

Procedure file

Basic information	
APP - Consent procedure	2018/0166R(APP)
Interim report on MFF 2021-2027 ? Parliament's position in view of an agreement	
Accompanying procedure 2018/0166(APP)	
Subject	
8.70 Budget of the Union	
8.70.02 Financial regulations	
Legislative priorities	
Multiannual Financial Framework 2021-2027	
Procedure completed	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets		12/06/2018
		 LEWANDOWSKI Janusz	12/06/2018
		 OLBRYCHT Jan	12/06/2018
		 THOMAS Isabelle	12/06/2018
		 DEPREZ Gérard	
		Shadow rapporteur	
		 VIOTTI Daniele	
		 SOLÉ Jordi	
		 TRÜPEL Helga	
		 VALLI Marco	
	Committee for opinion	Rapporteur for opinion	Appointed
	CONT Budgetary Control		06/09/2018
		 AYALA SENDER Inés	06/09/2018
		 GERBRANDY Gerben-Jan	

INTA	International Trade		
TRAN	Transport and Tourism		27/06/2018
			RIQUET Dominique
ENVI	Environment, Public Health and Food Safety		10/07/2018
			BELET Ivo
FEMM	Women's Rights and Gender Equality		04/09/2018
			GARCÍA PÉREZ Iratxe
AFCO	Constitutional Affairs		20/06/2018
			CASTALDO Fabio Massimo
DEVE	Development		11/07/2018
			ZOVKO Željana
CULT	Culture and Education		16/05/2018
			KAMMEREVERT Petra
AFET	Foreign Affairs		10/07/2018
			SCHAAKE Marietje
AGRI	Agriculture and Rural Development		04/07/2018
			JAHR Peter
REGI	Regional Development		20/06/2018
			VAUGHAN Derek
EMPL	Employment and Social Affairs		02/10/2018
			BENIFEI Brando
ITRE	Industry, Research and Energy		16/07/2018
			BUZEK Jerzy
Council of the European Union European Commission		Commission DG Secretariat-General	Commissioner OETTINGER Günther

Key events

05/07/2018	Committee referral announced in Parliament		
05/11/2018	Vote in committee		
07/11/2018	Committee report tabled for plenary	A8-0358/2018	Summary
13/11/2018	Debate in Parliament		

14/11/2018	Results of vote in Parliament		
14/11/2018	Decision by Parliament	T8-0449/2018	Summary
14/11/2018	End of procedure in Parliament		

Technical information

Procedure reference	2018/0166R(APP)
Procedure type	APP - Consent procedure
Procedure subtype	Interim report under consent procedure
Legal basis	Rules of Procedure EP 105-p5
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/8/13651

Documentation gateway

Committee draft report		PE626.946	27/09/2018	EP	
Committee opinion	AGRI	PE625.204	10/10/2018	EP	
Committee opinion	REGI	PE625.450	10/10/2018	EP	
Committee opinion	TRAN	PE625.460	10/10/2018	EP	
Committee opinion	ITRE	PE625.481	10/10/2018	EP	
Committee opinion	CULT	PE627.000	10/10/2018	EP	
Committee opinion	AFCO	PE625.593	11/10/2018	EP	
Committee opinion	AFET	PE626.911	11/10/2018	EP	
Committee opinion	CONT	PE627.869	11/10/2018	EP	
Committee opinion	INTA	PE626.928	15/10/2018	EP	
Committee opinion	FEMM	PE627.565	15/10/2018	EP	
Committee opinion	EMPL	PE628.615	15/10/2018	EP	
Committee opinion	DEVE	PE626.679	17/10/2018	EP	
Committee opinion	ENVI	PE625.523	18/10/2018	EP	
Amendments tabled in committee		PE628.655	18/10/2018	EP	
Amendments tabled in committee		PE629.482	23/10/2018	EP	
Committee report tabled for plenary, single reading		A8-0358/2018	07/11/2018	EP	Summary
Text adopted by Parliament, single reading		T8-0449/2018	14/11/2018	EP	Summary

Interim report on MFF 2021-2027 ? Parliament's position in view of an agreement

The Committee on Budgets adopted the interim report on the multiannual financial framework for the period 2021-2027 - Parliament's position for an agreement - by co-rapporteurs Jan OLBRYCHT (EPP, PL), Isabelle THOMAS (S&D, FR), Gérard DEPREZ (ALDE, BE) and Janusz LEWANDOWSKI (EPP, PL).

Members stressed that the 2021-2027 MFF must guarantee the Unions responsibility for and ability to meet emerging needs, additional

challenges and new international commitments, and attain its political priorities and objectives. They considered that the Commission proposals on the 2021-2027 MFF and the Unions Own Resources system represent the starting-point for the upcoming negotiations but that the proposed level of the MFF will not allow the Union to deliver on its political commitments and respond to the important challenges ahead.

Members expressed opposition to any reduction in the level of long-standing EU policies enshrined in the Treaties, such as cohesion policy and the common agricultural and fisheries policies and rejected the cuts proposed for the Cohesion Fund or for the European Agricultural Fund for Rural Development as well as the proposal to reduce the European Social Fund Plus (ESF+).

