



TEXTS ADOPTED

P8_TA(2014)0100

New general budget of the European Union for the financial year 2015

European Parliament resolution of 17 December 2014 on the Council position on the new draft general budget of the European Union for the financial year 2015 (16739/2014 – C8-0287/2014 – 2014/2224(BUD))

The European Parliament,

- having regard to Article 314 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Council Decision 2007/436/EC, Euratom of 7 June 2007 on the system of the European Communities' own resources¹,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002²,
- having regard to Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020³ (MFF Regulation),
- 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 management⁴ (IIA of 2 December 2013),
- having regard to its resolution of 13 March 2014 on general guidelines for the preparation of the 2015 budget, Section III - Commission⁵,

¹ OJ L 163, 23.6.2007, p. 17.

² OJ L 298, 26.10.2012, p. 1.

³ OJ L 347, 20.12.2013, p. 884.

⁴ OJ C 373, 20.12.2013, p. 1.

⁵ Texts adopted of that date, P7_TA(2014)0247.

- having regard to its resolution of 17 April 2014 on Parliament’s estimates of revenue and expenditure for the financial year 2015¹,
 - having regard to the draft general budget of the European Union for the financial year 2015, which the Commission adopted on 24 June 2014 (COM(2014)0300),
 - having regard to the position on the draft general budget of the European Union for the financial year 2015, which the Council adopted on 2 September 2014 and forwarded to Parliament on 12 September 2014 (12608/2014 – C8-0144/2014),
 - having regard to its resolution of 22 October 2014 on the Council position on the draft general budget of the European Union for the financial year 2015²,
 - having regard to the fact that the Conciliation Committee did not agree on a joint text within the twenty-one days referred to in Article 314(6) of Treaty on the Functioning of the European Union,
 - having regard to the new draft general budget of the European Union for the financial year 2015, which the Commission adopted on 27 November 2014 (COM(2014)0723), in accordance with Article 314(8) TFEU,
 - having regard to the conclusions of the budgetary trilogue on 8 December 2014,
 - having regard to the position on the new draft general budget of the European Union for the financial year 2015, which the Council adopted on 12 December 2014 (16739/2014 – C8-0287/2014) and forwarded to Parliament on the same day,
 - having regard to Rules 88 and 91 of its Rules of Procedure,
 - having regard to the report of the Committee on Budgets (A8-0067/2014),
1. Recalls that the "draft package", as set out in the annex, which was 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 an 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 141 214,0 million in commitment and payment appropriations respectively, and six joint statements as well as three unilateral statements;
 2. Underlines that, while enabling the Commission to respond to the most urgent payment 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, puts the emphasis on the joint statement on a payment plan which accompanies the agreement package on budget 2014 and budget 2015;
 3. Is convinced, however, that efforts need to be stepped up in the coming years with a view to reducing the level of unpaid bills to a sustainable level, with a particular focus on cohesion policy; stresses, in this respect, the joint commitment of the three Union

¹ Texts adopted of that date, P7_TA(2014)0450.

² Texts adopted of that date, P8_TA(2014)0036.

Institutions to consider any possible means to reduce the level of those bills, as set out in the joint statement on a payment plan accompanying this year's budgetary agreement;

4. Welcomes 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; 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;
5. Regrets 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; is pleased that the increases obtained in the negotiations correspond to Parliament's political priorities; regrets however, in this context, that the Council seems to not have any political priorities anymore and is solely interested in horizontally limiting the expenses as much as possible;
6. Welcomes the fact that, thanks to further assigned revenues identified in the Common Agricultural Policy after the presentation of the Commission's Amending letter No 1/2015, a solution has been found to finance EUR 273,6 million of emergency measures in response to the Russian food import ban without mobilising from the outset the reserve for crises in the agricultural sector;
7. Welcomes 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; is particularly pleased that, thanks to a redeployment of EUR 448,5 million and the extra assigned revenues identified in the abovementioned amending letter, the payment levels obtained in Headings 1a and 4 are above the initial Draft Budget of 24 June 2014;
8. Notes however 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; underlines 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; reminds the Council of the definitions of the type of appropriations in Article 10(3) of the Financial Regulation applicable to the general budget of the Union and its rules of application, stating that "payment appropriations shall cover payments made to honour the legal commitments entered into the financial year or preceding financial years";
9. Welcomes the fact that Council, in the end, agreed to the mobilisation of the Contingency Margin in 2014, even though to a lower amount than needed; welcomes furthermore the overall reinforcement of payments in the 2014 budget, on a number of budget lines up to a level of EUR 4,2 billion, of which EUR 3 168,2 million will be mobilised through the Contingency Margin for 2014, as well as the fact that the increases proposed in DAB No 3/2014 in payment appropriations for Heading 1a and Heading 4 have been largely preserved in the final compromise; notes that the reinforcements mainly target sub-heading 1b, where the bulk of the problem of unpaid bills at year-end currently lies; recalls that the Parliament, in its reading on the budget 2014, already envisaged the greater need for payment appropriations (the final agreement was EUR 983 million lower than the

adopted Parliament position); calls on the Council not to try to artificially cut the Union budget every year;

