

COVID-19: Budget MEPs call for quick progress on post-2020 contingency plan

- Contingency plan should address consequences of Corona crisis
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MEPs welcome Commission President's announcement to update post-2020 EU budget proposal but urgently call for a more ambitious text than current one

- EU budget part of solution to overcome the public health, economic and social shocks

Considering the health crisis and consequent delays to finding a timely agreement on the new long-term EU budget, Budget MEPs reiterate their call for an urgent 2021 contingency plan.

While work on establishing the next Multiannual Financial Framework (MFF) 2021-2027 must go on, and take into account the fallout from the current health crisis in the long term, it is all the more urgent for the Commission to propose a contingency plan that will enter into force on 1st January 2021, considering the delays for a timely MFF agreement to be expected due to the COVID-19-crisis, the Chair and Coordinators of the Committee on Budgets underlined. Parliament has asked for such a contingency plan [since October 2019](#).

The contingency plan should also be able to address the immediate consequences of the Corona emergency, in line with the positive steps being taken in the 2020 budget in terms of reorientation and reinforcements of existing instruments.

As for the MFF, the MEPs have recently, in their [26 March press release](#), called for an update of the current proposal from May 2018. They welcomed the positive and prompt follow-up by Commission President Ursula von der Leyen with her [announcement](#), on Saturday, that *"the Commission will propose changes in the MFF proposal that will allow to address the fallout of the coronavirus crisis. This will include a stimulus package that will ensure that cohesion within the Union is maintained through solidarity and responsibility."*

"We also urge the Commission to think "out of the box" by putting forward a revised MFF proposal that is appropriately updated compared to the original proposal of May 2018, with an

adequate revision of its proposal on the reform of the own resources system if necessary to get a bigger fiscal room for manoeuvre. It should consider the potential of all programmes to provide an additional contribution to economic recovery, solidarity, public health and crisis management, while providing more flexibility. It should also reflect the political commitments of the new Commission such as Green Deal, digitalisation and a geopolitical Commission. As stated last week, pre-existing challenges do not go away and might become even more critical due to the Corona crisis," the MEPs said.

"We recall that the Union budget is indeed part of the solution to overcome the public health, economic and social shocks, in complementarity with other instruments and initiatives at both national and European levels," the MEPs concluded.

Background information

Members of the Committee on Budgets have asked repeatedly for a contingency plan for next year's budget in order to provide a safety net to protect the beneficiaries of Union programmes by ensuring continuity of funding and implementation, should an agreement on the 2021-2027 MFF not be reached in time to enter into force on 1 January 2021.

As the current long-term EU budget is running out on 31 December 2020, the EU needs a new budgetary planning horizon for the next seven years. The EU Commission has thus presented plans for the next multiannual financial framework for 2021-2027 in [May 2018](#). The European Parliament has adopted its position in [November 2018](#), and re-confirmed it in [October 2019](#). The Council has not been able to agree on a position yet. The Parliament must approve the MFF before it can come into force.

Further information

[Statement from Commission President von der Leyen on proposals to fight the economic effects of the coronavirus crisis](#)

[EP press release: "Budget MEPs call for bold response to Corona emergency" \(26.03.20\)](#)

[BUDG draft report with recommendations to the EC on a safety net to protect the beneficiaries of EU programmes: setting up an MFF contingency plan](#)

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