Basic information

2023/0201M(APP) APP - Consent procedure	Procedure completed
Report on consent to the revision of the Multiannual Financial Framework 2021-2027 See also 2023/0201(APP) Accompanying procedure 2023/0201(APP) **Subject** 8.70 Budget of the Union 8.70.02 Financial regulations	

Key players

European Parliament	**Committee responsible**	**Rapporteur**	**Appointed**
	BUDG Budgets	OLBRYCHT Jan (EPP) MARQUES Margarida (S&D)	02/02/2024 02/02/2024
		Shadow rapporteur KELLER Fabienne (Renew) ANDRESEN Rasmus (Greens/EFA) ZĪLE Roberts (ECR) KUHS Joachim (ID) PAPADIMOULIS Dimitrios (The Left)	
Council of the European Union			

Key events

Date	Event	Reference	Summary
22/02/2024	Vote in committee		
22/02/2024	Committee report tabled for plenary	A9-0053/2024	
26/02/2024	Committee referral announced in Parliament		
27/02/2024	Decision by Parliament	T9-0082/2024	Summary
27/02/2024	Results of vote in Parliament		
27/02/2024	Debate in Parliament		

Technical information	
Procedure reference	2023/0201M(APP)
Procedure type	APP - Consent procedure
Procedure subtype	Motion for a resolution under consent procedure
Amendments and repeals	See also 2023/0201(APP) Accompanying procedure 2023/0201(APP)
Legal basis	Rules of Procedure EP 107-p2
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/9/14180

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE758.970	13/02/2024	
Amendments tabled in committee		PE759.062	15/02/2024	
Committee report tabled for plenary, single reading		A9-0053/2024	22/02/2024	
Text adopted by Parliament, single reading		T9-0082/2024	27/02/2024	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Report on consent to the revision of the Multiannual Financial Framework 2021-2027

2023/0201M(APP) - 27/02/2024 - Text adopted by Parliament, single reading

The European Parliament adopted by 422 votes to 101, with 101 abstentions, a non-legislative resolution on the draft Council regulation amending Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027.

Parliament stressed that a revision of the MFF regulation is an essential prerequisite for ensuring **medium-term financial support to Ukraine** through the Ukraine Facility, for enabling increased funding for **targeted policy priorities** and for safeguarding Union programmes and the budget's flexibility in the light of higher-than-forecast interest rates and therefore higher-than-programmed Union borrowing costs.

Parliament called for the changes introduced in this revision to be implemented without further delay.

Support for Ukraine

Parliament welcomed the **EUR 50 billion financing package** for Ukraine for the period 2024-2027, combining grants (EUR 17 billion) with loans on highly favourable terms (EUR 33 billion) and anchored in the EU budget. The financing package is a vital symbol of the Union's long-term commitment to Ukraine and its people and sends an important signal of that commitment both to other key donors and to Russia. Parliament undertakes to monitor Ukraine's future financing needs, taking into account international developments.

Headings 4 and 6 - Migration and the external dimension

Parliament welcomed the fact that an **additional EUR 3.1 billion** in fresh money will be provided for Heading 6 (neighbourhood and the world), combined with a further EUR 4.5 billion in decommitted and redeployed funds to be re-purposed within the heading, for a total of EUR 7.6 billion planned to be spent on support for migration measures and refugees in third countries and on enhanced accession funding for the Western Balkans between 2024 and 2027. Furthermore, the creation of the Ukraine Facility and enhanced support for the Western Balkans will also create space for increased financial support for Moldova on its path to accession.

Members are very disappointed that neither the cushion in the Neighbourhood Development and International Cooperation Instrument (NDICI)-Global Europe programme nor humanitarian aid have been reinforced as part of the MFF revision. They expect humanitarian aid needs to continue to exceed the amounts budgeted for and intends, therefore, to carefully monitor, and where necessary to address, those needs in the annual budgetary procedure.

Parliament also welcomed the additional **EUR 2 billion** in Heading 4 (migration and border management), which will be pivotal in implementing the New Pact on Migration and Asylum and help alleviate the strain on programmes and decentralised agencies in the heading.