10. Disapproves 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; recalls that the draft package has been reached because it was meeting the Parliament's demand to stabilise the outstanding payments problem; underlines however that a genuine solution to the Union payment crisis requires an adequate limit of unpaid bills;
11. Deplores that the issue of the deferral of national contribution adjustments took precedence within the Council over finding a negotiating position on the 2014 and 2015 budgetary negotiations, which position was only established on the final day of the 21-day conciliation period provided for in Article 314 TFEU and contributed to the failure of the Conciliation Committee to reach an agreement;
12. Recalls that, according to Article 310 TFEU, the revenue and expenditure shown in the Union budget shall be in balance;
13. Attaches 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; insists 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; underlines once more that its approval of the MFF was based on the understanding that all special instruments in payments are accounted for over and above the ceilings and that any other interpretation would automatically trigger a re-opening of the MFF agreement;
14. Reiterates 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; regrets that, once more, it has not been made possible to reach an agreement with the Council on this point; stresses, however, that all efforts need to be made towards a definite agreement on this point at the earliest possible date;
15. Reaffirms its position that an in-depth reform of the system of own resources is vitally needed to get out of the current impasses in budgetary negotiations and therefore attaches the highest importance to the work of the High-Level Group on Own Resources, under the chairmanship of Mario Monti;
16. Regrets the unwillingness of both the Council and the Commission to provide Union agencies with the necessary resources, especially with regard to staff, to fulfil the mandates they were given by the legislative authority and underlines that the present agreement does not imply an acceptance by Parliament of the Commission's redeployment pool concept; furthermore, highly regrets the staff cuts in fee-financed agencies and considers them unjustified as far as the respective posts are not financed from the Union budget;
17. Welcomes the reinforcement of appropriations for the new nine Judges to the Court of Justice; reiterates 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; urges therefore the Council to find without any delay an agreement on the repartition of posts for the new Judges; requests a timely and up to date evaluation of the

additional financial needs for new judges and their staff to be presented by the Court to the Council and Parliament; reiterates that the need for additional staff corresponding to the nomination of new Judges should be evaluated in a prudent way;

18. Welcomes the implementation of the first phase of the cooperation agreement between the Parliament and the European Economic and Social Committee and Committee of the Regions; believes that this agreement is a good example of finding synergies between the institutions which will increase efficiency and generate savings; expects the second phase of that agreement to be completed by July 2015;
19. Welcomes the budgetary neutral transfers of "common administrative costs" for Commission staff in delegations from Section III (Commission) to Section X (EEAS) of the budget; reiterates that this transfer will respond to the simplification in the management of the administrative expenditure of the Union delegations and should not have any other impact on the administrative appropriations of the Commission nor on the working conditions of Commission staff in delegations; insists that the transfer be implemented through good cooperation between the EEAS and Commission;
20. Regrets, in general, the 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 invites 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 which should be the starting point of a new structural approach to the Union budget as to avoid unnecessary, returning conflicts as much as possible and to enhance the understanding among the interlocutors of the extent to which Union expenditures contribute to the shared commitment of growth and jobs for the Union;
21. Approves without amendment the Council position on the new draft budget for 2015 as well as the joint statements annexed to this resolution;
22. Instructs its President to declare that the budget has been definitively adopted and to arrange for its publication in the *Official Journal of the European Union*;
23. Instructs its President to forward this resolution to the Council, the Commission, the other institutions and bodies concerned and the national parliaments.

ANNEX
DRAFT PACKAGE
2015 budget – Joint conclusions

This draft package covers the following sections:

1. 2015 budget
2. 2014 budget – Draft amending budgets No 3/2014 to 8/2014
3. Joint statements

SUMMARY OVERVIEW

A. 2015 budget

According to the draft package:

- 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 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 141 214.0 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;
- 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.

B. Budget 2014

According to the draft package:

- draft amending budgets No 3/2014 to 8/2014 are accepted as proposed by the Commission, with the exceptions set out in section 2;
- as a consequence, the level of commitment appropriations in the 2014 budget is increased by EUR 49.8 million, due to the mobilisation of the EU Solidarity Fund (amounting to EUR 126.7 million) linked to draft amending budgets No 5/2014 and 7/2014, which is partly compensated by the EUR 76.9 million reduction in commitment appropriations in draft amending budgets No 3/2014, 4/2014 and 6/2014 (mostly related to fisheries);

- as a consequence, the level of payment appropriations in the 2014 budget is increased by EUR 3 529.6 million;
- the Contingency Margin for 2014 is mobilised for an amount of EUR 2 818.2 million plus EUR 350 million in payment appropriations, in line with the joint statement on special instruments as set out in section 3.3 below.

1. **BUDGET 2015**

1.1. **"Closed" lines**

Unless stated otherwise below in these conclusions, all budget lines not amended by either the Council or the European Parliament, and those for which the European Parliament accepted the Council's amendments during their respective reading are confirmed.

For the other budget items, the European Parliament and the Council have agreed on the conclusions included in sections 1.2 to 1.7 below.

