

Parliament's guidelines for the 2021 EU budget: Section III – European Commission

The 2021 EU budget should be the first one under the new Multiannual Financial Framework (MFF) for 2021 to 2027. The European Parliament contributes to the preparation of proposals for the forthcoming year's budget for the European Union through the adoption of its 'guidelines'. The draft guidelines, as adopted by the Committee on Budgets, outline the Parliament's priorities for the Union's 2021 budget: mitigating the effects of the Covid-19 outbreak and supporting the recovery, built on the European Green Deal and digital transformation. Parliament is expected to adopt its guidelines during the June plenary session, ahead of the Commission's adoption of its proposal for the draft 2021 budget, scheduled for 24 June 2020.

Background

Although it is the European Commission's right and duty to propose a draft budget for the year to come, the two arms of the EU budgetary authority (the European Parliament and the Council) play their part in the run-up to its presentation. The Council adopted its [priorities for the 2021 EU budget](#) on 18 February 2020. In past years, Parliament launched the annual budgetary debate with guidelines adopted in March. However, this year Parliament's guidelines were postponed to June, owing to the coronavirus crisis. The 2021 EU budget is being prepared under high uncertainty caused by the delay in negotiations on the 2021-2027 MFF and the unexpected and far-reaching consequences of the coronavirus crisis.

On 13 May 2020, given the significant risk that the negotiations on the MFF will not be reached in time to enter into force on 1 January 2021, the European Parliament [requested](#) the Commission to submit rapidly a proposal for [an MFF contingency](#) plan to protect the beneficiaries of Union programmes by ensuring continuity of funding and implementation. On 15 May 2020, Parliament [called](#) for an ambitious MFF and recovery plan, ahead of the Commission presenting its revised 2021-2027 MFF proposals on 27 May.

European Parliament position

Parliament's Committee on Budgets (BUDG) adopted its [report](#) on 27 May 2020. The report demands that the 2021 Union budget be 'the first of an updated, reoriented and very ambitious 2021-2027 MFF'. The 2021 budget should 'mitigate the effects of the Covid-19 outbreak and support the recovery, built on the European Green Deal and digital transformation'. The report states that no EU Member State, on its own, could finance a massive recovery plan to face the coronavirus crisis, and that the recovery plan must comprise an investment part financed by the Union budget as of 2021. Moreover, the report underlines that the recovery plan needs to build on the European Green Deal and the digital transformation of our societies. The report stresses that the current crisis should not reduce the ambition of moving towards the objective of achieving climate neutrality by 2050.

The report recalls the Parliament's pre-coronavirus position on the 2021-2027 MFF from November 2018, that commitment appropriations should be set at €1 324.1 billion in 2018 prices, but insists that major additional appropriations on top of this position are required to respond to the on-going crisis.

The report reiterates that the overall payments ceiling must take into account the outstanding commitments at the end of 2020 to be settled under the next MFF. It recalls that Parliament has requested that the Commission propose an MFF contingency plan based on the automatic extension of the 2020 ceilings.

The European Parliament's delegation will take the guidelines as adopted in plenary as the basis for its discussions with the Council and the European Commission at the budgetary trilogue meeting, planned for 16 July 2020.

Budgetary procedure: [2019/2213\(BUD\)](#); Committee responsible: BUDG; Rapporteur: Pierre Larroutouros (S&D, France).

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PE 651.958 – June 2020



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