Basic information

2021/0429R(APP) APP - Consent procedure	Procedure completed
Interim report on the 2021 proposal for a revision of the Multiannual Financial Framework Accompanying procedure 2021/0429(APP) **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 (EPP) MARQUES Margarida (S&D)	10/02/2022 10/02/2022
	Shadow rapporteur KÖRNER Moritz (Renew) ANDRESEN Rasmus (Greens/EFA) ZĪLE Roberts (ECR) PAPADIMOULIS Dimitrios (The Left)	

Council of the European Union

European Commission

Commission DG	Commissioner
Budget	HAHN Johannes

Key events

Date	Event	Reference	Summary
05/05/2022	Committee referral announced in Parliament		
31/08/2022	Vote in committee		
05/09/2022	Committee report tabled for plenary	A9-0227/2022	Summary
12/09/2022	Debate in Parliament		

13/09/2022	Decision by Parliament	T9-0309/2022	Summary
13/09/2022	Results of vote in Parliament		

Technical information	
Procedure reference	2021/0429R(APP)
Procedure type	APP - Consent procedure
Procedure subtype	Interim report under consent procedure
Amendments and repeals	Accompanying procedure 2021/0429(APP)
Legal basis	Rules of Procedure EP 107-p5
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/9/08917

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE732.546	31/05/2022	
Amendments tabled in committee		PE735.470	13/07/2022	
Amendments tabled in committee		PE735.475	20/07/2022	
Committee report tabled for plenary, single reading		A9-0227/2022	05/09/2022	Summary
Text adopted by Parliament, single reading		T9-0309/2022	13/09/2022	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

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

2021/0429R(APP) - 05/09/2022 - Committee report tabled for plenary, single reading

The Committee on Budgets adopted the interim report presented by Jan OLBRYCHT (EPP, PL) and Margarida MARQUES (S&D, PT) on the 2021 proposal for a revision of the Multiannual Financial Framework.

In view of the multiple crises and challenges facing the Union, including the war in Ukraine, and the substantial funding needs it has generated, Members 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**.

Members expressed full support for the incorporation of the Social Climate Fund into the EU budget and the MFF and welcomed the Commission's proposal as a starting point as regards the increase of the ceiling for commitment appropriations of heading 3

'Natural Resources and Environment' and the ceiling for payment appropriations, which is a necessary pre-condition so that the financing of the Social Climate Fund is not detrimental to other Union programmes and priorities. However, they pointed out that some modifications are necessary to reflect Parliament's position on the Fit for 55 package, including on the revised financial envelope of the Social Climate Fund.

The report also supported the proposal for a specific annual adjustment based on new own resources. It considered it to be in line with the principle, as set out in the Interinstitutional Agreement on budgetary discipline, cooperation in budgetary matters and sound financial management (IIA), that expenditure from the Union budget related to the repayment of the European Union Recovery Instrument should not lead to an undue reduction in programme expenditure or investment instruments under the MFF. It therefore reaffirmed that such an annual adjustment depends on the introduction of new own resources in line with the roadmap set out in the IIA.

The Committee on Budgets asked 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 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, in line with article 312(4) TFEU. 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.

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.