1.2. **Horizontal issues**

a) **Decentralised agencies**

The EU contribution (in commitment appropriations and in payment appropriations) and the number of posts for all decentralised agencies are set at the level proposed by the Commission in the new Draft Budget (DB):

Increases of establishment plan posts and the related appropriations as compared to the original DB:

- *European Banking Authority (EBA)*: +9 posts and + EUR 585 000;
- *European Insurance and Occupational Pensions Authority (EIOPA)*: +3 posts and +EUR 195 000;
- *European Securities and Markets Authority (ESMA)*: +4 posts and +EUR 260 000;
- *European Asylum Support Office (EASO)*: +4 posts and +EUR 260 000; and
- *European Police Office (EUROPOL)*: +5 posts, combined with a reduction of -EUR 600 000);

For *FRONTEX*, an increase in operational expenditure of EUR 20.0 million in commitment appropriations and in payment appropriations.

b) **Executive agencies**

The EU contribution (in commitment appropriations and in payment appropriations) and the number of posts for executive agencies are set at the level proposed by the Commission in the new DB.

c) **Pilot Projects/Preparatory Actions**

A comprehensive package of 59 Pilot Projects/Preparatory Actions (PP/PA) is agreed, as proposed in the new DB, both for commitment and payment appropriations. When a PP or a PA appears to be covered by an existing legal basis, the Commission may propose the transfer of appropriations to the corresponding legal basis in order to facilitate the implementation of the action.

This package fully respects the ceilings for PP and PA provided for in the Financial Regulation.

d) **Common administrative costs of EU Delegations**

The transfer of "Common administrative costs of EU Delegations" from the Commission section to the EEAS section of the budget, as proposed in the new DB, is agreed.

1.3. Expenditure by headings of the financial framework - commitment appropriations

After taking into account the above conclusions on "closed" budget lines, agencies and pilot projects and preparatory actions, the European Parliament and the Council have agreed on the following:

a) **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):

(in EUR 1,000)

Budget line	Name	Reinforcements of commitment appropriations		
		2015 DB	New 2015 DB	Difference
02 02 02	Improving access to finance for small and middle-sized enterprises (SMEs) in the form of equity and debt	162 791,7	174 791,7	12 000,0
04 03 02 03	Microfinance and Social Entrepreneurship – Facilitating access to finance for entrepreneurs, especially those furthest from the labour market, and social enterprises	24 957,0	26 457,0	1 500,0
08 02 02 02	Enhancing access to risk finance for investing in research and innovation	337 534,7	342 534,7	5 000,0
	Total			18 500,0

Moreover, the following reinforcements of commitment appropriations as compared to the new DB are accepted:

(in EUR 1,000)

Budget line	Name	New 2015 DB	2015 budget	Difference
02 02 01	Promoting entrepreneurship and improving the competitiveness and access to markets of Union enterprises	106 561,8	108 561,8	2 000,0
02 04 03 02	Fostering secure European societies	148 235,9	153 235,9	5 000,0
08 02 01 01	Strengthening frontier research in the European Research Council	1 631 723,2	1 650 723,2	19 000,0
08 02 02 01	Leadership in nanotechnologies, advanced materials, laser technology, biotechnology and advanced manufacturing and processing	498 592,7	503 592,7	5 000,0
08 02 03 05	Achieving a resource-efficient and climate change resilient economy and a sustainable supply of raw materials	291 719,4	297 719,4	6 000,0
09 04 02 01	Leadership in information and communications technology	819 154,4	824 154,4	5 000,0
09 04 03 02	Fostering inclusive, innovative and reflective European societies	41 725,8	43 725,8	2 000,0
15 02 01 01	Promoting excellence and cooperation in the European education and training area and its relevance to the labour market	1 336 476,0	1 348 476,0	12 000,0
15 02 01 02	Promoting excellence and cooperation in the European youth area and the participation of young people in European democratic life	161 745,0	165 245,0	3 500,0
15 02 03	Developing the European dimension in sport	20 439,0	20 939,0	500,0
15 03 01 01	Marie Skłodowska-Curie actions — generating, developing and transferring new skills, knowledge and innovation	734 668,4	737 668,4	3 000,0
	Total			63 000,0

As a consequence, and after taking into account pilot projects, preparatory actions and the transfer of the common costs of EU delegations to the EEAS section, the agreed level of commitments is set at EUR 17 551.7 million, leaving a margin of EUR 114.3 million under the expenditure ceiling of sub-heading 1a.

b) Sub-heading 1b

Commitment appropriations are set at the level proposed in the new DB (pilot projects under sub-heading 1b).

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.

c) Heading 2

Commitment appropriations are set at the level proposed by the Commission in the new DB.

Based on the new elements that have emerged since the presentation of letter of amendment (LA) No 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 LA No 1/2015 without having recourse to the agricultural crisis reserve, thanks to

this additional assigned revenue.

