



2018/0166R(APP)

26.9.2018

DRAFT INTERIM REPORT

on the proposal for a Council regulation on the Multiannual Financial Framework 2021-2027 – Parliament's position with a view to an agreement (COM(2018)0322 – C8-0000/2018 – 2018/0166R(APP))

Committee on Budgets

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**on the proposal for a Council regulation on the Multiannual Financial Framework 2021-2027 – Parliament's position with a view to an agreement
(COM(2018)0322 – C8-0000/2018 – 2018/0166R(APP))**

The European Parliament,

- having regard to Articles 311, 312 and 323 of the Treaty on the Functioning of the European Union,
- having regard to the Commission communication of 2 May 2018 entitled 'A Modern Budget for a Union that Protects, Empowers and Defends – The Multiannual Financial Framework for 2021-2027' (COM(2018)0321),
- having regard to the Commission proposals of 2 May 2018 on the multiannual financial framework (MFF) for the years 2021 to 2027 and the system of own resources of the European Union (OR),
- having regard to the Commission proposal of 2 May 2018 for a regulation of the European Parliament and of the Council on the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States (COM(2018)0324),
- having regard to its resolutions of 14 March 2018 on the next MFF: preparing the Parliament's position on the MFF post-2020 and on reform of the European Union's system of own resources¹,
- having regard to its resolution of 30 May 2018 on the on the 2021-2027 multiannual financial framework and own resources²,
- having regard to Rule 99(5) of its Rules of Procedure,
- having regard to the report of the Committee on Budgets and the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on International Trade, the Committee on Budgetary Control, the Committee on the Environment, Public Health and Food Safety, the Committee on Industry, Research and Energy, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Agriculture and Rural Development, the Committee on Culture and Education, the Committee on Constitutional Affairs and the Committee on Women's Rights and Gender Equality (A8-0000/2018),

A. whereas, pursuant to Article 311 TFEU, the Union must provide itself with the means to attain its objectives and carry through its policies;

¹ Texts adopted, P8_TA(2018)0075.

² Texts adopted, P8_TA(2018)0226.

- B. whereas the current multiannual financial framework (MFF) 2014-2020 was established, for the first time, at a lower level than its predecessor both in commitment and payment appropriations; whereas the late adoption of the MFF and the sectorial legislative acts impacted very negatively on the implementation of the new programmes;
- C. whereas the MFF quickly proved its inadequacy in responding to a series of crises and new political challenges that were not anticipated at the time of adoption; whereas, for the purpose of securing the necessary funding, the MFF was pushed to its limits including an unprecedented recourse to the flexibility provisions and special instruments, after exhausting the available margins; whereas high-priority EU programmes on research and infrastructures were even cut just two years after their adoption;
- D. whereas the MFF mid-term revision launched at the end of 2016 was proven to be imperative in broadening the potential of existing flexibility provisions, while falling short of revising the MFF ceilings; whereas this revision was assessed positively by both the Parliament and the Council;
- E. whereas the establishment of the new MFF will be a critical moment for the Union of 27, as it will provide for the possibility to endorse a common vision and decide on the future political priorities as well as the ability of the Union to deliver them; whereas the Commission presented on 2 May 2018 a set of legislative proposals on the 2021-2027 MFF and the EU own resources, followed by legislative proposals for the setting up of new EU programmes and instruments;
1. Stresses that the 2021-2027 MFF must guarantee the Union's ability and responsibility to meet emerging needs and challenges and attain its political priorities and objectives; points to the serious problems linked to the underfinancing of the 2014-2020 MFF and declares the necessity to avoid a repetition of previous mistakes by securing from the outset a strong, ambitious and credible EU budget for the benefit of the citizens over the next seven-year period;
 2. Considers that the Commission proposals on the 2021-2027 MFF and the Union's own resources system represent the starting point for the upcoming negotiations; expresses its position on those proposals, in anticipation of Council's negotiating mandate that is not yet available;
 3. Underlines that the Commission proposal regarding the global level of the next MFF set at 1,11 % of the EU-27 GNI (1,08% after deducting the European Development Fund), represents, in terms of GNI percentage, a reduction in real terms compared to the current MFF; considers that this proposal will not allow the Union to deliver on its political commitments and respond to important challenges ahead and, therefore, cannot be accepted as such;
 4. Declares, moreover, its opposition to any reduction in the level of key EU policies, such as the EU cohesion policy and the common agricultural policy (CAP); is particularly opposed to any radical cuts that will adversely impact on the very nature and objectives of these policies, such as the cuts proposed for the Cohesion Fund or for the European Agricultural Fund for Rural Development; opposes, in this context, the proposal to reduce

the European Social Fund despite its enlarged scope and the integration of the Youth Employment Initiative;

5. Underlines, furthermore, the importance of the horizontal principles that should underpin the MFF and all related EU policies; reaffirms, in this context, its position that the EU must deliver on its commitment to be a frontrunner in implementing the UN Sustainable Development Goals (SDGs) and deplores the lack of a clear and visible commitment to that end in the MFF proposals; requests, therefore, the mainstreaming of the SDGs into all EU policies and initiatives of the next MFF; further emphasises that the elimination of discrimination is vital to fulfil the EU's commitments towards an inclusive Europe and deplores the lack of gender mainstreaming and gender equality commitments in EU policies, as presented in the MFF proposals; underlines also its position that, following the Paris Agreement, climate-related spending should be significantly increased in comparison with the current MFF and reach 30 % as soon as possible and at the latest by 2027;
6. Is conscious of the serious challenges that the Union is facing and fully assumes its responsibility in securing, in a timely manner, a budget that is commensurate to the needs, expectations and concerns of EU citizens; stands ready to enter immediately into negotiations with the Council, in order to improve the Commission proposals and build a more ambitious MFF;
7. Recalls that Parliament's position is already clearly set out in its resolutions of 14 March 2018 and 30 May 2018, which constitute its political mandate for the 2021-2027 MFF and own resources; recalls that these resolutions were adopted with very large majorities, which demonstrate Parliament's unity and readiness for the upcoming negotiations;
8. Expects, therefore, that the MFF will be placed at the top of Council's political agenda and regrets that no tangible progress is observed so far; believes that the regular meetings between the successive Council presidencies and Parliament's negotiating team should intensify and pave the way to official negotiations; expects that a good agreement is reached before the 2019 European Parliament elections, in order to avoid the serious setbacks for the launch of the new programmes due to the late adoption of the financial framework, as experienced in the past; underlines that this timetable does not prevent the newly elected European Parliament from adjusting the 2021-2027 MFF during the mandatory mid-term revision;
9. Recalls that revenue and expenditure should be treated as a single package in the upcoming negotiations; stresses, therefore, that no agreement can be reached on the future MFF without corresponding progress being made on the new Union's own resources;
10. Stresses that all elements of the MFF/OR package, and notably the MFF figures, should remain on the negotiating table until a final agreement is reached; recalls, in this respect, Parliament's critical stance on the procedure leading to the adoption of the current MFF Regulation and the dominant role that the European Council assumed in this process by deciding irrevocably on a number of elements, including the MFF ceilings and several sectoral policy-related provisions;

11. Adopts the present resolution with the purpose of outlining its negotiating position on every aspect of the Commission proposals, including concrete amendments both to the proposed MFF Regulation and the Interinstitutional Agreement (IIA); presents, furthermore, a table with figures for each EU policy and programme, corresponding to Parliament's positions already adopted in previous MFF resolutions; stresses that these figures will also be part of the mandate of Parliament for the upcoming legislative negotiations leading to the adoption of the EU programmes for the period 2021-2027;

A. MFF-RELATED REQUESTS

12. Requests, therefore, that the Council takes due account of the following positions of Parliament in the interest of achieving a positive outcome of the 2021-2027 MFF negotiations and acquiring Parliament's consent in accordance with Article 312 TFEU;

