

# Interinstitutional Agreement on cooperation in budgetary matters and on sound financial management 2014-2020

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The Committee on Constitutional Affairs adopted the report by Rafa TRZASKOWSKI (PPE, PL) on the conclusion of the Interinstitutional Agreement (IIA) on cooperation in budgetary matters and on sound financial management.

Whilst calling on the European Parliament to adopt the IIA negotiated between the institutions, Members highlighted the **long and laborious process of negotiations**, both within Council and at interinstitutional level. They considered that the outcome constitutes an unsatisfactory implementation of the new provisions relating to the multiannual financial framework (MFF) as introduced by the Treaty of Lisbon, in particular with regard to the **greater role and prerogatives granted by them to the European Parliament**.

Members, in particular, denounced the negotiating strategy of the Council, in which its negotiators were bound by the conclusions of the European Council of 8 February 2013 in matters falling under the ordinary legislative procedure, such as :

- detailed allocation criteria,
- envelopes by programme or beneficiary,
- discretionary financial allocations adjusting the level of national returns from the Union budget,

**preventing both legislative arms from conducting proper negotiations.**

Members regretted, moreover, that the numerous contacts and meetings held over the past few years between its delegation and the successive presidencies of the Council 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 agreement on the MFF.

In conclusion, Members called on the European Parliament to approve the political agreement reached on the MFF for 2014-2020 and on a new interinstitutional agreement. They are determined to make full use, in the course of forthcoming budgetary procedures, of the new instruments established, notably as regards flexibility

They indicated that, otherwise, in line with Article 312(5) TFEU, alternative working arrangements should be defined in the future to facilitate the adoption of the MFF, ensuring that the Parliament's legislative and budgetary powers, as granted by the TFEU, are fully respected, that Council actually negotiates any so-called 'MFF-related' parts of the legal bases for the programmes. In general, **Members considered that that the European Council should refrain from acting as a legislator, in breach of the TFEU.**

Lastly, Members call for the Parliament Committee responsible for Budgets, in cooperation with the Committee responsible for Constitutional Affairs, to draw the necessary conclusions and come forward with new proposals, in due time ahead of the 2016 post electoral revision, on the modalities of MFF negotiations, so as to ensure the democratic and transparent nature of the whole budget setting process.