

Procedure file

Basic information		
APP - Consent procedure Regulation	2010/0048(APP)	Procedure lapsed or withdrawn
Multiannual financial framework for the years 2007-2013		
Subject 8.70 Budget of the Union 8.70.02 Financial regulations		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets		15/10/2010
		PPE BÖGE Reimer Shadow rapporteur S&D GARDIAZABAL RUBIAL Eider ALDE JENSEN Anne E.	
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	3062	18/01/2011
	Economic and Financial Affairs ECOFIN	3044	11/11/2010
European Commission	Commission DG Budget	Commissioner LEWANDOWSKI Janusz	

Key events			
03/03/2010	Preparatory document	COM(2010)0072	Summary
13/09/2010	Vote in committee		Summary
14/09/2010	Committee report tabled for plenary	A7-0248/2010	
21/09/2010	Debate in Parliament		
22/09/2010	Results of vote in Parliament		
22/09/2010	Decision by Parliament	T7-0328/2010	Summary
11/11/2010	Debate in Council	3044	Summary
21/12/2010	Legislative proposal published	16973/2010	Summary
20/01/2011	Committee referral announced in Parliament		

27/06/2011	Vote in committee		Summary
29/06/2011	Committee report tabled for plenary, 1st reading/single reading	A7-0253/2011	
06/07/2011	Decision by Parliament	T7-0326/2011	Summary
07/03/2015	Proposal withdrawn by Commission		

Technical information

Procedure reference	2010/0048(APP)
Procedure type	APP - Consent procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Treaty on the Functioning of the EU TFEU 312-p2
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure lapsed or withdrawn
Committee dossier	BUDG/7/04291

Documentation gateway

Preparatory document	COM(2010)0072	03/03/2010	EC	Summary
Committee draft report	PE445.750	12/07/2010	EP	
Amendments tabled in committee	PE445.870	23/07/2010	EP	
Committee report tabled for plenary, single reading	A7-0248/2010	14/09/2010	EP	
Text adopted by Parliament, single reading	T7-0328/2010	22/09/2010	EP	Summary
Legislative proposal	16973/2010	21/12/2010	CSL	Summary
Committee draft report	PE467.047	07/06/2011	EP	
Committee report tabled for plenary, 1st reading/single reading	A7-0253/2011	29/06/2011	EP	
Text adopted by Parliament, 1st reading/single reading	T7-0326/2011	06/07/2011	EP	Summary

Additional information

National parliaments	IPEX
European Commission	EUR-Lex

Multiannual financial framework for the years 2007-2013

PURPOSE: to propose a new multiannual financial framework (2007-2013) revising and codifying the current financial framework taking into account the entry into force of the Treaty of Lisbon.

PROPOSED ACT: Council Regulation.

BACKGROUND: the Treaty on the Functioning of the European Union (TFEU) stipulates that a unanimously adopted Council Regulation shall lay down a multiannual financial framework. The financial framework shall determine the amounts of the annual ceilings on commitment appropriations by category of expenditure and of the annual ceiling on payment appropriations and it shall lay down any other provisions required for the annual budgetary procedure to run smoothly.

The practice to adopt a multiannual financial framework and provisions on the interinstitutional cooperation and budgetary discipline started more than 20 years ago. It has immensely improved and simplified the annual budget procedure and cooperation between institutions and, as a consequence, increased the budgetary discipline.

The current multiannual financial framework for 2007-2013 was agreed between institutions in May 2006 and is laid down in the Interinstitutional Agreement on budgetary discipline and sound financial management (the [IIA](#)). With the entry into force of the TFEU, the relevant provisions of the current IIA need to be codified into a Council Regulation laying down the multiannual financial framework (the MFF regulation). This codification represents an alignment of the provisions of the current IIA with the requirements of the Treaty. However, this alignment has to take into account the change of instrument, i.e. a regulation instead of an IIA. For legal reasons, it is, however, neither possible nor feasible to transpose all the provisions of the current IIA into the MFF regulation. Some of the provisions of the current IIA became obsolete with the entry into force of the Lisbon Treaty, many shall be incorporated in this MFF regulation, and some in the [revised Financial Regulation](#).

A new IIA is still necessary for those provisions that do not fit into either of these two regulations and incorporate them into the framework of a [revised IIA](#) (provisions on interinstitutional cooperation, in particular).

