Basic information

2014/2224(BUD) BUD - Budgetary procedure	Procedure completed
2015 general budget: all sections; new proposal **Subject** 8.70.55 2015 budget	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	HOHLMEIER Monika (PPE) GARDIAZABAL RUBIAL Eider (S&D)	10/12/2014 10/12/2014

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	The committee decided not to give an opinion.	
DEVE Development	The committee decided not to give an opinion.	
INTA International Trade	The committee decided not to give an opinion.	
CONT Budgetary Control	The committee decided not to give an opinion.	
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	

IMCO	Internal Market and Consumer Protection	The committee decided not to give an opinion.	
TRAN	Transport and Tourism	The committee decided not to give an opinion.	
REGI	Regional Development	The committee decided not to give an opinion.	
AGRI	Agriculture and Rural Development	The committee decided not to give an opinion.	
PECH	Fisheries	The committee decided not to give an opinion.	
CULT	Culture and Education	The committee decided not to give an opinion.	
JURI	Legal Affairs	The committee decided not to give an opinion.	
LIBE	Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.	
AFCO	Constitutional Affairs	The committee decided not to give an opinion.	
FEMM	Women's Rights and Gender Equality	The committee decided not to give an opinion.	
PETI	Petitions	The committee decided not to give an opinion.	

Council of the European Union

European Commission

Commission DG	Commissioner
Budget	GEORGIEVA Kristalina

Key events

Date	Event	Reference	Summary
		COM(2014)0723	Summary

27/11/2014	Commission draft budget published		
12/12/2014	Council position on draft budget published	16739/2014	Summary
12/12/2014	Draft budget approved by Council		
15/12/2014	Committee referral announced in Parliament		
15/12/2014	Vote in committee		
15/12/2014	Budgetary report tabled for plenary	A8-0067/2014	Summary
16/12/2014	Debate in Parliament		
17/12/2014	Decision by Parliament	T8-0100/2014	Summary
17/12/2014	Results of vote in Parliament		
17/12/2014	End of procedure in Parliament		
13/03/2015	Final act published in Official Journal		

Technical information

Procedure reference	2014/2224(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/8/02188

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE544.311	10/12/2014	
Amendments tabled in committee		PE544.380	12/12/2014	
Budgetary report tabled for plenary, 1st reading		A8-0067/2014	15/12/2014	Summary
Budgetary text adopted by Parliament		T8-0100/2014	17/12/2014	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position on draft budget	16739/2014	12/12/2014	Summary

European Commission

Document type	Reference	Date	Summary
Commission draft budget	COM(2014)0723	27/11/2014	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Budget 2015/0339 OJ L 069 13.03.2015, p. 0001	Summary
Corrigendum to final act 32015B0339R(01) OJ L 102 21.04.2015, p. 0096	Summary

2015 general budget: all sections; new proposal

2014/2224(BUD) - 27/11/2014 - Commission draft budget

PURPOSE: presentation of a **new Draft General Budget** for 2015.

CONTENT: in the absence of agreement in the Conciliation Committee, the Commission now submits a new Draft Budget 2015.

Background to the budgetary procedure: in accordance with the provisions laid down by the Lisbon Treaty:

- on 24 June 2014, the Commission transmitted the Draft Budget for 2015 in all the official languages;
- on 2 September 2014, Council completed its reading of the Draft Budget;
- on 22 October 2014, the European Parliament voted its reading. As the European Parliament adopted amendments to the Draft Budget, which could not be accepted by the Council, **a Conciliation Committee was convened**, in accordance with Article 314 §4(c) of the Treaty on the Functioning of the European Union (TFEU).

The Conciliation Committee worked over a period of twenty-one days, between 28 October and 17 November 2014. Although significant progress was made during the discussions, including as regards the acceptance of the need to **mobilise the Contingency Margin for payment appropriations in 2014**, it was not possible to reconcile the positions of the European Parliament and Council within the time period allowed, in particular with regard to the level of payment appropriations to meet outstanding payment needs for 2014. This prevented reaching an agreement on the 2015 budget, as well as on Draft Amending Budget No 2/2014, No 3/2014, No 4/2014, No 5/2014 and No 7/2014 as all these were considered as a package by the European Parliament and Council.

A new Draft Budget 2015: in the absence of agreement in the Conciliation Committee, the Commission now submits a new Draft Budget 2015, in accordance with Article 314 §8 of the TFEU. The Commission is seeking to reconcile the positions of the two arms of the Budgetary Authority in this proposal for a new Draft Budget, without recourse to a further period of Conciliation.

The consequences of non-agreement on the budget would be the recourse to provisional twelfths in 2015, with detrimental effects on the implementation of key policies and programmes and would send a damaging message to the citizens of Europe at a time of economic uncertainty.

