Next MFF: preparing the Parliament’s position on the MFF post-2020

2017/2052(INI) - 14/03/2018 - Text adopted by Parliament, single reading

The European Parliament adopted by 458 votes to 177, with 62 abstentions, a resolution on the next multiannual financial framework (MFF): Preparing Parliament's position on the MFF post-2020.

This resolution outlined the **Parliament’s position on the post-2020 MFF and the specific budgetary orientations** for the respective EU policies covered by the next financial framework. It called on the Commission to present the legislative proposal for the next MFF together with a new draft interinstitutional agreement that takes into account Parliament’s positions and suggestions.

In parallel, it adopted a separate resolution to set out its position on the reform of the EU’s own-resources system. It stressed that both the expenditure and the revenue side of the next MFF will be treated as a single package in the upcoming negotiations, and that **no agreement** will be reached on the MFF without corresponding headway being made on own resources.

Priorities and challenges of the next MFF: Members felt that that the next MFF should be embedded in a broader strategy for the future of Europe and should build on the **Union’s well-established policies and priorities** and address challenges such as youth unemployment, persistent poverty and social exclusion, the phenomenon of migration and refugees, climate change and natural disasters, environmental degradation, terrorism and instability.

Parliament called for continued support for the Union's existing policies, in particular the long-standing EU policies enshrined in the Treaties, namely the common agricultural and fisheries policies, and cohesion policy, whilst rejecting any attempt to renationalise these policies.

Europe should offer **prospects to the younger generation** and is determined to substantially scale up two of its flagship programmes, namely the **Research Framework Programme and Erasmus+,** which cannot satisfy the very high demand involving top quality applications with their current means.

Members stand firm in their support for a substantial increase in resources for the fight against youth unemployment and in support for small and medium-sized enterprises through the successor programmes of the Youth Employment Initiative and the programme for the Competitiveness of Enterprises and Small and medium-sized enterprises (COSME); also supports reinforcing the Connecting Europe Facility (CEF) 2.0. They also called on the EU to assume its role in three emerging policy areas with internal and external dimensions, namely asylum, migration and integration policy, protection of external borders and common internal security and defence.

It called in the light of the above mentioned challenges and priorities, and taking into account the UK’s withdrawal from the Union, for a **significant increase** in the Union’s budget. Members estimate the required MFF expenditure ceilings at 1.3 % of the GNI of the EU-27, notwithstanding the range of instruments to be counted over and above the ceilings.

They are convinced that, unless the Council agrees to significantly increase the level of its national contributions to the EU budget, the introduction of new genuine EU own resources remains the only option for adequately financing the next MFF. Members stated that in this respect no agreement will be reached on the MFF.

Alignment of the duration of the MFF: Parliament stated that the decision on the duration of the MFF should strike the right balance between two conflicting requirements, namely, on the one hand, the need for several EU policies – especially those under shared management, such as agriculture and cohesion – to operate on the basis of the stability and predictability that is ensured through a commitment of at least seven years, and, on the other hand, the need for democratic legitimacy and accountability that results from the synchronisation of each financial framework with the five-year political cycle of the European Parliament and the Commission.

It underlined the need for the MFF's duration to move progressively towards **a 5+5 period with a mandatory mid-term revision**. However, due to the timing of the next European Parliament elections in spring 2019 the 5+5 period may not apply, therefore it is proposed that the next MFF should be set for a period of seven years (2021-2027), including a mandatory mid-term revision, by way of a transitional solution to be applied for one last time.

Flexibility: Members recalled that, during the current MFF, the budgetary authority approved a substantial mobilisation of the flexibility mechanisms and special instruments included in the MFF Regulation, in order to secure the additional appropriations needed to respond to serious crises or finance new political priorities.

Although these provisions have worked well, in particular to face the challenges of migration and to bridge the investment deficit, a further **reinforcement** of these provisions is still necessary in order to better cope with new challenges, unforeseen events and the evolving political priorities that arise during the implementation of a long-term plan, such as the MFF.

Parliament reiterated its long-standing position that the **European Development Fund**, alongside other instruments outside the MFF, should be integrated into the Union budget in order to increase its legitimacy as well as the efficiency and effectiveness of the Union's development policy.

Level of payments: Members called for the future payment ceilings to be set at an appropriate level, leaving only a **limited and realistic gap between commitments and payments**. They warned against a repetition of such a payment crisis in the transition to the next MFF, as this would have serious consequences for beneficiaries such as students, universities, SMEs and researchers.

Procedure and decision-making process: Members called for a decision-making procedure on the next MFF that **safeguards Parliament's role and prerogatives** as set out in the Treaties. They insisted that the MFF Regulation is not the appropriate place for changes to the EU Financial Regulation and urged the Commission to put forward a separate proposal for a revision of the EU Financial Regulation if need be. They also stressed that a shift towards **qualified majority voting** for the adoption of the MFF Regulation would be in line with the decision-making process for the adoption of virtually all EU multiannual programmes, as well as for the annual procedure for adopting the EU budget.

Lastly, the Commission is called on to propose a **mechanism** whereby Member States that do not respect the values enshrined in Article 2 of the Treaty on European Union (TEU) can be subject to financial consequences but not through the European Union budget, so that beneficiaries such as regions, organisations or citizens are not harmed financially.