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TEXTS ADOPTED

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**P8\_TA(2018)0449**

**Interim report on the Multiannual Financial Framework 2021-2027 – Parliament's position with a view to an agreement**

**European Parliament resolution of 14 November 2018 on the Multiannual Financial Framework 2021-2027 – Parliament's position with a view to an agreement (COM(2018)0322 – C8-0000/2018 – 2018/0166R(APP))**

*The European Parliament,*

- having regard to Articles 311, 312 and 323 of the Treaty on the Functioning of the European Union (TFEU),
- having regard to the Commission communication of 2 May 2018 entitled ‘A Modern Budget for a Union that Protects, Empowers and Defends – The Multiannual Financial Framework for 2021-2027’ (COM(2018)0321),
- having regard to the Commission proposal of 2 May 2018 for a Council regulation laying down the multiannual financial framework for the years 2021 to 2027 (COM(2018)0322), and the Commission proposals of 2 May 2018 on the system of Own Resources of the European Union (COM(2018)0325, COM(2018)0326, COM(2018)0327 and COM(2018)0328),
- having regard to the Commission proposal of 2 May 2018 for an Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (COM(2018)0323),
- having regard to the Commission proposal of 2 May 2018 for a regulation of the European Parliament and of the Council on the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States (COM(2018)0324),

- having regard to its resolutions of 14 March 2018 on ‘The next MFF: preparing the Parliament’s position on the MFF post-2020’ and on the reform of the European Union’s system of own resources<sup>1</sup>,
  - having regard to its resolution of 30 May 2018 on the 2021-2027 multiannual financial framework and own resources<sup>2</sup>,
  - having regard to the ratification of the Paris Agreement by the European Parliament on 4 October 2016<sup>3</sup> and by the Council on 5 October 2016<sup>4</sup>,
  - having regard to UN General Assembly Resolution 70/1 of 25 September 2015 entitled ‘Transforming our world: the 2030 Agenda for Sustainable Development’, which entered into force on 1 January 2016,
  - having regard to the EU’s collective commitment to achieve the target of spending 0,7 % of gross national income (GNI) on official development assistance (ODA) within the time frame of the post-2015 agenda,
  - having regard to its resolution of 19 January 2017 on a European Pillar of Social Rights<sup>5</sup>,
  - having regard to Rule 99(5) of its Rules of Procedure,
  - having regard to the interim report of the Committee on Budgets, the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on International Trade, the Committee on Budgetary Control, the position in the form of amendments of the Committee on Employment and Social Affairs, the opinions of the Committee on the Environment, Public Health and Food Safety, the Committee on Industry, Research and Energy, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Agriculture and Rural Development, the Committee on Culture and Education, the Committee on Constitutional Affairs and the position in the form of amendments of the Committee on Women’s Rights and Gender Equality (A8-0358/2018),
- A. whereas, pursuant to Article 311 TFEU, the Union must provide itself with the means necessary to attain its objectives and carry through its policies;
- B. whereas the current multiannual financial framework (MFF) 2014-2020 was established, for the first time, at a lower level than its predecessor in terms of both commitment and payment appropriations; whereas the late adoption of the MFF and the sectoral legislative acts had a very negative impact on the implementation of the new programmes;

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<sup>1</sup> Texts adopted, P8\_TA(2018)0075 and P8\_TA(2018)0076.

<sup>2</sup> Texts adopted, P8\_TA(2018)0226.

<sup>3</sup> OJ C 215, 19.6.2018, p. 249.

<sup>4</sup> OJ L 282, 19.10.2016, p. 1.

<sup>5</sup> OJ C 242, 10.7.2018, p. 24.

- C. whereas the MFF quickly proved its inadequacy in responding to a series of crises, new international commitments and new political challenges that were not integrated and/or anticipated at the time of adoption; whereas, for the purposes of securing the necessary funding, the MFF was pushed to its limits including an unprecedented recourse to the flexibility provisions and special instruments, after exhausting the available margins; whereas high-priority EU programmes on research and infrastructure were even cut a mere two years after their adoption;
- D. whereas the MFF mid-term revision launched at the end of 2016 proved to be imperative in broadening the potential of the existing flexibility provisions, while falling short of revising the MFF ceilings; whereas this revision was assessed positively by both Parliament and the Council;
- E. whereas the establishment of the new MFF will be a critical moment for the Union of 27, as it will provide for the possibility to endorse a common, long-term vision and decide on the future political priorities as well as the ability of the Union to deliver them; whereas the 2021-2027 MFF should provide the Union with the necessary resources to boost sustainable economic growth, research and innovation, empower young people, effectively address the challenges of migration, fight unemployment, persistent poverty and social exclusion, further strengthen economic, social and territorial cohesion, address sustainability, biodiversity loss and climate change, strengthen the EU's security and defence, protect its external border and support the neighbourhood countries;
- F. whereas, in light of the global challenges that Member States cannot address alone, it should be possible to acknowledge European common goods and to assess areas where European spending would be more effective than national spending in order to transfer the corresponding financial resources to Union level and, therefore, to strengthen the Union's strategic importance without necessarily increasing overall public expenditure;
- G. whereas on 2 May 2018, the Commission presented a set of legislative proposals on the 2021-2027 MFF and EU Own Resources, followed by legislative proposals for the setting-up of new EU programmes and instruments;
1. Stresses that the 2021-2027 MFF must guarantee the Union's responsibility for and ability to meet emerging needs, additional challenges and new international commitments, and attain its political priorities and objectives; points to the serious problems linked to the underfinancing of the 2014-2020 MFF, and reiterates the necessity of avoiding a repetition of previous mistakes by securing, from the outset, a strong and credible EU budget for the benefit of citizens over the next seven-year period;
  2. Considers that the Commission proposals on the 2021-2027 MFF and the Union's Own Resources system represent the starting-point for the upcoming negotiations; expresses its position on these proposals, in anticipation of the Council's negotiating mandate which is not yet available;
  3. Underlines that the Commission proposal regarding the global level of the next MFF, set at 1,08 % of the EU-27 GNI (1,11 % after the integration of the European Development Fund), represents, in terms of GNI percentage, a reduction in real terms

compared to the current MFF; considers that the proposed level of the MFF will not allow the Union to deliver on its political commitments and respond to the important challenges ahead; intends, therefore, to negotiate the necessary increase;

4. Declares, moreover, its opposition to any reduction in the level of long-standing EU policies enshrined in the Treaties, such as cohesion policy and the common agricultural and fisheries policies; is particularly opposed to any radical cuts that will have an adverse impact on the very nature and objectives of these policies, such as the cuts proposed for the Cohesion Fund or for the European Agricultural Fund for Rural Development; opposes, in this context, the proposal to reduce the European Social Fund Plus (ESF+) despite its enlarged scope, and the integration of four existing social programmes, notably the Youth Employment Initiative;
5. Underlines, furthermore, the importance of the horizontal principles that should underpin the MFF and all related EU policies; reaffirms, in this context, its position that the EU must deliver on its commitment to be a front-runner in implementing the UN Sustainable Development Goals, and deplores the lack of a clear and visible commitment to that end in the MFF proposals; requests, therefore, the mainstreaming of the Sustainable Development Goals in all EU policies and initiatives of the next MFF; further emphasises that all programmes under the next MFF should be in line with the Charter of Fundamental Rights; highlights the importance of delivering on the European Pillar of Social Rights, on the elimination of discrimination, including against LGBTI persons, and on the creation of a portfolio for minorities, including Roma, all of which are vital to fulfilling the EU's commitments towards an inclusive Europe; underlines that, in order to meet its obligations under the Paris Agreement, the EU's contribution to the climate objectives target should reach at least 25 % of expenditure over the MFF 2021-2027 period, and 30 % as soon as possible, at the latest by 2027;
6. Regrets, in this context, that despite the joint statement on gender mainstreaming annexed to the 2014-2020 MFF Regulation, no significant progress has been made in this area, and that the Commission took no account of its implementation in the MFF mid-term review; deeply regrets that gender mainstreaming has been completely sidelined in the MFF proposal, and deplores the lack of clear gender equality goals, requirements and indicators in the proposals on the relevant EU policies; calls for the annual budgetary procedures to evaluate and integrate the full impact of EU policies on gender equality (gender budgeting); expects a renewed commitment by Parliament, the Council and the Commission to gender mainstreaming in the next MFF, and its effective monitoring, including during the MFF mid-term revision;
7. Underlines that increased accountability, simplification, visibility, transparency and performance-based budgeting must underpin the next MFF; recalls, in this context, the need to strengthen the focus of future spending on performance and results, based on ambitious and relevant performance targets and a comprehensive and shared definition of European added value; asks the Commission, taking into account the above-mentioned horizontal principles, to streamline performance reporting, to extend it to a qualitative approach that includes environmental and social indicators, and to clearly present information on the main EU challenges still to be tackled;

8. Is conscious of the serious challenges that the Union is facing and fully assumes its responsibility to secure, in a timely manner, a budget that is commensurate to the needs, expectations and concerns of EU citizens; stands ready to enter immediately into negotiations with the Council, in order to improve the Commission proposals and build a realistic MFF;
9. Recalls that Parliament's position is already clearly set out in its resolutions of 14 March and 30 May 2018, which constitute its political stance for the 2021-2027 MFF and Own Resources; recalls that these resolutions were adopted by very large majorities, which demonstrate Parliament's unity and readiness for the upcoming negotiations;
10. Expects, therefore, that the MFF will be placed at the top of the Council's political agenda, and regrets that no significant progress has been observed so far; believes that the regular meetings between the successive Council presidencies and Parliament's negotiating team should be stepped up and pave the way for official negotiations; expects that a good agreement will be reached prior to the 2019 European Parliament elections, in order to avoid serious setbacks for the launch of the new programmes due to the late adoption of the financial framework, as has been experienced in the past; underlines that this timetable will allow the newly elected European Parliament to adjust the 2021-2027 MFF during the mandatory mid-term revision;
11. Recalls that revenue and expenditure should be treated as a single package in the upcoming negotiations; stresses, therefore, that no agreement can be reached on the future MFF without corresponding progress being made on the Union's new Own Resources;
12. Stresses that all elements of the MFF/Own Resources package, and notably the MFF figures, should remain on the negotiating table until a final agreement is reached; recalls, in this respect, Parliament's critical stance on the procedure leading to the adoption of the current MFF Regulation and the dominant role that the European Council assumed in this process by deciding irrevocably on a number of elements, including the MFF ceilings and several sectoral policy-related provisions breaching both the spirit and the letter of the treaties; is particularly concerned that the first elements of the MFF 'negotiating boxes' prepared by the Council presidency follow the same logic, and contain issues to be co-decided between the Council and Parliament in the adoption of legislation setting up new EU programmes; intends, therefore, to adjust its own strategy accordingly;
13. Considers that the unanimity requirement for the adoption and revision of the MFF Regulation represents a true impediment to the process; calls on the European Council to activate the passerelle clause provided for in Article 312(2) TFEU, so as to allow the Council to adopt the MFF Regulation by qualified majority;
14. Adopts the present resolution with the purpose of outlining its negotiating mandate on every aspect of the Commission proposals, including concrete amendments both to the proposed MFF Regulation and to the Interinstitutional Agreement (IIA); presents, furthermore, a table with figures for each EU policy and programme, based on Parliament's positions, already adopted in previous MFF resolutions; stresses that these

figures will also be part of the mandate of Parliament for the upcoming legislative negotiations leading to the adoption of the EU programmes for the period 2021-2027;

#### **A. MFF-RELATED REQUESTS**

15. Requests, therefore, that the Council takes due account of the following positions of Parliament in the interests of achieving a positive outcome of the 2021-2027 MFF negotiations and acquiring Parliament's consent in accordance with Article 312 TFEU;

