

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		
Legislative priorities		
Multiannual Financial Framework 2021-2027		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Budgets		23/07/2019
		 OLBRYCHT Jan	23/07/2019
		 MARQUES Margarida	
		Shadow rapporteur	
		 KÖRNER Moritz	
		 ZANNI Marco	
		 ANDRESEN Rasmus	
		 ZĪLE Roberts	
		 OMARJEE Younous	
	 PAPADIMOULIS Dimitrios		
	Former committee responsible		
	 Budgets		16/05/2018
		PPE OLBRYCHT Jan	16/05/2018
		S&D THOMAS Isabelle	
	Committee for opinion	Rapporteur for opinion	Appointed
	 Foreign Affairs	The committee decided not to give an opinion.	
	 Development	The committee decided not to give an opinion.	
	 International Trade	The committee decided not to give an opinion.	

CONT	Budgetary Control	The committee decided not to give an opinion.	
ECON	Economic and Monetary Affairs	The committee decided not to give an opinion.	
EMPL	Employment and Social Affairs	The committee decided not to give an opinion.	
ENVI	Environment, Public Health and Food Safety		07/10/2020
		 JARUBAS Adam	
ITRE	Industry, Research and Energy	The committee decided not to give an opinion.	
IMCO	Internal Market and Consumer Protection	The committee decided not to give an opinion.	
TRAN	Transport and Tourism	The committee decided not to give an opinion.	
REGI	Regional Development	The committee decided not to give an opinion.	
AGRI	Agriculture and Rural Development	The committee decided not to give an opinion.	
PECH	Fisheries	The committee decided not to give an opinion.	
CULT	Culture and Education	The committee decided not to give an opinion.	
JURI	Legal Affairs	The committee decided not to give an opinion.	
LIBE	Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.	
AFCO	Constitutional Affairs		24/09/2020
		 TAJANI Antonio	
FEMM	Women's Rights and Gender Equality	The committee decided not to give an opinion.	
PETI	Petitions	The committee decided not to give an opinion.	
	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	Commission DG	Commissioner
European Commission	Budget	OETTINGER Günther

Key events

02/05/2018	Preparatory document	COM(2018)0322	Summary
28/05/2020	Preparatory document	COM(2020)0443	Summary

Technical information

Procedure reference	2018/0166(APP)
Procedure type	APP - Consent procedure
Procedure subtype	Legislation
Legal basis	Treaty on the Functioning of the EU TFEU 312-p2
Stage reached in procedure	Preparatory phase in Parliament

Documentation gateway

Preparatory document		COM(2018)0322	02/05/2018	EC	Summary
Preparatory document		COM(2020)0443	28/05/2020	EC	Summary
Committee draft report		PE660.266	17/11/2020	EP	

Specific opinion	ENVI	PE660.306	18/11/2020	EP
Specific opinion	AFCO	PE660.284	20/11/2020	EP

2018/0166(APP) - 02/05/2018 Preparatory document

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.

The Commission has presented an amended proposal for a Council Regulation laying down the multiannual financial framework (MFF) for the period 2021-2027.

Experience has shown that in the event of a sudden and general crisis such as the COVID-19 outbreak, the EU is called upon to act within a few days. It must provide rapid, flexible and direct support, based on the principle of solidarity, to address the serious public health consequences of the epidemic within the Union, as well as to support the efforts and strengthen the capacities of the most affected Member States and regions.

The comprehensive recovery package requires reinforcements and adjustments to the Commission proposals of May 2018 for the 2021-2027 multiannual framework, to include new facilities and programmes targeting the most pressing recovery needs, significant reinforcement to other programmes crucial to the response, and greater flexibility.

The Commission therefore proposes adjustments to the draft MFF Regulation and the [draft Interinstitutional Agreement](#) on budgetary discipline, cooperation in budgetary matters and sound financial management. These adjustments should allow for increased flexibility in implementation to take into account the need to activate the new provisions in emergency situations.

This amended proposal provides for :

- the review of national allocations for cohesion, which will take place in 2024, taking into account the latest statistics available at that time. This review will translate only in upwards adjustments, with a maximum overall amount of EUR 10 billion (2018 prices);
- the addition of the Just Transition Fund to the programmes under shared management for which 2021 commitment appropriations may need to be reprogrammed, and for which corresponding adjustment of the Multiannual Financial Framework ceilings should apply over the years 2022 to 2025;
- to increase the maximum annual amount of the European Globalisation Adjustment Fund to EUR 386 million (in 2018 prices) due to the economic and social effects of the COVID crisis;
- to increase the maximum annual amount of the European Union Solidarity Fund (EUSF) to EUR 1 billion (in 2018 prices). [Regulation \(EU\) 2020/461](#) extended the scope of the EUSF to include major public health emergencies among the disasters for which the Fund can intervene;
- renaming the special instrument of the Emergency Aid Reserve 'Solidarity and Emergency Aid Reserve' and increasing the maximum annual amount to EUR 3 billion (in 2018 prices), so that emergency funds can be mobilised at a level sufficient to respond to unforeseen challenges.

The Solidarity and Emergency Aid Reserve will be able to reinforce swiftly EU action, as and when needed, through EU instruments which provide for such emergency mechanisms, such as the Emergency Support Instrument but also Humanitarian Aid, RescEU, Health programme, the Single Market Programme (with its emergency veterinary and phytosanitary measures), or the Asylum and Migration Fund.