European Parliament

2019-2024



Committee on Constitutional Affairs

2022/2046(INI)

21.10.2022

OPINION

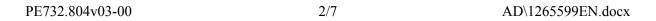
of the Committee on Constitutional Affairs

for the Committee on Budgets

on upscaling the 2021-2027 multiannual financial framework: a resilient EU budget fit for new challenges (2022/2046(INI))

Rapporteur for opinion: Loránt Vincze

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SUGGESTIONS

The Committee on Constitutional Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- 1. Recalls that, pursuant to Article 311 of the Treaty on the Functioning of the European Union (TFEU), 'the Union shall provide itself with the means necessary to attain its objectives and carry through its policies'; underlines the importance, therefore, of an adequate EU budget that serves EU citizens;
- 2. Underlines that the multiannual financial framework (MFF) should be flexible enough to enable an adequate EU response, both in quantitative and qualitative terms, to unforeseen challenges affecting all EU citizens; points out that the sudden emergence of severe Europe-wide crises, such as the pandemic and Russia's war of aggression against Ukraine, their detrimental economic spillovers and the unprecedented financial investment from the EU, has tested the MFF and underlined the need for it to be strengthened and managed in a more flexible, yet sustainable, manner; sees a need, therefore, for a comprehensive revision of the MFF and calls on the Commission to conduct an in-depth review of the functioning of the current MFF and to proceed with a legislative proposal for a comprehensive MFF revision as soon as possible, and no later than the first quarter of 2023;
- 3. Recalls that under the Interinstitutional Agreement of 16 December 2020¹, where a proposal for a new MFF or for a substantial revision has been presented, the institutions have committed to seeking to determine specific arrangements for cooperation and dialogue between them throughout the procedure leading to its adoption; reaffirms its commitment to the abovementioned agreement and expresses its readiness to engage with the other institutions to devise and implement ambitious and future-proof budget solutions;
- 4. Stresses that the EU budget relies too much on national contributions and that more genuine own resources are needed to increase and diversify the EU's revenue sources and support the Union's policy objectives in line with its political ambitions; invites the Commission to propose additional new own resources ahead of the deadline of the end of 2023 envisaged in the legally binding roadmap for the current MFF; stresses that the basket of new own resources must at least cover the expenditure related to the repayment of the European Recovery Instrument; reiterates the need for the rapid implementation of the new own resources schemes upon their adoption; points out that the introduction of new own resources considerably strengthens the fiscal capacity of the Union;
- 5. Recalls that the Conference on the Future of Europe has proposed strengthening the

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¹ Point 15 of the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources (OJ L 433 I, 22.12.2020, p. 28).

Union budget through new own resources² and that the European Parliament should decide on the Union budget as it is the right of parliaments at national level³; calls in that regard for the European Parliament to be more closely associated with the Commission and the Council in the process of adopting new own resources; underlines that closer involvement of the European Parliament would enhance democratic oversight over the revenue side of the budget;

- 6. Recalls the need to ensure better parliamentary scrutiny at EU level, in particular through the implementation of the joint declaration of the European Parliament, the Council and the Commission on budgetary scrutiny⁴, of new proposals on the basis of Article 122 TFEU with potential appreciable implications for the Union budget;
- 7. Recalls in this context the principle of budgetary unity and its vital importance for effective democratic oversight; insists that instruments outside the budget can only be temporary solutions to increase funding;
- 8. Takes note of the Commission's long overdue application of the Rule of Law Conditionality Regulation⁵ laying down the rules necessary for the protection of the Union budget in the case of breaches of the principles of the rule of law in the Member States which affect or seriously risk affecting the sound financial management of the Union budget or the protection of the financial interests of the Union in a sufficiently direct way; recalls the landmark judgments of the European Court of Justice with regard to the Regulation⁶; stresses the importance of precise obligations and calls on the Commission to strengthen its oversight of the milestones and targets to be met by Member States;
- 9. Reiterates its call for the abolition of all budgetary rebates and corrective mechanisms as soon as possible in order to ensure fair treatment and solidarity between Member States; invites the Commission to report beyond the existing narrow accounting approach of reporting Member States' net balances; further invites the Commission to set up additional new budget indicators focusing on the European added value stemming from participation in EU policies; stresses that decommitted appropriations should remain in the EU budget, and not be transferred back to Member States;
- 10. Reiterates its call for the activation of the *passerelle* clause provided for in Article 312(2) TFEU so as to allow the Council to adopt the MFF Regulation by qualified majority; recalls its proposals that the ordinary legislative procedure be applied for the adoption of the MFF Regulation;
- 11. Calls for an in-depth reflection on the duration of the MFF cycle, taking into account the principles of stability, flexibility and democratic legitimacy; points out that the alignment of the MFF cycle with the mandates of the European Parliament and of the

