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REPORT

on the preparation of the post-electoral revision of the MFF 2014-2020:
Parliament's input ahead of the Commission's proposal
(2015/2353(INI))

Committee on Budgets

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the preparation of the post-electoral revision of the MFF 2014-2020: Parliament's input ahead of the Commission's proposal (2015/2353(INI))

The European Parliament,

- having regard to Article 311, 312 and 323 of the Treaty on the Functioning of the European Union,
- having regard to Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020¹, and in particular Article 2 thereof,
- having regard to Council Regulation (EU, Euratom) 2015/623 of 21 April 2015 amending Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020²,
- having regard to Council Decision 2014/335/EU, Euratom of 26 May 2014 on the system of own resources of the European Union³,
- having regard to the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management⁴,
- having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002⁵,
- having regard to its resolution of 15 April 2014 entitled 'MFF negotiations 2014-2020: lessons learned and the way forward'⁶,
- having regard to its resolution of 12 December 2013 on the relations between the European Parliament and the institutions representing the national governments⁷,
- having regard to its resolutions of 19 November 2013 on the MFF 2014-2020⁸ and on the Interinstitutional Agreement on budgetary discipline, on cooperation in budgetary matters and on sound financial management⁹,

¹ OJ L 347, 20.12.2013, p. 884.

² OJ L 103, 22.4.2015, p. 1.

³ OJ L 168, 7.6.2014, p. 105.

⁴ OJ C 373, 20.12.2013, p. 1.

⁵ OJ L 298, 26.10.2012, p. 1.

⁶ Texts adopted, P7_TA(2014)0378.

⁷ Texts adopted, P7_TA(2013)0599.

⁸ Texts adopted, P7_TA(2013)0455.

⁹ Texts adopted, P7_TA(2013)0456.

- having regard to its resolution of 3 July 2013 on the political agreement on the MFF 2014- 2020¹,
 - having regard to its resolution of 13 March 2013 on the multiannual financial framework²,
 - having regard to its resolution of 23 October 2012 on the interests of achieving a positive outcome of the MFF 2014-2020 approval procedure³,
 - having regard to its resolution of 8 June 2011 entitled ‘Investing in the future: a new MFF for a competitive, sustainable and inclusive Europe’⁴,
 - having regard to the interinstitutional joint declaration attached to the MFF on gender mainstreaming,
 - having regard to the opinion of the Committee of the Regions of 15 June 2016 on the Mid-term revision of the Multiannual Financial Framework,
 - having regard to Rule 52 of its Rules of Procedure,
 - having regard to the report of the Committee on Budgets and the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on International Trade, the Committee on Employment and Social Affairs, the Committee on Environment, Public Health and Food Safety, the Committee on Industry, Research and Energy, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Agriculture and Rural Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs, the Committee on Constitutional Affairs and the Committee on Women’s Rights and Gender Equality (A8-0224/2016),
- A. whereas the current multiannual financial framework (MFF) was adopted for the first time under the new provisions of the Treaty of Lisbon, according to which the Council, acting in accordance with a special legislative procedure, shall unanimously adopt the MFF regulation after having obtained the consent of the European Parliament;
- B. whereas the current MFF, which was agreed on in 2013, reflects the priorities of the Union at the time of adoption; whereas the EU will continue to face in the coming years challenges which were not foreseen when the MFF was approved; whereas EU's financing priorities have multiplied, while the MFF has remained unchanged;
- C. whereas, in order to ensure the democratic legitimacy of the new MFF and to give the opportunity to the new Commission and the newly elected Parliament of reconfirming and reassessing the EU’s political and budgetary priorities by adjusting the MFF accordingly, a post-electoral revision clause was requested by Parliament;

¹ Texts adopted, P7_TA(2013)0304.

² Texts adopted, P7_TA(2013)0078.

³ Texts adopted, P7_TA(2012)0360.

⁴ Texts adopted, P7_TA(2011)0266.

- D. whereas the agreement on the MFF 2014-2020 was the outcome of a long and strenuous process of negotiations which took place in a very difficult social, economic and financial context; whereas as a consequence the overall level of the MFF was effectively reduced compared to the previous programming period;
- E. whereas, faced politically with the impossibility of changing the overall MFF figures decided by the European Council, Parliament successfully negotiated the inclusion of a specific article in the MFF regulation relating to a compulsory and comprehensive review/revision of the MFF, the establishment of new and enhanced flexibility provisions, and the setting-up of a High Level Group on Own Resources;

Legal framework and scope of the mid-term review/revision

1. Recalls that in accordance with Article 2 of the MFF Regulation, the Commission shall present a compulsory review of the functioning of the MFF before the end of 2016, taking full account of the economic situation at that time as well as of the latest macroeconomic projections, and that this review shall, as appropriate, be accompanied by a legislative proposal for the revision of the MFF Regulation;
2. Considers, in this respect, that while a review aims at assessing and evaluating the functioning of the MFF against its implementation, new economic conditions and other new developments, and as such could maintain the legislative status quo, a revision implies a modification of the MFF Regulation, which also includes (besides the legislative provisions) the MFF ceilings, on a basis of due respect for Article 312 TFEU and the limitations on the scope of the MFF revision laid down in the last sentence of Article 2 of the MFF Regulation; recalls that this article stipulates that the pre-allocated national envelopes shall not be reduced through a revision; highlights that no other limitations for the MFF revision were set, so an upward revision of the MFF ceilings is possible; stresses, in this context, that Article 323 TFEU requires that the financial means to fulfil the Union's legal obligations in respect of third parties are being ensured;
3. Recalls that Article 311 TFEU states that the Union shall provide itself with the means necessary to attain its objectives and carry through its policies; considers, therefore, that should the review arrive at the conclusions that the current ceilings were too low, it would be a primary law requirement to increase the ceilings;
4. Stresses that Article 17 of the MFF Regulation provides for the possibility of revising the MFF in the event of unforeseen circumstances; points to the magnitude of the crises that have affected the Union since the adoption of the current MFF in 2013;
5. Underlines that the scope of this report is to analyse the purely budgetary aspects of the functioning of the MFF and that it will not touch on the legal bases of sectoral legislation; notes, however, that many EU policies and programmes foresee their own review/revision requirements, mainly scheduled for 2017;

I. Review of the MFF – assessing its first years

6. Considers that a review of the MFF in 2016 should take stock of a number of serious crises and new political initiatives, together with their respective budgetary

consequences, which were not anticipated at the time of the MFF's adoption; notes, inter alia, the migration and refugee crisis, external emergencies, internal security issues, the crisis in agriculture, the funding of the European Fund for Strategic Investments (EFSI), the payment crisis in the EU budget, the persistent high level of unemployment, especially among young people, as well as poverty and social exclusion; furthermore, points to the recent international agreement on climate change and the growing pressure on the development policy; observes that, in order to finance the additional pressing needs, an unprecedented recourse to the MFF's flexibility mechanisms and special instruments was deemed necessary, as the MFF ceilings proved to be too tight in some headings; considers that, over the past two years, the MFF has essentially been pushed to its limits;

7. Stresses that the EU budget has to match the political and strategic priorities of the EU and ensure a balance between long-term priorities and new challenges; underlines, in this respect, the key role that the EU budget must play in achieving the jointly agreed Europe 2020 strategy, which represents its main orientation and overarching priority; believes, therefore, that the MFF review should include a qualitative analysis of whether, and to what extent, the objectives set out in this strategy have been attained; insists that this assessment is coupled with a projection on whether the financial resources earmarked in support of this strategy for the remaining years of the current MFF will be sufficient to allow for its successful implementation;

A. Key events and challenges

Migration and refugee crisis

8. Stresses that the conflicts in Syria, the Middle East and several regions in Africa have had humanitarian and migratory consequences on an unprecedented scale; recalls that the EU has been directly impacted, with more than one million refugees reaching Europe in 2015 alone and more expected in the coming years; recalls that this crisis has led to a major financial response on the EU's part and, hence, has had a significant impact on the EU budget, notably on headings 3 (Security and Citizenship) and 4 (Global Europe);
9. Recalls that in the course of 2015 the additional measures approved in line with the European Agenda on Migration have had an immediate budgetary impact, as notably reflected in amending budgets 5 and 7/2015; furthermore recalls that the utilisation of an additional EUR 1 506 million in EU budget 2016 by mobilising the Flexibility Instrument was approved in order to provide additional resources for migration/refugee-related measures under Heading 3 (Security and Citizenship), such as topping-up of the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF), as well as resources for the three migration-related agencies, namely Frontex, the European Asylum Support Office (EASO) and Europol;
10. Notes that the aforementioned budgetary decisions have completely exhausted the small margin available under this heading and have led to a de facto revision of the ceilings of Heading 3; draws, furthermore, attention to the new Commission proposals which are expected to have an impact on the EU budget, notably the proposal for a recast of the 'Dublin III' Regulation, with a total budgetary impact of EUR 1 829 million for the remainder of the MFF period, the proposal for the establishment of the European Border

and Coast Guard Agency, with an overall budget of EUR 1 212 million for the remainder of the MFF period, and the new emergency support mechanism, with an estimated impact of minimum EUR 700 million in the period 2016 to 2018; stresses that the situation is so critical that the additional appropriations authorised for the Asylum, Migration and Integration Fund (AMIF) in November 2015 had to be reduced in March 2016 so as to finance even more pressing needs, such as the need to provide humanitarian aid in the EU, addressed by the aforementioned new emergency support mechanism;

11. Believes that the solution of the European migration and refugee crisis requires a European approach based on solidarity and fair burden sharing; stresses, in this context, that the EU budget should support Member States to alleviate the burden of the costs related to the reception of the refugee, as this will relieve the pressure on the budgets of those Member States facing a particularly high influx of refugees; emphasises that this approach will create synergies and is, furthermore, efficient and cost-effective for all Member States;
12. Stresses that significant, but still insufficient budgetary means have been deployed to tackle the root causes of the refugee and migration crisis by reinforcing specific EU programmes under Heading 4; recalls the measures undertaken, such as the reallocations in favour of migration/refugee-related actions of EUR 170 million in the course of 2015, as well as the approval in 2016 of an additional EUR 130 million under Heading 4 for migration/refugee-related activities, together with the reshuffling of EUR 430 million under the Instrument for Pre-accession Assistance, the Development Cooperation Instrument and the European Neighbourhood Instrument; recalls, furthermore, that in order to address the external dimension of the migration and refugee crisis the Commission has made various additional proposals having an impact on the EU budget, such as those for the establishment of EU trust funds (the Madad Trust Fund and the Emergency Trust Fund for Africa, with an estimated initial budgetary impact of EUR 570 million and EUR 405 million respectively), as well as of the Refugee Facility for Turkey, for which EUR 1 billion is to be funded from the EU budget, not counting possible additional funding; stresses that further pressure on the Union budget will arise from other planned actions announced by the Commission such as the ‘London pledge’ or from events such as the EU-Turkey summit of 18 March 2016; stresses that additional upcoming budgetary means should also allow for the inclusion of the most vulnerable migrants, especially women, children and LGBTI; is concerned, however, that owing to the magnitude of the problems the EU is facing further actions will be required;
13. Concludes that the magnitude of the migrant and refugee crisis and the financial impact of the measures initiated by the Commission to address this issue could not have been foreseen at the time of the conclusion of the MFF 2014-2020; highlights the fact that, owing to the lack of sufficient resources, the EU has had to set up ad hoc, ‘satellite’ instruments, jointly financed by the Member States, the EU budget and the European Development Fund, namely the EU trust funds (the Madad Trust Fund and the EU Emergency Trust Fund for Africa) and the Refugee Facility for Turkey; recalls that a lack of overall budgetary strategy to address the migrant and refugee crisis led to Parliament being side-lined as regards the decision on the use of EU budget funds; highlights that the multiplication of such instruments creates a problem of accountability and democratic control in the EU which needs to be addressed; deplures, furthermore, the fact that Member States have failed by far to deliver their expected contributions to the trust

funds, thus undermining the success of those funds; reiterates its call on Member States to immediately fulfil their commitments and their responsibilities;

Low level of investment

14. Recalls that, since the global economic and financial crisis, the EU has suffered from low and insufficient levels of investment; notes, in particular, that in 2014 total investment was 15 % below the 2007 level, which corresponds to an investment drop of EUR 430 billion; considers that weak investment slows economic recovery and has direct repercussions on growth, jobs and competitiveness;
15. Underlines that, in response to this pressing problem, the new Commission in 2014 proposed an investment plan for Europe and the establishment of EFSI, with the aim of mobilising EUR 315 billion in new investment in the real economy; reiterates its strong commitment to EFSI, which is expected to deliver a powerful and targeted boost to economic sectors that are conducive to growth and job; observes that a number of projects have already been approved and are under implementation; notes that the guarantee provided by the Union for EFSI is covered by a Guarantee Fund of EUR 8 billion constituted in the EU budget;
16. Recalls that, in order to secure this additional funding, the financial allocation for two significant EU programmes, Horizon 2020 and the Connecting European Facility (CEF), was reduced by EUR 2.2 billion and EUR 2.8 billion respectively, while the remaining EUR 3 billion are covered by unallocated MFF margins; stresses Parliament's commitment during the EFSI negotiations to reduce as much as possible the negative impact on these two programmes, whose financial envelopes, which were decided only in 2013, suffered important cuts compared to the Commission proposal already during the MFF 2014-2020 negotiations;
17. Regrets that the portion of the EU budget dedicated to research and innovation has often been the first to be affected by any cuts in the budget; notes that research and innovation programmes generate EU added value, and underlines the key role of those programmes in supporting competitiveness and, thus, in assuring future growth and the long-term prosperity of the Union;
18. Highlights, in this context, that in accordance with Article 15 of the MFF Regulation, a frontloading of resources was implemented in 2014-2015 for Horizon 2020 (EUR 200 million for European Research Council and Marie Curie actions) and COSME (EUR 50 million), in order to compensate in part for the decrease in appropriations between 2013 and 2014; notes that this frontloading does not change the overall financial envelope of the programmes, leading to less appropriations respectively for the second half of the MFF; stresses, however, that the frontloading for Horizon 2020 and COSME was fully absorbed, thus proving the strong performance of these programmes and their capacity to absorb even more;
19. Notes also with great concern that the success rate for Horizon 2020 has dropped to a level of 13 % from the 20-22 % enjoyed by its predecessor (FP7) in the previous programming period; regrets the fact that as a result fewer high-quality projects in the field of research and innovation are receiving EU funding; notes, similarly, the rejection

of many high-quality applications relating to the CEF owing to insufficient budget funds;

Youth unemployment

20. Stresses that youth unemployment remains dramatically high and represents one of the most pressing and serious problems that the EU is currently facing; highlights that 4.4 million young persons under 25 were unemployed across the Union in February 2016 and that this corresponds to a proportion of over 40 % in several Member States, and over 60 % in certain regions of the EU; underlines that the employment rate in the EU is well below the Europe 2020 target; consequently highlights that too many young people are at risk of social exclusion and that more specific actions on including NEETs (young people not in education, employment or training) should be taken; points to the fact that the volume of highly educated and well-trained human resources has a strong impact on Europe's competitiveness, innovative capacity and productivity, and emphasises, in this regard, the need to invest in education, training, youth and culture; acknowledges, furthermore, the importance of the EU 2010-2018 EU Youth Strategy;
21. Underlines that the EU budget makes a significant contribution to the fight against unemployment, especially through the European Social Fund (ESF) and the Youth Employment Initiative (YEI); points to the indication of the Commission that the designation of implementing authorities has constituted a key challenge for the financial flows of the programme; stresses also that despite the initial delays in this designation and the implementation of the YEI, the current figures indicate full absorption capacity (achieved in part through a significant increase in the pre-financing rate of this programme); notes that an evaluation of this initiative will soon be concluded by the Commission, and expects that the necessary adjustments will be introduced to ensure its successful implementation; considers that the proposed Structural Reform Support Programme could possibly provide a valuable contribution to the improvement of the administrative capacity in Member States in this context; stresses the importance of a continued assessment of the performance of the YEI by relevant stakeholders, including youth organisations;
22. Is particularly concerned at the lack of new commitment appropriations for the YEI as of 2016, given that its entire original envelope was frontloaded in 2014-2015 (Article 15 of the MFF Regulation); stresses that in supporting this frontloading Parliament never intended that the initiative should be terminated after only two years of funding and that other MFF mechanisms, such as the Global Margin for Commitments (GMC), were put in place with the purpose of ensuring its continuation; recalls, however, that the GMC has been already mobilised only for the funding of EFSI; also notes the frontloading of appropriations, on the basis of the same article, for Erasmus + (EUR 150 million), this being another EU programme that makes a major contribution to improving the employability of young people, which was fully implemented in the first two years of this period; recalls that, according to the International Labour Organisation (ILO), an efficient Youth Guarantee at the European Union level would cost EUR 21 billion on an annual basis for the eurozone countries;

Internal security

23. Recalls the recent terrorist attacks in France and Belgium and the increased threat levels

in other Member States, which call for more coordinated and reinforced action and means at EU level; underlines that the Union has the Internal Security Fund as an appropriate instrument, and has several agencies operating in this field facing increasing pressure; considers that more European action, and therefore more funding, will be needed in this area to provide an adequate response to this threat; stresses that increased cooperation in this area requires reinforcement of the staff of the relevant agencies, which may further increase pressure on the EU budget, and recalls the limited reinforcement of staff levels of the European Counter-Terrorism Centre in Europol financed by redeployment from the Internal Security Fund;

24. Stresses that given the current actions and legislative proposals aimed at increasing judicial cooperation, additional financial and human resources will progressively be required also for Eurojust, which will have an impact on the EU budget;

