



EUROPEAN PARLIAMENT

2014 - 2019

Committee on Budgets

2014/2221(INI)

23.2.2015

OPINION

of the Committee on Budgets

for the Committee on Economic and Monetary Affairs

on European Semester for economic policy coordination: Annual Growth
Survey 2015
(2014/2221(INI))

Rapporteur (*): Jean Arthuis

(*) Associated committee – Rule 54 of the Rules of Procedure

PA_NonLeg

SUGGESTIONS

The Committee on Budgets calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Emphasises that the principle of budgetary accuracy in public accounts shall govern the drawing up of national budgets and the EU budget so as to ensure convergence and stability in the EU; is convinced that such accuracy is one factor in the response to the crisis of confidence existing between the Member States and between the Member States and the citizens of the European Union, a loss of confidence which has increased since the recent financial crisis struck;
2. Calls accordingly for the economic assumptions employed in drawing up national budgets to be harmonised; considers in particular that there should be a common assessment of factors in the international economic situation;
3. Calls for greater uniformity in the presentation of public accounts so as to facilitate comparisons and prevent excessive macroeconomic imbalances; calls in particular for the way in which Member States enter their contributions to the EU budget in their accounts to be standardised;
4. Calls on the Commission to offset any democratic deficit in the semester by means of the package of measures announced for 2015 on deepening economic and monetary union; reiterates its demand that any additional funding or instruments, such as a solidarity mechanism, should fall within the scope of Parliament's budgetary oversight and should be financed over and above the MFF ceiling for 2014-2020;
5. Considers it vital that the European Parliament and the national parliaments collaborate more closely in the context of the European Semester on economic and budgetary governance; undertakes to deepen its relations with the national parliaments in a spirit of constructive partnership in order to enhance parliamentary oversight of the Commission and the Council on the one hand and national governments and government bodies on the other; hopes to see the 2015 European Parliamentary Week and the conference referred to in Article 13 of the Treaty on Stability, Coordination and Governance contribute to this goal;
6. Recalls that the principle of budgetary accuracy applies to the EU budget too and insists on there being sufficient financing for approved commitments; regrets that in spite of Parliament's warnings this principle is being compromised by the current level of outstanding payments and the growing gap between payments and commitments leading to an unprecedented quantity of unpaid bills amounting to EUR 24.7 billion at the end of 2014; recalls that the overall ceiling of payment appropriations as foreseen in the current MFF is historically low; deplores the fact that this insidious debt undermines the credibility of the EU and is in contradiction to the goals set at the highest political level for growth and employment – notably youth employment – and support for small and medium-sized undertakings, and fears that this will deepen the gulf between the Union and its citizens;

7. Repeats its call for the mid-term post-electoral MFF revision to prepare the ground, on the basis of Recital 3 of the MFF 14-20 Regulation and in accordance with the Commission's declaration annexed to it, for the most suitable duration of the MFF post- 2020 with a view to striking the right balance between the duration of the respective terms of both Parliament and the Commission, thus ensuring democratic legitimacy for decisions on the Union's financial perspective while also taking steps to meet the need for stability in programming cycles and investment predictability;
8. Calls for the post-electoral revision of the MFF to analyse and therefore enhance the value added by EU funding to the goals of competitiveness, growth, employment and energy transition set by the Union; calls on the Commission to adopt a clearer methodology for better tracing EU funds and expenditure related to the Europe 2020 goals in order to allow improved impact assessments;
9. Welcomes the Commission's commitment to streamlining the European Semester through a comprehensive single economic assessment per Member State and streamlined reporting; calls for the assessment to emphasise the need to use funds from the EU Budget to implement the country-specific recommendations, and stresses the need to enhance Member States' ownership of the European Semester;
10. Notes that the Council systematically underestimates real payment needs, thereby creating the first stage in the payments crisis process; calls once more on the Council to agree with Parliament and the Commission on a common method of calculating the level of payments necessary to cover the real needs, in order to meet the commitments made by the two arms of the budgetary authority; calls on the Commission, furthermore, to report on the potential negative impact that the delayed payments issue would have on the commitments made by Member States in the context of the European Semester; stresses that decommitment is not a solution to the payment crisis;
11. Notes that in many Member States public administration has to date not been made more efficient, even though improvements in that area would serve to achieve savings by rationalising organisation and cutting red tape for businesses and citizens;
12. Calls on the Council and Commission to undertake, together with Parliament, a draft revision of the current budgetary procedure and to adapt accordingly the role of the two branches of the budgetary authority and the executive role of the Commission;
13. Notes that the MFF is designed with a system of multiple ceilings to give it stability and predictability over the whole of the programming period; regrets once again that Member States persist in viewing their contribution to the EU budget as something which can be used as an adjustment variable in their consolidation efforts, which in turn leads to an artificial reduction in the volume of payments available in the EU budget; proposes therefore that when examining national budgets special provisions should be made to show each country's share of unpaid invoices, in order to draw attention to the true state of affairs concerning liabilities attributable to each Member State; stresses that this would be in line with the flexibility advocated in the Commission communication of 13 January 2015 on making the best use of the flexibility within the existing rules of the Stability and Growth Pact (COM(2015)0012), which offers favourable treatment for national contributions to the strategic investment fund; points out that the credibility of this fund is

