

Guidelines for the 2021 budget - Section III

2019/2213(BUD) - 17/06/2020 - Parliament's opinion on budgetary estimates/guidelines

The European Parliament adopted by 448 votes to 115, with 101 abstentions, a resolution on the general guidelines for the preparation of the 2021 budget, Section III - Commission.

Members recalled that the 2021 budget should be the first of an updated, reoriented and ambitious 2021-2027 Multiannual Financial Framework (MFF). Although Parliament has been ready to negotiate the MFF since November 2018, the Council has so far not engaged in meaningful talks with Parliament.

Tackling the COVID-19 crisis: a budget to protect and innovate

Parliament stated that the 2021 budget should primarily aim to mitigate the effects of the- COVID19 pandemic and support recovery, building on the European Green Deal and digital transformation.

The 2021 budget shall be an important part of the recovery plan to rebuild the EU economy, ensuring resilience and inclusion, while respecting planetary boundaries. The Commission is called upon to introduce a draft budget for 2021 which takes into account the following priorities:

- protecting people's well-being and health from other risks and environmental impacts,
- create high-quality jobs and
- ensuring social, economic and territorial cohesion and convergence, in particular through investments in SMEs and the sectors most affected by the crisis such as tourism, and in the development of sustainable public infrastructure and services and of the strategic sectors, such as the health sector, that tackle the crisis on the front line; calls on the Commission to introduce a draft 2021 budget that is line with these priorities.

Contingency plan

Parliament reiterated its call for the Commission to propose a contingency plan for the MFF by 15 June 2020, automatically extending the 2020 ceilings in order to ensure the continuity of existing EU programmes, to refocus them on addressing the consequences of the crisis and, at the same time, to set up the most urgent new instruments and initiatives.

Reform of the own resources system

In order to cover the additional expenditure caused by the crisis and to mitigate the predominance of GNI contributions to the EU budget, Members considered that new additional own resources entered directly in the EU budget as general revenue shall play a key role from 2021 onwards.

Parliament indicated that the Commission's own resources proposals of May 2018 were a good starting point, but reiterated that it shall not give its approval for the MFF 2021-2027 without an agreement on the reform of the Union's own resources system, including the introduction of a basket of new own resources.

Propose solutions to social, environmental, economic and financial challenges

Parliament confirmed its position that commitment appropriations for the 2021-2027 period should be set at EUR 1 324.1 billion in 2018 prices, which would represent 1.3 % of the EU-27's gross national income

(GNI). In line with this position, is determined to defend a 2021 budget of EUR 192.1 billion in current prices in commitment appropriations.

Members believe that the current crisis should not undermine the ambition of moving towards the objective of achieving climate neutrality by 2050. In order to help reduce the EU's GHG emissions and overall carbon footprint, a carbon border adjustment mechanism (CBAM), the EU Emissions Trading System (ETS) and EU climate law should fully contribute to a quantum leap in political and financial efforts.

Parliament voted for a 10% level of spending on biodiversity and called for a 30% level of spending on climate change mainstreaming by 2021.

Stressing that Horizon Europe shall be the main programme for developing new climate solutions, Members called for increased funding for all research programmes helping to establish the EU as a world leader in green technologies and to strengthen its global competitiveness, to reduce its dependency on foreign key technologies, to make the Union a leader in information and communication technologies (ICT), artificial intelligence (AI) and cybersecurity, to develop new treatments for serious diseases such as cancer, and to develop high-performance computing and data processing capacities.

Parliament has made a series of recommendations, such as, for example:

- greater support for small and medium-sized enterprises (SMEs), which make a significant contribution to job creation and which are most likely to be most affected by the economic downturn resulting from the COVID-19 outbreak;
- provide additional funding for cohesion policy and greater flexibility to respond to future environmental, social, economic and demographic challenges;
- put in place a comprehensive strategy for tourism, one of the sectors most affected by the crisis, supported by a specific allocation through a separate EU programme in the next MFF;
- implement the European Pillar of Social Rights in the EU budget for 2021 and strengthen EU social actions, notably through the European Social Fund +;
- launch a new EU security strategy for 2021;
- allocate the necessary budget in order to guarantee a greater capacity for the Union's civil protection mechanism;
- provide Erasmus+ with sufficient funding to ensure that it is accessible to people of all backgrounds and all ages;
- strengthen the Common Agricultural Policy (CAP) and the Common Fisheries Policy (CFP) by paying greater attention to small-scale farming and artisanal fisheries, given the important role these policies will play in achieving the Green Deal;
- ensure sufficient means in the 2021 budget to anticipate a possible status quo or even a deterioration of the situation of migrants at the EU-Turkey border.

Members also wanted the future MFF for 2021-2027 to include a conditionality clause for the protection of democracy, the rule of law and fundamental rights to ensure that, in order to receive EU funding, Member States must fully respect Article 2 of the Treaty on European Union.

A sufficient and realistic level of payments

Parliament affirmed its determination to avoid any new payment crisis, particularly in the context of the COVID-19 pandemic. It stressed the need to continue to ensure a high level of liquidity for Member States in the response to the pandemic. It recalled that the overall payment ceiling must also take into account the unprecedented volume of outstanding commitments at the end of 2020 to be covered by the next MFF.

Moreover, the fact that in 2021 payment appropriations shall be largely devoted to the completion of the programmes for the period 2014-2020 shall not hinder the launch of new programmes.