

## Basic information

2012/2307(BUD)

BUD - Budgetary procedure

2013 general budget: all sections, second version

### Subject

8.70.60 Previous annual budgets

Procedure completed

## Key players

European  
Parliament

### Committee responsible

**BUDG** Budgets

### Rapporteur

LA VIA Giovanni (PPE)

VAUGHAN Derek (S&D)

### Appointed

25/01/2012

25/01/2012

### Committee for opinion

**AFET** Foreign Affairs

### Rapporteur for opinion

The committee decided not to give an opinion.

**DEVE** Development

The committee decided not to give an opinion.

**INTA** International Trade

The committee decided not to give an opinion.

**CONT** Budgetary Control

The committee decided not to give an opinion.

**ECON** Economic and Monetary Affairs

The committee decided not to give an opinion.

**EMPL** Employment and Social Affairs

The committee decided not to give an opinion.

**ENVI** Environment, Public Health and Food Safety

The committee decided not to give an opinion.

**ITRE** Industry, Research and Energy

The committee decided not to give an opinion.

**IMCO** Internal Market and Consumer Protection

The committee decided not to give an opinion.

	<b>TRAN</b> Transport and Tourism	The committee decided not to give an opinion.	
	<b>REGI</b> Regional Development	The committee decided not to give an opinion.	
	<b>AGRI</b> Agriculture and Rural Development	The committee decided not to give an opinion.	
	<b>PECH</b> Fisheries	The committee decided not to give an opinion.	
	<b>CULT</b> Culture and Education	The committee decided not to give an opinion.	
	<b>JURI</b> Legal Affairs	The committee decided not to give an opinion.	
	<b>LIBE</b> Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.	
	<b>AFCO</b> Constitutional Affairs	The committee decided not to give an opinion.	
	<b>FEMM</b> Women's Rights and Gender Equality	The committee decided not to give an opinion.	
	<b>PETI</b> Petitions	The committee decided not to give an opinion.	
Council of the European Union	<b>Council configuration</b>	<b>Meetings</b>	<b>Date</b>
	Economic and Financial Affairs ECOFIN	3205	2012-12-04
	Justice and Home Affairs (JHA)	3207	2012-12-06
European Commission	<b>Commission DG</b>	<b>Commissioner</b>	
	Budget	LEWANDOWSKI Janusz	

Key events			
Date	Event	Reference	Summary

23/11/2012	Commission draft budget published	COM(2012)0716 	Summary
04/12/2012	Debate in Council		
06/12/2012	Council position on draft budget published	17195/2012	Summary
06/12/2012	Draft budget approved by Council		
10/12/2012	Committee referral announced in Parliament		
10/12/2012	Vote in committee		
10/12/2012	Budgetary report tabled for plenary	A7-0410/2012	Summary
11/12/2012	Debate in Parliament		
12/12/2012	Decision by Parliament	T7-0486/2012	Summary
12/12/2012	Results of vote in Parliament		
12/12/2012	End of procedure in Parliament		
08/03/2013	Final act published in Official Journal		

#### Technical information

<b>Procedure reference</b>	2012/2307(BUD)
<b>Procedure type</b>	BUD - Budgetary procedure
<b>Procedure subtype</b>	Budget
<b>Stage reached in procedure</b>	Procedure completed
<b>Committee dossier</b>	BUDG/7/11341

#### Documentation gateway

##### European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE501.942	06/12/2012	
Amendments tabled in committee		PE501.974	07/12/2012	
Budgetary report tabled for plenary, 1st reading		A7-0410/2012	10/12/2012	Summary
Budgetary text adopted by Parliament		T7-0486/2012	12/12/2012	Summary

##### Council of the EU

Document type	Reference	Date	Summary
Council position on draft budget	17195/2012	06/12/2012	Summary

##### European Commission

Document type	Reference	Date	Summary

Commission draft budget	COM(2012)0716 	23/11/2012	Summary
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Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Budget 2013/0102 OJ L 066 08.03.2013, p. 0001	Summary
Corrigendum to final act 32013B0102R(01) OJ L 134 18.05.2013, p. 0021	

## 2013 general budget: all sections, second version

2012/2307(BUD) - 23/11/2012 - Commission draft budget

PURPOSE: presentation of a **new version** of the Draft General Budget for 2013.

