in the draft budget for 2014** on a number of specific budget lines related, besides agencies, to administrative support expenditure under this heading;
- to set the level **of payment appropriations, reducing the appropriations requested in the draft budget for 2014 by a total amount of -EUR 10 million** on a number of budget lines on the basis of past and current budget implementation;
- these amounts also take into account reductions in contributions to decentralised agencies by a total amount of -EUR 4.5 million in commitment and payment appropriations under this heading.

The margin available under heading 3 would be EUR 44.8 million.

Heading 4: global Europe: the Council envisages an overall amount of **EUR 8.159 billion** in commitment appropriations, a reduction of 12.66% compared with 2013. It has thus decided to:

- establish the level of **commitment appropriations**, targeting **a total reduction by -EUR 17.3 million in the appropriations requested in the draft budget for 2014** on a number of specific budget lines related, besides agencies, to administrative support expenditure under this heading;
- set the level of **payment appropriations, reducing the appropriations requested in the draft budget for 2014 by a total amount of -EUR 156.6 million** on the basis of past, current or expected budget implementation as well as realistic absorption capacities;
- these amounts also take into account reductions in the contribution to a decentralised agency by an amount of -EUR 0.23 million in commitment and payment appropriations under this heading.

The margin available under heading 4 would be EUR 176.5 million.

Heading 5: administrative expenditure: administrative expenditure is set at **EUR 8.441 billion** in commitment appropriations (+28% compared with 2013), EUR 6.835 billion of which are administrative expenditures for the institutions. The budget of each institution is covered by the Council's position with the budget variations from one year to the next. It should, moreover, be noted that the Council has maintained certain reductions relating to the administrative expenditure of the European schools

Decentralised agencies: as far as the decentralised agencies are concerned, the Council has applied an approach similar to that adopted for the institutions. Therefore, in proportion to the number of staff in the agencies' establishment plans (self-financed posts excepted), a reduction corresponding to the amounts relating to the salary adjustment of 2011 and 2012 was applied in the contribution to all agencies.