



EUROPEAN PARLIAMENT

2014 - 2019

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*Plenary sitting*

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**A8-0068/2014**

15.12.2014

## **REPORT**

on the proposal for a decision of the European Parliament and of the Council on mobilisation of the Contingency Margin, in accordance with point 14 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (COM(2014)0328 – C8-0020/2014 – 2014/2037(BUD))

Committee on Budgets

Rapporteur: Gérard Deprez

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**on the proposal for a decision of the European Parliament and of the Council on mobilisation of the Contingency Margin, in accordance with point 14 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (COM(2014)0328 – C8-0020/2014 – 2014/2037(BUD))**

*The European Parliament,*

- having regard to the Commission proposal to the European Parliament and the Council (COM(2014)0328 – C8-0020/2014),
  - having regard to the Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020<sup>1</sup> (MFF Regulation), and in particular Article 13 thereof,
  - having regard to the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, cooperation in budgetary matters and sound financial management<sup>2</sup>, and in particular point 14 thereof,
  - having regard to the joint statement on payment appropriations by the Parliament, the Council and the Commission, as agreed in the joint conclusions of 12 November 2013<sup>3</sup>,
  - having regard to the general budget of the European Union for the financial year 2014, as definitively adopted on 20 November 2013,
  - having regard to Draft amending budget No 3/2014, which the Commission adopted on 15 April 2014 (COM(2014)0329),
  - having regard to the position adopted by the Council on 12 December 2014 on Draft amending budget No 3/2014 (16740/2014 – C8-0289/2014),
  - having regard to the report of the Committee on Budgets (A8-0068/2014),
- A. Whereas the implementation of the MFF 2014-2020 started with a huge backlog in payments, with unpaid bills amounting to some EUR 23,4 billion at the end of 2013 for Cohesion policy only, and a level of outstanding commitments (RAL) reaching EUR 221,7 billion at the same date, i.e. EUR 41 billion above what was originally foreseen when the MFF 2007-2013 was agreed; whereas this situation is unacceptable and requires urgent measures, having recourse to the flexibility mechanisms included in the MFF Regulation, with a view to not jeopardising the delivery of EU policies and programmes, as unanimously agreed in the MFF, but also to limiting the claims for

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<sup>1</sup> OJ L 347, 20.12.2013, p. 884.

<sup>2</sup> OJ C 373, 20.12.2013, p. 1.

<sup>3</sup> Texts adopted, 20.11.2013, P7\_TA(2013)0472.

interest on late payments and avoiding unduly increasing the economic exposure and vulnerability of beneficiaries of the Union budget;

- B. Whereas, in the framework of the budgetary conciliation for 2014, the Parliament, the Council, and the Commission jointly agreed, in light of the need to ensure an orderly progression of payments and avoid any abnormal shift of the RAL onto the 2015 budget, to have recourse to the various flexibility mechanisms contained in the MFF Regulation, including the Contingency Margin;
  - C. Whereas, after having examined all other financial possibilities to react to unforeseen circumstances, the Commission had proposed to mobilise the full amount of the Contingency Margin available to complement the payment appropriations in the general budget of the Union for the financial year 2014, above the payment ceiling;
  - D. Whereas the Council does not share Parliament's and Commission's interpretation that the EUR 350 million in payment appropriations mobilised in 2014 in respect of the Special Instruments provided for in the MFF Regulation should be counted outside the payments ceiling, thus leaving a margin of EUR 711 million to be exhausted before having recourse to the Contingency Margin; whereas, accordingly, the decision remains open as to 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;
  - E. Whereas it has been agreed, in the framework of the negotiations on the 2014-2015 budgets package, to mobilise the Contingency Margin for an amount of EUR 2 818,2 million plus EUR 350 million, i.e. EUR 3 168,2 million;
  - F. Whereas this mobilisation is not likely to sustainably address the recent payment shortages and the growing amount of outstanding commitments, but only to limit the increase in outstanding bills rolled over to the following year, which has grown by more than 50 % every year since 2010;
  - G. Whereas, incidentally, the financing of this mobilisation can take place at virtually no cost to national budgets due to other unexpected additional revenues for the year 2014;
  - H. Whereas moreover the mobilisation of the Contingency Margin in 2014 does not entail any increase of the global ceiling for payment (EUR 908 billion, 2011 prices) of the MFF 2014-2020 as clearly stipulated in Article 13(4) of the MFF Regulation since it is offset against the margins of future financial years as stipulated in Article 13(3) of the MFF Regulation;
1. Agrees with the mobilisation of the Contingency Margin for 2014, as presented in the annex;
  2. Underlines that the mobilisation of this instrument, as foreseen in Article 13 of the MFF Regulation, evidences, once more, the crucial need for the Union budget to be increasingly flexible;
  3. Approves the decision annexed to this resolution;

4. Instructs its President to sign the decision with the President of the Council and arrange for its publication in the *Official Journal of the European Union*;
5. Instructs its President to forward this resolution, including its annex, to the Council and the Commission.