CONTENT: this document seeks to establish a second version of the Draft General Budget for 2013, following the failure of the Conciliation Committee to reach agreement.

### Background to the budgetary procedure:

- on 25 May 2012, the Commission transmitted the Draft budget for 2013 in all the official languages;
- on 25 July 2012, the Council completed its reading of the Draft Budget;
- on 23 October 2012,
- the European Parliament voted its reading. As Parliament adopted amendments to the Draft Budget, which could not be accepted by the Council, a **Conciliation Committee was convened**, in accordance with Article 314(4)(c) of the Treaty on the Functioning of the European Union (TFEU).

The Conciliation Committee worked over a period of twenty-one days, between 24 October and 13 November 2012. However, it was not possible to reconcile the positions of the European Parliament and Council within the time period allowed, also due to a difference of opinion between the European Parliament and the Council as to **how to conduct the negotiations on the 2013 budget, in connection with the outstanding payment needs for 2012**. This prevented reaching an agreement on the 2013 budget, as well as on Draft [Amending Budget No 6/2012](#).

In the absence of agreement in the Conciliation Committee, the Commission now submits a **new Draft Budget 2013**.

**New version of budget by budgetary heading:** the Commission presents a new Draft Budget for 2013 taking into account the positions expressed by the Council and Parliament in the course of the conciliation period.

**Commitment appropriations:** the total expenditure proposed in the new Draft Budget (DB) 2013 is EUR 151 058.6 million, corresponding to 1.13 % of GNI, that is EUR 2 621.6 million more than in 2012 (+ 1.8 %), and leaves a combined total margin of EUR 2 293.5 million under the various ceilings of the MFF.

For payment appropriations, the total amounts to EUR 137 797.6 million, corresponding to 1.03 % of GNI. This is a decrease of EUR 955.2 million compared to payment appropriations in the 2012 budget (- 0.7 %), when including Draft Amending Budget No 6/2012, and leaves a margin of EUR 6 309.4 million under the ceiling of the MFF.

While reflecting the estimated needs of the European Union for 2013, **the Commission is seeking to reconcile the positions of the two arms of the Budgetary Authority in this proposal for a new Draft Budget, without recourse to a further period of conciliation**. The consequences of non-agreement on the budget would be the recourse to provisional twelfths in 2013, with detrimental effects on the implementation of key policies and programmes, and would send a damaging message to the citizens of Europe at a time of economic uncertainty.

With **this imperative of reaching a timely adoption of the 2013 budget**, the Commission proposal for a new Draft Budget for 2013 reflects, for commitment appropriations, the elements of compromise on budget 2013 that were circulated at the Conciliation Committee, which to a large extent restored the original Commission's Draft Budget, leaving unallocated margins under the expenditure ceilings of each heading.

For payment appropriations, the new Draft Budget is based on the Commission's original Draft Budget, as amended by [Amending Letter No 1/2013](#), since **this continues to correspond to the best estimate of the payment needs for 2013**, assuming that the payment needs for 2012 to be paid this year will be covered by the 2012 budget.

The Draft Budget broken down by heading may be summarised as follows:

- **Heading 1a: Competitiveness for Growth and Employment:** commitment appropriations are set at EUR 16 105 million, which is an increase of 4.6 % compared to the 2012 budget. This leaves a margin of EUR 18 million. Payment appropriations increase by 12 %, when including Draft Amending Budget No 6/2012, to EUR 13 558.5 million. This significant increase is in part due to additional payment needs to cover pre-financing payments for the growing level of commitment appropriations for research, and in part to cover intermediate and final payments on outstanding commitments;
- **Heading 1b: Cohesion for Employment:** commitment appropriations increase by 3.3 % to EUR 54 508.6 million, leaving a margin of EUR 15.4 million. Payment appropriations decrease by 4 %, when including Draft Amending Budget No 6/2012, to EUR 48 977.3 million. As regards the decrease in payment appropriations as compared to 2012, it is noted that the high level of implementation for the closure of the 2000-2006 programmes in 2012 (amounting to EUR 4 249 million) will lead to a significant reduction of payment needs for programme closure in 2013 (EUR 1 923 million). The sustained high level of payments for heading 1b shows the momentum of the 2007-2013 Cohesion policy on the ground, with the expected positive impact on investments, economic growth and job creation in the EU.
- **Heading 2: Preservation and Management of Natural Resources:** commitment appropriations of EUR 60 249 million are proposed. This level of funding represents an increase of 0.7 % compared to 2012 and leaves a margin of EUR 1 040 million under the ceiling of heading 2. Payment appropriations amount to EUR 57 899.9 million, which is a decrease of 0.4 % compared to 2012, when including Draft Amending Budget No 6/2012. Within this heading the amount foreseen for market related expenditure and direct aids reaches EUR 44 056.5 million in commitment appropriations, and EUR 44 039.1 million in payment appropriations.
- **Heading 3a: Freedom, Security and Justice:** there is an increase in commitment appropriations of 2.3 %, rising to EUR 1 398.7 million, and leaving a margin of EUR 262.3 million. Payment appropriations increase by 9.7 % to EUR 927.6 million, mostly due to the four Funds under Solidarity and management of migration flows, which have now reached cruising speed and require substantial pre-financing payments to Member States.
- **Heading 3b: Citizenship:** commitment appropriations decrease by 49 % to EUR 707.2 million, leaving a margin of EUR 7.8 million. Payment appropriations for this heading decrease by 50.9 % to EUR 655.8 million. If the EU Solidarity Fund (EUR 688.3 million for commitment and payment appropriations in 2012) is excluded from this comparison, commitment and payment appropriations increase by 1.4 % and 1.1 % respectively. The annual ceiling for this heading, which supports various actions close to European citizens, remains broadly stable in the current financial framework.
- **Heading 4: the EU as a Global Player:** this heading sees an increase in commitment appropriations of 1.9 % to EUR 9 583.1 million, leaving an unallocated margin of EUR 276 million available under the ceiling. Payment appropriations, on the other hand, increase by 3.6% to EUR 7 271.9 million, mostly due to increases under IPA, ENPI, Humanitarian aid and CFSP, at a time when many instruments are reaching cruising speed.
- **Heading 5: Administration:** both commitment and payment appropriations for administrative expenditure for all Institutions combined increase by 2.7 %, with commitments set at EUR 8 506.9 million and payments at EUR 8 506.5 million. This increase includes additional administrative expenditure related to Croatia's accession, which is included as from the beginning of 2013, so as to allow recruitments in due time. The remaining margin amounts to EUR 674.1 million. When excluding pensions and European schools (both of which concern inter-institutional expenditure), the increase in the Commission's administrative expenditure has been limited to 1.5 % (including Croatia's accession) i.e. well below expected inflation (+ 1.9 %).

**Reconciliation of the positions of the institutions:** the Commission is seeking to reconcile the positions of the two arms of the Budgetary Authority in this proposal for a new Draft Budget without recourse to a further period of Conciliation. With this aim in mind, this new Draft Budget for 2013 integrates, for commitment appropriations, **elements of compromise on budget 2013**, as presented to the Conciliation Committee, which to a large extent restore the Commission's original Draft Budget.