Figures

13. Reconfirms its formal position that the level of the 2021-2027 MFF should be set at EUR 1 324,1 billion in 2018 prices, representing 1,3 % of the EU-27 GNI, in order to ensure the necessary level of funding for key EU policies that will enable them to fulfil their mission and objectives;
14. Calls, in this context, for the following level of funding to be secured¹ and for the relevant commitment and payment ceilings to be adjusted accordingly, as set out in Annex 1 of the present resolution:
 - i. Increase the budget for research and innovation to reach EUR 120 billion in 2018 prices;
 - ii. Increase the level of funding for transport infrastructure through the Connecting Europe Facility programme (CEF-Transport);
 - iii. Double the specific funding for SMEs (under the current COSME programme);
 - iv. Further reinforce the European Space Programme;
 - v. Maintain the financing of the EU cohesion policy for the EU-27 at the level of the 2014-2020 budget in real terms;
 - vi. Double the resources for tackling youth unemployment (under the current Youth Employment Initiative programme);
 - vii. Introduce a specific allocation (EUR 5.5 billion) for Child Guarantee;
 - viii. Triple the current budget for the Erasmus+ programme;
 - ix. Increase the current funding for Creative Europe programme;
 - x. Maintain the financing of the common agricultural policy (CAP) for the EU-27 at the level of the 2014-2020 budget in real terms;
 - xi. Reinstate the initial amount of the agricultural reserve;

¹ The order reflects the MFF structure, as proposed by the Commission, and corresponds to the detailed table (annex II)

- xii. Reinforce by 10% the level of the European Maritime and Fisheries Fund, in accordance with its new mission on blue economy;
 - xiii. Double the current funding for Life+ programme;
 - xiv. Introduce a specific allocation (EUR 4 billion) for a new Energy transition fund;
 - xv. Reinstate at least the 2020 level for all agencies;
 - xvi. Maintain the level of 2014-2020 funding for several EU programmes (e.g. Justice, Rights and Values), for which the Commission proposal represents a reduction in real terms;
 - xvii. Reinforce the instrument(s) in support of neighbourhood and development policies (EUR 3 billion) to further contribute to the financing of an investment plan for Africa;
 - xviii. Subject to the abovementioned changes, the financial envelopes of all other programmes should be set at the level proposed by the Commission.
15. Intends to secure a sufficient level of funding on the basis of the Commission proposal for “Migration and Border Management” (heading 4) and “Security and Defence” including civil protection (heading 5); reaffirms its longstanding position that additional political priorities should be coupled with additional financial means, in order not to undermine existing policies and programmes and their financing under the new MFF;
16. Intends to defend the Commission proposal on securing a sufficient level of funding for a strong, efficient and high-quality European public administration at the service of all Europeans; recalls that, during the current MFF, the EU institutions have implemented a 5% reduction in staff and believes that they should not be subject to any further reduction that would jeopardise directly the delivery of Union policies;
17. Presents, on this basis, a table in Annex II of the present resolution setting out the exact figures proposed for each EU policy and programme; states that, for the purpose of comparison, it intends to keep the structure of the individual EU programmes as proposed by the Commission, without any prejudice to possible changes that may be requested during the legislative procedure leading to the adoption of these programmes;

Mid-term Revision

18. Underlines the need to maintain an MFF mid-term revision, building on the positive precedent set in the current framework, and calls for:
- i. A compulsory and legally binding mid-term revision, following a review of the functioning of the MFF;
 - ii. The relevant Commission proposal to be presented in time for the next Parliament and Commission to conduct a meaningful adjustment of the 2021-2027 framework, and no later than 1 January 2023;
 - iii. The pre-allocated national envelopes not to be reduced through this revision.

Flexibility

19. Welcomes the Commission proposals on flexibility that represent a good basis for the negotiations; strongly supports the clear provision that both commitment and payment appropriations deriving from the use of special instruments should be entered in the budget over and above the relevant MFF ceilings, as well as the removal of any capping to the adjustments flowing from the global margin for payments; calls for a number of additional improvements to be introduced, inter alia the following:
- i. The replenishment of the Union Reserve with an amount equivalent to the revenue resulting from fines and penalties;
 - ii. The immediate re-use of decommitments made during year n-2, including those resulting from commitments made in the current MFF;
 - iii. The lapsed amounts of special instruments to be made available for all special instruments, and not just the Flexibility Instrument;
 - iv. A higher allocation for the Flexibility Instrument, the Emergency Aid Reserve, the EU Solidarity Fund, and the Contingency Margin, the latter without a compulsory offsetting.

Duration

20. Underlines the need for MFF's duration to move progressively towards a 5+5 period with a mandatory mid-term revision; accepts that the next MFF should be set for a period of seven years by way of a transitional solution to be applied for one last time; expects that the modalities linked to the implementation of a 5+5 framework are endorsed at the time of the mid-term revision of the 2021-2027 MFF;

Structure

21. Accepts the overall structure of seven MFF headings, as proposed by the Commission, which largely corresponds to Parliament's own proposal; considers that this structure provides for greater transparency, improves the visibility of EU expenditure, while maintaining the necessary degree of flexibility; agrees, moreover, with the creation of "programme clusters" that are expected to lead to a significant simplification and rationalisation of the EU budget structure and its clear alignment with the MFF headings;
22. Notes that the Commission proposes to reduce the number of EU programmes by more than a third; reserves the right to determine Parliament's position with regard to the structure and composition of the 37 new programmes in the examination of the relevant sectorial legislative acts; expects, in any case, that the proposed budget nomenclature will reflect all different components of each programme, in a way that guarantees transparency and provides the level of information required for the budgetary authority to establish the annual budget;

Unity of the budget

23. Welcomes the proposed integration of the European Development Fund into the Union budget, which responds to a long-standing demand of Parliament for all off-budget instruments; recalls that the principle of unity, whereby all items of revenue and

expenditure of the Union are shown in the budget, is both a Treaty requirement and a basic democratic precondition;

24. Challenges, therefore, the logic and justification of establishing instruments outside the budget that prevents parliamentary oversight of public finances and transparency of decision-making; considers that decisions to set-up such instruments bypass Parliament in its triple responsibility as legislative, budgetary and control authority;
25. Stresses that the MFF ceilings should not obstruct the financing through the Union budget of the policy objectives of the Union; expects, therefore, that an upwards revision of the MFF ceilings will be ensured whenever it is necessary for the financing of new policy objectives, without having recourse to intergovernmental financing methods;

B. LEGISLATIVE ISSUES

Rule of Law

26. Stresses the importance of the new sanction mechanism whereby Member States that do not respect the values enshrined in Article 2 of the Treaty on European Union (TEU) shall be subject to financial consequences; warns, however, that final beneficiaries of the Union budget shall in no way be affected by the disregarding from their government towards fundamental rights and the rule of law; therefore underlines that measures shall not affect the obligation of government entities or of Member States to make payments to final beneficiaries or recipients;

Review clauses

27. Points out that detailed and effective review clauses should be included in the individual MFF programmes and instruments, in order to ensure that meaningful assessments of them are carried out and that Parliament is subsequently fully involved in any decisions taken on necessary adaptations;

Delegated acts

28. Stresses that, in line with its previous position on this issue, Parliament, as a co-legislator, must play a role in the further elaboration of programmes; considers that measures such as objectives and priorities, financial allocations in broad terms, eligibility, selection and award criteria, conditions, definitions, and calculation methods can entail important policy choices and should therefore be included in the basic act or, failing that, be adopted by delegated acts; takes the view, in this context, that multiannual and/or annual work programmes should in general be adopted by delegated acts;

Legislative proposals required

29. Calls on the Commission to present the relevant legislative proposals on top of those which it has already tabled, to be decided on under the ordinary legislative procedure; requests, in particular, a proposal for a Regulation establishing an energy transition fund; requests, furthermore, the introduction of the European Child Guarantee in the ESF+, a

revision of the Regulation establishing the European Union Solidarity Fund and of the Regulation concerning humanitarian aid; considers that a revision of the Financial Regulation should also be proposed when the need arises as a result of the MFF negotiations;

C. OWN RESOURCES

30. Stresses that the current system of own resources is highly complex, unfair and non-transparent; calls again for a simplified system that will be more understandable for the EU citizens;
31. Welcomes, in this context, as an important step towards a more ambitious reform, the Commission's set of proposals adopted on 2 May 2018 on a new system of own resources;
32. Supports the suggested modernisation of existing own resources, which implies:
 - maintaining the customs duties as traditional own resources for the EU, whilst decreasing the percentage Member States retain as "collection cost";
 - simplifying the Value Added Tax- based own resource, i.e. introducing a uniform call rate without exceptions;
 - maintaining the GNI-based own resource, with the objective of reducing, to less than 60%, its share in the financing of the EU budget, while preserving its balancing function;
33. Takes positive note, in parallel, of the Commission proposal to gradually introduce a basket of new own resources which, without increasing the fiscal burden for citizens, would correspond to two strategic objectives of the EU, the European added value of which is evident and irreplaceable:
 - the proper functioning, the consolidation and the strengthening of the single market in particular by the implementation of a common consolidated corporate tax base (CCCTB);
 - the fight against climate change and the acceleration of energy transition, through measures such as a share of the emission trading scheme income and a contribution based on the quantity of non-recycled plastic packing;
34. Requests the extension of the list of potential new own resources, that could include a share of a digital tax, to be presented in the years to come, as well as further consideration of the Financial Transaction Tax;
35. Approves strongly the suppression of all rebates and other correction mechanisms, accompanied, should the need arise, by a limited period of phasing out;
36. Calls on the introduction of other revenue of which the allocation to the EU budget cannot be put into question:

- fees linked to the implementation of mechanisms in direct relation with the EU, such as the ETIAS system;
 - fines paid by companies for breaching the Union's rules or fines for late payments of contributions;
 - Seigniorage, for the purpose of financing a new investment stabilisation mechanism;
37. Points to the need to maintain the credibility of the EU budget vis-à-vis the financial markets which implies an increase of the own resources ceilings;

D. MODIFICATIONS TO THE PROPOSAL FOR A REGULATION LAYING DOWN THE 2021-2027 MFF

38. Takes the view that the proposal for a Council Regulation laying down the multiannual financial framework for the years 2021 to 2027 should be modified as follows:

Modification 1

Proposal for a regulation Recital 1

Text proposed by the Commission

(1) Taking into account the need for an adequate level of predictability for preparing and implementing medium-term investments, the duration of ***the*** Multiannual Financial Framework (MFF) should be set at seven years starting on 1 January 2021.

Modification

(1) Taking into account the need for an adequate level of predictability for preparing and implementing medium-term investments ***as well as the need for democratic legitimacy and accountability***, the duration of ***this*** Multiannual Financial Framework (MFF) should be set at seven years starting on 1 January 2021 ***with a view to moving subsequently to a five-plus-five-years period that would be aligned with the political cycle of the European Parliament and the Commission.***

Or. en

Modification 2

Proposal for a regulation Recital 2

Text proposed by the Commission

(2) The annual ceilings on commitments appropriations by category of expenditure and **the** annual ceilings on payment appropriations **established by the MFF must respect the applicable ceilings for commitments and own resources, which are set in accordance with the Council Decision on the system of own resources of the European Union adopted in accordance with the third paragraph of Article 311 TFEU.**

Modification

(2) The **MFF should establish** annual ceilings on commitments appropriations by category of expenditure and annual ceilings on payment appropriations **so as to ensure that Union expenditure develops in an orderly manner and within the limits of its own resources, while also ensuring the Union can provide itself with the means necessary to attain its objectives and carry through its policies in accordance with the first paragraph of Article 311 of the Treaty on the Functioning of the European Union (TFEU), and can honour its obligations to third parties in accordance with Article 323 TFEU.**

Or. en

Modification 3

Proposal for a regulation Recital 3

Text proposed by the Commission

(3) If it is necessary to mobilise the guarantees given under the general budget of the Union for financial assistance to Member States authorised in accordance with Article [208(1)] of Regulation No EU [xxx/201x] of the European Parliament and of the Council ('the Financial Regulation'), the necessary amount should be mobilised over and above the ceilings of the commitments and payments appropriations of the MFF, **while respecting the** own resources ceiling.

Modification

(3) If it is necessary to mobilise the guarantees given under the general budget of the Union for financial assistance to Member States authorised in accordance with Article [208(1)] of Regulation No EU [xxx/201x] of the European Parliament and of the Council ('the Financial Regulation'), the necessary amount should be mobilised over and above the ceilings of the commitments and payments appropriations of the MFF, **and should therefore be taken into account when setting any** own resources ceiling.

Modification 4

Proposal for a regulation

Recital 4

Text proposed by the Commission

(4) ***The MFF should not take account of budget items financed by assigned revenue within the meaning of the Financial Regulation.***

Modification

(4) Assigned revenue ***financing budget items*** within the meaning of the Financial Regulation ***should not be counted against the MFF ceilings but all available information should be displayed in full transparency during the procedure of adoption of the annual budget and during its implementation.***

Or. en

Modification 5

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) ***Specific and maximum possible*** flexibility should be ***implemented to allow*** the Union ***to*** fulfil its obligations in compliance with Article 323 of the ***Treaty on the Functioning of the European Union*** (TFEU).

Modification

(6) ***Maximum flexibility should be ensured within the MFF, in particular to guarantee that*** the Union ***can*** fulfil its obligations in compliance with ***Article 311 and*** Article 323 of the TFEU.

Or. en

Modification 6

Proposal for a regulation

Recital 7

Text proposed by the Commission

(7) The following special instruments are necessary to allow the Union to react to specified unforeseen circumstances, or to allow the financing of clearly identified expenditure which cannot be financed within the limits of the ceilings available for one or more headings as laid down in the MFF ***in order to allow the budget*** procedure to run smoothly: the European Globalisation Adjustment Fund, the European Union Solidarity Fund, the Emergency Aid Reserve, the Global Margin for Commitments (Union Reserve), the Flexibility Instrument and the Contingency Margin. ***The Emergency Aid Reserve is not aimed at addressing the consequences of market related crises affecting the agricultural production or distribution.*** Specific provision should therefore be made for the possibility to enter commitment and corresponding payment appropriations into the budget over and above the ceilings set out in the MFF where it is necessary to use special instruments.

Modification

(7) The following special instruments are necessary to allow the Union to react to specified unforeseen circumstances, or to allow the financing of clearly identified expenditure which cannot be financed within the limits of the ceilings available for one or more headings as laid down in the MFF, ***thereby allowing the annual budgetary*** procedure to run smoothly: the European Globalisation Adjustment Fund, the European Union Solidarity Fund, the Emergency Aid Reserve, the Global Margin for Commitments (Union Reserve ***for Commitments***), the Flexibility Instrument and the Contingency Margin. Specific provision should therefore be made for the possibility to enter commitment and corresponding payment appropriations into the budget over and above the ceilings set out in the MFF where it is necessary to use special instruments.

Or. en

Modification 7

Proposal for a regulation
Recital 7 a (new)

Text proposed by the Commission

Modification

(7 a) In particular, while the Union and its Member States should make every effort to ensure that commitments authorised by the budgetary authority are effectively implemented for their original purpose, it should be possible to mobilise commitment appropriations that are not executed or that are decommitted through

the Union Reserve for Commitments, provided that this is not a way for beneficiaries to circumvent the relevant decommitment rules.

Or. en

Modification 8

Proposal for a regulation Recital 9

Text proposed by the Commission

(9) Rules should be laid down for other situations that may require the MFF to be adjusted. Those adjustments may be related to the delayed adoption of new rules or programmes under shared management, or to *measures linked to sound economic governance or to the protection of the Union's budget in the case of generalised deficiencies as regards the rule of law in the Member States adopted* in accordance with the relevant basic acts.

Modification

(9) Rules should be laid down for other situations that may require the MFF to be adjusted. Those adjustments may be related to the delayed adoption of new rules or programmes under shared management, or to *the suspension of budgetary commitments* in accordance with the relevant basic acts.

Or. en

Modification 9

Proposal for a regulation Recital 10

Text proposed by the Commission

(10) *It is necessary to carry-out* a review of the functioning of the MFF *at mid-term of its implementation. The results of this review should be taken into account in any revision of this Regulation for the remaining years of the MFF.*

Modification

(10) *In order to take into account new policies and priorities, the MFF should be revised at mid-term on the basis of* a review of the functioning *and implementation* of the MFF *which should also contain a report setting out the methods for the practical implementation of a five-plus-five-years financial*

framework.

