2015 general budget: all sections; new proposal

2014/2224(BUD) - 15/12/2014 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the joint report by Eider GARDIAZABAL RUBIAL (S&D, ES) - Section III - Commission and Monika HOHLMEIER (EPP, DE)-other sections on the Council position on the new draft general budget of the European Union for the financial year 2015.

Difficult negotiations: Members recalled that the "draft package" agreed, after difficult negotiations, by representatives of Parliament and Council during the trilogue of 8 December 2014 consists of three elements:

- Draft Amending Budgets No 3-8/2014 for an overall amount of EUR 49.8 million in commitment appropriations and additional **EUR 3 529.6 million from fresh money in payment appropriations**,
- the Union Budget for the year 2015 set at a level of EUR 145 321.5 million and EUR 141 214 million, in commitment and payment appropriations respectively,
- six joint statements as well as three unilateral statements.

Members stressed that, while enabling the Commission to respond to the most urgent payments needs in 2014, the level of additional payment appropriations brought to the 2014 budget will **not be sufficient to solve the recurrent snowball effect of unpaid bills in 2015**. Hence, they put the emphasis on the joint statement on a payment plan which accompanies the agreement package on budget 2014 and budget 2015.

They are convinced, however, that efforts need to be stepped up in the coming years with the view of reducing the level of unpaid bills, with a particular focus on cohesion policy.

Recurrent issue of payment appropriations: in general, Members noted that, particularly with regard to payments, the **budgetary negotiations have become more and more difficult over the past years**, mainly due to the uncompromising position of the Council. They underlined once again its position that the main function of the budgetary procedure should be to agree on the political priorities in budgetary commitments, whereas **payments should simply be considered as a technical follow-up to honour these commitments**.

Welcoming the fact that the Council, in the end, agreed to the mobilisation of the Contingency Margin in 2014, Members noted that the reinforcements mainly target Heading 1b, where the bulk of the problem of unpaid bills at year-end currently lies.

They disapproved however of the Council’s position of not using the full amount of the extra revenue from fines to cover outstanding payment needs; is of the opinion that until the payment crisis is resolved, all **windfall revenue should be fully used to address this problem**. They recalled that the draft package has been reached because it was meeting the Parliament's demand to stabilize the outstanding payments problem. They stressed however that a **genuine solution of the EU payment crisis requires an adequate limit of unpaid bills**.

Special instruments: Members stated that they attach the highest political importance to the joint statements agreed between the Parliament, the Council and the Commission, in particular on the **payment plan and on the use of special instruments**. They insisted on the payment plan being finalised as soon as possible and in any event before the adoption of the 2016 Draft Budget by the Commission.

They reiterated its long-standing position that the **payments of special instruments should be calculated over and above the MFF ceilings**, as is the case for commitments. They regretted that once more, it has not been made possible to reach an agreement with Council on this point.

Other delicate issues: Members reaffirmed their position that an in-depth reform of the system of Own Resources is vitally needed and regretted the unwillingness of both Council and Commission to provide EU agencies with the necessary resources, especially with regard to staff, to fulfil the mandates they were given by the legislative authority.

Members regretted, in general, **Council's inability to find a common position**, especially during the 21-day conciliation period and with regard to the adoption of the Draft Amending Budgets, and invited the Council and the Commission to agree jointly, at the beginning of 2015, on ways to **improve the budgetary procedure with the aim of facilitating the adoption of the 2016 Union budget**.

In doing so, Members called on the European Parliament to approve, without amendment, the Council position on the new draft budget for 2015 as well as the Joint Statements annexed to this resolution.