For **payment appropriations** the new Draft Budget continues to be based on the Commission's original Draft Budget as amended by Amending Letter No 1/2013, which corresponds to the best estimate of the payment needs for 2013, assuming that the payment needs for 2012 are covered by the 2012 budget. The details of the changes proposed to the original Draft Budget, as modified by Amending Letter No 1/2013, are outlined hereafter:

- **Heading 1a: considerable strengthening of the lifelong learning programme** (+ EUR 16.8 million). The other lines are 'closed' (which means that they were not changed by either the Council or Parliament). As a consequence, and after taking into account pilot projects and preparatory actions, the margin under the expenditure ceiling of heading 1a amounts to EUR 18.0 million and the net difference between the first and the second Draft Budget amounts to around an additional EUR 58 million.
- **Heading 1b:** commitment appropriations are set at the level proposed in the original Draft Budget, with the exception of budget line 'Technical assistance and dissemination of information on the EU strategy for the Baltic Sea Region and an improved knowledge of macro-regions strategy', for which an amount of EUR 2.5 million in commitments is proposed. As a consequence, taking into account pilot projects and preparatory actions, the margin under the expenditure ceiling of heading 1b amounts to EUR 15.4 million.
- **Heading 2:** commitment appropriations are set at the level proposed by the Commission in the original Draft Budget, as amended by Amending Letter No 1/2013, with the exception of the 'accounting clearance of accounts' item (05 07 01 06), for which the reading of the European Parliament is reflected. As a consequence, and after taking into account pilot projects and preparatory actions, the margin under the expenditure ceiling of heading 2 amounts to EUR 1 040,0 million.

- **Heading 3a:** commitment appropriations are set at the level proposed by the Commission in the original Draft Budget. As a consequence, and after taking into account pilot projects and preparatory actions, the margin under the expenditure ceiling of heading 3a amounts to EUR 262.3 million.
- **Heading 3b:** commitment appropriations are set at the level proposed by the European Parliament. As a consequence, and after taking into account pilot projects and preparatory actions, the margin under the expenditure ceiling of heading 3b amounts to EUR 7.8 million.
- **Heading 4:** commitment appropriations are set at the level proposed by the European Parliament. As a consequence, and after taking into account pilot projects and preparatory actions, the margin under the expenditure ceiling of heading 4 amounts to EUR 276 million.
- **Heading 5:** the position of the European Parliament is proposed for the level of appropriations of all Institutions. The appropriations related to the 2011 salary adjustment are placed in the reserve. As a consequence, taking into account pilot projects and preparatory actions, the margin under the expenditure ceiling of heading 5 amounts to EUR 674.1 million. As far as establishment plan posts of the Institutions are concerned, the position of the Council is proposed for the Council, the Commission and the Economic and Social Committee. For the other Institutions, the position of the European Parliament is proposed.

**Horizontal Issues:** other questions were addressed concerning: (i) decentralised and executive agencies (the number of posts are set at the level proposed by the Commission in the original Draft Budget); (ii) pilot projects and preparatory actions (the new Draft Budget includes 55 pilot projects and preparatory actions proposed by the European Parliament and the Commission, for an amount of EUR 72.1 million in commitment appropriations, reflecting the reading of the European Parliament).

**General Approach on Payment Appropriations:** the Commission assessment of the need for an overall increase in payment appropriations for the financial year 2012 as proposed in Draft Amending Budget No 6/2012 remains entirely valid, both in terms of actual implementation to date and in light of payment claims received. As the absence of agreement in the Conciliation Committee does not formally affect the procedure for Draft Amending Budget No 6/2012, the proposal adopted by the Commission on 23 October 2012 remains submitted to Parliament and Council. The overall request for payment appropriations for 2013 is based on the assumption that the needs for 2012 which have to be paid that year will be covered by the 2012 budget. In connection with the assessment above, in terms of payment appropriations for differentiated expenditure, it is proposed to **retain the overall level of payments in the original Draft Budget as modified by Amending Letter No 1/2013**. Furthermore, some payment appropriations are added for pilot projects and preparatory actions. Accordingly, the overall level of payment appropriations in the new Draft Budget amounts to **EUR 137.8 billion**. The distribution of this overall amount in the new Draft Budget across headings and budget lines closely follows the payment appropriations established in the original Draft Budget, as amended by Amending Letter No 1/2013.

## 2013 general budget: all sections, second version

2012/2307(BUD) - 06/12/2012 - Council position on draft budget

On 25 May 2012, the Commission submitted a proposal containing the draft budget for the financial year 2013, regarding which no agreement was reached under the Conciliation procedure provided for in Article 314(4) to (6) of the Treaty on the Functioning of the European Union (TFEU).

