

**Joint statement on a payment plan 2015-2016****[Outcome of the interinstitutional meeting on payments of 26 May 2015]**

Building on the joint statement on a payment plan agreed in December 2014 as part of the agreement reached on the 2014 and 2015 budgets, the three institutions have commonly assessed the state of play and outlook for payments in the EU budget on the basis of the document transmitted by the Commission on 23 March 2015.

The European Parliament, the Council and the Commission agree on the following:

**1. State of play**

The European Parliament and the Council take note of the Commission's thorough assessment provided in the "*Elements for a payment plan to bring the EU budget back onto a sustainable track*" (in annex) as an analytical basis for identifying the main drivers behind the grown level of outstanding payment claims at year-end, and for attaining the objective of reducing the level of unpaid bills, with a particular focus on the implementation of the 2007-2013 cohesion policy programmes.

- a) The constraint on the payment appropriations authorised in the past budgets combined with the implementation cycle of the cohesion programmes have led to the progressive building up of an unsustainable backlog of outstanding payment claims at year-end, reaching an unprecedented level of EUR 24.7 billion at the end of 2014. However, the institutions recognise that the difficult decisions made with regards to the 2014 and 2015 budgets have largely stabilised the backlog.
- b) Moreover, the shortage of payments has translated into a slowing down in the implementation of the 2014-2020 programmes in other headings, notably in view of meeting contractual obligations stemming from past commitments and thus avoiding the risk of interests on late payment, at a time when key programmes are

expected to contribute to growth and jobs in Europe and to secure the Union's role on the international stage.

## **2. Outlook**

- c) The European Parliament and the Council take note of the outlook for 2015 and 2016 presented by the Commission: the analysis indicates that it could be possible to reduce the year-end backlog of outstanding payment claims for the 2007-2013 cohesion programmes to a level of around EUR 2 billion by the end of 2016, taking into account in particular that the cohesion programmes are approaching the closure stage, and provided that sufficient payment appropriations are authorised in the 2016 budget. This should help avoid negative repercussions and unnecessary delays for the implementation of the 2014-2020 programmes.
- d) The European Parliament and the Council underline their commitment to phasing out the unsustainable backlog of outstanding payment claims for the 2007-2013 cohesion programmes. They undertake to cooperate fully in view of authorising a level of payment appropriations in the 2016 budget, which allows reaching such a goal. Their deliberations will take into account the current outlook, to be reflected and further refined by the Commission in its estimates for the 2016 draft budget.
- e) The Commission will continue to closely monitor the development of the backlog and, if necessary, will propose appropriate measures to ensure an orderly progression of payment appropriations consistent with the authorised commitment appropriations.
- f) The three institutions recall their commitment to actively monitor the state of implementation of payments throughout 2015. As part of their regular exchange of views, they confirm their willingness to organise dedicated inter-institutional meetings on 26 May, 14 July and 19 October, with a view to ensuring a sustainable budgeting process. In this regard, those interinstitutional meetings should also address the longer-term forecasts on the expected evolution of payments until the end of the current MFF for which the Commission is requested to present, if appropriate, alternative scenarios.

- g) To facilitate the process of monitoring on the state of play for the 2007-2013 programmes, in July and October the Commission will provide reports on the implementation of the budget, both as compared to monthly forecasts for the year and to the previous year to date, as well as on the evolution of the backlog of outstanding payment claims in subheading 1b.
- h) Being committed to avoid a similar build-up of backlog in the future, the European Parliament and the Council call on the Commission to closely scrutinize the implementation of the 2014-2020 programmes and set-up an early warning system. To achieve this result, the Commission undertakes to develop appropriate tools to provide, in the course of the budgetary procedure, rolling forecasts of payments by (sub)heading for (sub)headings 1b, 2 and 5 and by programmes for (sub)headings 1a, 3 and 4 focused on the years N and N+1, including the evolution of unpaid bills and of outstanding commitments (RALs); these forecasts will be regularly updated on the basis of budgetary decisions and of any relevant development having an impact on the payment profiles of the programmes; payments forecasts will be presented in July, in the framework of the inter-institutional meetings on payments foreseen in point 36§3 of the Annex of the IIA;
- i) This should allow the budgetary authority to take the necessary decisions, in due time, in order to avoid the future building up of an unsustainable backlog of outstanding payment claims at year-end, while fully respecting and implementing the agreements reached as part of the multiannual financial framework and of the annual budgetary procedures.

Annex: Commission document *Elements for a payment plan to bring the EU budget back onto a sustainable track*