#### *Figures*

16. Reconfirms its formal position that the level of the 2021-2027 MFF should be set at EUR 1 324.1 billion in 2018 prices, representing 1,3 % of the EU-27 GNI, in order to ensure the necessary level of funding for key EU policies that will enable them to fulfil their mission and objectives;
17. Calls, in this context, for the following level of funding to be secured for EU programmes and policies, presented in an order that reflects the MFF structure, as proposed by the Commission, and replicated in the detailed table (Annexes III and IV to the present resolution); calls for the relevant commitment and payment ceilings to be adjusted accordingly, as set out in Annexes I and II to the present resolution:
  - i. Increase the budget for Horizon Europe to reach EUR 120 billion in 2018 prices;
  - ii. Increase the allocation for the InvestEU Fund, so that it better reflects the 2014-2020 level of the financial instruments integrated into the new programme;
  - iii. Increase the level of funding for transport infrastructure through the Connecting Europe Facility programme (CEF-Transport);
  - iv. Double the specific funding for SMEs (compared to COSME) in the single market programme, with the aim of enhancing their access to markets, improving business conditions and the competitiveness of enterprises, and promoting entrepreneurship;
  - v. Further increase the single market programme to finance a new objective on market surveillance;
  - vi. Double the proposed level of funding for the EU anti-fraud programme, and increase the level of funding for the FISCALIS programme;
  - vii. Introduce a specific allocation for sustainable tourism;
  - viii. Further reinforce the European space programme, notably to reinforce SSA / GOVSATCOM as well as Copernicus;
  - ix. Maintain the financing of cohesion policy for the EU-27 at the level of the 2014-2020 budget in real terms;

- x. Double the resources for tackling youth unemployment in the ESF+ (compared to the current Youth Employment Initiative), while ensuring the scheme's effectiveness and added value;
- xi. Introduce a specific allocation (EUR 5.9 billion) for the Child Guarantee, in order to tackle child poverty both within the EU and through its external actions;
- xii. Triple the current budget for the Erasmus+ programme;
- xiii. Secure a sufficient level of funding for the DiscoverEU programme (Interrail);
- xiv. Increase the current funding for the Creative Europe programme;
- xv. Increase the current funding for the Rights and Values programme and introduce a specific allocation for a new Union values strand (at least EUR 500 million), in order to support civil society organisations which promote fundamental values and democracy within the EU at local and national level;
- xvi. Maintain the financing of the common agricultural policy (CAP) for the EU-27 at the level of the 2014-2020 budget in real terms while budgeting the initial amount of the agricultural reserve;
- xvii. Reinforce by 10 % the level of the European Maritime and Fisheries Fund, in accordance with its new mission on the blue economy;
- xviii. Double the current funding for the Life+ programme, including dedicated envelopes for biodiversity and the management of the Natura 2000 network;
- xix. Introduce a specific allocation (EUR 4.8 billion) for a new Just Energy Transition Fund to address societal, socio-economic and environmental impacts on workers and communities adversely affected by the transition from coal and carbon dependence;
- xx. Reinforce the instrument(s) in support of neighbourhood and development policies (EUR 3.5 billion) to further contribute to the financing of an investment plan for Africa;
- xxi. Reinstate at least the 2020 level for all agencies, while defending the higher level proposed by the Commission, including for the agencies, which have been granted new competences and responsibilities, and calling for a comprehensive approach on fee-financing;
- xxii. Maintain the level of 2014-2020 funding for several EU programmes (e.g. nuclear decommissioning, cooperation with the overseas countries and territories (OCTs)), including those for which it is proposed that they be merged into larger programmes (e.g. assistance for the most deprived, health, consumer rights) and for which the Commission proposal thus represents a reduction in real terms;
- xxiii. Set, subject to the above-mentioned changes, the financial envelopes of all other programmes at the level proposed by the Commission, including for CEF-Energy,

CEF-Digital, the Digital Europe programme, the European Defence Fund and humanitarian aid;

18. Intends to secure a sufficient level of funding on the basis of the Commission proposal for ‘Migration and Border Management’ (heading 4) and ‘Security and Defence’ including Crisis Response (heading 5); reaffirms its long-standing position that additional political priorities should be coupled with additional financial means, in order not to undermine existing policies and programmes and their financing under the new MFF;
19. Intends to defend the Commission proposal on securing a sufficient level of funding for a strong, efficient and high-quality European public administration at the service of all Europeans; recalls that, during the current MFF, the EU institutions, bodies and decentralised agencies have implemented a 5 % reduction in staff, and believes that they should not be subject to any further reduction that would directly jeopardise the delivery of Union policies; reiterates, once more, its fierce opposition towards a repetition of the so-called redeployment pool for agencies;
20. Is determined to prevent another payment crisis in the first years of the 2021-2027 MFF, as was the case during the current period; considers that the overall payment ceiling must take into account the unprecedented volume of outstanding commitments at the end of 2020, the estimated size of which is constantly growing due to major implementation delays, and which will need to be settled under the next MFF; demands, therefore, that the global level of payments, as well as the annual payment ceilings, particularly at the beginning of the period, are set at an appropriate level that also takes due account of this situation; intends to accept only a limited and well-justified gap between commitments and payments for the next MFF;
21. Presents, on this basis, a table in Annexes III and IV to the present resolution setting out the exact figures proposed for each EU policy and programme; states that, for purposes of comparison, it intends to keep the structure of the individual EU programmes as proposed by the Commission, without any prejudice to possible changes that may be requested during the legislative procedure leading to the adoption of these programmes;

*Mid-term revision*

22. Underlines the need to maintain an MFF mid-term revision, building on the positive precedent set in the current framework, and calls for:
  - i. a compulsory and legally binding mid-term revision, following a review of the functioning of the MFF, and taking into account an assessment of the progress made towards the climate target, the mainstreaming of the Sustainable Development Goals and gender equality, and the impact of simplification measures on beneficiaries;
  - ii. the relevant Commission proposal to be presented in time for the next Parliament and Commission to conduct a meaningful adjustment of the 2021-2027 framework, and no later than 1 July 2023;
  - iii. the pre-allocated national envelopes not to be reduced through this revision;

### *Flexibility*

23. Welcomes the Commission's proposals on flexibility, which represent a good basis for the negotiations; agrees with the overall architecture of the flexibility mechanisms in the 2021-2027 MFF; stresses that the special instruments have different missions and respond to different needs, and opposes any attempts to merge them; strongly supports the clear provision that both commitment and payment appropriations deriving from the use of special instruments should be entered in the budget over and above the relevant MFF ceilings, as well as the removal of any capping to the adjustments flowing from the global margin for payments; calls for a number of additional improvements to be introduced, *inter alia* the following:
- i. the replenishment of the Union reserve with an amount equivalent to the revenue resulting from fines and penalties;
  - ii. the immediate re-use of de-commitments made during year n-2, including those resulting from commitments made in the current MFF;
  - iii. the lapsed amounts of special instruments to be made available for all special instruments, and not just the Flexibility Instrument;
  - iv. a higher allocation for the Flexibility Instrument, the Emergency Aid Reserve, the European Union Solidarity Fund, and the Contingency Margin, the latter without compulsory offsetting;

### *Duration*

24. Underlines the need for the duration of the MFF to move progressively towards a 5+5 period with a mandatory mid-term revision; accepts that the next MFF should be set for a period of seven years by way of a transitional solution to be applied for one last time; expects the detailed arrangements linked to the implementation of a 5+5 framework to be endorsed at the time of the mid-term revision of the 2021-2027 MFF;

### *Structure*

25. Accepts the overall structure of seven MFF headings, as proposed by the Commission, which largely corresponds to Parliament's own proposal; considers that this structure allows for greater transparency, improves the visibility of EU expenditure, while maintaining the necessary degree of flexibility; agrees, moreover, with the creation of 'programme clusters' that are expected to lead to a significant simplification and rationalisation of the EU budget structure and its clear alignment with the MFF headings;
26. Notes that the Commission proposes to reduce the number of EU programmes by more than a third; stresses that Parliament's position with regard to the structure and composition of the 37 new programmes will be determined in the course of adopting the relevant sectoral legislative acts; expects, in any case, that the proposed budget nomenclature will reflect all of the different components of each programme in a way that guarantees transparency and provides the level of information required for the budgetary authority to establish the annual budget and oversee its implementation;

### *Unity of the budget*

27. Welcomes the proposed integration of the European Development Fund into the Union budget, which responds to a long-standing Parliament demand for all off-budget instruments; recalls that the principle of unity, whereby all items of revenue and expenditure of the Union are shown in the budget, is both a Treaty requirement and a basic precondition of democracy;
28. Challenges, therefore, the logic of and justification for establishing instruments outside the budget that prevent parliamentary oversight of public finances and undermine the transparency of decision-making; considers that decisions to set-up such instruments bypass Parliament in its triple responsibility as legislative, budgetary and control authority; considers that, when exceptions are deemed necessary to achieve specific objectives, for example through financial instruments or trust funds, these should be fully transparent, duly justified by proven additionality and added value, and backed by strong decision-making procedures and accountability provisions;
29. Stresses, however, that the integration of these instruments into the EU budget should not result in a reduction of the financing of other EU policies and programmes; underlines, therefore, the need to decide on the global level of the next MFF without calculating the allocation of 0,03 % of EU GNI that corresponds to the European Development Fund, which should be added on top of the agreed ceilings;
30. Stresses that the MFF ceilings should not obstruct the financing of the policy objectives of the Union through the Union budget; expects, therefore, that an upward revision of the MFF ceilings will be ensured whenever necessary for the financing of new policy objectives, without having recourse to intergovernmental financing methods;

## **B. LEGISLATIVE ISSUES**

### *Rule of Law*

31. Stresses the importance of the new mechanism ensuring respect for the values enshrined in Article 2 of the Treaty on European Union (TEU), whereby Member States that do not respect them shall be subject to financial consequences; warns, however, that final beneficiaries of the Union budget shall in no way be affected by the disregard shown by their government for fundamental rights and the rule of law; underlines, therefore, that such measures shall not affect the obligation of government entities or of Member States to make payments to final beneficiaries or recipients;

### *Ordinary legislative procedure and delegated acts*

32. Stresses that programme objectives and spending priorities, financial allocations, eligibility, selection and award criteria, conditions, definitions, and calculation methods should be determined in the relevant legislation, with full observance of Parliament's prerogatives as a co-legislator; underlines that, when such measures, which can entail important policy choices, are not included in the basic act, they should be adopted by delegated acts; takes the view, in this context, that multiannual and/or annual work programmes should in general be adopted by delegated acts;

33. States Parliament's intention, whenever necessary, to enhance the provisions on governance, accountability, transparency and parliamentary oversight, on the empowerment of local and regional authorities and their partners, as well as on the engagement of NGOs and civil society in the next generation of programmes; also intends to improve and clarify, where needed, the coherence and synergies between and within the various funds and policies; recognises the need for enhanced flexibility in the allocation of resources within certain programmes, but stresses that this should not come at the expense of their original and long-term policy objectives, of predictability, and of Parliament's rights;

#### *Review clauses*

34. Points out that detailed and effective review clauses should be included in the individual MFF programmes and instruments, in order to ensure that meaningful assessments of them are carried out and that Parliament is subsequently fully involved in any decisions taken on necessary adaptations;

#### *Legislative proposals*

35. Calls on the Commission to present the relevant legislative proposals on top of those which it has already presented, and notably a proposal for a regulation establishing a Just Energy Transition Fund as well as a specific programme on sustainable tourism; supports, furthermore, the introduction of the European Child Guarantee in the ESF+, the integration of a specific Union values strand in the Rights and Values programme, as well as a revision of the Regulation establishing the European Union Solidarity Fund; regrets that the relevant Commission proposals do not contain measures that respond to the requirements of Article 174 TFEU in relation to northernmost regions with very low population density and island, cross-border and mountain regions; considers that a revision of the Financial Regulation should also be proposed whenever the need arises as a result of the MFF negotiations;

### **C. OWN RESOURCES**

36. Stresses that the current system of Own Resources is highly complex, unfair, non-transparent and totally incomprehensible to the EU's citizens; calls again for a simplified system that will be more understandable to EU citizens;
37. Welcomes, in this context, as an important step towards a more ambitious reform, the Commission's set of proposals adopted on 2 May 2018 on a new system of Own resources; invites the Commission to take into account Opinion No 5/2018 of the European Court of Auditors concerning the Commission's proposal on the new system of Own resources of the European Union, which underlines that better calculation and further simplification of the system is needed;
38. Recalls that the introduction of new Own Resources should have a dual purpose: firstly, to bring about a substantial reduction in the proportion of GNI-based contributions, and secondly, to guarantee the adequate financing of EU spending under the post-2020 MFF;
39. Supports the suggested modernisation of existing Own Resources, which implies:

