

Looking at the EU Multiannual Financial Framework 2021-2027

In May 2018, the European Commission adopted the EU Multiannual Financial Framework (MFF) for the period 2021-2027 and presented it as “A Modern Budget for a Union that Protects, Empowers and Defends”. The new MFF with its ambitious objectives will be the first without the United Kingdom. The current debate on the MFF reveals differences of opinion on various aspects of the proposal – including its very foundation. Article 2 of the Treaty on European Union (TEU) establishes the founding values on which the EU is based: respect for human rights, rule of law and tolerance for minorities. Over the course of the last years, numerous developments have put these to the test. In the face of these challenges, it appears that some EU Member States no longer accept these common values. While it seems unlikely that Article 7 sanctions will be implemented, the failings of certain Member States have created an intense debate about the introduction of a new type of conditionality in the next Multiannual Financial Framework (MFF) through the withholding of EU funding.

Money is a language that all EU Members understand. In fact, some argue that Members need to overcome what is called net position thinking i.e. that Member States primarily consider their individual net position or the difference between their EU budget payments and the transfers they receive out of it. Rather, they are encouraged to take also the European added value into account. Despite the departure of the UK, the MFF is set to increase substantially. This has been aided by some early reviews, for example, for the Common Agricultural Policy (CAP). The reviews came out of the demand for simplification, the need for modernisation and the timing of the budget process. They were intended to address the Member States’ desire for less complex CAP rules and fewer inspections of farmers’ compliance. And last but not least – defence. The EU is set to add security and defence as a stand alone heading in the new MFF – despite the fact that Article 41.2 of the TEU prohibits the use of the EU budget for military and defence reasons. These changes in the MFF will lead the EU into a new era that is welcomed by some, but unsettling to others.

Going for the Wallet? Rule-of-Law Conditionality in the Next EU Multiannual Financial Framework

Friedrich Heinemann, ZEW Mannheim; University of Heidelberg, Germany.

Tax-based Own Resources as a Core Element of a Future-Oriented Design of the EU System of Own Resources

Margit Schratzenstaller, Austrian Institute of Economic Research (WIFO), Vienna, Austria.

The CAP in the 2021-2027 MFF Negotiations

Alan Matthews, Trinity College Dublin, Ireland.

The Multiannual Financial Framework and European Defence

Daniel Fiott, EU Institute for Security Studies, Brussels, Belgium.