



TEXTS ADOPTED

P8_TA(2015)0061

Guidelines for the 2016 budget – Section III

European Parliament resolution of 11 March 2015 on general guidelines for the preparation of the 2016 budget, Section III – Commission (2015/2008(BUD))

The European Parliament,

- having regard to Articles 312 and 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 Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020¹,
- 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 management²,
- 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 1605/2002³,
- having regard to its resolution of 17 December 2014 on the Council position on the new draft general budget of the European Union for the financial year 2015⁴,
- having regard to the European Union's general budget for the 2015 financial year¹ and to the six related joint statements agreed between the Parliament, the Council and the Commission as well as the three unilateral statements,

¹ OJ L 347, 20.12.2013, p. 884.

² OJ C 373, 20.12.2013, p.1.

³ OJ L 298, 26.10.2012, p. 1.

⁴ Texts adopted, P8_TA(2014)0100.

- having regard to the communication on an Investment Plan for Europe adopted by the Commission on 26 November 2014 (COM(2014)0903), and to the proposal for a Regulation on the European Fund for Strategic Investments, which the Commission adopted on 13 January 2015 (COM(2015)0010),
 - having regard to Title II, Chapter 8 of its Rules of Procedure,
 - having regard to the report of the Committee on Budgets (A8-0027/2015),
- A. whereas the EU budget is predominantly an investment budget with a strong leverage effect and is a catalyst for growth, competitiveness and jobs across the Union; whereas it facilitates the implementation of programmes and projects that would otherwise be difficult or impossible and ensures strategic investment in actions with European added value by pooling resources and allowing for economies of scale; whereas the EU budget has a tangible positive impact on citizens' lives; whereas it has a crucial role in reducing discrepancies between Europe's regions and ensuring investment in areas where it is most needed;
- B. whereas, as a consequence of the economic and financial crisis, the level of investment in the EU has significantly dropped, and the development gap between various regions of the EU has increased; whereas, given the persistent economic and budgetary constraints at national level, the EU budget plays a key role in fostering competitiveness and increasing economic, social and territorial cohesion in the Union;
- C. whereas the EU budget cannot accomplish its mission if its soundness, fairness and credibility are put in question; whereas it is imperative that all commitments forming part of the Multiannual Financial Framework 2014-2020 are respected in full, and that a number of problems that have accumulated over the past years, notably the unprecedented amount of unpaid invoices at the end of 2014, are resolved without delay; whereas this backlog of unpaid invoices is giving rise to delays in the implementation of EU programmes and funds, with EU citizens being the first to suffer from this situation; whereas the delays in structural payments raise the issue of whether interest should not be charged on late payments, given that regional and local authorities are obliged to turn to the financial markets for advance funding to cover late EU contributions; stresses that decommitment is not a solution to the payment crisis; recalls that according to Article 310 TFEU the revenue and expenditure shown in the EU budget shall be in balance;
- D. whereas 2016 is the year when the new EU programmes of the MFF 2014-2020 will be operational and in full swing, and when the mid-term revision of the MFF will be launched;

Back on track – the ‘three Es’: Employment, Enterprise and Entrepreneurship for smart, sustainable and inclusive growth in the European Union

1. Highlights the potential and added value of the EU budget for the creation of employment and the development of enterprises and entrepreneurship for smart, sustainable and inclusive growth across the Union; stresses also, in this context, the EU budget's contribution to economic, social and territorial cohesion and to support for research and development, as well as the potential of energy transition and interconnection for

¹ OJ L 69, 13.3.2015.

generating new jobs and growth; acknowledges that a wide range of EU programmes, including Horizon 2020, COSME, Erasmus+ and the Youth Employment Initiative, contribute directly to the attainment of those objectives; expects that the Commission will place such growth-orientated programmes and instruments at the heart of the Draft Budget 2016, in order to ensure that they are endowed with the necessary resources;