Crises in the agricultural sector

25. Stresses that the tight ceilings for the Common Agricultural Policy (CAP) until 2020 entail much lower margins than in the previous MFF, while the sector faces more challenges; recalls that this policy is crucial for the income situation of many farmers, particularly in times of crises, and points out to the high annual absorption rate of almost 100 %; recalls the various crises that European farmers have faced since the beginning of the current MFF, most notably in the dairy, pig meat, beef and fruits and vegetables sectors, and the long-term negative effects on European farmers of the losses caused by the Russian embargo on agricultural products; notes the abolition of sugar quotas in 2017 and its possible effect on the sugar sector, with due attention also given to the particular needs of the outermost regions; highlights the budgetary impact of the emergency measures taken in response to these crises, involving EUR 500 million in the budget 2016 and EUR 300 million in 2015 which were financed from the margins in Heading 2; underlines that any reduction in this area would endanger the territorial cohesion of the EU, in particular as regards the rural areas; is, furthermore, against any movement towards a renationalisation of agricultural policy, which would create distortion in the market and unfair competition for farmers;

Environmental challenges

26. Is concerned that the goal of spending at least 20 % of the EU budget (under the current MFF) on climate-change-related action has not been reached, and that, according to the Commission's mainstreaming methodology, only around 12.7 % of the EU annual budget is spent on this cause; points to the significant need of financing for climate action, biodiversity protection and the sustainable use of natural resources, which will be further heightened by the effects of the ongoing global warming; notes, in particular, the COP 21 climate agreement reached at the recent Conference of the Parties to the United Nations Convention in Paris in 2015;

Economic, social and territorial cohesion

27. Recalls that the cohesion policy is the Union's main investment policy aiming at reducing the economic, social and territorial disparities between all EU regions and, thus, improving the quality of life of European citizens; highlights its important role in the

delivery of the Europe 2020 strategy for smart, sustainable and inclusive growth, in particular through a clear earmarking of resources for the climate-related actions and for the social objectives, especially to fight the increased poverty, including child poverty, inequalities and social exclusion, and to stimulate employment; calls on the Commission to monitor the full implementation of the above-mentioned targets; considers, furthermore, that while respecting the pre-allocated national envelopes, the structural funds can also provide a valuable contribution to the arising challenges, such as the consequences of the refugee crisis;

Growing pressure on development and neighborhood policies

28. Notes the upward pressure on global needs for humanitarian aid and disaster risk reduction stemming from the effects of conflicts and wars; points to the Addis Ababa agreement, in which Heads of State and Government affirmed their strong political commitment to achieving Sustainable Development Goals (SDGs), and is aware of the need for expenditure in this respect; recalls the EU's recent renewal of its collective commitment to raise its official development assistance (ODA) to 0.7 % of its GNI and to allocate at least 20 % of its ODA to basic social services, with a focus on education and health; is strongly against any use of development aid for non-development objectives;
29. Recalls that the geopolitical situation in the Eastern Neighbourhood is also fragile; stresses the important role of the EU budget in contributing to the stabilisation of the situation in both southern and eastern EU neighbourhood and in addressing these challenges through the provision of support to countries that are currently implementing association agreements, in order to advance reforms and ensure the deepening of the relations between the EU and the respective countries;

Gender mainstreaming

30. Welcomes the MFF mid-term review as an opportunity to make significant progress towards more effective integration of gender mainstreaming in the MFF and in the implementation and monitoring of the Joint Declaration attached to the MFF in this regard;

Payments backlog

31. Recalls the build-up over the previous (2007-2013) MFF of a backlog of unpaid bills, which rose from a level of EUR 5 billion at end 2010 to unprecedented levels of EUR 11 billion at end 2011, EUR 16 billion at end 2012, and EUR 23.4 billion at end 2013; warns that this backlog has spilled over into the current (2014-2020) MFF, reaching an unprecedented peak of EUR 24.7 billion at the end of 2014; stresses that, at the insistent request of Parliament, a payment plan has been agreed with the aim of reducing the backlog of outstanding cohesion policy-related payment claims for 2007-2013 to a 'normal' level of EUR 2 billion by the end of 2016; points out that at least EUR 8.2 billion of unpaid bills were identified at the end of 2015 for 2007-2013 in the field of cohesion policy, a figure which is expected to fall below EUR 2 billion by the end of 2016; notes that this decrease provides merely temporary relief as it is only the result of

submissions of payable claims for both the 2007-2013 and 2014-2020 programmes being less than announced; regrets that no action has been undertaken to address the 'hidden backlog' identified under other headings; draws the attention to the fact that the situation of 2012-2014 is expected to recur at the end of the current MFF unless no concrete measures are taken;

32. Regrets that the consequences of this payment crisis have been severe, affecting beneficiaries of the EU budget such as students, universities, SMEs, researchers, NGOs, local and regional authorities and other relevant entities; recalls, in particular, the dramatic shortage of payments in the field of humanitarian operations in 2014, which negatively affected the EU's life-saving operations; recalls that the Commission had to resort to 'mitigating measures' such as reducing pre-financing percentages and postponing calls for proposals/tenders and related contracting; recalls that an artificial slowdown in the implementation of the new 2014-2020 programmes occurred owing to the general lack of payments, an example being an artificial delay relating to EUR 1 billion worth of calls for proposals under Horizon 2020 in 2014, which aimed at ensuring that payments would fall due in 2015 rather than in 2014; stresses, furthermore, that penalties for late payments have been charged to the EU budget, reaching some EUR 3 million in both 2014 and 2015;

B. Substantial use of the MFF's flexibility provisions

33. Stresses that, in order to secure the additional appropriations that have been needed to respond to crises or to finance new political priorities since 2014, the budgetary authority has approved a substantial mobilisation of the flexibility provisions and special instruments included in the MFF regulation, after exhausting all available margins; recalls that several of those provisions resulted directly from proposals of the European Parliament, which ranked the call for maximum possible flexibility as one of its key demands in the MFF negotiations;
34. Notes, in particular, that the special instruments were mobilised to tackle the refugee and migration crisis (full amount of the Flexibility Instrument exhausted in 2016 – EUR 1 530 million; Emergency Aid Reserve in 2016 – EUR 150 million), the payments shortage problem (Contingency Margin activated in 2015 – EUR 3.16 billion), and the financing of the EFSI Guarantee Fund (full use of Global Margin for Commitments 2014 – EUR 543 million); recalls that the decision to mobilise the Contingency Margin in payments is coupled with a decrease in the payment ceilings for the years 2018 to 2020;
35. Anticipates that any further needs that arise in relation to the migration and refugee crisis in 2016, including the tranche of EUR 200 million for the new instrument to provide emergency support within the Union, should result in the mobilisation of the Contingency Margin as soon as necessary; recalls that no more margins are available under Heading 3, while the Flexibility Instrument has already been used up in its entirety for this year; suggests that further opportunities for flexibility for emerging challenges should be investigated;
36. Recalls that the legislative flexibility, as enshrined in Point 17 of the Interinstitutional Agreement (IIA), allows for an increase in the overall envelope of programmes adopted by the ordinary legislative procedure of up to +/- 10 % over the seven-year period; notes

that ‘new, objective, long-term circumstances’ allow the budgetary authority to depart even further from the original envelope; welcomes the fact that this provision has already been used to allow the Union to respond to unforeseen events by considerably increasing the original annual allocations of programmes such as AMIF;

II. Mid-term revision of the MFF – an imperative requirement

37. Is convinced, on the basis of the above analysis, that the review of the functioning of the current MFF entails the conclusion that a genuine mid-term revision of the MFF, as provided for in the MFF Regulation, is absolutely indispensable if the Union is to effectively confront a number of challenges while fulfilling its political objectives; recalls that delivering on the Europe 2020 strategy remains the main priority to be supported by the EU budget; stresses the need for the EU budget to be endowed with adequate resources to effectively ensure investments conducive to growth and jobs, achieve economic, social and territorial cohesion, and promote solidarity;
38. Urges the Commission, when preparing its legislative proposal, to take into consideration the following demands of Parliament regarding changes to the MFF Regulation, with respect both to the figures and to several provisions relating to the functioning of the MFF which need to be applicable already for the current MFF;
39. Stresses that two legislative proposals with important budgetary implications, namely the prolongation of EFSI and the setting up of an External Investment Plan, are anticipated in the autumn of 2016; expects that all information related to the financing of these two proposals will be made available as soon as possible, in order to be duly taken into account during the negotiations on the MFF mid-term revision; reiterates its principle position that new political initiatives should not be financed to the detriment of existing EU programmes and policies;
40. Stresses that the modifications agreed on during the MFF mid-term revision should be implemented without delay and integrated already in the EU budget 2017; calls, therefore, on the Commission to present its legislative proposal on the revision of the MFF Regulation as soon as possible, in order to allow for parallel negotiations on the MFF revision and the EU budget 2017 and a timely agreement in that respect;
41. Takes note of the outcome of the UK referendum of 23 June 2016; calls, in this regard, on the Commission to provide the budgetary authority with all relevant information on possible budgetary implications resulting from this referendum, without prejudice to the outcome of the upcoming negotiations between the UK and the EU;

A. Parliament’s demands for the second half of the MFF

MFF figures (commitments)

42. Is convinced that, while fully confirming the notion of large-scale political and financial support for EFSI, the EU budget should not be financing new initiatives to the detriment of existing Union programmes and policies; intends to deliver on its commitment to fully offset the EFSI-related cuts affecting Horizon 2020 and CEF, in order to allow them to accomplish their objectives as agreed only two years ago, and enable the Union to reach

its research and innovation targets; stresses, in this context, that the funding level of the other programmes in Subheading 1a ('Competitiveness for growth and jobs') should not be affected by this compensation, pointing to their incontestable contribution to growth, jobs and competitiveness; believes that margins in Subheading 1a are not sufficient for accommodating these needs, hence calls for an increase of the ceiling in this Subheading;

43. Strongly supports the continuation of the YEI, as a means of ensuring an urgent response in the fight against youth unemployment, following the necessary adjustments brought about by the ongoing evaluation; considers that this can only be achieved through the provision of at least the same level in commitment appropriations for YEI until the end of the current MFF as the one allocated annually to the programme during the first two years of this period (6 billion EUR frontloaded in 2014-2015), subject to the outcome of the upcoming Commission's assessment; notes that this should entail an upwards revision of the ceilings of Subheading 1b ('Economic, social and territorial cohesion'), as no margins are available;
44. Is of the firm opinion that the overall budgetary allocation and pre-allocated national envelopes for the CAP, including direct payment appropriations, remain untouched during the MFF revision; underlines, moreover, the importance of ensuring that the allocation for the European Maritime and Fisheries Fund is not reduced, in order to allow for the fulfilment of the objectives of the recent Common Fisheries Policy reform;
45. Considers that the magnitude of the migration and refugee crisis, caused by conflicts and climate change, goes to show that additional needs with significant budgetary consequences may be expected to arise for this purpose in the coming years under Heading 3 (Security and Citizenship); underlines, moreover, that under the same Heading, additional funding will also be needed to back up reinforced action at EU level for internal security in the EU and for the fight against terrorism; asks the Commission to draw up as soon as possible an updated projection of the budget required until the end of the current MFF, to meet all challenges in these fields;
46. Is, therefore, of the firm opinion that, even with the mobilisation of the small margins available under Heading 3 and existing flexibility provisions, the resources available will not be sufficient to tackle the increased needs under this heading; calls, therefore, for significant reinforcements for the AMIF and the Internal Security Fund, as well as for the Union agencies (Frontex, the European Asylum Support Office (EASO), Europol, Eurojust and the European Union Agency for Fundamental Rights (FRA)) that have undertaken new responsibilities operating in the field, as well as other initiatives that can be undertaken; considers that an upward revision of the ceilings under Heading 3 is required;
47. Expects that concerted action to respond effectively to the external dimension of the migration and refugee crisis, notably the political stabilisation of the European Neighbourhood and the sub-Saharan Africa and the tackling of humanitarian and economic causes of migration, will intensify over the coming years, and will be accompanied by increased requests for funding under Heading 4 (Global Europe); underlines that such requests for additional funding should not be deployed to the detriment of the EU's existing external action, including its development policy; calls, therefore, for an upward revision of the ceilings under Heading 4;

MFF figures (payments)

48. Considers that, as a matter of priority, it is necessary to act to prevent a new payment crisis occurring towards the end of the current MFF; firmly believes that every effort should be made to avoid building up a backlog of unpaid bills like the one that was observed during the previous period; stresses, however, that, at the same time as payment needs should be reaching their normal peak, a significant pressure on payments at the second half of the MFF can already be anticipated; considers that the additional pressure is due, inter alia, to the offsetting of the Contingency Margin against the already tight payments ceilings for 2018-2020, the considerable delay in launching the new programmes under shared management, including the YEI, the payment profile of EFSI, and the additional payments corresponding to the recent increases in commitments in relation to the migration and refugee crisis;
49. Recalls that payments appropriations are the orderly consequence of past commitments; expects, therefore, that new reinforcements in commitment appropriations will be accompanied by a corresponding increase in payment appropriations, including an upward revision of the payments ceilings; considers, moreover, that the mid-term review/revision of the MFF provides an excellent opportunity to take stock of payment implementation and updated forecasts for the expected evolution of payments up to the end of the current MFF; believes that a joint payment plan for 2016-2020 should be binding, developed and agreed between the three institutions; insists that such a new payment plan should be based on sound financial management and provide for a clear strategy to meet all payment needs in all headings until the end of the current MFF, and to avoid a 'hidden backlog' caused by an artificial slowdown in the implementation of certain multiannual programmes and other mitigating measures, such as the reduction of pre-financing rates;
50. Is determined to settle in an unequivocal way the issue of budgeting the payments of the MFF special instruments; recalls the unresolved conflict of interpretation between the Commission and Parliament on the one hand, and the Council on the other, which has been in the forefront of the budgetary negotiations in recent years; reiterates its long-standing position that payment appropriations resulting from the mobilisation of special instruments in commitment appropriations should also be counted over and above the annual MFF payment ceilings;

Conditionality to ensure fundamental right of the EU

51. Insists that all countries should assume full share of responsibilities in the context of the refugee crisis and the Decision on the dedicated reallocation mechanism; calls on the Commission to introduce a financial bonus-malus mechanism as regards the Member States' fulfilment or not of their commitments under measures adopted by the EU; upholds that any financial contribution coming from sanctioning a Member State that does not respect these measures should flow back into the EU budget as an extra revenue;

Extraordinary revenue

52. Strongly believes that any surplus resulting from under-implementation of the EU budget or fines imposed on companies for breaching EU competition law should be budgeted as

extra revenue in the EU budget, with no corresponding adjustment of the GNI contributions; considers that this measure would significantly contribute to easing the payment problem of the EU budget; calls on the Commission to make appropriate legislative proposals in this regard;

53. Is convinced that decommitments across all headings, resulting from total or partial non-implementation of the actions for which they were earmarked, should be made available again in the EU budget and be mobilised by the budgetary authority in the framework of the annual budgetary procedure; strongly believes that, given the current constraints affecting the EU budget and the additional financing needs that the Union is facing, such provision should also apply to decommitments resulting from the implementation of the 2007-2013 programmes, including the closure of cohesion policy programmes; calls on the Commission to make appropriate legislative proposals in this regard;

Flexibility provisions and special instruments

54. Stresses that the mere frequency and level of mobilisation of the MFF special instruments over the past two years prove beyond any doubt the worth of the flexibility provisions and mechanisms enshrined in the MFF Regulation; stresses the long-standing position of Parliament that flexibility should allow for a maximum use of the global MFF ceilings for commitments and payments;
55. Believes, therefore, that the mid-term revision of the MFF Regulation should provide for the lifting of a number of constraints and limitations that were imposed by the Council on the flexibility provisions at the time of adoption of the MFF; considers, in particular, that any restrictions on the carry-over of unused appropriations and margins, either by setting annual ceilings (Global Margin for Payments) or by imposing time-limits (Global Margin for Commitments) should be revoked; believes that, given the current budgetary constraints across several headings, no specific scope should be defined as regards the utilisation of resources under the Global Margin for Commitments;
56. Stresses, in particular, the mobilisation of the full amount of the Flexibility Instrument in 2016; notes that this instrument allows for financing clearly identified expenditure that cannot be financed within the ceiling of one or more headings and is not linked to a specific EU policy; considers, therefore, that it provides genuine flexibility in the EU budget, especially in the event of a major crisis; calls, accordingly, for a substantial increase in its financial envelope up to an annual allocation of EUR 2 billion, pointing out that this amount is budgeted only in the event of a decision of the budgetary authority for mobilisation of this instrument; recalls that the Flexibility Instrument is not linked to a special policy field and can be mobilised for any purpose that is deemed necessary;
57. Points to the role of the Emergency Aid Reserve in providing a rapid response to specific aid requirements for third countries for unforeseen events, and stresses its particular importance in the current context; calls for a substantial increase in its financial envelope up to an annual allocation of EUR 1 billion;
58. Notes the different rules in force as regards the time-span for carrying over unspent appropriations for the MFF special instruments, namely the Flexibility Instrument, the Emergency Aid Reserve, the EU Solidarity Fund and the European Globalisation

Adjustment Fund; calls for the harmonisation of these rules so as to enable a general N+3 rule to apply to these instruments;