In application of Article 314(8) TFEU, the Commission submitted a new draft budget for the financial year 2013 on 23 November 2012.

- **As regards commitment appropriations**, this new draft budget is based on the latest state of play in the negotiations of the Conciliation Committee on 13 November 2012.
- **For payment appropriations**, the new draft budget is based on the Commission's original draft budget, as amended by letter of amendment No 1/2013.

At the trilogue on 29 November 2012, **the European Parliament and the Council reached an ad referendum agreement on the new draft budget for 2013** amended as follows:

- **commitment appropriations on eight budget lines under sub-heading 1a are reinforced** for a total amount of EUR 15.986 million;
- appropriations on Item 05 07 01 06 (Accounting clearance of previous years' accounts with regard to shared management expenditure under the EAGGF Guarantee Section (previous measures) and under the EAGF) are set at an amount of -EUR 200 million;
- **appropriations related to the 2011 salary adjustment are not included in the 2013 budget** at this stage (except for the European Parliament); as part of the overall compromise, a joint statement on heading 5 and the salary and pension adjustment was agreed and seeks to stipulate provisionally it is foreseen not to include at this stage the budgetary impact of the 2011 salary adjustment in the 2013 budget. Without prejudice to Council's position in cases c-66/12, c-63/12, c-196/12 and c-453/12, Parliament and Council 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 retroactive effect on previous years and possible late interest;
- **the overall level of payment appropriations in the 2013 budget is set at an amount of EUR 132 836 987 855**; as part of the overall compromise, a reduction of the level of payment appropriations for 2013 as compared to the Commission's draft budget is foreseen.. Parliament and Council ask the Commission 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 (The 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 subheading 1b and rural development under heading 2**, and, if necessary, to present **a draft amending budget**.
- the European Parliament and the Council will take position on any draft amending budget as quickly as possible in order to avoid any shortfall in payment appropriations. In addition, the European Parliament and the Council undertake to process swiftly any possible transfer of payment appropriations, including across financial framework headings, in order to make the best possible use of payment appropriations entered in the budget and align them to actual execution and needs. In any event, the European Parliament, the Council and the Commission shall ensure that the financial means are made available to allow the Union to fulfil its legal obligation in respect of third parties;

as regards payment needs for 2012, the European Parliament and the Council note that the level of payments, proposed by the Commission in its 2013 draft budget, was based on the assumption that payment needs in 2012 would have been addressed with appropriations available in the 2012 budget. However, the additional payment appropriations authorised in [amending budget No 6/2012](#) were **lowered by EUR 2.9 million** with respect to the amount proposed by the Commission, and are not at the level of all payment claims received. Therefore, the Commission undertakes 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, and the other pending legal obligations. The European Parliament and the Council will take position on this draft amending budget as quickly as possible in order to cover any outstanding gap;

- **all reserves voted by the European Parliament are maintained**, with the exception of the reserve related to "Schengen governance" (Articles 18 02 05 – Visa information system, 18 02 06 - External Borders Fund, 18 05 08 - Prevention, preparedness and consequence management of terrorism and 18 05 09 - Prevention of and fight against crime), for which 20 % of the appropriations on the line are placed in the reserve.

**Outcome of Council's proceedings:** on 6 December 2012, the Council reached an agreement on the new draft budget for 2013, as amended.

## 2013 general budget: all sections, second version

2012/2307(BUD) - 10/12/2012 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the joint report by Giovanni LA VIA (EPP, IT) and Derek VAUGHAN (S&D, UK) on the Council position on the new draft general budget of the European Union for the financial year 2013 - all sections.

Members recall that the "draft package" agreed, after difficult negotiations, by Parliament and Council during the Trilogue of 29 November 2012 consists of three elements:

1. the [Amending Budget No 6/2012](#) for EUR 6 billion, partially covering the shortage of payments up to 31st October 2012,
2. the Union Budget for the year 2013 set to a level of EUR 150 898.391 million and EUR 132 836.988 million, respectively in commitment and payment appropriations and
3. three joint statements ensuring that the actual payment needs in 2012 and 2013 will be duly covered.