As a consequence, and after taking into account pilot projects, preparatory actions and the transfer of the common costs of EU delegations to the EEAS section, 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 heading 2.

d) 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, and after taking into account pilot projects and preparatory actions, 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.

e) 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 as compared to the new DB are accepted:

(in EUR 1,000)

Budget line	Name	New DB 2015	Budget 2015	Difference
21 03 01 04	Support to peace process and financial assistance to Palestine and to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA)	264 500,0	286 500,0	22 000,0
23 02 01	Delivery of rapid, effective and needs-based humanitarian aid and food aid	872 446,0	882 446,0	10 000,0
	Total			32 000,0

However, the transfer of the EU Special Representatives from heading 4 to heading 5 (EEAS section) as proposed in the new DB is not accepted. Consequently, the commitment and payment appropriations on budget line 19 03 01 07 (*EU Special Representatives, heading 4*) are restored as proposed in the original DB.

As a consequence, and after taking into account pilot projects, preparatory actions and the transfer of the common costs of EU delegations to the EEAS section, the agreed level of commitments is set at EUR 8 408.4 million, leaving a margin of EUR 340.6 million under the expenditure ceiling of heading 4.

f) **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:

- the respective readings of the European Parliament and the Council, for their own sections of the budget;
- the reading of the European Parliament for the Court of Justice;
- the reading of the European Parliament for the European Court of Auditors, the European Economic and Social Committee and the Committee of the Regions; and
- For the European External Action Service, the level of appropriations proposed by the Commission in the DB increased to take account of the budgetary-neutral transfer of appropriations related to the "common administrative costs of EU Delegations" (as set out in Annex 1) from the Commission to the EEAS section of the budget. However, the transfer of the EU Special Representatives from heading 4 to the EEAS section under heading 5 as proposed in the new DB is not accepted. Consequently, no appropriations for this purpose are included in the EEAS section of the budget.

Altogether, compared to the original DB, these changes lead to:

- a net reduction of 35 establishment plan posts, due to a reduction of 47 posts for the European Parliament which is partly offset by an increase of 12 posts for the Court of Justice;
- a net reduction in appropriations of EUR 0.6 million, 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 0.4 million for the Committee of the Regions, which is partly offset by an increase of EUR 2.6 million for the Court of Justice;
- the increase of EUR 71.5 million for the EEAS reflects the budgetary-neutral transfer of the "common administrative costs of EU Delegations", which is completely offset in the Commission section in sub-heading 1a (EUR 0.6 million), heading 2 (EUR 0.1 million), heading 4 (EUR 45.7 million) and 5 (EUR 25.2 million). Overall, these transfers result in a net increase in appropriations under heading 5 of EUR 46.3 million.

In addition, as compared to the new DB the following budgetary neutral transfer of posts and commitment appropriations from the Council to the Pay Master's Office is agreed, to take account of the transfer as of 1 January 2015 of the determination and management of pension rights of active and retired Council staff members to the PMO: an increase of 6 AST

7 establishment plan posts as well as an increase of EUR 504 000 in commitment appropriations in the Commission (section III) is completely offset by a reduction of 6 AST 7 establishment plan posts as well as a reduction of EUR 504 000 in commitment appropriations in the Council (section II).

As a consequence, taking into account pilot projects, preparatory actions as well as the transfer of the common costs of EU delegations to the EEAS section, 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.

1.4. Payment appropriations

The overall level of payment appropriations in the 2015 budget is set at EUR 141 214 040 563.

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, as well as an amount of EUR 440 million which relates to the shift of payment appropriations for the Youth Employment Initiative from the 2014 budget to the 2015 budget.

The distribution of the overall level of payment appropriations in the 2015 budget takes into account the following steps:

- a) payment appropriations for non-differentiated expenditure as set out above, in particular under headings 2 and 5; and
- b) payment appropriations for the package of pilot projects and preparatory actions as set out above, are calculated as follows: payment appropriations for all new pilot projects and preparatory actions are set at 50 % of the corresponding commitments or at the level proposed by the European Parliament, whichever is lower; in the case of extension of existing pilot projects and preparatory actions the level of payments is the one defined in the DB plus 50 % of the corresponding new commitments, or at the level proposed by the European Parliament, whichever is lower;

- c) the EUR 123.3 million reduction in payment appropriations compared to the new DB is spread proportionally across all budget lines with differentiated appropriations which are not affected by step b) above, with the exception of the following budget lines, for which the level of payment appropriations is set at the level of the new DB:
- expenditure for sub-heading 1a (*Competitiveness for Growth and Jobs*) and heading 4 (*Global Europe*);
 - Budget lines 04 02 17, 04 02 60, 11 06 12, 13 03 16 and 13 03 60 for the Convergence objective; and
 - International Fisheries Partnership Agreements.

Based on the results obtained in step c) above, the following final adjustments are made:

- an amount of EUR 100 million is added to budget line 13 04 02 (*Completion of Cohesion Fund (2007-2013)*), offset by:
 - a reduction of EUR 50 million on budget line 13 03 18 (*Completion of European Regional Development Fund (ERDF) – Regional competitiveness and employment*); and
 - a reduction of EUR 50 million spread across budget lines with differentiated appropriations which are not affected by step b) above, for expenditure sub-heading 1 (*Competitiveness for Growth and Jobs*) and heading 4 (*Global Europe*), with the exception of budget line 23 02 (*Humanitarian aid, food assistance and disaster preparedness*), for which the amounts set in the new DB are retained.

