Interim report on the 2021 proposal for a revision of the Multiannual Financial Framework

2021/0429R(APP) - 13/09/2022 - Text adopted by Parliament, single reading

The European Parliament adopted by 497 votes to 79, with 53 abstentions, a resolution on the 2021 proposal for a revision of the Multiannual Financial Framework (MFF).

According to Parliament, new policy commitments and objectives need to be matched with fresh money and are not to be financed at the expense of other Union programmes and priorities.

In this regard, a **broader revision of the current MFF is needed** as it was already pushed to its limits in its first year. The resolution pointed to the multiple crises and challenges that the Union has been addressing, in particular the war in Ukraine and its repercussions, and the substantial financing needs it has generated.

Therefore, Parliament called on the Commission to conduct an **in-depth review of the functioning of the current MFF** and proceed with a legislative proposal for a comprehensive MFF revision as soon as possible and no later than the first quarter of 2023.

Incorporation of the Social Climate Fund in the EU budget

Parliament fully supported the incorporation of the Social Climate Fund in the Union budget and the MFF as part of its long-standing position that all Union programmes and funds are to be included in the budget.

Recommendations and modifications to the MFF

Parliament called on the Council and the Commission to consider the following recommendations and modifications:

- the impact of the revised financial envelope of the Social Climate Fund should be reflected throughout this regulation, including in its annex;

- an automatic **technical adjustment of the ceilings for commitment appropriations of heading 3** ‘Natural Resources and Environment’ and the **ceiling for payment appropriations** should be introduced to ensure that **additional allocations are made available for the Social Climate Fund** in the event of an **increase of carbon price** to a level higher than the initial assumption;

- the specific annual adjustment based on new own resources should be amended to ensure it can be prolonged in case of a delayed adoption of the following MFF.

Lastly, the resolution stated that the Commission should present a **proposal for a new multiannual financial framework before 1 July 2025**, to enable the institutions to adopt it sufficiently in advance of the start of the subsequent multiannual financial framework. The ceilings and other provisions, including the adjustments to the multiannual financial framework, corresponding to the last year of the multiannual financial framework set out in this Regulation are to continue to apply in the event that a new multiannual financial framework is not adopted before the end of the term of the multiannual financial framework laid down in this Regulation.