59. Attaches particular importance to the Contingency Margin, as a last-resort instrument for reacting to unforeseen circumstances; stresses that, according to the Commission, this is the only special instrument that can be mobilised for payment appropriations only, and thus to prevent a payment crisis in the EU budget, as in 2014; deplores the fact that, contrary to the previous period, a compulsory offsetting of the appropriations is stipulated in the MFF Regulation; is of the firm opinion that this requirement creates an unsustainable situation which will in fact lower the annual amounts with regard to the MFF ceilings in the last years of the period and thus create additional pressure on the EU Budget; stresses that the Contingency Margin is, in any event, a last-resort instrument, the mobilisation of which is jointly agreed on by the two arms of the budgetary authority; calls, therefore, for the rule of compulsory offsetting to be lifted immediately with retroactive effect, as well as for an upward revision of its maximum annual amount to 0.05 % of EU GNI;

Follow up of the international agreements on environmental changes

60. Notes that the COP 21 agreement reached in Paris is a universal, dynamic and differentiated agreement aimed at facing the challenge of climate change; underlines that, under this agreement, EU funding needs to be allocated for supporting climate action in developing countries; stresses that any funding for the possible measures originating from COP 21 should be additional to the current spending on climate actions, and calls on the Commission to present its implementation strategy and first evaluation of the possible impact of the COP 21 agreement on the EU budget in due time for the revision; underlines, moreover, that the revision of the MFF creates an excellent opportunity to ensure that the 20 % target of spending on climate-related actions is reached and to provide for a possible increase of this threshold in line with the EU's international commitments taken during the COP 21; calls on the Commission to ensure that the mechanism of climate action mainstreaming is fully operationalised and that the current method of tracking of such spending is improved; recalls, furthermore, that the EU is also committed to implement the United Nations convention's Strategic Plan for Biodiversity, and underlines that it should dedicate sufficient resources to fulfil its commitments in that respect;

Simplification

61. Believes that the mid-term review/revision provides for an excellent opportunity for the first-time assessment and evaluation of the functioning of the EU policies and programmes concerned, as well as the operation of the MFF flexibility provisions and special instruments, and expects the Commission to supply an analysis identifying the shortcomings of the current implementation system; pays particular attention to the assessment of the impact on the implementation process of the new elements introduced in the current programming period, such as ex-ante conditionalities under cohesion policy; considers that the mid-term review/revision of the MFF should also take stock of the performance of funds allocated in view of the achievement of their objectives; invites the Commission to come up with concrete proposals to address the possible deficiencies and to improve and rationalise the implementation environment for the remaining years

of the current MFF, in order to ensure the most efficient use of scarce financial resources and to reduce the administrative burden for the beneficiaries;

62. Stresses that it is important to show the added-value of EU budget delivery and supports bringing the result orientation culture at the heart of the EU spending; emphasises that performance and output-related assessment should become, where appropriate, a key principle, and stresses the particular applicability of such a principle on innovation-focussed programmes; acknowledges the work of the Commission in the context of the EU Budget Focused on Results initiative, which still needs to be further developed, and awaits the outcomes of the work of the inter-institutional expert working group on performance-based budgeting; considers that this approach can be a vehicle for boosting performance of underperforming programmes; stresses, however, that technical or programming shortcomings cannot lead to a reduction of the EU budget or the abandonment of political priorities, and that better spending alone will not solve the problem of the lack of financial means to address pressing and growing needs; reminds the Commission that Parliament, as one arm of the budgetary authority, must be included in developing the Commission's strategy in that respect;

Financial instruments

63. Acknowledges the increased role of financial instruments in the Union budget as a complementary form of funding as compared to subsidies and grants; recognises the potential of these instruments in terms of increasing the financial, and therefore the political, impact of the Union budget; underlines, however, that a shift from traditional financing to more innovative instruments is not advisable in all policy areas, as not all policies are entirely market-driven; highlights that financial instruments provide an alternative and complementary way of funding and should not be used for projects that can only benefit from the use of grants, which are particularly important to less developed regions;
64. Calls on the Commission to conduct, in the course of the mid-term review/revision, an in-depth analysis of the use of the financial instruments since the beginning of the current programming period; stresses that when assessing a financial instrument, the leverage dimension cannot be the only evaluation criteria; recalls, in this context, the importance of the 'additionality' criteria and the assessment of the contribution to the fulfilment of the EU's political objectives;
65. Encourages the Commission to identify all EU policy areas where grants could be combined with financial instruments and to reflect on a proper balance between the two; is of the firm opinion that the possibility of a combination of various EU resources under harmonised management rules would help optimise the synergies between available sources of financing at EU level; underlines that increasing use of financial instruments should not lead to a reduction in the Union budget; recalls its repeated calls for greater transparency and democratic scrutiny regarding the implementation of financial instruments supported by the Union budget;

B. Parliament's considerations concerning the post-2020 MFF

66. Recalls that according to Article 25 of the MFF regulation, the Commission shall present

a proposal for a new multiannual financial framework before 1 January 2018; stresses, therefore, that a number of key elements for the next MFF should already be debated in the framework of the upcoming review/revision;

67. Considers that the key priorities to be addressed must include adjustments to the duration of the MFF, a thorough reform of the own resources system, a greater emphasis on the unity of the budget, and more budgetary flexibility; is furthermore convinced that the modalities of the decision-making process need to be reviewed in order to ensure democratic legitimacy and comply with the provisions of the Treaty;
68. Recalls the budgetary principles of unity, budgetary accuracy, annuality, equilibrium, universality, specification, sound financial management and transparency, which need to be respected when establishing and implementing the Union budget;
69. Underlines that an essential element of the difficulties in agreeing on a multiannual financial framework between Member States is their primary focus on net balances; reiterates its position that the Union budget is not a simple zero-sum game but, rather, an important trigger for convergence and the expression of common policies which create collective added value; urges the Member States, therefore, to change their perception of and approach to the Union budget, that is, to establish the size of the budget based on a thorough assessment of the financial needs deriving from the Union's legal obligations, its political objectives set out in its programmes and policies as well as international commitments, in order to ensure that the outcome is not another stalemate that will only further disconnect the Union from its citizens; calls, accordingly, on the Commission to produce a study on the savings achieved at national level by Member States as a result of policy action funded at EU level;
70. Points to the political imperative of setting up a decision-making procedure that guarantees the availability of the necessary financial resources, either at EU or national level, in order to ensure the full implementation of the political decisions taken by the European Council;

Duration

71. Recalls that, according to recital 3 of the MFF Regulation, the three institutions have agreed to jointly examine the issue of the most suitable duration in the context of the review/revision; reiterates its position that the duration of the MFF should be aligned with the political cycle of both Parliament and the Commission, thus making the European elections a forum for debate on future spending priorities;
72. Underlines, however, that, especially for programmes under shared management in the field of cohesion policy and rural development, longer-term predictability is essential, given the time it takes to agree on sectoral legislation and operational programmes at national and regional level;
73. Believes that, given the rapidly changing political environment and with a view to ensuring greater flexibility, some elements of the MFF should be agreed for 5 years while others, notably those related to programmes requiring longer-term programming and/or policies foreseeing complex procedures for the establishment of implementation systems,

such as cohesion policy or rural development, should be agreed for a period of 5+5 years with compulsory mid-term revision;

Reform of the own resources system

74. Underlines the need for a fully-fledged reform of the own resources system, with simplicity, fairness and transparency as guiding principles; is therefore expecting an ambitious final report from the High Level Group on Own Resources by the end of 2016, as well as an equally ambitious legislative package on own resources as of 2021 from the Commission by the end of 2017;
75. Stresses the need to reduce the share of the GNI contributions to the Union budget in order to exit the 'juste retour' approach of Member States; underlines that this would reduce the burden on national treasuries and thus make the resources concerned available for Member States' national budgets; recalls that the current VAT own resource is over-complex and is in essence a second GNI contribution, and therefore calls for this own resource either to be substantially reformed or to be scrapped altogether; considers it necessary, however, to keep the GNI contributions as an element of the budget, given the need for its function as a balancing contribution;
76. Calls for the introduction of one or several new own resources, ideally with a clear link to European policies that create added value; notes that a large number of possible new own resources have already been discussed by the High Level Group, such as a reformed VAT, a Financial Transaction Tax, ECB seigniorage, a reformed EU Emissions Trading System and carbon taxation, transport taxation, corporate taxation, electricity or digital taxation; eagerly awaits the High Level Group's recommendations, in order to proceed and prepare Parliament's position in this respect; calls, in this context, for the phasing out of all forms of rebates;

Unity of the budget

77. Underlines the importance of the principle of the unity of the budget, and recalls that according to Article 310(1) TFEU, all items of revenue and expenditure of the Union shall be shown in the budget; is concerned about the recent shift from the Community method to intergovernmental decision-making as observed, since 2014, in the setting-up of the Bêkou Trust Fund for the Central African Republic, the Madad Regional Trust Fund in response to the Syrian crisis, and the EU Emergency Trust Fund for Africa, as well as of the Refugee Facility for Turkey; stresses that this form of financing entails a reallocation of funds under existing multiannual financial programmes negotiated and agreed among the three institutions; highlights that this endangers democratic accountability, as Parliament has been excluded from the setting-up of those funds;
78. Underlines that according to the Treaty, Parliament and the Council establish the Union budget on an equal footing as the two arms of the budgetary authority; considers, moreover, that full parliamentary control over all expenditure is an essential element of all EU spending; calls on the Commission to preserve the unity of the budget and to consider it a guiding principle when proposing new policy initiatives;
79. Reiterates its long-standing position that the European Development Fund (EDF) should

be integrated in the Union budget, as from 2021, while ensuring the financing of the African Peace Facility and security-related operations;

80. Stresses that any future integration of the EDF or such ad-hoc instruments into the EU budget entails that their respective financial envelopes are added on top of the MFF ceilings, which will need to be revised accordingly, in order not to jeopardise the financing of other EU policies and programmes;

Enhanced flexibility

81. Stresses that the rigid structure of the Union budget deprives the budgetary authority of the possibility of reacting adequately to changing circumstances; calls, therefore, for greater flexibility in the next MFF, in particular through more flexibility between headings in the form of flexibility of unspent margins and between years with the aim of fully exploiting the MFF ceilings;
82. Underlines that in addition to the ability to react flexibly to changing circumstances without prejudice to the agreed programming, there is also a necessity for the Union to be able to react quickly to developing crises, such as the current migration crisis; calls, therefore, in addition to the already existing MFF special instruments, for the establishment of a permanent EU crisis reserve within the Union budget in order to avoid ad hoc solutions like the setting-up of trust funds; stresses that such a mechanism, meant to respond to crises and unforeseen situations, should by its very nature operate as new MFF special instrument and be counted over and above the MFF ceilings;

Decision-making process

83. Recalls Parliament's critical stance as regards the manner in which the procedure leading to the adoption of the MFF Regulation for 2014-2020 was conducted; recalls that the adoption of the regulation requires Parliament's consent; stresses, therefore, that Parliament needs to be fully involved in the relevant negotiations from the outset; considers that the EU institutions should formalise the modalities for the next MFF procedure in an agreement reached at the time of the mid-term review/revision of the MFF, which should take account of the shortcomings of the previous negotiations and fully safeguard Parliament's role and prerogatives as set out in the Treaties; considers that these modalities should eventually be enshrined in the IIA, as is the case for the annual budgetary procedure;
84. Considers that the unanimity requirement for the adoption of the MFF Regulation represents a true impediment in the process; calls, in that regard, on the European Council to activate the passerelle in Article 312(2) TFEU so as to allow for the adoption of the MFF Regulation by qualified majority; recalls, moreover, that the general passerelle clause of Article 48(7) TEU can also be deployed, in order to apply the ordinary legislative procedure; stresses that a shift towards qualified majority voting for the adoption of the MFF Regulation would be in line with the decision-making process for the adoption of virtually all EU multiannual programmes, as well as for the annual procedure for adopting the EU budget;
85. Recalls that the Treaty does not assign the European Council the right to exercise

legislative functions; reiterates, in this context, its strong objection to the European Council's interference in legislation during the last MFF negotiations; demands from the European Council that it limits itself to its tasks as defined by the Treaty, and to refrain from pre-empting policy changes which are to be decided under the ordinary legislative procedure, thereby respecting Parliament's legislative prerogatives under co-decision;

86. Insists that the legislative process to adopt the next MFF should be concluded by the end of 2018, following substantial negotiations between Parliament and the Council; stresses that a timely MFF agreement will allow for the swift adoption of all sectorial regulations, and will enable the new programmes to start without delay on 1 January 2021; stresses the importance of better informing national parliaments and European citizens of the challenges of the next MFF through the organisation, when appropriate, of an interinstitutional, inter-parliamentary conference;

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87. Instructs its President to forward this resolution to the Council, the Commission, the other institutions and bodies concerned, and the governments and parliaments of the Member States.

25.5.2016

OPINION OF THE COMMITTEE ON FOREIGN AFFAIRS

for the Committee on Budgets

on the preparation of the post-electoral revision of the MFF 2014-2020: Parliament's input ahead of the Commission's proposal
(2015/2353(INI))

Rapporteur: Neena Gill

SUGGESTIONS

The Committee on Foreign Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Stresses that the EU is faced with an unprecedented number of crises in its neighbourhood and beyond, most notably the refugee crisis, security threats and armed conflicts, which are threatening core values and require solidarity and reinforced common external action; recalls the need for solidarity with regard to the increasing number of natural disasters; underlines the fact that these crises were unforeseen at the time the Multiannual Financial Framework (MFF) 2014-2020 was concluded; recalls that the total for Heading 4 was cut by some 16 % compared to the initial Commission proposal, significantly debilitating the EU's ability to respond to all these new challenges and meet its political commitments; urges the Commission to submit a proposal for a revision raising the ceilings of commitment appropriations under this heading to provide additional funding; calls on the Commission to incorporate a performance-based budgeting approach, while bearing in mind the specificity of external actions;
2. Highlights that addressing the migration and refugee crises is a key priority, but stresses that this should not come at the cost of policies in other areas, including those that are key to addressing long-term challenges and the root causes of the current crisis; is convinced that responses to humanitarian distress must go in parallel with development processes, achieving the Sustainable Development Goals, fostering stable and secure environments in which development can happen, and promoting human rights and all other EU foreign policy priorities;
3. Considers that current flexibility mechanisms are insufficient in terms of volume and flexibility to adequately respond to the changed situation; recalls that, mainly owing to a

lack of resources, the Commission has set up a number of ad hoc instruments, including the Trust Funds for Syria, Africa and the Central African Republic and the Refugee Facility for Turkey; recognises their potential to increase the EU's financial response, but stresses the need for transparency, accountability and democratic control in the management of these financial instruments, and expresses dismay regarding Member States' failure to deliver on funding pledges; calls strongly for European Parliament oversight of the Trust Funds' governance;

4. Calls on the Commission to propose a reform of the flexibility mechanisms under the MFF, including setting up a permanent EU crisis reserve that allows for the mobilisation of additional resources when needed through flexible procedures that allow rapid responses to urgent and volatile situations; stresses that any emergency funding for responding to crises and unforeseen situations should by its very nature be covered by special instruments and be counted outside the MFF ceilings; believes that the possibility to transfer unallocated funds between headings would increase the ability to respond to evolving challenges, also allowing maximum utilisation of the MFF ceilings; notes that current funds should be used in the most efficient way; stresses the importance of emergency aid reserves and of maintaining sufficient funds for that purpose;
5. Stresses the necessity for the revised MFF to be able to respond to the needs of the external financing instruments after their 2017 mid-term review and calls for better coherence and coordination of both review processes in the future;
6. Urges the Commission to align the next MFF with the political cycles of the Commission and Parliament in order to improve democratic accountability and the transparency of the multiannual budget.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	23.5.2016
Result of final vote	+: 36 -: 7 0: 2
Members present for the final vote	Lars Adaktusson, Michèle Alliot-Marie, Petras Auštrevičius, Amjad Bashir, Bas Belder, Goffredo Maria Bettini, Elmar Brok, Klaus Buchner, James Carver, Lorenzo Cesa, Javier Couso Permuy, Mark Demesmaeker, Georgios Eпитideios, Knut Fleckenstein, Eugen Freund, Michael Gahler, Iveta Grigule, Afzal Khan, Janusz Korwin-Mikke, Eduard Kukan, Ilhan Kyuchyuk, Ryszard Antoni Legutko, Barbara Lochbihler, Sabine Lösing, Ramona Nicole Mănescu, David McAllister, Tamás Meszerics, Francisco José Millán Mon, Javier Nart, Pier Antonio Panzeri, Demetris Papadakis, Ioan Mircea Pașcu, Vincent Peillon, Alojz Peterle, Tonino Picula, Cristian Dan Preda, Jozo Radoš, Jaromír Štětina, Charles Tannock, Boris Zala
Substitutes present for the final vote	Luis de Grandes Pascual, Marek Jurek, Bodil Valero
Substitutes under Rule 200(2) present for the final vote	Ricardo Serrão Santos, Renate Weber

30.5.2016

OPINION OF THE COMMITTEE ON DEVELOPMENT

for the Committee on Budgets

on the preparation of the post-electoral revision of the MFF 2014-2020: Parliament's input ahead of the Commission's proposal (2015/2353(INI))