1.5. Budgetary remarks

As regards budgetary remarks, the new DB is approved, thus integrating amendments introduced by the European Parliament or the Council, except for budget lines 04 03 01 03 and 19 03 01 06, with the understanding that these amendments cannot modify or extend the scope of an existing legal base, or impinge on the administrative autonomy of institutions.

1.6. New budget lines

The budget nomenclature as proposed by the Commission in the new DB will remain unchanged.

1.7. Reserves

No amount is placed on conditional reserves for the Commission section.

2. 2014 BUDGET

- a) The additional commitment appropriations (EUR 126.7 million) requested for the EU Solidarity Fund in DABs No 5/2014 and 7/2014 are approved. The corresponding payments are shifted to the 2015 budget.
- b) DAB No 3/2014 is approved as proposed by the Commission, with a reduction of payment appropriations as follows:
- Rural development: EUR 90 million for the completion of rural development programmes 2007-2013 is not accepted taking into account the lower than expected declaration of payments submitted by Member States in November 2014. Moreover, a reduction of EUR 20 million on the new programmes is agreed;
 - Youth Employment Initiative: a reduction of EUR 420 million for the Youth Employment Initiative is agreed. However, an amount of EUR 440 million of payment appropriations for the Youth Employment Initiative is added to the 2015 budget, as set out in section 1.4 above;
 - A further reduction of payment appropriations of EUR 648.1 million is agreed, distributed across the budget lines reinforced from the Contingency Margin while keeping unchanged the requested amounts for budget lines 13 03 16 (*ERDF Convergence*), 04 06 01 (*FEAD*), and 21 03 02 01 and 21 03 03 03 (*Support for Ukraine*).

Redeployment of payment appropriations:

- the redeployment proposed by the Commission in the "global transfer" (DEC 31/2014) is accepted;
- the redeployment proposed by the Commission for the Commission section in DAB No 6/2014 is accepted; however, the payment appropriations available for redeployment from the EMFF (administrative support expenditure) and the reserve for International Fisheries Partnership Agreements (in total EUR 6 150 900) are redeployed to Humanitarian aid (budget line 23 02 01);
- taking into account the current state of budget implementation and the outlook for year-end, a further redeployment amounting to EUR 30.4 million is agreed. This concerns the following budget lines:
 - Article 01 03 02 (*Macro-financial assistance*): EUR 5 million;
 - Article 04 03 02 (*PROGRESS*): EUR 10.0 million;
 - Article 12 02 01 (*Internal market*): EUR 1.2 million;
 - Article 17 03 51 (*Public Health*): EUR 0.7 million;
 - Item 18 02 01 02 (*Prevention of and fight against crime*): EUR 2.3 million;
 - Item 21 09 51 01 (*DCI Asia*): EUR 2.5 million;
 - Article 33 02 02 (*Promoting non-discrimination and equality*): EUR 2.2 million; and

- Articles 29 02 01 and 29 02 51 (*Statistics*): EUR 6.5 million.

The table below shows the resulting reinforcements and reductions of payment appropriations in DAB No 3/2014 (including redeployment through the "global transfer", DAB No 6/2014 and the latest update of the state of play of budget implementation) as approved along the lines set out above:

Budget lines	Name	DAB No 3/2014 Adopted
01 03 02	Macro-financial assistance	-28 960 000
01 04 51	Completion of programmes in the field of small and middle-sized enterprises (SMEs) (prior to 2014)	12 000 000
02 02 02	Improving access to finance for small and middle-sized enterprises (SMEs) in the form of equity and debt	4 540 126
02 05 01	Developing and providing global satellite-based radio navigation infrastructures and services (Galileo) by 2019	70 000 000
04 02 64	Youth Employment Initiative	-420 000 000
04 03 02 01	Progress — Supporting the development, implementation, monitoring and evaluation of Union employment and social policy and working conditions legislation	-2 950 000
04 03 02 03	Microfinance and Social Entrepreneurship — Increasing access, and the availability of, financing for legal and physical persons, especially those furthest from the labour market, and social enterprises	-7 114 776
04 06 01	Promoting social cohesion and alleviating the worst forms of poverty in the Union	99 000 000
05 02 10 02	Promotion measures — Direct payments by the Union	-308 029
05 04 60 01	Promoting sustainable rural development, a more territorially and environmentally balanced, climate-friendly and innovative Union agricultural sector	-20 000 000
05 06 01	International agricultural agreements	-3 784 411
05 08 77 06	Preparatory action — European farm prices and margins observatory	-612 329
05 08 77 09	Preparatory action — Union plant and animal genetic resources	-600 000
05 08 77 10	Pilot project — Agropol: development of a European cross-border Agribusiness Model Region	-600 000
05 08 77 11	Pilot project — Agroforestry	-350 000
05 09 03 01	Securing sufficient supplies of safe and high quality food and other bio-based products	-1 666 954
07 02 77 03	Preparatory action — Strategic environmental impact assessment on the development of the European Arctic	356 052
08 02 01 01	Strengthening frontier research in the European Research Council	24 970 695
08 02 02 02	Enhancing access to risk finance for investing in research and innovation	4 540 126
08 02 51	Completion of previous research framework programme — Seventh Framework Programme — EC indirect action (2007 to 2013)	50 000 000
08 04 01	Construction, operation and exploitation of the ITER facilities – European Joint Undertaking for ITER – Fusion for Energy (F4E)	-8 800 000
08 04 51	Completion of European Joint Undertaking for ITER — Fusion for Energy (F4E) (2007 to 2013)	-71 200 000
09 02 01	Definition and implementation of the Union's policy in the field of electronic communication	-271 200
09 02 05	Measures concerning the digital content, and audiovisual and other media industries	-592 000
09 02 77 03	Pilot project — European Centre for Press and Media Freedom	-456 508
09 03 03	Promoting interoperability, sustainable deployment, operation and upgrading of trans-European digital service infrastructures, as well as coordination at European level	-1 898 831
09 03 51 01	Completion of the Safer Internet programme (2009 to 2013)	-450 000
09 04 03 02	Fostering inclusive, innovative and reflective European societies	2 784 852
09 04 51	Completion of the Seventh Framework Programme (2007 to 2013)	105 000 000
11 01 04 01	Support expenditure for maritime affairs and fisheries — Non-operational administrative and technical assistance	-774 900