Or. en

Modification 10

Proposal for a regulation Recital 10 a (new)

Text proposed by the Commission

Modification

(10 a) In order to fulfill the Union's commitment to be a frontrunner in implementing the UN Sustainable Development Goals (SDGs) including gender equality, the MFF revision shall be prepared taking into account progress made in its implementation into all EU policies and initiatives of the 2021-2027 MFF, measured on the basis of performance indicators elaborated by the Commission; the MFF revision shall also be prepared taking into account progress made in achieving the 30% climate-related spending target, to be achieved as soon as possible and at the latest by 2027, also measured on the basis of performance indicators;

Or. en

Modification 11

Proposal for a regulation Recital 12 a (new)

Text proposed by the Commission

Modification

(12 a) All expenditure at Union level dedicated to the implementation of Union policies based on the Treaties is expenditure of the Union for the purposes of Article 310(1) TFEU, and should

therefore be entered in the budget of the Union in accordance with the budgetary procedure laid down in Article 314 TFEU, thus ensuring respect for the fundamental principles of democratic representation of citizens in decision-making, parliamentary oversight of the public finances and transparency of decision-making. The MFF ceilings may not obstruct the financing through the Union budget of the policy objectives of the Union. It is therefore necessary to provide for an upwards revision of the MFF whenever this is needed to facilitate the financing of Union policies, in particular new policy objectives, without having recourse to intergovernmental or quasi-intergovernmental financing methods.

Or. en

Modification 12

Proposal for a regulation Recital 14

Text proposed by the Commission

(14) It is necessary to provide for general rules on interinstitutional cooperation in the budgetary procedure.

Modification

(14) It is necessary to provide for general rules on **transparency and** interinstitutional cooperation in the budgetary procedure, **so as to ensure that budgetary decisions are taken as openly as possible and as closely as possible to the citizen, as required by Article 10(3) TEU, and that the budgetary procedure runs smoothly, as foreseen in Article 312(3) TFEU, second paragraph;**

Or. en

Modification 13

Proposal for a regulation Recital 15

Text proposed by the Commission

(15) The Commission should present a proposal for a new multiannual financial framework before 1 July 2025, to enable the institutions to adopt it sufficiently in advance of the start of the subsequent multiannual financial framework. In accordance with Article 312(4) TFEU the ceilings corresponding to the last year set out in this Regulation are to continue to apply in the event that a new financial framework is not adopted before the end of the term of the MFF laid down in this Regulation.

Modification

(15) The Commission should present a proposal for a new multiannual financial framework before 1 July 2025, to ***take into account the renewal of the European Parliament and the Commission, and*** enable the institutions to adopt it sufficiently in advance of the start of the subsequent multiannual financial framework. In accordance with Article 312(4) TFEU the ceilings corresponding to the last year set out in this Regulation are to continue to apply in the event that a new financial framework is not adopted before the end of the term of the MFF laid down in this Regulation.

Or. en

Modification 14

Proposal for a regulation Chapter 1 – article 3 – title

Text proposed by the Commission

Respect of own resources ***ceiling***

Modification

Relationship to own resources

Or. en

Modification 15

Proposal for a regulation Chapter 1 – article 3 – paragraph 4

Text proposed by the Commission

4. For each of the years covered by the MFF, the total appropriations for payments required, after annual adjustment and taking account of any other adjustments and revisions as well as the application of paragraphs 2 and 3 of Article 2, may not be such as to produce a call-in rate for own resources that exceeds the own resources ***ceiling set in accordance with the Council decision on the system of own resources of the European Union adopted in accordance with the third paragraph of Article 311 TFEU ('Own Resources Decision') in force.***

Modification

4. For each of the years covered by the MFF, the total appropriations for payments required, after annual adjustment and taking account of any other adjustments and revisions as well as the application of paragraphs 2 and 3 of Article 2, may not be such as to produce a call-in rate for own resources that exceeds the ***limits of the Union's own resources, without prejudice to the obligation of the Union to provide itself with the means necessary to attain its objectives and carry through its policies in accordance with the first paragraph of Article 311 TFEU, and the obligation of the institutions to ensure that the financial means are made available to allow the Union to fulfil its legal obligations in respect of third parties in accordance with Article 323 TFEU.***

Or. en

Modification 16

**Proposal for a regulation
Chapter 1 – article 3 – paragraph 5**

Text proposed by the Commission

5. ***Where necessary, the ceilings set in the MFF shall be lowered in order to ensure compliance with the own resources ceiling set in accordance with the Own Resources Decision in force.***

Modification

deleted

Or. en

Modification 17

Proposal for a regulation

Chapter 2 – article 5 – paragraph 4

Text proposed by the Commission

4. Without prejudice to Article 6, 7 and 8, no further technical adjustments shall be made in respect of the year concerned, either during the year or as ex post corrections during subsequent years.

Modification

deleted

Or. en

Modification 18

Proposal for a regulation

Chapter 2 – article 7 – title

Text proposed by the Commission

Adjustments related to measures linked to sound economic governance or to the protection of the Union's budget in the case of generalised deficiencies as regards the rule of law in the Member States

Modification

Adjustments related to the suspension of budgetary commitments

Or. en

Modification 19

Proposal for a regulation

Chapter 2 – article 7

Text proposed by the Commission

In the case of the lifting, in accordance with the relevant basic acts, of a suspension of budgetary commitments **concerning Union funds in the context of measures linked to sound economic governance or to the protection of the**

Modification

In the case of the lifting, in accordance with the relevant basic acts, of a suspension of budgetary commitments, the corresponding **amounts** shall be transferred to the following years and the corresponding ceilings of the MFF shall be

Union's budget in the case of generalised deficiencies as regards the rule of law in the Member States, the amounts corresponding to the suspended commitments shall be transferred to the following years and the corresponding ceilings of the MFF shall be adjusted accordingly. Suspended commitments of year n may not be entered in the budget beyond year n+2.

adjusted accordingly. Suspended commitments of year n may not be entered in the budget beyond year n+2. ***As from year n+3, an amount equivalent to the suspended commitments shall be entered in the Union Reserve for Commitments provided in Article 12.***

Or. en

Modification 20

Proposal for a regulation Chapter 3 – article 10 – paragraph 1

Text proposed by the Commission

1. The European Union Solidarity Fund, ***the objectives and scope of which are set out in Council Regulation (EC) No 2012/2002***, shall not exceed a maximum annual amount of EUR **600** million (2018 prices). On 1 October of each year, at least one quarter of that annual amount shall remain available in order to cover needs arising until the end of that year. The portion of the annual amount not used in year n may be used up to year n+1. The portion of the annual amount stemming from the previous year shall be drawn on first. That portion of the annual amount from year n which is not used in year n+1 shall lapse.

Modification

1. The European Union Solidarity Fund ***is intended to allow financial assistance in the event of major disasters occurring on the territory of a Member State or of a candidate country, as defined in the relevant basic act***, and shall not exceed a maximum annual amount of EUR **1 000** million (2018 prices). On 1 October of each year, at least one quarter of that annual amount shall remain available in order to cover needs arising until the end of that year. The portion of the annual amount not used in year n may be used up to year n+1. The portion of the annual amount stemming from the previous year shall be drawn on first. That portion of the annual amount from year n which is not used in year n+1 shall lapse.

Or. en

Modification 21

Proposal for a regulation

Chapter 3 – article 10 – paragraph 1 a (new)

Text proposed by the Commission

Modification

1a. The appropriations for the European Union Solidarity Fund shall be entered in the general budget of the Union as a provision.

Or. en

Modification 22

Proposal for a regulation

Chapter 3 – article 11 – paragraph 2

Text proposed by the Commission

Modification

2. The annual amount of the Reserve is fixed at EUR **600** million (2018 prices) and may be used up to year n+1 in accordance with the Financial Regulation. The Reserve shall be entered in the general budget of the Union as a provision. The portion of the annual amount stemming from the previous year shall be drawn on first. That portion of the annual amount from year n which is not used in year n+1 shall lapse. By 1 October of each year, at least **one quarter** of the annual amount for year n shall remain available to cover needs arising until the end of that year. No more than half of the amount available until 30 September each year may be mobilised for, respectively, internal or external operations. As of 1 October, the remaining part of the amount available may be mobilised either for internal or external operations to cover needs arising until the end of that year.

2. The annual amount of the ***Emergency Aid*** Reserve is fixed at EUR ***1 000*** million (2018 prices) and may be used up to year n+1 in accordance with the Financial Regulation. The Reserve shall be entered in the general budget of the Union as a provision. The portion of the annual amount stemming from the previous year shall be drawn on first. That portion of the annual amount from year n which is not used in year n+1 shall lapse. By 1 October of each year, at least ***EUR 150 million (2018 prices)*** of the annual amount for year n shall remain available to cover needs arising until the end of that year. No more than half of the amount available until 30 September each year may be mobilised for, respectively, internal or external operations. As of 1 October, the remaining part of the amount available may be mobilised either for internal or external operations to cover needs arising until the end of that year.

