

EU budget talks to restart from a fresh Commission proposal

Today, the Council and the European Parliament took note of the fact that further talks are needed to reach an agreement on the 2015 EU budget and on a way to address the outstanding payments in the 2014 budget.

Despite important divergences between the Council's and the Parliament's starting positions the talks were constructive and proved to be useful for looking for a common ground. The Council made major openings towards the Parliament on some key issues such as the means to tackle the unprecedented scale of unpaid bills in 2014. In spite of the serious budget constraints that member states are currently facing on their national level the Council departed in particular from the principle that the contingency margin should not be used for financing outstanding payments.

The contingency margin is a new flexibility mechanism provided for by the regulation on the multiannual financial framework (MFF) 2014-2020 as a last resort instrument. Its effect is to increase the MFF payment ceiling of the current year which is offset by a corresponding decrease of the payment ceilings of the following years.

"We haven't won the race against the clock today. But the conciliation talks allowed us to narrow down the gap between our positions which should allow us to continue the talks on the basis of a fresh Commission proposal", said State Secretary for Economic Affairs and Finance, Enrico Zanetti.

On the 2015 EU budget the Council proposed to bring the level of appropriations in line with the budgetary constraints of the member states and to put a strong focus on measures promoting growth and jobs.

The total level of payments would amount to € 140.77 billion, which is an increase by 3.9% compared to the 2014 budget as adopted. The Parliament asked for an increase of 8.1% to € 146.42 billion. The Council proposed to increase payments for activities such as research, innovation and education by 26.6% or € 3.0 billion.

Total commitments would reach € 144.63 billion, up by 1.4% compared to 2014 according to the Council's position.

The 2014 EU budget as adopted last year includes € 135.50 billion in payments and € 142.64 billion in commitments.

The Council's offer would limit the difference between commitments and payments to € 3.9 billion. This would put the development of commitments and payments on a more sustainable path and avoid a similar backlog of payments in the future.

Since the 21-day conciliation period provided for by the Lisbon Treaty has now expired, the Commission has to propose a new draft budget.

Should the budget not be adopted at the beginning of 2015, a sum equivalent to not more than one twelfth of the budget appropriations for 2014 or of the draft budget proposed by the Commission, whichever is smaller, may be spent each month for each chapter of the budget.