Rapporteur: Paul Rübige

SUGGESTIONS

The Committee on Development calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Recalls that the first years of the new MFF were characterised by severe payment shortages in the budget with negative implications for the implementation of external action programmes; calls for an adequate payment level in Heading 4 to be provided in order to prevent the recurrence of this problem;
2. Notes the massive scale of the global needs for humanitarian aid and for disaster risk reduction, disaster and epidemic preparedness and the building of resilience in developing countries; notes, in addition, the upward pressure on these needs stemming from the effects of conflicts and wars, human rights violations, bad governance and corruption, poor provision of basic social services, including weak health systems, the lack of universal health coverage and investments into health innovation, growing economic and social inequality, as well as climate change and competition for scarce resources; considers it necessary to strengthen transparency, accountability and reporting of the resources for the development and humanitarian aid, as well as the financial means for this aid, with rapid approval by the budgetary authority, whenever needed, especially bearing in mind the newly established 2030 Agenda, and with a view to fulfilling the policy coherence for development (PCD) principles; is convinced that this also serves the EU's interests as it will prevent future migratory pressures;
3. Notes that expenditure related to the in-donor refugee costs, although covered in part by the OECD Development Assistance Committee (DAC) definition of official development assistance (ODA), does not contribute to sustainable development in developing countries and to fighting the root causes of migration; notes an increase in some Member States'

reporting of in-donor refugee costs as ODA; reiterates that effective humanitarian aid actions and development programmes should aim at combating the root causes of migration in developing countries and should not be made at the expense of the EU's development funding and policies in other areas;

4. Recalls that the migrant and refugee crisis has significantly impacted the EU budget and will continue to demand a dynamic response in the coming years; supports the exhaustion of the resources available under Headings 3 and 4 of the EU budgets 2014-2016; calls in this regard for an appropriate increase in the ceilings in order to address the migration and refugee crisis properly;
5. Recognises the need for expenditure in order to achieve all aspects of Sustainable Development Goal (SDG) 16; believes that promoting peace, the rule of law, human rights, good governance, and education in developing countries is crucial for the achievement of peace and security, for poverty and inequality reduction, and in the longer term for the eradication of poverty; rejects any use of development aid for non-development objectives, which are clearly stated in Article 208 of the Treaty on the Functioning of the European Union (TFEU); emphasises that the funding concerned, which does not constitute ODA, must come from instruments other than the Development Cooperation Instrument (DCI) or the European Development Fund (EDF) or any other mechanisms that benefit solely from these instruments, such as the EU Emergency Trust Fund for Africa;
6. Stresses the need for sufficient health-related expenditure in view of emerging epidemics; recalls the necessity for effective and comprehensive health systems with affordable medicines in order to deliver SDG 3; encourages the better use of all MFF programmes such as Horizon 2020, the DCI, the EDF or the health for growth programme in order to tackle global health challenges that can easily affect Europe itself;
7. Stresses that trust funds were established because the EU budget lacks the resources and flexibility needed for a rapid and comprehensive response to major crises; calls for a viable solution which will allow full scrutiny by the budgetary authority in order to improve unity of the budget and respect for the principle of democratic ownership;
8. Recalls that the EU has made strong commitments regarding aid effectiveness, in particular the principle of democratic ownership of development programmes by aid recipients and the alignment of EU aid to developing countries' priorities; notes that this principle has to be upheld in the EU response to migration, e.g. in the set-up of the EU Trust Fund for Africa which was specifically created in order to circumvent lengthier EDF procedures which respect aid effectiveness principles; calls on the Commission to make a proposal on financing the African Peace Facility through other means;
9. Notes, in addition, that encouraging developments like those in Myanmar/Burma and Colombia require adequate responses and funds on the part of the EU;
10. Underlines the need for adequate resources for the pursuit of the SDGs, while acknowledging that the EU's collective ODA represented 0.47 % of the EU's GNI in 2015; deplors the EU's failure to achieve the 0.7 % ODA/GNI commitment for 2015; recalls the EU's recent renewal of its collective commitment to raise its ODA to 0.7 % of

its GNI; points out that this requires substantial increases and stresses that the MFF revision should take this into account; calls on the Member States to adopt a clear plan on fulfilling their commitment to contribute 0.7 % of their GNI to ODA;

11. Recalls that timely and predictable funding for humanitarian assistance is best supported when there is no gap between payments and commitments and requests the Commission to make a proposal on making payments systematically equal to commitments for humanitarian aid actions;
12. Urges the EU and its Member States to stop inflating aid and to exclude inflated aid items from ODA reporting (e.g. refugee costs, imputed student costs, tied aid, interest on loans and debt relief);
13. Supports EU financing of climate action in developing countries, and insists on respecting developed countries' commitment not to let such assistance erode non-climate ODA; insists on the mobilisation of additional funds for additional needs;
14. Calls for mid-term evaluation of the MFF development programmes on the basis of their performance against stipulated targets and objectives, absorption capacity and EU added value, taking into account the late implementation of the current framework, and commitments made in the meantime such as the Sustainable Development Goals; recommends that insufficiently implemented commitments are, if needed, adequately resourced with the necessary budget;
15. Recalls the EU commitment to allocate at least 20 % of its ODA to basic social services, with a focus on education and health; believes that enjoying the highest attainable standard of health is a fundamental human right and that universal access to health care and coverage, including sexual and reproductive health and rights, is a powerful development enabler and fundamental to promoting gender equality, improved nutrition and education outcomes; consequently stresses the need for health-related expenditure in the context of rapidly emerging epidemics and in light of the need for comprehensive investment to create resilient health systems and provide affordable access to essential medicines in many low and middle-income countries in order to deliver on the 2030 Agenda.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	24.5.2016
Result of final vote	+: 19 -: 1 0: 1
Members present for the final vote	Beatriz Becerra Basterrechea, Nirj Deva, Doru-Claudian Frunzuliță, Maria Heubuch, György Hölvényi, Linda McAvan, Norbert Neuser, Maurice Ponga, Lola Sánchez Caldentey, Elly Schlein, Davor Ivo Stier, Bogdan Brunon Wenta, Rainer Wieland
Substitutes present for the final vote	Marina Albiol Guzmán, Agustín Díaz de Mera García Consuegra, Carolina Punset, Paul Rübig, Adam Szejnfeld, Patrizia Toia, Jan Zahradil
Substitutes under Rule 200(2) present for the final vote	John Stuart Agnew

25.5.2016

OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE

for the Committee on Budgets

on the preparation of the post-electoral revision of the MFF 2014-2020: Parliament's input ahead of the Commission's proposal (2015/2353(INI))

Rapporteur: Reimer Böge

SUGGESTIONS

The Committee on International Trade calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Underlines that the EU's trade policy, by promoting open markets in a spirit of reciprocity in order to foster economic growth, employment and development, contributes to the stability and prosperity of both the EU and third countries; calls for adequate financing to allow the Commission to implement its ambitious agenda outlined in its 'Trade for All' strategy;
2. Notes that the conclusion of each new free trade agreement means substantial revenue losses for the Union's own-resources budget; calls on the Commission to provide precise estimates of the revenue losses expected to result from each of the free trade agreements currently under negotiation and to indicate clearly what budgetary restructuring is to be undertaken to offset the lost amounts; calls on the Commission to present proposals on the contribution international trade is intended to make in relation to the restructuring of the budget and the Union's own resources;
3. Believes that the migration and refugee crisis has revealed significant shortcomings in the consistency of EU action in the Eastern and Southern Neighbourhood and in Sub-Saharan Africa; calls on the Commission to seize the opportunity of the MFF revision to launch a fundamental reform of the policy strategy towards the EU's partners with a view to increasing policy coherence for development and tackling migration causes effectively; underlines that the funding of programmes for the mitigation of the refugee crisis should not be deducted from Official Development Assistance (ODA) spending;
4. Stresses that the vital role of SMEs for the EU economy should be reflected in a comprehensive and consistent strategy which provides European SMEs with a business-

friendly environment and fosters their international trade and investment opportunities; calls on the Commission, in this context, to develop specific and clear handbooks for SMEs on the opportunities and benefits offered by each trade agreement concluded by the EU; reiterates its call on the Commission to assess the effectiveness and efficiency of, and improve, the various initiatives under the Partnership Instrument supporting SME internationalisation, in relation to private and Member State initiatives as well as other EU funding instruments supporting SMEs such as COSME, with a view to ensuring complementarity and European added-value;

5. Notes the increasing recourse to guarantees and financial instruments outside the EU budget to respond to multiple crises despite budgetary constraints; deplores the various cuts in Heading 4 in order to provide funding for the newly created Trust Funds for Syria and Africa and the Turkey Facility; insists that such funding instruments must adhere to the established criteria for aid effectiveness, such as ownership and alignments, must remain an exception, and should eventually be included in the budget, thus ensuring democratic accountability;
6. Recalls that the level of outstanding commitments (RALs) under Heading IV, following a steady increase since 2010, reached an unprecedented level in 2015; underlines that a sufficient level of payments in relation to commitments must be available under Heading IV to prevent the reoccurrence of an unsustainable level of RALs in the future; calls on the Council to revise the payment ceiling upwards to prevent a new payment crisis occurring towards the end of the current Multiannual Financial Framework; emphasises that any loss of available commitment appropriations should be effectively prevented given the very tight MFF ceilings; asks, therefore, that commitment appropriations which are cancelled owing to partial or non-implementation be made available again in the EU budget for purposes decided on by Parliament and the Council in the framework of the budgetary procedure;
7. Considers the European Guarantee Fund for External Actions to be an efficient and effective mechanism for provisioning for risks related to EU lending operations in third countries; urges that more lending be made available to support SMEs and the development of social and economic infrastructure in the regions most affected by the migration and refugee crisis in order to help tackle migration; calls, in particular, for experience in the realm of fair trade to inform this approach and for a sustained strengthening of relevant structures and principles;
8. Stresses that the valuable support under the EU's Macro-Financial Assistance mechanism to partner countries facing severe economic difficulties must be reflected in the EU budget;
9. Calls for sufficient resources under Heading 5 in order to conduct ex-ante, interim and ex-post assessments of trade agreements and improve their quality and effectiveness by reviewing the methodology used, and to ensure that the obligations of the EU and its trading partners are fully implemented and enforced.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	24.5.2016
Result of final vote	+: 30 -: 1 0: 8
Members present for the final vote	Maria Arena, Tiziana Beghin, Daniel Caspary, Salvatore Cicu, Marielle de Sarnez, Santiago Fisas Aixelà, Karoline Graswander-Hainz, Ska Keller, Jude Kirton-Darling, Alexander Graf Lambsdorff, Bernd Lange, David Martin, Emmanuel Maurel, Emma McClarkin, Anne-Marie Mineur, Sorin Moisă, Alessia Maria Mosca, Artis Pabriks, Franck Proust, Godelieve Quisthoudt-Rowohl, Viviane Reding, Inmaculada Rodríguez-Piñero Fernández, Tokia Saïfi, Marietje Schaake, Helmut Scholz, Joachim Schuster, Joachim Starbatty, Adam Szejnfeld, Hannu Takkula, Iuliu Winkler, Jan Zahradil
Substitutes present for the final vote	Reimer Böge, Edouard Ferrand, Sander Loones, Georg Mayer, Lola Sánchez Caldentey, Judith Sargentini, Jarosław Wałęsa
Substitutes under Rule 200(2) present for the final vote	Dominique Bilde

31.5.2016

OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

for the Committee on Budgets

on preparation of the post-electoral revision of the MFF 2014-2020: Parliament's input ahead of the Commission's proposal
(2015/2353(INI))

Rapporteur: Georgi Pirinski

SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Emphasises that the post-electoral revision of the multiannual financial framework (MFF) is vital and must address the ongoing and new political challenges and priorities facing the EU and the Member States, such as high levels of poverty, social exclusion, unemployment, inequality and the refugee challenge, so as to ensure that the EU meets its targets under the Europe 2020 strategy; underlines that reallocation of funds for emergencies is not a sustainable solution; insists that the existing resource commitments for achieving the Union's strategic objectives and greater economic, social and territorial cohesion be maintained; requests that the specific MFF ceilings related to employment and social policy should be revised upwards and the MFF's flexibility expanded to be able to respond to unforeseen social circumstances;
2. Notes that the ceilings of the current MFF have been exceeded, jeopardising its viability for the second half of its cycle; calls on the Commission, therefore, to carry out a genuine mid-term revision of the MFF ceilings and of the provisions of the MFF Regulation and to take proper account of the findings of the review in order to provide the EU with a viable budgetary framework enabling it to achieve its primary goals and bring its major projects to a successful conclusion;
3. Underlines that the employment rate in the EU currently stands at 69.2 %, which is well below the Europe 2020 target, that unemployment remains especially high among women, young people, older workers and disadvantaged groups, and that more than 12 million people in Europe are long-term unemployed, representing 5 % of the EU's active

population; recalls, in this context, the recently adopted Council recommendation of 15 February 2016 on the integration of the long-term unemployed into the labour market¹, which has demonstrated once again the need for strong Union policies and fully adequate resources; calls for increased European public and private investment in skills and the creation of quality and sustainable employment, including green jobs and jobs in the social economy and the social, health and care sector, to be achieved by ring-fencing and strengthening the European Social Fund (ESF);

4. Notes that the entire envelope earmarked for the Youth Employment Initiative (YEI) was frontloaded in 2014-2015 and that the figures available indicate full absorption to date; insists on the continuation of the YEI, whose performance should be analysed and assessed as requested under the Joint Statement forming part of the 2016 budget agreement and taking into account the report from the Court of Auditors which is expected to be completed at the beginning of 2017; insists that the necessary corrections be made with a view to improving YEI implementation, in order to ensure that the efficiency and effectiveness of these investments is sufficient to achieve the objectives of the programme; calls for the resources for this initiative to be provided at least until 2020;
5. Points out that combating youth unemployment is a top priority and calls on the Member States to promote entrepreneurship and quality apprenticeship among young people as mechanisms to encourage job creation and immediate access to employment, while ensuring in particular employment protection and adequate social security coverage; maintains that the necessary appropriations should be channelled for the purpose of encouraging mobility among apprentices, who should accordingly be entitled to benefit from Erasmus funding in the same way as students;
6. Notes that new legislation on EURES and the European platform for tackling undeclared work will draw on Employment and Social Innovation programme (EaSI) resources and insists that a sufficient amount of funding for this programme be ensured in the EU budget, without jeopardising the roles assigned to the Progress and Microfinance and social entrepreneurship axes of EaSI; calls for the current allocation of 61 % for the Progress axis to be maintained, namely for projects and support to Union-level networks that promote social inclusion and the fight against poverty;
7. Stresses that the resources of the ESF and the Fund for European Aid to the Most Deprived are not sufficient to address the rise of inequality and poverty, the worst consequences of the economic crisis on the labour market concerning exclusion of young people and the long-term unemployed from this market, and the unprecedented flow of refugees; calls on the Commission to increase social policy funding, thus enhancing cohesion policy in order to help refugees to integrate into society and enter the labour market, while pursuing the EU goals of promoting employment and social inclusion; calls, therefore, on the Commission to propose an increase, as necessary, in the ESF allocation in the cohesion policy budget as part of the revision of the MFF; insists that no reductions in the national envelopes for ESF measures be made and that sufficient cash flow be provided annually for payments from the EU budget;
8. Points out that the EU is still far from achieving the Europe 2020 poverty target, which

¹OJ C 67, 20.2.2016, p. 1.

highlights that policies in this field have failed, in particular for people in vulnerable situations; calls for impact assessments and value-for-money analyses to be carried out in order to find the reasons for this failure; draws attention to the fact that 24.4 % of people in the EU are at risk of poverty and social exclusion, and that their number has increased by five million since 2008; calls, therefore, for an increase in financial aid to social policy measures, in order to promote social investment, including in quality social services and the social economy; calls on the Commission to consider introducing a minimum share of 25 % of the ESF for fighting poverty and social exclusion, and to closely monitor that the earmarked share is effectively used for this purpose;

9. Draws attention to the huge problem of child poverty in Europe, which is afflicting over 20 million children (27.8 % in the EU-28 and almost 50 % in certain Member States) living in families that suffer daily from lack of income and basic services, such as food supplies, housing, education and healthcare; reiterates its call on the Commission and the Member States for the establishment of a Child Guarantee, placing children at the centre of existing poverty alleviation policies and ensuring the necessary resources for full implementation of these policies, and helping parents to get out of social exclusion and unemployment through targeted interventions, such as training and skills development;
10. Takes the view that the maximum annual amount available for mobilisation through the European Globalisation Adjustment Fund (EGF) should at least remain at EUR 150 million (2011 prices) as this instrument, despite the fact that it has been underused so far, has a huge potential for supporting workers affected by major economic structural changes;
11. Underlines that synergies and coordination between all five European Structural and Investment Funds, especially between the ESF and the European Regional Development Fund (ERDF), and other EU instruments have the potential to enhance the effectiveness of these instruments and shall be further developed;
12. Recalls that the EU budget is partly an investment budget with a strong leverage effect and can represent a strong tool to increase strategic investments with European added value, consistent with an approach aimed at creating sustainable and inclusive growth and quality jobs and generating upward social convergence; suggests that the MFF revision should consider the impact of the European Fund for Strategic Investments (EFSI) on existing EU programmes, bearing in mind the importance of those programmes for economic development and job creation in particular, while taking into consideration that the EFSI has an essential part to play in revitalising investment in Europe;
13. Maintains that investment in research and development is crucially important for the competitiveness of the European economy and for job creation; notes, however, that, according to the most recent Eurostat figures, R&D investment accounts for just 2.03 % of EU GDP, which is well below the Europe 2020 target; urges the Commission, therefore, to find a way of fully offsetting the cuts by which the EFSI has been financed at the expense of the Horizon 2020 budget;
14. Maintains that the common agricultural policy (CAP) contributes significantly to growth and employment, especially in rural areas, and points out that one job in the agricultural sector generates seven jobs elsewhere; calls for the amounts entered under MFF heading 2

to remain unchanged, bearing in mind that the CAP is vitally important for employment; points out that the CAP not only helps to reduce farm income volatility, particularly in times of crisis, but also helps farmers, including young people, to set up in farming and develop their farms, making them profitable, prosperous and a source of direct and indirect employment;

