



Council of the
European Union

Brussels, 11 November 2020
(OR. en)

12793/20

LIMITE

**CADREFIN 369
RESPR 70
POLGEN 188
FIN 842**

NOTE

From: Presidency
To: Delegations

Subject: JOINT AND UNILATERAL DECLARATIONS

Delegations will find in annex joint and unilateral declarations that are intended to be published after the adoption of the elements forming the MFF and Recovery package.

1. Envelopes of priority programmes, costs of NGEU and flexibility

Joint declaration by the European Parliament, Council and Commission on the reinforcement of specific programmes and adaptation of basic acts

Without prejudice to the powers of the legislative and budgetary authority, the European Parliament, the Council and the Commission agree to increase by 2,5 billion Euros in 2018 prices the financial envelopes in the basic acts or the financial programming, as appropriate, of those programmes that are identified by the European Parliament. This will be achieved through a corresponding reduction of the margins available under the MFF ceilings, without prejudice to the possible use of the Flexibility instrument in 2021.

Without prejudice to the legislative powers of the institutions, the European Parliament, the Council and the Commission agree to insert in the basic acts of programmes listed in Annex II of the MFF Regulation a provision on the increase of the financial envelopes by the amounts specified therein. For programmes establishing budgetary guarantees, the additional amount will be reflected in the additional level of the guarantees provided.

Declaration by the European Parliament on the reinforcement of specific programmes from unallocated margins

The amount of 2,5 billion Euros in 2018 prices referred to in the joint declaration by the European Parliament, Council and Commission on the reinforcement of specific programmes and adaptation of basic acts will be allocated as follows:

- Horizon Europe: +0,5 billion Euros
- Erasmus+: +0,5 billion Euros, of which 165 million Euros in 2021
- EU4Health: +0,5 billion Euros, of which 70 million Euros in 2021
- European Border and Coast Guard Agency: +0,5 billion Euros
- Humanitarian Aid: +0,5 billion Euros

Joint declaration by the European Parliament, Council and Commission on the use of reflows from the ACP Investment Facility to the benefit of the Neighbourhood, Development and International Cooperation Instrument

The Council agrees that an amount of up to EUR 1 billion (in 2018 prices) stemming from the reflows under the ACP Investment Facility for operations under the 9th, 10th, and 11th European Development Funds will be used for the benefit of the Neighbourhood, Development and International Cooperation Instrument in the period of 2021-2027. The three Institutions agree that the Neighbourhood, Development and International Cooperation Instrument should allow for the reception of those funds.

Joint declaration by the European Parliament, the Council and the Commission on the re-use of decommitted funds in relation to the research programme

Without prejudice to their institutional prerogatives, the European Parliament, the Council and the Commission agree to make available again to the benefit of the research programme commitment appropriations, corresponding to the amount up to EUR 0.5 billion (in 2018 prices) in the period 2021-2027 of decommitments, which results from total or partial non-implementation of projects belonging to that programme or its predecessor as provided for in Article 15(3) of the Financial Regulation.

Joint declaration by the European Parliament, Council and Commission on the treatment of NGEU interest costs and repayments in the 2021-2027 MFF

The three Institutions agree that expenditures covering the financing costs of Next Generation EU shall aim at not reducing EU programmes and funds.

The three Institutions agree that the treatment of NGEU interest costs and repayments in the 2021-2027 MFF, currently forecast at EUR 12.9 billion for the seven years, is without prejudice to how this matter will be addressed in future MFFs from 2028 onwards.

The three Institutions agree to work towards introducing sufficient new own resources with a view to covering an amount corresponding to the expected expenditure related to repayment and interest costs.

2. Own resources

Commission Declaration on establishing an Own Resource based on a digital levy

Taking into account the developments at international level, the Commission will speed up its work on the submission of the necessary proposals for the establishment of a digital levy within the Union and will make a proposal for a basic act as soon as possible and at latest by June 2021. It will on this basis propose that revenues stemming from the digital levy will become an own resource by January 2023.

Commission Declaration on establishing a Financial Transaction Tax based Own Resource

Discussions on the Financial Transaction Tax under enhanced cooperation are ongoing with a view of their finalisation by the end of 2022. Should there be an agreement on this Financial Transaction Tax, the Commission will make a proposal in order to transfer revenues from this Financial Transaction Tax to the EU budget as an own resource.

If there is no agreement by end of 2022, the Commission will, based on impact assessments, propose a new own resource, based on a new Financial Transaction Tax. The Commission shall endeavour to make these proposals by June 2024 in view of its introduction by 1 January 2026.

3. Role of the budgetary authority

Joint declaration of the European Parliament, the Council and the Commission on budgetary scrutiny of new proposals based on Article 122 TFEU with potential appreciable implications for the Union budget

Whereas:

- (1) The European Parliament, the Council and the Commission (“the three Institutions”) acknowledge that Article 122 TFEU constitutes a legal basis for adopting measures to address specific crisis situations that may entail potential budgetary implications, which are capable of impacting the development of Union expenditure within the limits of its own resources.
- (2) In the light of their budgetary powers under the Treaties, it is appropriate that the two branches of the budgetary authority deliberate on the budgetary implications of such envisaged acts where those implications are likely to be appreciable. To this effect, the Commission should provide all relevant information necessary to assist the European Parliament and the Council in their deliberations.

