

Multiannual financial framework for the years 2014-2020

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The Council discussed the EU's multiannual financial framework (MFF) for the 2014-2020 period on the basis of a [revised negotiating box](#). The discussion was aimed at preparing the **first substantial discussion that the European Council** will hold on this subject at its meeting on 28-29 June. Ministers welcomed the work undertaken by the Danish presidency and the progress achieved so far. **Views diverged as to whether the negotiating box should be regarded as the or a basis for further work.**

On the issue of budget headings : as regards the amendments made to the negotiating box in the last few weeks the presidency's suggestion to keep separate sub-headings for "competitiveness for growth and jobs" and "economic, social and territorial cohesion" was broadly welcomed.

On island regions : the proposed additions on island regions and the cohesion policy's contribution for investment, growth and job creation were supported by some delegations. Others were opposed to any special consideration being given to island regions in the allocation method of the structural funds or asked for a reference to the contribution that other EU policies, notably the Common Agricultural Policy, where making in terms of enhancing growth and creating jobs. **ITER and GMES** : the presidency suggestion to include the international thermonuclear experimental reactor (ITER) and the European Programme for the establishment of a European capacity for Earth Observation (GMES) in the MFF was welcomed by some member states but rejected by others.

As regards the other elements of the negotiating box some member states asked to remove the so-called **reversed safety net**, limiting the scope of cohesion policy support to a certain percentage compared to its level during the 2007-2013 period. Others, however, stressed the importance of this provision and insisted on keeping it in the negotiating box. Some ministers voiced doubts on the so-called **macro-economic conditionality** (aimed at ensuring that the effectiveness of expenditure of the five funds under the common strategic framework is underpinned by sound economic policies) and expressed fears of a possible double punishment, in combination with the rules on European governance. Others, however, insisted on keeping it in the text.

With regard to the CAP, some delegations considered the proposed convergence of direct aids per hectare in terms of scope and timeframe as insufficiently ambitious whilst others found it too drastic. **Only a few ministers commented on the revenue side of the negotiating box.** Some stressed the need to reform the own resources system whereas others preferred to keep the current rules.

The incoming Cyprus presidency expressed its intention to use the work of the Danish presidency as point of departure for future discussion.

The European Council of 28-29 June is expected to approve procedural conclusions to guide the negotiation process. It will also discuss the issue of how the new MFF can best contribute to the creation of growth. The aim is to reach an agreement before the end of this year.