based on the solidity of the EU budget, and consequently on a reduction in the number of unpaid invoices;

14. Welcomes the fact that the Commission has, in its Annual Growth Survey 2015, underlined the economic significance of the European Structural and Investment Funds (including the youth employment initiative); recalls that these funds represent 10 % of total public investment on average in the EU but that the situation varies across countries and that in some Member States they can amount to as much as 80 % of public investment; emphasises that the Structural and Investment Funds constitute a good example of the synergy between the European budget and the national budgets on the basis of commonly agreed objectives enshrined in partnership agreements on growth and investment in line with the Europe 2020 strategy; supports all efforts in the direction of an intelligent pooling of European and national budgetary means in order to achieve efficiency gains, economic stimulation and lower national deficits by means of a positive effect of shared resources;
15. Highlights the urgent need to effectively tackle the tax fraud which is potentially depriving the EU budget of substantial resources;
16. Welcomes the EUR 315 billion investment plan presented by President Juncker as a first step, on the one hand to offset the deficit in public and private investment brought about by the reduction of public spending in a context of economic crises, and on the other to stimulate growth and job creation; calls on the Commission to submit an analysis of the possible impact of redeploying funds from EU programmes such as Connecting Europe Facility and Horizon 2020;
17. Confirms its willingness to examine with the utmost vigilance how financial commitments by the EU to the EIB for the setting-up of the European Strategic Investment Fund are entered in the EU budget, and in the 2015 budget in particular; draws attention in this respect to the fact that the EFSI should finance projects whose value is equal to or greater than the level which would have derived from their financing through the EU programmes from which funds are being redirected in order to set up the EU guarantee for the EFSI; confirms its intention to closely monitor the way in which the EIB will engage its own funds in the EFSI;
18. Calls on the Member States to top up this fund, which seeks to maximise the impact of public spending and attract private investment, and welcomes the Commission's proposal to show flexibility with regard to the national contributions to the EFSI should they lead to a small and temporary breach of the 3 % deficit threshold for a Member State; rejects the idea of any attempts to renationalise the fund or argue for a fair return which could ensue from national contributions; wishes to see trans-European and supranational projects chosen so that citizens can associate the benefits arising from these projects with action by the European Union;
19. Recalls that the existing system of own resources is complex, unfair and incomprehensible to citizens; stresses that the fiscal situation of Member States can be eased through a new system of own resources that will reduce GNI contributions, thus enabling Member States to achieve their consolidation efforts without jeopardising EU funding; recalls, therefore, the importance it attaches to the high-level group on own resources, and supports the debate on a new own resources system, which should lead to a true reform of EU

financing while not increasing the taxation burden on citizens; hopes that the three institutions will give appropriate follow-up to the final report of that group in order to hasten the coming-of-age of genuine resources; points out that consent to taxation lies at the very heart of parliamentary democracy in Europe.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	5.2.2015
Result of final vote	+: 19 -: 7 0: 7
Members present for the final vote	Nedzhmi Ali, Jonathan Arnott, Jean Arthuis, Richard Ashworth, Reimer Böge, Lefteris Christoforou, Jean-Paul Denanot, Gérard Deprez, José Manuel Fernandes, Eider Gardiazabal Rubial, Ingeborg Gräßle, Carlos Iturgaiz, Zbigniew Kuźmiuk, Vladimír Maňka, Ernest Maragall, Clare Moody, Siegfried Mureşan, Victor Negrescu, Liadh Ní Riada, Jan Olbrycht, Paul Rübig, Patricija Šulin, Eleftherios Synadinos, Paul Tang, Indrek Tarand, Inese Vaidere, Marco Valli, Daniele Viotti, Marco Zanni
Substitutes present for the final vote	Lidia Joanna Geringer de Oedenberg, Andrey Novakov, Nils Torvalds, Tomáš Zdechovský