- maintaining the customs duties as traditional Own Resources for the EU, while decreasing the percentage Member States retain as ‘collection costs’, and going back to the initial rate of 10 %;
  - simplifying the Value Added Tax-based Own Resource, i.e. introducing a uniform call rate without exceptions;
  - maintaining the GNI-based Own Resource, with the objective of moving progressively towards 40 % its share in the financing of the EU budget, while preserving its balancing function;
40. Requests, in line with the Commission proposal, the programmed introduction of a basket of new Own Resources which, without increasing the fiscal burden for citizens, would correspond to essential strategic objectives of the EU, the European added value of which is evident and irreplaceable:
- the proper functioning, consolidation and strengthening of the single market, in particular by the implementation of a common consolidated corporate tax base (CCCTB), as a basis for a new Own Resource through the setting of a uniform levy rate on the revenue from the CCCTB and the taxation of large companies in the digital sector profiting from the single market;
  - the fight against climate change and the acceleration of energy transition, through measures such as a share of the emission trading scheme income;
  - the fight to protect the environment through a contribution based on the quantity of non-recycled plastic packing;
41. Demands the extension of the list of potential new Own Resources, which should include:
- an Own Resource based on a Financial Transaction Tax (FTT), while calling on all Member States to reach an agreement on an efficient scheme;
  - the introduction of a carbon border adjustment mechanism as a new Own Resource for the EU budget, which should ensure a level playing field in international trade and reduce the off-shoring of production, while internalising the costs of climate change in the prices of imported goods;
42. Expresses strong approval of the abolition of all rebates and other correction mechanisms, accompanied, should the need arise, by a limited phasing out period;
43. Insists on the introduction of other revenue that should constitute extra revenue for the EU budget without entailing a corresponding reduction in GNI contributions:
- fines paid by companies for breaching the Union’s rules, or fines for late payments of contributions;
  - proceeds from fines generated by rulings of the Court of Justice of the European Union, including lump sum or penalty payments imposed on Member States, stemming from infringement actions;

44. Underlines, moreover, the introduction of other forms of revenue, in line with the Commission proposals, in the case of:
- fees linked to the implementation of mechanisms in direct relation with the EU, such as the European Travel Information and Authorisation System (ETIAS);
  - seigniorage, in the form of assigned revenue, for the purpose of financing a new Investment Stabilisation Function;
45. Points to the need to maintain the credibility of the EU budget vis-à-vis the financial markets, which implies an increase in the Own Resources ceilings;
46. Calls on the Commission to come up with a proposal to address the paradoxical situation whereby contributions from the UK to the *reste à liquider* (RAL) pre-2021 will enter the budget as general revenue, thus being counted towards the Own Resource ceiling, while that ceiling will be calculated on the basis of the EU-27 GNI, in other words without the UK, once the country has left the EU; considers that UK contributions should, on the contrary, be calculated on top of the Own Resources ceiling;
47. Draws attention to the fact that the customs union is an important source of the Union's financial capacity; stresses, in this context, the need to harmonise customs control and management across the Union in order to prevent and combat fraud and irregularities harming the Union's financial interests;
48. Urges a genuine fight against tax evasion and avoidance, with the introduction of dissuasive sanctions, for offshore territories and for the enablers or promoters of such activities, particularly and as a first step those operating on the European mainland; believes that Member States should cooperate by establishing a coordinated system for monitoring capital movements in order to fight tax evasion, tax avoidance and money laundering;
49. Is of the opinion that effective measures against corruption and tax evasion by multinationals and the wealthiest individuals would make it possible to return to the Member States' budgets an amount estimated by the Commission at one trillion euros per year, and that in this field there has been a serious lack of action by the European Union;
50. Strongly supports the presentation by the Commission of a proposal for a Council regulation laying down implementing measures for the system of Own Resources of the European Union (COM(2018)0327); recalls that Parliament has to give its consent to this regulation; recalls that this regulation is an integral part of the Own Resource package presented by the Commission, and expects the Council to address the four related texts on Own Resources as a single package together with the MFF;

#### **D. MODIFICATIONS TO THE PROPOSAL FOR A REGULATION LAYING DOWN THE 2021-2027 MFF**

51. Takes the view that the proposal for a Council regulation laying down the multiannual financial framework for the years 2021 to 2027 should be modified as follows:

## Modification 1

### Proposal for a regulation

#### Recital 1

*Text proposed by the Commission*

(1) Taking into account the need for an adequate level of predictability for preparing and implementing medium-term investments, the duration of *the* Multiannual Financial Framework (MFF) should be set at seven years starting on 1 January 2021.

*Modification*

(1) Taking into account the need for an adequate level of predictability for preparing and implementing medium-term investments *as well as the need for democratic legitimacy and accountability*, the duration of *this* Multiannual Financial Framework (MFF) should be set at seven years starting on 1 January 2021 *with a view to moving subsequently to a five-plus-five-year period that would be aligned with the political cycle of the European Parliament and the Commission*.

## Modification 2

### Proposal for a regulation

#### Recital 2

*Text proposed by the Commission*

(2) The annual ceilings on commitments appropriations by category of expenditure and *the* annual ceilings on payment appropriations *established by the MFF must respect the applicable ceilings for commitments and own resources, which are set in accordance with the Council Decision on the system of own resources of the European Union adopted in accordance with the third paragraph of Article 311 TFEU*.

*Modification*

(2) The *MFF should establish* annual ceilings on commitments appropriations by category of expenditure and annual ceilings on payment appropriations *so as to ensure that Union expenditure develops in an orderly manner and within the limits of its Own Resources, while also ensuring that the Union can provide itself with the means necessary to attain its objectives and carry through its policies in accordance with the first paragraph of Article 311 of the Treaty on the Functioning of the European Union (TFEU), and can honour its obligations to third parties in accordance with Article 323 TFEU*.

### Modification 3

#### Proposal for a regulation Recital 2 a (new)

*Text proposed by the Commission*

*Modification*

***(2a) The level of ceilings should be set on the basis of the amounts necessary for the financing and running of the Union programmes and policies as well as the required margins to be left available for adjustments to future needs. Furthermore, the ceilings for payments should account for the large amount of outstanding commitments expected at the end of 2020. The amounts set in this Regulation as well as in the basic acts for 2021-2027 programmes should be agreed in 2018 prices and, for the sake of simplification and predictability, adjusted on the basis of a fixed deflator of 2 % per year.***

### Modification 4

#### Proposal for a regulation Recital 3

*Text proposed by the Commission*

*Modification*

(3) If it is necessary to mobilise the guarantees given under the general budget of the Union for financial assistance to Member States authorised in accordance with Article [208(1)] of Regulation No EU [xxx/201x] of the European Parliament and of the Council ('the Financial Regulation'), the necessary amount should be mobilised over and above the ceilings of the commitments and payments appropriations of the MFF, ***while respecting the*** own resources ceiling.

(3) If it is necessary to mobilise the guarantees given under the general budget of the Union for financial assistance to Member States authorised in accordance with Article [208(1)] of Regulation No EU [xxx/201x] of the European Parliament and of the Council ('the Financial Regulation'), the necessary amount should be mobilised over and above the ceilings of the commitments and payments appropriations of the MFF, ***and should therefore be taken into account when setting any*** own resources ceiling.

## Modification 5

### Proposal for a regulation

#### Recital 4

*Text proposed by the Commission*

(4) ***The MFF should not take account of budget items financed by assigned revenue within the meaning of the Financial Regulation.***

*Modification*

(4) ***Assigned revenue financing budget items within the meaning of the Financial Regulation should not be counted towards the MFF ceilings, but all available information should be displayed with full transparency during the procedure of the adoption of the annual budget and during its implementation.***

## Modification 6

### Proposal for a regulation

#### Recital 6

*Text proposed by the Commission*

(6) ***Specific and maximum possible flexibility should be implemented to allow the Union to fulfil its obligations in compliance with Article 323 of the Treaty on the Functioning of the European Union (TFEU).***

*Modification*

(6) ***Maximum flexibility should be ensured within the MFF, in particular to guarantee that the Union can fulfil its obligations in compliance with Article 311 and Article 323 of the TFEU.***

## Modification 7

### Proposal for a regulation

#### Recital 7

*Text proposed by the Commission*

(7) The following special instruments are necessary to allow the Union to react to specified unforeseen circumstances, or to allow the financing of clearly identified expenditure which cannot be financed

*Modification*

(7) The following special instruments are necessary to allow the Union to react to specified unforeseen circumstances, or to allow the financing of clearly identified expenditure which cannot be financed

within the limits of the ceilings available for one or more headings as laid down in the MFF *in order to allow the budget* procedure to run smoothly: the European Globalisation Adjustment Fund, the European Union Solidarity Fund, the Emergency Aid Reserve, the Global Margin for Commitments (Union Reserve), the Flexibility Instrument and the Contingency Margin. ***The Emergency Aid Reserve is not aimed at addressing the consequences of market related crises affecting the agricultural production or distribution.*** Specific provision should therefore be made for the possibility to enter commitment and corresponding payment appropriations into the budget over and above the ceilings set out in the MFF where it is necessary to use special instruments.

## **Modification 8**

### **Proposal for a regulation Recital 7 a (new)**

*Text proposed by the Commission*

within the limits of the ceilings available for one or more headings as laid down in the MFF, ***thereby allowing the annual budgetary*** procedure to run smoothly: the European Globalisation Adjustment Fund, the European Union Solidarity Fund, the Emergency Aid Reserve, the Global Margin for Commitments (Union Reserve ***for Commitments***), the Flexibility Instrument and the Contingency Margin. Specific provision should therefore be made for the possibility to enter commitment and corresponding payment appropriations into the budget over and above the ceilings set out in the MFF where it is necessary to use special instruments.

*Modification*

***(7 a) In particular, while the Union and its Member States should make every effort to ensure that commitments authorised by the budgetary authority are effectively implemented for their original purpose, it should be possible to mobilise commitment appropriations that have not been executed or that have been de-committed through the Union Reserve for Commitments, provided that this is not a means for beneficiaries to circumvent the relevant de-commitment rules.***

## **Modification 9**

### **Proposal for a regulation Recital 9**

*Text proposed by the Commission*

(9) Rules should be laid down for other situations that may require the MFF to be adjusted. Those adjustments may be related to the delayed adoption of new rules or programmes under shared management, or to ***measures linked to sound economic governance or to the protection of the Union's budget in the case of generalised deficiencies as regards the rule of law in the Member States adopted*** in accordance with the relevant basic acts.

*Modification*

(9) Rules should be laid down for other situations that may require the MFF to be adjusted. Those adjustments may be related to the delayed adoption of new rules or programmes under shared management, or to ***the suspension of budgetary commitments*** in accordance with the relevant basic acts.

**Modification 10**

**Proposal for a regulation**

**Recital 10**

*Text proposed by the Commission*

(10) ***It is necessary to carry-out*** a review of the functioning of the MFF ***at mid-term of its implementation. The results of this review should be taken into account in any revision of this Regulation for the remaining years of the MFF.***

*Modification*

(10) ***In order to take into account new policies and priorities, the MFF should be revised at mid-term on the basis of a review of the functioning and implementation of the MFF, which should also contain a report setting out the methods for the practical implementation of a five-plus-five-year financial framework.***

**Modification 11**

**Proposal for a regulation**

**Recital 10 a (new)**

*Text proposed by the Commission*

*Modification*

(10 a) ***In order to fulfil the Union's commitment to being a front runner in implementing the UN Sustainable Development Goals, including gender equality, the MFF revision shall be prepared taking into account progress***

*made in their implementation in all EU policies and initiatives of the 2021-2027 MFF, measured on the basis of performance indicators drawn up by the Commission, as well as progress in the mainstreaming of gender in all EU activities. The MFF revision shall also be prepared taking into account progress made in achieving the overall target of contributing 25 % of EU expenditure to climate objectives over the 2021-2027 MFF period, and the achievement of an annual 30 % spending target as soon as possible and at the latest by 2027, measured on the basis of reformed performance indicators that differentiate between mitigation and adaptation. The revision should also assess, in consultation with national and local stakeholders, whether the adopted simplification measures have actually achieved a reduction in red tape for beneficiaries in the implementation of programmes;*

## **Modification 12**

### **Proposal for a regulation Recital 12 a (new)**

*Text proposed by the Commission*

*Modification*

**(12 a)** *All expenditure at Union level dedicated to the implementation of Union policies based on the Treaties is expenditure of the Union within the meaning of Article 310(1) TFEU, and should therefore be entered in the budget of the Union in accordance with the budgetary procedure laid down in Article 314 TFEU, thereby ensuring respect for the fundamental principles of the democratic representation of citizens in decision-making, parliamentary oversight of public finances and transparency of decision-making. The MFF ceilings may not obstruct the financing through the*

*Union budget of the policy objectives of the Union. It is therefore necessary to provide for an upward revision of the MFF whenever this is needed to facilitate the financing of Union policies, in particular new policy objectives, without having recourse to intergovernmental or quasi-intergovernmental financing methods.*

### Modification 13

#### Proposal for a regulation Recital 13

*Text proposed by the Commission*

(13) Specific rules are also necessary for dealing with large scale infrastructure projects whose lifetime extends well beyond the period set for the MFF. *It* is necessary to establish maximum amounts for *the* contributions *from the general budget of the Union* to those projects, thereby ensuring that *they* do not have any impact on other projects financed from that budget.