Members refer to the overall level of commitments appropriations agreed, which represents **an increase of EUR 1.1 billion compared to the original reading of the Council** and are pleased that the biggest part of its political priorities is secured in next year's budget, with particular emphasis on the proper implementation of the EU commitment for growth and jobs.

**The recurring issue of payments:** Members note that the **overall level of payment appropriations agreed for 2013 decreases by 2.15 % compared to Budget 2012** following the adoption of 6 billion EUR in Amending Budget 6/2012. They stress that, due to the intransigent position of the Council in the negotiations, the overall level of payments set is **EUR 5 billion lower than the Commission's estimates for payment needs in their draft budget for 2013**, which will be insufficient to cover the actual payments needs of next year.

Members are convinced, however, that the cost of a non agreement would imply much more serious consequences and a much more negative impact on the implementation of the Union actions and programmes.

Members request the Commission to provide monthly reports to Parliament and Council on the evolution of Member States' (broken down per Member State and per fund) payment claims for structural funds, cohesion fund, rural development and fisheries funds from 31 October 2012 onwards. They also call for an interinstitutional working group on payments to be set up, where the two arms of the budgetary authority should present joint conclusions on how to proceed.

Members recall the highest political importance they attach to the joint statements (see below) and consider that these declarations will need to be respected and the necessary additional resources to be provided by Member States next year in order **for the Union to be able to pay its bills and to preserve its institutional credibility and solvency**.

**Budget vote subject to conditions:** Members indicate that the European Parliament's favourable vote on the 2013 Budget is subject to the attainment of specific guarantees at the highest political level of the three institutions on **the financing of the EUR 2.9 billion payments lacking for 2012**, which shall by no means imply a reduction of payment appropriations for 2013. They reaffirm that the only way to come out from this impasse, which renders the budgetary negotiations each year more difficult, is to urgently and responsibly solve the issue of **the Union's financing**, through a genuine system of own resources to come into force as from the next Multiannual Financial Framework, **removing once and for all the division of the EU between net contributors and net beneficiaries**. In the meantime, the Commission should explore the possibility of excluding, in a spirit of solidarity and consistency, Member States' gross GNI-based contributions to the Union Budget from the calculation of the structural deficit as defined in the 'two-pack' and in the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union.

Members approve without amendment the new Draft Budget for 2013, as amended by the Council, and give their accord to the joint statements that follow:

1. **Joint statement on payment appropriations for 2013:** the European Parliament and the Council agree on a reduction of the level of payment appropriations for 2013 as compared to the Commission's Draft Budget. They ask the Commission to initiate any necessary action according to the Treaty and, in particular, 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), subheading 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). The European Parliament and the Council will take position on any draft amending budget as quickly as possible in order to avoid any shortfall in payment appropriations.

2. **Joint statement on payment needs for 2012:** the European Parliament and the Council note that the level of payments, proposed by the Commission in its 2013 draft budget, was based on the assumption that payment needs in 2012 would have been addressed with appropriations available in the 2012 budget. However, the additional payment appropriations authorised in the Amending Budget 6/2012 were lowered by EUR 2.9 billion with respect to the amount proposed by the Commission, and are not at the level of all payment claims received. Therefore, the Commission undertakes 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** and the Council and the Parliament will take position on this draft amending budget as quickly as possible.
3. **Joint statement on Heading 5 and the salary and pension adjustment:** 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. Without prejudice to Council's position in cases c-66/12, c-63/12, c-196/12 and c-453/12, 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 retroactive effect on previous years and possible late interest.

## 2013 general budget: all sections, second version

2012/2307(BUD) - 12/12/2012 - Budgetary text adopted by Parliament

The European Parliament adopted by 498 votes to 162, with 12 abstentions, a resolution definitively approving the new draft general budget of the European Union for the financial year 2013 - all sections – second version, as amended in the Council position.

