

## Mid-term revision of the 2014-2020 Multiannual Financial Framework

Agreed in 2013, the current Multiannual Financial Framework (MFF) sets the structure of EU spending until 2020. Based on the mid-term review of the MFF, the Commission proposal to revise the MFF Regulation aims at enhancing the EU's budgetary capacity to address new priorities and unexpected events. Parliament, which has long pushed for MFF revision, is expected to decide during April I plenary whether to approve or reject the compromise reached by the Council in March 2017.

### Background

In September 2016, against a backdrop of persistent internal and external challenges, the European Commission [proposed](#) several modifications to the [MFF Regulation](#): 1) an increase in the resources available for the Flexibility Instrument and the Emergency Aid Reserve; 2) the creation of a European Union Crisis Reserve; and 3) the removal of some limitations currently in place for two flexibility tools of the MFF (the global margin for payments and the global margin for commitments). The proposal is part of a broader package of legislative and budgetary proposals, which seeks to allocate an extra €6.33 billion to job creation, growth, migration and security challenges, without modifying the spending limits set in the 2014-2020 MFF.

### Council's compromise

On 7 March 2017, the Council unanimously endorsed a compromise (with Italy and the United Kingdom abstaining). The [text](#), which partly modifies the Commission proposal, strengthens a number of flexibility provisions and special instruments. The MFF Regulation would change as follows: 1) the annual amounts (in 2011 prices) available for the Flexibility Instrument and the Emergency Aid Reserve would be increased respectively to €600 million (from €471 million) and €300 million (from €280 million); 2) the annual amount of the Flexibility Instrument would be further increased by an amount equivalent to the unused resources of the EU Solidarity Fund and the European Globalisation Adjustment Fund, which would otherwise be lost; 3) the cap on the global margin for payments for 2018-2020 would be increased by €5 billion; and 4) the time limitation on the global margin for commitments would be removed, with its scope extended to include migration and security measures alongside those related to growth and employment. The package supported in the Council includes four [draft joint statements](#), and unilateral statements by the Council and Commission. A draft joint statement quantifies the total reinforcement for the remaining period of the MFF (€2.07 billion for job creation, notably for young people, and growth; €3.93 billion for migration and security, without prejudging the outcome of the ongoing legislative negotiations), to be implemented in the framework of the annual budget procedure. The spending limits of the MFF would not be modified. A related budgetary [proposal](#) on the Contingency Margin should reduce possible pressure on payments during the final years of the MFF.

### European Parliament position

Critical of the 2014-2020 MFF from very early on, the Parliament obtained the inclusion of provisions on its mid-term review/revision in the MFF Regulation. It detailed its priorities in [July 2016](#) and [October 2016](#). On 27 March 2017, Parliament's Committee on Budgets (BUDG) adopted a recommendation that the EP consents to the draft Council regulation (including a draft unilateral statement by Parliament, which recalls that statements cannot prejudice the prerogatives of the budgetary and legislative authority). It also adopted a motion for a resolution on the proposal for a decision on the mobilisation of the Contingency Margin.

MFF revision: consent procedure; unanimity in Council: [2016/0283\(APP\)](#); Contingency Margin: budgetary procedure: [2016/2233\(BUD\)](#). Committee responsible: BUDG; Rapporteurs: Jan Olbrycht (EPP, Poland) and Isabelle Thomas (S&D, France). See the EPRS 'EU Legislation in Progress briefing', [2014-2020 MFF: Mid-term revision](#).

