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B7-0126/2013

MOTION FOR A RESOLUTION

to wind up the debate on statements by the Council and the Commission

pursuant to Rule 110(2) of the Rules of Procedure

on Multiannual Financial Framework and Own Resources
(2012/2803(RSP))

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on behalf of the ECR Group

B7-0126/2013

**European Parliament resolution on Multiannual Financial Framework and Own Resources
(2012/2803(RSP))**

The European Parliament,

- having regard to Articles 295, 310, 311, 312 and 317 of the Treaty on the Functioning of the European Union (TFEU),
 - having regard to Article 5 of the Treaty on European Union (TEU) and Protocol 1 to the Lisbon Treaty,
 - having regard to the political agreement reached by the conclusions of the European Council of 7-8th of February,
 - having regard to Rule 110(2) of its Rules of Procedure,
- A. whereas, pursuant to Article 312(2) of the TFEU, the Council, acting in accordance with a special legislative procedure, shall adopt a regulation laying down the Multiannual Financial Framework (MFF), acting unanimously, after obtaining the consent of Parliament;
- B. whereas, pursuant to Article 310(1) of the TFEU, all items of revenue and expenditure of the Union must be shown in the budget;
- C. whereas, pursuant to Article 295 of the TFEU, Parliament, the Council and the Commission shall consult each other and by common agreement make arrangements for their cooperation, and whereas, to this end, an interinstitutional agreement should be adopted to improve the functioning of the annual budgetary procedure and cooperation between the institutions on budgetary matters;
- D. whereas Article 312(5) of the TFEU calls on Parliament, the Council and the Commission to take any measure necessary to facilitate the adoption of the financial framework;
- E. whereas, pursuant to Article 311 of the TFEU, the Union must provide itself with the means necessary to attain its objectives and carry through its policies, and is to be financed wholly from own resources; whereas the Council is required to consult Parliament before it adopts a new decision on the reform of own resources and, furthermore, must obtain the consent of Parliament before adopting a regulation on measures to implement the own-resources system;
- F. whereas it is necessary for the EU to have both a budget and a budgetary procedure that fully reflect the transparent and democratic essence of the parliamentary decision-making and control process, on a basis of respect for the principles of unity and universality, which requires that all revenue and expenditure be entered in full with no adjustment against each other;

BACKGROUND

1. Is keenly aware that the negotiations on the MFF 2014-2020 are taking place in a very difficult economic context, in which Member States are engaging in considerable and ongoing efforts to make fiscal adjustments to their national budgets;
2. Recalls that the EU needs a modern budget and future-oriented investment, at both Member State and EU level; underlines, notwithstanding ongoing investment efforts, the long-term significance of the twin-track approach of growth-friendly fiscal consolidation, combining the reduction of public deficits and debt with the promotion of such investments;
3. Notes that gaining the full support from EU citizens in the context of current budgetary constraints is essential; stresses that the challenge facing the Union will not be to spend more, but to spend more efficiently, addressing real needs;

GENERAL CONSIDERATIONS

Ceilings

4. Accepts the political agreement reached on the overall MFF ceilings at the European Council of 7-8th February, which reflects a pragmatic and realistic response to difficult fiscal and economic conditions in all Member States;
5. Acknowledges that the MFF ceilings form only one aspect of future budgeting and that efficient and effective spending is equally – if not more – important; recalls, furthermore, that all EU spending must be targeted at those regions and Member States that need it most, in line with the principle of equality and solidarity between new and old Member States;

Unity of the budget

6. Welcomes the European Council's insistence that all spending items, with the exception of some flexibility instruments, remain within the MFF and below the agreed appropriation ceilings; notes that this arrangement guarantees the predictability, transparency and unity of funding in the MFF;

Better spending

7. Reiterates that achieving European added value and ensuring sound financial management – efficiency, effectiveness, economy – should, now more than ever, be guiding principles for the EU budget, all the while respecting the principle of subsidiarity as defined in Article 5 of the TEU and anchored in Protocol 1 to the Lisbon Treaty on the role of national parliaments in the European Union;
8. Demands that, in accordance with Articles 310(5) and 317 of the TFEU, the Member

States implement the budget in accordance with the principle of sound financial management; reminds the Member States of their legal obligation to ensure that appropriations entered in the budget are used in accordance with this principle, and that they must shoulder their share of responsibility for addressing with increasing urgency the shortcomings identified by the Court of Auditors;

Reste à liquider (RAL)