15. Considering that 13.1 % of EU 27 GDP has been spent on bank bailouts while the EU budget remains at less than 1 %, calls on Member States to ensure the provision of all resources necessary to successfully overcome the extreme challenges being faced by the EU at present.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	30.5.2016
Result of final vote	+: 37 -: 10 0: 0
Members present for the final vote	Laura Agea, Guillaume Balas, Brando Benifei, Mara Bizzotto, David Casa, Ole Christensen, Lampros Fountoulis, Arne Gericke, Czesław Hoc, Danuta Jazłowiecka, Rina Ronja Kari, Jan Keller, Ádám Kósa, Kostadinka Kuneva, Jean Lambert, Javi López, Thomas Mann, Dominique Martin, Elisabeth Morin-Chartier, João Pimenta Lopes, Georgi Pirinski, Terry Reintke, Sofia Ribeiro, Maria João Rodrigues, Claude Rolin, Anne Sander, Sven Schulze, Ulrike Trebesius, Marita Ulvskog
Substitutes present for the final vote	Daniela Aiuto, Rosa D'Amato, Rosa Estaràs Ferragut, Tania González Peñas, Richard Howitt, Dieter-Lebrecht Koch, Edouard Martin, Tamás Meszerics, Evelyn Regner, Joachim Schuster, Michaela Šojdrová, Helga Stevens, Flavio Zanonato
Substitutes under Rule 200(2) present for the final vote	Xabier Benito Ziluaga, Jens Geier, Sylvie Goddyn, Andrej Plenković, Jasenko Selimovic

27.4.2016

OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY

for the Committee on Budgets

on the preparation of the post-electoral revision of the MFF 2014-2020: Parliament's input ahead of the Commission's proposal (2015/2353(INI))

Rapporteur: Francesc Gambús

SUGGESTIONS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Calls for the revision of the Multiannual Financial Framework (MFF) in order to ensure that the European Union achieves its 2020 climate and energy policy targets and is on track to achieve in the most efficient way the goals set at COP21 in Paris and the EU 2030 and 2050 climate goals; underlines that transforming the European economy into a low-carbon economy will be one of the main challenges the European Union will have to face in the coming years; notices further that under the Paris Agreement, EU funding needs to be allocated to supporting climate action in developing countries; asks the Commission to address this in the MFF review/revision;
2. Notes that as at least 20 % of the MFF for 2014-2020 should be spent on climate-change-related action, and notes that the Commission's mainstreaming methodology has calculated that 12.7 % of the 2014 budget was spent on climate change and 12.5 % allocated in the 2015 draft budget; urges the Commission to provide definitive figures for the 2015 budget as implemented, and also for the prospective spending on climate action required in the remaining years of the current MFF in order to meet the 20 % target needed to guarantee that the targets under the Paris Agreement are met; calls on the Commission to guarantee that the mechanism of climate action mainstreaming is fully operationalised; stresses that an increase in the current 20 % rate could be considered a budget-neutral tool to help transform Europe into a sustainable low-carbon economy;
3. Calls on the Commission to ensure that Union financial resources contain neither

subsidies that are harmful to the climate or lock in fossil fuel infrastructure or support activities which damage ecosystems and biodiversity nor fossil fuel subsidies; also calls on the Commission to introduce an effective method of tracking biodiversity spending in the Union budget;

4. Stresses that the review of the MFF should not be used by the Member States to unload onto the EU budget their responsibilities deriving from the Paris joint goal of USD 100 billion per year to support developing countries;
5. Notes that the implementing regulation for Horizon 2020 has set a higher climate action target than that of the overall EU budget; believes that, for climate-related expenditure to exceed 35 % of the overall Horizon 2020 budget, more accurate and complete tracking of climate action within Horizon 2020 is required, as well as an increased focus on the parts of Horizon 2020 that are potentially climate-relevant, but have so far not delivered significant climate action;
6. Considers, given that the added value of the ecosystems and biodiversity of the European environment must be ensured, that the MFF should recognise this value by allocating sufficient resources in the upcoming budgets to preserve this biodiversity, mainly, but not only, in rural areas;
7. Stresses that, in the light of the EU's current commitments to halting the loss of biodiversity and the degradation of ecosystem services in Europe by 2020, we must make sure that the overall EU spending has no negative impacts on biodiversity and supports the achievement of our biodiversity targets;
8. Considers that the MFF should provide an adequate budget and financing for the Natura 2000 network, in particular through the LIFE programme, which aims to promote the implementation of environment, energy and climate objectives and their integration into other policies and Member State practice; notes with concern the decrease in payment appropriations in the 2015 budget for the LIFE programme, resulting mainly from the postponement of some projects owing to the economic situation and delays in disbursements for the Natural Capital Financing Facility financial instrument;
9. Calls on the Commission to start a Fitness Check of the CAP as soon as possible on the basis of the five fitness check questions: EU value added, relevance, effectiveness, efficiency and policy coherence;
10. Considers that CAP financing must be aligned so as to contribute to Union environmental policy objectives, inter alia air quality, water, biodiversity and climate policy goals;
11. Considers the Health for Growth programme for 2014-2020 to be a key instrument and, this being the case, underlines the need to ensure that its budget is maintained;
12. Calls on the Commission to assess whether the objectives of the Horizon 2020 programme are being met after the redeployment of funds to the European Fund for Strategic Investment, and to at least restore the programme's budgetary envelope;
13. Notes that the transition to a more circular economy will stimulate energy and resource efficiency and will contribute to reducing greenhouse gas emissions, and hence calls for

adequate financial support for the implementation of the Circular Economy Package;

14. Considers that the revision of the MFF should make provision for the fact that food safety and security will be challenges in the coming years, given the increased pressure on resources and the increasing prevalence of plant disease in the EU; this provision could be used to tackle malnutrition trends in Member States and also to enhance food quality and food safety by improving the effectiveness, efficiency and reliability of official controls as a vital tool for maintaining a high level of safety for humans, animals and plants along the food chain, while ensuring a high level of protection for the environment.
15. Considers that the revision of the MFF should take into account the increase in the number and seriousness of natural and man-made disasters by allocating more resources to the civil protection instrument and allowing them to be used more flexibly.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	26.4.2016
Result of final vote	+: 56 -: 10 0: 0
Members present for the final vote	Marco Affronte, Margrete Auken, Pilar Ayuso, Zoltán Balczó, Ivo Belet, Simona Bonafè, Biljana Borzan, Lynn Boylan, Soledad Cabezón Ruiz, Nessa Childers, Alberto Cirio, Birgit Collin-Langen, Mireille D'Ornano, Seb Dance, Angélique Delahaye, Jørn Dohrmann, Ian Duncan, Stefan Eck, Bas Eickhout, Eleonora Evi, José Inácio Faria, Francesc Gambús, Elisabetta Gardini, Gerben-Jan Gerbrandy, Jens Gieseke, Julie Girling, Matthias Groote, Françoise Grossetête, Andrzej Grzyb, György Hölvényi, Anneli Jäätteenmäki, Jean-François Jalkh, Benedek Jávor, Karin Kadenbach, Kateřina Konečná, Giovanni La Via, Peter Liese, Norbert Lins, Susanne Melior, Miroslav Mikolášik, Massimo Paolucci, Gilles Pargneaux, Piernicola Pedicini, Bolesław G. Piecha, Pavel Poc, Renate Sommer, Daciana Octavia Sârbu, Davor Škrlec, Estefanía Torres Martínez, Nils Torvalds, Jadwiga Wiśniewska, Damiano Zoffoli
Substitutes present for the final vote	Clara Eugenia Aguilera García, Nicola Caputo, Fredrick Federley, Giorgos Grammatikakis, Merja Kyllönen, Gesine Meissner, Marijana Petir, Gabriele Preuß, Jasenko Selimovic, Kay Swinburne, Keith Taylor, Mihai Țurcanu, Tom Vandenkendelaere
Substitutes under Rule 200(2) present for the final vote	Marie-Christine Boutonnet

24.5.2016

OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY

for the Committee on Budgets

on preparation of the post-electoral revision of the MFF 2014-2020: Parliament's input ahead of the Commission's proposal
(2015/2353(INI))

Rapporteur: Janusz Lewandowski

SUGGESTIONS

The Committee on Industry, Research and Energy calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Believes that the Commission should undertake a comprehensive review of the functioning of the current MFF, followed by a legislative revision;
2. Underlines that, according to the Treaty, Parliament and the Council constitute the two arms of the budgetary authority; therefore calls for the full involvement of Parliament in the mid-term review and revision of the MFF Regulation;
3. Points out that, while the MFF Regulation has to a large extent remained unchanged since its adoption, the framework conditions for its implementation have changed; highlights the fact that, following a genuine review, a legislative proposal should address these challenges; points out in this regard that the new instruments, such as EFSI, that have been set up since the adoption of the MFF Regulation should be duly incorporated into the EU budget, without any negative financial impact on the agreed programmes;
4. Notes the considerable long-term impact of EFSI on the EU budget; believes that EFSI invests in projects that are not the same as those targeted by Horizon 2020 (H2020) and CEF and therefore does not fully compensate for H2020-affected budget lines and CEF; stresses, therefore, that if the EU is to reach its research and innovation targets, the unanimously agreed level of financing of these programmes needs to be fully restored during the MFF revision, and the right balance between grants and financial instruments must be maintained; recalls, in this context, that CEF in the area of energy and telecom is essential for the completion of the Energy Union and the Digital Union; stresses in this regard the importance of securing CEF funding for achieving the 10 % electricity

interconnectivity target or higher;

5. Points out that the implementation of H2020 and COSME has led to very high absorption rates and that this has led to a very low success rate in H2020, which deters potential applicants from putting forward their projects;
6. Reiterates the importance of securing funding for the ITER project in order to project fusion as a credible sustainable energy source and future element of the energy mix, and further attract industry and SMEs as well as research centres;
7. Believes that new political priorities must not be proposed at the expense of the agreed programmes of the current MFF, in particular H2020, CEF, COSME, Galileo and Copernicus, or of the pre-allocated national envelopes; stresses that in the remaining MFF period any new priorities should be supported via new funding;
8. Calls on the Commission to safeguard the funding already allocated in MFF 2014-2020 for fast and full completion and operation of the Galileo, EGNOS and Copernicus infrastructure, as well as for support for downstream and upstream GNSS applications and earth observation activities; reiterates the important role that H2020 can play in helping the EU reduce its dependence in terms of critical space technologies; in that connection, recalls that the space part of H2020 falls within the 'Industrial leadership' priority, and in particular within the specific objective of 'Leadership in enabling and industrial technologies';
9. Calls for a further strengthening of coordination and a maximising of synergies between EFSI, ESIF, H2020, COSME and CEF;
10. Calls on the budgetary authorities to establish the maximum possible flexibility as regards channelling unused annual appropriations to the programmes under Heading 1a, such as H2020, COSME and the Connecting Europe Facility;
11. Notes that Union programmes have contributed to ensuring access to finance for SMEs in the EU, and especially for those operating in Member States affected by severe and persistent financial crisis; calls for further resources to be allocated to the programme, for even more SMEs and for meeting the various needs of SMEs more adequately; calls in particular for the significant extension of the SME instrument under H2020 so as to reach at least the legally committed amount under the Horizon 2020 Regulation; stresses that access to finance remains a challenge for many SMEs, especially with regard to risk financing; calls on the Commission to ensure greater transparency for SME funding, including clearer budgetary overview and control, as well as to ensure a genuine bottom-up approach to its implementation;
12. Recalls the Union's unique ability to initiate international collaboration and mobilise public finances on cross-border issues; emphasises that Union funding can actually trigger and catalyse actions that Member States are unable to carry out on their own, and can create synergies and complementarities with Member States' activities;
13. Believes that ambitious goals in sustainable energy policy, energy efficiency and resource efficiency policy can deliver cost-efficient benefits for European industry and the

European economy as a whole; calls for the allocation of EU and Member State public and private resources to investments in those priority sectors; believes that further synergies between H2020 and smart specialisation initiatives (RIS3) should be fostered to ensure better R&D exploitation and support regional economic convergence;

14. Calls for the mid-term evaluation of the MFF programmes on the basis of their performance against stipulated targets and objectives, absorption capacity and EU added value, as well as newly emerging political priorities as a key point in the management of EU spending, taking into account the still existing payment backlog and the late implementation of the current framework; underlines also that the post-electoral revision is an opportunity for improvements to the MFF encompassing reforms in application, management, reporting and control of funds; calls, on the basis of a performance assessment which focuses inter alia on sound financial management, for appropriations earmarked for programmes which have not been properly implemented to be reallocated to programmes which are working well;
15. Considers that all EU budgetary instruments which support investment and innovation should be maintained and further developed, and that there is no need to favour one or more of these instruments to the detriment of the others; notes the essential role of the EU budget in providing an incentive for future spending and in supporting cohesion and the effective implementation of policies within the EU.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	24.5.2016
Result of final vote	+: 45 -: 5 0: 10
Members present for the final vote	Zigmantas Balčytis, Nicolas Bay, Bendt Bendtsen, Xabier Benito Ziluaga, José Blanco López, David Borrelli, Jerzy Buzek, Pilar del Castillo Vera, Christian Ehler, Fredrick Federley, Ashley Fox, Adam Gierek, Theresa Griffin, Hans-Olaf Henkel, Eva Kaili, Barbara Kappel, Krišjānis Kariņš, Seán Kelly, Jeppe Kofod, Jaromír Kohlíček, Janusz Lewandowski, Paloma López Bermejo, Ernest Maragall, Edouard Martin, Angelika Mlinar, Csaba Molnár, Dan Nica, Morten Helveg Petersen, Miroslav Poche, Carolina Punset, Michel Reimon, Herbert Reul, Paul Rübig, Algirdas Saudargas, Neoklis Sylikiotis, Dario Tamburrano, Patrizia Toia, Evžen Tošenovský, Claude Turmes, Vladimír Urutchev, Adina-Ioana Vălean, Henna Virkkunen, Martina Werner, Lieve Wierinck, Hermann Winkler, Anna Záborská, Flavio Zanonato
Substitutes present for the final vote	Amjad Bashir, Jens Geier, Constanze Krehl, Olle Ludvigsson, Vladimír Maňka, Marian-Jean Marinescu, Markus Pieper, Massimiliano Salini, Anne Sander, Maria Spyrali, Indrek Tarand, Pavel Telička, Anneleen Van Bossuyt

27.5.2016

OPINION OF THE COMMITTEE ON TRANSPORT AND TOURISM

for the Committee on Budgets

on preparation of the post-electoral revision of the MFF 2014-2020: Parliament's input ahead of the Commission's proposal
(2015/2353(INI))

Rapporteur: Marian-Jean Marinescu

SUGGESTIONS

The Committee on Transport and Tourism calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Stresses that total recovery of funds redeployed from the Connected Europe Facility (CEF) to the European Fund for Strategic Investments (EFSI) should be one of the key priorities for the mid-term revision of the Multiannual Financial Framework 2014-2020 (MFF); insists that chosen priorities and designated financing are respected in future and no more reductions in the of CEF budget or in other instruments for transport projects are made until 2020;
2. Calls on the Commission to provide Parliament with an assessment of EFSI-funded projects on transport and tourism as soon as possible;
3. Is of the opinion that, with a view to arriving at the best possible decision on the review of the MFF, the Commission should submit, as soon as possible, a report on the implementation and take-up level of structural and cohesion funds in tourism and transport and infrastructure projects, specifying which contribute to the development of the core network, the corridors and the comprehensive network;
4. Emphasises, in this context, the vital importance of adequate EU funding for the projects identified in the TEN-T Core Network Corridor Work Plans; highlights that this also requires enhanced coverage of transport policy related areas such as multi-modality and efficient logistics, upgrading and maintenance of existing transport infrastructure, interoperability, road safety and accessibility, intelligent transport systems, synergies with other sectors, emission reduction, urban mobility and clean fuel equipment for sustainable development and the better integration of urban nodes;

5. Underlines that the past calls for proposals under the CEF, published in 2014 and 2015, have been oversubscribed threefold and that this clearly shows a very significant pipeline of projects with strong EU added value that could absorb additional resources (beyond the recovery of redeployed funds); is concerned that almost no funds remain available for new projects in the remaining four years of the MFF; recalls the original CEF allocation before the final MFF decision; calls on the Commission to evaluate the possibility of increasing the total envelope of the CEF, including an increase in the cohesion envelope of the CEF;
6. Highlights that the EFSI makes a worthwhile contribution to the financing of TEN-T projects, but that it cannot replace grants, which remain a vital and necessary funding source; underlines, in particular, that grants could be combined together with innovative financial instruments and the EFSI to facilitate the implementation of additional projects, particularly large infrastructure projects which can contribute to the reduction of economic disparities among regions and catalyse private finance (blending); calls on the Commission to draw up a catalogue including successful projects to improve understanding among national, regional and local authorities;
7. Points out that transport infrastructures are the backbone of the Single Market and are fundamental to the freedom of movement of persons, goods and services; underlines the importance of bringing the Cohesion Fund and the European Regional Development Fund more closely into line to ensure the more effective implementation of digital single market rules in the transport sector; underlines that the budgetary allocation for Trans-European Transport networks should also be carried out at the appropriate level in the post-2020 MFF in order to achieve the objective of the completion of the TEN-T core network by 2030 and the TEN-T comprehensive network by 2050;
8. Highlights the substantial and permanent investment deficit in Europe, particularly in major transport infrastructure, and stresses that these risks undermine the competitiveness of the EU as a whole; notes that investment needs relate not only to the creation of infrastructure but also to its maintenance and modernisation;
9. Underlines also that adequate EU funding for transport infrastructure is a key requirement for territorial, economic and social cohesion; recognises the importance of the Cohesion Fund for improvement of infrastructure and connectivity in Europe in order to close the infrastructure gap between regions; insists therefore that adequate funding is provided for this Fund in the current programming period as well as post 2020;
10. Urges the Commission and the Member States to improve the coordination of national transport strategies in order to facilitate Commission approval of large infrastructure projects; calls for better coordination of all EU instruments related to transport in order to ensure that the largest number possible of core TEN-T projects are completed in time and potential savings are properly utilised for supporting mature projects waiting in the pipeline; calls also on the Commission for a strong commitment to improve the transparency of the financing schemes in terms of accuracy of the cost estimates, environmental sustainability compliance, involvement of the civil society in decision making and adequate and constant monitoring of the EU financing schemes;
11. Encourages the Commission and the Member States to invest more in projects with smaller budget needs and considerable short-term advantages, such as abolishing missing

links at abandoned and dismantled regional cross-border rail connections and upgrading and maintaining existing transport infrastructure;

