2015 general budget: all sections; new proposal

2014/2224(BUD) - 17/12/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 443 votes to 250, with 7 abstentions, a resolution on the new draft general budget of the European Union for the financial year 2015.

A budget agreed after difficult negotiations: Parliament 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.

Parliament 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, it put the emphasis on the joint statement on a payment plan which accompanies the agreement package on budget 2014 and budget 2015.

Parliament is 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.

New funding for investment: Parliament welcomed the increase of EUR 244.2 million in the overall level of commitment appropriations compared to the original position of the Council of 2 September 2014 and is satisfied with the fact that the EUR 521.9 million of cuts by the Council in commitments have been fully reversed and that a further EUR 170.7 million of commitments have been added, including the full package of pilot projects and preparatory actions and EUR 95 million for Horizon 2020, COSME, ERASMUS and humanitarian aid.

Parliament regretted however that the Council was once again not willing to complement its political declarations with sufficient budgetary resources regarding the support for jobs and growth and the Union's international commitments, which it demonstrated by not agreeing to budgeting up to the MFF ceiling in Headings 1a and 4.

Recurrent issue of payment appropriations: in general, Parliament 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. It 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, Parliament noted that the reinforcements mainly target Heading 1b, where the bulk of the problem of unpaid bills at year-end currently lies.

It also welcomed that the overall level of payment appropriations agreed for 2015 is an increase of 1.6% compared to budget 2014, and is EUR 1 217.1 million above the initial Council reading.

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

Special instruments: Parliament 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**. It 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.

It 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. Parliament regretted that once more, it has **not been made possible to reach an agreement with Council** on this point.

Other institutions:

- **Court of Justice**: Parliament welcomed the reinforcement of appropriations for the new nine Judges to the Court of Justice. It reiterated that all necessary measures shall be taken in order to complete the legislative procedure by 1 October 2015 allowing for an effective increase in their number. It urged therefore the Council to find without any delay an agreement on the repartition of posts for the new Judges.
- **Economic and Social Committee and Committee of the Regions**: Parliament welcomed the implementation of the first phase of the cooperation agreement between the Parliament and the two Committees, which will increase efficiency and generate savings.
- **EEAS**: Parliament welcomed the budgetary neutral transfers of 'common administrative costs' for Commission staff in delegations from Section III (Commission) to Section X (EEAS) of the budget and insisted that the transfer be implemented through good cooperation between the EEAS and Commission.

Other delicate issues: Parliament reaffirmed its 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.

Parliament 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, Parliament approved, without amendment, the Council position on the new draft budget for 2015 as well as the Joint Statements annexed to this resolution.

Technical annex: a draft package covering the 2015 budget, draft amending budget No 3/2014 to 8/2014 and Joint statements are included in a technical annex accompanying the resolution.

As regards the budget headings of the 2015 Budget, it is recalled that in terms of commitments, the budget is presented as follows:

- **Sub-heading 1a**: commitment appropriations are set at the level proposed by the Commission in the new DB to reflect the priority of contributing to enhancing access to finance through the EU budget, especially for the small and medium-sized enterprises (SMEs);
- **Sub-heading 1b**: commitment appropriations are set at the level proposed in the new DB. Taking into account pilot projects and preparatory actions, the mobilisation of EUR 83.3 million from the Flexibility Instrument for additional assistance to Cyprus, the agreed level of commitments is set at EUR 49 230.3 million;
- **Heading 2**: commitment appropriations are set at the level proposed by the Commission in the new DB. This heading includes other issues such as emergency measures to respond to the Russian food import ban, the final EAGF surplus for 2014 and the updated forecast of financial corrections to be collected in 2015, the emergency measures referred to above (including those related to the dairy sector in the Baltic States). The agreed level of commitments is set at EUR 58 808.6 million, leaving a margin of EUR 790.4 million under the expenditure ceiling of this heading;
- **Heading 3**: commitment appropriations are set at the level proposed by the Commission in the new DB, in particular as regards the increase in operational expenditure of FRONTEX, which is offset by a corresponding decrease of budget item 18 02 01 01 (Support of border management and a common visa policy to facilitate legitimate travel). As a consequence, the agreed level of commitments is set at EUR 2 146.7 million leaving a margin of EUR 99.3 million under the expenditure ceiling of heading 3;
- **Heading 4**: commitment appropriations are set at the level proposed by the Commission in the new DB, in particular as regards the transfer of common administrative expenditure of EU delegations to the EEAS section of the budget. Moreover, the following reinforcements of commitment appropriations are accepted: support to the peace process and financial assistance to Palestine and humanitarian aid;
- **Heading 5**: the agreed level of commitments is set at EUR 8 660.5 million, leaving a margin of EUR 415.5 million under the expenditure ceiling of heading 5. The number of posts in the establishment plans of the Institutions and the commitment appropriations are set at the level proposed by the Commission in the new DB.

Details on the final ajustments of the payment appropriations are also included in the text of the overall budget compromise set out in this annex.