Basic information

2017/2052(INI) INI - Own-initiative procedure	Procedure completed
Next MFF: preparing the Parliament's position on the MFF post-2020 **Subject** 8.70 Budget of the Union 8.70.01 Financing of the budget, own resources	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	OLBRYCHT Jan (PPE) THOMAS Isabelle (S&D)	25/04/2017 25/04/2017
	Shadow rapporteur KÖLMEL Bernd (ECR) DEPREZ Gérard (ALDE) OMARJEE Younous (GUE/NGL) NÍ RIADA Liadh (GUE/NGL) SOLÉ Jordi (Verts/ALE) ZANNI Marco (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	PANZERI Pier Antonio (S&D)	17/05/2017
DEVE Development	RÜBIG Paul (PPE)	03/07/2017
INTA International Trade	The committee decided not to give an opinion.	
CONT Budgetary Control	SARVAMAA Petri (PPE)	18/04/2017
EMPL Employment and Social Affairs	ULVSKOG Marita (S&D)	07/12/2017
ENVI Environment, Public Health and Food Safety	JÄÄTTEENMÄKI Anneli (ALDE)	06/04/2017

ITRE Industry, Research and Energy	MARINESCU Marian-Jean (PPE)	19/05/2017
TRAN Transport and Tourism	MARINESCU Marian-Jean (PPE)	25/04/2017
REGI Regional Development	VAUGHAN Derek (S&D)	21/03/2017
AGRI Agriculture and Rural Development	RIBEIRO Sofia (PPE)	05/04/2017
PECH Fisheries	AGUILERA Clara (S&D)	22/03/2017
CULT Culture and Education	TRÜPEL Helga (Verts/ALE)	28/03/2017
LIBE Civil Liberties, Justice and Home Affairs	MACOVEI Monica (ECR)	29/06/2017
AFCO Constitutional Affairs	ANNEMANS Gerolf (ENF)	20/03/2017
FEMM Women's Rights and Gender Equality	GARCÍA PÉREZ Iratxe (S&D)	04/04/2017

European Commission

Commission DG	Commissioner
Budget	OETTINGER Günther

Key events

Date	Event	Reference	Summary
18/05/2017	Committee referral announced in Parliament		
22/02/2018	Vote in committee		
28/02/2018	Committee report tabled for plenary	A8-0048/2018	Summary
13/03/2018	Debate in Parliament		
14/03/2018	Decision by Parliament	T8-0075/2018	Summary
14/03/2018	Results of vote in Parliament		
14/03/2018	End of procedure in Parliament		

Technical information	
Procedure reference	2017/2052(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Strategic initiative
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/8/09701

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	REGI	PE606.230	11/10/2017	
Committee opinion	AFCO	PE606.254	12/10/2017	
Committee opinion	CONT	PE606.021	23/11/2017	
Committee opinion	PECH	PE610.677	23/11/2017	
Committee opinion	LIBE	PE612.221	30/11/2017	
Committee opinion	TRAN	PE610.555	01/12/2017	
Committee opinion	CULT	PE610.693	06/12/2017	
Committee opinion	FEMM	PE610.884	06/12/2017	
Committee draft report		PE615.478	10/01/2018	
Committee opinion	ITRE	PE609.632	15/01/2018	
Committee opinion	AFET	PE610.546	25/01/2018	
Committee opinion	ENVI	PE612.219	26/01/2018	
Committee opinion	AGRI	PE612.377	26/01/2018	
Committee opinion	DEVE	PE612.385	31/01/2018	
Amendments tabled in committee		PE616.895	01/02/2018	
Amendments tabled in committee		PE616.896	01/02/2018	
Amendments tabled in committee		PE616.897	01/02/2018	
Committee report tabled for plenary, single reading		A8-0048/2018	28/02/2018	Summary
Committee opinion	EMPL	PE618.338	28/02/2018	
Text adopted by Parliament, single reading		T8-0075/2018	14/03/2018	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2018)366	30/08/2018	

Next MFF: preparing the Parliament's position on the MFF post-2020

2017/2052(INI) - 14/03/2018 - Text adopted by Parliament, single reading

The European Parliament adopted by 458 votes to 177, with 62 abstentions, a resolution on the next multiannual financial framework (MFF): Preparing Parliament's position on the MFF post-2020.

This resolution outlined the **Parliament's position on the post-2020 MFF and the specific budgetary orientations** for the respective EU policies covered by the next financial framework. It called on the Commission to present the legislative proposal for the next MFF together with a new draft interinstitutional agreement that takes into account Parliament's positions and suggestions.

In parallel, it adopted a separate resolution to set out its position on the reform of the EU's own-resources system. It stressed that both the expenditure and the revenue side of the next MFF will be treated as a single package in the upcoming negotiations, and that **no agreement** will be reached on the MFF without corresponding headway being made on own resources.