Taking into account all the relevant provisions and requirements of the Treaty, the current proposal seeks to focus on the financial framework in the strictest sense (e.g. annual adjustments of the financial framework, revision of the financial framework?). Some of the other provisions previously in the IIA have become obsolete (i) provisions related to the distinction between compulsory and non-compulsory expenditure and the maximum rate of increase, (ii) the classification of expenditure, (iii) significant parts of inter-institutional cooperation are either inappropriate for a regulation of this type and should fall within the financial regulation (rather than in the MFF regulation) or in the IIA.

The remaining provisions ? mainly issues relating to pure interinstitutional cooperation ? are included in a [new IIA](#) which is the subject of a separate procedure.

For the sake of integrity, the draft MFF Regulation and the new IIA are presented together and should be negotiated and agreed as one integral package.

IMPACT ASSESSMENT: no impact assessment has been undertaken.

LEGAL BASE: Article 312 of the Treaty on the Functioning of the European Union (TFEU) ? special legislative procedure.

CONTENT: since 1988, the multiannual financial framework and related provisions have been laid down in interinstitutional agreements. The multiannual financial framework for 2007-2013 was established by the Interinstitutional Agreement of 17 May 2006 (the [IIA](#)). With the entry into force of the TFEU, the practice of fixing the financial framework by interinstitutional agreement has to be reviewed and the multiannual financial framework has to be laid down in the form of a regulation. This is the purpose of this proposal which integrates the appropriate provisions of the old IIA and takes into account, where required, of the amendments that are required by the new Treaty.

As a result, the IIA is to be amended as follows:

- maintenance of the current financial framework: the financial framework has not been changed;
- an obligation to respect the ceilings on expenditures of budgetary headings and the ceilings on own resources: as before, the annual ceilings are retained, as well as the requirement for the institutions to respect these ceilings during the budgetary procedure. Should the ceilings for payment appropriations result in a call-in rate for own resources exceeding the own resources ceiling, the ceilings of the financial framework have to be adjusted;
- the possibility to exceed the ceilings under certain conditions: provision is made for the possibility to exceed the ceilings, if necessary, when the instruments not included in the financial framework are mobilised, i.e. the Emergency Aid Reserve, the Solidarity Fund, the Flexibility Instrument and the European Globalisation Adjustment Fund (these instruments are now defined in the [new IIA](#)). They are not included in the financial framework and ensure that financing in specific circumstances is provided in excess of the ceilings of the financial framework, if it is required. They increase the flexibility of the financial framework and are mobilised jointly by the two arms of budgetary authority;
- rules on annual technical adjustment of the financial framework are unchanged: the rules agreed regarding the annual technical adjustment of the financial framework are unchanged (revaluation of the financial framework at year n+1 prices and on the basis of a fixed deflator of 2% a year);
- adjustment of cohesion policy envelopes: the wording in this part has only been slightly changed. The reference to the current IIA was replaced with the reference to the period when the cohesion policy envelopes were agreed. The adjustment of cohesion policy envelopes will be made in the technical adjustment for the year 2011, to be presented in April 2010. This adjustment will take place if it is established that cumulated Gross Domestic Product (GDP) of any Member State for the years 2007-2009 has diverged by more than +/- 5 % from the cumulated GDP estimated in 2005 for the establishment of cohesion policy envelopes for Member States for the period 2007-2013;
- adjustments related to excessive government deficit: the wording of these articles has either not changed or only changed very marginally (reference to the voting rules for the adaptation of implementation conditions, in particular);
- revision of the financial framework: the revisions of the financial framework are adopted according to the same rules as the regulation itself. In order to retain the current level of flexibility of the financial framework as regards the revisions below the threshold of 0.03% of GNI, paragraph 3 stipulates that the financial framework may be adapted, if need be, and within the threshold of 0.03%, in the framework of the annual budgetary procedure. This does not change the current practice where revisions below the same threshold were jointly decided by Parliament and Council, with Council deciding by qualified majority. It should be noted that the rules regarding the revision of the financial framework in the event of a revision of the Treaty or enlargement have not been revised;
- interinstitutional cooperation in the budgetary procedure: this article lays down the general principles in regard to interinstitutional cooperation in the context of the budgetary procedure: i) the principle of good faith between the institutions throughout the procedure with a view to reconciling their positions; ii) appropriate interinstitutional contacts to monitor the progress of the work; iii) coordination of their respective calendars of work to enable proceedings to be conducted in a coherent and convergent fashion; iv) the retention of the principle of interinstitutional trilogues at all stages of the procedure to facilitate agreement on the budget. The technical details of the cooperation are included in the new IIA;
- financing of the CFSP: the financing of the Common Foreign and Security Policy has a special standing during the budgetary procedure. In order to maintain the current balance and to help the budgetary procedure to run smoothly, the basic rules (the amount entered in one budget chapter covering the real predictable needs, no funds entered in a reserve) and the amount agreed for the financing of the CFSP (without change) are introduced in the MFF Regulation. The total amount of operating CFSP expenditure shall

