

Procedure file

Basic information		
APP - Consent procedure	2018/0166(APP)	Preparatory phase in Parliament
Multiannual financial framework for the years 2021 to 2027		
Accompanying procedure 2018/0166R(APP)		
Subject 8.70 Budget of the Union 8.70.02 Financial regulations		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets		
	Former committee responsible		
	BUDG Budgets		16/05/2018
		PPE OLBRYCHT Jan	16/05/2018
		S&D THOMAS Isabelle	
	Committee for opinion	Rapporteur for opinion	Appointed
	AFET Foreign Affairs		
	DEVE Development		
	INTA International Trade		
	CONT Budgetary Control		
	ECON Economic and Monetary Affairs		
	EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
	ENVI Environment, Public Health and Food Safety		
	ITRE Industry, Research and Energy		
	IMCO Internal Market and Consumer Protection		
	TRAN Transport and Tourism		
	REGI Regional Development		
	AGRI Agriculture and Rural Development		
	PECH Fisheries	The committee decided not to give an opinion.	
	CULT Culture and Education		
	JURI Legal Affairs		
	LIBE Civil Liberties, Justice and Home Affairs		
	AFCO Constitutional Affairs		
	FEMM Women's Rights and Gender Equality		
	PETI Petitions		
	Former committee for opinion		
AFET Foreign Affairs		10/07/2018	
	ALDE SCHAAKE Marietje		

DEVE Development		11/07/2018
	PPE ENGEL Frank	11/07/2018
	PPE ZOVKO Željana	
INTA International Trade		10/10/2018
	GUE/NGL SCHOLZ Helmut	
CONT Budgetary Control		21/06/2018
	S&D AYALA SENDER Inés	06/09/2018 06/09/2018
	S&D AYALA SENDER Inés	
	ALDE GERBRANDY Gerben-Jan	
ECON Economic and Monetary Affairs		
EMPL Employment and Social Affairs		
ENVI Environment, Public Health and Food Safety		29/05/2018
	PPE PETERLE Alojz	
ITRE Industry, Research and Energy		19/06/2018
	PPE BUZEK Jerzy	
IMCO Internal Market and Consumer Protection		
TRAN Transport and Tourism		13/07/2018
	ALDE RIQUET Dominique	
REGI Regional Development		20/06/2018
	S&D VAUGHAN Derek	
AGRI Agriculture and Rural Development		
PECH Fisheries		
CULT Culture and Education		16/05/2018
	S&D KAMMEREVERT Petra	
JURI Legal Affairs		
LIBE Civil Liberties, Justice and Home Affairs		
AFCO Constitutional Affairs		24/05/2018
	EFDD CASTALDO Fabio Massimo	
FEMM Women's Rights and Gender Equality		
PETI Petitions		
Council of the European Union European Commission	Commission DG Budget	Commissioner OETTINGER Günther

Key events

02/05/2018	Legislative proposal published	COM(2018)0322	Summary
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Technical information

Procedure reference	2018/0166(APP)
Procedure type	APP - Consent procedure
Procedure subtype	Legislation
Stage reached in procedure	Preparatory phase in Parliament

Documentation gateway

Legislative proposal		COM(2018)0322	02/05/2018	EC	Summary
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2018/0166(APP) - 02/05/2018 Legislative proposal

PURPOSE: to lay down the multiannual financial framework (MFF) for the years 2021 to 2027.

PROPOSED ACT: Council Regulation.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

CONTENT: the proposal for the MFF Regulation and the [draft Interinstitutional Agreement](#) on budgetary discipline, budgetary cooperation and sound financial management follow the principles and the broad policy objectives set out in the [Commission Communication](#) A modern budget for a Union that protects, empowers and defends: Multi-annual financial framework 2021-2027", adopted on 2 May 2018.

These proposals provide for a date of application of 1 January 2021 and are presented for a Union of 27 Member States, taking into account the notification by the United Kingdom of its intention to withdraw from the European Union.

The main features of the proposed MFF are as follows:

MFF structure and ceilings: to support the Union's priorities in a context of EU 27, and to take into account the integration of the European Development Fund into the Union budget, the Commission proposes for the MFF 2021-2027 a ceiling for commitments of EUR 1 134.6 billion in constant prices of 2018 equal to 1.11% of EU GNI and a corresponding payment ceiling of EUR 1 104.8 billion in constant prices of 2018 equal to 1.08% of EU GNI.

The commitment ceilings for the period 2021-2027 are broken down into 7 headings:

- Heading 1: Single Market, Innovation and Digital: EUR 166 303 million;
- Heading 2: Cohesion and values: EUR 391 974 million;
- of which: economic, social and territorial cohesion: EUR 330 642 million;
- Heading 3: Natural resources and environment: EUR 336 623 million;
- of which: market-related expenditure and direct payments: EUR 254 247 million;
- Heading 4: Migration and border management: EUR 30 829 million;
- Heading 5: Security and defence: EUR 24 323 million;
- Heading 6: Neighbourhood and the world: EUR 108 929 million;
- Heading 7: European public administration: EUR 75 602 million.

The European institutions shall comply with the annual expenditure ceilings set out in the Annex.

Own resources: this proposal provides that the own resources ceiling should be respected for each of the years covered by the MFF. Should the ceilings for payment appropriations result in call-in rate for own resources exceeding the own resources ceiling, the ceilings of the financial framework have to be adjusted.

The Commission is proposing together with this proposal a legislative package for the reform of the Unions Own resources system, including a proposal for a Council Decision on the system of own resources of the European Union, including an increase of the ceiling for annual calls for own resources for payments to 1.29% of GNI, and 1.35% of GNI in commitments.

Flexibility: in the first years of the multiannual financial framework for the years 2014-2020, the Union was confronted with unforeseen challenges of an unprecedented scale resulting from instability in its neighbourhood occasioning security threats and mass migratory movements. In order to mobilise additional financial means for measures contributing to tackle the above mentioned challenges, the flexibility of the MFF was extensively used, in particular through the mobilisation of special instruments established as part of the MFF Regulation.

The Commission proposes to enhance and streamline flexibility mechanisms, to create a more agile framework while preserving the stability that the multiannual framework offers.

With regard to special instruments which allow entering appropriations in the budget over and above the ceilings set in the MFF, it is proposed to:

- maximise the use of the expenditure ceilings through specific and maximum flexibility between headings and years;
- increase from 10% to 15% the possibility to differ from the indicative amounts in the programmes adopted by ordinary legislative procedure in order to increase flexibility within headings;
- revise the scope of special instruments such as the European Globalisation Adjustment Fund and extend the scope of the Emergency Aid Reserve (e.g. to allow activation of the Emergency Aid Reserve in the event of an EU crisis), as well as streamlining mobilisation procedures;
- increase the maximum amounts available each year for the European Globalisation Adjustment Fund (EUR 200 million), the European Union Solidarity Fund (EUR 600 million), the Emergency Aid Reserve (EUR 600 million) and the Flexibility Instrument (EUR 1 billion). The flexibility instrument should also be allowed to use the unused part of the annual amounts allocated to the emergency aid reserve,

as is already the case for the European Union Solidarity Fund and the European Globalisation Adjustment Fund.

Adjustments and revision of the MFF: the financial framework is presented at 2018 prices. The proposal lays down rules for annual technical adjustments to the MFF to recalculate the ceilings and margins available.

It is proposed that the Commission presents by the end of 2023 a review of the functioning of the multiannual financial framework, accompanied as appropriate by relevant proposals for the remainder of the period, including a proposal for the revision of the MFF.