Modification 23**Proposal for a regulation
Chapter 3 – article 12 – title***Text proposed by the Commission*

Global Margin for Commitments (Union Reserve)

Modification

*Global Margin for Commitments (Union Reserve **for Commitments**)*

Modification 24**Proposal for a regulation
Chapter 3 – article 12 – paragraph 1***Text proposed by the Commission*

1. The Global Margin for Commitments (Union Reserve), to be made available over and above the ceilings established in the MFF for the years **2022** to 2027, shall comprise the following:

(a) margins left available below the MFF ceilings for commitments of **year n-1**;

(b) as of 2023, in addition to the margins referred to in point (a), an amount equivalent to de-commitments of appropriations made during year n-2, without prejudice to Article [15] of the Financial Regulation.

Modification

1. The Global Margin for Commitments (Union Reserve **for Commitments**), to be made available over and above the ceilings established in the MFF for the years **2021** to 2027, shall comprise the following:

(a) margins left available below the MFF ceilings for commitments of **previous years**;

(a a) unexecuted commitment appropriations of year n-1;

(b) an amount equivalent to de-commitments of appropriations made during year n-2, without prejudice to Article [15] of the Financial Regulation;

(b a) an amount equivalent to the amount of suspended commitments of year n-3 that may no longer be entered in the budget pursuant to Article 7;

(b aa) an amount equivalent to the amount of revenue resulting from fines and penalties.

Modification 25

Proposal for a regulation Chapter 3 – article 12 – paragraph 2

Text proposed by the Commission

2. The Global Margin for Commitments (Union Reserve) or part thereof may be mobilised by the European Parliament and the Council in the framework of the budgetary procedure provided for in Article 314 TFEU.

Modification

2. The Global Margin for Commitments (Union Reserve ***for Commitments***) or part thereof may be mobilised by the European Parliament and the Council in the framework of the budgetary procedure provided for in Article 314 TFEU.
Margins of year n may be mobilised for the year n+1 through the Union Reserve for Commitments provided it does not conflict with pending or planned amending budgets.

Or. en

Modification 26

Proposal for a regulation Chapter 3 – article 12 – paragraph 3 a (new)

Text proposed by the Commission

Modification

3. ***At the end of 2027, amounts that remain available under the Union Reserve for Commitments shall be carried over to the next MFF up to 2030.***

Or. en

Modification 27

Proposal for a regulation Chapter 3 – article 13 – paragraph 1

Text proposed by the Commission

The Flexibility Instrument may be used for the financing, for a given financial year, of clearly identified expenditure which could not be financed within the limits of the ceilings available for one or more other headings. Subject to the second subparagraph, the ceiling of the annual amount available for the Flexibility Instrument is set at EUR **1 000** million (2018 prices).

Modification

The Flexibility Instrument may be used for the financing, for a given financial year, of clearly identified expenditure which could not be financed within the limits of the ceilings available for one or more other headings ***or within the European Globalisation Adjustment Fund, the European Union Solidarity Fund and the Emergency Aid Reserve***. Subject to the second subparagraph, the ceiling of the annual amount available for the Flexibility Instrument is set at EUR **2 000** million (2018 prices).

Or. en

Modification 28

**Proposal for a regulation
Chapter 3 – article 14 – paragraph 1**

Text proposed by the Commission

1. A Contingency Margin of up to **0.03** % of the Gross National Income of the Union shall be constituted outside the ceilings of the MFF, as a last resort instrument to react to unforeseen circumstances. It may be mobilised only in relation to an amending or annual budget.

Modification

1. A Contingency Margin of up to **0.05** % of the Gross National Income of the Union shall be constituted outside the ceilings of the MFF, as a last resort instrument to react to unforeseen circumstances. It may be mobilised only in relation to an amending or annual budget. ***It may be mobilised for both commitment and payment appropriations, or for payment appropriations only.***

Or. en

Modification 29

**Proposal for a regulation
Chapter 3 – article 14 – paragraph 2**

Text proposed by the Commission

Modification

2. Recourse to the Contingency Margin shall not exceed, at any given year, the maximum amount provided in the annual technical adjustment of the MFF, ***and shall be consistent with the own resources ceiling.***

2. Recourse to the Contingency Margin shall not exceed, at any given year, the maximum amount provided in the annual technical adjustment of the MFF.

Or. en

Modification 30

Proposal for a regulation

Chapter 3 – article 14 – paragraph 3

Text proposed by the Commission

Modification

3. ***Amounts made available through the mobilisation of the Contingency Margin shall be fully offset against the margins in one or more MFF headings for the current or future financial years. The amounts offset in accordance with paragraph 3 shall not be further mobilised in the context of the MFF. Recourse to the Contingency Margin shall not result in exceeding the total ceilings of commitment and payment appropriations laid down in the MFF for the current and future financial years.***

deleted

Or. en

Modification 31

Proposal for a regulation

Chapter 4 – title

Text proposed by the Commission

Modification

Review and Revision ***of the MFF***

Revisions

Modification 32

Proposal for a regulation

Chapter 4 – article 15 – paragraph 1

Text proposed by the Commission

1. Without prejudice to Article 3(2) and Articles 16 to 20 and 24, ***in the event of unforeseen circumstances, the MFF may be revised in compliance with the own resources ceiling set in accordance with the Own Resources Decision in force.***

Modification

1. Without prejudice to Article 3(2) and Articles 16 to 20 and 24, ***the relevant MFF ceilings shall be revised upwards in the event that this is necessary to facilitate the financing of Union policies, in particular new policy objectives, in circumstances where it would otherwise be necessary to establish additional intergovernmental or quasi-intergovernmental financing methods that would circumvent the budgetary procedure laid down in Article 314 TFEU.***

Or. en

Modification 33

Proposal for a regulation

Chapter 4 – article 15 – paragraph 3

Text proposed by the Commission

3. ***Any proposal for revision of the MFF in accordance with paragraph 1 shall examine the scope for reallocating expenditure between the programmes covered by the heading concerned by the revision, with particular reference to any expected under-utilisation of appropriations.***

Modification

deleted

Or. en

Modification 34

Proposal for a regulation Chapter 4 – article 16 – title

Text proposed by the Commission

Mid-term *review* of the MFF

Modification

Mid-term *revision* of the MFF

Or. en

Modification 35

Proposal for a regulation Chapter 4 – article 16

Text proposed by the Commission

Before 1 January **2024**, the Commission shall present a review of the functioning of the MFF. *This review shall, as appropriate, be accompanied by relevant proposals.*

Modification

Before 1 January **2023**, the Commission shall present *a legislative proposal for the revision of this Regulation in accordance with the procedures set out in the TFEU based on* a review of the functioning of the MFF. *Without prejudice to Article 6 of this Regulation, preallocated national envelopes shall not be reduced through such a revision.*

The proposal shall be prepared taking into account an assessment of progress towards the 30% climate-related spending target and the mainstreaming of the UN Sustainable Development Goals, including gender equality.

Or. en

Modification 36

Proposal for a regulation Chapter 4 – article 17

Text proposed by the Commission

When notifying the European Parliament and the Council of the results of the technical adjustments to the MFF, the Commission shall, ***where appropriate***, submit any proposal to revise the total appropriations for payments which it considers necessary, in the light of implementation, to ensure a sound management of the yearly payments ceilings, and in particular their orderly progression in relation to the appropriations for commitments.

Modification

When notifying the European Parliament and the Council of the results of the technical adjustments to the MFF, ***or when the ceilings for payments may prevent the Union from honouring its legal commitments***, the Commission shall submit any proposal to revise the total appropriations for payments which it considers necessary, in the light of implementation, to ensure a sound management of the yearly payments ceilings, and in particular their orderly progression in relation to the appropriations for commitments.

Or. en

Modification 37

**Proposal for a regulation
Chapter 5 – article 21 – paragraph 1**

Text proposed by the Commission

1. A maximum amount of EUR ***14 196 million*** (in 2018 prices) shall be available from the general budget of the Union for the period 2021 to 2027 ***for the large scale projects under [Regulation XXXX/XX of the European Parliament and the Council - Space Programme]***.

Modification

1. A maximum amount of EUR ***8 606 245 580*** (in 2018 prices) shall be available ***for the European satellite navigation programmes (EGNOS and Galileo)*** from the general budget of the Union for the period 2021 to 2027.

