

# Resolution on the mid-term revision of the MFF 2014-2020

2016/2931(RSP) - 26/10/2016 - Text adopted by Parliament, single reading

The European Parliament adopted by 446 votes to 181 with 60 abstentions, a resolution tabled by the Committee on Budgets on the mid-term revision of the MFF 2014-2020.

Stressing the European Parliament's constant concern regarding the **insufficiency of resources** available under the current multiannual financial framework (MFF). Members believed that the revision of the multiannual financial framework provides a unique opportunity to **respond to the budgetary difficulties** currently jeopardising the credibility of the European Union. They called on the Council, therefore, to ensure a **realistic, credible, coherent and sustainable EU budget** for the remaining years of the current perspective.

The revision must aim to ensure a balance between fulfilling long-term political priorities of the Union and responding to the **new emerging challenges**, notably the migration and refugee crisis, external emergencies, internal security issues, the crisis in agriculture, and the persistent high level of unemployment.

**Framework for negotiations on the MFF revision:** welcoming the Commission's decision to propose a [revision of the MFF Regulation](#), Parliament reaffirmed that its [resolution of 6 July 2016](#) on the MFF constitutes its mandate for the upcoming MFF negotiations. It stated that it is ready to **engage promptly in meaningful negotiations** with the Council on the MFF mid-term revision in the context of the conciliation procedure on the Budget 2017.

## Parliament's response to the Commission proposal:

- ***Ceilings of MFF are insufficient:*** Parliament took a positive stance towards the proposed modifications of the MFF package, notably on flexibility. It regretted, however, that the Commission did not propose **an upwards revision of the current MFF ceilings**. It stressed Parliament's position that the ceilings of Headings 1a (Competitiveness for Growth and Jobs), 1b (Economic, Social and Territorial Cohesion), 3 (Security and Citizenship) and 4 (Global Europe) are insufficient and should be revised upwards if the Union is to confront the challenges and fulfil its political objectives.
- ***Additional targeted reinforcements:*** Parliament recalled its demands on: (i) a full offsetting of the [EFSI](#)-related cuts affecting [Horizon 2020](#) and [Connecting Europe Facility](#); (ii) a continuation of the **Youth Employment Initiative** at the same level of appropriations annually as in 2014 and 2015, and (iii) a sizeable increase in the resources available to tackle the migration and refugee crisis under Headings 3 and 4. Members felt that the overall package of additional targeted reinforcements proposed by the Commission falls short of meeting Parliament's expectations in the areas in question.
- ***Mobility of young people:*** Parliament regarded as a political imperative the need to further invest in European youth through the EU budget. It advocated the implementation of new initiatives such as the recently proposed programme '**18th birthday inter-rail pass for Europe**', which would consist in granting every European citizen a free inter-rail pass when turning 18.
- ***Budgeting the payments of the MFF special instruments:*** Members reiterated their conviction that payment appropriations resulting from the mobilisation of special instruments in commitment

appropriations should also be counted over and above the annual MFF payment ceilings. They considered that, on the basis of the Commission's analysis and forecast, the current MFF payment ceilings could only be sustained if the matter is resolved along these lines.

- **Avoiding a new payment crisis:** Parliament expressed its serious concern over the current delays in implementing EU programmes under shared management, as demonstrated notably in [the DAB 4 /2016](#), which reduces the budgeted payment level for 2016 by EUR 7.3 billion. It firmly believed that every effort should be made to avoid **building up a backlog of unpaid bills** and a new payment crisis like the one that was observed during the previous period. It strongly advocated a new, **binding payment plan for the period 2016-2020**, to be developed and agreed between the three institutions. The full use of the Global Margin for Payments, deprived of any annual capping, was an absolute prerequisite for facing this challenge.
- **The surplus:** Parliament reiterated its longstanding position that any surplus resulting from the under-implementation of the EU budget or from fines should be budgeted as extra revenue in the EU budget with no corresponding adjustment of the gross national income (GNI) contributions.
- **Provisions regarding flexibility:** Members stressed that flexibility provisions proved to be essential in the first years of the current MFF to finance the response to the migration and refugee crisis and the new political initiatives beyond what the strict MFF ceilings could allow. They welcomed, therefore, the Commission proposal to **further extend** these provisions.
- **Crisis Reserve:** Parliament endorsed the Commission's proposal for the establishment of an EU Crisis Reserve as an instrument to react rapidly to crises, as well as to events with serious humanitarian or security implications. It agreed with the Commission proposal to use decommitted appropriations, but argues that these cannot constitute the only source of financing for this instrument.
- **Post-2020 MFF:** Parliament fully shared the Commission's intention of **simplifying** the financial rules. It pointed out that the MFF mid-term revision should also be the start of a **consensus-building process leading to the post-2020 MFF**, notably to address the reform of the own-resources system, and the phasing-out of all forms of rebate.

Lastly, the Commission was asked to provide the budgetary authority with all relevant information on the budgetary implications for the current MFF of the UK referendum of 23 June 2016 and, subsequently, the **withdrawal of the United Kingdom from the European Union**, without prejudice to the outcome of the upcoming negotiations between the two parties.