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DRAFT INTERIM REPORT

on the proposal for a mid-term revision of the multiannual financial framework 2021-2027
(COM(2023)0337 – 2023/0201R(APP))

Committee on Budgets

Co-Rapporteurs: Jan Olbrycht, Margarida Marques

PR_Consent_InterimMod

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the proposal for a mid-term revision of the multiannual financial framework 2021-2027
(COM(2023)0337 – 2023/0201R(APP))

The European Parliament,

– having regard to Articles 311, 312 and 323 of the Treaty on the Functioning of the European Union (TFEU),

– having regard to Council Regulation (EU, Euratom) 2022/2496 of 15 December 2022 amending Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027[1],

– having regard to Council Regulation (EU, Euratom) No 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027[2] and to the joint declarations agreed between Parliament, the Council and the Commission in this context[3] and the related unilateral declarations[4],

– having regard to the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources[5] (‘the IIA’),

– having regard to the Commission proposal of 20 June 2023 for a Council regulation amending Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027 (COM(2023)0037),

– having regard to the Commission communication of 20 June 2023 entitled ‘Mid-term revision of the multiannual financial framework 2021-2027’ (COM(2023)0336) and the accompanying staff working document (SWD(2023)0336),

– having regard to the proposal of 20 June 2023 for a regulation of the European Parliament and of the Council on establishing the Ukraine Facility (COM(2023)0338),

– having regard to the proposal of 20 June 2023 for a regulation of the European Parliament and of the Council establishing the Strategic Technologies for Europe Platform (‘STEP’) and amending Directive 2003/87/EC, Regulations (EU) 2021/1058, (EU) 2021/1056, (EU) 2021/1057, (EU) No 1303/2013, (EU) No 223/2014, (EU) 2021/1060, (EU) 2021/523, (EU) 2021/695, (EU) 2021/697 and (EU) 2021/241 (COM(2023)0335),

– having regard to the draft general budget of the European Union for the financial year 2024, which the Commission adopted on 5 July 2023 (COM(2023)0300),

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[1] OJ L 325, 20.12.2022, p. 11.
[2] OJ L 433I, 22.12.2020, p. 11.
[3] OJ C 444I, 22.12.2020, p. 4.
[4] Texts adopted, P9_TA(2020)0357.
[5] OJ L 433 I, 22.12.2020, p. 28.

– having regard to Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget[6],

– having regard to Council Regulation (EU) No 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis[7],

– having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012[8] ('the Financial Regulation'),

– having regard to the proposal of 16 May 2022 for a regulation of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (COM(2022)0223),

– having regard to its resolution of 10 May 2023 on the impact on the 2024 EU budget of increasing European Union Recovery Instrument borrowing costs[9],

– having regard to its resolution of 15 December 2022 on upscaling the 2021-2027 multiannual financial framework: a resilient EU budget fit for new challenges[10],

– having regard to Rule 105(5) of its Rules of Procedure,

– having regard to the letters from the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Agriculture and Rural Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Constitutional Affairs,

– having regard to the report of the Committee on Budgets (A9 XXXX),

Overall assessment of the Commission proposal

1. Welcomes the fact that, following its review of the 2021-2027 multiannual financial framework (MFF), the Commission has drawn the same conclusion as Parliament did in December 2022, namely that the MFF has been overtaken by events in a world that has changed beyond recognition since it was agreed in 2020, that budgetary flexibility has been depleted and more is necessary in order to respond to unforeseen circumstances, that the MFF contains structural problems laid bare by economic developments and that, as a result, an urgent revision of the MFF regulation and its annex is essential;

2. Underlines the fact that the revision must focus on addressing the manifold consequences of Russia's war of aggression against Ukraine, on safeguarding the

[6] OJ L 433I, 22.12.2020, p. 1.
[7] OJ L 433I, 22.12.2020, p. 23.
[8] OJ L 193, 30.7.2018, p. 1.
[9] Texts adopted, P9_TA(2023)0194.
[10] OJ C 177, 17.5.2023, p. 115.