be entered entirely in one budget chapter, entitled CFSP. That amount shall cover the real predictable needs, assessed in the framework of the establishment of the draft budget, on the basis of forecasts drawn up annually by the High Representative of the Union for Foreign Affairs and Security Policy, and a reasonable margin for unforeseen actions. No funds may be entered in a reserve. An amount of at least EUR 1 740 million shall be available for the CFSP over the period 2007-2013;

- consequences of the absence of a financial framework: overall, the rules relating to the duration of the financial framework and the consequences of the absence of a financial framework are retained. The obligation for the Commission to present a new financial framework before July 2011 is also maintained. Minor changes have been made to align with the wording of the TFEU;
- entry into force: it is planned that the new IIA will enter into force on the same day as this proposed regulation.

BUDGETARY IMPACT: the proposal has no impact on the EU's budget. It corresponds to the financial framework as revised for the second phase of the [European Economic Recovery Plan \(EERP\)](#), adopted by the Council and Parliament on 17 December 2009.

Multiannual financial framework for the years 2007-2013

The Committee on Budgets adopted the interim report drafted by Reimer BÖGE (EPP, DE) on the proposal for a Council regulation laying down the multiannual financial framework for the years 2007-2013.

The committee recalls that, according to the European Commission's latest financial programming for 2012-2013, the margin available under heading 1a will be less than EUR 50 million per year and the global margin available under all headings will be limited to EUR 436 million for 2012 and EUR 435 million for 2013.

Members state that the European Financial Stabilisation Mechanism has potentially significant budgetary implications.

Therefore, in this respect, they request the Council and the Commission to take account of the following recommendations:

- work with European Parliament to allow swift adoption of the new instruments needed to implement the budgetary provisions of the Lisbon Treaty and revise the current MFF in order to provide for the extra resources necessary to deliver initiatives not foreseen when the current MFF was adopted;
- fully comply with Articles 311, 312(3) and (5) of the TFEU in order to facilitate the adoption of the financial framework and provide the Union with the means necessary to attain its objectives and carry out its policies, taking into account the new areas of action given by the Lisbon Treaty, including in the fields of external action, sport, space, climate change, energy, tourism and civil protection;
- draw all necessary conclusions from the fact that even before the addition of these new Lisbon-related needs, over the last four years of the current MFF, the annual budgets could only be agreed either through using up the existing margins or through recourse to the instruments foreseen by the current IIA to finance EU priorities such as Galileo, the food facility or the European Recovery Plan, and that remaining margins under the ceilings of the current financial framework are estimated to be negligible for the remainder of the period;
- acknowledge that the current economic climate might lead the budgetary authority to make some efforts towards reprioritisation within the budget;
- recognise that new needs cannot be met through redeployment or reprioritisation and that a revision of the MFF and the flexibility mechanisms included in the IIA is necessary, contrary to the Council's position as set out in its conclusions of 16 March 2010 on the budget guidelines for 2011;
- respond to declaration 3 of the current IIA calling for a full, wide-ranging review by 2008/2009 covering all aspects of EU spending and resources, and stop attempting to deal with the challenges/competences given to the EU by the new Treaty through a very narrow review of the functioning of the current IIA lacking any political dimension;
- recognise that the position of the Council and the Commission on the revision of the MFF until now is contradictory with the fact that they are constantly coming up with new proposals calling for new resources such as the "Bananas Agreement" and ITER;
- take all necessary steps for a revision of the MFF providing the extra resources necessary to deliver the European External Action Service and other Lisbon-Treaty-related policy priorities, as well as other initiatives, particularly under Heading 1a "Competitiveness Growth and Employment" and Heading 4 "External Relations", providing EU added value;
- take note of the fact that without this revision the Parliament will not be able to adopt any proposals for new agencies or any further Council initiatives unless accompanied by proposals for fresh resources;
- recognise the importance of flexibility to create reserves and margins allowing the EU to respond to current and future needs (the Parliament is not prepared to enter into negotiations over any proposal that does not include at least the current degree of flexibility over revisions to the financial framework of up to 0,03% of EU GNI);
- understand that a purely technical approach to the implementation of the Lisbon Treaty in the budgetary field is insufficient and that, for the Parliament to be able to give its consent, entering without delay a real, political negotiation at an appropriately high, and if necessary at the highest, level, is a must;
- give further thought to the European Financial Stabilisation Mechanism ahead of the adoption of the MFF regulation; accept that both arms of the budgetary authority be involved in decisions concerning the impact this mechanism could have on the EU budget; agree that any possible budgetary needs linked to this mechanism should be financed through an ad-hoc revision of the MFF to ensure that sufficient involvement of the budgetary authority is guaranteed on time.