Budget lines	Name	DAB No 3/2014 Adopted
11 01 06 01	Executive Agency for Small- and Medium-sized Enterprises — Contribution from European Maritime and Fisheries Fund (EMFF)	-809 000
11 03 01 (reserve)	Establishing a governance framework for fishing activities carried out by Union fishing vessels in third country waters	-69 567 000
11 06 12	Completion of European Fisheries Fund (EFF) — Convergence objective (2007 to 2013)	69 540 126
12 02 01	Implementation and development of the internal market	-1 170 000
12 02 77 03	Preparatory action — Single Market Forum	-150 000
12 03 51	Completion of previous activities in the field of financial services, financial reporting and auditing	-669 803
13 03 16	Completion of European Regional Development Fund (ERDF) — Convergence	2 400 700 000
13 03 18	Completion of European Regional Development Fund (ERDF) — Regional competitiveness and employment	227 006 319
13 03 19	Completion of European Regional Development Fund (ERDF) — European territorial cooperation	179 334 992
13 03 77 09	Preparatory action on an Atlantic Forum for the European Union Atlantic Strategy	-433 000
13 05 63 02	Cross-border cooperation (CBC) — Contribution from Heading 4	-12 338 481
14 02 01	Supporting the functioning and modernization of the customs union	7 500 000
14 03 01	Improving the proper functioning of the taxation systems	2 500 000
15 02 01 01	Promoting excellence and cooperation in the European education and training area and its relevance to the labour market	138 119 479
15 03 01 01	Marie Skłodowska-Curie actions — generating, developing and transferring new skills, knowledge and innovation	40 861 137
16 03 01 03	Information outlets	1 600 000
16 03 01 04	Communication of the Commission Representations and 'Partnership' actions	1 000 000
16 03 02 03	Online and written information and communication tools	2 900 000
17 02 01	Safeguarding consumers' interest and improving their safety and information	-1 449 000
17 03 10	European Centre for Disease Prevention and Control	-2 000 000
17 03 12 01	Union contribution to the European Medicines Agency	-7 602 918
18 02 01 01	Support of border management and a common visa policy to facilitate legitimate travel	-7 446 000
18 02 01 02	Prevention and fight against cross-border organised crime and better management of security related risks and crisis	-9 236 000
18 03 51	Completion of operations and programmes in the field of return, refugees and migration flows	19 431 000
19 02 01	Response to crisis and emerging crisis	50 765 835
19 05 51	Completion of actions in the field of relations and cooperation with industrialised third countries (2007 to 2013)	3 600 000
20 02 01	External trade relations, including access to the markets of third countries	1 181 809
20 02 03	Aid for trade — Multilateral initiatives	1 000 000
21 02 07	Food and nutrition security and sustainable agriculture	6 000 000
21 02 40	Commodities agreements	20 000
21 02 51 01	Cooperation with third countries in the areas of migration and asylum	4 000 000
21 02 51 02	Cooperation with developing countries in Latin America	23 000 000
21 02 51 03	Cooperation with developing countries in Asia, including Central Asia and the Middle East	44 000 000
21 02 51 05	Non-State actors in development	2 000 000
21 02 51 06	Environment and sustainable management of natural resources, including energy	2 000 000
21 03 02 01	Eastern Partnership — Human rights and mobility	210 000 000
21 03 03 03	Support to other multi-country cooperation in the neighbourhood	40 000 000
21 03 51	Completion of actions in the area of European Neighbourhood Policy and relations with Russia (prior to 2014)	3 000 000
21 04 51	Completion of the European Instrument for Democracy and Human Rights (prior to 2014)	3 000 000
21 05 51	Completion of actions in the area of global threats to security (prior to 2014)	2 000 000

