

Update EU's long-term spending plan to cope with crises, urges Budgets Committee

The EU needs to update its long-term spending plan to cope with unforeseen crises such as mass migration, terrorism and youth unemployment, says the Budgets Committee in a resolution voted on Wednesday. The text is intended as an input to the forthcoming EU Commission's proposal to revise the EU's multiannual financial framework (MFF) for 2014-2020. The update should also tackle the recurring backlog of overdue EU payments, and look beyond 2020, add MEPs.

The MFF must be made more flexible to enable the EU to respond promptly to crises not anticipated at the time of its adoption, such as the migration and refugee crisis, terrorism and internal security issues, the crisis in agriculture or persistently high unemployment, especially among young people, say MEPs.

The MFF mid-term review, which the Commission must prepare before the end of 2016, should acknowledge that the MFF has been pushed to its limits over the past two years, and its size should match the challenges facing the EU say MEPs.

Unity of the budget and crisis reserve

MEPs note that the shortage of resources has forced the EU to set up ad hoc instruments financed jointly by the member states, the EU budget and the EU Development Fund (the Madad Trust Fund and the EU Emergency Trust Fund for Africa) and the Refugee Facility for Turkey.

They argue that this proliferation of instruments, in the absence of an overall budgetary strategy for dealing with crises, creates a problem of accountability and democratic control in the EU. They also deplore the fact that member states have so far largely failed to deliver their expected contributions to the trust funds, which undermines their success.

MEPs propose that a permanent EU crisis reserve should be created within the EU budget to avoid ad hoc solutions and the setting up of trust funds. This mechanism for responding to unforeseen events should operate as a new special instrument over and above the MFF ceilings, they say.

Own resources and payments backlog

MEPs voice strong support for the European Fund for Strategic Investment (EFSI), but stress that the EU should not finance new initiatives to the detriment of existing EU programmes and policies such as Horizon 2020. They also strongly favour pursuing the Youth Employment initiative (YEI). Similarly, if the European Development Fund or ad-hoc instruments are added to the EU budget, then the MFF will need to be revised, in order not to jeopardise the financing of other EU policies and programmes.

MEPs also call for the introduction of one or several new “own resources” a reformed VAT, a Financial Transaction Tax, a reformed EU Emissions Trading System and the phasing out of all forms of rebates.

They reiterate that payment appropriations are the consequence of past commitments and say that the mid-term revision of the MFF is an opportunity to prevent a recurring payments backlog by taking stock of payments implementation and providing a clear strategy to meet all payment needs.

Budgets Committee MEPs stressed that the changes agreed as part of the MFF mid-term review should be implemented without a delay and included in the budget for 2017. They also asked that, without prejudice to the outcome of future negotiations with the UK, the European Commission should “promptly” brief them on the budgetary implications of the Brexit vote.

Next steps

The committee text will be put to a vote by Parliament as a whole at the July plenary session.

Further information

[EP Think Tank: Mid-term review/revision of the MFF: Key issues at the outset of the debate](#)
[Procedure file:](#)

[Profile of the rapporteur: Jan Olbrycht \(EPP, PL\)](#)

[Profile of the rapporteur: Isabelle Thomas \(S&D, FR\)](#)

[Committee on Budgets](#)

Contacts

Dorota KOLINSKA

Press Officer

☎ (+32) 2 28 32787 (BXL)

☎ (+33) 3 881 76725 (STR)

☎ (+32) 498 98 32 80

🐦 @EP_Budgets

✉ budg-press@europarl.europa.eu
