



22/05/2018

**MFF post-2020  
political assessment  
after  
COM proposal**

On 2 May 2018 the Commission presented its **legislative package on the 2021-2017 Multiannual Financial Framework (MFF)**, please find all relevant documents [here](#).

The Commission's proposal marks some timid steps forward, but is yet missing the necessary courage and foresight to face the current as well as the new challenges ahead for the EU. In its MFF post-2020 INI report, which was adopted in Plenary by a very broad majority in March 2018, the Parliament clearly stated that the **EU needs a much more ambitious MFF**.

**The Commission's proposal does not meet S&D expectations.** From S&D point of view, the following points need to be addressed:

- The Commission's proposal goes **against solidarity and progressive financial investments** and plays them off against security and defence.
- The S&D succeeded to get a broad majority of the Parliament on board in order to push the Commission to align all EU policies and initiatives with the United Nations **Sustainable Development Goals** (SDGs) in the next MFF and to support the progressive transformation of the European society. The Commission's proposal is disappointing. There is **no mainstreaming of the SDGs** to all EU policies and initiatives foreseen.
- Furthermore, it is disappointing that the **global level** of the next MFF shall be set at **1.08%** of the EU-27 GNI. This corresponds in real terms to less than the level of the current MFF, **despite the additional funding needed for new political priorities and emerging challenges** for the Union. The current MFF was smaller than its predecessor (2007-2013 MFF) and has already proven to be inadequate to finance the Union's pressing needs.
- In the Commission's presentation, there is a **lack of transparency and clarity over the figures** and methodology used for the MFF proposals, as well as the absence of the appropriate comparative data and analyses (mix of current and constant prices, with or without UK) that confirm the actual level of increase or reduction for the different EU policies. Following Parliament's own first analysis, the **proposed cuts are much higher and the increases are much lower** than stated by the Commission (please see annex I).
- The COM proposal leads directly to a **reduction** of the level of both the **Agricultural Policy (CAP)** and the **Cohesion policy** by **more than 15% and 10%** respectively (including radical cuts of **minus 45% for the Cohesion Fund**, or **minus 27% for the**

**European Agricultural Fund for Rural development, and minus 10% for the European Social Fund), despite its enlarged scope and the integration of the Youth Employment Initiative.**

During the vote on the MFF post-2020 INI report in March 2018, the S&D line was carried. Therefore “EP position” fully reflects S&D key achievements. The report was supported by a broad majority from us, EPP, ALDE and the Greens in Plenary.

Please find below a political assessment, which compares the EP position from March 2018 (and S&D key achievements) with the current MFF and the COM proposal from 2 May 2018 (see Annex I).

## Next steps

A **Joint Motion for a Resolution (JMR)**, together with EPP, Greens and ALDE, as a reaction to the Commission’s proposal on the 2021-2027 MFF and message to the Council, will be voted during the next Strasbourg session in **May II**.

For the JMR, we try to keep the same unity among political groups we achieved for the vote on the MFF post-2020 INI report in March 2018.

A **BUDG interim report** on the negotiations with the Council (covering both 2021-2027 MFF and Own Resources (OR)) will be elaborated by the two MFF co-rapporteurs, Isabelle Thomas (S&D) and Jan Olbrycht (EPP) and the two co-rapporteurs on OR, Gérard Deprez (ALDE) and Janusz Lewandowski (PPE), as well as S&D Shadow Daniele Viotti.

Please find further details regarding the calendar of the MFF in Annex II.

## Annex I

<b>Political assessment</b> <b>EP position/S&amp;D key achievements on MFF post-2020</b> as adopted in INI report (March 2018) <b>versus</b> <b>COM legislative proposal</b>			
	<b>MFF 2014-2020</b>	<b>MFF post-2020 EP position/ S&amp;D key achievements</b> (MFF INI report, March 2018)	<b>MFF post-2020 COM proposal</b>
<b>Figures</b>			
<b>Global level</b> of EU Budget	<b>1,0%</b> of the EU’s Gross National Income (GNI)	<b>at least 1,3%</b> of the EU’s GNI	<b>1,08%</b> of the EU’s GNI plus 0,03% for the integration of the European Development Fund (EDF), i.e. <b>1,11 %</b>