The report called for the mainstreaming of the Sustainable Development Goals in all EU policies and initiatives of the next MFF and for all programmes under the next MFF to be in line with the Charter of Fundamental Rights. It highlighted the importance of delivering on the European Pillar of Social Rights, on the elimination of discrimination and integrating into annual budgetary procedures the overall impact of the Union's policies on gender equality.

Members expect, therefore, that the MFF will be placed at the top of the Councils political agenda, and regretted that no significant progress has been observed so far. They called for a good agreement to be reached prior to the 2019 European Parliament elections, in order to avoid serious setbacks for the launch of the new programmes due to the late adoption of the financial framework, as has been experienced in the past.

They stressed that all elements of the MFF and own resources package, including MFF figures, must remain on the negotiating table until a final agreement is reached.

MFF-related requests: Members reconfirmed their formal position that the level of the 2021-2027 MFF should be set at EUR 1 324.1 billion in 2018 prices, representing 1.3 % of the EU-27 GNI. They confirmed the following priorities:

- increase the budget for Horizon Europe to reach EUR 120 billion in 2018 prices;
- increase the allocation for the InvestEU Fund;
- increase the level of funding for transport infrastructure through the Connecting Europe Facility programme (CEF-Transport);
- double the specific funding for SMEs (compared to COSME) in the single market programme;
- maintain the financing of cohesion policy for the EU-27 at the level of the 2014-2020 budget in real terms;
- double the resources for tackling youth unemployment in the ESF+ (compared to the current Youth Employment Initiative);
- triple the current budget for the Erasmus+ programme;
- maintain the financing of the common agricultural policy (CAP) for the EU-27 at the level of the 2014-2020 budget in real terms while budgeting the initial amount of the agricultural reserve;
- introduce a specific allocation (EUR 4.8 billion) for a new Just Energy Transition Fund to address societal, socio-economic and environmental impacts on workers and communities adversely affected by the transition from coal and carbon dependence;
- reinforce the instrument(s) in support of neighbourhood and development policies (EUR 3.5 billion) to further contribute to the financing of an investment plan for Africa;
- secure a sufficient level of funding on the basis of the Commission proposal for Migration and Border Management (heading 4) and Security and Defence including Crisis Response (heading 5);
- secure a sufficient level of funding for a strong, efficient and high-quality European public administration at the service of all Europeans.

Mid-term revision: the report called for a compulsory and legally binding mid-term revision, following a review of the functioning of the MFF, and taking into account an assessment of the progress made towards the climate target, the mainstreaming of the Sustainable Development Goals and gender equality, and the impact of simplification measures on beneficiaries. The relevant Commission proposal shall be to be presented no later than 1 July 2023.

Flexibility: while stressing that the Commissions proposals on flexibility represent a good basis for the negotiations, Members called for a higher allocation for the Flexibility Instrument, the Emergency Aid Reserve, the European Union Solidarity Fund, and the Contingency Margin, the latter without compulsory offsetting.

Outstanding commitments: Members considered that the overall payment ceiling must take into account the unprecedented volume of outstanding commitments at the end of 2020, the estimated size of which is constantly growing due to major implementation delays, and which will need to be settled under the next MFF.

Own resources: Members requested, in line with the Commission proposal, the programmed introduction of a basket of new Own Resources which, without increasing the fiscal burden for citizens, would correspond to essential strategic objectives of the EU, the European added value of which is evident and irreplaceable:

- the proper functioning, consolidation and strengthening of the single market, in particular by the implementation of a common consolidated corporate tax base (CCCTB), as a basis for a new Own Resource through the setting of a uniform levy rate on the revenue from the CCCTB and the taxation of large companies in the digital sector profiting from the single market;
- the fight against climate change and the acceleration of energy transition, through measures such as a share of the emission trading scheme income;
- the fight to protect the environment through a contribution based on the quantity of non-recycled plastic packing.

In addition, Members called for the extension of the list of potential new Own Resources, which should include an Own Resource based on a Financial Transaction Tax (FTT) and the introduction of a carbon border adjustment mechanism as a new Own Resource for the EU budget. They expressed strong approval of the abolition of all rebates and other correction mechanisms, accompanied, should the need arise, by a limited phasing out period.

Interim report on MFF 2021-2027 ? Parliament's position in view of an agreement

The European Parliament adopted by 429 votes to 207, with 40 abstentions, a resolution on the multiannual financial framework for the period 2021-2027 - Parliament's position for an agreement.

Parliaments priorities: Members stressed that the 2021-2027 MFF must guarantee the Unions responsibility for and ability to meet emerging

needs, additional challenges and new international commitments, and attain its political priorities and objectives. They considered that the Commission proposals on the 2021-2027 MFF and the Unions Own Resources system represent the starting-point for the upcoming negotiations but that the proposed level of the MFF

(1.08% of EU-27 GNI and 1.11% after the integration of the European Development Fund) will not allow the Union to deliver on its political commitments and respond to the important challenges ahead.

