COUNCIL OF
THE EUROPEAN UNION

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Council approves agreement on 2013 EU budget

The Council today approved[1] the agreement with the European Parliament on the 2013 EU budget and draft amending budget no 6 for 2012 (*17146/1/12 REV 1* + *ADD 1* + *ADD 2* + *ADD 3* + *ADD 4* + *ADD 5* + *ADD 6* + *ADD 7* + *17145/1/12 REV 1*). 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.

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.

If the European Parliament approves[2] the package the 2013 EU budget and draft amending budget no 6 for 2012 are considered to be adopted.

This would avoid the application of the "provisional twelfths" scheme next year. This scheme would have major consequences to the implementation of key policies and programmes since only one twelfth of the appropriations in the 2012 budget could be spent monthly for each chapter or even less if the amount proposed by the Commission in the draft budget for 2013 is lower.

The agreement includes the following key elements:

- **Total payments** in the 2013 EU budget **amount to 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. As part of the overall compromise, the European Parliament and the Council agreed on the joint statements on payments as set out in the annex.

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1 The decision was taken at the Justice and Home Affairs Council.
2 The European Parliament is expected to vote on the compromise on 12 December.

P R E S S

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- With a payments' increase of 6.8% under heading 1 (sustainable growth) next year's EU budget strongly **focuses on measures enhancing growth and creating jobs**, in line with the conclusions of the June European Council.

- **Total commitments**[3] have been set at **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).

- 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 100.46 million between various budget lines have been agreed.

Some details on the 2013 EU budget

With regard to the different headings and sub-headings the agreement includes the following elements:

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. Compared to the Commission's new draft budget the commitments level corresponds to an increase of EUR 16.0 million, out of which EUR 13.9 million are allocated to the Lifelong Learning programme (including Erasmus) and the rest is notably used for reinforcing the resources for the three new agencies in charge of the supervision of financial markets.

- Payments have been set at EUR 11.9 billion (compared to EUR 13.6 billion proposed in the new draft budget). Particular attention is dedicated to programmes aimed at stimulating growth and employment and related to the EU2020 Strategy, such as Lifelong Learning (including Erasmus) for which EUR 1.0 billion has been allocated (compared to EUR 1.1 billion proposed in the new draft budget) and the Competitiveness and Innovation Framework Programme for which a total amount of EUR 435 million has been agreed (compared to EUR 546 million in the new draft budget).

Sub-heading 1b (Cohesion for growth and employment):

- Commitments have been set at EUR 54.5 billion (as proposed by the Commission in its new draft budget), leaving a margin of EUR 15.4 million.

- Payments amount to EUR 47.2 billion (EUR 49.0 billion were proposed in the new draft budget).

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[3] Commitments are legal promises to spend money for activities whose implementation might extend over several financial years.

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. This corresponds to the level proposed in the new draft budget, with the exception of the budget line for clearance of accounts where the Council and the European Parliament agreed an amount of -EUR 200 million (compared to -EUR 100 million in the draft budget).

- Payments have been set at EUR 57.5 billion (compared to EUR 57.9 billion proposed in the new draft budget).

Sub-heading 3a (Freedom, security and justice):

- Commitments have been set at EUR 1.4 billion (as proposed in the new draft budget), leaving a margin of EUR 262.3 million, and payments at EUR 876.6 million (compared to 927.6 million in the new draft budget).

Sub-heading 3b (Citizenship):

- Commitments have been set at EUR 707.2 million (as proposed in the new draft budget), leaving a margin of EUR 7.8 million, and payments at EUR 638.0 million (compared to EUR 655.8 million in the new draft budget).

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 (compared to EUR 7.3 billion in the new draft budget).

Heading 5 (Administration):

- Commitments and payments have been set at EUR 8.4 billion (compared to EUR 8.5 billion in the new draft budget), leaving a margin of EUR 750.3 million. As part of the overall compromise, the European Parliament and the Council agreed on a joint statement on heading 5 as set out in the annex.