*Modification*

(13) Specific rules are also necessary for dealing with large-scale infrastructure projects whose lifetime extends well beyond the period set for the MFF. *The financing of these large-scale projects, which are of strategic importance for the Union, needs to be secured in the general budget of the Union, but it* is necessary to establish maximum amounts for *its* contributions to those projects, thereby ensuring that *possible cost overruns* do not have any impact on other projects financed from that budget;

### Modification 14

#### Proposal for a regulation Recital 14

*Text proposed by the Commission*

(14) It is necessary to provide for general rules on interinstitutional cooperation in the budgetary procedure.

*Modification*

(14) It is necessary to provide for general rules on *transparency and* interinstitutional cooperation in the budgetary procedure, *respecting the budgetary powers of the institutions as laid down in the Treaties, so as to ensure that budgetary decisions are taken as*

*openly as possible and as closely as possible to the citizen, as required by Article 10(3) TEU, and that the budgetary procedure runs smoothly, as provided for in Article 312(3) TFEU, second paragraph.*

## Modification 15

### Proposal for a regulation Recital 15

*Text proposed by the Commission*

(15) The Commission should present a proposal for a new multiannual financial framework before 1 July 2025, **to** enable the institutions to adopt it sufficiently in advance of the start of the subsequent multiannual financial framework. In accordance with Article 312(4) TFEU the ceilings corresponding to the last year set out in this Regulation are to continue to apply in the event that a new financial framework is not adopted before the end of the term of the MFF laid down in this Regulation.

*Modification*

(15) The Commission should present a proposal for a new multiannual financial framework before 1 July 2025. ***This timeframe will provide the newly appointed Commission with the necessary time to draw up its proposals, and enable the European Parliament emerging from the 2024 elections to come forward with its own position on the post-2027 MFF. It will also*** enable the institutions to adopt it sufficiently in advance of the start of the subsequent multiannual financial framework. In accordance with Article 312(4) TFEU the ceilings corresponding to the last year set out in this Regulation are to continue to apply in the event that a new financial framework is not adopted before the end of the term of the MFF laid down in this Regulation.

## Modification 16

### Proposal for a regulation Chapter 1 – Article 3 – title

*Text proposed by the Commission*

***Respect of*** own resources ***ceiling***

*Modification*

***Relationship to*** own resources

## Modification 17

### Proposal for a regulation

#### Chapter 1 – Article 3 – paragraph 4

##### *Text proposed by the Commission*

4. For each of the years covered by the MFF, the total appropriations for payments required, after annual adjustment and taking account of any other adjustments and revisions as well as the application of paragraphs 2 and 3 of Article 2, may not be such as to produce a call-in rate for own resources that exceeds the own resources ***ceiling set in accordance with the Council decision on the system of own resources of the European Union adopted in accordance with the third paragraph of Article 311 TFEU ('Own Resources Decision') in force.***

##### *Modification*

4. For each of the years covered by the MFF, the total appropriations for payments required, after annual adjustment and taking account of any other adjustments and revisions as well as the application of paragraphs 2 and 3 of Article 2, may not be such as to produce a call-in rate for own resources that exceeds the ***limits of the Union's*** own resources, ***without prejudice to the obligation of the Union to provide itself with the means necessary to attain its objectives and carry through its policies in accordance with the first paragraph of Article 311 TFEU, and the obligation of the institutions to ensure that the financial means are made available to allow the Union to fulfil its legal obligations in respect of third parties in accordance with Article 323 TFEU.***

## Modification 18

### Proposal for a regulation

#### Chapter 1 – Article 3 – paragraph 5

##### *Text proposed by the Commission*

5. ***Where necessary, the ceilings set in the MFF shall be lowered in order to ensure compliance with the own resources ceiling set in accordance with the Own Resources Decision in force.***

##### *Modification*

***deleted***

## Modification 19

### Proposal for a regulation

#### Chapter 2 – Article 5 – paragraph 4

*Text proposed by the Commission*

*Modification*

**4. Without prejudice to Article 6, 7 and 8, no further technical adjustments shall be made in respect of the year concerned, either during the year or as ex post corrections during subsequent years.**

**deleted**

## **Modification 20**

### **Proposal for a regulation Chapter 2 – Article 7 – title**

*Text proposed by the Commission*

*Modification*

*Adjustments related to **measures linked to sound economic governance or to the protection of the Union's budget in the case of generalised deficiencies as regards the rule of law in the Member States***

*Adjustments related to **the suspension of budgetary commitments***

## **Modification 21**

### **Proposal for a regulation Chapter 2 – Article 7**

*Text proposed by the Commission*

*Modification*

In the case of the lifting, in accordance with the relevant basic acts, of a suspension of budgetary commitments **concerning Union funds in the context of measures linked to sound economic governance or to the protection of the Union's budget in the case of generalised deficiencies as regards the rule of law in the Member States**, the **amounts** corresponding **to the suspended commitments** shall be transferred to the following years and the corresponding ceilings of the MFF shall be adjusted accordingly. Suspended commitments of year n may not be entered in the budget beyond year n+2.

In the case of the lifting, in accordance with the relevant basic acts, of a suspension of budgetary commitments, the corresponding **amounts** shall be transferred to the following years and the corresponding ceilings of the MFF shall be adjusted accordingly. Suspended commitments of year n may not be entered in the budget beyond year n+2. **As from year n+3, an amount equivalent to the lapsed commitments shall be entered in the Union Reserve for Commitments provided for in Article 12.**

## Modification 22

### Proposal for a regulation Chapter 3 – Article 10 – paragraph 1

*Text proposed by the Commission*

1. The European Union Solidarity Fund, ***the objectives and scope of which are set out in Council Regulation (EC) No 2012/2002***, shall not exceed a maximum annual amount of EUR **600** million (2018 prices). On 1 October of each year, at least one quarter of that annual amount shall remain available in order to cover needs arising until the end of that year. The portion of the annual amount not used in year n may be used up to year n+1. The portion of the annual amount stemming from the previous year shall be drawn on first. That portion of the annual amount from year n which is not used in year n+1 shall lapse.

*Modification*

1. The European Union Solidarity Fund ***is intended to allow for financial assistance in the event of major disasters occurring on the territory of a Member State or of a candidate country, as defined in the relevant basic act***, and shall not exceed a maximum annual amount of EUR **1 000** million (2018 prices). On 1 October of each year, at least one quarter of that annual amount shall remain available in order to cover needs arising until the end of that year. The portion of the annual amount not used in year n may be used up to year n+1. The portion of the annual amount stemming from the previous year shall be drawn on first. That portion of the annual amount from year n which is not used in year n+1 shall lapse.

## Modification 23

### Proposal for a regulation Chapter 3 – Article 10 – paragraph 1 a (new)

*Text proposed by the Commission*

*Modification*

***1a. The appropriations for the European Union Solidarity Fund shall be entered in the general budget of the Union as a provision.***

## Modification 24

### Proposal for a regulation Chapter 3 – Article 11 – paragraph 2

*Text proposed by the Commission*

2. The annual amount of the Reserve is fixed at EUR **600** million (2018 prices) and may be used up to year n+1 in accordance with the Financial Regulation. The Reserve shall be entered in the general budget of the Union as a provision. The portion of the annual amount stemming from the previous year shall be drawn on first. That portion of the annual amount from year n which is not used in year n+1 shall lapse. By 1 October of each year, at least **one quarter** of the annual amount for year n shall remain available to cover needs arising until the end of that year. No more than half of the amount available until 30 September each year may be mobilised for, respectively, internal or external operations. As of 1 October, the remaining part of the amount available may be mobilised either for internal or external operations to cover needs arising until the end of that year.

*Modification*

2. The annual amount of the **Emergency Aid** Reserve is fixed at EUR **1 000** million (2018 prices) and may be used up to year n+1 in accordance with the Financial Regulation. The Reserve shall be entered in the general budget of the Union as a provision. The portion of the annual amount stemming from the previous year shall be drawn on first. That portion of the annual amount from year n which is not used in year n+1 shall lapse. By 1 October of each year, at least **EUR 150 million (2018 prices)** of the annual amount for year n shall remain available to cover needs arising until the end of that year. No more than half of the amount available until 30 September each year may be mobilised for, respectively, internal or external operations. As of 1 October, the remaining part of the amount available may be mobilised either for internal or external operations to cover needs arising until the end of that year.

**Modification 25**

**Proposal for a regulation**  
**Chapter 3 – Article 12 – title**

*Text proposed by the Commission*

*Global Margin for Commitments (Union Reserve)*

*Modification*

*Global Margin for Commitments (Union Reserve **for Commitments**)*

**Modification 26**

**Proposal for a regulation**  
**Chapter 3 – Article 12 – paragraph 1**

*Text proposed by the Commission*

1. The Global Margin for Commitments

*Modification*

1. The Global Margin for Commitments

(Union Reserve), to be made available over and above the ceilings established in the MFF for the years 2022 to 2027, shall comprise the following:

- (a) margins left available below the MFF ceilings for commitments of *year n-1*;
- (b) as of 2023, in addition to the margins referred to in point (a), an amount equivalent to de-commitments of appropriations made during year n-2, without prejudice to Article [15] of the Financial Regulation.**

(Union Reserve *for Commitments*), to be made available over and above the ceilings established in the MFF for the years 2021 to 2027, shall comprise the following:

- (a) margins left available below the MFF ceilings for commitments of *previous years*;
- (a a) unexecuted commitment appropriations of year n-1;**
- (b) an amount equivalent to de-commitments of appropriations made during year n-2, without prejudice to Article [15] of the Financial Regulation;**
- (b a) an amount equivalent to the amount of suspended commitments of year n-3 that may no longer be entered in the budget pursuant to Article 7;**
- (b b) an amount equivalent to the amount of revenue resulting from fines and penalties.**

## Modification 27

### Proposal for a regulation

#### Chapter 3 – Article 12 – paragraph 2

##### *Text proposed by the Commission*

2. The Global Margin for Commitments (Union Reserve) or part thereof may be mobilised by the European Parliament and the Council in the framework of the budgetary procedure provided for in Article 314 TFEU.

##### *Modification*

2. The Global Margin for Commitments (Union Reserve *for Commitments*) or part thereof may be mobilised by the European Parliament and the Council in the framework of the budgetary procedure provided for in Article 314 TFEU.  
***Margins of year n may be mobilised for years n and n+1 through the Union Reserve for Commitments, provided this does not conflict with pending or planned amending budgets.***

## Modification 28

### Proposal for a regulation

#### Chapter 3 – Article 12 – paragraph 3 a (new)

*Text proposed by the Commission*

*Modification*

**3a.** *At the end of 2027, amounts that remain available under the Union Reserve for Commitments shall be carried over to the next MFF up to 2030.*

## **Modification 29**

### **Proposal for a regulation Chapter 3 – Article 13 – paragraph 1**

*Text proposed by the Commission*

*Modification*

The Flexibility Instrument may be used for the financing, for a given financial year, of clearly identified expenditure which could not be financed within the limits of the ceilings available for one or more other headings. Subject to the second subparagraph, the ceiling of the annual amount available for the Flexibility Instrument is set at EUR **1 000** million (2018 prices).

The Flexibility Instrument may be used for the financing, for a given financial year, of clearly identified expenditure which could not be financed within the limits of the ceilings available for one or more other headings **or within the European Globalisation Adjustment Fund, the European Union Solidarity Fund and the Emergency Aid Reserve**. Subject to the second subparagraph, the ceiling of the annual amount available for the Flexibility Instrument is set at EUR **2 000** million (2018 prices).