2. Recalls that there are more than 20 million SMEs in the EU and that they account for 99 % of all businesses; believes that a favourable business environment and the development of an entrepreneurial culture, including decent jobs, in the EU could give SMEs back their role as main job creators in the Union, which has been weakened by the economic crisis; underlines, in this context, the need to facilitate the creation and operation of start-ups in the EU, through connecting entrepreneurs and fostering new projects; considers that, along with legislative simplification and reduction of red tape, available financial instruments under the COSME programme have to be used to their full extent to help and support SMEs along this path by facilitating in particular their access to markets and credits; stresses the big potential for SMEs and mid-cap firms of the European Fund for Strategic Investment;
3. Stresses that the European Structural and Investment Funds form the biggest share of investment expenditure in the EU budget and are instrumental in job creation, boosting growth, and enhancing competitiveness and innovation; underlines the fact that EU cohesion policy has been instrumental in sustaining public investment in vital economic areas and has achieved tangible results on the ground that can empower Member States and regions to overcome the current crisis and achieve the Europe 2020 objectives; calls on the Commission and the Member States to make every effort to ensure the swift adoption of the remaining Operational Programmes in the coming months, so as to ensure that implementation will reach cruising speed in 2016;
4. Is concerned about the funding of the Youth Employment Initiative as from 2016, given the frontloading of the entire financial envelope of the programme in 2014 and 2015; stresses that the fight against youth unemployment needs to be further intensified and that all funding possibilities should be considered for this purpose; recalls, in this connection, that 2016 will be the first year when resources under the Global Margin for commitments will be made available, as stipulated in the MFF 2014- 2020 regulation, over and above the ceilings established in the MFF for the years 2016 to 2020 for policy objectives related to growth and employment, in particular youth employment; calls on the Commission to ascertain the reasons behind the delays in the implementation of this programme and to work with Member States to ensure that the fund is fully utilised;
5. Underlines the significance of cross-border mobility as a means of enabling Europe to take advantage of the variety of people's skills while expanding training and job opportunities for all generations; considers that emblematic and successful mobility programmes such as Erasmus+ work to the benefit of both the individuals and the economy and should therefore be used to the full; recalls in this context that the social aspects of mobility must always be taken into account and that mobility is only one of the possible tools to combat unemployment and should not be the last resort;
6. Recalls that tax fraud and tax evasion negatively affect the Member States' economies and, subsequently, the EU budget; stresses, in particular, that any fraud related to VAT, such as 'carousel fraud', directly impacts on the EU's revenues; asks the Commission to strengthen the EU programmes that complement Member States' action in this field;

7. Welcomes the introduction of green development criteria in the EU budget; believes that EU policies should effectively contribute to meeting the agreed targets in the fight against climate change, the promotion of renewable energies and energy efficiency, and the protection of the environment and biodiversity; considers that these represent key medium and long-term global challenges that should not be forgotten;

The EU budget and the Investment Plan

8. Welcomes as a first step the Investment Plan presented by the Commission, which can create the potential to mobilise EUR 315 billion of investment in infrastructure, education and research, as well as SMEs and mid-cap companies, in order to offset the deficit in public and private investment generated by the economic and financial crisis; notes that the EU budget is expected to provide the backbone of this investment plan by making available the guarantee fund of EUR 8 billion required in commitments and payments for the provisioning of the European Fund for Strategic Investments (EFSI); considers that the EU budget contribution should deliver a significant return through a higher leverage effect; confirms its willingness to examine with the utmost vigilance how financial commitments by the EU to the EIB for the setting-up of the EFSI are entered in the EU budget;
9. Highlights the additional and complementary nature of the proposed Investment Plan and the EU budget and their joint commitment to kick-start the economy and boost job creation; stresses that the EU budget is in itself a major investment tool with a distinctive role and mission, which has provided tangible results with a clear European added value; is convinced that every effort needs to be deployed in order to create synergies not only between the Investment Plan and the EU budget but also with national budgets, in order to bridge the investment gap, ensure convergence and stability in the EU, and maximise the effect of public spending on the real economy; underlines, moreover, the importance of removing existing impediments to investment, in particular as regards the clarity and the predictability of the regulatory framework;

Internal and external solidarity and a secure Europe

10. Recalls that the EU budget is a tool of internal solidarity in that it supports economic, social and territorial cohesion, helps combat poverty, promotes social inclusion and helps minimise development disparities not only between Member States, but also between their regions; stresses that it is also an instrument of external solidarity, providing urgent assistance in humanitarian and civilian crises by offering support to countries in need - such as Ukraine - and by helping make the EU the biggest donor of development aid, with the aim of meeting the Union's poverty eradication commitments, as reaffirmed in the European Consensus on Development, and contributing to the post-2015 Global Development agenda;
11. Notes with concern that Europe, despite being one of the safest places in the world, is faced with new types of risks to its internal security which require ensuring closer police and judicial cooperation and coordination, developing measures for better integration and increased social cohesion, and at the same time promoting stability and peace in conflict areas; stresses that a common effort to handle migration flows lies at the crossroads of both internal and external solidarity; recalls its support for reinforcement of the EU's means and for the development of a culture of fair burden-sharing among Member States when it comes to the handling of asylum and migration, in order to ensure safe and secure

external borders in full respect of the EU's fundamental values, with particular reference to action in the Mediterranean and at the south-east border of the EU; invites the Commission to propose targeted reinforcements of the relevant programmes and instruments, thus demonstrating the EU's pledge to tackle these issues;

