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## Council adopts the multiannual financial framework 2014-2020

The Council today adopted<sup>1</sup> the regulation laying down the EU's multiannual financial framework (MFF) for 2014-2020 ([11791/7/13](#)). This follows the European Parliament's consent of 19 November. Today's decision marks the end of two and a half years of negotiations and allows the new generation of EU spending programmes to be implemented as from 1 January 2014.

The MFF regulation enables the European Union to spend up to EUR 959.99 billion in commitments and EUR 908.40 billion in payments over the next seven years. This is 3.5% and 3.7% respectively less than under the MFF 2007-2013, ensuring **budgetary discipline** for the EU and reflecting the particular budgetary pressure that member states currently face at national level.

A strong emphasis is put on expenditure aimed at **boosting growth and creating jobs**, in line with the political priorities of the EU: the expenditure ceiling for sub-heading 1a ("competitiveness") is increased by more than 37% compared to the current MFF.

Apart from ensuring budgetary discipline for the European Union and translating political priorities into figures the MFF's aim is also to **facilitate the adoption of the EU annual budget**. For 2014 the new MFF has already fulfilled this purpose: on the basis of the political agreement on the MFF 2014-2020 reached in June, the Conciliation Committee agreed on next year's budget on 12 November.

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<sup>1</sup> The decision was taken at the Competitiveness Council.

**P R E S S**

The Council today also approved

- the interinstitutional agreement (IIA) on budgetary discipline, on cooperation in budgetary matters and sound financial management; this agreement is aimed at facilitating the annual budgetary procedure and to complement the provisions of the MFF regulation, notably on the special instruments outside the multiannual financial framework ([11838/13](#));
- the statements forming part of the political agreement reached on the MFF at the end of June ([15997/13 ADD 1](#)).

The MFF regulation and the IIA set out in legal terms the political agreement reached between the Council and the European Parliament on 27 June 2013. The expenditure limits for the next seven years are the same as in the European Council's conclusions of 8 February 2013 ([37/13](#) + [COR 1](#); [summary of the conclusions](#)), and on four issues (flexibility, review/revision, unity of the budget and own resources) the texts address the European Parliament's requests (for details see [11732/13](#)).

The formal adoption of the MFF regulation and the IIA allows the Council and the European Parliament to conclude their work on the two other parts of the MFF package, i.e. the around 70 spending programmes and the three draft legislative acts on own resources (the revenues of the European Union).

On the around 70 spending programmes (covering activity areas such as research, agriculture or cohesion policy) the negotiations between the Council and the European Parliament have either been concluded or are in the process of being finalised. The objective is to formally adopt these legislative act before the end of the year to allow their implementation as of 1 January 2014.

On the EU own resources the negotiations are still ongoing. The main legislative act on the revenue side, the own resources decision, must be approved by the member states in accordance with their respective constitutional requirements (in most cases: ratified by their parliaments) once it has been adopted by the Council (by unanimity) after having received the European Parliament's opinion. Since this process takes some time the decision is expected to enter into force retroactively, as for previous MFF periods. The other legislative acts on the revenue side are an implementing regulation and a regulation making available the different own resources.

For the MFF starting in 2021 the Commission will have to present a proposal before 1 January 2018 and examine aligning it with the political cycles of the institutions.

## Comparative table (in 2011 prices)

	New MFF 2014-20	Last MFF 2007-13	Comparison 2014-20 v. 2007-13	
			€	%
<b>Commitment appropriations</b>	€mn	€mn	€	%
1. Smart and Inclusive Growth	450.763	446.310	+4,5bn	+1,0%
1a. Competitiveness for Growth and Jobs	125.614	91.495	+34,1bn	+37,3%
1b. Economic, social and territorial cohesion	325.149	354.815	-29,7bn	-8,4%
2. Sustainable growth: Natural Resources	373.179	420.682	-47,5bn	-11,3%
3. Security and Citizenship	15.686	12.366	+3,3bn	+26,8%
4. Global Europe	58.704	56.815	+1,9bn	+3,3%
5. Administration	61.629	57.082	+4,5bn	+8%
6. Compensations	27	n/a	+0,027bn	n/a
<b>Total commitment appropriations</b>	959.988	994.176	-34,2bn	-3,4%
<i>as a percentage of GNI</i>	1,00%	1,12%		
<b>Total payment appropriations</b>	908.400	942.778	-34,4bn	-3,7%
<i>as a percentage of GNI</i>	0,95%	1,06%		
Emergency Aid Reserve	1960	1.697	+0,3bn	15,5%
European Globalisation Fund	1050	3.573	-2,5bn	-70,6%
Solidarity Fund	3500	7.146	-3,6bn	-51,0%
Flexibility Instrument	3300	1.429	+1,9bn	+130,9%
EDF	26.984	26.826	+0,2bn	+0,6%
<b>Total Outside</b>	36.794	40.670	-3,9bn	-9,5%
<i>as a percentage of GNI</i>	0,04%	0,05%		
<b>Total MFF + Outside</b>	996.782	1.035.031	-38,2bn	-3,7%
<i>as a percentage of GNI</i>	1,04%	1,17%		

Further information may be found on the Council's MFF webpages:

<http://www.consilium.europa.eu/special-reports/mff>