Multiannual financial framework for the years 2014-2020

2011/0177(APP) - 15/11/2013 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Budgets adopted the report drafted jointly by Jean-Luc DEHAENE (EPP, BE) and Ivailo KALFIN (S&D, BG) on the draft Council regulation laying down the multiannual financial framework for the years 2014-2020.

The report consented to the draft Council regulation laying down the Multiannual Financial Framework for the years 2014-2020 as set out in annex to this resolution.

The committee recommended that the Parliament approve the joint declarations annexed by Parliament, the Council and the Commission.

The joint declarations concern the **main areas of contention** regarding the adoption of the MFF 2014-2020:

- ***Own Resources***: according to Article 311 of the TFEU the Union shall provide itself with the means necessary to attain its objectives and carry through its policies. It also stipulates that, without prejudice to other revenue, the budget shall be financed wholly from own resources. Article 311 al. 3 indicates that the Council, acting in accordance with a special legislative procedure, shall unanimously and after consulting the European Parliament adopt a decision on the system of own resources and that, in that context, the Council may establish new categories of own resources or abolish an existing category.

On this basis, the Commission presented in June 2011 a set of proposals to reform the Own Resources system of the Union. The European Council called on the Council to continue working on the proposal of the Commission for a new own resource based on value added tax (VAT). It also invited the Member States participating in the enhanced cooperation in the area of financial transaction tax (FTT) to examine if it could become the base for a **new own resource for the EU budget**.

The question of own resources requires further work. To this end, a **high-level Group** will be convened, composed of members appointed by the three institutions. It should draw on appropriate expertise, including from national budgetary and fiscal authorities as well as independent experts.

The Group will undertake a general review of the Own Resources system guided by the overall objectives of simplicity, transparency, equity and democratic accountability. A first assessment will be available at the end of 2014. Progress of the work will be assessed at political level by regular meetings, at least once every six months.

National Parliaments will be invited to an inter-institutional conference during 2016 to assess the outcome of this work.

On the basis of the results of this work, the Commission will assess if new Own Resource initiatives are appropriate. This assessment will be done in parallel to the review referred to in Article 1a of the MFF Regulation with a view to possible reforms to be considered for the period covered by the next multiannual financial framework.

- ***Improving effectiveness of public spending in matters subject to EU's action***: the three Institutions agree to work together with the objective of cost savings and better synergies at national and European

levels in order to improve the effectiveness of public spending in matters subject to EU's action. To this end, the institutions will, as they consider most appropriate, draw on, inter alia, knowledge of best practices, information sharing as well as available independent assessment. The results should be available and serve as one basis for the proposal of the Commission for the next multiannual financial framework.

- *Article 15 of the Council Regulation laying down the MFF 2014-2020*: the Institutions agree to use the amount referred to in Article 15 of the Council Regulation laying down the MFF 2014-2020 as follows:

- EUR 2143 million for Youth Employment;
- EUR 200 million for Horizon 2020;
- EUR 150 million for Erasmus;
- EUR 50 million for COSME.

- *Declaration of the Commission on national management declarations*: in its discharge resolution of 17 April 2013, the European Parliament requested to establish a **template for national management declarations** to be issued by Member States at the appropriate political level. The Commission is prepared to examine this request and is willing to invite the European Parliament and the Council to participate in a working group with a view to issue recommendations by the end of this year.

- *Review/revision*: in a unilateral declaration, the Commission confirms its intention to submit **legislative proposals** for a revision of the MFF Regulation. In this context, it will pay particular attention to the functioning of the global margin for payments in order to ensure that the overall payments ceiling remains available throughout the period. It will also examine the evolution of the global margin for commitments. It will also take into account the particular requirements of the Horizon 2020 programme and examine aligning its proposals for the next MFF with the political cycles of the Institutions.