Or. en

Modification 38

**Proposal for a regulation
Chapter 5 – article 21 – paragraph 1 a (new)**

Text proposed by the Commission

Modification

1 a. A maximum amount of EUR 5 146 002 510 (in 2018 prices) shall be available for Copernicus (the European Earth Observation Programme) from the general budget of the Union for the period 2021 to 2027.

Or. en

Modification 39

Proposal for a regulation

Chapter 5 – article 21 – paragraph 2 a (new)

Text proposed by the Commission

Modification

2a. Should additional financing needs from the Union budget arise for the abovementioned large scale projects, the Commission shall propose to revise the MFF ceilings accordingly.

Or. en

Modification 40

Proposal for a regulation

Chapter 6 – title

Text proposed by the Commission

Modification

Interinstitutional cooperation in the budgetary procedure

Transparency and interinstitutional cooperation in the budgetary procedure

Or. en

Modification 41

Proposal for a regulation Chapter 6 – article 22

Text proposed by the Commission

*Interinstitutional cooperation in the
budgetary procedure*

Modification

Transparency and interinstitutional
cooperation in the budgetary procedure

Or. en

Modification 42

Proposal for a regulation Chapter 6 – article 22 – paragraph 5 a (new)

Text proposed by the Commission

Modification

***The European Parliament and the
Council shall both be represented by
members of both institutions when
meetings are held at political level.***

Or. en

Modification 43

Proposal for a regulation Chapter 6 – article 22 – paragraph 6 a (new)

Text proposed by the Commission

Modification

***The European Parliament and the
Council shall meet in public when
deliberating and voting on the draft
budget.***

Or. en

Modification 44

Proposal for a regulation Chapter 6 – article 23

Text proposed by the Commission

All expenditure and revenue of the Union and Euratom shall be included in the general budget of the Union in accordance with Article **[7] of the *Financial Regulation***, including expenditure resulting from any relevant decision taken unanimously by the Council after consulting the European Parliament, in the framework of Article 332 TFEU.

Modification

All expenditure and revenue of the Union and Euratom shall be included in the general budget of the Union in accordance with Article **310(1) TFEU**, including expenditure resulting from any relevant decision taken unanimously by the Council after consulting the European Parliament, in the framework of Article 332 TFEU.

Or. en

Modification 45

Proposal for a regulation Chapter 7 – article 24

Text proposed by the Commission

Before 1 July 2025, the Commission shall present a proposal for a new multiannual financial framework.

Modification

Before 1 January 2023, together with its proposals for the mid-term revision, the Commission shall present a report setting out the methods for the practical implementation of a five-plus-five years financial framework.

Before 1 July 2025, the Commission shall present a proposal for a new multiannual financial framework.

If no Council regulation determining a new multiannual financial framework has been adopted before 31 December 2027, the ceilings and other provisions corresponding to the last year of the MFF shall be extended until a regulation determining a new financial framework is adopted. If a new Member State accedes

to the Union after 2020, the extended financial framework shall, if necessary, be revised in order to take the accession into account.

Or. en

E. MODIFICATIONS TO THE PROPOSAL FOR AN INTERINSTITUTIONAL AGREEMENT

39. Stresses that, as a result of the negotiation and adoption of a new MFF Regulation, the proposal for an Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management should be modified as follows:

Modification 46

Proposal for an Interinstitutional Agreement

Part 1

Section A – point 6 a (new)

Text proposed by the Commission

Modification

6 a *Information relating to operations not included in the general budget of the Union and to the foreseeable development of the various categories of the Union's own resources is set out, by way of indication, in separate tables. That information shall be updated annually together with the documents accompanying the draft budget.*

Or. en

Modification 47

Proposal for an Interinstitutional Agreement

Part 1

Section A – point 7

Text proposed by the Commission

Modification

7. The institutions shall, for the purposes of sound financial management, ensure as far as possible during the budgetary procedure and at the time of the

7. The institutions shall, for the purposes of sound financial management, ensure as far as possible during the budgetary procedure and at the time of the

budget's adoption that sufficient **margins** are left available beneath the ceilings for the various headings of the MFF.

budget's adoption that sufficient **amounts** are left available **within the margins** beneath the ceilings for the various headings of the MFF **or within the available special instruments**.

Or. en

Modification 48

Proposal for an Interinstitutional Agreement Part 1 Section A – point 8

Text proposed by the Commission

*Updating of forecasts for payment appropriations **after 2027***

8. **In 2024**, the Commission shall update the forecasts for payment appropriations after 2027. That update shall take into account all relevant information, including the real implementation of budget appropriations for commitments and budget appropriations for payments, as well as the implementation forecasts. It shall also consider the rules designed to ensure that payment appropriations develop in an orderly manner compared to commitment appropriations and the growth forecasts of the Union's Gross National Income.

Modification

Updating of forecasts for payment appropriations

8. **Every year**, the Commission shall update the forecasts for payment appropriations **until and** after 2027. That update shall take into account all relevant information, including the real implementation of budget appropriations for commitments and budget appropriations for payments, as well as the implementation forecasts. It shall also consider the rules designed to ensure that payment appropriations develop in an orderly manner compared to commitment appropriations and the growth forecasts of the Union's Gross National Income.

Or. en

Modification 49

Proposal for an Interinstitutional Agreement Part 1 Section B – point 9

Text proposed by the Commission

9. When the conditions for mobilising the European Globalisation Adjustment Fund, as set out in the relevant basic act, are met, the Commission shall **submit** to the European Parliament and the Council a proposal for a transfer to the relevant budgetary lines.

Modification

9. When the conditions for mobilising the European Globalisation Adjustment Fund, as set out in the relevant basic act, are met, the Commission shall **make a proposal to mobilise it. The decision to mobilise the Globalisation Adjustment Fund shall be taken jointly by the European Parliament and the Council.**

At the same time as it presents its proposal for a decision to mobilise the Globalisation Adjustment Fund, the Commission shall present to the European Parliament and the Council a proposal for a transfer to the relevant budgetary lines.

In the event of disagreement, the matter shall be addressed at the next budget trilogue.

Transfers related to the Globalisation Adjustment Fund shall be made in accordance with the Financial Regulation.

Or. en

Modification 50

Proposal for an Interinstitutional Agreement

Part 1

Section B – point 10

Text proposed by the Commission

10. When the conditions for mobilising the European Union Solidarity Fund as set out in the relevant basic act are met, the Commission shall make a proposal ***for the appropriate budgetary instrument in accordance with the Financial Regulation.***

Modification

10. When the conditions for mobilising the European Union Solidarity Fund as set out in the relevant basic act are met, the Commission shall make a proposal ***to mobilise it. The decision to mobilise the Solidarity Fund shall be taken jointly by the European Parliament and the Council.***

At the same time as it presents its proposal for a decision to mobilise the Solidarity Fund, the Commission shall present to the

European Parliament and the Council a proposal for a transfer to the relevant budgetary lines.

In the event of disagreement, the matter shall be addressed at the next budget trilogue.

Transfers related to the Solidarity Fund shall be made in accordance with the Financial Regulation.

Or. en

Modification 51

Proposal for an Interinstitutional Agreement Part 1

Section B – point 11

Text proposed by the Commission

11. When the Commission considers that the Emergency Aid Reserve needs to be called on, it shall present to the European Parliament and the Council a proposal for a transfer from the Reserve to the corresponding budgetary lines in accordance with the Financial Regulation.

Modification

11. When the Commission considers that the Emergency Aid Reserve needs to be called on, it shall present to the European Parliament and the Council a proposal for a transfer from the Reserve to the corresponding budgetary lines in accordance with the Financial Regulation.

In the event of disagreement, the matter shall be addressed at the next budget trilogue.

Or. en

Modification 52

Proposal for an Interinstitutional Agreement Part 1

Section B – point 12

Text proposed by the Commission

Flexibility Instrument

Modification

Flexibility Instrument

12. The Commission shall make a proposal for the mobilisation of the Flexibility Instrument after it has ***examined all possibilities for re-allocating appropriations under the heading requiring additional expenditure.***

The proposal shall identify the needs to be covered and the amount. ***Such a proposal may be made in relation to a draft budget or draft amending budget.***

The Flexibility Instrument may be mobilised by the European Parliament and the Council in the framework of the budgetary procedure set out in Article 314 TFEU.

