

# MULTIANNUAL FINANCIAL FRAMEWORK 2021-2027 AND THE REFORM OF THE EU'S OWN RESOURCES

## THE POSITION OF THE EUROPEAN PARLIAMENT

### WE STAND FOR

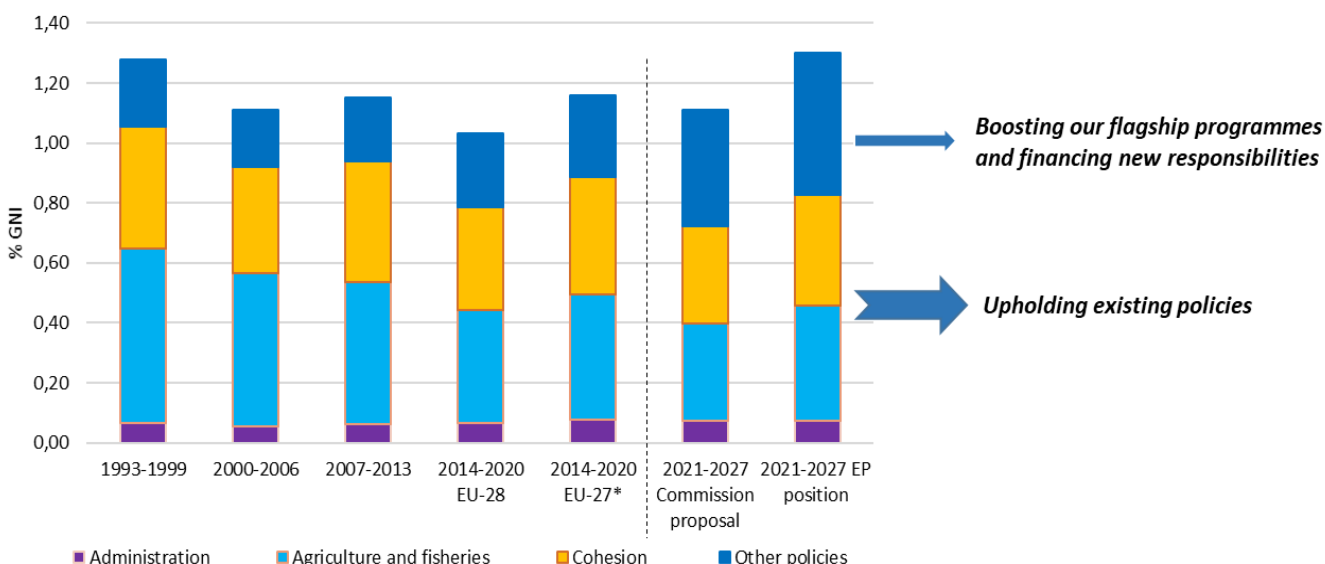
- ✓ a budget that ensures the **continuity of our main policies** and at the same time **addresses our new challenges** and **matches the political commitments and ambitions** of the EU with the necessary financial means
- ✓ **new initiatives** to be financed through **fresh appropriations**
- ✓ a **reform of the EU's own resources system**, including the introduction of a basket of new own resources that are better aligned with and incentivise progress in major EU policy priorities
- ✓ a solid **agreement in a timely manner** — but **consent** is Parliament's prerogatives
- ✓ a **full observance of Parliament's prerogatives** as a co-legislator
- ✓ a **new mechanism** to protect the EU budget where the **Rule of Law** is not respected or where there is a systemic threat to the EU values
- ✓ **UN sustainable development goals, climate and gender equality** should be **mainstreamed** across all policies and initiatives in the next MFF

### *Time to meet citizens' expectations*

The next MFF should be set at **EUR 1 324.1 billion** in 2018 prices.

This represents **1,3 % of the EU-27's gross national income (GNI)**.

It should support a further **step change towards climate transition**.



