

**Political agreement on the MFF**

**European Parliament resolution of 3 July 2013 on the political agreement on the Multiannual Financial Framework 2014-2020 (2012/2799(RSP))**

*The European Parliament,*

- having regard to Articles 310, 311, 312 and 323 of the Treaty on the Functioning of the European Union (TFEU),
  - having regard to its resolution of 23 October 2012 in the interests of achieving a positive outcome of the Multiannual Financial Framework 2014-2020 approval procedure<sup>1</sup>,
  - having regard to its resolution of 13 March 2013 on the European Council conclusions of 7-8 February 2013 concerning the Multiannual Financial Framework<sup>2</sup>,
  - having regard to the conclusions of the European Council adopted on 8 February 2013,
  - having regard to the conclusions of the European Council adopted on 28 June 2013,
  - having regard to Rule 110(2) and (4) of its Rules of Procedure,
1. Welcomes the political agreement reached on 27 June 2013 at the highest political level between Parliament, the Council Presidency and the Commission on the Multiannual Financial Framework (MFF) 2014-2020, following long and strenuous negotiations; acknowledges the significant efforts of the Irish Presidency in reaching this agreement;
  2. Stresses that – thanks to Parliament’s persistence in the negotiations – a number of provisions have been adopted for the first time which will be instrumental in making the new financial framework operational, consistent, transparent and more responsive to the needs of EU citizens; highlights, in particular, the new arrangements relating to revision of the MFF, flexibility, own resources and the unity and transparency of the budget, which were key priorities for Parliament in the negotiations;
  3. Is ready to put the MFF Regulation and the new Interinstitutional Agreement to the vote in the early autumn, as soon as the necessary technical and legal conditions for the finalisation of the relevant texts are fulfilled, so that the latter reflect the overall agreement reached between the Council and Parliament;
  4. Reiterates, however, its position, as set out in its aforementioned resolution on the MFF of 13 March 2013, that the consent vote on the MFF Regulation cannot be granted unless there is an absolute guarantee that the outstanding payment claims for 2013 will be covered in full; expects the Council, therefore, to take a formal decision on Draft Amending Budget 2/2013 for an amount of EUR 7,3 billion, no later than the Ecofin Council to be held on 9 July 2013; insists that the Council stick to its political commitment to adopt without delay a

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<sup>1</sup> Texts adopted, P7\_TA(2012)0360.

<sup>2</sup> Texts adopted, P7\_TA(2013)0078.

further amending budget to avoid any shortfall in payment appropriations that could lead to a structural deficit in the EU budget at the end of 2013; states that Parliament will not give its consent to the MFF Regulation or will not adopt the Budget 2014 until this new amending budget, covering the remaining deficit as identified by the Commission, has been adopted by the Council;