12. The Commission shall make a proposal for the mobilisation of the Flexibility Instrument after it has ***exhausted the margins of the relevant headings.***

The proposal shall identify the needs to be covered and the amount.

The Flexibility Instrument may be mobilised by the European Parliament and the Council in the framework of the budgetary procedure set out in Article 314 TFEU.

Or. en

Modification 53

Proposal for an Interinstitutional Agreement Part 1

Section B – point 13

Text proposed by the Commission

13. The mobilisation of the Contingency Margin, or part thereof, shall be proposed by the Commission after a thorough analysis of all other financial possibilities. ***Such a proposal may be made in relation to a draft budget or draft amending budget.***

The Contingency Margin may be mobilised by the European Parliament and the Council in the framework of the budgetary procedure set out in Article 314 TFEU.

Modification

13. The mobilisation of the Contingency Margin, or part thereof, shall be proposed by the Commission after a thorough analysis of all other financial possibilities.

The Contingency Margin may be mobilised by the European Parliament and the Council in the framework of the budgetary procedure set out in Article 314 TFEU.

Or. en

Modification 54

Proposal for an Interinstitutional Agreement

Part 1

Section B – point 14 a (new)

Text proposed by the Commission

Modification

14 a. In order to facilitate the adoption of a new MFF or a revision thereof, and to give effect to Article 312(5) TFEU, the institutions shall enter into regular meetings, namely:

- Meetings of the Presidents as set out in Article 324 of the Treaty;**
- Briefings and debriefings of a delegation of the European Parliament by the Council presidency before and after relevant Council meetings;**
- Informal trilateral meetings in the course of the Council proceedings aimed at taking account of Parliament's views in any document produced by the Council presidency;**
- Trilogues once both Parliament and the Council are provided with negotiating mandates;**
- Mutual appearance by the Council presidency in the relevant parliamentary committee and of the Parliament's negotiating team in the relevant Council formation.**

Or. en

Modification 55

Proposal for an Interinstitutional Agreement

Part 1

Section B – point 15 - indent 2

Text proposed by the Commission

Modification

- the revenue, expenditure, assets and liabilities of the European Development

- the revenue, expenditure, assets and liabilities of the European Development

Fund (EDF), the European Financial Stability Facility (EFSF), the European Stability Mechanism (ESM), and other possible future mechanisms,

Fund (EDF), the European Financial Stability Facility (EFSF), the European Stability Mechanism (ESM), and other possible future mechanisms ***which are not financed through the Union budget but which exist to support Union policy objectives deriving from the Treaties,***

Or. en

Modification 56

Proposal for an Interinstitutional Agreement Part 1

Section B – point 15 a (new)

Text proposed by the Commission

Modification

15 a. When adopting autonomous transfers pursuant to Article 30(1) of the Financial Regulation, the Commission shall immediately inform the budgetary authority of the detailed grounds for such transfers. When Parliament or the Council express a reservation on an autonomous transfer, the Commission shall address such reservation including, if appropriate, by reversing this transfer.

Or. en

Modification 57

Proposal for an Interinstitutional Agreement Part 3

Section A – point 24 a (new)

Text proposed by the Commission

Modification

24 a. When, in the framework of the budgetary procedure, the budgetary authority decides on specific reinforcements, the Commission shall not offset any of them in the subsequent years of its financial programming, unless

specifically instructed by the former.

Or. en

Modification 58

Proposal for an Interinstitutional Agreement

Annex

Part A - point 1 a (new)

Text proposed by the Commission

Modification

1 a. Each institution undertakes to refrain from transmitting to the other institutions any non-urgent budgetary positions, transfers or other notifications entailing the activation of deadlines during their recess periods, so as to ensure that each institution is able to duly exercise its procedural prerogatives.

The services of the institutions shall inform each other in due time of the dates of recess of their respective institutions.

Or. en

Modification 59

Proposal for an Interinstitutional Agreement

Annex

Part B - point 2

Text proposed by the Commission

Modification

2. In due time before the adoption of the draft budget by the Commission, a trilogue shall be convened to discuss the possible priorities for the budget of the coming financial year.

2. In due time before the adoption of the draft budget by the Commission, a trilogue shall be convened to discuss the possible priorities for the budget of the coming financial year ***and questions arising from the implementation of the budget of the ongoing financial year.***

Or. en

Modification 60

Proposal for an Interinstitutional Agreement

Annex

Part D - point 12 a (new)

Text proposed by the Commission

Modification

12 a. The European Parliament and the Council shall meet in public when deliberating and voting on the draft budget.

Or. en

Modification 61

Proposal for an Interinstitutional Agreement

Annex

Part E - point 15

Text proposed by the Commission

Modification

15. The European Parliament and the Council shall be represented ***at an appropriate level*** in the Conciliation Committee, ***such*** that each delegation can commit politically its respective institution, and that actual progress towards the final agreement may be made.

15. The European Parliament and the Council shall be represented ***by members of both institutions*** in the Conciliation Committee, ***so*** that each delegation can commit politically its respective institution, and that actual progress towards the final agreement may be made.

Or. en

Modification 62

Proposal for an Interinstitutional Agreement

Annex

Part E - point 19

Text proposed by the Commission

Modification

19. The dates of the meetings of the Conciliation Committee and the trilogues shall be set in advance by agreement of the three institutions.

19. The dates of the meetings of the Conciliation Committee and the trilogues shall be set in advance by agreement of the three institutions. ***Additional meetings, including at technical level, may be***

organised, as required, during the conciliation period.

Or. en

Modification 63

Proposal for an Interinstitutional Agreement

Annex

Part G - title

Text proposed by the Commission

Part G. Reste à liquider (RAL)

Modification

Part G. ***Budget implementation, payments and*** Reste à liquider (RAL)

Or. en

Modification 64

Proposal for an Interinstitutional Agreement

Annex

Part G - point 36

Text proposed by the Commission

36. Given the need to ensure an orderly progression of the total appropriations for payments in relation to the appropriations for commitments so as to avoid any abnormal shift of RAL from one year to another, the European Parliament, the Council and the Commission agree to monitor closely the level of the RAL so as to mitigate the risk of hampering the implementation of Union programmes because of a lack of payment appropriations at the end of the MFF.

In order to ensure a manageable level and profile for the payments in all headings, de-commitment rules shall be applied strictly in all headings, in particular the rules for automatic de-commitments.

In the course of the budgetary procedure,

Modification

36. Given the need to ensure an orderly progression of the total appropriations for payments in relation to the appropriations for commitments so as to avoid any abnormal shift of RAL from one year to another, the European Parliament, the Council and the Commission agree to monitor closely the ***payment forecasts and the*** level of the RAL so as to mitigate the risk of hampering the implementation of Union programmes because of a lack of payment appropriations at the end of the MFF.

In the course of the budgetary procedure, the institutions shall meet regularly with a view to jointly assessing the state of play and the outlook for budgetary implementation in the current and future years. This shall take the form of dedicated

the institutions shall meet regularly with a view to jointly assessing the state of play and the outlook for budgetary implementation in the current and future years. This shall take the form of dedicated interinstitutional meetings at the appropriate level, before which the Commission shall provide the detailed state of play, broken down by fund and Member State, on payment implementation, reimbursement claims received and revised forecasts. In particular, in order to ensure that the Union can fulfill all its financial obligations stemming from existing and future commitments in the period 2021 to 2027 in accordance with Article 323 TFEU, the European Parliament and the Council shall analyse and discuss the Commission's estimates as to the required level of payment appropriations.

interinstitutional meetings at the appropriate level, before which the Commission shall provide the detailed state of play, broken down by fund and Member State, on payment implementation, reimbursement claims received and revised *short-to-long-term* forecasts. In particular, in order to ensure that the Union can fulfill all its financial obligations stemming from existing and future commitments in the period 2021 to 2027 in accordance with Article 323 TFEU, the European Parliament and the Council shall analyse and discuss the Commission's estimates as to the required level of payment appropriations.