	Description	1		2		3		3-2		3/1	
		Budget 2012 (AB No 1/2012 to AB No 5/2012 incl.)		New DB 2013		New Council's Position on New DB 2013 (= agreement with EP)		Difference (amount)		Difference (%)	
		c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a
1	**SUSTAINABLE GROWTH**	**68 155 576 141**	**55 318 662 427**	**70 613 662 883**	**62 535 795 408**	**70 629 649 037**	**59 085 022 097**	**+ 15 986 154**	**-3 450 773 311**	**+3,63%**	**+6,81%**
	MARGIN			*33 337 117*		*17 350 963*					
1.a	Competitiveness for growth and employment	15 403 000 000	11 482 916 106	16 105 013 846	13 558 461 245	16 121 000 000	11 886 427 361	+ 15 986 154	-1 672 033 884	+4,66%	+3,51%
	MARGIN			*17 986 154*		*2 000 000*					
1.b	Cohesion for growth and employment	52 752 576 141	43 835 746 321	54 508 649 037	48 977 334 163	54 508 649 037	47 198 594 736		-1 778 739 427	+3,33%	+7,67%
	MARGIN			*15 350 963*		*15 350 963*					
2	**PRESERVATION AND MANAGEMENT OF NATURAL RESOURCES**	**59 975 774 185**	**57 034 220 262**	**60 249 041 416**	**57 899 909 132**	**60 149 041 416**	**57 484 414 991**	**- 100 000 000**	**- 415 494 141**	**+0,29%**	**+0,79%**
	MARGIN			*1 039 958 584*		*1 139 958 584*					
	Of which: market-related expenditure and direct aids	**43 969 637 305**	**43 875 978 049**	**44 056 548 610**	**44 039 131 204**	**43 956 548 610**	**43 934 188 711**	**- 100 000 000**	**- 104 942 493**	**-0,03%**	**+0,13%**
	MARGIN			*882 441 390*		*982 441 390*					
3	**CITIZENSHIP, FREEDOM, SECURITY AND JUSTICE**	**2 753 497 381**	**2 172 532 099**	**2 105 891 200**	**1 583 445 126**	**2 105 891 200**	**1 514 583 267**		**- 68 861 859**	**-23,52%**	**-30,28%**
	MARGIN			*270 108 800*		*270 108 800*					
3.a	Freedom, security and justice	1 367 806 560	835 577 878	1 398 727 200	927 598 376	1 398 727 200	876 583 652		- 51 014 724	+2,26%	+4,91%
	MARGIN			*262 272 800*		*262 272 800*					
3.b	Citizenship	1 385 690 821	1 336 954 221	707 164 000	655 846 750	707 164 000	637 999 615		- 17 847 135	-48,97%	-52,28%
	MARGIN			*7 836 000*		*7 836 000*					
4	**EU AS A GLOBAL PLAYER**	**9 405 937 000**	**6 955 083 523**	**9 583 118 711**	**7 271 888 051**	**9 583 118 711**	**6 322 601 760**		**- 949 286 291**	**+1,88%**	**-9,09%**
	MARGIN			*275 996 289*		*275 996 289*					
5	**ADMINISTRATION**	**8 279 641 996**	**8 277 736 996**	**8 506 866 568**	**8 506 541 568**	**8 430 690 740**	**8 430 365 740**	**- 76 175 828**	**- 76 175 828**	**+1,82%**	**+1,84%**
	MARGIN			*674 133 432*		*750 309 260*					
6	**COMPENSATIONS**	**p.m.**	**p.m.**	**p.m.**	**p.m.**	**p.m.**	**p.m.**				
	GRAND TOTAL	**148 570 426 703**	**129 758 235 307**	**151 058 580 778**	**137 797 579 285**	**150 898 391 104**	**132 836 987 855**	**- 160 189 674**	**-4 960 591 430**	**+1,57%**	**+2,37%**
	MARGIN			*2 293 534 222*	*6 309 420 715*	*2 453 723 896*	*11 240 012 145*				
	APPROPRIATIONS AS % OF GNI	**1,15%**	**1,01%**	**1,13%**	**1,03%**	**1,13%**	**0,99%**				

Some details on draft amending budget no 6 for 2012

The proposal of the Commission has been accepted with the exception of an amount of EUR 2.9 billion out of which EUR 1.4 billion concern payments requests for which the Commission will not have completed by the end of this year the process of verifying if all conditions are met and EUR 1.5 billion corresponds to the closure payments for programmes run under the MFF 2000-2006.

The table below shows the budget lines for which the payments have been reduced compared to the draft amending budget proposed by the Commission.

Budget line	Name	Reductions of payment appropriations		
		DAB No 6	AB No 6	Difference
04 02 01	European Social Fund (ESF) - Completion objective 1	+189.000	0	-189.000
04 02 02	European Social Fund (ESF) - Completion PEACE programme	+9.000	0	-9.000
04 02 04	European Social Fund (ESF) - Completion objective 2	+2.000	0	-2.000
04 02 17	European Social Fund (ESF) - Convergence	+1 837.000	1 443.907	-393.092
05 04 02 01	European Agricultural Guidance and Guarantee Fund (ERDF) - Completion Objective 1	+111.000	0	-111.000
13 03 01	European Regional Development Fund (ERDF) - Completion Objective 1	+790.000	0	-790.000
13 03 04	European Regional Development Fund (ERDF) - Completion Objective 2	+80.000	0	-80.000
13 03 13	European Regional Development Fund (ERDF) - Completion Interreg	+50.000	0	-50.000
13 03 16	European Regional Development Fund (ERDF) - Convergence	+1 400.000	500.000	-900.000
13 03 19	European Regional Development Fund (ERDF) - European territorial cooperation	+400.000	280.000	-120.000
13 04 01	Cohesion Fund - Completion	+250.000	0	-250.000
	Total			**-2 894.092**

[1]
- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
- Documents for which references are given in the text are available on the Council's Internet site (http://www.consilium.europa.eu).
- Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's Internet site or may be obtained from the Press Office.

ANNEX

Joint statements

Payment appropriations for 2013

"Taking into account the ongoing fiscal consolidation efforts in Member States, the European Parliament and the Council, taking note of the level of payments proposed by the Commission for 2013, 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*), 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 sub-heading 1b and rural development under heading 2, and, if necessary, to present a draft amending budget. The European Parliament and the Council are aware that a draft amending budget may possibly be required as early as mid-2013. With a view to facilitate the decision on the level of payment appropriations in the context of the annual budgetary procedure, the three institutions agree to explore how to better match payment appropriations estimates under shared management with the corresponding needs.

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 accordance with Point 18 of the Interinstitutional Agreement on budgetary discipline and sound financial management, the European Parliament and the Council recall the need to ensure, in the light of implementation, 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").

The European Parliament, the Council and the Commission will actively monitor the state of implementation of the 2013 budget, throughout the year, focussing on payment implementation, reimbursement claims received and revised forecasts, on the basis of detailed information provided by the Commission.

In any event, the European Parliament, the Council and the Commission recall their shared responsibility, as laid down in Article 323 TFEU, that "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".

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 without prejudice to the proper implementation of the 2013 budget.

To ensure sound and accurate EU budgeting, 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."

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.

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."