

Post-2020 EU budget

During the October I part-session, the Council and the Commission are to make statements on the 2021-2027 multiannual financial framework (MFF) and own resources. Parliament is expected to vote on a motion for a resolution confirming and updating its position on the negotiations that will determine how the EU will finance and invest its budget in the future.

Background

The multiannual financial framework (MFF) is the financial planning tool that translates the priorities of the EU into budgetary allocations, determining the maximum level of resources for each major category of EU spending over at least five years. It requires unanimity in the Council and Parliament's consent. The [2014-2020 MFF](#) is worth around 1 % of the EU's gross national income (GNI). A separate [Council Decision](#), on which Parliament is consulted, sets out the own-resources system that ensures the financing of the EU budget. The financing system has remained largely unchanged for 30 years, with its special legislative procedure (unanimity and ratification by all Member States) being deemed an obstacle to reform.

European Commission proposal

In May 2018, the Commission proposed a 2021-2027 MFF worth €1 134.5 billion (2018 prices), which corresponds to 1.11 % of EU-27 GNI (i.e. with UK GNI subtracted). As compared to the current MFF, the [proposal](#) assigns higher resources to various policies (e.g. research, innovation and digital transformation; young people; external border control; security; defence; migration; and external action), but reduces those for agriculture and cohesion. In addition, the [MFF package](#) included [reform proposals](#) for own resources.

European Parliament position

Having adopted an [interim report](#), Parliament has been ready to negotiate since November 2018. Based on a bottom-up assessment of the resources needed to meet objectives in each EU policy area, Parliament estimated that the new MFF should be set at 1.3 % of EU-27 GNI. It called for further increases in areas such as youth, research and innovation, environment and climate, infrastructure, SMEs, digitalisation and social rights, and for keeping the current level of resources for agriculture, cohesion and fisheries unaltered in real terms. It welcomed the proposals for own resources and greater flexibility, advocating even more ambitious reform. Four political groups (EPP, S&D, Renew and Greens/EFA) have tabled a motion for a resolution to update Parliament's position. This would confirm the negotiating mandate of the interim report on the MFF figures, own resources, flexibility and revision provisions, and horizontal principles, reiterating that Parliament's consent to the MFF is conditional on a proper reform of own resources. Support to conditionality linked to the rule of law is reaffirmed. In addition, the text welcomes Commission President-elect von der Leyen's commitments to new political initiatives, noting that these should receive fresh appropriations on top of the Commission's initial proposal. In the context of the European Green Deal, climate mainstreaming in the EU budget should be further stepped up, with resources commensurate to the goal of facilitating a just transition to a carbon-neutral economy. Finally, the text calls for the immediate launch of interinstitutional negotiations, stressing that Parliament's legislative prerogatives cannot be pre-empted by a political decision in the European Council. Regretting the delay in reaching an agreement in the latter, the motion requests the Commission to prepare a contingency plan that would extend the current MFF to protect beneficiaries of EU funds, should it prove impossible to finalise negotiations in time.

Statements from the Council and Commission; [2019/2833\(RSP\)](#).

