



**COUNCIL OF
THE EUROPEAN UNION**



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2014 EU budget agreed

A package deal comprising the 2014 EU budget and the financing of EUR 400.5 million to remediate flood and drought damages in four member states was agreed today by the Council and the European Parliament at a meeting of the Conciliation Committee.

"I believe that today's agreement on the 2014 EU budget is a good start for the new programming period", said Vice-Minister for Finance of Lithuania and President of the Council Algimantas Rimkunas. "I'm glad that we could reach an agreement with the European Parliament on the financing of priority areas such as growth, employment, innovation and humanitarian aid. We also agreed to reinforce the financing on migration, FRONTEX, the European Asylum Support Office, Europol and the three supervisory authorities which are important for the proper implementation of the Economic and Monetary Union."

The agreement on the 2014 EU budget, which is the first under the multiannual financial framework (MFF) for 2014-2020, meets three objectives:

- it preserves member states' budgets from additional pressure which might force them to strengthen their consolidation efforts at national level by setting the level of funds significantly below the 2013 budget;
- it leaves sufficient margins under the MFF ceilings to allow the EU to cope with unforeseen situations;
- it ensures that European taxpayers' money is spent on the most urgent political priorities, notably on measures to boost growth and create jobs, in particular for young people.

P R E S S

Rue de la Loi 175 B – 1048 BRUSSELS Tel.: +32 (0)2 281 6319 Fax: +32 (0)2 281 8026
press.office@consilium.europa.eu <http://www.consilium.europa.eu/press>

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Overall payments have been set at EUR 135.50 billion. This represents a decrease of 6.5% compared to 2013 (including all additional funds agreed by the Council and the European Parliament in the course of this year) and leaves a margin of EUR 711.4 million under the MFF ceiling if the special instruments are put outside the multiannual financial framework.

Overall commitments¹ amount to EUR 142.64 billion, which is 6.2% below the EU budget for 2013 and leaves a margin of EUR 445.4 million.

Next year's budget contains EUR 64.0 billion in commitments and EUR 62.4 billion in payments to support smart and inclusive growth. Further EUR 59.3 in commitments and EUR 56.5 in payments will be available for measures aimed at sustainable growth. As far as individual programmes are concerned, the 2014 EU budget includes EUR 9.0 billion in commitments and EUR 6.0 billion in payments for the research framework programme Horizon 2020, EUR 3.9 billion in commitments and EUR 900 million in payments to kick-start the Youth Employment Initiative and EUR 920 million in commitments and EUR 785 million in payments for humanitarian aid including for victims of the Syrian civil war and Lampedusa refugees.

Headings	2014 EU budget (in mln of EUR)	
	Commitments	Payments
1. Smart and inclusive growth	63,986	62,393
- 1a. Competitiveness for growth and jobs	16,484	11,442
- 1b. Economic, social and territorial cohesion	47,502	50,952
2. Sustainable growth	59,267	56,459
3. Security and citizenship	2,172	1,677
4. Global Europe	8,325	6,191
5. Administration	8,405	8,406
6. Compensation	29	29
Special instruments	456	350
- Emergency Aid Reserve	297	150
- European Global Adjustment Fund	159	50
- EU Solidarity Fund	-	150
TOTAL	142,640	135,505

¹ Commitments are legal promises to spend money for activities whose implementation might extend over several financial years.

The package deal also covers **draft amending budget no 9 for 2013** which is about repairing damages caused by floods in Germany (EUR 360.5 million), Austria (EUR 21.7 million) and the Czech Republic (EUR 15.9 million) and drought in Romania (EUR 2.5 million). The compromise found provides for the mobilisation of EUR 400.5 million out of the EU solidarity fund in two tranches: EUR 250 million will be financed by redeployments in the 2013 budget and the remaining EUR 150 million in 2014.

The Council is expected to formally approve the agreement on the 2014 budget and on draft amending budget no 9 on 19 November and the European Parliament on 20 November.