Parliament expressed opposition to any reduction in the level of long-standing EU policies enshrined in the Treaties, such as cohesion policy and the common agricultural and fisheries policies and rejected the cuts proposed for the Cohesion Fund or for the European Agricultural Fund for Rural Development as well as the proposal to reduce the European Social Fund Plus (ESF+).

Members also stressed the importance of the horizontal principles that should underpin the MFF and all related Union policies, namely:

- the mainstreaming of sustainable development goals into all EU policies and initiatives under the next MFF;
- the conformity of the programmes under the next MFF with the Charter of Fundamental Rights;
- the importance of achieving the objectives of the European Pillar of Social Rights, eliminating discrimination and integrating into annual budgetary procedures the overall impact of the Union's policies on gender equality;
- the need to ensure that the Union's contribution to the achievement of the climate objectives reaches at least 25% of expenditure over the MFF 2021-2027 and 30% as soon as possible, and at the latest by 2027.

MFF-related requests: Parliament reconfirmed their formal position that the level of the 2021-2027 MFF should be set at EUR 1 324.1 billion in 2018 prices, representing 1.3 % of the EU-27 GNI. It confirmed the following priorities:

- increase the budget for Horizon Europe to reach EUR 120 billion in 2018 prices;
- increase the allocation for the InvestEU Fund;
- increase the level of funding for transport infrastructure through the Connecting Europe Facility programme (CEF-Transport);
- double the specific funding for SMEs (compared to COSME) in the single market programme;
- introduce a specific envelope for sustainable tourism;
- maintain the financing of cohesion policy for the EU-27 at the level of the 2014-2020 budget in real terms;
- double the resources for tackling youth unemployment in the ESF+ (compared to the current Youth Employment Initiative);
- introduce a specific allocation (EUR 5.9 billion) for the Child Guarantee;
- triple the current budget for the Erasmus+ programme;
- maintain the financing of the common agricultural policy (CAP) for the EU-27 at the level of the 2014-2020 budget in real terms while budgeting the initial amount of the agricultural reserve;
- introduce a specific allocation (EUR 4.8 billion) for a new Just Energy Transition Fund to address societal, socio-economic and environmental impacts on workers and communities adversely affected by the transition from coal and carbon dependence;
- reinforce the instrument(s) in support of neighbourhood and development policies (EUR 3.5 billion) to further contribute to the financing of an investment plan for Africa;
- secure a sufficient level of funding on the basis of the Commission proposal for Migration and Border Management (heading 4) and Security and Defence including Crisis Response (heading 5);
- secure a sufficient level of funding for a strong, efficient and high-quality European public administration at the service of all Europeans.

Mid-term revision: the report called for a compulsory and legally binding mid-term revision, following a review of the functioning of the MFF, and taking into account an assessment of the progress made towards the climate target, the mainstreaming of the Sustainable Development Goals and gender equality, and the impact of simplification measures on beneficiaries. The relevant Commission proposal shall be to be presented no later than 1 July 2023.

Flexibility: while stressing that the Commissions proposals on flexibility represent a good basis for the negotiations, Members called for a higher allocation for the Flexibility Instrument (EUR 2 billion), the Emergency Aid Reserve (EUR 1 billion), the European Union Solidarity Fund (EUR 1 billion) , and the Contingency Margin (0.05% of the Unions gross national income), the latter without compulsory offsetting.

Outstanding commitments: Members considered that the overall payment ceiling must take into account the unprecedented volume of outstanding commitments at the end of 2020, the estimated size of which is constantly growing due to major implementation delays, and which will need to be settled under the next MFF. The global level of payments, as well as the annual payment ceilings, particularly at the beginning of the period, should be set at an appropriate level that also takes due account of this situation.

Own resources: Members requested, in line with the Commission proposal, the programmed introduction of a basket of new Own Resources which, without increasing the fiscal burden for citizens, would correspond to essential strategic objectives of the EU, the European added value of which is evident and irreplaceable:

- the proper functioning, consolidation and strengthening of the single market, in particular by the implementation of a common consolidated corporate tax base (CCCTB), as a basis for a new Own Resource through the setting of a uniform levy rate on the revenue from the CCCTB and the taxation of large companies in the digital sector profiting from the single market;
- the fight against climate change and the acceleration of energy transition, through measures such as a share of the emission trading scheme income;
- the fight to protect the environment through a contribution based on the quantity of non-recycled plastic packing.

Next steps: emphasising its unity and readiness to lead the forthcoming negotiations, Parliament hoped that the MFF will be placed at the top of the Council's political agenda while regretting that no significant progress has been achieved so far. It called for a good agreement to be reached prior to the 2019 European Parliament elections, in order to avoid that the serious setbacks for the launch of the new programmes due to the late adoption of the financial framework, as has been experienced in the past. Lastly, it recalled that revenue and expenditure should be treated as a single package in the forthcoming negotiations, stressing that no agreement can be reached on the future MFF without corresponding progress on the Union's new own resources.