Budget lines	Name	DAB No 3/2014 Adopted
21 09 51 01	Asia	-2 500 000
22 02 51	Completion of former pre-accession assistance (prior to 2014)	45 000 000
23 02 01	Delivery of rapid, effective and needs-based humanitarian aid and food aid	256 150 900
23 03 51	Completion of programmes and actions in the field of civil protection within the Union (prior to 2014)	-500 000
24 01 07	European Anti-fraud Office (OLAF)	-10 000
24 02 01	Preventing and combating fraud, corruption and any other illegal activities affecting the Union's financial interests	942 750
24 04 01	Supporting mutual assistance in customs matters and facilitating secure electronic communication tools for Member States to report irregularities	680 612
26 01 09	Publications Office	-22 000
26 01 23 01	Office for Infrastructure and Logistics in Luxembourg	-13 000
26 02 01	Procedures for awarding and advertising public supply, works and service contracts	-250 000
26 03 01 01	Interoperability solutions for European public administrations	10 000 000
29 02 01	Providing quality statistical information, implementing new methods of production of European statistics and strengthening the partnership within the European Statistical System	-11 294 249
29 02 51	Completion of statistical programmes (prior to 2013)	-9 872 560
32 02 52	Completion of energy projects to aid economic recovery	65 000 000
33 02 01	Ensuring the protection of rights and empowering citizens	-2 000 000
33 02 02	Promoting non-discrimination and equality	-5 177 700
34 02 01	Reducing Union greenhouse gas emissions	6 000 000
34 02 04	Contribution to multilateral and international climate agreements	-74 969
34 02 51	Completion of former climate action programmes	2 903 358
XX 01 01 01 01	Remuneration and allowances	-317 000
SEC 7 - 1 2 0 0	Remuneration and allowances	-10 992
SEC 9 - 1 1 0 0	Remuneration and allowances	-5 843
	Total	3 529 620 715

The resulting additional payment appropriations for DAB No 3/2014 are EUR 3 529.6 million, of which EUR 2 818.2 million plus EUR 350 million concern the mobilisation of the Contingency Margin, in line with the joint statement on special instruments as set out in section 3.3 below.

- c) DAB No 4/2014, as modified by its letter of amendment, is approved as proposed by the Commission, with the inclusion of the commitment appropriations from DAB No 6/2014 related to administrative support expenditure for the European Maritime and Fisheries Fund and the reserve for the Sustainable Fisheries Partnership Agreements in the Commission section). The amount of EUR 248 460 of available payment appropriations identified in DAB No 4/2014 (European Data Protection Supervisor) are redeployed to Humanitarian aid (budget line 23 02 01). The request for additional commitment and payment appropriations related to the European Ombudsman (section VIII) in DAB 6 is withdrawn, as set out in the letter of amendment to DAB No 6/2014.
- d) DAB No 6/2014, as modified by its letter of amendment, is approved as proposed by the Commission, as regards own resources.
- e) DAB No 8/2014 (= new DAB No 2/2014) concerning the 2013 surplus is approved as proposed by the Commission.

3. JOINT STATEMENTS

3.1. Joint statement on draft amending budget (DAB) 6/2014 (own resources) and amendment of Council Regulation (EC, Euratom) 1150/2000

"The European Parliament and the Council agree to adopt Draft Amending Budget 6/2014 as amended by Amending Letter 1/2014.

In light of the Commission proposal to amend Council Regulation (EC, Euratom) No 1150/2000 implementing Decision 2007/436 (EC, Euratom) on the system of the European Communities' own resources presented by the Commission on 12 November 2014, the European Parliament commits to provide its opinion to the amended Regulation (EC, Euratom) No 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."

3.2. Joint statement on the mobilisation of the Contingency Margin

"2014 has seen an unprecedented high amount of outstanding payments for structural and cohesion funds at the beginning of the financial framework, while a number of new programmes have been significantly frontloaded. Given this unique and exceptional situation which cannot be accommodated within the payment ceiling for 2014, the three institutions agree that the Contingency Margin will be mobilised for the financial year 2014 as a last resort.

The institutions recall that Article 13 of the MFF-regulation stipulates that "Amounts made available through the mobilisation of the Contingency Margin shall be fully offset against the margins in one or more MFF headings for the current or future financial years".

The institutions 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."

3.3. Joint statement on special instruments

"The institutions recall that the Contingency Margin is a last resort instrument which should therefore not be mobilised if there are still financial possibilities left. In the framework of the general budget for 2014 there is disagreement 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 draft amending budgets 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 and notably its Article 13(3)."

3.4. Commission statement on pre-financing of Operational Programmes in 2014 and the Youth Employment Initiative

"In the context of the timely and effective implementation of the 2014-2020 MFF, the European Commission confirms the pre-financing, in 2014, of Operational Programmes which have been formally submitted in 2014 and which meet the necessary conditions set in the corresponding legal acts.

