

# Press release – Parliament approves seven-year EU budget 2021-2027



On Wednesday, the [text agreed with Council on 10 November](#) on the long-term EU budget for 2021-2027 was approved with 548 votes in favour, 81 against and 66 abstentions. The [text agreed with Council on the Interinstitutional Agreement \(IIA\)](#) was approved with 550 votes in favour, 72 against and 73 abstentions.

## **€15 billion in top-ups for key EU programmes**

This increase is the result of Parliament's negotiating efforts to boost [10 selected EU flagship programmes](#) over the next seven years to better protect citizens from the COVID-19 pandemic, provide opportunities to the next generation, and preserve European values. Thanks to this compromise, in real terms, the European Parliament triples the envelope for EU4Health, secures the equivalent of an additional year of financing for Erasmus+ and ensures that research funding will keep increasing.

- €11 billion will be drawn mainly from amounts corresponding to competition fines (which companies have to pay when they do not comply with EU rules), in line with Parliament's long-standing request that money generated by the European Union should stay in the EU budget. These €11 billion will gradually increase the overall MFF ceiling (set at €1,074.3 billion in 2018 prices) to €1,085.3 billion.

- €4 billion will be financed from reallocations and margins within the MFF.
- In addition, €1 billion will be set aside to address any future needs and crises and could also be added to the flagship programmes.

### **New Own Resources**

Negotiators agreed to the principle that the medium- to long-term costs of repaying the debt from the recovery fund should neither come at the expense of well-established investment programmes in the MFF, nor result in much higher GNI-based contributions from member states. Therefore, EP negotiators have devised a roadmap to introduce new Own Resources to feed into the EU budget during the next seven years.

This roadmap is part of the '[Interinstitutional Agreement](#)', a legally binding text. In addition to the contribution made as of 2021, based on how much unrecycled plastic a country has, the roadmap includes an ETS (Emissions Trading System)-based Own Resource (from 2023, possibly linked with a carbon border adjustment mechanism). It also includes a digital levy (from 2023), and a Financial Transaction Tax-based Own Resource as well as a financial contribution that the corporate sector must make or a new common corporate tax base (from 2026).

### **Parliament will keep an eye on how Next Generation EU funds are spent**

Concerning the expenditure of Next Generation EU funds, Parliament secured regular meetings between the three institutions to assess the implementation of funds made available on the legal basis of Art. 122. These exceptional funds, provided outside the regular budget to restart the economy heavily impacted by the pandemic, will be spent in a transparent manner and Parliament, together with Council, will check any deviation from previously agreed plans.

The recovery instrument (Next Generation EU) is based on an EU treaty article (Art. 122 TFEU) which does not provide for any role for the European Parliament. EP negotiators have therefore insisted and obtained a new procedure, setting up a "constructive dialogue" between Parliament and Council. Once the Commission has assessed the budgetary implications of any proposed new legal act on the basis of Article 122, the dialogue between Parliament and Council will begin.

### **Horizontal issues: biodiversity targets, gender and equal opportunities**

There will be improved tracking to make sure that at least 30% of the total amount of the European Union budget and Next Generation EU expenditures will support climate protection objectives, and that 7.5% of annual spending will be dedicated to biodiversity objectives from 2024 and 10% from 2026 onwards.

Gender equality and gender mainstreaming will now be prioritised in the MFF, through a thorough gender impact assessment and monitoring of the programmes.

## **The EP's negotiating team for the next long-term EU budget and Own Resources reform**

[Johan Van Overtveldt](#) (ECR, BE), Chair of the Committee on Budgets

[Jan Olbrycht](#) (EPP, PL), MFF co-rapporteur

[Margarida Marques](#) (S&D, PT), MFF co-rapporteur

[José Manuel Fernandes](#) (EPP, PT), Own Resources co-rapporteur

[Valérie Hayer](#) (RENEW, FR), Own Resources co-rapporteur

[Rasmus Andresen](#) (Greens/EFA, DE)

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### **Quotes**

[Find the statements of the Parliament's negotiators here](#)

### **Next steps**

The Council of the EU must formally endorse the MFF regulation and Interinstitutional Agreement, after which they will be published in the Official Journal and come into force from 1 January.