Union’s strategic autonomy and sovereignty and on endowing the Union with adequate flexibility to respond to crises; welcomes, therefore, the Commission’s proposal for a targeted revision as a first step in the right direction to ensure that the MFF can better address those challenges;

3. Considers that the proposed revision targets only the most pressing areas of concern in the existing framework; welcomes the fact that, in line with Parliament’s position, the proposal for revision does not lead to any downward revision of the pre-allocated national envelopes;

4. Recalls that, unlike in national budgets, where inflation affects the nominal value of both revenue and expenditure, the MFF spending ceilings are adjusted on the basis of a 2 % deflator applied to 2018 prices, whereas the own resources ceiling adjusts to inflation; underlines, therefore, that, as a result of unexpectedly high inflation, revenue called from Member States for MFF spending has decreased as a percentage of gross national income (GNI); notes, furthermore, that rebates for the five beneficiary Member States are inflation-linked; regrets that, according to the Commission, inflation may reduce the real-terms value of the MFF by EUR 74 billion over the seven-year period;

5. Stresses that, in addition to reducing the real-terms value of the MFF, inflation has also triggered a substantial increase in interest rates, driving up EU borrowing costs, in particular in relation to the repayment of the European Union Recovery Instrument (EURI) debt, and therefore further squeezing the budget;

6. Highlights that, even taking account of the Commission’s proposal to revise the MFF, total commitment appropriations would amount to only 1.03 % of GNI and total payment appropriations would amount to only 1.02 % of GNI; recalls that, originally, payment appropriations in the current MFF were planned to amount to 1.10 % of GNI; stresses that the reinforcements proposed by the Commission are not projected to cover the impact of inflation;

7. Notes the Commission’s assessment that the proposed revision will require an increase in the ceiling for payment appropriations in 2026 and 2027; stresses that the Union’s credibility depends on ensuring that there are adequate payment appropriations to cover commitment appropriations; calls on the Commission to monitor closely budget implementation and propose any necessary remedial action to avoid a payments backlog in the later years of the MFF period;

8. Reaffirms the importance of the horizontal principles concerning climate, biodiversity and gender equality that underpin the MFF and all related EU policies; calls on the Commission to take concrete action to ensure that the agreed targets are met;

9. Recalls that spending under Heading 7 should be set at a level that guarantees that the EU has an effective and efficient administration;

10. Reiterates its view that a revised MFF must be in place by 1 January 2024 and provide a framework for the 2024 budget; insists, therefore, on the need for swift adoption of the amended regulation; welcomes, in that connection, the fact that the Commission heeded Parliament’s call to bring forward its MFF review and revision;

11. Reiterates its long-standing demand that all budgetary instruments covering spending at Union level be fully incorporated into the budget, thereby ensuring transparency, full democratic control and protection of the Union's financial interests; insists that the integration of such instruments into the EU budget must not result in a reduction of financing for other EU policies and programmes;

12. Stands ready to engage actively and constructively with the Council and the Commission to ensure that the revised framework, addressing the entire Commission proposal, is adopted in good time and is in place by 1 January 2024; recalls that, in the IIA, the institutions undertake to determine specific arrangements for cooperation and dialogue throughout the procedure leading to the adoption of a substantial revision of the MFF;

Long-term support for Ukraine

13. Recalls that the Union and its people have been at the forefront in supporting Ukraine from the very beginning of the war, showing solidarity with Ukrainians in their fight to defend democracy against authoritarianism; stresses that the EU budget has provided financial assistance in excess of EUR 30 billion to date; reiterates its view that the Union must be at the heart of continued efforts to support Ukraine financially and help it on its path to EU membership;

14. Welcomes, therefore, the Commission's proposal for a longer-term structural solution to Ukraine's funding needs anchored in the EU budget, which covers support for macro-financial stability, an investment framework and funds for accession-related reforms and for building administrative capacity; considers that such a longer-term instrument is the only viable way to engage other donors and to ensure effective and targeted spending that meets the needs of Ukraine and its people; insists that the Ukraine Facility should be agreed as soon as possible, following adoption of the revised MFF Regulation, given that financing under the MFA+ Regulation[11] is provided for 2023 only;

