

Multiannual financial framework for the years 2014-2020

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The presidency informed the Council, on the basis of a note (doc [13127/11](#)) of progress in technical discussions on the **duration, structure and flexibility of the EU's next multiannual financial framework (MFF)**.

Ministers held an exchange of views over lunch.

All delegations agreed with the proposed **seven-year duration** (2014-2020), which in their view strikes the right balance between stability and predictability in EU expenditure.

Ministers in general also welcomed the proposed **structure of the next MFF**. Doubts were expressed however on the proposed merger of the current sub-headings 1a and 1b into a single heading 1 ("smart and inclusive growth") and on the consequent creation under the new heading 1 of a subceiling for expenditure on economic, social and territorial cohesion. Some ministers considered that a **separate sub-heading should be maintained for cohesion policy**, whilst others asked for guarantees that cohesion expenditure would not be undermined by the proposed structure; others still raised concerns about the link between cohesion expenditure and the proposed Connecting Europe Facility.

Some **ministers raised doubts about the Commission's proposal to create further instruments outside the financial framework** (such as a new reserve fund for crises in the agricultural sector or a **fund for ITER**, the International Thermonuclear Experimental Reactor), in addition to the existing ones (European development fund, solidarity fund, flexibility instrument, emergency aid reserve and European globalisation fund). Other ministers saw a need to discuss each item individually.

Concerning flexibility, ministers in general welcomed the Commission's proposals as striking a balance between the need for budgetary discipline, on the one hand, and the need to provide sufficient means to address new challenges, on the other. Ministers agreed that appropriate flexibility is needed in the MFF. This however may not mean simply spending above the limit, as budgetary discipline is a must.

The presidency intends to continue discussions until the end of the year so as to gain a better understanding of the proposals and of the positions of Member States, and thus to allow the subsequent presidency to oversee negotiations aimed at a successful and timely conclusion of the new framework.