² Conference on the Future of Europe proposal 16.

³ Conference on the Future of Europe proposal 38.4, third bullet.

⁴ Point 2 of the joint declaration of the European Parliament, the Council and the Commission on budgetary scrutiny of new proposals based on Article 122 TFEU with potential appreciable implications for the Union budget (OJ C 444 I, 22.12.2020, p. 5).

⁵ Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433 I, 22.12.2020, p. 1).

⁶ Cases C-156/21, ECLI: EU:C:2022:97, and C-157/21, ECLI: EU:C:2022:98.

- Commission could contribute to the strengthening of the democratic debate on the EU's spending priorities as well as parliamentary scrutiny;
- 12. Reiterates that the Conference on the Future of Europe warrants a serious follow-up by the institutions; stresses that the Conference on the Future of Europe provided additional momentum for a revision of the current MFF; suggests that a reflection on the institutional dimension of the EU budget, including decision-making procedures, should be included among the topics of the European Convention, as requested by Parliament in its resolution of 9 June 2022⁷;
- 13. Emphasises its view that the discussion on EU institutional reform should include reflections on the budgetary architecture of the Union, the preservation of the community method and the need to ensure that Parliament is fully involved in the decision-making process; the discussion should also address ways to receive more structured feedback from citizens on their expectations for the spending priorities of the Union and to strengthen budgetary transparency and accountability, including on the issue of non-EU countries' financial contributions to the EU;
- 14. Calls for a discussion on how Article 311(3) TFEU should be amended so as to allow Parliament to give at least its consent in the process of adopting new own resources.

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⁷ European Parliament resolution of 9 June 2022 on the call for a Convention for the revision of the Treaties. Texts adopted, P9_TA(2022)0244.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	17.10.2022
Result of final vote	+: 22 -: 6 0: 0
Members present for the final vote	Gerolf Annemans, Gabriele Bischoff, Damian Boeselager, Włodzimierz Cimoszewicz, Gwendoline Delbos-Corfield, Salvatore De Meo, Pascal Durand, Daniel Freund, Sandro Gozi, Laura Huhtasaari, Zdzisław Krasnodębski, Victor Negrescu, Giuliano Pisapia, Paulo Rangel, Antonio Maria Rinaldi, Helmut Scholz, Sven Simon, László Trócsányi, Guy Verhofstadt, Loránt Vincze
Substitutes present for the final vote	Vladimír Bilčík, Nathalie Colin-Oesterlé, Alin Mituţa
Substitutes under Rule 209(7) present for the final vote	Isabel García Muñoz, Manolis Kefalogiannis, Petros Kokkalis, Nicola Procaccini, Nacho Sánchez Amor

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FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

22	+
PPE	Vladimír Bilčík, Nathalie Colin Oesterlé, Salvatore De Meo, Manolis Kefalogiannis, Paulo Rangel, Sven Simon, Loránt Vincze
Renew	Pascal Durand, Sandro Gozi, Alin Mituţa, Guy Verhofstadt
S&D	Gabriele Bischoff, Włodzimierz Cimoszewicz, Isabel García Muñoz, Victor Negrescu, Giuliano Pisapia, Nacho Sánchez Amor
The Left	Petros Kokkalis, Helmut Scholz
Verts/ALE	Damian Boeselager, Gwendoline Delbos Corfield, Daniel Freund

6	-
ECR	Zdzisław Krasnodębski, Nicola Procaccini
ID	Gerolf Annemans, Laura Huhtasaari, Antonio Maria Rinaldi
NI	László Trócsányi

0	0

Key to symbols: + : in favour - : against 0 : abstention