2015 general budget: all sections; new proposal

2014/2224(BUD) - 12/12/2014 - Council position on draft budget

On 25 June 2014, the Commission submitted a proposal containing the draft budget for the financial year 2015, 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 2015 on 28 November 2014.

Results of the budgetary trilogue: at the trilogue on 8 December 2014, the European Parliament and the Council reached an agreement on a draft package, comprising the new draft budget for 2015, the outstanding draft amending budgets (DABs) relating to 2014 and draft statements.

According to that agreement, the new draft budget for 2015 was amended as follows:

- the overall level of commitment appropriations in the 2015 budget is set at **EUR 145 321.5 million**. Overall, this leaves a margin below the multiannual financial framework (MFF) ceilings for 2015 of EUR 1 760.1 million in commitment appropriations;
- the overall level of payment appropriations in the 2015 budget is set at **EUR 141 214 million**. This includes an amount of EUR 126.7 million which relates to the mobilisation of the EU Solidarity Fund linked to DABs No 5/2014 and 7/2014;
- the Flexibility Instrument for 2015 is mobilised for an amount of EUR 83.3 million in commitment appropriations;
- the 2015 payment appropriations related to the mobilisation of the Flexibility Instrument for additional assistance to Cyprus in 2014 and 2015 are estimated by the Commission at EUR 11.3 million.

As part of the overall compromise, the European Parliament and the Council also agreed on the following joint statements on:

a) draft amending budget No 6/2014 (own resources) and amendment of Council Regulation 1150/2000 to ensure that the European Parliament commits to provide its opinion to the amended Regulation 1150 /2000 in time to ensuring its adoption in the EP plenary session of December 2014 and the Council to adopt it as part of the overall package;

b) the mobilisation of the Contingency Margin in accordance with Article 13 of the MFF Regulation. The statement states that the agree to do their utmost to find appropriate solutions so that the exceptionally high level of outstanding payments of the structural and cohesion funds of the 2007-2013 period should not persist beyond 2014 and that, therefore, all efforts will be undertaken to ensure that the Contingency Margin will not be mobilised to finance outstanding commitments stemming from programmes for structural and cohesion funds in the financial years 2015-2020.

c) special instruments: there is disagreement in the statement as to whether an amount of EUR 350 million in payment appropriations covering other special instruments is still available in the unallocated margin. The institutions agree that it is of major importance to find an agreement in principle on the mobilisation of other special instruments for payments as quickly as possible.

However, as it has not been possible to reach such an agreement in the context of the negotiations of the package covering DABs for 2014 and the general budget for 2015 the institutions agree, so as to ensure a timely adoption of that package:

- the amount of EUR 350 million in payment appropriations is added to the Contingency Margin;
- to endeavour to find a rapid agreement on whether and to what extent other special instruments may be mobilised over and above the MFF ceilings for payments with a view to determining whether and to what extent the amount of EUR 350 million should be offset against the MFF margins for payments for current or future financial years;
- to accompany – as appropriate – the above by the necessary modifications of the decision mobilising the Contingency Margin for the budget year 2014, or by any other legally necessary actions required to ensure full respect of the MFF Regulation.

d) the financing of the emergency measures in response to the Russian food import ban (measures relating to the dairy sector in the Baltic States and the dairy sector in Finland).

e) payment appropriations: it is stated that the European Parliament and the Council agree to set the level of payment appropriations for **2015 at EUR 141 214 040 563**. Members asked the Commission to initiate any necessary action, on the basis of the provisions of the MFF Regulation and the Financial Regulation, to cover the responsibility assigned by the Treaty and, in particular, after having examined the scope for reallocation of the relevant appropriations, with particular reference to any expected under-implementation of appropriations to request additional payment appropriations in an **amending budget to be presented as soon as it appears that appropriations entered in the 2015 budget are insufficient to cover expenditure**.

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. 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.

The European Parliament, the Council and the Commission will, throughout the year, actively monitor the state of implementation of the 2015 budget,

- in particular under sub-heading 1a (Competitiveness for Growth and Jobs),
- sub-heading 1b (Economic, social and territorial cohesion) and
- rural development under heading 2 (Sustainable Growth: Natural Resources).

This will take the form of dedicated inter-institutional meetings, in accordance with point 36 of the Annex of the Interinstitutional Agreement, to take stock of payment implementation and revised forecasts

These meetings should take place at least three times in 2015 (in spring at the time of the presentation of the draft budget, in July ahead of the Council reading on the 2016 draft budget and in October before the beginning of the Conciliation) and be at **political level** in the presence of Members of the European Parliament, Members of the Council and the Commission Vice-President for Budget and Human Resources.

f) a payment plan: in order to reduce the level of unpaid bills:

- the Commission agrees to present, along with the joint conclusions on Budget 2015, a most up to date forecast of the level of unpaid bills by end 2014; the Commission will update these figures and provide alternative scenarios in March 2015;

- on this basis, the three institutions will endeavour to agree on a maximum target level of unpaid bills at year-end which can be considered as sustainable;
- on this basis and while respecting the MFF Regulation, the agreed financial envelopes of the programmes as well as any other binding agreement, the three institutions will engage to implement, as of 2015, a plan to reduce the level of unpaid bills corresponding to the implementation of the 2007-2013 programmes.