

Multiannual financial framework for the years 2014-2020

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PURPOSE: to revise the Regulation laying down the multi-annual financial framework (MFF) for the period 2014-2020 in order to cover the financial needs of 2020 arising from the new recovery initiatives to deal with the impact of the COVID-19 pandemic.

PROPOSED ACT: Council Regulation.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: the financing needs for urgent investments arising in the wake of the crisis are unprecedented and require a decisive and extraordinary response at Union level. Financial support needs to be frontloaded in the crucial first years of recovery, including in 2020.

The Commission has used all the remaining flexibility in the current EU budget to provide timely and substantial support to Member States in a crisis. They have also exhausted all remaining flexibility in the current EU budget, highlighting the urgent need to put in place new measures to drive the next and crucial phases of the recovery.

The Commission considers it necessary to revise the Regulation laying down the multiannual financial framework for the years 2014-2020 to allow for frontloading of financial support as rapidly as possible already in 2020. This concerns notably any early need to finance:

- the provisioning of the [Solvency Support Instrument](#) under the European Fund for Strategic Investment and the Union's contribution to the capital increase of the European Investment Fund;
- the frontloading of additional cohesion spending under [REACT-EU](#); and
- increased financial means for the European Fund for Sustainable Development ([EFSD](#)).

CONTENT: the Commission proposes to increase the ceilings in commitment appropriations for the year 2020 as follows:

- the ceiling on commitment appropriations for sub-Heading 1a 'Competitiveness for growth and jobs' is increased to the level of EUR 25 681 million (2011 prices);
- the ceiling on commitment appropriations for sub-Heading 1b 'Economic, social and territorial cohesion' is increased to the level of EUR 53 109 million (2011 prices);
- the ceiling on commitment appropriations for Heading 4 'Global Europe' is increased to the level of EUR 9 665 million (2011 prices).

The proposed increases in commitment ceilings will result in an increase of payment needs of EUR 6 040 million, which is compatible with the 2020 annual payment ceiling as adjusted in the technical adjustment of May 2019. Therefore, the Commission does not propose to revise the 2020 payment ceiling.

The proposed Regulation should not apply to the United Kingdom insofar as it has an impact on the United Kingdom's financial obligations compared to those at the date of the withdrawal of the United Kingdom from the Union.