Moreover, the Commission confirms that the Youth Employment Initiative remains a high political priority and that the transfer of the related payment appropriations from 2014 to 2015 will not delay its implementation."

3.5. Joint statement on the financing of the emergency measures in response to the Russian food import ban

"Following the Russian food import ban, a series of emergency measures has already been adopted in August and September 2014, and a further package targeted to the dairy sector in the Baltic States has been approved on 26 November 2014. As soon as the conditions respecting the objective criteria required for eligibility are met, the Commission may propose another package targeted to the dairy sector in Finland.

In its Amending Letter (AL) 1/2015, the Commission announced its intention to finance, if needed, these measures through the reserve for crises.

Since the presentation of the AL 1/2015, the following three new elements have emerged, which allow the financing of those emergency measures without using the crisis reserve:

- According to the declarations of the Member States on the actual uptake of the measures adopted in August and September, the cost is reduced from the initially estimated EUR 344 million to some EUR 234 million.
- The final surplus of the EAGF exercise 2014 is some EUR 230 million

higher than anticipated in the AL 1/2015, which was still based on estimates.

- The financial corrections to be collected in 2015 are expected to be higher than initially expected last October."

Based on these three new elements, the emergency measures referred to above (including those related to the dairy sector in the Baltic States, and for Finland once the conditions are met) can be financed within the appropriations requested in the AL 1/2015 thanks to this additional assigned revenue without having recourse to the crisis reserve."

3.6. Joint statement on payment appropriations

"The European Parliament, the Council and the Commission recall their shared responsibility, as laid down in Article 323 of the Treaty on the Functioning of the European Union (TFEU), that 'the European Parliament, the Council and the Commission shall ensure that the financial means are made available to allow the Union to fulfil its legal obligations in respect of third parties'.

The European Parliament and the Council recall the need to ensure, in the light of implementation, an orderly progression of payments in relation to the appropriations for commitments so as to avoid any abnormal level of unpaid invoices at year-end.

The European Parliament and the Council agree to set the level of payment appropriations for 2015 at EUR 141 214 040 563. They ask 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 (Financial Regulation Article 41§2) 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 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, 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. The meetings should aim at reaching a joint assessment of the required level of payment needs, based on a thorough analysis of existing bills that have to be legally honoured and estimates for the rest of the year N and the year N+1."

3.7. Joint statement on a payment plan

"The institutions agree to the objective to reduce the level of unpaid bills, with a particular focus on cohesion policy, at year-end down to its structural level in the course of the current MFF.

In order to reach this objective:

- 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 when a global picture of the level of unpaid bills at the end of 2014, for the main policy areas, will be available;
- 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 to the commonly agreed level by the mid-term review of the current multiannual financial framework. Such a plan will be agreed by the three institutions in due time before the presentation of the draft budget 2016. Given the exceptionally high level of unpaid bills, the three institutions agree to consider any possible means to reduce the level of those bills.

Every year, the Commission agrees to accompany its draft budget by a document evaluating the level of unpaid bills and explaining how the draft budget will allow for the reduction of this level and by how much. This annual document will take stock of the progress made so far and propose adjustments to the plan in line with updated figures."

3.8. Statement of the European Parliament on the mobilisation of the Contingency Margin as a last resort

"The European Parliament regrets that the Council does not share its 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.

The European Parliament recalls that, in accordance with Article 13(1) of the MFF Regulation, the Contingency Margin is a last-resort instrument. Therefore, it is necessary to exhaust fully all other financial possibilities before having recourse to the Contingency Margin. In the context of the dispute between the European Parliament and the Council regarding the calculation of the available margin below the payments ceiling in 2014, it was not possible to reach a political agreement on the exhaustion of an available margin of EUR 350 million before having recourse to the Contingency Margin.

Recalling that the MFF Regulation is based on the principle of “specific and maximum possible flexibility” in order to allow the Union to fulfill its legal obligations in compliance with Article 323 TFEU (Recital 4 to the MFF Regulation), the Parliament considers that the interest of making available additional appropriations to honour outstanding legal commitments through a mobilisation of the Contingency Margin is paramount. Therefore, the Parliament accepts a mobilisation of the Contingency Margin, notwithstanding its interpretation that EUR 350 million remains available under the payments ceiling.

The European Parliament invites the Commission to carry over the unused margin of EUR 350 million in its 2015 technical adjustment of the global margin for payments under Article 6(1)(d) of the MFF Regulation."

3.9. Council statement on the mobilisation of the special instruments

"The Council recalls that the special instruments can only be activated to cater for genuinely unforeseen circumstances.

It recalls that the Contingency Margin shall not result in exceeding the total ceilings of commitment and payment appropriations.

As regards other special instruments, the Council recalls that Article 3(2) of the MFF Regulation states that commitment appropriations may be entered in the budget over and above the ceilings of the relevant headings.

The Council invites the Commission, in calculating the global margin, to act in accordance with the MFF Regulation and without undermining the agreement reached between the three institutions on a Joint Statement on special instruments (3.3)."