With this imperative of reaching a timely adoption of the 2015 budget, the Commission proposal for a new Draft Budget for 2015 builds on the progress made on budget 2015 in the Conciliation Committee, which to a large extent restored the Commission's original Draft Budget, as amended by Amending Letter No 1/2015, in particular for commitments, though with a lower level for payments.

This proposal also takes into account recent discussions and proposals to maximise the contribution of the EU budget to economic growth. In this regard, the proposal for a new Draft Budget is focused on supporting in particular those policies in **favour of competitiveness and economic convergence**, thus contributing to growth and jobs, as well as those budget lines which allow Europe to address crises especially in its neighbourhood. It also reflects the **10 priority policy areas set out in the political guidelines for the new Commission**, such as boosting jobs, growth and investment, connecting the digital single market, increasing the resilience of the energy supply while fighting against global warming, securing Europe's borders and having a stronger Europe when it comes to foreign policy.

The Commission's new budget proposals:

In terms of *commitment* appropriations, the total expenditure proposed in the new Draft Budget (DB) 2015 (including special instruments) is EUR 145 226.3 million, corresponding to 1.04% of GNI, that is **EUR 2 536 million more than in 2014** (+ 1.8%), when including Draft Amending Budgets No 3/2014 and No 8/2014, and leaves a combined total margin of EUR 1 855.3 million under the various ceilings of the MFF.

For *payment* appropriations (including special instruments), the requested total expenditure is EUR 141 337.3 million, corresponding to 1.01% of GNI. This is an increase of EUR 968 million compared to

payment appropriations in the 2014 budget (+ 0.7%), when including Draft Amending Budgets No 3-8/2014, and leaves a margin of EUR 800 million under the MFF ceiling.

Budgetary analysis of the headings is as follows:

- **Heading 1a, Competitiveness for Growth and Jobs**: commitment appropriations for heading 1a are set at EUR 17 488.5 million. This is an increase of 6.1% compared to the 2014 budget, which is mostly due to Horizon 2020, the Connecting Europe Facility (CEF) and the large infrastructure projects 'ITER' and 'Copernicus' under this heading, and leaves a margin of EUR 177.5 million. Payment appropriations increase by 31.6% to EUR 15 833.3 million. This significant increase takes into account the low level of payments in 2014 for programmes such as Horizon 2020 and the need to address the growing level of outstanding commitments while allowing for **sufficient pre-financing to launch the new programmes**.
- **Heading 1b, Economic, Social and Territorial Cohesion**: commitment appropriations increase by 3.6% to EUR 49 230.3 million, leaving **no margin**. This includes the additional structural funds foreseen for Cyprus, for which the Commission proposes the mobilisation of the Flexibility Instrument for an amount of EUR 83.3 million in commitment appropriations and EUR 11.3 million in payment appropriations. Payment appropriations decrease by 6% compared to the 2014 budget as modified by Draft Amending Budgets, to EUR 51 067.4 million.
- **Heading 2, Sustainable Growth: Natural Resources**: commitment appropriations of EUR 58 808.6 million are proposed for heading 2. This level of expenditure represents a **-0.6% reduction compared to the 2014 budget** and leaves a margin of EUR 790.4 million under the ceiling. Payment appropriations amount to EUR 56 231.1 million, with the same decrease (-0.6%) compared to 2014 as modified by Draft Amending Budgets. Integrating the latest update on assigned revenue, the funding for market related expenditure and direct aids reaches EUR 43 455.8 million in commitment appropriations, and EUR 43 448.3 million in payment appropriations. When combining EAGF assigned revenue and requested appropriations, global EAGF expenditure increases by EUR 273.6 million compared to the original draft budget. A margin under the subceiling for market measures and direct aids amounting to EUR 734 million is left.
- **Heading 3, Security and Citizenship**: this heading sees a 1.2% decrease in commitment appropriations to EUR 2 146.7 million, leaving a margin of EUR 99.3 million. Payment appropriations increase by 12.4% to EUR 1 884.3 million, due to the start-up of the Asylum, Migration and Integration Fund and the Internal Security Fund.
- **Heading 4, Global Europe**: this heading sees an increase in commitment appropriations of 0.4% to EUR 8 356.4 million, leaving an unallocated margin of EUR 392.6 million available under the ceiling. Payment appropriations increase by 8.6% to EUR 7 428 million, mostly to take account of the rapidly growing level of outstanding commitments under this heading.
- **Heading 5, Administration**: commitment and payment appropriations for all institutions combined including pensions and European schools increase by 3.3%, for commitments (EUR 8 680.5 million) and 3.1% for payments (EUR 8 668.1 million). This takes into account the proposed transfer of "common administrative costs of EU Delegations" and the EU Special Representatives from the operational headings. The resulting unallocated margin is EUR 395.5 million.

