Resolution on the 2021-2027 multiannual financial framework and own resources

2018/2714(RSP) - 30/05/2018 - Text adopted by Parliament, single reading

The European Parliament adopted by 409 votes to 213 with 61 abstentions a resolution on the 2021-2027 multiannual financial framework (MFF) and own resources.

The resolution was tabled by the EPP, S&D, ALDE, and Greens/EFA groups.

Members took note of the Commission proposals of 2 May 2018 on the 2021-2027 MFF and the EU own resources system, and recalled that Parliament's position is clearly set out in its resolution on the MFF post 2020 and its resolution on the reform of the own resources system, both adopted by large majorities on 14 March 2018. These resolutions constituted Parliament's mandate for the negotiations.

Multiannual financial framework: Parliament stressed that the decision on the MFF will need to provide the Union with the necessary financial means to **meet important challenges and attain its political priorities** over the next seven-year period. Accordingly, it was **disappointed about the proposed global level of the next MFF set at EUR 1.1 trillion**, which represents 1.08 % of the EU-27 GNI after deducting the European Development Fund (currently 0.03 % of EU GNI outside the EU budget. This global level in terms of GNI percentage is **lower in real terms** than the level of the current MFF, despite the additional funding needed for new political priorities and emerging challenges for the Union. The current MFF is also smaller than its predecessor (the 2007-2013 MFF) and has been shown to be inadequate to finance the Union's pressing needs.

Parliament underlined, consequently, its position to **set the 2021-2027 MFF at the level of 1.3 % of the EU-27 GNI.**

Members wanted to **maintain the financing of the CAP and cohesion policy** for the EU-27 at least at the level of the 2014-2020 budget in real terms. They deplored the fact that the Commission proposal leads directly to a reduction in the level of the common agricultural policy (CAP) by 15% and cohesion policy by 10 % respectively. They were particularly **opposed to radical cuts** that will adversely impact on the very nature and objectives of these policies, such as the cuts proposed for: (i) the Cohesion Fund by 45 %; (ii) the European Agricultural Fund for Rural Development by more than 25 %; (iii) the European Social Fund by 6 %, despite its integration of the Youth Employment Initiative.

Parliament also stressed the need to:

- triple the current budget for the Erasmus+ programme;
- double the specific funding for SMEs and for tackling youth unemployment;
- increase the current budget for research and innovation by at least 50 % to reach EUR 120 billion;
- double the Life+ programme;
- significantly increase investment through the Connecting Europe Facility, and to secure additional financing for security, migration and external relations.

In addition, Members stressed the importance of the **horizontal principles** that should underpin the MFF and reaffirmed, in this context, that the EU must deliver on:

- the mainstreaming of the UN Sustainable Development Goals (SDGs) into all EU policies and initiatives of the next MFF;

- gender mainstreaming and gender equality commitments in EU policies;
- climate-related spending, following the Paris Agreement. This should be significantly increased in comparison with the current MFF and reach 30 % at the latest by 2027.

Own resources: Parliament supported the Commission proposals on the reform of the EU own resources system, and welcomed the proposed introduction of **three new EU own resources** and the simplification of the current VAT-based own resource. It reiterated that the expenditure and revenue side of the next MFF should be treated as a single package in the upcoming negotiations, and that no agreement can be reached with Parliament on the MFF without corresponding headway being made on own resources.

Members also welcomed the principle that future revenues arising directly from EU policies should flow to the EU budget, but questioned the **absence of Commission proposals on the creation of a special reserve** in the EU budget to be filled up by all types of unforeseen other revenue, including competition fines and a tax on large companies in the digital sector.

Parliament noted the Commission proposal to establish a **European investment stabilisation mechanism,** which will complement the stabilisation function of national budgets in the event of major asymmetric shocks.

Lastly, it underlined that all elements of the MFF/own resources package, including the MFF figures, should **remain on the negotiating table until a final agreement is reached**, and stated that it was ready to enter immediately into a structured dialogue with the Council, in order to allow for a better understanding of Parliament’s expectations and facilitate a timely agreement.