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*Committee on Culture and Education  
The Chair*

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18.7.2023

Mr Johan Van Overtveldt  
Chair  
Committee on Budgets  
BRUSSELS

Subject: Opinion on BUDG interim report on “Proposal for a Council Regulation amending Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027”(COM(2023)0337 – C9-XXXX – 2023/0201R(APP)

Dear Mr Chair,

Under the procedure referred to above, the Committee on Culture and Education has been asked to submit an opinion to your committee. At its meeting of 28 June 2023, the committee decided to send the opinion in the form of a letter. It adopted the opinion at its meeting of 18 July<sup>1</sup>.

Yours sincerely,

Sabine Verheyen

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<sup>1</sup> The following were present for the final vote: Sabine Verheyen (Chair and rapporteur for opinion), Michaela Šojdrová (Vice-Chair), Kizilyürek Niyazi, Dzhambazki Angel, Rooker Rob, Tarabella Marc, Ademov Asim, Adinolfi Isabella, Frankowski Tomasz, Pollák Peter, Zagorakis Theodoros, Zver Milan, Cicurel Ilana, Farreng Laurence, Joveva Irena, García Del Blanco Ibán, Guillaume Sylvie, Heide Hannes, Kammerevert Petra, Matic Predrag Fred, Ros Sempere Marcos, Smeriglio Massimiliano, Michels Martina, Franz Romeo, Marquardt Erik, Nienass Niklas, Anderson Chistine, Bocskor Andrea.

Dear Mr Van Overtveldt,

I am writing to you in relation to the BUDG Committee interim report on the proposed targeted MFF revision, drafted pursuant to Rule 105(5) of the Rules of Procedures, as part of the preparatory work for the consent procedure on the *Proposal for a Council Regulation amending Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027*) - 2023/0337.

Due to the severe time constraints imposed on the other Committees, it was not possible to draft a formal CULT opinion. Instead, at their 28 June meeting CULT Coordinators opted for issuing an opinion in the form of a letter outlining the Committee's general stance on the topic at hand, in particular on the creation of a new Special Instrument to deal with the impact of the increasing borrowing costs related to EURI on the EU budget and its heading 2b.

The Committee on Culture and Education considered the matter at its meeting of 18 July 2023. At that meeting, it decided to call on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Stresses that major unforeseen global events since the adoption of the 2021-2027 MFF Regulation in 2020, in particular the COVID-19 pandemic and the Russian war of aggression against Ukraine, have put considerable pressure on the EU budget due to additional contingency expenditure linked to adopted response measures at EU level, as well as rising interest rates and inflation, thus rendering the EU budget presently unfit for purpose;
2. Is extremely concerned by the fact that, as a result of this and the unfortunate decision to include the inherently unpredictable and non-discretionary NextGenerationEU funding costs inside Heading 2b, the margin of this Heading is already proving to be insufficient to cover real spending needs in the coming years, with a potential negative margin already in 2024 of EUR 1.708,2 million in case the MFF Regulation in its current form is not amended; highlights that this effectively takes away any flexibility for topping up the budgetary envelopes of successful existing programmes in Heading 2b where additional spending is justified, such as Erasmus+, Creative Europe, the European Solidarity Corps and the Citizens, Equality, Rights and Values programme, and *de facto* precludes any new initiatives and valuable pilot projects and preparatory actions which test innovative approaches in fields where EU legislation does not yet exist;
3. Points out that the budget of the Erasmus+ and Creative Europe programmes has already been partially frontloaded to the first years of the current MFF, in order to support those fleeing Russia's military aggression against Ukraine and to address the difficult situation in the cultural and creative sectors following the COVID-19 crisis, which may impact those programmes at the end of the current MFF;
4. Welcomes the proposed creation of a specific flexibility mechanism in the form of a special thematic 'EURI Instrument' with an estimated total cost of EUR 18,9 billion, over and above the MFF ceilings, until the end of the MFF, for the sole purpose of covering NextGenerationEU funding costs in excess of the specific threshold values laid down in the amended MFF Regulation;

5. Underlines that the creation of a EURI Instrument contributes to safeguarding expenditure on all flagship EU programmes in Heading 2b such as Erasmus+ and priority actions in the fields of cultural cooperation, educational mobility, youth exchanges and volunteering, citizens participation and democracy building;
6. Calls for a more extensive revision of the MFF to make sure that new initiatives under Heading 2b, such as the New European Bauhaus (NEB), do not impact on the funding of other, already underfunded programmes; underlines that the NEB should also be supported by other relevant programmes in order to generate additional impact; in this context, reiterates its call on the Commission to amend the Horizon Europe Regulation during the MFF mid-term revision in order to create a NEB mission funded with EUR 500 million; reiterates its call on the Commission to submit a proposal to make the NEB a new stand-alone EU programme by the next MFF with fresh resources and a dedicated budget line;
7. Urges the Council to adopt without delay the revision of the MFF including the creation of the EURI Instrument as proposed by the European Commission; is of the opinion that the EURI Instrument represents a sustainable solution to the budgetary challenges stemming from the inclusion of EURI's financing cost in Heading 2b and under the ceiling of the current MFF, despite Parliament's repeated calls to include expenditure to cover its cost over and above the ceiling; notes that the mobilisation of the EURI Instrument would take place in accordance with the procedures laid down in the Regulation (EU, Euratom) 2020/2093 and in the framework of the annual budgetary procedure, in full respect of the prerogatives of the budgetary authority.

We hope and trust that the BUDG Committee will include these elements in its interim report and bear them in mind in its future deliberations with the Council and the Commission on the proposed revision, as well as in the annual budgetary procedure for 2024.

Thank you in advance for your consideration, and wishing you every success for this crucial endeavour.

Yours sincerely,

Sabine Verheyen