Multiannual financial framework for the years 2007-2013

The European Parliament adopted by 445 votes to 39, with 18 abstentions, a resolution on the proposal for a Council regulation laying down the multiannual financial framework for the years 2007-2013.

The Parliament recalls that, according to the European Commission's latest financial programming for 2012-2013, the margin available under heading 1a will be less than EUR 50 million per year and the global margin available under all headings will be limited to EUR 436 million for 2012 and EUR 435 million for 2013.

Members state that the European Financial Stabilisation Mechanism has potentially significant budgetary implications.

Therefore, in this respect, they request the Council and the Commission to take account of the following recommendations:

- work with European Parliament to allow swift adoption of the new instruments needed to implement the budgetary provisions of the Lisbon Treaty and revise the current MFF in order to provide for the extra resources necessary to deliver initiatives not foreseen when the current MFF was adopted;
- fully comply with Articles 311, 312(3) and (5) of the TFEU in order to facilitate the adoption of the financial framework and provide the Union with the means necessary to attain its objectives and carry out its policies, taking into account the new areas of action given by the Lisbon Treaty, including in the fields of external action, sport, space, climate change, energy, tourism and civil protection;
- draw all necessary conclusions from the fact that even before the addition of these new Lisbon-related needs, over the last four years of the current MFF, the annual budgets could only be agreed either through using up the existing margins or through recourse to the instruments foreseen by the current IIA to finance EU priorities such as Galileo, the food facility or the European Recovery Plan, and that remaining margins under the ceilings of the current financial framework are estimated to be negligible for the remainder of the period;
- acknowledge that the current economic climate might lead the budgetary authority to make some efforts towards reprioritisation within the budget;
- recognise that new needs cannot be met through redeployment or reprioritisation and that a revision of the MFF and the flexibility mechanisms included in the IIA is necessary, contrary to the Council's position as set out in its conclusions of 16 March 2010 on the budget guidelines for 2011;
- respond to declaration 3 of the current IIA calling for a full, wide-ranging review by 2008/2009 covering all aspects of EU spending and resources, and stop attempting to deal with the challenges/competences given to the EU by the new Treaty through a very narrow review of the functioning of the current IIA lacking any political dimension;
- recognise that the position of the Council and the Commission on the revision of the MFF until now is contradictory with the fact that they are constantly coming up with new proposals calling for new resources such as the "Bananas Agreement" and ITER;
- express its concern considering the trend developed by Member States towards launching European policies financed outside of the EU budget; measure the risk of a lack of democratic control and legitimacy over those policies as well as a breach of the principle of universality of the EU budget and the negative impact this trend might imply with regard to the principle of solidarity;
- take all necessary steps for a revision of the MFF providing the extra resources necessary to deliver the European External Action Service and other Lisbon-Treaty-related policy priorities, as well as other initiatives, particularly under Heading 1a "Competitiveness Growth and Employment" and Heading 4 "External Relations", providing EU added value;
- take note of the fact that without this revision the Parliament will not be able to adopt any proposals for new agencies or any further Council initiatives unless accompanied by proposals for fresh resources;
- recognise the importance of flexibility to create reserves and margins allowing the EU to respond to current and future needs (the Parliament is not prepared to enter into negotiations over any proposal that does not include at least the current degree of flexibility over revisions to the financial framework of up to 0,03% of EU GNI);
- understand that a purely technical approach to the implementation of the Lisbon Treaty in the budgetary field is insufficient and that, for the Parliament to be able to give its consent, entering without delay a real, political negotiation at an appropriately high, and if necessary at the highest, level, is a must;
- give further thought to the European Financial Stabilisation Mechanism ahead of the adoption of the MFF regulation; accept that both arms of the budgetary authority be involved in decisions concerning the impact this mechanism could have on the EU budget; agree that any possible budgetary needs linked to this mechanism should be financed through an ad-hoc revision of the MFF to ensure that sufficient involvement of the budgetary authority is guaranteed on time.

