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**'I/A' ITEM NOTE**

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From: Presidency  
To: Permanent Representatives Committee/Council  
Subject: Multiannual Financial Framework (MFF) 2021-2027  
- Progress report

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**I. STATE OF PLAY IN THE COUNCIL**

1. In May 2018, the Commission adopted a package of horizontal proposals on the Multiannual Financial Framework (MFF) for the years 2021 to 2027 which consisted of a Council Regulation, an Interinstitutional Agreement on budgetary discipline, a Council Decision, two Council Regulations, a Council amending Regulation on Own Resources of the EU, a Regulation of the European Parliament and the Council on the protection of the Union's budget.
2. Between May and June 2018, the Commission adopted 44 sectoral proposals complementing this package.
3. During the Bulgarian and Austrian Presidencies, delegations started the examination of the proposals, and prepared 18 partial general approaches or partial mandates. An agreement was also reached on the Council Regulation on State Aids.

4. During the first **General Affairs Council** under its Presidency on 8 January 2019, the Romanian Presidency expressed its intention to make as much progress as possible on sectoral files.
5. Since January, two more partial mandates - for some elements of the *Cohesion Policy Legislative Package 2021-2027* and for the *InvestEU* programme - as well as two more partial general approaches - for the *European Globalisation Adjustment Fund* (EGF) and the *Instrument for Pre-accession Assistance* (IPA III) - were granted.

## II. **RELATIONS WITH THE EUROPEAN PARLIAMENT**

6. The European Parliament has adopted first reading positions on several sectoral proposals without entering in negotiations with the Council, namely on: *Single Market Programme, EU Anti-Fraud Programme, European Globalisation Adjustment Fund, Pericles IV programme, Creative Europe programme, Erasmus programme, European Solidarity Corps programme, Neighbourhood, Development and International Cooperation Instrument, Cross-border mechanism, Instrument for Pre-accession Assistance (IPA III), European Regional Development Fund and Cohesion Fund, Asylum and Migration Fund, Integrated Border Management Fund, Internal Security Fund, Specific provisions for the European territorial cooperation goal (Interreg) and the Common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those.*
7. The Romanian Presidency has also started negotiations with the European Parliament on 13 MFF-related sectoral files, on the basis of the relevant partial general approaches or partial mandates.
8. Without prejudice to the final outcome of the horizontal negotiations on the MFF, the European Parliament and the Council now share a common understanding on ten sectoral files, namely *Digital Europe, European Defence Fund, Space Programme, Rights and Values Programme, Justice Programme, LIFE, Horizon Europe (Framework Programme Regulation), InvestEU, Fiscalis* and the *Connecting Europe Facility*.

9. On 27 February 2019, COREPER endorsed the proposed Presidency approach to consolidate the progress made with the European Parliament<sup>1</sup>, and in particular the possibility to send a letter to the European Parliament to recognise the progress.
  10. On 26 March 2019, President Tajani replied to the President of the Council. In this context, on 1st April 2019 COREPER approved that the Presidency sends a letter on behalf of the Council to transmit to the European Parliament the documents which contain the texts of the common understandings<sup>2</sup>.
  11. COREPER is invited to take note of progress achieved, and transmit this report to the Council for its information.
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<sup>1</sup> doc. ST 6428/1/19 REV1

<sup>2</sup> doc. ST 7946/19

## COMMON UNDERSTANDINGS

1	Digital Europe Programme	ST 7058/19 + COR1
2	Space Programme	ST 7481/19
3	European Defence Fund	ST 6733/1/19 REV1
4	Justice Programme	ST 7248/1/19 REV1
5	Rights and Values Programme	ST 7249/1/19 REV1
6	Connecting Europe Facility	ST 7207/1/19 REV1
7	LIFE	ST 7479/1/19 REV1
8	Horizon Europe (Framework Programme Regulation) <sup>3</sup>	ST 7942/19 + COR1
9	InvestEU	ST 7939/19
10	Fiscalis	ST 8000/19

## OTHER ONGOING NEGOTIATIONS ON MFF SECTORAL FILES

11	Customs Programme
12	Customs Control Equipment
13	Common Provisions Regulation (some elements)

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<sup>3</sup> Subject to confirmation by the European Parliament of the compromise on the overall package, including the Specific Programme in accordance with the special legislative procedure.