HAVE AGREED AS FOLLOWS:

1. This declaration sets out arrangements for a procedure of budgetary scrutiny (hereafter “the procedure”) between the European Parliament and the Council with the active assistance of the Commission.
2. This procedure may be followed in respect of a Commission proposal for a Council act based on Article 122 TFEU with potential appreciable implications for the Union budget.
3. The Commission will accompany any such proposal by an assessment of the budgetary implications of the proposed legal act and will indicate whether the act in question may, in its view, have appreciable implications for the Union budget. On that basis, the European Parliament and the Council may request that the procedure be initiated.
4. The procedure will take place in a Joint Committee consisting of representatives of the European Parliament and of the Council at the appropriate level. The Commission will participate in the work of the Joint Committee.
5. Without prejudice to the powers of the Council under Article 122 TFEU, the European Parliament and the Council will engage in a constructive dialogue with a view to seeking a joint understanding of the budgetary implications of the envisaged legal act having due regard to the urgency of the matter.
6. The procedure should take place during a period not exceeding two months, unless the act in question has to be adopted before a specific date or, if the urgency of the matter so requires, within a shorter time limit fixed by the Council.

Joint declaration of the European Parliament, the Council and the Commission on reassessing the external assigned revenue and borrowing and lending provisions in the Financial Regulation

Against the background of the NGEU, the European Parliament, the Council and the Commission agree that in the framework of the next revision of the Financial Regulation, the following issues will be assessed and as appropriate revised:

- the provisions on the external assigned revenue , in particular as referred to in Article 21(5) of the Financial Regulation;
- the provisions on reporting on borrowing and lending operations.

The three institutions acknowledge that the existing rules on audits and discharge procedure apply to assigned revenue.

4. Horizontal issues – Climate, biodiversity, equality between men and women and sustainable development goals

Commission declaration on the climate tracking methodology and the involvement of the European Parliament and Council

The Commission will ensure that the climate tracking methodology is accessible, transparent, and publicly available. The Commission will exchange views on the climate tracking methodology with the European Parliament and Council. Transparency and exchange of information with Parliament and Council on the progress towards reaching the climate objectives will be a key principle of the climate tracking.

Commission declaration regarding climate contributions per programme

Without prejudice to the legislative powers of the European Parliament and the Council in relation to the relevant sectoral basic acts, the climate contributions for 2021-2027 in view of achieving an overall target of at least 30% of the total amount of Union budget and NGEU expenditures, are indicated for relevant programmes and Funds as follows:

<u><i>Programmes</i></u>	<u><i>Expected minimum contribution</i></u>
<u><i>Horizon Europe</i></u>	<u><i>35%</i></u>
<u><i>ITER</i></u>	<u><i>100%</i></u>
<u><i>InvestEU Fund</i></u>	<u><i>30%</i></u>
<u><i>Connecting Europe Facility</i></u>	<u><i>60%</i></u>
<u><i>ERDF</i></u>	<u><i>30%</i></u>
<u><i>Cohesion Fund</i></u>	<u><i>37%</i></u>
<u><i>REACT EU</i></u>	<u><i>25%</i></u>
<u><i>Recovery and Resilience Facility</i></u>	<u><i>37%</i></u>
<u><i>CAP 2021 - 2022</i></u>	<u><i>26%</i></u>
<u><i>CAP 2023 - 2027</i></u>	<u><i>40%</i></u>
<u><i>EMFF</i></u>	<u><i>30%</i></u>
<u><i>LIFE</i></u>	<u><i>61%</i></u>
<u><i>Just Transition Fund</i></u>	<u><i>100%</i></u>
<u><i>NDICI</i></u>	<u><i>25%</i></u>
<u><i>OCT</i></u>	<u><i>25%</i></u>
<u><i>Pre-Accession Assistance</i></u>	<u><i>16%</i></u>

The Commission will use these climate contributions as a reference point to assess deviations and to propose measures in case of insufficient progress.

Commission declaration on the biodiversity tracking methodology and the involvement of the European Parliament and Council

The Commission will ensure that the biodiversity tracking methodology is accessible, transparent, and publicly available. After the completion of a study on the methodology recently launched by the Commission, the Commission will exchange views on the methodology with the European Parliament and Council. Transparency and exchange of information with Parliament and Council on the progress towards reaching the biodiversity related objectives will be key for tracking.

5. Other declarations

Commission declaration on a mid-term review / revision

By 1 January 2024, the Commission will present a review of the functioning of the MFF.

The review may, as appropriate, be accompanied by relevant proposals for the revision of the MFF Regulation in accordance with the procedures set out in the TFEU.