Respecting commitments

12. Is convinced that the EU budget cannot reach its full potential without settling in a definite and unequivocal way a number of problems that have accumulated over the past few years and, regrettably, dominated last year's budgetary negotiations, notably the recurrent problem of unpaid invoices at year-end, the question of budgeting the MFF special instruments, and the delay in implementing cohesion policy operational programmes; considers that 2015 should be the ultimate limit for introducing tangible and sustainable solutions to these outstanding questions;
13. Calls for the full implementation of the joint statements on payment appropriations and on a payment plan agreed between Parliament, the Council and the Commission at the end of the 2015 budgetary procedure, and considers that such action would indicate that all three institutions are serious about working towards a solution to the problem of unpaid bills; recalls the commitment to hold, in the course of this year, at least three interinstitutional meetings on payments, in order to take stock of payment implementation and revised forecasts; expects the first of these meetings, in March 2015, to provide a first overview of the level of unpaid bills at the end of 2014 for the main policy areas; regrets that, as anticipated, at the end of 2014 this level reached the unprecedented amount of EUR 24,7 billion, for 2007-2013 cohesion programmes alone; deplores the fact that this debt undermines the credibility of the EU and is in contradiction with the goals set at the highest political level for growth and employment; stresses that payments are the direct and logical consequence of past commitments;
14. Attaches the utmost importance to the establishment and implementation of a sound payment plan with the objective of reducing the level of unpaid bills at year-end to its structural level in the course of the current MFF, as stated by the Council, Parliament and the Commission in the joint declaration agreed in the framework of the 2015 budget procedure; recalls that this plan will be agreed by the three institutions in due time before the presentation of the draft budget 2016; considers that the interinstitutional meeting in March 2015 should provide the opportunity for the three institutions to agree on this plan;
15. Reiterates its longstanding position that the payments of special instruments (Flexibility Instruments, the EU Solidarity Fund, the European Globalisation Adjustment Fund and the Emergency Aid Reserve) must be counted over and above the MFF payment ceiling, as is the case for commitments; regrets that no agreement was made possible during last year's budgetary procedure owing to the Council's misinterpretation of the relevant MFF provision; stresses that the Council's position on the matter may imply a further reduction of the MFF compared to the period 2007-2013; expects the matter to be settled with the 2015 technical adjustment of the Global Margin for Payments by the Commission;
16. Recalls that EU agencies play an important role in developing and implementing EU policies and objectives such as competitiveness, growth and employment; reminds the Commission and the Council that EU agencies execute tasks conferred on them by the legislative authority and must thus be respected as important parts of the EU administration; underlines that the agencies need sufficient financial and human resources

to enable them to fulfil their statutory mandates fully and effectively; stresses that already one EU agency has announced the postponement and cancellation of ongoing projects as a consequence of the severe staff and budget cuts decided for the 2015 budget; recalls Parliament's opposition to the redeployment pool, and requests the Commission to reverse its effect when presenting the draft budget 2016;

The way forward

17. Urges the Commission to take due account of the above-mentioned political priorities when establishing its Draft Budget for 2016, so that the relevant EU programmes and actions are provided with the necessary means to fulfil those objectives; anticipates, in this context, a positive response from the Commission to the further requests and positions expressed in this resolution so as to settle recurrent problems and facilitate this year's budgetary procedure; also expects the Commission to propose an adequate level of payment appropriations in its Draft Budget, based on real forecasts and needs, so as to give the EU resources to match its ambitions;
18. Recalls that according to the Treaty, 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; insists on the use of all means available under the MFF regulation in order to meet the Union's legal obligations and not to jeopardise or delay payments to stakeholders such as researchers, universities, etc.;
19. Calls on the Council, in its consideration of next year's budget, to abandon the use of double standards and live up to the expectations raised by its own statements and decisions, whether they relate to the payment crisis, the MFF, the Europe 2020 strategy or the relaunch of investment; considers that such political declarations and commitments are void unless coupled with sufficient budgetary resources to allow their implementation;
20. Undertakes, within the MFF ceilings and with due consideration to the acute shortage of payments, to play its role as one arm of the budgetary authority with dedication and responsibility by promoting well-targeted increases in those budgetary areas with high absorption capacity that correspond to its political priorities and guarantee successful delivery; in this light, intends to examine, with the support of its specialised committees, the specific programmes and budget lines that can better achieve this objective;
21. Underlines that the 2016 budget will be crucial, not only because 2016 will be the first year of implementation of the new MFF provision on the global margin for commitments, but also because it should serve as a benchmark for the post-electoral MFF review and revision, to be launched before the end of 2016; stresses the need to establish political priorities and identify in good time the areas of proven added value of EU spending for which further investments will be deemed necessary in the second half of the MFF 2014-2020; stresses, in this context, the importance of closely monitoring the implementation and performance of key EU programmes, already during the current budgetary procedure;
22. Reaffirms its position in favour of an in-depth reform of the system of EU own resources, whose current shortcomings are causing severe impasses in budgetary negotiations; attaches, therefore, the highest political importance to the work of the High Level Group on Own Resources under the chairmanship of Mario Monti; welcomes the High Level Group's 'first assessment report', which proposes that the question of own resources for the EU budget be looked into from as many perspectives as possible, and eagerly

anticipates the outcome of its work and the final proposals that are due to be presented at an interinstitutional conference, with the participation of national parliaments, during 2016, and considered in the context of the post-electoral MFF review and revision;

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23. Instructs its President to forward this resolution to the Council, the Commission and the Court of Auditors.