Priorities and challenges of the next MFF: Members felt that that the next MFF should be embedded in a broader strategy for the future of Europe and should build on the **Union's well-established policies and priorities** and address challenges such as youth unemployment, persistent poverty and social exclusion, the phenomenon of migration and refugees, climate change and natural disasters, environmental degradation, terrorism and instability.

Parliament called for continued support for the Union's existing policies, in particular the long-standing EU policies enshrined in the Treaties, namely the common agricultural and fisheries policies, and cohesion policy, whilst rejecting any attempt to renationalise these policies.

Europe should offer **prospects to the younger generation** and is determined to substantially scale up two of its flagship programmes, namely the **Research Framework Programme and Erasmus+,** which cannot satisfy the very high demand involving top quality applications with their current means.

Members stand firm in their support for a substantial increase in resources for the fight against youth unemployment and in support for small and medium-sized enterprises through the successor programmes of the Youth Employment Initiative and the programme for the Competitiveness of Enterprises and Small and medium-sized enterprises (COSME); also supports reinforcing the Connecting Europe Facility (CEF) 2.0. They also called on the EU to assume its role in three emerging policy areas with internal and external dimensions, namely asylum, migration and integration policy, protection of external borders and common internal security and defence.

It called in the light of the above mentioned challenges and priorities, and taking into account the UK's withdrawal from the Union, for a **significant increase** in the Union's budget. Members estimate the required MFF expenditure ceilings at 1.3 % of the GNI of the EU-27, notwithstanding the range of instruments to be counted over and above the ceilings.

They are convinced that, unless the Council agrees to significantly increase the level of its national contributions to the EU budget, the introduction of new genuine EU own resources remains the only option for adequately financing the next MFF. Members stated that in this respect no agreement will be reached on the MFF.

Alignment of the duration of the MFF: Parliament stated that the decision on the duration of the MFF should strike the right balance between two conflicting requirements, namely, on the one hand, the need for several EU policies – especially those under shared management, such as agriculture and cohesion – to operate on the basis of the stability and predictability that is ensured through a commitment of at least seven years, and, on the other hand, the need for democratic legitimacy and accountability that results from the synchronisation of each financial framework with the five-year political cycle of the European Parliament and the Commission.

It underlined the need for the MFF's duration to move progressively towards **a 5+5 period with a mandatory mid-term revision**. However, due to the timing of the next European Parliament elections in spring 2019 the 5+5 period may not apply, therefore it is proposed that the next MFF should be set for a period of seven years (2021-2027), including a mandatory mid-term revision, by way of a transitional solution to be applied for one last time.

Flexibility: Members recalled that, during the current MFF, the budgetary authority approved a substantial mobilisation of the flexibility mechanisms and special instruments included in the MFF Regulation, in order to secure the additional appropriations needed to respond to serious crises or finance new political priorities.

Although these provisions have worked well, in particular to face the challenges of migration and to bridge the investment deficit, a further **reinforcement** of these provisions is still necessary in order to better cope with new challenges, unforeseen events and the evolving political priorities that arise during the implementation of a long-term plan, such as the MFF.

Parliament reiterated its long-standing position that the **European Development Fund**, alongside other instruments outside the MFF, should be integrated into the Union budget in order to increase its legitimacy as well as the efficiency and effectiveness of the Union's development policy.

Level of payments: Members called for the future payment ceilings to be set at an appropriate level, leaving only a **limited and realistic gap between commitments and payments**. They warned against a repetition of such a payment crisis in the transition to the next MFF, as this would have serious consequences for beneficiaries such as students, universities, SMEs and researchers.

Procedure and decision-making process: Members called for a decision-making procedure on the next MFF that **safeguards Parliament's role and prerogatives** as set out in the Treaties. They insisted that the MFF Regulation is not the appropriate place for changes to the EU Financial Regulation and urged the Commission to put forward a separate proposal for a revision of the EU Financial Regulation if need be. They also stressed that a shift towards **qualified majority voting** for the adoption of the MFF Regulation would be in line with the decision-making process for the adoption of virtually all EU multiannual programmes, as well as for the annual procedure for adopting the EU budget.

Lastly, the Commission is called on to propose a **mechanism** whereby Member States that do not respect the values enshrined in Article 2 of the Treaty on European Union (TEU) can be subject to financial consequences but not through the European Union budget, so that beneficiaries such as regions, organisations or citizens are not harmed financially.

Next MFF: preparing the Parliament's position on the MFF post-2020

2017/2052(INI) - 28/02/2018 - Committee report tabled for plenary, single reading

The Committee on Budgets adopted an own-initiative report by Jan OLBRYCHT (EPP, PL) and Isabelle THOMAS (S&D, FR) on the next MFF: Preparing the Parliament's position on the MFF post-2020.