## **ANNEX: DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

### **on the mobilisation of the Contingency Margin**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,  
Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management<sup>1</sup>, and in particular point 14 thereof,

Having regard to the proposal from the European Commission,

Whereas,

- (1) Article 13 of Council Regulation (EU, Euratom) No 1311/2013<sup>2</sup> has established a Contingency Margin of up to 0,03 % of the Gross National Income of the Union.
- (2) In accordance with Article 6 of that Regulation, the Commission has calculated the absolute amount of the Contingency Margin for 2014<sup>3</sup>.
- (3) After having examined all other financial possibilities to react to unforeseen circumstances that have arisen after the multiannual financial framework payment ceiling for 2014 was first established in February 2013, it appears necessary to mobilise the Contingency Margin to complement the payment appropriations in the general budget of the European Union for the financial year 2014, above the payment ceiling.
- (4) An amount of EUR 350 million in payment appropriations should be included in the mobilisation of the Contingency Margin pending an agreement on payments for other special instruments.
- (5) Having regard to the very particular situation which has arisen this year, the last-resort condition in Article 13(1) of Regulation (EU, Euratom) No 1311/2013 is fulfilled.
- (6) To ensure compliance with Article 13(3) of Regulation (EU, Euratom) No 1311/2013, the Commission should present a proposal on the offsetting of the relevant amount in the MFF payment ceilings for one or more future financial years, having due regard to the agreement on payments for other special instruments, and without prejudice to the

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<sup>1</sup> OJ C 373, 20.12.2013, p. 1.

<sup>2</sup> Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

<sup>3</sup> Communication from the Commission to the Council and the European Parliament of 20 December 2013 on the technical adjustment of the financial framework for 2014 in line with movements in GNI (COM(2013)928).

institutional prerogatives of the Commission,

HAVE ADOPTED THIS DECISION:

*Article 1*

For the general budget of the European Union for the financial year 2014, the Contingency Margin shall be used to provide the sum of EUR 3 168 233 715 in payment appropriations over and above the payment ceiling of the multiannual financial framework.

*Article 2*

The sum of EUR 2 818 233 715 shall be offset in three instalments against the margins under the payment ceilings for the following years:

- (a) 2018: EUR 939 411 200
- (b) 2019: EUR 939 411 200
- (c) 2020: EUR 939 411 315

The Commission is invited to present in a timely manner a proposal concerning the remaining amount of EUR 350 million.

*Article 3*

This decision shall be published in the *Official Journal of the European Union*.

Done at [...],

*For the European Parliament*

*The President*

*For the Council*

*The President*

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## RESULT OF FINAL VOTE IN COMMITTEE

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|---|---|
| <b>Date adopted</b>                           | 15.12.2014  |
| <b>Result of final vote</b>                   | +: 30<br>-: 5<br>0: 2   |
| <b>Members present for the final vote</b>     | Jean Arthuis, Richard Ashworth, Reimer Böge, Lefteris Christoforou, Jean-Paul Denanot, Gérard Deprez, José Manuel Fernandes, Eider Gardiazabal Rubial, Jens Geier, Iris Hoffmann, Monika Hohlmeier, Bernd Kölmel, Zbigniew Kuźmiuk, Vladimír Maňka, Sophie Montel, Clare Moody, Siegfried Mureşan, Victor Negrescu, Jan Olbrycht, Younous Omarjee, Pina Picierno, Paul Rübig, Petri Sarvamaa, Patricija Šulin, Eleftherios Synadinos, Isabelle Thomas, Inese Vaidere, Marco Valli, Monika Vana, Daniele Viotti, Marco Zanni |
| <b>Substitutes present for the final vote</b> | Tamás Deutsch, Pablo Echenique, Ernest Maragall, Andrej Plenković, Sergei Stanishev, Nils Torvalds  |