Multiannual financial framework for the years 2007-2013

The Conciliation Committee was also not able to agree on the "Lisbon package" which aims to implement the budgetary and financial consequences of the new Treaty and consists of the following three pieces of texts:

- a draft regulation laying down the multiannual financial framework for the years 2007-2013;
- [a new draft interinstitutional agreement between the European Parliament, the Council and the Commission on cooperation in budgetary matters](#);
- [a draft regulation amending the financial regulation](#).

Despite the Council's willingness to discuss the question if and under which conditions the current possibility for the Council to adapt the multiannual financial framework within a margin for unforeseen expenditure by up to 0.03% of the Gross National Income (GNI) of the EU should be maintained, the Conciliation Committee did not reach agreement.

Multiannual financial framework for the years 2007-2013

The Council decided to forward to the European Parliament, for approval, a draft Council Regulation laying down the multiannual financial framework for the years 2007-2013. The purpose of the text is to adapt the current EU budgetary rules to the provisions of the Lisbon Treaty. It also decided to forward to the Parliament the [Council's position on the new draft inter-institutional agreement between the European Parliament, the Council and the Commission on cooperation in budgetary matters](#).

These two new texts seek to take into account the wish expressed by the European Parliament to maintain a certain degree of flexibility in the management of the multiannual financial framework by providing for contingency margin of 0.03% of Gross National Income which can be used, as a last resort, to fill spending gaps or needs in the EU budget if money cannot be found elsewhere.

The main provisions of this draft Regulation may be summarised as follows:

Multiannual financial framework: an annex presents the multiannual financial framework for the 2007-2013 period, with the details of budget headings year by year. Each of these amounts represents an annual ceiling on expenditures to which the European Parliament, the Council and the Commission must commit to respect in the course of the implementation of the budget for the financial year in question. Except in sub-heading 1b of the financial framework, for the purposes of sound financial management, they shall ensure as far as possible, during the

budgetary procedure and at the time of the budget's adoption, that sufficient margins are left available beneath the ceilings for the various headings.

Revision of the financial framework: the financial framework can be revised upon the proposal of the Commission, to deal with unforeseen circumstances. Any proposal for a revision should examine the scope for reallocation within or between the headings and for possible offsetting of any raising of the ceiling for one heading by the lowering of the ceiling for another.

Special instruments: the text places particular emphasis on the so-called "special instruments" the purpose of which is to ensure the flexibility of the financial framework.

The commitment appropriations may be entered in the budget outside the ceilings of the relevant headings laid down in the financial framework where it is necessary to use the resources from:

- the Emergency Aid Reserve,
- the Solidarity Fund,
- the Flexibility Instrument,
- the European Globalisation Adjustment Fund,
- the Contingency Margin.

These special instruments are necessary to allow the Union to react to specified unforeseen circumstances or to allow the financing of clearly identified expenditure which could not be financed within the limits of the ceilings available for one or more other headings as laid down in the multiannual financial framework. The procedures for the mobilisation of each of these instruments are laid down in the proposal.

As far as the Contingency Margin is concerned, this may amount to as much 0.03 % of the Gross National Income of the Union and shall be constituted outside the ceilings of the financial framework for the period 2007-2013, as a last-resort instrument to react to unforeseen circumstances. The Contingency Margin would be mobilised by the Council acting on qualified majority with the support of the majority of Members of the European Parliament and three-fifths of votes cast.

The proposal also contains provisions relating to:

- technical adjustments to the budget (to recalculate the ceilings and remaining margins in current prices);
- other forms of budgetary adjustments to deal with situations that may require adjustments of the multiannual financial framework. Those adjustments may be related to the implementation of the budget, excessive government deficit, revision of the Treaty or enlargements.

