2015 general budget: all sections

2014/2040(BUD) - 02/09/2014 - Council position on draft budget

On 2 September 2014, the Council adopted its position on the draft general budget of the European Union for the financial year 2015.

Following the discussions in Council, the main features of this position may be summarised as follows:

- **EUR 145 077.35 million in commitment appropriations;**
- **EUR 139 996.92 million in payment appropriations.**

Under the Council's position, commitment appropriations increase by +1.71% compared to the 2014 budget and payment appropriations increase by +3.32%.

The total amount of payment appropriations provided for in the Council's position on the DB for 2015 corresponds to **1% of the EU gross national income (GNI)**.

A. Principles: when adopting its position on the DB for 2015, the Council took into account the following principles:

- 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 taking-off of the new programmes in this second year of the MFF 2014-2020;
- to work within the framework of the budget guidelines established for the 2015 budgetary exercise in the Council conclusions adopted on 18 February 2014;
- to leave adequate margins under the ceilings of the headings and sub-headings of the MFF, with the exception of sub-heading 1b, in order to be able to cope with unforeseen situations;
- to **keep payment appropriations firmly under control** in all headings and sub-headings of the MFF and to create a sufficient margin to cover unforeseen events, **resulting in a reduction in payment appropriations in particular under (sub-)headings 1a, 1b, 2 and 4**.

Administrative expenditure: as regards administrative expenditure of the institutions, the Council recalls the importance of limiting the increase in 2015 and of reducing staff in line with the -5 % target over the period 2013-2017 set in the Interinstitutional Agreement of 2 December 2013 on budgetary discipline.

In this context, the administrative budgets of the institutions were examined on the following basis:

- to keep under strict control the volume of administrative expenditure of the institutions, in line with the approach followed by the Member States for their national civil services;
- to set the administrative budget of each institution at the appropriate level, taking into account their specificities and real and justified needs;
- to carry out targeted reductions and increasing the standard flat rate abatement on salaries for some institutions and offices, taking into account their past and current budget implementation and vacancy rates;
- to retain the Commission's proposal to reduce staff by -1 % per year as from 2013.

This approach has resulted in an appropriate level of administrative expenditure ensuring a proper functioning of the institutions.

Statement on payment appropriations: in addition to the abovementioned principles, the Council approved a statement on payment appropriations in which it asks the Commission to submit as early as possible the **letter of amendment for agriculture** (including information about the possible carry-over of assigned revenue) in order to appropriately calibrate the level of resources in heading 2 (Sustainable growth: natural resources) in the 2015 budget.

Furthermore, the Council asks the Commission to :

submit a **draft amending budget if the payment appropriations entered in the 2015 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;

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 will 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:

Heading 1: Smart and inclusive growth: EUR 66 351 million in commitments:

1a) Competitiveness for growth and jobs: the amount is set at **EUR 17 124 million** in commitments, an increase of 3.88% compared to 2014.

The sub-heading is characterised by the following elements:

- establish the level of commitment appropriations, targeting a total reduction of -EUR 323.6 million in the appropriations requested in the DB for 2015 on a number of specific budget lines including administrative support expenditure;
- set the level of payment appropriations, **reducing the appropriations requested in the DB for 2015 by a total amount of -EUR 1 335 million**, of which -EUR 113 million in large infrastructure projects, -EUR 998 million in the Common Strategic Framework for Research and Innovation, -EUR 152 million in the Connecting Europe Facility and -EUR 73 million in other programmes;
- the amounts mentioned above also take into account reductions in contributions to decentralised agencies for a total amount of -EUR 2.9 million in commitment and payment appropriations under this sub-heading.

The margin available under sub-heading 1a is EUR 542.2 million.

1b) Economic, social and territorial cohesion: the Council provided EUR 49 227 million in commitments (an increase of 3.63% compared to 2014). Other main features of this sub-heading include:

- maintaining the level of commitment appropriations as requested in the DB for 2015;
- setting the level of payment appropriations, reducing the appropriations requested in the DB for 2015 for programmes under the new programming period by a total amount of -EUR 220 million, in particular in the field of:
    - Transition regions (-EUR 41.5 million),

- Competitiveness (-EUR 90.5 million),
- Outermost and sparsely populated regions (-EUR 5.0 million),
- Cohesion Fund (-EUR 39.4 million),
- Connecting Europe Facility (-EUR 5.4 million),
- European territorial cooperation (-EUR 25 million),
- Technical assistance and innovative actions (-EUR 8.2 million),
- European Aid to the Most Deprived (-EUR 5 million) on the basis of available information, still resulting in an increase of +0.84 % in comparison with the 2014 budget.