Average of the MFF + European Development Fund, as a percentage of the EU's GNI

\* 2014-2020 estimated commitments (UK expenditure excluded) in % of the EU-27's GNI

Data: European Commission; European Parliament



@jvanovertveldt

@JanOlbrycht  
@mmargmarques

@JMFernandesEU  
@ValerieHayer

@RasmusAndresen

## Key points

**120 bn** Horizon Europe

**3 x** Erasmus+

**2 x** SMEs / LIFE / Youth employment

↗ Connecting Europe

**NEW** Child Guarantee / Just Transition Fund

**PRESERVE** Cohesion

**PRESERVE** Agriculture

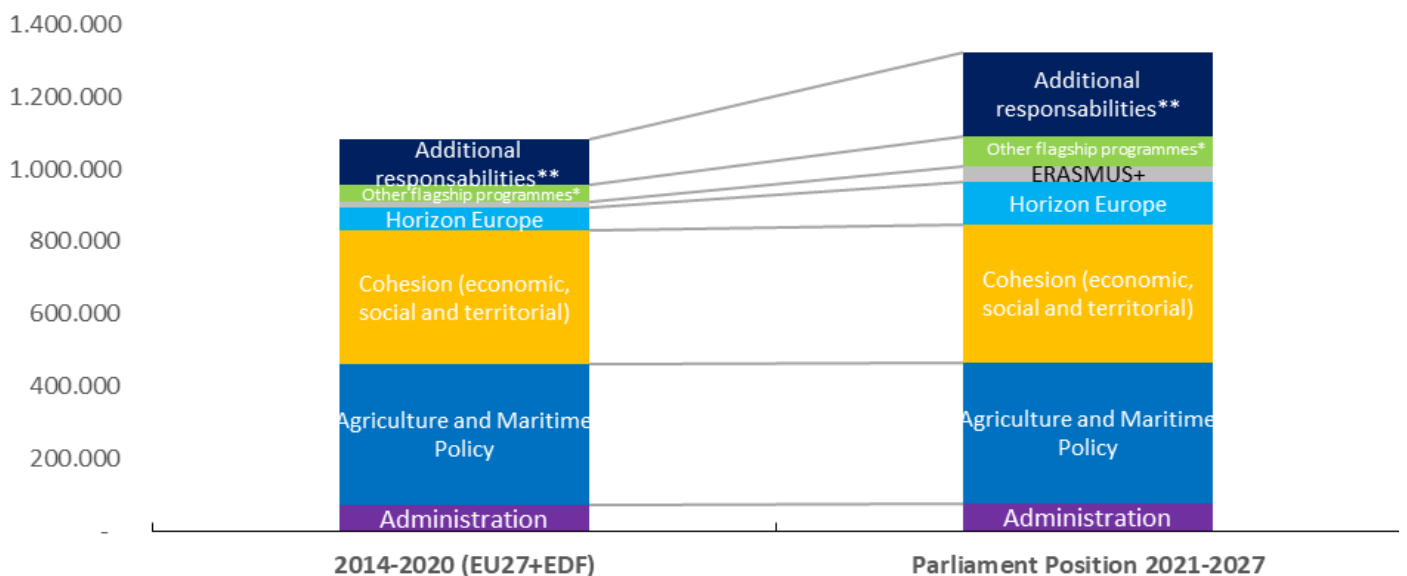
↗ Climate spending

## The Parliament figures explained

Parliament's position reflects the **necessary level of funding** to boost flagship programmes, uphold the financing of existing EU policies and match additional responsibilities with additional financial means.

**THE UNION BUDGET IS MORE THAN A MEMBERSHIP FEE.  
IT IS PART OF THE EU'S POLITICAL PROJECT AND A KEY SUCCESS  
FACTOR FOR ITS POLICIES.**

### MFF policies distribution (M€)



- Administration
- Agriculture and Maritime Policy
- Cohesion (economic, social and territorial)
- Horizon Europe
- ERASMUS+
- Other flagship programmes\*
- Additional responsibilities\*\*

\* InvestEU, CEF, Single Market programmes, Space, European Solidarity Corps, Creative Europe, Justice, Rights and Values, LIFE.

