

Unpaid bills complicate EU science budget crisis

A political impasse and a mounting pile of debts pose a threat to research in Europe.

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Just as the European Commission [unveiled a €315 billion plan to spur investment and economic growth](#), science funding in the European Union (EU) is on the brink of a crisis. The bloc's 28 member states and the European Parliament still have not agreed a 2015 budget, which must be set by the end of the year. Last-minute budget deals are common, but this year's negotiations are complicated by an unprecedented backlog of unpaid bills. As EU leaders prepare to meet on 2 December to discuss a compromise, there are concerns about unfulfilled commitments and proposed cuts on research spending. *Nature* unpacks the details.

What's the background to the crisis?

The EU had previously agreed on a general budget of about €960 billion (US\$1.1 trillion) for the period 2014–2020. But each year individual member states negotiate their contributions with the European Parliament to agree how that budget will be achieved. As in recent years, Parliament is calling for a larger annual budget than some member states are willing to accept in the current climate of austerity.

How far apart are the figures?

In the last round of budget conciliation talks, which failed on 17 November after almost 12 hours of negotiations, EU member states (represented by the EU Council) had proposed an overall budget of €140.77 billion — a 3.9 % increase over the 2014 budget. Parliament, which has already rejected a budget proposal put forward in September, called for €146.5 billion, an 8.1% budget rise.

Why did Parliament reject the proposed budget?

Parliamentarians across the political spectrum are concerned about cuts to research and education in the budget proposed by the member states. These would mean a 10% reduction in 2015 payments to researchers under Horizon 2020 — the EU's flagship €80-billion research programme for 2014–2020. That would affect 600 collaborative research projects involving more than 7,000 partners from academia and industry, the European Commission said in September. Members of the Parliament stress that such cuts would be in stark disagreement with the EU priority of promoting economic growth and employment. “[The] Council’s position is utterly unacceptable and incomprehensible,” the centre-right European Peoples Party, the largest political group in the European Parliament, said in a statement.

Does EU-funded research face other financial problems?

Almost all EU-funded research collaborations extend over several years, so they depend on legally binding commitments to fund activities in future years. And now the European Commission is facing debts that have accumulated as multi-year funding commitments exceed annual budget limits. Unpaid bills amounted to €11 billion at the end of 2011, €16 billion at the end of 2012, €23 billion at the end of 2013, and could reach up to €30 billion by the end of 2014.

What do the unpaid bills mean for research?

Participants in Horizon 2020 are already feeling the crunch. The Commission has reduced advance payments for newly approved research activities from 60% of total project costs under the previous EU research programme to 35% under Horizon 2020. This means that universities and, in particular, small enterprises, will increasingly need to pay up-front costs — sometimes with loans — for equipment and other research expenditures incurred from participation in EU-funded research. According to the Commission, at least 70 European research projects are currently suspended owing to unpaid bills worth about €36 million. The Commission has also warned of disrupted payments to participants in the popular Erasmus student-exchange programme. Some Parliamentarians are furious. "How credible can an EU be which tells member states to control their public spending and yet puts entrepreneurs, researchers and Erasmus students in difficulty by not honouring its commitments?" said parliamentary delegation leader Jean Arthuis after the failed conciliation talks on 17 November.

What do the financial woes mean for the EU more generally?

Since the financial crisis in 2008, many EU countries, including Ireland, the United Kingdom, Hungary, Italy and Greece, have sharply cut their science budgets. Expectations from governments or universities of more research money from Brussels to compensate for these cuts might not be met. Yet policy-makers across the EU praise science programmes as engines for growth and innovation.

What happens next?

The European Commission will in the next few days put forward another budget proposal, which Parliament and the Council will then negotiate in December. Political analysts believe that a last-minute compromise will be found. But if there is no agreement by 1 January 2015, the EU will have to run on provisional monthly budgets of one-twelfth of the 2014 amount for each month. If that were to happen, any solution to the current funding crunch would become much more distant.

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