12. Considers that it is necessary to allow the transfer of the surplus and unused commitments from one year to another year and calls on the Commission to make appropriate proposals in this regard and to reallocate the funds to the most suitable, mature and economically and environmentally sustainable projects; stresses that maximum flexibility should be provided for in order to provide maximum utilisation of the committed MFF;
13. Calls on the Commission to take into account in the allocation of EU funds for transport infrastructure the recently approved 4th rail package and to do everything in its power to facilitate its swift implementation in areas such as interoperability, safety, improving social conditions and freedom of movement; calls on the Commission to take also into account the ongoing discussions of the aviation package and on ports and the incoming package on road transport;
14. Notes that, through various forms of financial support (grants, financial instruments), the EU budget has played a decisive role in launching or relaunching numerous projects in the transport sector; believes that any revision of the MFF must now make the transport sector a priority;
15. Underlines the strategic importance of the Single European Sky as the main instrument to ensure safety, environmental performance, competitiveness and protection of the citizens' rights; calls on the Commission to ensure the allocation of necessary and previewed amounts for the deployment of Single European Sky ATM Research (SESAR);
16. Supports furthermore the total recovery of funds redeployed from Horizon 2020 to the EFSI; calls on the Commission to explore the possibility of increasing the funds allocated to SESAR and Clean Sky JUs taking in account JU's good results and their contribution to the EU transport and climate change policies;
17. Underlines the critical importance of highly accurate and reliable positioning and timing information provided by European satellite navigation flagship programmes Galileo and EGNOS for increased safety and efficient use of aviation, road, rail and maritime transport, particularly for intelligent transport and traffic management systems such as ATM, ERTMS, eCall, connected/autonomous vehicles and smart fleet and cargo management; calls on the Commission to safeguard the already allocated funding in MFF 2014-2020 for fast and full completion and operation of the Galileo and EGNOS infrastructure as well as for support of downstream and upstream applications within the budgets for European GNSS programmes and Horizon 2020; reiterates in this regard the Commission's commitment to provide uninterrupted GNSS services, reinforce the resilience of the European economy and maximise the socio-economic benefits through fostering the development of applications;
18. Reminds the Commission and the Member States of the strong potential of horizontal projects as well as synergies between the Transport, Energy and Telecommunications Trans-European Networks;
19. Points out that there is a need to develop and promote more environmentally friendly

modes of transportation such as railways; calls therefore for enhanced support to initiatives such as Shift to Rail;

20. Urges the Commission to ensure proper (cross-border) coordination and to strengthen the governance of EU macro-regional strategies (Danube, Baltic Sea, Black Sea, Adriatic and Ionian), with a view to enhancing territorial, economic and social cohesion and to assist and support Member States in identifying priority infrastructure projects that will bring regional and European added value;
21. Recalls that from January 2017 the unused amounts part of the funds transferred from cohesion policy to CEF could be used by all cohesion Member States, calls on the Commission to make appropriate proposals to prolong the period for the use of these financial means by cohesion Member States until 31 December 2017; calls on the Commission to allocate amounts not used by the end of 2017 for projects for cross-border connections between or to developing regions; calls on the Member States to make better use of technical assistance provided by the Commission;
22. Stresses the need to adopt a wider and more comprehensive approach to criteria for eligible projects applying for EU funding and to provide better access to finance for projects introducing new transport services and better deployment of data; underlines especially the need to channel EU funding into the introduction of digital transport services and intelligent transport systems, which are contributing to the shift towards a more sustainable transport system and optimising the use of existing capacity;
23. Recalls the importance of ensuring, within the Union, the highest level of safety, security and interoperability in the field of transport; stresses that EU agencies' budget allocations consist not just of administrative expenditure alone, but also contribute to achieving EU objectives, while aiming to make savings at national level and that their budgets should have sufficient and adequate means to perform their tasks;
24. Points out that sustainable tourism is a key potential growth area of European economic development and a driver of a substantial amount of employment, in particular for young people; considers that appropriate and increased budgetary funds should be allocated to developing a genuine European tourism policy, with a focus on promoting SMEs and respecting natural, cultural, historical and industrial heritage; stresses the need for better coordination between tourism and infrastructure projects; asks the Commission to consider the possibility of introducing a specific heading in the future framework programme;
25. Recognises the importance of human capital for the development of tourism services and underlines the role that the European Social Fund may play in this field; stresses the excellent returns on investment in tourism and its contribution to social cohesion, especially in rural areas;
26. Stresses the importance of a sufficiently funded Integrated Maritime Policy (IMP) as a flagship initiative of the EU in cross-sectoral and trans-national governance;
27. Considers that all EU budgetary instruments which support investment and innovation should be maintained and further developed, and that there is no need to favour one of

these instruments to the detriment of the others; notes the essential role of the EU budget in providing an incentive for future spending and in supporting cohesion and effective implementation of policies within the EU.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	24.5.2016
Result of final vote	+: 41 -: 4 0: 2
Members present for the final vote	Marie-Christine Arnautu, Georges Bach, Izaskun Bilbao Barandica, Deirdre Clune, Michael Cramer, Luis de Grandes Pascual, Andor Deli, Isabella De Monte, Ismail Ertug, Jacqueline Foster, Tania González Peñas, Dieter-Lebrecht Koch, Merja Kyllönen, Miltiadis Kyrkos, Peter Lundgren, Marian-Jean Marinescu, Georg Mayer, Cláudia Monteiro de Aguiar, Renaud Muselier, Jens Nilsson, Markus Pieper, Salvatore Domenico Pogliese, Gabriele Preuß, Dominique Riquet, Massimiliano Salini, David-Maria Sassoli, Claudia Schmidt, Jill Seymour, Claudia Țapardel, Keith Taylor, Pavel Telička, István Ujhelyi, Wim van de Camp, Janusz Zemke, Roberts Ziļe, Kosma Złotowski, Elżbieta Katarzyna Łukacijewska
Substitutes present for the final vote	Knut Fleckenstein, Maria Grapini, Karoline Graswander-Hainz, Werner Kuhn, Curzio Maltese, Jozo Radoš, Ulrike Rodust, Davor Škrlec, Evžen Tošenovský
Substitutes under Rule 200(2) present for the final vote	Beatrix von Storch

25.5.2016

OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT

for the Committee on Budgets

on the preparation of the post-electoral revision of the MFF 2014-2020: Parliament's input ahead of the Commission's proposal (2015/2353(INI))

Rapporteur: Constanze Krehl

SUGGESTIONS

The Committee on Regional Development calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Recalls that one of the main objectives of the European Union is to promote economic, social and territorial cohesion and solidarity among Member States; underlines that cohesion policy set out for the long term is the Union's main investment policy and a tool for reducing disparities between all EU regions and improving the quality of life of European citizens, and that it plays an important role in the delivery of the Europe 2020 strategy for smart, sustainable and inclusive growth; considers that any Union instrument has to prove its contribution to the EU objectives and priorities; calls for a focus on assessment of outcomes, results, performance, synergies and added value;
2. Notes that the review/revision of the multiannual financial framework (MFF) must take into consideration the new political challenges facing the EU; emphasises the need for effectiveness and result-orientation of cohesion policy and notes that incentive mechanisms in this respect, such as performance-based budgeting, have already been introduced in the current MFF; recalls that – due to the late agreement on the MFF and consequently late adoption of the legislative package for cohesion policy (2014-2020) as well as of the Operational Programmes – European Structural and Investment (ESI) Funds are at an early stage of implementation in 2016 and that at the time of the MFF review/revision only limited evidence is available as to results; recalls, in this context, the possibilities offered in the Common Strategic Framework of Annex I to the Common Provisions Regulation (CPR) (EU) No 1303/2013; calls on the Commission to assess and communicate to Parliament the state of play of implementation of ESI Funds and to promote more effectively the available funding under cohesion policy; believes that early

preparatory activities are needed for EU policies financed from the MFF with the aim of starting implementation at the very beginning of the next MFF;

3. Urges the Commission and the Member States to further maximise synergies and complementarities, ensure better coordination, consistency and improvement among the five ESI Funds and the other EU instruments and policies (including the Youth Employment Initiative, Horizon 2020 and the European Fund for Strategic Investment (EFSI)), which is an important element in ensuring the effectiveness of the EU budget; calls therefore on the Commission and on national, regional and local authorities to take appropriate account of the opportunities for synergies of ESI and EFSI funding, thus increasing the leverage effect of investments and positive impact on economic growth, employment and sustainable development; stresses the need to intensify cohesion policy and for a targeted evaluation of the territorial effects of related instruments such as EFSI and Horizon 2020;
4. Recalls that pre-allocated national envelopes in line with Article 2 of Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for 2014-2020 cannot be reduced via the MFF review/revision; calls for a timely conclusion of the MFF review/revision process, not later than 2018, an upward revision of the MFF ceilings and a legislative revision of the above mentioned MFF Regulation, without prejudice to the adjustment of the cohesion policy budget, pursuant to Article 7 of Council Regulation (EU, Euratom) No 1311/2013;
5. Recalls that in the context of the MFF review/revision simplification is highlighted as a crucial issue because the administrative burden is a cross-cutting issue; reiterates therefore its firm position on the importance of simplifying access to ESI Funds; supports in this context the work of the Commission's High Level Group (HLG) in monitoring simplification for beneficiaries and invites Member States and the Commission to already introduce relevant simplification proposals of the High Level Group in the current programming period; calls, in this context, on the Commission to fully involve the European Parliament in this HLG, and points to its resolution on towards simplification and performance orientation in cohesion policy 2014-2020; stresses furthermore the need to keep the balance between simplification and control;
6. Stresses that grants are an effective and prioritised form of support in many areas of public intervention and for micro, small and medium-sized enterprises; recalls that financial instruments (FIs) should be used in a complementary way, after appropriate ex-ante assessment, if they are more effective for the achievement of the Union's policy objectives; recognises the potential of FIs as flexible mechanisms to be applied alongside grants, in order to avoid fragmenting cohesion policy and the EU budget, considering that the multiplier effect in terms of impact and leverage can be much greater, as there is a risk that the opportunities may be lost due to poorly designed FIs, leading to little use and impact; stresses that more evidence is needed to understand how such FIs can be effectively used in cohesion policy; considers it necessary to further strengthen the accountability and transparency of FIs and calls for a more simplified use of grants and FIs in future, underlining that clear rules on FIs to help simplify the preparation and implementation process for fund managers and final beneficiaries are key to increasing their use;

7. Invites the Commission to take into account the extraordinary efforts made by Member States and regions in providing appropriate reception conditions and integrating asylum seekers and other migrants, and to explore the possibility, in compliance with the expenditure ceilings set out in the MFF, of providing additional assistance and flexibility within the ESI Funds in order to support such Member States and regions, including those situated on EU external borders, when reviewing the functioning of the MFF, without decreasing commitment or payment appropriations under heading 1b and without prejudice to the adjustment of the cohesion policy budget, pursuant to Article 7 of Council Regulation (Euratom, EU) No 1311/2013;
8. Notes that the MFF 2014-2020 had to absorb the abnormal backlog of payments that had built up since 2011 and that the implementation of cohesion policy is being held up; notes that avoiding a backlog of payments in future is crucial to ensuring successful implementation of EU cohesion policy and preventing negative impacts on beneficiaries, as the existing backlog of payments damages the reputation of the EU; underlines that introducing new own resources to the EU budget will positively influence the payments backlog issue; calls for a full-scale discussion on the introduction of new own resources alongside the MFF review/revision process;
9. Points to the fact that a seven-year period of the multiannual financial framework has proved its worth in the past and can be advantageous, providing a stable source of funding for local and regional authorities in particular; specifies that during the review/revision process the three institutions should jointly consider what the most appropriate duration period of the next financial framework should be, especially in the case of programmes under shared management; stresses, however, the importance of an in-depth assessment of the duration of the programming period, also with a view to aligning it to the political cycles of the European Parliament and the Commission; urges therefore in the case of cohesion policy that either a programming period of at least seven years or a 5 + 5 programming period with a clear mid-term revision of the policy should be ensured;
10. Highlights, in the light of the preparation of the post-electoral revision of the MFF 2014-2020 that the implementation of the current MFF has already been proven to be challenging and the budgetary authority has already had to resort to maximum flexibility levels; calls therefore on the Commission to draw on concrete lessons learnt on how the EU budget needs to be spent; stresses that a well-funded cohesion policy to support regional development and solidarity in the EU will continue to be in demand; underlines in this context the importance of maintaining the role of cohesion policy after year 2020 as the main EU investment policy with an adequate level of funding;
11. Calls on the Commission to draw conclusions on the limitations of the current allocation key for determining support from cohesion policy funds based solely on GDP per capita;
12. Considers that the MFF revision/review is a good opportunity to deal with the fundamental link between cohesion policy and the next step in the implementation of the outcomes and agreements of the COP21 conference; emphasises the need to accelerate and improve the effectiveness of climate spending whilst underlining the huge potential of cohesion policy in boosting the EU's efforts for climate protection;
13. Stresses the need to encourage the improvement of financial management and good

governance; underlines, in this context, that administrative capacity at national and regional/local level is a key precondition for the timely and successful performance of cohesion policy; recalls as well that the performance reserve is inextricably linked to a result-oriented cohesion policy; calls on the Commission to advance the allocation of the performance reserve during the current period to programmes which have achieved the set milestones for 2018.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	24.5.2016
Result of final vote	+: 37 -: 4 0: 0
Members present for the final vote	Pascal Arimont, Franc Bogovič, Victor Boștinaru, Mercedes Bresso, Steve Briois, Rosa D'Amato, Iratxe García Pérez, Michela Giuffrida, Krzysztof Hetman, Ivan Jakovčić, Constanze Krehl, Sławomir Kłosowski, Andrew Lewer, Louis-Joseph Manscour, Martina Michels, Iskra Mihaylova, Jens Nilsson, Andrey Novakov, Younous Omarjee, Stanislav Polčák, Julia Reid, Liliana Rodrigues, Fernando Ruas, Monika Smolková, Ruža Tomašić, Monika Vana, Matthijs van Miltenburg, Lambert van Nistelrooij, Derek Vaughan, Joachim Zeller
Substitutes present for the final vote	Ivana Maletić, Miroslav Mikolášik, Sophie Montel, Dimitrios Papadimoulis, Tonino Picula, Maurice Ponga, Branislav Škripek, Davor Škrlec, Hannu Takkula, Damiano Zoffoli, Milan Zver

8.6.2016

OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT

for the Committee on Budgets

on the preparation of the post-electoral revision of the MFF 2014-2020 – Parliament's input ahead of the Commission's proposal (2015/2353(INI))

Rapporteur: Peter Jahr

SUGGESTIONS

The Committee on Agriculture and Rural Development calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Points out that the common agricultural policy (CAP) has been a common EU policy for decades, which means that agricultural spending accounts for an important percentage of the total EU budget; stresses that spending on agriculture has declined considerably in relative terms over the last three decades from 75 % to the current 38 %, in line with successive market-oriented reforms of the CAP; stresses, therefore, that each EU citizen contributes only 32 cents per day to the CAP and that this policy has a low error rate in terms of spending irregularities; stresses that food, like water, will be a strategic commodity in the future and that Europe will therefore need the CAP and a strong agricultural budget more than ever before;
2. Stresses that the CAP provides steady income support to farmers through Pillar 1 and 2 that provides support for agricultural production, environmental programmes and economic activity in rural areas and prevents rural depopulation; notes, in this context, that at least the current size of the budget is essential to maintain the two-pillar CAP structure in order to compensate and support farmers in all agricultural sectors and to fulfil the important goal of innovation as well as protecting and creating jobs and increasing farmers' incomes; stresses that in order to achieve a coherent and effective rural development policy it is essential that rural development remain part of the CAP and that it should be well-funded in order to guarantee the long-term sustainability of rural areas;
3. Points out that, were all policies in the EU, nationally or at Union level, to be entirely

financed from the EU budget, the CAP share would only amount to 1 %, which seems very reasonable for a policy that supplies food for over 500 million citizens, supports environmental sustainability and creates employment; considers that the CAP is the best and cheapest security policy of the Union, as it ensures sufficient food supply, fosters territorial cohesion and prevents rural depopulation;

