

# Resolution on the political agreement on the Multiannual Financial Framework 2014-2020

2012/2799(RSP) - 03/07/2013 - Text adopted by Parliament, single reading

The European Parliament adopted by 474 votes to 193, with 42 abstentions, a resolution on the political agreement on the Multiannual Financial Framework 2014-2020.

The resolution was tabled by the EPP, S&D and ALDE groups. It welcomed the political agreement reached on 27 June 2013 at the highest political level between Parliament, the Council Presidency and the Commission on the Multiannual Financial Framework (MFF) 2014-2020, following long and strenuous negotiations. Thanks to Parliament's persistence in the negotiations, it had **managed to ensure adoption of certain key priorities**, including the new arrangements relating to revision of the MFF, flexibility, own resources and the unity and transparency of the budget.

**Outstanding payments:** Parliament was ready to put the MFF Regulation and the new Interinstitutional Agreement to the vote in the early autumn, as soon as the necessary technical and legal conditions for the finalisation of the relevant texts had been fulfilled. However, it reiterated that the consent vote on the MFF Regulation could not be granted unless there were an absolute guarantee that the outstanding payment claims for 2013 would be covered in full. To recall, the Council had stated that it would settle the outstanding payments for 2013, estimated at EUR11.2 billion. Parliament wanted to ensure that the 2014 budget would not be eroded by old unpaid bills. It therefore expected the Council to take a formal decision on Draft Amending Budget 2/2013 for an amount of EUR 7.3 billion, no later than the Ecofin Council to be held on 9 July 2013. Members insisted that the Council stick to its political commitment to adopt without delay a further amending budget to avoid any shortfall in payment appropriations that could lead to a structural deficit in the EU budget at the end of 2013. Parliament stated that it **would not give its consent to the MFF Regulation and would not adopt the Budget 2014** until this new amending budget, covering the remaining deficit, had been adopted by the Council. In addition, Parliament stressed there must be political agreement on the legal bases.

**Review:** Parliament voiced its concern that the overall level of the next MFF, as decided by the European Council, fell short of EU political goals and might not be sufficient to endow the EU with the necessary means to recover from the current crisis. It stressed the importance of a **compulsory review and subsequent revision of the next MFF by the end of 2016**, and insisted that the compulsory review be accompanied by a legislative proposal for a revision of the MFF Regulation. This compulsory MFF revision would be a key demand in the investiture of the new Commission President.

**Flexibility:** Members reiterated the crucial importance of the enhanced flexibility in the MFF 2014-2020 with a view to making full use of the respective MFF ceilings for commitments (**EUR 960 billion**) and payments (**EUR 908.4 billion**) as imposed by the European Council. They welcomed the Council's approval of two key proposals put forward by Parliament, namely the creation of a Global Margin in Payments and a Global Margin in Commitments, which would allow the automatic carry-over of unused appropriations from one financial year to the next. The new flexibility rules on commitments should lead to **additional appropriations for programmes linked to growth and employment**, and in particular the Youth Employment Initiative, in order to ensure continuous funding and maximise the efficient use of the agreed ceilings. As a result of Parliament's insistence, funding for Horizon 2020, Erasmus and COSME would be frontloaded in 2014/15 in order to decrease the funding gap between the relevant appropriations in the 2013 and 2014 Budgets. Members also insisted on further funding being made available for the Digital Agenda.

**Food deprivation scheme:** Parliament welcomed the fact that provision had been made for an additional increase of up to EUR 1 billion for the food distribution scheme for those Member States wishing to use this increase to assist the most deprived persons in the Union.

**Own resources:** Members deplored the fact that the Council had not been able to make any progress on the **reform of the own-resources system** and it stated its commitment to a reform that would reduce the share of GNI-based contributions to the EU budget to a maximum of 40 %. It called for the high-level group on own resources to be convened at the time of the formal adoption of the MFF Regulation with a mandate to examine all aspects of the reform of the own-resources system.

Lastly, Parliament professed itself **dissatisfied with the procedure that led to this agreement** on the MFF 2014-2020, which in reality had had the effect of depriving Parliament of its true budgetary powers. It stated that the numerous meetings held over the past few years served no clear purpose, as they had had no impact on the spirit, calendar or content of the negotiations or on the Council's position, including the need to distinguish the legislative from the budgetary aspects of the MFF agreement. It asked its competent committees to come forward with new proposals on the modalities of such negotiations.