

Multiannual financial framework for the years 2014-2020

2011/0177(APP) - 26/03/2012

The Council discussed the first elements of the negotiating box outlining the most central issues and options for certain parts of the **multiannual financial framework (MFF) for the 2014-2020 period**.

The negotiating box discussed by ministers covers budget headings 1 (smart and inclusive growth), with the exception of cohesion policy and the "Connecting Europe" facility (CEF), 3 (security and citizenship), 4 (global Europe) and 5 (administration), as well as some horizontal issues, in particular the question of whether some instruments should be placed inside or outside the MFF.

Many delegations called for **consolidation efforts undertaken at national level to be reflected in the EU budget framework for 2014-2020**. Some highlighted the **contribution that the EU budget may make in terms of enhancing growth and creating jobs**. Nearly all referred to the importance of **simplifying EU legislation**. Many member states asked that **macro-economic conditionality be included** in the horizontal part of the negotiating box rather than limiting it to the cohesion part of the box.

Heading 1 (Smart and inclusive growth): all delegations agreed that excellence should be a core criterion in research and development financing. Some highlighted, however, the need for balanced access to funding for all member states. Some member states asked that nuclear decommissioning be mentioned in the negotiating box.

Heading 3 (Security and citizenship): many delegations stressed the importance of EU action in the area of asylum and migration. Some suggested that the current structure of this heading be maintained, with a sub-heading 3a dedicated to freedom, security and justice and a sub-heading 3b covering citizenship.

Heading 4 (Global Europe): many member states emphasised enlargement and neighbourhood policy as priority areas. A number of delegations highlighted the importance of reaching the goal of spending 0.7% of the EU's Gross National Income (GNI) on official development assistance by 2015. Some insisted on a fixed percentage for assistance meeting the criteria of the development assistance committee (DAC) of the OECD, while others preferred not to have a quantitative objective.

Heading 5 (Administration): the need to consolidate administrative expenditure was raised by many delegations, and various proposals for savings were made. At the same time, delegations underlined the need for the European civil service to remain efficient.

On the question of whether some instruments should be placed inside or outside the MFF, some member states considered that, for the sake of transparency and budget discipline, all instruments should be placed inside the MFF. Others considered that, on account of their specific characteristics, some instruments should be placed outside the MFF, as proposed by the Commission. Some member states objected to the proposed new contribution key for the European Development Fund (EDF).

Some opposed increased flexibility for enabling the European Union to respond to unforeseen circumstances. Some delegations advocated the elimination of certain instruments which are outside the 2007-2013 MFF. Several delegations mentioned the issue of unused commitments ("reste à liquider", RAL); some called for concrete measures to reduce the scope of RAL, whereas others considered unused commitments to be a normal feature of the EU budget procedure.

In the coming weeks, the presidency will supplement the negotiating box with the remaining elements of the MFF negotiating package, i.e. cohesion, CEF, heading 2 (sustainable growth: natural resources and own resources).

Timetable:

- The General Affairs Council of 24 April is will discuss the negotiating box for cohesion and heading 2 (sustainable growth: natural resources).
- From mid-May onwards the Council will pursue its work on the MFF on the basis of a negotiating box comprising all parts of the negotiation package.
- As the negotiations progress, the negotiating box will be continuously updated with a view to reducing and ultimately reconciling the gaps between the member states' positions.
- Finance ministers will discuss the MFF at an informal meeting in Copenhagen on 30 and 31 March, without however drawing any conclusions.

The European Council on 28 and 29 June will discuss the negotiating box as the basis for the final stage of negotiations. The aim is to finalise the negotiations on the MFF by the end of this year.