4. Stresses that the CAP, which represents less than 1 % of the EU's total public expenditure, should be maintained, as a minimum, at current levels until 2020 to ensure that the agricultural sector is economically sustainable, meets the growing demand for food and promotes growth and employment in rural EU areas;
5. Acknowledges that the apparently large proportion of the EU budget allocated to agriculture can lead to misconceptions among the public about the policy, when in reality farm subsidies account for a negligible amount in relation to the total GDP of the Member States yet have a significant impact in terms of ensuring continuity in farming and a security of income for farmers as well as benefiting the wider rural economy; stresses that the CAP implementation rules need to be simplified so that the financial support for agriculture and rural development can be absorbed better;
6. States clearly that, through numerous policy reforms, CAP spending has been reduced and has become more targeted, market-orientated and geared towards improving the competitiveness of EU agriculture, while at the same time addressing an ever-increasing range of challenges, including environmental issues and climate change, the introduction of 'greening measures' and ensuring the economic viability of rural areas; stresses, however, that an in-depth analysis should be performed in an effort to assess the economic sustainability of the agricultural sector by safeguarding incomes, and that price volatility should be combated by proposing new instruments;
7. Insists that the current amount in Heading 2, as provided for in the current MFF, must remain at least at the same level; refers, in this connection, to Article 2 of the MFF Regulation, which clearly states that allocated national envelopes may not be reduced by the midterm revision; considers, furthermore, that other Union policies must have the necessary financial means to allow the Union to honour its legal obligations in accordance with the corresponding sectoral legislation; considers it unacceptable that the funds set aside for agricultural policy are reallocated in order to compensate for a lack of funds in other policies or programmes; calls on the Commission, in the context of the migration crisis, to explore the possibility of strengthening synergies between the withdrawal of agricultural products from the market and the distribution of food aid to the most deprived citizens and to refugees through the Fund for European Aid to the Most Deprived (FEAD);
8. Insists also that the amounts for direct payments in Heading 2 should be left untouched; points out that this is crucial for the income situation of many farmers, particularly during the crisis which is affecting several agricultural branches, and that the absorption rate per year is almost 100 %;
9. Points out that the liberalisation of the milk sector threatens milk production in cost-intensive mountainous areas; calls on the Commission, therefore, to develop programmes which support processing facilities in mountainous areas in particular, so that this milk

can be made into high-quality final products and thus generate the added value which is absolutely essential to the milk producers;

10. Notes that price volatility linked to worsening market conditions in many agricultural sectors has significantly increased in recent years, leading to severe income volatility, which needs to be managed in an organised and efficient manner, especially as production costs rise; notes that the current CAP has not sufficiently provided genuine means to contend with the instability of agricultural markets and farming incomes; stresses, therefore, that the current situation has led to the need to rapidly establish the market and exceptional crisis measures provided for under the single CMO, and to ensure that sufficient budgetary resources are available to deal with market crises, particularly those affecting the milk, pig meat, fruit and vegetable and poultry sectors; stresses that one root cause of the crisis, the Russian embargo, was caused by decisions taken outside the industry; adds in this regard that, owing to the CAP budget cuts made during the last MFF negotiations, direct payments from the first pillar of the CAP are currently insufficient to mitigate the income volatility experienced by farmers; believes that it is essential that room for manoeuvre is created under the 2016 budget, and that public authorities and agriculture professionals should consider quickly and efficiently introducing the few market measures adopted by the Agriculture Council on 14 March 2016; points out that the current crisis should lead the Commission to review certain market management and crisis management instruments, guaranteeing that enough budget resources are available; insists also that the mid-term review of the MFF allocates funds to sufficiently address in times of crises food safety and animal health concerns;
11. Notes that farmers produce the food that the rest of our populations need and that in the majority of Member States, farmers' incomes are below average, which negatively affects their living standards and the living standards of their families and reduces the appeal of this profession to young people; notes that farmers are squeezed by rising input costs¹ on the one hand and prices for their goods that are non-remunerative on the other²; considers therefore that inputs and costs of production ought be addressed in the CAP by encouraging more autonomy;
12. Stresses that the fixed ceilings for the CAP until 2020 entail much lower margins than in the previous MFF, while the sector faces more challenges; stresses, in this regard, that any use of the margin must be exclusively to address the needs of the agricultural sector, given that long-term planning and investment security are essential for EU farmers; points out that the agricultural sector was the most affected by the Russian embargo, with serious indirect effects on markets, and that this sector should not be the only one to bear the brunt of political decisions, as is currently the case; demands an assessment of the impact of the Russian embargo on the EU agricultural sector that will lead to negotiations with Russia to end it;
13. Warns that the current margin within the agriculture budget may prove insufficient, with market volatility, veterinary and phytosanitary risks and other unforeseen events making

¹ European Parliament resolution of 19 January 2012 on the farm input supply chain: structure and implications, OJ C 227E, 6.8.2013, p. 3.

² European Parliament resolution of 7 September 2010 on fair revenues for farmers: A better functioning food supply chain in Europe, OJ C 308E, 20.10.2011, p. 22.

increasing demands on the budget to such an extent that the margin is expected to be depleted at the end of this planning period; considers it regrettable that the funds for phytosanitary measures are under Heading 3 of the current MFF; stress that any cuts or redeployments of this budgetary line may threaten food safety and health in the EU;

14. Stresses that the current instability in the agricultural markets and high price volatility demonstrate the need to maintain farm subsidies, as they allow market failures to be more effectively managed and controlled; acknowledges in this context that a rise in food prices and sales of produce in recent years have not been passed on to farmers; insists that concrete support is needed to address the lack of access to credit for farmers and declining farming income; recalls also that European consumers are not ready to pay for their food at a price which would be undeniably higher if the agricultural sector was not receiving public support; notes, however, that direct payments that do not match the reality of agricultural production and the progressive elimination of supply management methods have been proved to be limited;
15. Notes that any new priorities for the agricultural sector that arise during the current financial framework can only be funded through fresh resources; stresses, therefore, the increased need to ensure sufficient margins under Heading 2 in order to leave room for Parliament's priorities;
16. Points out that the objectives of the CAP remain unchanged under the Lisbon Treaty, namely increasing agricultural productivity, ensuring a fair standard of living for the agricultural community, stabilising markets, ensuring the availability of supplies and ensuring that supplies reach consumers at reasonable prices; notes, however, that the successive reforms of the CAP have assigned new tasks to agriculture in terms of product quality, environmental protection, climate change, consumer health, land use issues and modes of production and productivity which have led to a significant cost increase for farmers and growers; takes the view, therefore, that the impact of the CAP on overall EU strategies (EU 2020 and the Climate and Energy Goals) must be analysed so that conclusions for the period after 2020 can be found; stresses that the objectives laid down as part of the EU's sustainability strategy must also be taken into account in the EU's agricultural policy;
17. Is convinced that a strong CAP for the EU, both in terms of content and financing, is paramount in achieving these objectives, while guaranteeing a level playing field and transparent food chains within the internal market, as well as viable rural areas; considers, furthermore, that increasing resilience and improving employment and quality of life in rural areas should be prioritised in order to combat rural depopulation and promote viability; considers that, for Pillar II, we will still need instruments after 2020 to support modernisation, investment and innovation in order to boost the competitiveness of the agri-food sector and to reduce differences between Member States and between regions in the development of agriculture and rural areas;
18. Stresses that agricultural production has high added value, in producing good quality food and also in supplying non-food goods and services, since it also supplies the processing sector, which is important in keeping the EU's agricultural sector competitive and thereby contributing to economic and social cohesion in regions and to the EU's balanced regional development; points out that it is therefore necessary to maintain and, where appropriate,

step up the support received by the agricultural sector and rural areas, to provide an incentive to develop agricultural production and to meet society's food demands, with a view to combating volatility and stimulating employment in the sector, as well as for meeting non-agricultural EU objectives; stresses that the CAP contributes significantly to growth and employment in rural areas – more so than other EU policies – and that job creation and improvements to quality of life increase the appeal of rural life compared with urban areas; recalls that, in statistical terms, farmers provide seven additional jobs in related sectors and rural territories; points to the importance of maintaining the CAP's focus on supporting small-scale and family farming businesses as the cornerstone of agricultural production in the EU and of life in the EU's rural areas and achieving real progress in that policy goal; underlines how essential it is to maintain specific measures in the framework of the CAP towards areas suffering from severe and permanent natural handicaps, notably mountainous areas and outermost regions, and other specific handicaps;

19. Stresses that the success of the CAP and acceptance thereof also depends on further reducing unnecessary bureaucracy and limiting regulatory administrative costs to an acceptable and manageable level; calls for practical implementation of the CAP as well as an acceleration in CAP simplification, which should therefore have priority, including as regards the promptness of payments from designated national authorities, while still achieving the policy objectives demanded by society that were intended;
20. Believes that the Cohesion Policy after 2020 should also play an essential role in supporting the development of rural areas with regard to technical infrastructure, the job market, the development of businesses and basic services, revitalising locations in rural areas and investment linked to water and sewage infrastructure;
21. Strongly opposes any renationalisation of agricultural policies; notes that the unequal implementation of the CAP and the differences in payment levels in the Member States have led to distortion of competition within the internal market; calls on the Commission and the Member States to ensure equal implementation throughout the Union in order to realise the objectives of the common agricultural policy as it generates savings for European taxpayers; is worried about the trend of renationalisation in public responses to agricultural crises, in particular the mobilisation of targeted payments instead of real European actions; affirms that a well-functioning and well-financed second pillar is essential for the success of the CAP and for the economic well-being of the Union's rural areas; notes the disparity among Member States in both their need for rural development and its funding;
22. Points out that the ever-increasing challenges faced by the CAP, such as food security and combating price volatility, call for more adaptable financial resources; calls, therefore, for vital flexible tools to be made available to farmers in order to meet these challenges should they arise; calls also for adequate compensation measures to deal with unforeseen events and market failures resulting from political decisions; points out the difficult situation with regard to agricultural markets and the new and growing challenges that European agriculture is facing; warns against the consequences of the current crisis in agricultural markets, and the weakening position of farmers in the food chain and in current and future trade negotiations; believes, furthermore, that adopting over-ambitious reduction targets linked to the energy-climate package and the NEC directive will cause

the costs of agricultural production to rise;

23. Emphasises, as regards the period after 2020, that, in relation to the further development of the CAP, policy measures and the concrete objectives thereof must first be defined, before the necessary budgetary resources can be allocated; stresses the need to consider the establishment of a European agricultural insurance fund which can be mobilised during times of crisis, for example, to reduce production volumes in order to ensure stability of prices for farmers for raw materials produced within Europe.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	6.6.2016
Result of final vote	+: 31 -: 6 0: 5
Members present for the final vote	Clara Eugenia Aguilera García, Paul Brannen, Daniel Buda, Nicola Caputo, Matt Carthy, Viorica Dăncilă, Albert Deß, Diane Dodds, Herbert Dorfmann, Norbert Erdős, Edouard Ferrand, Luke Ming Flanagan, Beata Gosiewska, Martin Häusling, Anja Hazekamp, Esther Herranz García, Jan Huitema, Peter Jahr, Jarosław Kalinowski, Zbigniew Kuźmiuk, Philippe Loiseau, Giulia Moi, Ulrike Müller, James Nicholson, Maria Noichl, Marijana Petir, Laurențiu Rebega, Jordi Sebastià, Jasenko Selimovic, Maria Lidia Senra Rodríguez, Czesław Adam Siekierski, Marc Tarabella, Marco Zullo
Substitutes present for the final vote	Jean Arthuis, Bas Belder, Franc Bogovič, Angélique Delahaye, Jean-Paul Denanot, Michela Giuffrida, Manolis Kefalogiannis, Norbert Lins, Annie Schreijer-Pierik, Tibor Szanyi, Hannu Takkula
Substitutes under Rule 200(2) present for the final vote	Stanisław Ożóg

2.5.2016

OPINION OF THE COMMITTEE ON CULTURE AND EDUCATION

for the Committee on Budgets

on the preparation of the post-electoral revision of the MFF 2014-2020: Parliament's input ahead of the Commission's proposal (2015/2353(INI))

Rapporteur: Bogdan Andrzej Zdrojewski

SUGGESTIONS

The Committee on Culture and Education calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Recognises that the RAL (reste à liquider) is an inevitable by-product of multi-annual programming and differentiated appropriations and of an excessive inflexibility of the Multiannual Financial Framework (MFF), which does not allow funding to be reallocated between headings and has limited room for flexibility; notes that the RAL was significantly higher than expected at the end of the financial framework for 2007-2013, and stresses that current gaps between commitments and payments will inevitably lead to new difficulties for ongoing programmes and that this must be resolved structurally, without resorting to draft amending budgets each year;
2. Notes that the revision of the MFF is a key point in the management of Union spending by ensuring that Union investment programmes remain efficient; insists on a thorough simplification of the application forms and criteria, of reporting and reimbursement, especially for small-scale projects, both in Erasmus+ and in the Creative Europe and Europe for Citizens programmes;
3. Notes that the mid-term review of the MFF and the reports on implementation of EU programmes should be regarded as two interconnected parts of the same process; calls on the institutions, therefore, to review the functioning of that process, where there are requirements which are an obstacle to achieving the Union's strategic and political objectives, particularly with regard to decentralisation in the provision of funding under the Youth section of Erasmus+;
4. Calls for the continuation of the Youth Employment Initiative (YEI), proposed by the

European Council of 7-8 February 2013 as a reaction to the persisting problem of high levels of youth unemployment, following the fully-fledged assessment of its performance that the Commission has undertaken to submit in the first half of 2016, and calls for subsequent adjustments to be proposed to overcome existing implementation impediments up to the end of the current financial framework;

5. Reiterates its support for the creation of the European Fund for Strategic Investments (EFSI); stresses the need to increase the focus on investment in education, training and the cultural and creative industries within the EFSI; highlights, in addition, the need to minimise the impact of the cuts on the Horizon 2020 programmes and the Connecting Europe Facility (CEF) in order to allow them to accomplish their respective objectives and to exploit in full the potential additionality and synergies between these three instruments, with a view to restoring sustainable growth in Europe, based on innovation and quality employment;
6. Expresses concern over the slower-than-planned take-off of new programmes under the 2014-2020 MFF period owing to the late approval of the legal bases and of the operational programmes, as well as to the shortages in payment appropriations in 2014; notes that, despite the acceleration of processes throughout 2014, the problem of unfinalised contracts and unpaid invoices persists, and is becoming structural; highlights, from this point of view, the responsibilities of the Member States, which are required to comply with the decisions they themselves have taken as budgetary authorities together with the European Parliament, in particular with regard to payment appropriations; expresses its concern for how the important programmes that seek to make investments in education, skills and the EU's cultural and creative industries, and which invest in human capital – Erasmus+, Creative Europe and Europe for Citizens – will manage to reach cruising speed; welcomes the albeit belated launch of the safeguard mechanism for the Creative Europe programme, which is an important financing instrument for SMEs and organisations working in the cultural and creative sectors; stresses that these experiences should be reviewed as part of the coming MFF;
7. Considers that Erasmus+ would reach its cruising speed only if it takes on board a growing number of smaller projects that allow a larger diffusion of the programme at schools or for youth, an increase of VET mobility, and therefore a better efficiency in realising its educative, social and humanitarian goals; welcomes therefore all efforts made by the Education, Audiovisual and Culture Executive Agency (EACEA) and national agencies to improve not only their financial transparency but the simplification procedures for the project leaders;
8. Is concerned that virtually no resources are available in heading 3 of the current MFF ('Security and citizenship') and calls for the next meeting to provide it with the necessary resources and sufficient flexibility to enable it to tackle the significant challenges facing the EU in this area;
9. Recommends that the Commission pay special attention to the implementation of the Financial Guarantee Facility instrument of the Creative Europe programme which is delayed by more than a few months; is concerned that cultural NGOs and small associations will not be eligible for this instrument, and only cultural and creative SMEs would be able to participate; recommends a thorough analysis of the experiences gained

throughout the whole process in order to ascertain the instrument's pertinence and sustainability as an addition to the programme for Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME);

10. Urges the Commission and the Council to review their position on the 'Europe for Citizens' programme, the only programme which involves all citizens directly, and to provide it with a substantial additional budget allowing better implementation of the goals of the programme and avoiding further frustration among participants in the calls for tender; deplores the fact that having been cut beyond all reason, the programme can only accept a dramatically low percentage of projects, a situation that it is not sustainable and defensible in the eyes of EU citizens, even more so in the present social and humanitarian situation in the EU;
11. Underlines, in the context of the migrant crisis that the EU is facing, that the Paris Declaration of the 28 Education Ministers of 17 March 2015¹ emphasises the role of intercultural dialogue and the combined efforts of the Member States in preventing and tackling marginalisation, intolerance, racism and radicalisation, and also in preserving a framework of equal opportunities for all; points out that current European programmes relating to culture, education, youth and sport are characterised by their potential additionality and synergies with respect to integration policies for migrants and refugees, and thus draws the attention of the institutions to the need to respond to the migration crisis by providing additional resources in both the directly managed programmes and the Structural Funds, in addition to dedicated budget lines;
12. Stresses that the refugee crisis the EU is experiencing is long term in nature and will therefore require specific, appropriate and long-term financial resources to help Member States meet the needs of refugees, with particular regard to education and cultural integration;
13. Notes that the mismatch between the seven-year programming of the MFF and the ten-year programming of the political and strategic priorities of the EU could adversely affect the consistent evaluation of the results achieved by Union programmes; calls on the institutions, therefore, to consider changing the MFF programming period in order to align it with the parliamentary term, albeit while permitting long-term programming;
14. Underlines the difference between the MMF process of review and revision, given that during the latter process it must be possible to substantially modify the headings so as to guarantee the democratic legitimacy of EU multiannual financial planning; strongly supports, therefore, the work of the interinstitutional high-level group on own resources, as a structural solution to some of the problems inherent in the multiannual planning of the EU budget.