## **Modification 30**

### **Proposal for a regulation Chapter 3 – Article 14 – paragraph 1**

*Text proposed by the Commission*

*Modification*

1. A Contingency Margin of up to **0.03** % of the Gross National Income of the Union shall be constituted outside the ceilings of the MFF, as a last resort instrument to react to unforeseen circumstances. It may be mobilised only in relation to an amending or annual budget.

1. A Contingency Margin of up to **0,05**% of the Gross National Income of the Union shall be constituted outside the ceilings of the MFF, as a last resort instrument to react to unforeseen circumstances. It may be mobilised only in relation to an amending or annual budget. ***It may be mobilised for both commitment***

*and payment appropriations, or for payment appropriations only.*

### **Modification 31**

#### **Proposal for a regulation**

##### **Chapter 3 – Article 14 – paragraph 2**

*Text proposed by the Commission*

2. Recourse to the Contingency Margin shall not exceed, at any given year, the maximum amount provided in the annual technical adjustment of the MFF, **and shall be consistent with the own resources ceiling.**

*Modification*

2. Recourse to the Contingency Margin shall not exceed, at any given year, the maximum amount provided in the annual technical adjustment of the MFF.

### **Modification 32**

#### **Proposal for a regulation**

##### **Chapter 3 – Article 14 – paragraph 3**

*Text proposed by the Commission*

3. **Amounts made available through the mobilisation of the Contingency Margin shall be fully offset against the margins in one or more MFF headings for the current or future financial years.**

*Modification*

*deleted*

### **Modification 33**

#### **Proposal for a regulation**

##### **Chapter 3 – Article 14 – paragraph 4**

*Text proposed by the Commission*

4. **The amounts offset in accordance with paragraph 3 shall not be further mobilised in the context of the MFF. Recourse to the Contingency Margin shall not result in exceeding the total ceilings of commitment and payment appropriations laid down in the MFF for the current and**

*Modification*

*deleted*

*future financial years.*

#### **Modification 34**

##### **Proposal for a regulation Chapter 4 – title**

*Text proposed by the Commission*

*Modification*

**Review and Revision of the MFF**

Revisions

#### **Modification 35**

##### **Proposal for a regulation Chapter 4 – Article 15 – paragraph 1**

*Text proposed by the Commission*

*Modification*

1. Without prejudice to Article 3(2) and Articles 16 to 20 and 24, ***in the event of unforeseen circumstances, the MFF may be revised in compliance with the own resources ceiling set in accordance with the Own Resources Decision in force.***

1. Without prejudice to Article 3(2) and Articles 16 to 20 and 24, ***the relevant MFF ceilings shall be revised upward in the event that this is necessary to facilitate the financing of Union policies, in particular new policy objectives, in circumstances where it would otherwise be necessary to establish additional intergovernmental or quasi-intergovernmental financing methods that would circumvent the budgetary procedure laid down in Article 314 TFEU.***

#### **Modification 36**

##### **Proposal for a regulation Chapter 4 – Article 15 – paragraph 3**

*Text proposed by the Commission*

*Modification*

3. ***Any proposal for revision of the MFF in accordance with paragraph 1 shall examine the scope for reallocating expenditure between the programmes covered by the heading concerned by the***

***deleted***

*revision, with particular reference to any expected under-utilisation of appropriations.*

### **Modification 37**

#### **Proposal for a regulation Chapter 4 – Article 16 – title**

*Text proposed by the Commission*

Mid-term *review* of the MFF

*Modification*

Mid-term *revision* of the MFF

### **Modification 38**

#### **Proposal for a regulation Chapter 4 – Article 16**

*Text proposed by the Commission*

Before 1 January **2024**, the Commission shall present a review of the functioning of the MFF. *This review shall, as appropriate, be accompanied by relevant proposals.*

*Modification*

Before 1 **July 2023**, the Commission shall present *a legislative proposal for the revision of this Regulation in accordance with the procedures set out in the TFEU, based on* a review of the functioning of the MFF. *Without prejudice to Article 6 of this Regulation, pre-allocated national envelopes shall not be reduced through such a revision.*

*The proposal shall be drawn up taking into account an assessment of:*

- *progress towards the overall target of contributing 25 % of EU expenditure to climate objectives over the 2021-2027 MFF period, and towards a 30 % annual spending target as soon as possible;*
- *the mainstreaming of the UN Sustainable Development Goals;*
- *the mainstreaming of a gender perspective in the Union budget (gender budgeting);*
- *the impact of simplification*

*measures on the reduction in red tape for beneficiaries in the implementation of the financial programmes, to be carried out in consultation with stakeholders;*

## Modification 39

### Proposal for a regulation Chapter 4 – Article 17

#### *Text proposed by the Commission*

When notifying the European Parliament and the Council of the results of the technical adjustments to the MFF, the Commission shall, ***where appropriate***, submit any proposal to revise the total appropriations for payments which it considers necessary, in the light of implementation, to ensure a sound management of the yearly payments ceilings, and in particular their orderly progression in relation to the appropriations for commitments.

#### *Modification*

When notifying the European Parliament and the Council of the results of the technical adjustments to the MFF, ***or when the ceilings for payments may prevent the Union from honouring its legal commitments***, the Commission shall submit any proposal to revise the total appropriations for payments which it considers necessary, in the light of implementation, to ensure a sound management of the yearly payments ceilings, and in particular their orderly progression in relation to the appropriations for commitments.

## Modification 40

### Proposal for a regulation Chapter 5 – Article 21 – paragraph 1

#### *Text proposed by the Commission*

1. A maximum amount ***of EUR 14 196 million (in 2018 prices)*** shall be available from the general budget of the Union for the period 2021 to 2027 for ***the*** large scale projects under [Regulation XXXX/XX of the European Parliament and the Council - Space Programme].

#### *Modification*

1. A maximum amount shall be available ***jointly for the European satellite navigation programmes (EGNOS and Galileo) and for Copernicus (the European Earth observation programme)*** from the general budget of the Union for the period 2021 to 2027. ***This maximum amount shall be set at 15 % above the indicative amounts set for both*** large-scale

projects under [Regulation XXXX/XX of the European Parliament and the Council – Space Programme]. ***Any reinforcement within this maximum amount shall be financed through the margins or the special instruments, and shall not result in reductions in other programmes and projects.***

#### **Modification 41**

##### **Proposal for a regulation Chapter 5 – Article 21 – paragraph 2 a (new)**

*Text proposed by the Commission*

*Modification*

***2a. Should additional financing needs from the Union budget arise for the above-mentioned large-scale projects, the Commission shall propose a revision of the MFF ceilings accordingly.***

#### **Modification 42**

##### **Proposal for a regulation Chapter 6 – title**

*Text proposed by the Commission*

*Modification*

*Interinstitutional cooperation in the budgetary procedure*

***Transparency and*** interinstitutional cooperation in the budgetary procedure

#### **Modification 43**

##### **Proposal for a regulation Chapter 6 – Article 22**

*Text proposed by the Commission*

*Modification*

*Interinstitutional cooperation in the budgetary procedure*

***Transparency and*** interinstitutional cooperation in the budgetary procedure

## Modification 44

### Proposal for a regulation

#### Chapter 6 – Article 22 – paragraph 4 a (new)

*Text proposed by the Commission*

*Modification*

***Both the European Parliament and the Council shall be represented by members of the respective institution when meetings are held at political level.***

## Modification 45

### Proposal for a regulation

#### Chapter 6 – Article 22 – paragraph 4 b (new)

*Text proposed by the Commission*

*Modification*

***The European Parliament and the Council shall meet in public when adopting their respective positions on the draft budget.***

## Modification 46

### Proposal for a regulation

#### Chapter 6 – Article 23

*Text proposed by the Commission*

*Modification*

All expenditure and revenue of the Union and Euratom shall be included in the general budget of the Union in accordance with Article [7] ***of the Financial Regulation***, including expenditure resulting from any relevant decision taken unanimously by the Council after consulting the European Parliament, in the framework of Article 332 TFEU.

All expenditure and revenue of the Union and Euratom shall be included in the general budget of the Union in accordance with Article ***310(1) TFEU***, including expenditure resulting from any relevant decision taken unanimously by the Council after consulting the European Parliament, in the framework of Article 332 TFEU.

## **Modification 47**

### **Proposal for a regulation Chapter 7 – Article 24**

#### *Text proposed by the Commission*

Before 1 July 2025, the Commission shall present a proposal for a new multiannual financial framework.

#### *Modification*

***Before 1 July 2023, together with its proposals for the mid-term revision, the Commission shall present a report setting out the methods for the practical implementation of a five-plus-five year period for the financial framework.***

Before 1 July 2025, the Commission shall present a proposal for a new multiannual financial framework.

***If no Council regulation determining a new multiannual financial framework has been adopted before 31 December 2027, the ceilings and other provisions corresponding to the last year of the MFF shall be extended until a regulation determining a new financial framework is adopted. If a new Member State accedes to the Union after 2020, the extended financial framework shall, if necessary, be revised in order to take the accession into account.***

## **E. MODIFICATIONS TO THE PROPOSAL FOR AN INTERINSTITUTIONAL AGREEMENT**

52. Stresses that, as a result of the negotiation and adoption of a new MFF Regulation, the proposal for an Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management should be modified as follows:

### **Modification 48**

#### **Proposal for an Interinstitutional Agreement Part 1**

Section A – point 6 a (new)

*Text proposed by the Commission*

*Modification*

**6a. Information relating to operations not included in the general budget of the Union and to the foreseeable development of the various categories of the Union's Own Resources is set out, by way of indication, in separate tables. This information shall be updated annually together with the documents accompanying the draft budget.**

## **Modification 49**

### **Proposal for an Interinstitutional Agreement Part I**

Section A – point 7

*Text proposed by the Commission*

7. The institutions shall, for the purposes of sound financial management, ensure as far as possible during the budgetary procedure and at the time of the budget's adoption that sufficient **margins** are left available beneath the ceilings for the various headings of the MFF.

*Modification*

7. The institutions shall, for the purposes of sound financial management, ensure as far as possible during the budgetary procedure and at the time of the budget's adoption that sufficient **amounts** are left available **within the margins** beneath the ceilings for the various headings of the MFF **or within the available special instruments**.

## **Modification 50**

### **Proposal for an Interinstitutional Agreement Part I**

Section A – point 8

*Text proposed by the Commission*

*Updating of forecasts for payment appropriations **after 2027***

8. **In 2024**, the Commission shall update the forecasts for payment appropriations after 2027. That update shall take into account all

*Modification*

*Updating of forecasts for payment appropriations*

8. **Every year**, the Commission shall update the forecasts for payment appropriations **until and** after 2027. That update shall take into account all

relevant information, including the real implementation of budget appropriations for commitments and budget appropriations for payments, as well as the implementation forecasts. It shall also consider the rules designed to ensure that payment appropriations develop in an orderly manner compared to commitment appropriations and the growth forecasts of the Union's Gross National Income.

relevant information, including the real implementation of budget appropriations for commitments and budget appropriations for payments, as well as the implementation forecasts. It shall also consider the rules designed to ensure that payment appropriations develop in an orderly manner compared to commitment appropriations and the growth forecasts of the Union's Gross National Income.

## **Modification 51**

### **Proposal for an Interinstitutional Agreement**

#### **Part I**

#### Section B – point 9

##### *Text proposed by the Commission*

9. When the conditions for mobilising the European Globalisation Adjustment Fund, as set out in the relevant basic act, are met, the Commission shall **submit** to the European Parliament and the Council a proposal for a transfer to the relevant budgetary lines.

Transfers related to the Globalisation Adjustment Fund shall be made in accordance with the Financial Regulation.

##### *Modification*

9. When the conditions for mobilising the European Globalisation Adjustment Fund, as set out in the relevant basic act, are met, the Commission shall **make a proposal to mobilise it. The decision to mobilise the Globalisation Adjustment Fund shall be taken jointly by the European Parliament and the Council.**

***At the same time as it presents its proposal for a decision to mobilise the Globalisation Adjustment Fund, the Commission shall present*** to the European Parliament and the Council a proposal for a transfer to the relevant budgetary lines.