Parliament recalls that the "draft package" agreed, after **difficult negotiations**, by Parliament and Council during the Trilogue of 29 November 2012 consists of three elements:

1. the [Amending Budget No 6/2012](#) for EUR 6 billion, partially covering the shortage of payments up to 31st October 2012,
2. the Union Budget for the year 2013 set to a level of EUR 150 898.391 million and EUR 132 836.988 million, respectively in commitment and payment appropriations and
3. three joint statements ensuring that the actual payment needs in 2012 and 2013 will be duly covered.

Parliament refers to the overall level of commitments appropriations agreed, **which represents an increase of EUR 1.1 billion compared to the original reading of the Council** and is pleased that the biggest part of its political priorities has been secured in next year's budget, with particular emphasis on the proper implementation of the EU commitment for growth and jobs.

**The recurring issue of payments:** Parliament notes that **the overall level of payment appropriations agreed for 2013 decreases by 2.15 % compared to Budget 2012** following the adoption of 6 billion EUR in Amending Budget 6/2012. It stresses that, due to the intransigent position of the Council in the negotiations, the overall level of payments set is **EUR 5 billion lower than the Commission's estimates for payment needs in its draft budget for 2013**, which will be insufficient to cover the actual payments needs of next year.

Parliament is convinced, however, that the cost of a non-agreement would imply much more serious consequences and a much more negative impact on the implementation of the Union actions and programmes.

Parliament requests the Commission to provide monthly reports to Parliament and Council on the evolution of Member States' (broken down per Member State and per fund) payment claims for structural funds, cohesion fund, rural development and fisheries funds from 31 October 2012 onwards. It also calls for an interinstitutional working group on payments to be set up, where the two arms of the budgetary authority should present joint conclusions on how to proceed.

Parliament recalls the highest political importance it attaches to the joint statements (see below) adopted during the trilogue. It intends to ensure that at all levels and by using all means possible, that these declarations will be respected and that the necessary additional resources to be provided by Member States next year in order for the Union to be able to pay its bills and to preserve its institutional credibility and solvency will materialise.

**A favourable vote but subject to conditions:** Parliament links its favourable vote on the 2013 budget to the attainment of specific guarantees at the highest political level of the three institutions on the **financing of the EUR 2.9 billion payments lacking for 2012**, which shall by no means imply a reduction of payment appropriations for 2013. They reaffirm that the only way to come out from this impasse, which renders the budgetary negotiations each year more difficult, is to urgently and responsibly solve the issue of the **Union's financing**, through a genuine system of own resources to come into force as from the next Multiannual Financial Framework, **removing once and for all the division of the EU between net contributors and net beneficiaries**.

Parliament approves the new Draft Budget for 2013, as amended by the Council, and gives its accord to the joint statements that follow:

1. **Joint statement on payment appropriations for 2013:** the European Parliament and the Council agree on a reduction of the level of payment appropriations for 2013 as compared to the Commission's Draft Budget. They ask the Commission to initiate any necessary action according to the Treaty and, in particular, 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), subheading 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). The European Parliament and the Council will take position on any draft amending budget as quickly as possible in order to avoid any shortfall in payment appropriations.
2. **Joint statement on payment needs for 2012:** the European Parliament and the Council note that the level of payments, proposed by the Commission in its 2013 draft budget, was based on the assumption that payment needs in 2012 would have been addressed with appropriations available in the 2012 budget. However, the additional payment appropriations authorised in the Amending Budget 6/2012 were lowered by EUR 2.9 billion with respect to the amount proposed by the Commission, and are not at the level of all payment claims received.

Therefore, the Commission undertakes 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 and the Council and the Parliament will take position on this draft amending budget as quickly as possible.

3. **Joint statement on Heading 5 and the salary and pension adjustment:** 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. Without prejudice to Council's position in cases c-66/12, c-63/12, c-196/12 and c-453/12, 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 retroactive effect on previous years and possible late interest.

It should be noted that in a spirit of compromise, all the amendments to the draft 2013 budget, tabled by the S&D group were withdrawn in plenary. The amendments of the Greens/EFA group were rejected in bloc.

## 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.