The margin under sub-heading 1b is equal to zero and is left unchanged.

The Flexibility Instrument would be mobilised for an amount of **EUR 79.8 million** as proposed by the Commission to supplement the financing of the Structural Funds for Cyprus.

Heading 2: Sustainable growth: natural resources: the amount for this heading is set at EUR 59 183 million in commitments. This is a reduction of 0.14% compared to 2014. Market-related expenditure and direct payments shall represent EUR 43.8 billion.

The heading is characterised by the following elements:

- reduce the level of commitment appropriations requested in the DB for 2015 by -EUR 70.6 million on administrative support expenditure lines, on market-support expenditure lines and on operational lines under the European Agricultural Guarantee Fund, the European Maritime and Fisheries Fund and the Programme for Environment and Climate Action (LIFE);
- set the level of payment appropriations, **reducing the appropriations requested in the DB for 2015 by a total amount of -EUR 145.3 million**, of which -EUR 48.5 million in the European Agricultural Guarantee Fund, -EUR 45 million in the European Agricultural Fund for Rural Development, -EUR 30.1 million in the European Maritime and Fisheries Fund and the annual actions related to fisheries, and -EUR 21.6 million in the LIFE Programme, 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 on agriculture expected in autumn. They also take account of reductions in contributions to decentralised agencies for an additional amount of -EUR 0.1 million in commitment and payment appropriations under this heading.

The margin available under heading 2 is EUR 415.9 million.

Heading 3: Security and citizenship: the amount of this heading is set at **EUR 2 100 million** in appropriations and sees a reduction of 3.29% compared to the 2014 budget. This heading is characterised by the following:

- the level of commitment appropriations with a **total reduction of -EUR 30.2 million of the appropriations requested in the DB for 2015** on a number of budget lines concerning administrative support expenditure (-EUR 455 000) and operational expenditure for new programmes (-EUR 25.8 million);
- the level of payment appropriations, including a total reduction of -EUR 28.5 million of the appropriations requested in the DB for 2015 on a number of budget lines concerning administrative support expenditure (-EUR 455 000) and operational expenditure for new programmes (-EUR 24 million); the reductions focused on new programmes with a low implementation rate at this early stage and taking into account their absorption capacity, as well as on support expenditure taking into consideration past implementation rates;
- the amounts mentioned above also take into account reductions in contributions to decentralised agencies of -EUR 4 million in commitment and payment appropriations under this heading.

The margin available under heading 3 is EUR 145.5 million.

Heading 4: Global Europe: the Council lays down an amount of **EUR 8 343 million** in commitments, an increase of 0.22% compared to 2014. It also decided to:

- establish the level of commitment appropriations, targeting a **total reduction by -EUR 70 million in the appropriations requested in the DB for 2015** on a number of specific budget lines;
- set the level of payment appropriations, reducing the appropriations requested in the DB for 2015 by a total amount of -EUR 384 million, of which -EUR 179 million in the Development Cooperation Instrument and -EUR 159.5 million in the Instrument for Pre-accession assistance, on the basis of past, current or expected budget implementation, as well as realistic absorption capacities.

The margin available under heading 4 is EUR 405.9 million.

Heading 5: Administrative expenditure: the administrative expenditure amounts to **EUR 8 585 million**, an increase of 2.14%. Each institution's budget is set out in the Council position with the budget variations from year to year.

As regards staff levels, the Council accepted the establishment plans as proposed by the Commission in the DB for 2015. However, a budgetary neutral technical adjustment was made to the establishment plans of the European Council and Council and the European External Action Service: One AST 4 post in the European Council and Council's establishment plan was transferred to the European External Action Service, following the transfer of the corresponding tasks.

The margin available under heading 5 is EUR 491.3 million.

Decentralised agencies: as regards decentralised agencies, the Council reduced the overall level of appropriations by -EUR 7 million. Only some of the agencies whose budgets increased in comparison to their respective 2014 budgets are affected by those reductions. The Council considered that the absorption capacities for these agencies will be lower than the forecasts made by the Commission.