\*\*In the fields of EMU, Digital, Migration, External Action, Defense, etc

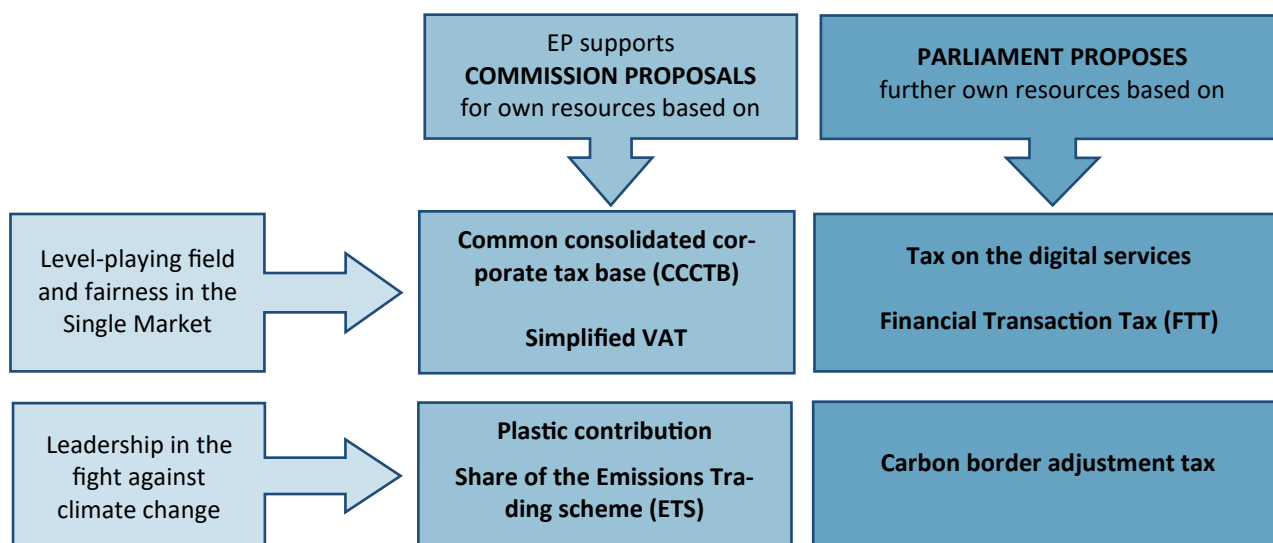
Data: European Commission; European Parliament

## A reform of the EU own resources system is needed

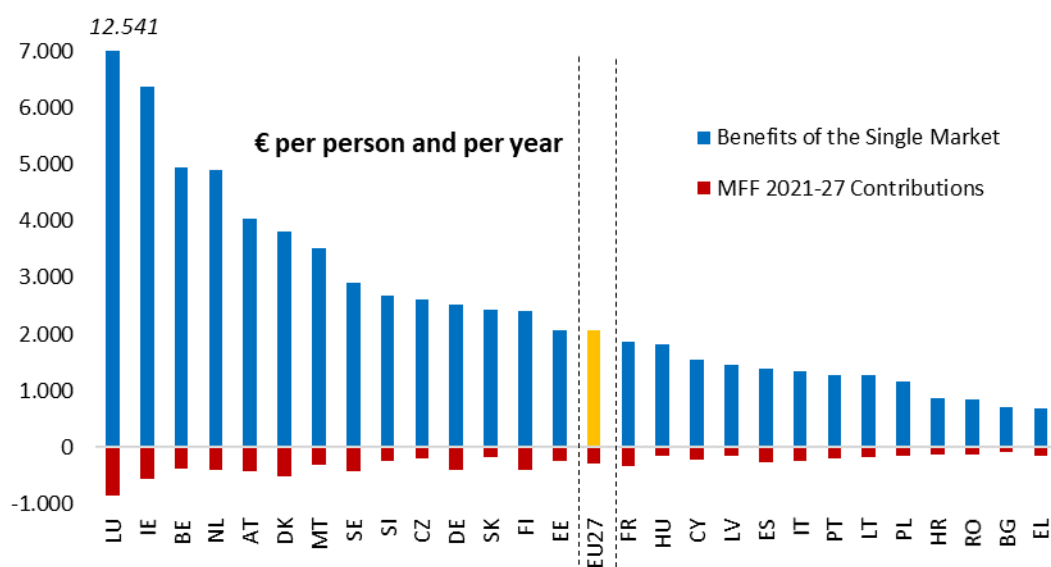
The European Parliament calls for the introduction of a **basket of new own resources** that are better aligned with and **incentivise progress in major EU policy priorities**.