5. Stresses, moreover, that the MFF Regulation cannot be legally adopted unless there is a political agreement on the relevant legal bases, especially on points that are also reflected in the MFF Regulation; expresses its willingness to conclude the negotiations on the legal bases for all multiannual programmes as soon as possible and reconfirms its adherence to the principle that ‘nothing is agreed until everything is agreed’; insists on full respect for Parliament’s legislative powers, as granted by the Treaty of Lisbon, and calls on the Council to negotiate properly all the so-called ‘MFF-related’ parts of the legal bases; welcomes the political agreements reached so far on several new EU multiannual programmes;
6. Acknowledges the fiscal consolidation that Member States are facing; considers, however, that the overall level of the next MFF, as decided by the European Council, falls short of EU political goals and the need to ensure the successful implementation of the Europe 2020 strategy; is concerned that this level of resources might not be sufficient to endow the EU with the necessary means to recover from the current crisis in a coordinated way and to come out stronger; regrets the fact that Member States continue to underestimate the role of the EU budget in, and its contribution to, strengthening economic governance and fiscal coordination across the EU; fears, moreover, that such low MFF ceilings will significantly reduce any room for manoeuvre for Parliament in the annual budgetary procedures;
7. Stresses the importance of a compulsory review and subsequent revision of the next MFF by the end of 2016, in order to allow the next Commission and Parliament to reassess the EU’s political priorities, to adapt the MFF to new challenges and needs and to take full account of the latest macroeconomic projections; insists that the compulsory review to be conducted by the Commission of both the expenditure and the revenue sides of the EU budget be accompanied by a legislative proposal for a revision of the MFF Regulation, as stated in the Commission declaration annexed to that regulation; intends to make this compulsory MFF revision a key demand in the investiture of the new Commission President;
8. Reiterates the crucial importance of the enhanced flexibility in the MFF 2014-2020 with a view to making full use of the respective MFF ceilings for commitments (EUR 960 billion) and payments (EUR 908.4 billion), as imposed by the European Council; welcomes, therefore, the Council’s approval of two key proposals put forward by Parliament, namely the creation of a Global Margin in Payments and a Global Margin in Commitments, which will allow the automatic carry-over of unused appropriations from one financial year to the next; views as regrettable, however, the limitations imposed by the Council (in terms of time or amount) which may prevent the full use of these instruments; considers that improving these mechanisms should be an integral part of the post-electoral revision of the MFF to be proposed by the Commission;
9. Emphasises that the new flexibility rules on commitments should lead, in the course of the MFF 2014-2020, to additional appropriations for programmes linked to growth and employment, and in particular the Youth Employment Initiative, in order to ensure continuous funding and maximise the efficient use of the agreed ceilings;

10. Welcomes the 2014 and 2015 frontloading of appropriations for the Youth Employment Initiative and insists that extra appropriations will be needed as of 2016 to ensure the sustainability and effectiveness of this programme;
11. Stresses that, as a result of Parliament's insistence, funding for Horizon 2020, Erasmus and COSME will also be frontloaded in 2014 and 2015 in order to decrease the funding gap between the relevant appropriations in the 2013 and 2014 Budgets; insists, in addition, that it is essential that further funding also be made available for the Digital Agenda;
12. Welcomes the fact that provision has been made for an additional increase of up to EUR 1 billion for the food distribution scheme for those Member States wishing to use this increase to assist the most deprived persons in the Union; expects the Council and Parliament to agree as soon as possible on the concrete modalities for the implementation of this commitment in the context of the current negotiations on the legal basis for the scheme in question;
13. Deplores the fact that the Council has not been able to make any progress on the reform of the own-resources system on the basis of the legislative proposals put forward by the Commission; emphasises that the EU budget should be financed by genuine own resources, as provided for in the Treaty, and states its commitment to a reform that reduces the share of GNI-based contributions to the EU budget to a maximum of 40 %; expects, therefore, the Joint Declaration on Own Resources agreed between the three EU institutions to allow tangible progress to be achieved, especially in view of the mid-term review/revision of the MFF; calls, therefore, for the high-level group on own resources to be convened at the time of the formal adoption of the MFF Regulation with a mandate to examine all aspects of the reform of the own-resources system;
14. Welcomes the outcome of the negotiations on the unity and transparency of the EU budget; considers that any possible 'eurozone budget' that may be envisaged in the future should be either integrated into, or annexed to, the EU budget;
15. Views as deeply regrettable the procedure that led to this agreement on the MFF 2014-2020, which in reality has had the effect of depriving Parliament of its true budgetary powers as provided for in the TFEU; considers that the numerous meetings held over the past few years between its delegation and the successive Council presidencies on the margins of the relevant General Affairs Council meetings, as well as its participation in informal Council meetings dealing with the MFF, served no clear purpose, as they had no impact on the spirit, calendar or content of the negotiations or on the Council's position, including the need to distinguish the legislative from the budgetary aspects of the MFF agreement;
16. Calls, therefore, on its Committee on Budgets, in cooperation with its Committee on Constitutional Affairs, to draw the necessary conclusions and to come forward with new proposals on the modalities of such negotiations, in order to ensure the democratic and transparent nature of the whole budgetary procedure;
17. Instructs its President to forward this resolution to the European Council, the Council, the Commission, the governments and parliaments of the Member States, and the other institutions and bodies concerned.