

# **Interinstitutional agreement on budgetary discipline, on cooperation in budgetary matters and on sound financial management**

2018/2070(ACI) - 16/12/2020 - Text adopted by Parliament, single reading

The European Parliament approved by 550 votes to 72, with 73 abstentions, the conclusion of an Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources.

An overall political agreement was reached on 10 November 2020 between the representatives of the European Parliament, the Council and the Commission on the Multiannual Financial Framework (MFF) for the period 2021-2027, on own resources and on the European Instrument for Recovery (Next Generation EU). This political agreement includes a renewed Interinstitutional Agreement on budgetary discipline, cooperation on budgetary matters and sound financial management, as well as on new own resources, including a roadmap for the establishment of new own resources.

## ***(1) Implementation of MFF 2021-2027***

The Interinstitutional Agreement lays down provisions for the implementation of the MFF. It consists of four parts:

- Part I contains provisions relating to the multiannual financial framework (MFF) and the special thematic and non-thematic instruments;
- Part II concerns interinstitutional cooperation in budgetary matters;
- Part III contains provisions on the sound financial management of EU funds;
- Part IV contains provisions on the quality and comparability of data on beneficiaries with a view to protecting the Union budget.

The agreement is legally binding on the institutions. In particular, it contains provisions on the following elements:

## ***(2) Roadmap towards the introduction of new own resources***

Three stages are set for the introduction of the new own resources.

### ***First stage (2021)***

- introduction in January 2021 of a plastic contribution, made up of a share of the revenue from national contributions calculated on the basis of the weight of non-recycled plastic packaging waste;
- following impact assessments launched in 2020, presentation of proposals for a carbon border adjustment mechanism and a digital levy, as well as a legislative proposal to establish new own resources on this basis by June 2021, with a view to their introduction by 1 January 2023 at the latest;

- a review of the EU Emissions Trading Scheme (EU ETS) in spring 2021, including its possible extension to aviation and maritime transport, and a proposal for an own resource based on the EU ETS by June 2021.

***Second stage (2022 and 2023)***

The Council will deliberate on these new own resources before 1 July 2022 at the latest, with a view to having them in place by 1 January 2023.

***Third stage (2024-2026)***

- by June 2024, the Commission will propose further new own resources, which could include a financial transaction tax and a financial contribution linked to the business sector or a new common corporate tax base;

- the Council will deliberate on these new own resources by 1 July 2025 at the latest with a view to their introduction by 1 January 2026.