***In the event of disagreement, the matter shall be addressed at the next budget trilogue.***

Transfers related to the Globalisation Adjustment Fund shall be made in accordance with the Financial Regulation.

## **Modification 52**

### **Proposal for an Interinstitutional Agreement**

#### **Part I**

#### Section B – point 10

*Text proposed by the Commission*

10. When the conditions for mobilising the European Union Solidarity Fund as set out in the relevant basic act are met, the Commission shall make a proposal ***for the appropriate budgetary instrument in accordance with the Financial Regulation.***

*Modification*

10. When the conditions for mobilising the European Union Solidarity Fund as set out in the relevant basic act are met, the Commission shall make a proposal ***to mobilise it. The decision to mobilise the Solidarity Fund shall be taken jointly by the European Parliament and the Council.***

***At the same time as it presents its proposal for a decision to mobilise the Solidarity Fund, the Commission shall present to the European Parliament and the Council a proposal for a transfer to the relevant budgetary lines.***

***In the event of disagreement, the matter shall be addressed at the next budget trilogue.***

***Transfers related to the Solidarity Fund shall be made in accordance with the Financial Regulation.***

### **Modification 53**

#### **Proposal for an Interinstitutional Agreement**

##### **Part I**

##### **Section B – point 11**

*Text proposed by the Commission*

11. When the Commission considers that the Emergency Aid Reserve needs to be called on, it shall present to the European Parliament and the Council a proposal for a transfer from the Reserve to the corresponding budgetary lines in accordance with the Financial Regulation.

*Modification*

11. When the Commission considers that the Emergency Aid Reserve needs to be called on, it shall present to the European Parliament and the Council a proposal for a transfer from the Reserve to the corresponding budgetary lines in accordance with the Financial Regulation.

***In the event of disagreement, the matter shall be addressed at the next budget trilogue.***

## Modification 54

### Proposal for an Interinstitutional Agreement

#### Part I

#### Section B – point 12

*Text proposed by the Commission*

#### *Flexibility Instrument*

12. The Commission shall make a proposal for the mobilisation of the Flexibility Instrument after it has ***examined all possibilities for re-allocating appropriations under the heading requiring additional expenditure.***

The proposal shall identify the needs to be covered and the amount. ***Such a proposal may be made in relation to a draft budget or draft amending budget.***

The Flexibility Instrument may be mobilised by the European Parliament and the Council in the framework of the budgetary procedure set out in Article 314 TFEU.

*Modification*

#### *Flexibility Instrument*

12. The Commission shall make a proposal for the mobilisation of the Flexibility Instrument after it has ***exhausted the margins of the relevant headings.***

The proposal shall identify the needs to be covered and the amount.

The Flexibility Instrument may be mobilised by the European Parliament and the Council in the framework of the budgetary procedure set out in Article 314 TFEU.

## Modification 55

### Proposal for an Interinstitutional Agreement

#### Part I

#### Section B – point 13

*Text proposed by the Commission*

13. The mobilisation of the Contingency Margin, or part thereof, shall be proposed by the Commission after a thorough analysis of all other financial possibilities. ***Such a proposal may be made in relation to a draft budget or draft amending budget.***

The Contingency Margin may be mobilised by the European Parliament and the Council in the framework of the budgetary procedure set out in Article 314 TFEU.

*Modification*

13. The mobilisation of the Contingency Margin, or part thereof, shall be proposed by the Commission after a thorough analysis of all other financial possibilities.

The Contingency Margin may be mobilised by the European Parliament and the Council in the framework of the budgetary procedure set out in Article 314 TFEU.

## **Modification 56**

### **Proposal for an Interinstitutional Agreement**

#### **Part II**

##### Section A – point 14 a (new)

*Text proposed by the Commission*

*Modification*

***14a. In order to facilitate the adoption of a new MFF or a revision thereof, and to give effect to Article 312(5) TFEU, the institutions shall convene regular meetings, namely:***

- *Meetings of the Presidents as set out in Article 324 of the Treaty;*
- *Briefings and debriefings of a delegation of the European Parliament by the Council presidency before and after relevant Council meetings;*
- *Informal trilateral meetings in the course of the Council proceedings aimed at taking account of Parliament's views in any document produced by the Council presidency;*
- *Trilogues once both Parliament and the Council have adopted their respective negotiating mandates;*
- *Mutual appearances by the Council presidency in the relevant parliamentary committee and of Parliament's negotiating team in the relevant Council formation.*

***Parliament and the Council will transmit to each other as soon as available any document formally adopted in their respective preparatory bodies or formally submitted on their behalf.***

## **Modification 57**

### **Proposal for an Interinstitutional Agreement**

#### **Part II**

##### Section B – point 15 - indent 2

*Text proposed by the Commission*

- the revenue, expenditure, assets and liabilities of the European Development Fund (EDF), the European Financial Stability Facility (EFSF), the European Stability Mechanism (ESM), and other possible future mechanisms,

*Modification*

- the revenue, expenditure, assets and liabilities of the European Development Fund (EDF), the European Financial Stability Facility (EFSF), the European Stability Mechanism (ESM), and other possible future mechanisms ***which are not financed through the Union budget, but which exist to support Union policy objectives deriving from the Treaties,***

**Modification 58**

**Proposal for an Interinstitutional Agreement  
Part II**

Section B – point 15 a (new)

*Text proposed by the Commission*

*Modification*

***15 a. When adopting autonomous transfers pursuant to Article 30(1) of the Financial Regulation, the Commission shall immediately inform the budgetary authority of the detailed grounds for such transfers. When Parliament or the Council express a reservation on an autonomous transfer, the Commission shall address it, including, if appropriate, by reversing the transfer.***

**Modification 59**

**Proposal for an Interinstitutional Agreement  
Part III**

Section A – point 24 a (new)

*Text proposed by the Commission*

*Modification*

***24 a. When, in the framework of the budgetary procedure, the budgetary authority decides on specific reinforcements, the Commission shall not offset any of them in the subsequent years of its financial programming, unless specifically instructed to do so by the***

*former.*

## **Modification 60**

### **Proposal for an Interinstitutional Agreement Annex**

Part A - point 1 a (new)

*Text proposed by the Commission*

*Modification*

***1 a. Each institution undertakes to refrain from transmitting to the other institutions any non-urgent budgetary positions, transfers or other notifications entailing the activation of deadlines during their recess periods, so as to ensure that each institution is able to duly exercise its procedural prerogatives.***

***The services of the institutions shall inform each other in due time of the dates of recess of their respective institutions.***

## **Modification 61**

### **Proposal for an Interinstitutional Agreement Annex**

Part B - point 2

*Text proposed by the Commission*

*Modification*

2. In due time before the adoption of the draft budget by the Commission, a trilogue shall be convened to discuss the possible priorities for the budget of the coming financial year.

2. In due time before the adoption of the draft budget by the Commission, a trilogue shall be convened to discuss the possible priorities for the budget of the coming financial year ***and any questions arising from the implementation of the budget of the ongoing financial year.***

## **Modification 62**

### **Proposal for an Interinstitutional Agreement Annex**

Part C – point 8

*Text proposed by the Commission*

8. In the interest of loyal and sound institutional cooperation, the European Parliament and the Council commit to maintaining regular and active contacts at all levels, through their respective negotiators, throughout the whole budgetary procedure and, in particular, during the conciliation period. The European Parliament and the Council undertake to ensure the timely and constant mutual exchange of relevant information and documents at both formal and informal levels, *as well as* to hold technical or informal meetings as needed, during the conciliation period, in cooperation with the Commission. The Commission shall ensure timely and equal access to information and documents for the European Parliament and the Council.

*Modification*

8. In the interest of loyal and sound institutional cooperation, the European Parliament and the Council commit to maintaining regular and active contacts at all levels, through their respective negotiators, throughout the whole budgetary procedure and, in particular, during the conciliation period. The European Parliament and the Council undertake to ensure the timely and constant mutual exchange of relevant information and documents at both formal and informal levels, ***in particular by transmitting to each other all procedural documents adopted within their respective preparatory bodies as soon as available. They undertake, furthermore,*** to hold technical or informal meetings as needed, during the conciliation period, in cooperation with the Commission. The Commission shall ensure timely and equal access to information and documents for the European Parliament and the Council.

**Modification 63**

**Proposal for an Interinstitutional Agreement**

**Annex**

Part D – point 12 a (new)

*Text proposed by the Commission*

*Modification*

***12a. The European Parliament and the Council shall meet in public when adopting their respective positions on the draft budget.***

**Modification 64**

**Proposal for an Interinstitutional Agreement**

**Annex**

Part E - point 15

*Text proposed by the Commission*

15. **The** European Parliament and the Council shall be represented **at an appropriate level** in the Conciliation Committee, **such** that each delegation can commit **politically** its respective institution, and that actual progress towards the final agreement may be made.

*Modification*

15. **Both the** European Parliament and the Council shall be represented **by members of the respective institution** in the Conciliation Committee, **so** that each delegation can commit its respective institution **politically**, and that actual progress towards the final agreement may be made.

**Modification 65**

**Proposal for an Interinstitutional Agreement  
Annex**

Part E - point 19

*Text proposed by the Commission*

19. The dates of the meetings of the Conciliation Committee and the trilogues shall be set in advance by agreement of the three institutions.

*Modification*

19. The dates of the meetings of the Conciliation Committee and the trilogues shall be set in advance by agreement of the three institutions. **Additional meetings, including at technical level, may be organised, as required, during the conciliation period.**

**Modification 66**

**Proposal for an Interinstitutional Agreement  
Annex**

Part E – point 21 a (new)

*Text proposed by the Commission*

*Modification*

**21a. In order to make full use of the 21-day conciliation period stipulated by the Treaty and to allow the institutions to update their respective negotiating positions, the European Parliament and the Council undertake to examine the state of play of the conciliation procedure at every meeting of their relevant preparatory bodies throughout the aforementioned period, and shall refrain**

*from leaving it to its last stages.*

## **Modification 67**

### **Proposal for an Interinstitutional Agreement**

#### **Annex**

Part G - title

*Text proposed by the Commission*

Part G. Reste à liquider (RAL)

*Modification*

Part G. ***Budget implementation, payments and*** Reste à liquider (RAL)

## **Modification 68**

### **Proposal for an Interinstitutional Agreement**

#### **Annex**

Part G - point 36

*Text proposed by the Commission*

36. Given the need to ensure an orderly progression of the total appropriations for payments in relation to the appropriations for commitments so as to avoid any abnormal shift of RAL from one year to another, the European Parliament, the Council and the Commission agree to monitor closely the level of the RAL so as to mitigate the risk of hampering the implementation of Union programmes because of a lack of payment appropriations at the end of the MFF.

***In order to ensure a manageable level and profile for the payments in all headings, de-commitment rules shall be applied strictly in all headings, in particular the rules for automatic de-commitments.***

In the course of the budgetary procedure, the institutions shall meet regularly with a view to jointly assessing the state of play and the outlook for budgetary implementation in the current and future years. This shall take the form of dedicated interinstitutional meetings at the

*Modification*

36. Given the need to ensure an orderly progression of the total appropriations for payments in relation to the appropriations for commitments so as to avoid any abnormal shift of RAL from one year to another, the European Parliament, the Council and the Commission agree to monitor closely the ***payment forecasts and the*** level of the RAL so as to mitigate the risk of hampering the implementation of Union programmes because of a lack of payment appropriations at the end of the MFF.

In the course of the budgetary procedure, the institutions shall meet regularly with a view to jointly assessing the state of play and the outlook for budgetary implementation in the current and future years. This shall take the form of dedicated interinstitutional meetings at the appropriate level, before which the Commission shall provide the detailed state of play, broken down by fund and Member State, on payment implementation, reimbursement claims received and revised

appropriate level, before which the Commission shall provide the detailed state of play, broken down by fund and Member State, on payment implementation, reimbursement claims received and revised forecasts. In particular, in order to ensure that the Union can fulfil all its financial obligations stemming from existing and future commitments in the period 2021 to 2027 in accordance with Article 323 TFEU, the European Parliament and the Council shall analyse and discuss the Commission's estimates as to the required level of payment appropriations.

*short-to-long-term* forecasts. In particular, in order to ensure that the Union can fulfil all its financial obligations stemming from existing and future commitments in the period 2021 to 2027 in accordance with Article 323 TFEU, the European Parliament and the Council shall analyse and discuss the Commission's estimates as to the required level of payment appropriations.