9. Is concerned by the rising level of RAL and recognises at the same time that the scale of these commitments, when carried into the next MFF, creates huge uncertainties with regard to Structural Fund payment levels, in particular for 2014 and 2015, when it is likely that a large proportion of the RAL will be paid out owing to the N+2 rule;
10. Underlines that the Member States need assurances with regard to the levels of Structural Cohesion Fund payments scheduled for the next MFF, both to anticipate actual contribution levels by year and to plan for the absorption of receipts;
11. Calls on the Commission to clarify fully the composition of RAL and to assess whether the current peak in RAL is primarily due to the economic crisis or whether it indicates wider structural problems; calls for more effective management of the budget so that the level of RAL is brought to a more sustainable level;

SPECIFIC CONSIDERATIONS

Duration

12. Notes the European Council's conclusion that the next MFF will have a duration of seven years; reiterates its position that it would be preferable to have a framework lasting no more than five years;
13. Insists, therefore, that future frameworks, starting 2020, have a duration of, at most, five years, allowing for greater flexibility and responsiveness to the changing economic and fiscal conditions of a constantly evolving global environment, as well as for a better alignment of the MFF period with the institutions' terms of office, thereby enhancing democratic accountability and responsibility;

Mid-term revision

14. Welcomes paragraph 11 of the European Council conclusions, and insists that any MFF agreed with Parliament contain a legally binding review clause that allows for a strategic analysis and reconsideration of spending priorities under already agreed ceiling levels, as well as permitting the EU budget to respond more effectively to changing circumstances; points out that that this would provide an opportunity for a newly elected Parliament and a new Commission to assess the priorities for their respective mandate periods; suggests the following timetable for such a strategic review:

- following the European elections and subsequent consultation with the Member

States and the new Parliament, and at latest by June 2015, the Commission should present a strategic review of the appropriate funding for each of the proposed instruments, programmes and funds, accompanied, where appropriate, by relevant proposals;

- following internal procedures, and in line with relevant Treaty provisions, the Council and Parliament should reach a joint position on any Commission proposals by, at the latest, 30 March 2016;
- subject to agreement by both Parliament and the Council, the strategic review should take effect for the years 2017-20;

The need for a more flexible MFF

15. Considers, in view of the macroeconomic environment and the challenges posed by a rapidly evolving world economy, that a smaller budget demands increased flexibility both across headings and between financial years;

16. Indicates that it would only be willing to give its consent once it has received sufficient guarantees of an appropriately flexible budgetary architecture that allows the Union to address changing circumstances and priorities in a proper manner while respecting already agreed ceilings;

Own resources

17. Notes the Council's unanimous agreement, as per Treaty prerogatives, on the revenue side of the budget; notes, in this regard, that Parliament – while exercising no legal rights beyond consultation concerning the Council regulation laying down the provisions relating to the system of own resources – will be called on, in line with Article 311 of the TFEU, to give its consent to a Council regulation laying down implementing measures;

18. Expresses its firm commitment to finding a speedy agreement with Council in this area, in line with relevant Treaty provisions;

INTERINSTITUTIONAL NEGOTIATIONS

19. Recalls that, pursuant to Article 312(2) of the TFEU, the Council, acting in accordance with a special legislative procedure, shall adopt a regulation laying down the MFF after obtaining the consent of Parliament, which shall be given by a majority of its component members; urges, therefore, the institutions to find a mutually beneficial *modus operandi*, with a view to ensuring that the institutions avoid a potentially damaging and unnecessary budgetary crisis; points, in this regard, to the importance of adhering to Article 312(5) of the TFEU, which imposes on the institutions the need to 'take any measure necessary to facilitate its adoption';

20. Emphasises that this will be the first time an MFF regulation is adopted under the new provisions of the Treaty of Lisbon, which entail new cooperation arrangements among the

institutions that combine efficient decision-making and respect for their respective prerogatives, as defined in the TFEU;

21. Expresses its willingness to enter into substantial negotiations with Council, in accordance with Article 312(2) of the TFEU, with a view to ensuring its consent and a speedy adoption of both an MFF regulation and an interinstitutional agreement that provide a stable and predictable legal base for the sectoral spending programmes;
22. Stresses that the current negotiations between Council and Parliament on the legislative proposals relating to the multiannual programmes shall be pursued under the ordinary legislative procedure; instructs the specialised committees to enter into negotiations with their respective Council formations;
23. Underlines that failure to agree to an MFF would undermine the core logic of medium-term programming, which seeks to provide a stable legal and budgetary framework for large programmes, the implementation of which occurs over a number of years; points out that such an eventuality is not in the interests of any of the institutions, nor – most importantly – of the recipients of EU programmes in the Member States;
24. Instructs its President to forward this resolution to the European Council, the Council, the Commission and the national parliaments and governments of the Member States, as well as to other institutions and bodies concerned.