2015 general budget: all sections; new proposal

2014/2224(BUD) - 17/12/2014 - Final act

PURPOSE: definitive adoption of the European Union's general budget for 2015.

LEGISLATIVE ACT: Definitive adoption (EU, Euratom) 2015/339 of the European Union's general budget for the financial year 2015.

CONTENT: on 17 December 2014, the European Parliament voted the adoption of the European Union's general budget 2015 following difficult negotiations with the Council and in order to avoid the use of the "provisional twelfth" system which would have had detrimental effects on the implementation of the key EU policies and programmes.

The 2015 budget is the second annual budget under the new mutiannual financial framework (MFF) for 2014-2020. Its objective is two-fold: (i) to contribute to the launch of new expenditure programmes; (ii) to finance the completion of measures put in place during the previous programming period (2007-2013).

Unpaid invoices and payment arrears: in order to wind down the EU's unpaid bills backlog, which reached EUR 23.4 billion by the end of 2013 and is set to hit EUR 25 billion by the end of 2014, a detailed plan has been provided to sustainably reduce the accumulated amount of outstanding bills vis-à-vis EU creditors (local and regional authorities, etc.).

In a joint Council/European Parliament statement, the institutions stressed the unprecedented high amount of **outstanding payments for the Structural and Cohesion Funds** at the beginning of the 2014-2020 financial framework, while a number of new programmes have been significantly frontloaded. Taking account of this particular situation, the **Contingency Margin** was mobilised to deal with this exceptional situation.

The European Parliament and the Council called on the Commission to initiate any necessary action, on the basis of the provisions of the MFF Regulation and the Financial Regulation, **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, the Council and the Commission will, throughout the year, actively monitor the state of implementation of the 2015 budget, in particular under subheading 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 which should aim at reaching a joint assessment of the required level of payment needs.

2015 budget in figures: the Council and the European Parliament agreed on the following amounts:

- **commitment appropriations**: EUR 145 321 million, this leaves a margin below the MFF ceilings for 2015 of EUR 1 760.1 million in commitment appropriations;

- **payment appropriations**: 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 draft amending budgets No 5 /2014 and 7/2014.

2015 budget – policy elements: amongst the major priorities for 2015, the following should be noted:

- **research, innovation and education**: the payment appropriations for activities such as research, innovation and education were increased by more than 38%. This makes EUR 4.4 billion more compared to the 2014 EU budget as adopted last year;

- **support for farmers**: it was agreed that support for farmers experiencing difficulties because of the food exports ban by Russia will be financed from higher than expected financial surpluses and corrections within the European Agricultural Guarantee Fund instead of using the agricultural crisis reserve;

- **damages by natural disasters**: to alleviate damages caused by natural disasters, the Council and the Parliament agreed to mobilise a total amount of €126.7 million from the EU solidarity fund. The support is destined for the following countries.

2015 budget – Amounts heading by heading:

- **Heading 1: SMART AND INCLUSIVE GROWTH**: this heading is allocated EUR 66.782 billion in commitment appropriations and EUR 66.923 in payments. It comprises 2 specific sub-headings:

  - **1a - Competitiveness for growth and jobs**: commitments were set at EUR 17.552 billion, leaving a margin of EUR 114.3 million under the expenditure ceiling of sub-heading 1a. The main programmes under this heading are the framework programmes for research and innovation "Horizon 2020", Erasmus + and COSME and the EU Programme for the Competitiveness of Enterprises and SMEs. The payments were set at EUR 15.798 billion. In general, priority would be to strengthen access to EU funds, particularly for small and medium enterprises;

  - **1b - Economic, social and territorial cohesion**: the commitments under this heading have been set at EUR 49.23 billion. The payments amounted to EUR 51.125 billion.

- **Heading 2: SUSTAINABLE GROWTH : NATURAL RESOURCES**: under this heading, commitments have been set at EUR 58.809 billion out of which most of the amount is available for market related expenditure and direct payments. This amount leaves a margin of EUR 790.4 million. Payments were set at EUR 55.999 billion.

- **Heading 3: SECURITY AND CITIZENSHIP**: commitments have been set at EUR 2.147 billion with an increase in appropriations for FRONTEX (envelope compensated by other budget headings). This amount leaves a margin of EUR 99.3 million. Payments amount to EUR 1.86 billion.

- **Heading 4: GLOBAL EUROPE**: commitments have been set at EUR 8.404 billion, leaving a margin of EUR 340.6 million. The Instrument for Pre-Accession Assistance, the European Neighbourhood Instrument, the Development Cooperation Instrument, the European Instrument for democracy and human Rights and the Instrument for Stability are all financed under this heading. Following interinstitutional negotiations, commitments have been strengthened for financial assistance to Palestine and humanitarian aid. Payments amount to EUR 7.422 billion.

- **Heading 5: ADMINISTRATION**: commitments and payments under the administration heading have been set at EUR 8.6 billion, leaving a margin of EUR 415.5 million.

Special instruments: the 2015 budget is also characterised by a series of special financial instruments including the **Emergency Aid Reserve**, the **European Globalisation Adjustment Fund** (EGF), the **EU Solidarity Fund** and the **flexibility instrument**. These instruments have been granted EUR 515 million in commitments and EUR 352 million in payments.