Or. en

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o

40. Instructs its President to forward this resolution to the Council and the Commission.

Annex I - MFF 2021-2027: ceilings and instruments outside the ceilings

(EUR million - 2018 prices)

	Commission proposal	Parliament position
Commitment appropriations	Total 2021-2027	Total 2021-2027
1. Single Market, Innovation and Digital	166 303	215 072
2. Cohesion and Values	391 974	456 077
Of which: Economic, social and territorial cohesion	330 642	377 697
3. Natural Resources and Environment	336 623	407 877
4. Migration and Border Management	30 829	30 985
5. Security and Defence	24 323	24 639
6. Neighbourhood and the World	108 929	113 837
7. European Public Administration	75 602	75 602
Of which: Administrative expenditure of the institutions	58 547	58 547
TOTAL COMMITMENT APPROPRIATIONS	1 134 583	1 324 089
as a percentage of GNI	1,11%	1,30%
TOTAL PAYMENT APPROPRIATIONS	1 104 805	1 294 311
as a percentage of GNI	1,08%	1,27%
OUTSIDE THE MFF CEILINGS		
Emergency aid reserve	4 200	7 000
European Globalisation Adjustment Fund (EGF)	1 400	1 400
European Union Solidarity Fund (EUSF)	4 200	7 000
Flexibility instrument	7 000	14 000
European Investment Stabilisation Function	p.m.	p.m.
European Peace Facility	9 223	9 223
TOTAL OUTSIDE THE MFF CEILINGS	26 023	38 623
TOTAL MFF + OUTSIDE THE MFF CEILINGS	1 160 606	1 362 712
as a percentage of GNI	1,14%	1,34%

Annex II - MFF 2021-2027: breakdown per programme

N.B.: For the purpose of comparison, the table follows the structure of the individual EU programmes as proposed by the Commission, without any prejudice to possible changes that may be requested during the legislative procedure leading to the adoption of these programmes.

(EUR million - 2018 prices)

	2014-2020 MFF (EU27+EDF)	Commission proposal 2021-2027	Parliament position 2021-2027
1. Single Market, Innovation and Digital	116 361	166 303	<u>215 072</u>
1. Research and Innovation	69 787	91 028	<u>127 537</u>
Horizon Europe	64 674	83 491	<u>120 000</u>
Euratom Research and Training Programme	2 119	2 129	2 129
International Thermonuclear Experimental Reactor (ITER)	2 992	5 406	5 406
Other	2	2	2
2. European Strategic Investments	31 886	44 375	<u>50 798</u>
InvestEU Fund	3 968	13 065	13 065
Connecting Europe Facility (total H1 contribution) <i>including:</i>	17 579	21 721	<u>28 083</u>
<i>Connecting Europe Facility - Transport</i>	<i>12 393</i>	<i>11 384</i>	<u>17 746</u>
<i>Connecting Europe Facility - Energy</i>	<i>4 185</i>	<i>7 675</i>	<i>7 675</i>
<i>Connecting Europe Facility - Digital</i>	<i>1 001</i>	<i>2 662</i>	<i>2 662</i>
Digital Europe Programme	172	8 192	8 192
Other	9 097	177	177
Decentralised agencies	1 069	1 220	<u>1 281</u>
3. Single Market	5 100	5 672	<u>7 592</u>
Single Market Programme (incl. COSME)	3 547	3 630	<u>5 514</u>
EU Anti-Fraud Programme	156	161	161
Cooperation in the field of taxation (FISCALIS)	226	239	239
Cooperation in the field of customs (CUSTOMS)	536	843	843
Other	61	87	87
Decentralised agencies	575	714	<u>748</u>
4. Space	11 502	14 404	<u>15 025</u>
European Space Programme	11 308	14 196	<u>14 817</u>
Decentralised agencies	194	208	208
Margin	-1 913	10 824	<u>14 120</u>
2. Cohesion and Values	387 250	391 974	<u>456 077</u>
5. Regional Development and Cohesion	272 647	242 209	<u>272 647</u>

ERDF + Cohesion Fund <i>including:</i>	272 411	241 996	<u>272 411</u>
<i>European Regional Development Fund</i>	<i>196 564</i>	<i>200 622</i>	
<i>Cohesion Fund</i>	<i>75 848</i>	<i>41 374</i>	
<i>Of which contribution to the Connecting Europe Facility - Transport</i>	<i>11 487</i>	<i>10 000</i>	
Support to the Turkish-Cypriot Community	236	213	<u>236</u>
6. Economic and Monetary Union	273	22 281	<u>22 281</u>
Reform Support Programme	185	22 181	22 181
Protection of the Euro Against Counterfeiting	7	7	7
Other	81	93	93
7. Investing in People, Social Cohesion and Values	115 729	123 466	<u>156 149</u>
European Social Fund+ <i>(including a Child Guarantee)</i>	96 216	89 688	<u>106 361</u>
<i>Of which health, employment and social innovation</i>	<i>1 075</i>	<i>1 042</i>	<u>1 075</u>
Erasmus+	13 699	26 368	<u>41 097</u>
European Solidarity Corps	373	1 113	1 113
Creative Europe	1 403	1 642	<u>2 806</u>
Justice, Rights and Values	910	841	<u>910</u>
Other	1 158	1 185	1 185
Decentralised agencies	1 971	2 629	<u>2 677</u>
Margin	-1 399	4 018	<u>5 000</u>
3. Natural Resources and Environment	399 608	336 623	<u>407 877</u>
8. Agriculture and Maritime Policy	390 155	330 724	<u>391 197</u>
EAGF + EAFRD <i>including:</i>	382 855	324 284	<u>383 255</u>
<i>European Agricultural Guarantee Fund (EAGF)</i>	<i>286 143</i>	<i>254 247</i>	
<i>European Agricultural Fund for Rural Development (EAFRD)</i>	<i>96 712</i>	<i>70 037</i>	
European Maritime and Fisheries Fund	6 243	5 448	<u>6 867</u>
Other	962	878	<u>962</u>
Decentralised agencies	95	113	113
9. Environment and Climate Action	3 492	5 085	<u>10 720</u>
Programme for Environment and Climate Action (LIFE)	3 221	4 828	<u>6 442</u>
<u>Energy transition fund</u>			<u>4 000</u>
Decentralised agencies	272	257	<u>278</u>
Margin	5 960	814	<u>5 960</u>
4. Migration and Border Management	10 051	30 829	<u>30 985</u>
10. Migration	7 180	9 972	<u>9 973</u>

Asylum and Migration Fund	6 745	9 205	9 205
Decentralised agencies	435	768	768
11. Border Management	5 492	18 824	<u>18 979</u>
Integrated Border Management Fund	2 773	8 237	8 237
Decentralised agencies	2 720	10 587	<u>10 742</u>
Margin	-2 621	2 033	2 033
5. Security and Defence	1 964	24 323	<u>24 639</u>
12. Security	3 455	4 255	<u>4 571</u>
Internal Security Fund	1 200	2 210	2 210
Nuclear Decommissioning including:	1 359	1 045	<u>1 359</u>
<i>Nuclear Decommissioning (Lithuania)</i>	<i>459</i>	<i>490</i>	
<i>Nuclear safety and decommissioning (incl. for Bulgaria and Slovakia)</i>	<i>900</i>	<i>555</i>	
Decentralised agencies	896	1 001	<u>1 002</u>
13. Defence	575	17 220	<u>17 220</u>
European Defence Fund	575	11 453	11 453
Military Mobility	0	5 767	5 767
14. Crisis Response	1 222	1 242	<u>1 242</u>
Union Civil Protection Mechanism (rescEU)	560	1 242	1 242
Other	662	p.m.	p.m.
Margin	-3 289	1 606	1 606
6. Neighbourhood and the World	96 295	108 929	<u>113 837</u>
15. External Action	85 313	93 150	<u>96 309</u>
<i>Instrument(s) in support of neighbourhood and development policies, including the EDF successor and <u>an investment plan for Africa</u></i>	<i>71 767</i>	<i>79 216</i>	<u>82 216</u>
Humanitarian Aid	8 729	9 760	9 760
Common Foreign and Security Policy (CFSP)	2 101	2 649	2 649
Overseas Countries and Territories (including Greenland)	594	444	<u>594</u>
Other	801	949	<u>949</u>
Decentralised agencies	144	132	<u>141</u>
16. Pre-accession assistance	13 010	12 865	<u>13 010</u>
Pre-Accession Assistance	13 010	12 865	<u>13 010</u>
Margin	-2 027	2 913	<u>4 518</u>
7. European Public Administration	70 791	75 602	<u>75 602</u>
European Schools and Pensions	14 047	17 055	17 055
Administrative expenditure of the institutions	56 744	58 547	58 547
TOTAL	1 082 320	1 134 583	<u>1 324 089</u>
In % GNI (EU-27)	1,16%	1,11%	<u>1,30%</u>