The details of the changes proposed to the original Draft Budget, as modified by Amending Letter No 1/2015, are as follows:

- ***Heading 1a - Competitiveness for Growth and Jobs***: commitment appropriations are set at the level proposed by the Commission in the original Draft Budget, with amendments to the programmes included in the table below, to reflect the priority of contributing to enhancing access to finance through the EU budget, especially for the small and middle-sized enterprises (SMEs).
- ***Heading 2 - Sustainable Growth: Natural Resources***: commitment appropriations are set at the level proposed by the Commission in the Draft Budget, as amended by Amending Letter 1/2015, integrating the latest update (+ EUR 273.6 million) of assigned revenue. Based on the new elements that have emerged since the presentation of Amending Letter 1/2015, notably the information on the actual uptake of the emergence measures taken since August 2014 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, for which the Commission adopted a further package on 26 November 2014, as well as for Finland once the conditions are met), can be financed within the appropriations requested in Amending Letter 1/2015 without having recourse to the agricultural crisis reserve, thanks to this additional assigned revenue.
- ***Heading 3 - Security and Citizenship***: commitment appropriations are set at the level proposed by the Commission in the original Draft Budget, with the following changes: the EUR 20 million increase in the operational expenditure of FRONTEX, is offset by a corresponding reduction of budget item (18 02 01 01) Support of border management and a common visa policy to facilitate legitimate travel.
- ***Heading 4 - Global Europe***: commitment appropriations are set at the level proposed by the Commission in the original Draft Budget. However, the appropriations related to budget item (19 03 01 07) European Union Special Representatives (EUR 20 million in commitments and EUR 9.2 million in payments) are transferred to the EEAS section of the budget.
- ***Heading 5 - Administration***: 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 Draft Budget as amended by Amending Letter 1/2015, with the following exceptions: (i) a net reduction of 35 establishment plan posts, on the one hand due to a reduction of 47 posts for the European Parliament and an increase of 12 posts for the Court of Justice on the other hand; (ii) a net reduction in appropriations of EUR 600 000, on the one hand due to a reduction of EUR 1.4 million for the European Court of Auditors, EUR 1.4 million for the European Economic and Social Committee and EUR 400 000 for the Committee of the Regions, and an increase of EUR 2.6 million for the Court of Justice on the other hand; (iii) the increase of EUR 91.5 million for the EEAS reflects the budgetary-neutral transfer of the "common administrative costs of EU Delegations" and the EU Special Representatives, which is completely offset in the Commission section in heading 1a. Overall, these transfers result in a net increase in appropriations under heading 5 of EUR 66.3 million.

The issue of payment appropriations: the Commission assessment of needs, which led to the requested increase in payment appropriations for the financial year 2014 as proposed in Draft Amending Budget (DAB) No 3/2014 remains justified, both in terms of actual implementation to date and in light of payment claims received. Although no agreement was reached in the Conciliation Committee on DAB No 3/2014, nor on DAB 5/2014 and 7 /2014 on the mobilisation of the EU Solidarity Fund, these amending budgets are still part of the package to be agreed together with the 2015 budget.

No agreement was reached on the level of additional payment appropriations required by DABs 3, 5 and 7, and the financing of so-called 'special instruments'.

This new Draft Budget 2015 entails a **EUR 800 million overall reduction of payment appropriations compared to the Commission's original Draft Budget** as amended by Amending Letter 1/2015.

The proposed distribution of payment appropriations in the new Draft Budget 2015 will allow continuing to **reduce the backlog of unpaid bills from the past programming period** for Cohesion, to address the growing level of outstanding commitments for Competitiveness and Global Europe, as well as to successfully launch the new generation of spending programmes in 2015.

In this regard, the Commission stands ready to contribute to establishing, in close cooperation with the European Parliament and Council, a **payment plan aiming at keeping the evolution of the backlog of unpaid bills under control**.

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.

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.

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.

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.

2015 general budget: all sections; new proposal

2014/2224(BUD) - 17/12/2014 - Corrigendum to final act

Corrigendum to Definitive adoption (EU, Euratom) 2015/339 of the European Union's general budget for the financial year 2015 (Official Journal of the European Union L 69 of 13 March 2015)

In Section III ‘Commission’, the following budget lines:

02 05 11, 04 03 11, 06 02 04, 07 02 05 01, 07 02 05 02, 07 02 06, 09 02 03, 09 02 04, 15 02 12, 18 02 04, 18 02 05, 18 02 06, 32 02 10, 33 02 06, 33 02 07 and 33 03 04

must be read as differentiated appropriations.