General guidelines for the 2015 budget - Section III

2014/2004(BUD) - 05/03/2014 - Committee report tabled for plenary, single reading

The Committee on Budgets adopted the report by Eider GARDIAZÁBAL RUBIAL (S&D, ES) on the general guidelines for the preparation of the 2015 budget, Section III – Commission.

Having regard to Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020, Members stated that **there is an acute shortage of funds in the EU**, at both Member State and Union level, and that this may cause problems in the implementation of some programmes.

Signs of recovery: Members stated that despite some remaining headwinds the European economy is showing some signs of recovery. The European budget must encourage this tendency by reinforcing strategic investment in actions with European added value in order to help put the European economy back on track, generating sustainable growth and employment. The importance of the European Structural and Investment Funds were stressed as well as the need to endow citizens with the tools to find a way out of the crisis. In this regard, they noted the special need to invest in areas such as education and mobility, research and innovation, SMEs and entrepreneurship, in order to boost EU competitiveness and contribute to the creation of employment – in particular youth employment.

Members considered that it is also important to invest in other areas such as renewable energy, the digital agenda, infrastructures, information and communication technologies and cross-border connectivity, and stronger and enhanced use of 'innovative financial instruments', particularly in respect of long-term investments. The need to **strengthen EU industry** was emphasised.

External aid: Members underlined the importance of ensuring that sufficient resources are made available for EU external actions. Recalling that the recent agreement on the 2014-2020 multiannual financial framework (MFF), which defines the main parameters for the annual budgets until 2020, Members stressed the fact that each annual budget must be in line with the MFF Regulation and the Interinstitutional Agreement and should not be considered an excuse to re-negotiate the MFF. They expected that the Council will not attempt to impose restricted interpretations of specific provisions, especially as regards the **nature and scope of special instruments**. They reiterated their intention to make full use of all means available to the budgetary authority within the framework of the annual budget procedure in order to provide the EU budget with the **necessary flexibility**.

Implementation of the 2014-2020 Programme: 2015 will be important for the successful implementation of the new 2014-2020 multiannual programmes. All programmes need to be up and running and in full swing as soon as possible. Members urged, in this context, the Commission and the Member States to do their utmost to ensure the swift adoption of all partnership agreements and operational programmes in 2014, so as not to lose any additional time in implementing the new investment programmes.

The report recalled the agreement within the MFF, which is being implemented for the first time in the 2014 budget, to **frontload commitments for specified policy objectives relating to youth employment, research, Erasmus+** (in particular for apprenticeships) and SMEs. A similar approach needs to be taken for the 2015 budget through the frontloading of the Youth Employment Initiative (EUR 871.4 million in 2011 prices) as well as of Erasmus+ and COSME (EUR 20 million each in 2011 prices). They are particularly concerned about the funding of the Youth Employment Initiative after 2015 and requests that

all funding possibilities, including the global MFF margin for commitments, be considered for this purpose.

Members expressed its concern about the possible adverse effects of additional backloading of the Connecting Europe Facility energy programme in 2015.

Common security and defence policy: Members stressed that, once again, the latest European Council conclusions (19 and 20 December 2013) on the Common Security and Defence Policy and migration flows will have an impact on the EU budget. They reiterated its position that any additional projects agreed by the European Council **need to be financed with additional resources and not through cuts in existing programmes and instruments**, nor by conferring additional tasks on institutions or other EU bodies which are already at the limit of their capacities.

Agencies: Members underlined the need to assess all agencies on a case-by-case basis in terms of budget and human resources and to provide them, in the 2015 budget and in the following years, with the appropriate financial means and staff to enable them to fulfil properly the tasks assigned to them by the legislative authority.

Payment appropriations – the EU must fulfil its legal and political commitments: Members recalled that the overall level of payment appropriations agreed for the 2014 budget remains below the level considered necessary. Therefore, the Commission should adjust the payment ceiling for the year 2015 upwards by the amount equivalent to the difference between the executed 2014 payments and the MFF payment ceiling for 2014.

Members stated that they are deeply concerned that the **unprecedented level of outstanding bills at the end of 2013**, amounting to EUR 23.4 billion under Heading 1b alone, cannot be covered within the 2014 ceilings. They called for the mobilisation of the appropriate flexibility mechanisms for payments in 2014 and stresses that even this is not expected to be sufficient to avoid a large implementation deficit at the end of 2014. They underlined the fact that the recurrent shortages in payment appropriations have been the main cause of the unprecedentedly high level of outstanding commitments (RALs) and called on the Commission in its draft budget to propose an adequate level of payment appropriations, based on real forecasts and **not driven by political considerations**.

Members called for the Commission, in view of the **alarming situation with regard to payment appropriations in the area of humanitarian aid** at the very beginning of 2014, in particular the EUR 160 million backlog in payment appropriations for humanitarian aid carried over from 2013 to 2014, to take all necessary measures and to react as quickly as possible in order to ensure the proper delivery of EU humanitarian aid in 2014.

Lastly, they called on the Commission to keep the budgetary authority fully informed of the development of payments and the evolution of RALs throughout the current year.