19.11.2020

Mr Antonio Tajani
Chair
Committee on Constitutional Affairs
BRUSSELS


Dear Mr Chair,

Under the procedure referred to above, the Committee on Budgets has been asked to submit an opinion to your committee.

Between 27 August and 10 November 2020, on the basis of Commission proposals and of the positions expressed by Parliament and the Council, the Committee on Budgets’ negotiating team on the MFF and the Own Resources has negotiated with representatives of the Council and the Commission a new interinstitutional agreement in the budgetary field as part of a package covering the Multiannual Financial Framework 2021-2027, the Own Resources and the EU’s Recovery Instrument - Next Generation EU. This interinstitutional agreement is hereby submitted to you with a view to its approval by Parliament.

Given the urgency of the matter, the BUDG coordinators decided via written procedure on Monday 16 November to send the opinion in the form of a letter.
The Committee on Budgets considered the matter at its voting session of 19 November 2020. At that voting session, it decided to call on the Committee on Constitutional Affairs, as the committee responsible, to approve the conclusion of the interinstitutional agreement in question, and to incorporate the following suggestions into its motion for a resolution.

Yours sincerely,

Johan Van Overtveldt

COPY:
Members of the MFF/OR negotiating team:
Jan OLBRYCHT, MFF co-rapporteur
Margarida MARQUES, MFF co-rapporteur
José Manuel FERNANDES, OR co-rapporteur
Valérie HAYER, OR co-rapporteur
Rasmus ANDRESEN, Member

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1 The following were present for the final vote: Janusz Lewandowski (Vice-Chair), Olivier Chastel (Vice-Chair), Niclas Herbst (Vice-Chair), Margarida Marques (Vice-Chair/ co-rapporteur for opinion), Jan Olbrycht (co-rapporteur for opinion), Rasmus Andresen, Robert Biedron, Anna Bonfrisco, Lefteris Christoforou, David Cormand, Paolo De Castro, José Manuel Fernandes, Eider Gardiazabal Rubial, Gheorghe Vlad, Valentino Grant, Elisabetta Gualmini, Francisco Guerreiro, Valérie Hayer, Eero Heinäläuoma, Monika Hohlmeier, Mislav Kolakušić, Moritz Körner, Zbigniew Kuźmiuk, Hélène Laporte, Pierre Larroueturou, Silvia Modig, Siegfried Mureșan, Victor Negrescu, Andrey Novakov, Dimitrios Papadimoulis, Karlo Ressler, Bogdan Rzońca, Nicolae Ștefănuță, Nils Torvalds, Nils Ušakovs, Rainer Wieland, Angelika Winzig.
SUGGESTIONS

A. Whereas an overall political agreement was reached on 10 November 2020 between representatives of the European Parliament, the Council and the Commission on the Multiannual Financial Framework (MFF) for 2021-2027, Own resources and Recovery Instrument; whereas such political agreement includes a renewed interinstitutional agreement on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap for the introduction of new own resources (“the IIA”);

B. Whereas the IIA contains for the first time provisions on the own resources, namely a new Annex setting out a roadmap towards the introduction of new own resources over the period of the multiannual financial framework 2021-2027 that are sufficient to cover the interests and repayment costs of the Recovery Instrument (Next Generation EU), and which revenues in excess of the needs for repayment shall continue to fund the Union budget as general revenue in line with the principle of universality;

C. Whereas the IIA contains a new part on cooperation as regards the Recovery Instrument / Next Generation EU (NGEU) that aims to ensure an appropriate involvement of the budgetary authority in the governance of external assigned revenue under NGEU; whereas such part refers to a new Joint declaration on budgetary scrutiny of new proposals based on Article 122 TFEU with potential appreciable implications for the Union budget;

D. Whereas the IIA contains significant improvements when it comes to the design and implementation of methodologies for tracking the 30% climate spending target, for developing a new MFF biodiversity spending target of 7.5% from 2024 and 10% in 2026 and 2027, and for measuring gender expenditure, including the promotion of gender mainstreaming;

E. Whereas the IIA contains a new part on the quality and comparability of data on beneficiaries aiming at the introduction of standardised measures to collect, compare and aggregate information and figures on the final beneficiaries of Union funding;

F. Whereas the IIA is understood as horizontal in application and does not preclude the co-legislators from agreeing, within the scope of a specific regulation, to further measures to improve the quality and comparability of data, particularly in regards to programs of direct management, or to further improve the involvement of the budgetary authority in the governance of external assigned revenue;

G. Whereas the IIA includes for the first time provisions related to cooperation and dialogue during the negotiation of the MFF, aimed at operationalising the Treaty requirements to take any measure necessary to facilitate the adoption of an MFF and to promote consultation and the reconciliation of positions in budgetary matters;

H. Whereas the new IIA, finally, secures existing provisions on the mobilisation of special instruments and further targeted adjustments on the transparency of programming and forecasts;
1. Approves the conclusion of the agreement.