Lastly, the proposal provides for general rules on interinstitutional cooperation to facilitate the annual budgetary procedure, rules for the budgeting of the expenditure for the Common Foreign and Security Policy (CFSP) and rules applicable for the transition towards the next financial framework (in principle, the Commission will present, by 1 July 2011 at the latest, a proposal for a new financial framework; if the framework is not adopted by 31 December 2013 at the latest, the ceilings and other provisions of the last year of the previous financial framework are extended until the definitive adoption of the new framework).

Multiannual financial framework for the years 2007-2013

The Committee on Budgets adopted the recommendation drafted by Reimer BÖGE (EPP, DE) on the draft Council regulation laying down the multiannual financial framework for the years 2007-2013 in which it calls on the European Parliament to decline to consent to the draft Council regulation.

Members recall that the existing legal instrument laying down the multiannual financial framework needs to be amended following the entry into force of the Treaty of Lisbon. To this effect, the three institutions have taken a series of measures:

- the Commission has brought forward the so-called "Lisbon Package" involving a proposal for a Council regulation laying down the multiannual financial framework for the years 2007-2013, a draft Interinstitutional Agreement on cooperation in budgetary matters and a proposal to amend the Financial Regulation,
- the Council has established the draft Council regulation laying down the multiannual financial framework for the years 2007-2013,
- the European Parliament has asked oral questions, adopted a resolution, and attempted to discuss the "Lisbon Package" with the other institutions in trilogues during the 2011 budgetary procedure.

However, Members consider that despite the efforts of the Belgian and Hungarian presidencies-in-office, the Council has not demonstrated any willingness to enter into negotiations on the Lisbon package, as provided for in Article 312(5) of the Treaty on the Functioning of the European Union. A reduction in the degree of flexibility in the multiannual financial framework proposed by the Council would curtail the European Parliament's powers and prerogatives in relation to those which it currently enjoys. Members state that the Lisbon Treaty was not intended to bring about a reduction in the prerogatives of the European Parliament, and the European Parliament is not prepared to accept such a reduction.

Consequently, Members of the parliamentary committee have rejected the draft Regulation and considers that the current [Interinstitutional Agreement](#) on budgetary discipline and sound financial management continues to remain in force until the new regulation laying down the multiannual financial framework enters into force, with the exception of the articles which have become obsolete following the entry into force of the Treaty of Lisbon.

Multiannual financial framework for the years 2007-2013

The European Parliament adopted by 581 votes to 27, with 74 abstentions, a resolution in which it declines to consent to the draft Council

regulation laying down the multiannual financial framework for the years 2007-2013.

To justify this refusal, Parliament recalls that the existing legal instrument laying down the multiannual financial framework needs to be amended following the entry into force of the Treaty of Lisbon. To this effect, the three institutions have taken a series of measures:

- the Commission has brought forward the so-called "Lisbon Package" involving a proposal for a Council regulation laying down the multiannual financial framework for the years 2007-2013, a draft Interinstitutional Agreement on cooperation in budgetary matters and a proposal to amend the Financial Regulation,
- the Council has established the draft Council regulation laying down the multiannual financial framework for the years 2007-2013,
- the European Parliament has asked oral questions, adopted a resolution, and attempted to discuss the "Lisbon Package" with the other institutions in trilogues during the 2011 budgetary procedure.

However, Parliament considers that despite the efforts of the Belgian and Hungarian presidencies-in-office, the Council has not demonstrated any willingness to enter into negotiations on the Lisbon package, as provided for in Article 312(5) of the Treaty on the Functioning of the European Union. A reduction in the degree of flexibility in the multiannual financial framework proposed by the Council would curtail the European Parliament's powers and prerogatives in relation to those which it currently enjoys. Members state that the Lisbon Treaty was not intended to bring about a reduction in the prerogatives of the European Parliament, and the European Parliament is not prepared to accept such a reduction.

Consequently, Parliament has rejected the draft Regulation and considers that the current [Interinstitutional Agreement](#) on budgetary discipline and sound financial management continues to remain in force until the new regulation laying down the multiannual financial framework enters into force, with the exception of the articles which have become obsolete following the entry into force of the Treaty of Lisbon.