DRAFT 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))

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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. Points out that the sudden emergence of severe European-wide crises, such as the pandemic and Russia’s war of aggression against Ukraine, have tested the multiannual financial framework (MFF) and underlined the need for the MFF to be managed in a more flexible, yet sustainable, manner; therefore sees a need for the 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 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 2020\(^1\), 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;

4. Underlines the vital role played by the European Parliament in the preparation, review and scrutiny of the MFF; recalls that all elements of the MFF package must be implemented in accordance with the principle of mutual sincere cooperation, as laid down in Article 13(2) of the Treaty on European Union;

5. Invites the Commission to propose new own resources ahead of the timeline envisaged in the legally binding roadmap for the current MFF;

6. Recalls that the Conference on the Future of Europe has proposed strengthening the Union budget through new own resources\(^2\) and that the European Parliament should decide on the Union budget as it is the right of parliaments at national level\(^3\); 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;

7. 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 scrutiny\(^4\), of new proposals on the basis of

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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)

\(^2\) Conference on the Future of Europe proposal 16.

\(^3\) Conference on the Future of Europe proposal 39.4, 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
Article 122 TFEU with potential appreciable implications for the Union budget;

8. Welcomes the application by the Commission of the Rule of Law Conditionality Regulation\(^5\) 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;

9. Reiterates its call for the abolition of all budgetary rebates and corrective mechanisms as soon as possible in order to ensure fair treatment between Member States; invites the Commission to report beyond the existing narrow accounting approach of reporting Member States’ net balances and to set up additional new budget indicators focusing on the European added value stemming from participation in EU policies;

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; calls for Article 311(3) TFEU to be amended so as to allow the European Parliament to give its consent in the process of adopting new own resources.