¹ The Declaration on Promoting citizenship and the common values of freedom, tolerance and non-discrimination through education (Paris Declaration) of the informal meeting of the European Union Education Ministers of 17 March 2015.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	26.4.2016
Result of final vote	+: 22 -: 2 0: 3
Members present for the final vote	Isabella Adinolfi, Dominique Bilde, Andrea Bocskor, Nikolaos Chountis, Silvia Costa, Jill Evans, María Teresa Giménez Barbat, Giorgos Grammatikakis, Petra Kammerevert, Andrew Lewer, Svetoslav Hristov Malinov, Stefano Maullu, Luigi Morgano, Momchil Nekov, Michaela Šojdrová, Yana Toom, Helga Trüpel, Sabine Verheyen, Julie Ward, Bogdan Brunon Wenta, Bogdan Andrzej Zdrojewski, Milan Zver, Krystyna Łybacka
Substitutes present for the final vote	Therese Comodini Cachia, Mary Honeyball, Ilhan Kyuchyuk, Martina Michels

3.6.2016

OPINION OF THE COMMITTEE ON CIVIL LIBERTIES, JUSTICE AND HOME AFFAIRS

for the Committee on Budgets

on preparation of the post-electoral revision of the MFF 2014-2020: Parliament's input ahead of the Commission's proposal (2015/2353(INI))

Rapporteur: Laura Agea

SUGGESTIONS

The Committee on Civil Liberties, Justice and Home Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Underlines that, in light of the unprecedented migratory emergency, the current ceilings of the MFF 2014-2020 – in particular heading 3 – have proven to be insufficient and do not adequately reflect the strengthening of the area of freedom, security and justice under the Lisbon Treaty and its ever increasing tasks and challenges, including tackling the structural phenomenon of migration and security requirements; recalls that the Asylum, Migration and Integration Fund (AMIF) is already virtually exhausted; recalls that the available MFF flexibility mechanisms have already been extensively used, thus drastically limiting the financial flexibility available in the forthcoming financial years;
2. Although the available MFF flexibility mechanisms have already been extensively used, requests that the most affected Member States be able to fully benefit from them, in particular from the 'exceptional circumstances clause' as included in the Stability and Growth Pact;
3. Deems substantial additional financial resources at EU level to be necessary in order to meet all the challenges related to migration (rescue, interception, reception, registration, control, accommodation, transport, relocation, return and integration) and to address humanitarian challenges inside and outside the EU, develop and implement a new genuine Common European Asylum System, support resettlement and relocation, manage the common external borders and ensure the internal security of the Schengen area, and foster integration and prevent discrimination (especially against women), racism and

xenophobia;

4. Considers that the EU budget should support policies focused on integration rather than on security; asks that the existing security instruments and possibilities be used in full before new allocations are decided, in particular when it comes to the exchange of information between security and law enforcement agencies in the Member States;
5. Welcomes the establishment of an instrument for the provision of humanitarian assistance in the EU, in particular with a view to addressing the mass influx of migrants and refugees; questions, nonetheless, the choice of Article 122(1) of the Treaty on the Functioning of the European Union as a legal basis for the establishment of the new instrument, given the lack of provision for the proper involvement of Parliament; voices concern about the Commission's intention to fund the instrument under heading 3 of the MFF, and in particular under the AMIF, which is already being heavily used and is underfunded; calls on the Commission to look for other ways of funding this instrument from the EU budget, so as not to adversely affect the measures and programmes funded under the AMIF;
6. Welcomes the addition of a new chapter under heading 3 on providing emergency support within the Union; is of the opinion that the revision of the MFF must ensure that the future financing of this 'support' will be provided above the ceilings, while guaranteeing the flexibility needed in order to adapt the allocation of resources in line with developments on the ground and changes in policy priorities;
7. Calls for the AMIF to be revised and allocated more resources; stresses that the budget and staff of the European agencies dealing with migratory pressure, in particular the European Asylum Support Office (EASO) and Frontex, must be further increased to enable them to provide Member States with real support and guarantee the fulfilment of their objectives; believes that adequate funds should be provided for search and rescue operations, and points out that funds dedicated to search and rescue are currently erroneously included in the Internal Security Fund (ISF);
8. Notes that the Commission recently concluded an agreement with Turkey on a six-billion-euro Facility for Refugees in Turkey; expresses concern about the establishment of financial instruments outside the EU budget as they threaten its unicity and circumvent the budgetary procedure which requires the involvement and scrutiny of Parliament; stresses that Parliament was not consulted at any stage of the process of adoption; is concerned about the impact this agreement might have on the 2017 budget; stresses that this fund, as well as other similar funds, should not support repressive measures or any action that might violate fundamental rights; calls on the Commission to closely monitor the use of these funds and to report back to Parliament regularly; stresses that EU and Member State support for refugees should be provided as an addition to, and not a substitute for, regular development assistance;
9. Believes that there is no direct link between migration and terrorism in Europe; asks for new funding to fight against the radicalisation of young people within the EU; considers that this can be achieved by promoting integration and fighting against discrimination, racism and xenophobia; asks that funds for projects aiming to create an area of freedom, security and justice not be reduced;

10. Takes the view that the ISF should be provided with adequate financial resources to allow it to fulfil its objectives, especially in the field of effective cooperation and information exchange between law enforcement agencies of the Member States, while emphasising that all of its actions must comply fully with the Charter of Fundamental Rights of the EU;
11. Calls for an increased budget for the Rights, Equality and Citizenship Programme, which aims to promote and protect fundamental rights and combat racism, xenophobia and all forms of discrimination, especially in the context of the growing intolerance in Europe;
12. Expects migratory flows to continue due to sustained political instability and conflict in many regions and the lack of legal means of access to the EU for both asylum seekers and migrants; requests an updated estimation of budgetary needs to respond to the challenges expected until the end of the MFF; calls for the MFF review in 2017 to provide for the greatest flexibility of the MFF to adapt its capacity to react to situations not foreseen at the time of its adoption; calls for adequate upward revision of Headings 3 and 4 and for Parliament to be involved at all stages of decision-making as regards both budgetary and legislative measures.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	30.5.2016
Result of final vote	+: 41 -: 4 0: 6
Members present for the final vote	Jan Philipp Albrecht, Martina Anderson, Malin Björk, Michał Boni, Caterina Chinnici, Rachida Dati, Agustín Díaz de Mera García Consuegra, Frank Engel, Tanja Fajon, Laura Ferrara, Monika Flašíková Beňová, Ana Gomes, Nathalie Griesbeck, Jussi Halla-aho, Monika Hohlmeier, Sophia in 't Veld, Sylvia-Yvonne Kaufmann, Timothy Kirkhope, Cécile Kashetu Kyenge, Marju Lauristin, Juan Fernando López Aguilar, Claude Moraes, Péter Niedermüller, Soraya Post, Birgit Sippel, Branislav Škripek, Csaba Sógor, Bodil Valero, Marie-Christine Vergiat, Beatrix von Storch, Josef Weidenholzer, Kristina Winberg
Substitutes present for the final vote	Laura Agea, Marina Albiol Guzmán, Hugues Bayet, Carlos Coelho, Pál Csáky, Ska Keller, Miltiadis Kyrkos, Artis Pabriks, Maite Pagazaurtundúa Ruiz, Salvatore Domenico Pogliese, Jaromír Štětina, Róza Gräfin von Thun und Hohenstein, Axel Voss
Substitutes under Rule 200(2) present for the final vote	Edouard Ferrand, Peter Jahr, Othmar Karas, Ilhan Kyuchyuk, Keith Taylor, Lieve Wierinck

31.5.2016

OPINION OF THE COMMITTEE ON CONSTITUTIONAL AFFAIRS

for the Committee on Budgets

on the preparation of the post-electoral revision of the MFF 2014-2020: Parliament's input ahead of the Commission's proposal (2015/2353(INI))

Rapporteur: Pedro Silva Pereira

SUGGESTIONS

The Committee on Constitutional Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Insists on full and meaningful involvement of the European Parliament in the interinstitutional debate on the role, structure, goals, priorities and results of the multiannual financial framework (MFF) in accordance with its mandate as adopted by the plenary;
2. Calls for a comprehensive, wide-ranging and genuine review of the functioning of the MFF that subsequently leads to a compulsory legislative revision of the MFF Regulation in accordance with Article 2 of Council Regulation (EU, Euratom) No 1311/2013 and of the accompanying Interinstitutional Agreement, encompassing the financial means made available under the current framework;
3. Notes the deployment of the special and flexibility tools in order to respond to the exceptional and unforeseen circumstances the Union is facing; draws attention in particular to the migration emergency and the difficulties facing European citizens as a result of the economic crisis; highlights, therefore, the need to allocate, during the revision of the MFF, more resources to the relevant headings in order to enable the EU to provide a more structured response to the current humanitarian and economic crises; calls for even greater flexibility in order to deal adequately with such circumstances; stresses, however, that in tackling new challenges the EU must not prejudice the allocation of resources for cohesion purposes; underlines that any increase in flexibility should go hand in hand with stronger parliamentary control;
4. Recalls that under Article 311, first paragraph, TFEU, 'The Union shall provide itself with

the means necessary to attain its objectives and carry through its policies'; in this context, considers that the accumulation of unpaid bills from previous European budgets, and the lack of means to face crisis and challenges, current or to come, including the displacement of refugees, the migration flows, coordination of the fight against terrorism, reinforcement of the security of EU citizens, support for and coordination of the energy and transport sector, and support for measures to combat climate change, demonstrate the urgent need for more European action and funds;

5. Considers it necessary to reform the system of financing of the MFF, particularly through the creation of new and genuine own resources for the EU budget, such as the tax on financial transactions and other European tax revenue, in order to move towards a budget 'wholly financed by own resources' as provided for by Article 311 TFEU, and accordingly urges the Council to commit to reflecting on this issue, without prejudice to the final report from the High-Level Group on Own Resources; also urges the Council to reflect on the establishment of a fiscal and budgetary capacity within the eurozone; underlines that any new instrument should be placed within the EU budget, while remaining outside MFF ceiling limits, and should be financed from real own resources;
6. Stresses the need for unity of the EU budget on the grounds of democratic accountability and transparency;
7. Demands that a transparent, well-informed, conclusive debate be held jointly with the Council and the Commission on the most suitable duration of the post-2020 financial frameworks, aligning the duration of the MFF with the political cycle of the European Parliament and the Commission, under the provisions of Article 312, first paragraph, TFEU, above all taking into account, on the one hand, the consequences of the frameworks for programming cycles and individual policy implementation and, on the other, the need for a degree of flexibility and for review mechanisms, so as to achieve the best possible balance between stability, predictability and flexibility;
8. Calls for the activation of the available 'passerelle' clauses regarding both the MFF regulation, as established in Article 312(2) TFEU, and the decision-making procedure on own resources, as provided for by Article 48(7) TEU, including the possibility of switching from unanimity to qualified majority voting;
9. Believes that the regulations implementing the MFF and respective funds could be further streamlined and simplified, in line with the objectives set out in the Interinstitutional Agreement on Better Law-Making.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	30.5.2016
Result of final vote	+: 14 -: 4 0: 2
Members present for the final vote	Mercedes Bresso, Richard Corbett, Pascal Durand, Danuta Maria Hübner, Ramón Jáuregui Atondo, Constance Le Grip, Maite Pagazaurtundúa Ruiz, György Schöpflin, Pedro Silva Pereira, Barbara Spinelli, Kazimierz Michał Ujazdowski, Rainer Wieland
Substitutes present for the final vote	Max Andersson, Gerolf Annemans, Helmut Scholz
Substitutes under Rule 200(2) present for the final vote	Rosa D'Amato, Rosa Estaràs Ferragut, Arne Lietz, Claudiu Ciprian Tănăsescu, Jarosław Wałęsa

25.5.2016

OPINION OF THE COMMITTEE ON WOMEN'S RIGHTS AND GENDER EQUALITY

for the Committee on Budgets

on preparation of the post-electoral revision of the MFF 2014-2020: Parliament's input ahead of the Commission's proposal (2015/2353(INI))

Rapporteur: Clare Moody

SUGGESTIONS

The Committee on Women's Rights and Gender Equality calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas the 2008 study aimed at assessing the feasibility of, and options for, the introduction of elements of gender budgeting into the EU budgetary process, commissioned by the Directorate-General for Budget of the Commission, confirmed that, despite its unique features, the EU budget is suitable for gender budgeting and that gender budgeting can be applied at all stages of the budgeting process, from planning and preparation to auditing and evaluation;
1. Recognises that gender equality is a fundamental value of the EU which is enshrined in the Treaties and which should be included in all EU policies to deliver equality in practice; stresses that gender equality must become a policy objective in budget titles, that, similarly, gender mainstreaming must be recognised in budget titles as an implementation method, and that gender budgeting must therefore become an integral part of the budgetary procedure at all its stages, but that progress on this front has been marginal in respect of all policies; expects the Commission, therefore, to design a gender budgeting methodology and apply it to the EU budget; stresses that programmed and appropriate budgetary resources are needed for effective gender mainstreaming policies and in order to advance gender equality; welcomes the MFF mid-term review as an opportunity to make significant progress, in light of the 'Budget for Results' agenda, and to present further measurable and realistic objectives, including assessing achievements to date, in order to truly embed gender perspectives in the EU budget for the remainder of this programming period;

2. Welcomes the focus on the ‘Budget for Results’ agenda as an opportunity for budget spending to deliver integrated benefits of gender equality with every euro spent; also recognises that simplification measures in the ‘Budget for Results’ agenda must not be taken at the expense of investments that can bring positive change with a view to achieving gender equality;
3. Draws attention to the existing gender-related targets in the Europe 2020 strategy, namely increasing female employment to 75 % and achieving equal pay between women and men, gender equality in the membership of national parliaments and an equal number of women on large company boards, all of which we are a long way from reaching; also draws attention to the European Parliament’s related priorities under Horizon 2020, which include the promotion of gender equality, especially in research and innovation; stresses that the MFF review must assess progress towards these targets and should, if necessary, revise the measures being taken to achieve them;
4. Stresses that, despite the joint declaration attached to the MFF on gender mainstreaming, no specific measures have so far been taken; calls for effective monitoring of the implementation of this declaration in the annual budgetary procedures and for more effective integration thereof in the MFF revision;
5. Recalls that, according to UNHCR data, 55 % of the refugees and asylum-seekers entering the EU since January 2016 have been women and children; calls, given that women and girls are disproportionately disadvantaged and at risk in situations of crisis and conflict, for the MFF revision to look at financial tools targeting the specific needs of women and girls, including in respect of sexual and reproductive health services and the combating of gender-based violence, under headings 3 (Security and Citizenship) and 4 (Global Europe), at measures aimed specifically at integrating women and child refugees and asylum-seekers into their host country, including flexible language training, education and childcare, and at measures addressing the root causes of their original displacement;
6. Stresses that investing public funds in the care sector, including quality and affordable childcare, social care services and long-term and elder care services, creates jobs, drives economic growth, fosters gender equality and allows more women to return to, or take up, full-time work, given that women spend 2 to 10 times more time on unpaid care than men; calls for the MFF revision to be used to invest in this social infrastructure in Europe as part of the Jobs and Growth Agenda and the Europe 2020 strategy, making specific provision for investment in entrepreneurship education for women; notes that this form of expenditure is rarely considered to be a suitable form of investment when policymakers are looking for effective forms of employment generation in recessionary times, and that in fact we often witness the opposite, as public expenditure on education, health, childcare and social care services is cut in many countries as part of their deficit reduction strategies; considers it regrettable that this neglect of social infrastructure reflects a gender bias in economic thinking and may derive from the gender division of labour and from gender employment segregation, which in turn contribute to the widening gender pay gap in Europe; regards the review of the MFF as a chance to take action to address this;
7. Reiterates that the Daphne programmes played a fundamental role in combating violence against children, young people and women in the EU, but deplores the fact that this is no longer considered to be an expenditure area in its own right; underlines the need for

sufficient financial support and for more clarity on how this objective is pursued under the Rights, Equality and Citizenship programme; insists on the importance of funds reaching grassroots organisations on the ground in order to ensure effective implementation.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	24.5.2016
Result of final vote	+: 18 -: 4 0: 0
Members present for the final vote	Daniela Aiuto, Beatriz Becerra Basterrechea, Malin Björk, Vilija Blinkevičiūtė, Viorica Dăncilă, Iratxe García Pérez, Teresa Jiménez-Becerril Barrio, Elisabeth Köstinger, Agnieszka Kozłowska-Rajewicz, Barbara Matera, Marijana Petir, Pina Picierno, Terry Reintke, Liliana Rodrigues, Michaela Šojdrová, Ernest Urtasun, Beatrix von Storch
Substitutes present for the final vote	Arne Gericke, Clare Moody
Substitutes under Rule 200(2) present for the final vote	David Coburn, Ulrike Rodust, Siôn Simon

RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE

Date adopted	29.6.2016
Result of final vote	+: 29 -: 5 0: 1
Members present for the final vote	Nedzhmi Ali, Jean Arthuis, Reimer Böge, Jean-Paul Denanot, Gérard Deprez, José Manuel Fernandes, Eider Gardiazabal Rubial, Jens Geier, Ingeborg Gräßle, Bernd Kölmel, Zbigniew Kuźmiuk, Vladimír Maňka, Ernest Maragall, Clare Moody, Siegfried Mureşan, Jan Olbrycht, Younous Omarjee, Urmas Paet, Paul Rübig, Patricija Šulin, Eleftherios Synadinos, Paul Tang, Indrek Tarand, Isabelle Thomas, Monika Vana, Daniele Viotti, Marco Zanni, Auke Zijlstra
Substitutes present for the final vote	Xabier Benito Ziluaga, Mercedes Bresso, Ivan Štefanec, Tomáš Zdechovský
Substitutes under Rule 200(2) present for the final vote	Sylvia-Yvonne Kaufmann, Fernando Ruas, Bogdan Brunon Wenta