The report noted that the multi-annual financial framework (MFF) 2014-2020 quickly proved its **inadequacy** in meeting actual needs and political ambitions, as, from the outset, it was called upon to address a series of crises and new challenges in the areas of investment, migration and refugees, youth employment, security, the environment and climate change, which had not been anticipated at the time of its adoption.

As a result, the current MFF had already been pushed to its limits after only two years of implementation as available margins had been exhausted, flexibility provisions and special instruments had been mobilised to a substantial extent, existing policies and programmes had been put under pressure or even reduced, and some **off-budget mechanisms** had been created as a way of compensating for the insufficient level and flexibility of the EU budget.

The Commission will present its package of proposals on the post-2020 MFF, including future own resources, in May 2018.

Members adopted the present report in order to **outline Parliament's position on the post-2020 MFF**. They expect the Commission to present the legislative proposal for the next MFF together with a new draft interinstitutional agreement that takes into account Parliament's positions and suggestions. They aim to adopt, in parallel, a separate report to set out its position on the reform of the EU's own-resources system in line with the recommendations of the High Level Group on Own Resources.

Members called on the Commission to take due account of Parliament's position in preparing the legislative proposals on the EU's own resources, which should be ambitious in scope and presented together with the MFF proposals.

Priorities and challenges of the next MFF: Members stressed that the next MFF should be embedded in a broader strategy and narrative for the future of Europe and should enable the Union to provide solutions and emerge strengthened from the crises of the decade. Europe should offer prospects to the younger generation and is determined to substantially scale up two of its flagship programmes, namely the Research Framework Programme and Erasmus+, which cannot satisfy the very high demand involving top quality applications with their current means. Members stand firm in their support for a **substantial increase** in resources for the fight against youth unemployment and in support for small and medium-sized enterprises through the successor programmes of the Youth Employment Initiative and the programme for the Competitiveness of Enterprises and Small and medium-sized enterprises (COSME); also supports reinforcing the Connecting Europe Facility (CEF) 2.0. They also called on the EU to assume its role in three emerging policy areas with **internal and external dimensions**.

The report stated that a stronger and a more ambitious Europe can only be achieved if it is provided with **reinforced financial means**. It called in the light of the above mentioned challenges and priorities, and taking into account the UK's withdrawal from the Union, for a **significant increase in the Union's budget**. Members estimate the required MFF expenditure ceilings at **1.3 % of the GNI** of the EU-27, notwithstanding the range of instruments to be counted over and above the ceilings.

They are convinced that, unless the Council agrees to significantly increase the level of its national contributions to the EU budget, the introduction of **new genuine EU own resources remains the only option** for adequately financing the next MFF. Members stated that in this respect no agreement will be reached on the MFF without corresponding headway being made on own resources.

Alignment of the duration of the MFF: Members stated that the decision on the duration of the MFF should strike the right balance between two conflicting requirements, namely, on the one hand, the need for several EU policies – especially those under shared management, such as agriculture and cohesion – to operate on the basis of the stability and predictability that is ensured through a commitment of at least seven years, and, on the other hand, the need for democratic legitimacy and accountability that results from the **synchronisation of each financial framework with the five-year political cycle** of the European Parliament and the Commission.

They underlined the need for the MFF's duration to move progressively towards a 5+5 period with a mandatory **mid-term revision**. However, due to the timing of the next European Parliament elections in spring 2019 the 5+5 period may not apply, therefore it is proposed that the **next MFF should be set for a period of seven years** (2021-2027), including a mandatory mid-term revision, by way of a transitional solution to be applied for one last time.

Flexibility: the report underlined that, during the current MFF, the budgetary authority approved a substantial mobilisation of the **flexibility mechanisms and special instruments** included in the MFF Regulation, in order to secure the additional appropriations needed to respond to serious crises or finance new political priorities. These provisions have worked well but a **further reinforcement** of these provisions is still necessary in order to better cope with new challenges, unforeseen events and the evolving political priorities that arise during the implementation of a long-term plan, such as the MFF.

Members reiterated their long-standing position that the **European Development Fund**, alongside other instruments outside the MFF, **should be integrated into the Union budget** in order to increase its legitimacy as well as the efficiency and effectiveness of the Union's development policy.

Procedure and decision-making process: Members called for a decision-making procedure on the next MFF that **safeguards Parliament's role** and prerogatives as set out in the Treaties. They insisted that the MFF Regulation is not the appropriate place for changes to the EU Financial Regulation and urged the Commission to put forward a separate proposal for a revision of the EU Financial Regulation if need be. They also stressed that a shift towards **qualified majority voting** for the adoption of the MFF Regulation would be in line with the decision-making process for the adoption of virtually all EU multiannual programmes, as well as for the annual procedure for adopting the EU budget.

Lastly, the Commission is called on to propose a mechanism whereby Member States that do not respect the values enshrined in **Article 2 of the** Treaty on European Union (TEU) can be subject to **financial consequences** but not through the European Union budget, so that beneficiaries such as regions, organisations or citizens are not harmed financially.