			The 2021-2027 MFF <b>global level of the EU-27 GNI stays the same as the current MFF (2014-2020)</b> in real terms, despite additional funding needed for new political priorities and emerging challenges.
<b>Cohesion policy</b>		to keep <b>at least the current level of funding</b>	<b>Minus 10%</b> (including 45% reduction of the cohesion fund) <b>(Vs. COM stated -7%)</b>
<b>Agriculture policy</b>		to keep <b>at least the current level of funding</b>	<b>Minus 15%</b> <b>(Vs. COM stated -5%)</b>
budgetary focus on Youth		YES	Not really
<b>Erasmus +</b>	EUR 14,8 billion	<b>tripling (200% increase)</b> of the current budget	<b>77% increase</b> (including EUR 700 mio. for Interrail passes!) <b>(Vs. COM stated doubling)</b>
<b>YEI</b>		<b>doubling (100% increase)</b> of the current budget	YEI will be integrated in the European Social Fund (ESF), which will be <b>reduced by -10%</b>
<b>Horizon 2020</b>	76 billion	<b>50% increase</b> of the current budget	<b>13,5% increase</b> <b>(Vs. COM stated 50%)</b>
<b>Life+</b>		<b>100% increase</b> <b>doubling</b> of the current budget	<b>37% increase</b>
<b>Horizontal issues</b>			
<b>Additional new priorities shall be financed with additional financial means</b>		YES	NO  The global level of 1,08% of EU's GNI is not sufficient to finance new tasks such as border management, security and defence. <b>COM proposes to finance new priorities and increases not with additional financial means but via redeployment</b> to the detriment of existing policies, such as CAP, cohesion.
MFF to be aligned to <b>UN Sustainable</b>	NEW	EU to be a frontrunner in implementing the SDGs both	<b>No mainstreaming</b> and alignment of SDGs to all

<b>Development Goals (SDGs)</b>		internally and externally. The <b>next MFF must be aligned with the SDGs.</b>	EU policies and initiatives of the next MFF <i>In a footnote, COM refers to a reflection paper on SDs to be presented at the end of the year only!</i>
Statement on <b>Climate Change</b> and Paris Agreement:	<b>20%</b> of 2014-2020 MFF (EUR 206 mio.)	Increase of climate related spending compared to the current MFF <b>to 30%</b>	<b>25%</b> of 2021-2017 MFF (EUR 320 mio.)
Introduction of a <b>transition fund</b> in the light of climate objectives		YES	NO
<b>Adequate financial resources for the European Pillar of Social Rights</b>		YES	<b>NO</b> <b>Minus 6%</b> for the European Social Fund ( <b>ESF</b> ), despite the integration of YEI and the Fund for the most deprived persons (FEAD)
<b>Conditionality</b>		1. not to the detriment of cohesion policy only  2. COM to present proposal on <b>new mechanism, whereby MS that do not respect the values of Art. 2 TEU can be subject to financial consequences</b> , independently from the budget implementation of EU programs and <b>not to the detriment of the final beneficiaries.</b>	YES  YES, but: The financial consequences for MS that do not respect the rule of law are not independent from EU budget
<b>gender equality mainstreaming</b> in MFF		YES	NO
<b>Others</b>			
Establishment of the <b>European Child Guarantee</b>		YES	NO
<b>More budgetary flexibility</b>		YES	YES
<b>Compulsory MFF revision</b>		YES	YES

## Annex II

### MFF/OR draft timeline (as of 18.4) - Scenario: agreement before the EU elections

Date	COM	EP	CSL/EUCO
18 April 2018		1st meeting of the MFF contact group	
19 April 2018		CCC debate with Commissioner Oettinger	Coreper adopts mandate and timetable for the Friends of Presidency (FoP) group
2 May 2018	Adoption of Commission's MFF, OR and IIA proposals (MFF/OR package)	COM presentation to the EP plenary (Juncker)	
3 May 2018		COM presentation to BUDG committee (Oettinger)	
14 May 2018			General Affairs Council: COM presentation
	<i>Possible 1st GAC briefing/debriefing EP negotiating team - Presidency</i>		
16 May 2018			1st FoP <sup>1</sup> meeting (+/- weekly basis) - analysis of COM proposals until September
		Technical briefing by DG BUDG to negotiating team	
<i>Week 22 May (tbc)</i>		<i>MFF contact group meeting</i>	
29 May to 12 June	COM proposals on MFF programmes		
<i>May II or June I sessions (tbc)</i>		<i>(Possibly) EP resolution responding to COM MFF/OR proposals</i>	
	<i>Possible 1st informal meeting with trio presidencies</i>		
26 June			GAC meeting
	<i>Possible GAC briefing/debriefing EP negotiating team - Presidency</i>		

<sup>1</sup> Friends of Presidency - ad hoc working group to deal with MFF in CSL (prepares COREPER and GAC)

Date	COM	EP	CSL/EUCO
28-29 June			European Council (EUCO) meeting (decision of principle on timing - agreement before the EP elections?)
<b>Second semester 2018</b>			
	Meetings of the three Presidents (Art. 324) + GAC briefings/debriefings + Informal meetings		
<i>October (tbc)</i>		<i>EP interim report (tbc)</i>	
December			(Possibly) CSL/EUCO agreement
<b>First semester 2019</b>			
<i>January</i>		<i>(Possibly) EP resolution on EUCO outcome</i>	
Early 2019	CSL-EP negotiations and political agreement (trilogue-like setting)		
April 2019		(Possibly) latest option for EP consent to MFF	