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'A' ITEM NOTE

From: General Secretariat of the Council
To: Council

Subject: Multiannual Financial Framework (MFF) 2021-2027 and Recovery Package
- Proposal for a Council Regulation laying down the multiannual financial framework for the years 2021-2027 - ADOPTION

1. In May 2018, the Commission presented its proposal for the next Multiannual Financial Framework. This package included in particular a proposal for a Council Regulation laying down the multiannual financial framework for the years 2021-2027 (MFF Regulation).
2. The COVID-19 pandemic changed the conditions under which the MFF was being negotiated. On 23 April 2020, Leaders tasked the European Commission to urgently come up with a proposal for a Recovery Fund that would be commensurate with the challenge faced. They also underlined the need to adjust the MFF to deal with the crisis and its aftermath.
3. The Commission presented a package of proposals in May 2020, which foresaw the creation of a novel EU Recovery Instrument (also referred to as "Next Generation EU") and a targeted revision of the MFF 2018 package of proposals, taking stock also of the progress achieved at the technical and political level in the Council.

4. The special meeting of the European Council of 17 - 21 July 2020 adopted European Council conclusions on the future MFF and the EU Recovery Instrument “Next Generation EU (NGEU)”¹.
5. The Presidency translated the political guidance provided by the European Council on 21 July 2020 into Presidency compromise proposals. On 29 July 2020, the Permanent Representatives Committee (COREPER) gave its broad approval that the Presidency could engage with the European Parliament on the basis of the above-mentioned Presidency compromise proposal, with a view to securing its consent on the MFF Regulation.
6. Between August and November 2020, twelve informal trilateral dialogues at political level took place with the European Parliament and the European Commission. On 10 November 2020, negotiators provisionally agreed on a political package for the future MFF and Recovery package.
7. On 16 November 2020, the Permanent Representatives Committee agreed in principle on the draft Council Regulation laying down the multiannual financial framework for the years 2021-2027 as presented in ST 12792/20 + ADD 1 subject to legal/linguistic finalisation;
8. On 11 December 2020, COREPER decided to, subject to receiving the consent of the European Parliament, propose to the Council to adopt the draft MFF Regulation (ST 9970/20 + COR 1 (hr) + COR 2 (sv) as finalised by the legal/linguistic experts).
9. On 14 December, the Council approved the forwarding of the draft MFF Regulation 2021-2027 (ST 9970/20 + COR 1 (hr) + COR 2 (sv) as finalised by the legal/linguistic experts) to the European Parliament for its consent in accordance with Article 312(2) TFEU;
10. The European Parliament is expected to give its consent on this Regulation on 16 December 2020.

¹ doc. ST 10/20

11. Following the consent of the European Parliament, the Council is therefore invited to:
- a) adopt by unanimity the draft Council Regulation laying down the multiannual financial framework for the years 2021-2027 set out in doc. ST 9970/20 + COR 1 (hr) + COR 2 (sv) + REV 1 (nl), as finalised by the legal/linguistic experts;
 - b) decide that the joint declarations and Commission declarations set out in doc. 12793/20 + COR 1 (da) + COR 2 (cs) + COR 3 (et) + COR 4 (lt) + COR 5 (pl) + COR 6 (sl) + COR 7 (ga), as well as the statements by delegations set out in doc. 14039/20 ADD 1 be entered in the minutes of the meeting.
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