Press release - MFF: Commission's plan "impossible to implement" with Finnish proposal



Today, the Finnish presidency of the Council circulated a "negotiating box" on the 2021-2027 Multiannual Financial Framework (MFF) and own resources. 19 months after the <u>Commission proposal</u> and one year after adoption of the <u>EP's position</u>, this negotiating box puts forward, for the first time, tentative figures for Council's further discussions, notably a proposed overall level of €1,087 billion (1.07% of the EU's GNI) for the next MFF.

For <u>Johan Van Overtveldt</u> (ECR, BE), Chair of the Committee on Budgets, "the Finnish presidency proposal is well below Parliament's expectations when it comes to meeting the Union's commitments to investment, youth, climate and security. It is only the first step of very difficult negotiations in the Council and with Parliament, which needs to provide its consent and is a full colegislator on sectoral aspects and the rule of law. Much work remains to be done for a timely agreement to be reached."

Cuts to the EU's pledges

The Commission proposal of 1.11% of the EU's GNI for 2021-2027 was already a decrease compared to the 1.16% of the present MFF 2014-2020 (counting out the UK), and involved significant cuts to cohesion and agriculture. Last year and again in October, Parliament rejected those cuts and called for boosting flagship programmes in the areas of youth, research and innovation, environment and the climate transition, infrastructure, SMEs, digitalisation and social rights.

On the first working day of the European Commission headed by Ursula Von der Leyen, the Finnish presidency proposal contains no additional funding for any of the initiatives announced by the new President, such as a Just Transition Fund, the tripling of Erasmus+, or the European Child Guarantee. For <u>Jan</u>
<u>Olbrycht</u> (EPP, PL), MFF co-rapporteur, "the proposal of the Finnish
Presidency indicates that the programme presented by the European Commission will be impossible to implement."

Instead, the Finnish presidency deepens the cuts to cohesion policy. To further contain or reduce the size of the next MFF, it takes aim at areas of clear European added value and fierce global competition (research, energy, digital and space) but also areas where the Union is given new responsibilities (migration, external action, security and defence) and finally the administration that is expected to ensure the delivery of the Union objectives.

According to <u>Margarida Marques</u> (S&D, PT), MFF co-rapporteur, "this proposal compromises the principle of redistribution; it compromises what was promised to our citizens: a safe and secure Europe; a prosperous and sustainable Europe; a social Europe; a stronger Europe on the global scene. It's time to put our citizens first and agree on a robust budget to deliver on what is promised."

Very little on the reform of the own resources

"The incoherence of this negotiating box is so evident that it does not even reflect the priorities of the Council itself. The proposal put forward by the Presidency of the Council would condemn the European Union to failure", says José Manuel Fernandes (EPP, PT), Own Resources co-rapporteur.

Valérie Hayer (RENEW, FR), Own Resources co-rapporteur, considers that "with only a very limited mention of the reform of the own resources' system with a lot of undecided points that could disappear, it seems the Finnish Presidency did not pay too much attention to this essential issue. At this stage, only the unmodified own resource based on national contributions seems settled. That is totally unacceptable. Parliament's position remains unchanged: our agreement on the deal is conditioned by an ambitious reform of the revenue-side system, including the introduction of a basket of new own resources."

Next steps

Next week, on 10 December, Parliament's negotiating team will meet the Finnish presidency ahead of a General Affairs Council meeting dedicated to the MFF. The next day, Commission President Von der Leyen is expected to unveil its "Green Deal" to an extraordinary sitting of the European Parliament. On 12 December, the European Council will meet with both climate and the MFF on its agenda.

According to <u>Rasmus Andresen</u>, (Greens/EFA, DE), Member of the negotiating team, "The 1,07% means not enough money for a European Green Deal, not enough money to reach the goals of the Paris Agreement and certainly not enough money for research and innovation. Wake up, European Council! We need a proposal which lives up to our future."

The European Parliament's MFF negotiating team:

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