

Post-2020 Multiannual Financial Framework

In May 2018, the European Commission is expected to adopt a proposal on a new Multiannual Financial Framework (MFF) for the period after 2020, alongside proposals on the reform of the 'own resources' system. Parliament's Committee on Budgets (BUDG) has adopted an own-initiative report on its position on the future MFF, together with one on reform of 'own resources'. Due to be debated during the March plenary session, the two texts will set out Parliament's perspective on both the revenue and expenditure sides of the EU budget, which it argues should be treated as a single package in the upcoming negotiations.

Background

The MFF sets the maximum levels of resources for different 'headings' (categories of EU spending) and gives an overview of the EU's budgetary priorities for a period of at least five years. With the current MFF for the period 2014-2020 entering its final phase, the EU is preparing for negotiations on the post-2020 plan. Preparations for the next MFF must address two key challenges: the financial consequences of the United Kingdom's withdrawal from the EU (a shortfall in revenue of around [€10 billion per year](#)) and the need to provide additional resources to respond to new challenges and priorities in security and defence, protection of the EU's external borders, and asylum and migration policy. The discussion on the next MFF takes place amid a broader debate on the [future of the EU](#) and [reform of the EU budget](#).

Procedure and timetable

Adoption of the MFF regulation entails a special legislative procedure (Article 312 of the Treaty on the Functioning of the EU), with the Council acting unanimously after receiving Parliament's consent, requiring an absolute majority. The procedure will officially start with the presentation of the Commission's proposal. In its report, the BUDG committee calls for swift agreement, ahead of the May 2019 European elections, which may be seen as ambitious given that the negotiations on the current MFF took about [two and a half years](#). The European Council had an initial discussion during its informal [meeting](#) on 23 February 2018.

European Parliament position

With a view to providing Parliament's input into the drafting of the next MFF and facilitating the forthcoming negotiations, on 22 February 2018 the Committee on Budgets (BUDG) adopted its own-initiative [report](#). The report outlines the EP's expectations regarding the EU's financial priorities and the duration of the next MFF, as well as the need for more flexibility, a mandatory mid-term review, and changes to the special instruments and to the overall structure of the MFF headings. The report stresses the need to maintain existing levels of resources for traditional policies such as agriculture, fisheries and cohesion. It calls for a substantial boost to programmes supporting research (+50 %), Erasmus+ (tripling the current allocation), the Youth Employment Initiative (doubling the current allocation) and support for SMEs under the COSME programme (doubling the current allocation), and the Connecting Europe Facility. Furthermore, actions and policies related to new challenges in the areas of security, defence, migration, border control and macroeconomic stability should be properly resourced. The BUDG committee estimates that, in order to ensure sufficient resources for these traditional and new priorities, the MFF ceiling should increase from the current 1.0 % to 1.3 % of EU gross national income. The report notes that new and 'genuine' EU own resources would be one way of financing this increase.

Own-initiative report: [2017/2052\(INI\)](#); Committee responsible: BUDG; Rapporteurs: Jan Olbrycht (EPP, Poland), Isabelle Thomas (S&D, France). See also the EPRS ['At a glance' note](#) on the parallel BUDG report.