Strategic Technologies for Europe Platform (STEP)

Parliament reiterated that STEP should act as a testbed for a fully-fledged **Sovereignty Fund** in the next MFF period. It recalled, in that regard, that STEP was supposed to combine fresh funding for InvestEU and Horizon Europe, for the Innovation Fund and for the European Defence Fund with the re-prioritisation of funds under existing programmes, in particular through increased pre-financing and co-financing under cohesion policy programmes.

Members welcomed the boost in the Union's defence investment capacity through the **EUR 1.5 billion** reinforcement of the European Defence Fund. They regretted, however, the overall limited additional resources to support the STEP objectives and the lack of fresh funding for the other programmes.

NextGenerationEU interest payments

Members welcomed the fact that the draft Council regulation establishes an uncapped special instrument over and above the ceilings (**the EURI instrument**) to cover at least part of the NGEU borrowing cost shortfall, which will provide certainty to the financial markets. The shortfall is currently estimated at EUR 15 billion between 2025 and 2027. Without a revision of the MFF, any shortfall can only be met by cutting programmes and exhausting budgetary flexibility.

Parliament recalled that it was strongly opposed to subjecting the repayment of NGEU borrowing costs to a cap within an MFF heading in the 2020 MFF negotiations and that it has repeatedly argued for all NGEU borrowing costs to be placed over and above the MFF ceilings. It recalled its long-standing view that decommitted appropriations should **remain in the budget** and be committed by the budgetary authority in the annual budgetary procedure.

Parliament recalled that the Joint Declaration agreed by the three institutions as part of the 2020 MFF agreement, whereby expenditure to cover NGEU financing costs shall aim at not reducing programmes and funds, still applies and serves as a reference point for the budgetary authority. It insisted on the need for the Commission to provide reliable, timely and accurate information on NGEU borrowing costs and on expected Recovery and Resilience Facility disbursements throughout the budgetary procedure. Moreover, any discussions on the EURI Instrument in the European Council must not disrupt the pragmatic calendar for the budgetary procedure.

Flexibility and Special Instruments

Parliament welcomed the fact that the **Solidarity and Emergency Aid Reserve** (SEAR) will be increased by EUR 1.5 billion for the remainder of the MFF period, though remains concerned that, even with this increase, needs are unlikely to be met.

It is concerned, however, that the percentage split between the two reserves, with two thirds to be allocated to the Solidarity Reserve and one third to the Emergency Aid Reserve, is not fully aligned with the balance of needs in the first three years of the MFF.

Members recognised that increasing the **Flexibility Instrument** by EUR 2 billion between 2024 and 2027 might not create sufficient budgetary space to enable the Union to respond to unforeseen circumstances and emerging needs.

Parliament reaffirmed its commitment to the legally binding roadmap in the IIA, in which Parliament, Council and Commission undertook to introduce sufficient **new own resources** to at least cover the repayment of NGEU borrowing costs.

Impact on the EU budget

Parliament recalled that inflation has reduced the real-terms value of the MFF by EUR 74 billion according to the Commission, while revenue called from Member States for MFF spending has decreased as a percentage of gross national income (GNI) and the rebates for the five beneficiary Member States, which are inflation-linked, have increased at a higher rate than the MFF ceilings. Members remain concerned that, even after the revision, total commitment appropriations amount to only **1.02 %** of GNI and total payment appropriations only **1.01 %** of GNI. They recalled that, originally, payment appropriations in the current MFF were planned to be set at 1.10 % of GNI.

The resolution deplored the cuts to flagship programmes in the MFF revision. Members regret the reduction of the financial envelope for Horizon Europe by **EUR 2.1 billion**, which runs counter to Council's own stated objective of investing 3 % of Gross Domestic Product in research and development. They are also very disappointed by the cut of **EUR 1 billion** to EU4Health.

Members insisted on the fact that Parliament will ensure that its prerogatives in the annual budgetary procedure are fully respected in the implementation of this package.