Some details on the 2014 EU budget

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

Sub-heading 1a (Competitiveness for growth and jobs):

- Commitments have been set at EUR 16.5 billion, leaving a margin of EUR 76.0 million under the ceiling of the MFF. Commitments have been increased beyond the amounts proposed in the draft budget notably for
 - Horizon 2020, the framework programme for research and innovation (by EUR 212.2 million, bringing the total amount to EUR 9.0 billion),
 - Erasmus (by EUR 137.5 million to EUR 1.6 billion) and
 - COSME, the programme dedicated to competitiveness of enterprises and small and medium-sized enterprises (by EUR 31.7 million to EUR 275.3 million),
 - the three European financial supervisory authorities (European Banking Authority, European Insurance and Occupational Pensions Authority and European Securities and Markets Authority) by an amount of EUR 2.1 million, EUR 1.2 million and EUR 2.0 million respectively.
- Payments have been set at EUR 11.4 billion (compared to EUR 11.7 billion proposed in the draft budget).

Sub-heading 1b (Economic, social and territorial cohesion):

- Commitments have been set at EUR 47.5 billion (as proposed by the Commission in its draft budget). For the amount of EUR 89.3 million exceeding the MFF ceiling the flexibility instrument is mobilised. In order to address the particularly difficult situation in Cyprus an additional support of EUR 100 million in commitments has been agreed out of the European Regional Development Fund and the European Social Fund, in line with letter of amendment no 1. For the aid to the most deprived an additional amount of EUR 134.9 million in commitments is financed from the European Social Fund. Furthermore, each of the two macro-regional strategies on the Baltic Sea region and on the Danube region receive an amount of EUR 2.5 million in commitments beyond the draft budget of the Commission.
- Payments amount to EUR 51.0 billion (compared to EUR 51.1 billion proposed in the draft budget).

Heading 2 (Sustainable growth: natural resources):

- Commitments have been set at EUR 59.3 billion out of which EUR 43.8 billion are available for market related expenditure and direct payments, the so-called first pillar of the Common Agricultural Policy. The agreement reached incorporates the Commission update of the agricultural expenditure and international fisheries agreements, as outlined in letter of amendment no 2. The margin amounts to EUR 35.8 million.
- Payments have been set at EUR 56.5 billion (as proposed in the draft budget).

Heading 3 (Security and citizenship):

- Commitments have been set at EUR 2.2 billion, leaving a margin of EUR 7.0 million. The appropriations for FRONTEX, the European agency for the management of operational cooperation at the external borders, have been increased by EUR 2.0 million beyond the draft budget. The commitments for the European Asylum Support Office and for EUROPOL have been increased by EUR 130 000 and EUR 1.7 million respectively.
- Payments amount to EUR 1.7 billion (as proposed in the draft budget).

Heading 4 (Global Europe):

- Commitments have been set at EUR 8.3 billion (compared to EUR 8.2 billion), leaving a margin of EUR 10.0 million. Commitments have been increased beyond the draft budget for
 - financial assistance to Palestine (by EUR 50 million to EUR 300 million)
 - humanitarian aid (by EUR 15 million to EUR 874.5 million).

- Payments amount to EUR 6.2 billion (compared to EUR 6.3 billion in the draft budget).

Heading 5 (Administration):

- Commitments and payments have been set at EUR 8.4 billion (compared to EUR 8.6 billion in the draft budget), leaving a margin of EUR 316 million. The number of staff in the EU institutions is reduced further, in line with the objective to reach a 5% cut between 2013 and 2017.

Heading 6 (Compensation):

Commitments and payments have been set at EUR 28.60 million. This heading is aimed at ensuring that Croatia which joined the EU on 1 July 2013 does not become a net contributor country in 2014.

Special instruments:

Emergency aid reserve:

Commitments have been set at EUR 297.0 million and payments at EUR 150.0 million.

European Globalisation Adjustment Fund:

Commitments have been set at EUR 159.2 million and payments at EUR 50.0 million.

EU Solidarity Fund:

Payments have been set at EUR 150.0 million.

Flexibility instrument:

The Flexibility instrument is mobilised for an amount of EUR 89.3 million in commitments.