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53. Instructs its President to forward this resolution to the Council and the Commission.

**Annex I – MFF 2021-2027: ceilings and instruments outside the ceilings (2018 prices)**

*(EUR million – 2018 prices)*

Commitment appropriations	Commission proposal	Parliament position							
	Total 2021-2027	2021	2022	2023	2024	2025	2026	2027	Total 2021-2027
<b>I. Single Market, Innovation and Digital</b>	166 303	31 035	31 006	31 297	30 725	30 615	30 757	30 574	<b>216 010</b>
<b>II. Cohesion and Values</b>	391 974	60 026	62 887	64 979	65 785	66 686	69 204	67 974	<b>457 540</b>
Of which: Economic, social and territorial cohesion	330 642	52 143	52 707	53 346	53 988	54 632	55 286	55 994	<b>378 097</b>
<b>III. Natural Resources and Environment</b>	336 623	57 780	57 781	57 789	57 806	57 826	57 854	57 881	<b>404 718</b>
<b>IV. Migration and Border Management</b>	30 829	3 227	4 389	4 605	4 844	4 926	5 066	5 138	<b>32 194</b>
<b>V. Security and Defence</b>	24 323	3 202	3 275	3 223	3 324	3 561	3 789	4 265	<b>24 639</b>
<b>VI. Neighbourhood and the World</b>	108 929	15 368	15 436	15 616	15 915	16 356	16 966	17 729	<b>113 386</b>
<b>VII. European Public Administration</b>	75 602	10 388	10 518	10 705	10 864	10 910	11 052	11 165	<b>75 602</b>
Of which: Administrative expenditure of the institutions	58 547	8 128	8 201	8 330	8 432	8 412	8 493	8 551	<b>58 547</b>
<b>TOTAL COMMITMENT APPROPRIATIONS</b>	<b>1 134 583</b>	<b>181 025</b>	<b>185 293</b>	<b>188 215</b>	<b>189 262</b>	<b>190 880</b>	<b>194 688</b>	<b>194 727</b>	<b>1 324 089</b>
as a percentage of GNI	1.11 %	1.29 %	1.31 %	1.31 %	1.30 %	1.30 %	1.31 %	1.29 %	<b>1.30 %</b>
<b>TOTAL PAYMENT APPROPRIATIONS</b>	<b>1 104 805</b>	<b>174 088</b>	<b>176 309</b>	<b>186 391</b>	<b>187 490</b>	<b>188 675</b>	<b>189 961</b>	<b>191 398</b>	<b>1 294 311</b>
as a percentage of GNI	1.08 %	1.24 %	1.24 %	1.30 %	1.29 %	1.28 %	1.28 %	1.27 %	<b>1.27 %</b>
<b>OUTSIDE THE MFF CEILINGS</b>									
Emergency aid reserve	4 200	1 000	1 000	1 000	1 000	1 000	1 000	1 000	<b>7 000</b>
European Globalisation Adjustment Fund (EGF)	1 400	200	200	200	200	200	200	200	<b>1 400</b>
European Union Solidarity Fund (EUSF)	4 200	1 000	1 000	1 000	1 000	1 000	1 000	1 000	<b>7 000</b>
Flexibility Instrument	7 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	<b>14 000</b>

European Investment Stabilisation Function	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.
European Peace Facility	9 223	753	970	1 177	1 376	1 567	1 707	1 673	9 223
<b>TOTAL OUTSIDE THE MFF CEILINGS</b>	<b>26 023</b>	<b>4 953</b>	<b>5 170</b>	<b>5 377</b>	<b>5 576</b>	<b>5 767</b>	<b>5 907</b>	<b>5 873</b>	<b>38 623</b>
<b>TOTAL MFF + OUTSIDE THE MFF CEILINGS</b>	<b>1 160 606</b>	<b>185 978</b>	<b>190 463</b>	<b>193 592</b>	<b>194 838</b>	<b>196 647</b>	<b>200 595</b>	<b>200 600</b>	<b>1 362 712</b>
as a percentage of GNI	1.14 %	1.32 %	1.34 %	1.35 %	1.34 %	1.34 %	1.35 %	1.33 %	1.34 %

## Annex II – MFF 2021-2027: ceilings and instruments outside the ceilings (current prices)

(EUR million – current prices)

	Commission proposal	Parliament position							
Commitment appropriations	Total 2021-2027	2021	2022	2023	2024	2025	2026	2027	Total 2021-2027
<b>I. Single Market, Innovation and Digital</b>	187 370	32 935	33 562	34 555	34 601	35 167	36 037	36 539	<b>243 395</b>
<b>II. Cohesion and Values</b>	442 412	63 700	68 071	71 742	74 084	76 601	81 084	81 235	<b>516 517</b>
Of which: Economic, social and territorial cohesion	373 000	55 335	57 052	58 899	60 799	62 756	64 776	66 918	<b>426 534</b>
<b>III. Natural Resources and Environment</b>	378 920	61 316	62 544	63 804	65 099	66 424	67 785	69 174	<b>456 146</b>
<b>IV. Migration and Border Management</b>	34 902	3 425	4 751	5 084	5 455	5 658	5 936	6 140	<b>36 448</b>
<b>V. Security and Defence</b>	27 515	3 397	3 545	3 559	3 743	4 091	4 439	5 098	<b>27 872</b>
<b>VI. Neighbourhood and the World</b>	123 002	16 308	16 709	17 242	17 923	18 788	19 878	21 188	<b>128 036</b>
<b>VII. European Public Administration</b>	85 287	11 024	11 385	11 819	12 235	12 532	12 949	13 343	<b>85 287</b>
Of which: Administrative expenditure of the institutions	66 028	8 625	8 877	9 197	9 496	9 663	9 951	10 219	<b>66 028</b>
<b>TOTAL COMMITMENT APPROPRIATIONS</b>	<b>1 279 408</b>	<b>192 105</b>	<b>200 567</b>	<b>207 804</b>	<b>213 140</b>	<b>219 261</b>	<b>228 107</b>	<b>232 717</b>	<b>1 493 701</b>
as a percentage of GNI	1.11 %	1.29 %	1.31 %	1.31 %	1.30 %	1.30 %	1.31 %	1.29 %	1.30 %

<b>TOTAL PAYMENT APPROPRIATIONS</b>	<b>1 246 263</b>	<b>184 743</b>	<b>190 843</b>	<b>205 790</b>	<b>211 144</b>	<b>216 728</b>	<b>222 569</b>	<b>228 739</b>	<b>1 460 556</b>
as a percentage of GNI	1.08 %	1.24 %	1.24 %	1.30 %	1.29 %	1.28 %	1.28 %	1.27 %	<b>1.27 %</b>
<b>OUTSIDE THE MFF CEILINGS</b>									
Emergency aid reserve	4 734	1 061	1 082	1 104	1 126	1 149	1 172	1 195	<b>7 889</b>
European Globalisation Adjustment Fund (EGF)	1 578	212	216	221	225	230	234	239	<b>1 578</b>
European Union Solidarity Fund (EUSF)	4 734	1 061	1 082	1 104	1 126	1 149	1 172	1 195	<b>7 889</b>
Flexibility Instrument	7 889	2 122	2 165	2 208	2 252	2 297	2 343	2 390	<b>15 779</b>
European Investment Stabilisation Function	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	<b>p.m.</b>
European Peace Facility	10 500	800	1 050	1 300	1 550	1 800	2 000	2 000	<b>10 500</b>
<b>TOTAL OUTSIDE THE MFF CEILINGS</b>	<b>29 434</b>	<b>5 256</b>	<b>5 596</b>	<b>5 937</b>	<b>6 279</b>	<b>6 624</b>	<b>6 921</b>	<b>7 019</b>	<b>43 633</b>
<b>TOTAL MFF + OUTSIDE THE MFF CEILINGS</b>	<b>1 308 843</b>	<b>197 361</b>	<b>206 163</b>	<b>213 741</b>	<b>219 419</b>	<b>225 885</b>	<b>235 028</b>	<b>239 736</b>	<b>1 537 334</b>
as a percentage of GNI	1,14 %	1,32 %	1,34 %	1,35 %	1,34 %	1,34 %	1,35 %	1,33 %	<b>1,34 %</b>

### Annex III – MFF 2021-2027: breakdown per programme (2018 prices)

N.B.: For the purpose of comparison, the table follows the structure of the individual EU programmes as proposed by the Commission, without any prejudice to possible changes that may be requested during the legislative procedure leading to the adoption of these programmes.

(EUR million – 2018 prices)

	<b>2014-2020 MFF (EU27+EDF)</b>	<b>Commission proposal 2021-2027</b>	<b>Parliament position 2021-2027</b>
<b>I. Single Market, Innovation and Digital</b>	116 361	166 303	<b><u>216 010</u></b>
<b>1. Research and Innovation</b>	69 787	91 028	<b><u>127 537</u></b>
Horizon Europe	64 674	83 491	<b><u>120 000</u></b>
Euratom Research and Training Programme	2 119	2 129	2 129
International Thermonuclear Experimental Reactor (ITER)	2 992	5 406	5 406
Other	2	2	2
<b>2. European Strategic Investments</b>	31 886	44 375	<b><u>51 798</u></b>
InvestEU Fund	3 968	13 065	<b><u>14 065</u></b>
Connecting Europe Facility (total H1 contribution) <i>including:</i>	17 579	21 721	<b><u>28 083</u></b>
<i>Connecting Europe Facility – Transport</i>	<i>12 393</i>	<i>11 384</i>	<b><u>17 746</u></b>
<i>Connecting Europe Facility – Energy</i>	<i>4 185</i>	<i>7 675</i>	<i>7 675</i>
<i>Connecting Europe Facility – Digital</i>	<i>1 001</i>	<i>2 662</i>	<i>2 662</i>
Digital Europe Programme	172	8 192	8 192
Other	9 097	177	177
Decentralised agencies	1 069	1 220	<b><u>1 281</u></b>
<b>3. Single Market</b>	5 100	5 672	<b><u>8 423</u></b>
Single Market Programme (incl. COSME)	3 547	3 630	<b><u>5 823</u></b>
EU Anti-Fraud Programme	156	161	<b><u>322</u></b>
Cooperation in the field of taxation (FISCALIS)	226	239	<b><u>300</u></b>
Cooperation in the field of customs (CUSTOMS)	536	843	843
<b><u>Sustainable Tourism</u></b>			<b><u>300</u></b>
Other	61	87	87
Decentralised agencies	575	714	<b><u>748</u></b>
<b>4. Space</b>	11 502	14 404	<b><u>15 225</u></b>
European Space Programme	11 308	14 196	<b><u>15 017</u></b>
Decentralised agencies	194	208	208
Margin	-1 913	10 824	<b><u>13 026</u></b>
<b>II. Cohesion and Values</b>	387 250	391 974	<b><u>457 540</u></b>

<b>5. Regional Development and Cohesion</b>	272 647	242 209	<b><u>272 647</u></b>
ERDF + Cohesion Fund <i>including:</i>	272 411	241 996	<b><u>272 411</u></b>
<i>European Regional Development Fund</i>	196 564	200 622	
<i>Cohesion Fund</i>	75 848	41 374	
<i>Of which contribution to the Connecting Europe Facility – Transport</i>	11 487	10 000	
Support to the Turkish-Cypriot Community	236	213	<b><u>236</u></b>
<b>6. Economic and Monetary Union</b>	273	22 281	22 281
Reform Support Programme	185	22 181	22 181
Protection of the Euro Against Counterfeiting	7	7	7
Other	81	93	93
<b>7. Investing in People, Social Cohesion and Values</b>	115 729	123 466	<b><u>157 612</u></b>
European Social Fund+ <b><i>(including EUR 5.9 billion for a Child Guarantee)</i></b>	96 216	89 688	<b><u>106 781</u></b>
<i>Of which health, employment and social innovation</i>	1 075	1 042	<b><u>1 095</u></b>
Erasmus+	13 699	26 368	<b><u>41 097</u></b>
European Solidarity Corps	373	1 113	1 113
Creative Europe	1 403	1 642	<b><u>2 806</u></b>
Justice	316	271	<b><u>316</u></b>
Rights and values, <b><i>including at least EUR 500 million for a Union values strand</i></b>	594	570	<b><u>1 627</u></b>
Other	1 158	1 185	1 185
Decentralised agencies	1 971	2 629	<b><u>2 687</u></b>
Margin	-1 399	4 018	<b><u>4 999</u></b>
<b>III. Natural Resources and Environment</b>	399 608	336 623	<b><u>404 718</u></b>
<b>8. Agriculture and Maritime Policy</b>	390 155	330 724	<b><u>391 198</u></b>
EAGF + EAFRD <i>including:</i>	382 855	324 284	<b><u>383 255</u></b>
<i>European Agricultural Guarantee Fund (EAGF)</i>	286 143	254 247	
<i>European Agricultural Fund for Rural Development (EAFRD)</i>	96 712	70 037	
European Maritime and Fisheries Fund	6 243	5 448	<b><u>6 867</u></b>
Other	962	878	<b><u>962</u></b>
Decentralised agencies	95	113	113
<b>9. Environment and Climate Action</b>	3 492	5 085	<b><u>11 520</u></b>
Programme for Environment and Climate Action (LIFE)	3 221	4 828	<b><u>6 442</u></b>