Introducing new own resources will not only **mitigate the predominance of GNI-based contributions**, but also **facilitate an appropriate level of financing of EU spending in the next MFF**.

We support the **abolition of all rebates and corrections**, the simplification of the VAT-based own resource, the reduction of national 'collection costs' withheld on customs duties, and the inclusion of **other revenue in the form of fines and fees** in the EU budget.



### THE BENEFITS OF THE SINGLE MARKET LARGELY OUTWEIGH THE COST OF CONTRIBUTING TO THE UNION BUDGET



Data: European Commission

### Treaty rules

#### Article 312 of the Treaty on the Functioning of the EU

(...) The Council shall act unanimously after obtaining the **consent** of the European Parliament, which shall be given by a majority of its component members. (...) Throughout the procedure leading to the adoption of the financial framework, the European Parliament, the Council and the Commission shall take **any measure necessary** to facilitate its adoption.

**The European Parliament has full co-decision powers** on 36 legal bases for MFF programmes and instruments and on the proposed mechanism to protect the Union budget against generalised deficiencies as regards the rule of law.

### Political commitment

**Parliament is determined to play a constructive role** in the process leading to the adoption of the MFF 2021-2027 and to the reform of the Union's own resources. Parliament's position is set out in detail and the EP negotiating team is fully available.

**Parliament will not rubber-stamp a fait accompli from the European Council:** we are prepared to withhold our consent until a satisfactory agreement is reached, and to make full use of our prerogatives under the ordinary legislative procedure.

**No agreement will be reached on the MFF without an agreement on the reform of the Union's own resources.**

### State-of-play

**No meaningful talks have been started with Parliament yet**, despite Treaty obligations and Parliament's goodwill and proactive approach.

**The European Council's predominant role** puts Parliament's **consent** and codecision prerogatives into question and pre-empts simultaneous progress on the sectoral files and on the rule of law.

**Council's delays** - and the absence of preliminary talks with Parliament - bear a clear risk that such complex negotiations cannot be successfully finalised by the end of 2020.

### Way forward

- **Immediate intensification of interinstitutional talks on the MFF and own resources:** The Council should already take due account of Parliament's views when deciding on its own position.
- **Genuine consent and codecision negotiations on the basis of our respective negotiating mandates:** the European Council should refrain from adopting detailed and purportedly binding conclusions based on the MFF negotiating box.
- **A safety net to protect the beneficiaries of EU programmes - setting up an MFF contingency plan:** in view of Council delays and the risk that the new MFF may not be adopted on time, a contingency plan should lift the time limits of the relevant programmes and set out concrete operational provisions, in line with Article 312(4) of the TFEU.

#### EP MFF-OR Negotiating Team

Johan Van Overtveldt, Chair  
Jan Olbrycht, MFF Rapporteur  
Margarida Marques, MFF Rapporteur

José Manuel Fernandes, OR Rapporteur  
Valérie Hayer, OR Rapporteur  
Rasmus Andresen, Member