<b><i>Just Energy Transition Fund</i></b>			<b><i>4 800</i></b>
Decentralised agencies	272	257	<b><i>278</i></b>
Margin	5 960	814	<b><i>1 999</i></b>
<b>IV. Migration and Border Management</b>	10 051	30 829	<b><i>32 194</i></b>
<b>10. Migration</b>	7 180	9 972	<b><i>10 314</i></b>
Asylum and Migration Fund	6 745	9 205	9 205
Decentralised agencies*	435	768	<b><i>1 109</i></b>
<b>11. Border Management</b>	5 492	18 824	<b><i>19 848</i></b>
Integrated Border Management Fund	2 773	8 237	8 237
Decentralised agencies*	2 720	10 587	<b><i>11 611</i></b>
Margin	-2 621	2 033	2 033
<b>V. Security and Defence</b>	1 964	24 323	<b><i>24 639</i></b>
<b>12. Security</b>	3 455	4 255	<b><i>4 571</i></b>
Internal Security Fund	1 200	2 210	2 210
Nuclear Decommissioning including:	1 359	1 045	<b><i>1 359</i></b>
<i>Nuclear Decommissioning (Lithuania)</i>	<i>459</i>	<i>490</i>	<b><i>692</i></b>
<i>Nuclear safety and decommissioning (incl. for Bulgaria and Slovakia)</i>	<i>900</i>	<i>555</i>	<b><i>667</i></b>
Decentralised agencies	896	1 001	<b><i>1 002</i></b>
<b>13. Defence</b>	575	17 220	17 220
European Defence Fund	575	11 453	11 453
Military Mobility	0	5 767	5 767
<b>14. Crisis Response</b>	1 222	1 242	1 242
Union Civil Protection Mechanism (rescEU)	560	1 242	1 242
Other	662	p.m.	p.m.
Margin	-3 289	1 606	1 606
<b>VI. Neighbourhood and the World</b>	96 295	108 929	<b><i>113 386</i></b>
<b>15. External Action</b>	85 313	93 150	<b><i>96 809</i></b>
<b><i>Instrument(s) in support of neighbourhood and development policies, including the EDF successor and an investment plan for Africa</i></b>	71 767	79 216	<b><i>82 716</i></b>
Humanitarian Aid	8 729	9 760	9 760
Common Foreign and Security Policy (CFSP)	2 101	2 649	2 649
Overseas Countries and Territories (including Greenland)	594	444	<b><i>594</i></b>
Other	801	949	949
Decentralised agencies	144	132	<b><i>141</i></b>
<b>16. Pre-accession assistance</b>	13 010	12 865	<b><i>13 010</i></b>
Pre-Accession Assistance	13 010	12 865	<b><i>13 010</i></b>
Margin	-2 027	2 913	<b><i>3 567</i></b>
<b>VII. European Public Administration</b>	70 791	75 602	75 602

European Schools and Pensions	14 047	17 055	17 055
Administrative expenditure of the institutions	56 744	58 547	58 547
<b>TOTAL</b>	1 082 320	1 134 583	<b><u>1 324 089</u></b>
<b>In % GNI (EU-27)</b>	1.16 %	1.11 %	<b><u>1.30 %</u></b>

\* The EP amount for decentralised agencies in clusters 10 and 11 includes the financial impact of the Commission proposals of 12 September 2018 on EASO and the European Border and Coast Guard.

#### Annex IV - MFF 2021-2027: breakdown per programme (current prices)

(EUR million – current prices)

	<b>2014-2020 MFF (EU27+EDF)</b>	<b>Commission proposal 2021-2027</b>	<b>Parliament position 2021-2027</b>
<b>I. Single Market, Innovation and Digital</b>	114 538	187 370	<b><u>243 395</u></b>
<b>1. Research and Innovation</b>	68 675	102 573	<b><u>143 721</u></b>
Horizon Europe	63 679	94 100	<b><u>135 248</u></b>
Euratom Research and Training Programme	2 085	2 400	2 400
International Thermonuclear Experimental Reactor (ITER)	2 910	6 070	6 070
Other	1	3	3
<b>2. European Strategic Investments</b>	31 439	49 973	<b><u>58 340</u></b>
InvestEU Fund	3 909	14 725	<b><u>15 852</u></b>
Connecting Europe Facility (total H1 contribution) <i>including:</i>	17 435	24 480	<b><u>31 651</u></b>
<i>Connecting Europe Facility – Transport</i>	12 281	12 830	<b><u>20 001</u></b>
<i>Connecting Europe Facility – Energy</i>	4 163	8 650	8 650
<i>Connecting Europe Facility – Digital</i>	991	3 000	3 000
Digital Europe Programme	169	9 194	9 194
Other	8 872	200	200
Decentralised agencies	1 053	1 374	<b><u>1 444</u></b>
<b>3. Single Market</b>	5 017	6 391	<b><u>9 494</u></b>
Single Market Programme (incl. COSME)	3 485	4 089	<b><u>6 563</u></b>
EU Anti-Fraud Programme	153	181	<b><u>363</u></b>
Cooperation in the field of taxation (FISCALIS)	222	270	<b><u>339</u></b>
Cooperation in the field of customs (CUSTOMS)	526	950	950
<b><u>Sustainable Tourism</u></b>			<b><u>338</u></b>
Other	59	98	98
Decentralised agencies	572	804	<b><u>843</u></b>
<b>4. Space</b>	11 274	16 235	<b><u>17 160</u></b>

European Space Programme	11 084	16 000	<u>16 925</u>
Decentralised agencies	190	235	235
Margin	-1 866	12 198	<u>14 680</u>
<b>II. Cohesion and Values</b>	380 738	442 412	<u>516 517</u>
<b>5. Regional Development and Cohesion</b>	268 218	273 240	<u>307 578</u>
ERDF + Cohesion Fund <i>including:</i>	267 987	273 000	<u>307 312</u>
<i>European Regional Development Fund</i>	<i>193 398</i>	<i>226 308</i>	
<i>Cohesion Fund</i>	<i>74 589</i>	<i>46 692</i>	
<i>Of which contribution to the Connecting Europe Facility – Transport</i>	<i>11 306</i>	<i>11 285</i>	
Support to the Turkish-Cypriot Community	231	240	<u>266</u>
<b>6. Economic and Monetary Union</b>	275	25 113	25 113
Reform Support Programme	188	25 000	25 000
Protection of the Euro Against Counterfeiting	7	8	8
Other	79	105	105
<b>7. Investing in People, Social Cohesion and Values</b>	113 636	139 530	<u>178 192</u>
European Social Fund+ <i>(including EUR 5.9 billion in 2018 prices for a Child Guarantee)</i>	94 382	101 174	<u>120 457</u>
<i>Of which health, employment and social innovation</i>	<i>1 055</i>	<i>1 174</i>	<u><i>1 234</i></u>
Erasmus+	13 536	30 000	<u>46 758</u>
European Solidarity Corps	378	1 260	1 260
Creative Europe	1 381	1 850	<u>3 162</u>
Justice		305	<u>356</u>
Rights and values, <i>including at least EUR 500 million in 2018 prices for a Union values strand</i>		642	<u>1 834</u>
Other	1 131	1 334	1 334
Decentralised agencies	1 936	2 965	<u>3 030</u>
Margin	-1 391	4 528	<u>5 634</u>
<b>III. Natural Resources and Environment</b>	391 849	378 920	<u>456 146</u>
<b>8. Agriculture and Maritime Policy</b>	382 608	372 264	<u>440 898</u>
EAGF + EAFRD <i>including:</i>	375 429	365 006	<u>431 946</u>
<i>European Agricultural Guarantee Fund (EAGF)</i>	<i>280 351</i>	<i>286 195</i>	
<i>European Agricultural Fund for Rural Development (EAFRD)</i>	<i>95 078</i>	<i>78 811</i>	
European Maritime and Fisheries Fund	6 139	6 140	<u>7 739</u>
Other	946	990	<u>1 085</u>

Decentralised agencies	94	128	128
<b>9. Environment and Climate Action</b>	3 437	5 739	<b><u>12 995</u></b>
Programme for Environment and Climate Action (LIFE)	3 170	5 450	<u>7 272</u>
<b><i>Just Energy Transition Fund</i></b>			<b><u>5 410</u></b>
Decentralised agencies	267	289	<u>313</u>
Margin	5 804	918	<u>2 254</u>
<b>IV. Migration and Border Management</b>	9 929	34 902	<b><u>36 448</u></b>
<b>10. Migration</b>	7 085	11 280	<b><u>11 665</u></b>
Asylum and Migration Fund	6 650	10 415	10 415
Decentralised agencies*	435	865	<u>1 250</u>
<b>11. Border Management</b>	5 439	21 331	<b><u>22 493</u></b>
Integrated Border Management Fund	2 734	9 318	9 318
Decentralised agencies*	2 704	12 013	<u>13 175</u>
Margin	-2 595	2 291	2 291
<b>V. Security and Defence</b>	1 941	27 515	<b><u>27 872</u></b>
<b>12. Security</b>	3 394	4 806	<b><u>5 162</u></b>
Internal Security Fund	1 179	2 500	2 500
Nuclear Decommissioning including:	1 334	1 178	<u>1 533</u>
<i>Nuclear Decommissioning (Lithuania)</i>	<i>451</i>	<i>552</i>	<i><u>780</u></i>
<i>Nuclear safety and decommissioning (incl. for Bulgaria and Slovakia)</i>	<i>883</i>	<i>626</i>	<i><u>753</u></i>
Decentralised agencies	882	1 128	<u>1 129</u>
<b>13. Defence</b>	590	19 500	19 500
European Defence Fund	590	13 000	13 000
Military Mobility	0	6 500	6 500
<b>14. Crisis Response</b>	1 209	1 400	1 400
Union Civil Protection Mechanism (rescEU)	561	1 400	1 400
Other	648	p.m.	p.m.
Margin	-3 253	1 809	1 809
<b>VI. Neighbourhood and the World</b>	93 381	123 002	<b><u>128 036</u></b>
<b>15. External Action</b>	82 569	105 219	<b><u>109 352</u></b>
<b><i>Instrument(s) in support of neighbourhood and development policies, including the EDF successor and an investment plan for Africa</i></b>	70 428	89 500	<b><u>93 454</u></b>
Humanitarian Aid	8 561	11 000	11 000
Common Foreign and Security Policy (CFSP)	2 066	3 000	3 000
Overseas Countries and Territories (including Greenland)	582	500	<b><u>669</u></b>
Other	790	1 070	1 070
Decentralised agencies	141	149	159
<b>16. Pre-accession assistance</b>	12 799	14 500	<b><u>14 663</u></b>

Pre-Accession Assistance	12 799	14 500	<b><u>14 663</u></b>
Margin	-1 987	3 283	<b><u>4 020</u></b>
<b>VII. European Public Administration</b>	69 584	85 287	85 287
European Schools and Pensions	13 823	19 259	19 259
Administrative expenditure of the institutions	55 761	66 028	66 028
<b>TOTAL</b>	1 061 960	1 279 408	<b><u>1 493 701</u></b>
<b>In % GNI (EU-27)</b>	1.16 %	1.11 %	<b><u>1.30 %</u></b>

\* The EP amount for decentralised agencies in clusters 10 and 11 includes the financial impact of the Commission proposals of 12 September 2018 on EASO and the European Border and Coast Guard.