15. Considers it sensible to build a certain degree of flexibility into the Facility, given the uncertainties surrounding Ukraine's situation; welcomes the fact that, as per the Commission proposal, the Ukraine Reserve is to be mobilised by the budgetary authority in the annual budgetary procedure and is determined to ensure that Parliament, as one arm of the budgetary authority, plays its full role in the process; invites the Commission to provide, in good time, all the necessary information to enable the budgetary authority to fulfil its duties;

16. Stresses the need to protect the rule of law and the financial interests of the Union and to prevent, detect and correct fraud, corruption, conflicts of interest and irregularities in the use of Union funds in Ukraine; considers that the Facility should contain stringent provisions to attain those objectives;

[11] Regulation (EU) 2022/2463 of the European Parliament and of the Council of 14 December 2022 establishing an instrument for providing support to Ukraine for 2023 (macro-financial assistance +), OJ L 322, 16.12.2022, p. 1.

Migration and external challenges

17. Deplores the fact that, even prior to the war against Ukraine, funds available under Heading 6 (neighbourhood and the world) were woefully inadequate and that the MFF did not factor in continued funding for the needs of refugees from Syria, Iraq and other countries, leaving almost no scope to cope with additional challenges;

18. Stresses that, in particular following Russia's invasion of Ukraine, the international context has deteriorated rapidly as a result of the food, energy, climate and economic crises, which have dramatically increased pressure on Heading 6; notes that, in addition to repeated recourse to the Flexibility Instrument, the Neighbourhood, Development and International Cooperation Instrument (NDICI)-Global Europe cushion has been depleted very quickly and used beyond its core purpose of responding to emerging challenges and priorities, while the humanitarian aid budget has relied heavily on mobilisation of the severely stretched Solidarity and Emergency Aid Reserve (SEAR), the scope of which extends beyond humanitarian aid;

19. Welcomes, therefore, the Commission's proposal to increase the ceiling for Heading 6 in line with Parliament's call, though regrets the fact that the extra resources do not fully cover real needs; underlines that a further reinforcement of EUR 1 billion in current prices over and above the Commission proposal is vital to replenish the NDICI-Global Europe cushion and thereby create capacity to respond to crises and emerging needs and to manage increased humanitarian aid needs in Ukraine and neighbouring countries, such as Moldova, and worldwide; stresses that the internal balance and distribution between the budget lines as provided for in the NDICI Regulation must be respected;

20. Underlines that the war against Ukraine, together with increased global hunger and poverty and more intense and frequent natural disasters, are forcing millions of people to flee their homes and seek protection in the EU; stresses the need for the Union to continue to provide support to the host Member States for the reception, settlement and integration of refugees;

21. Stresses that effective and fair management and protection of the EU's external borders, ensuring the security of the Union, together with the smooth and efficient implementation of the Union's migration and asylum policy, are key priorities and essential to preserve the free movement of people within the Union and the proper functioning of the Schengen area; stresses the need to implement a migration and asylum policy that is based on solidarity, responsibility and respect for human rights, providing certainty, clarity and decent conditions for people arriving in the EU;

22. Notes the Commission's assessment that implementation of the New Pact on Migration and Asylum will require an additional EUR 1 billion between 2025 and 2027 under Heading 4 (migration and border management); considers that the additional demands on the Asylum, Migration and Integration Fund, the Border Management and Visa Instrument and the decentralised agencies in Heading 4 require a further reinforcement over and above the Commission proposal of EUR 1 billion in current prices and that the additional resources should be available from 2024;

23. Recalls that the precise breakdown of additional funds across programmes and budget lines under Headings 4 and 6 is to be determined by the budgetary authority in the annual budgetary procedure;

The Strategic Technologies for Europe Platform (STEP)

24. Reaffirms the need to secure the open strategic autonomy of the Union, reduce dependence on non-EU countries in key sectors and drive forward the green and digital transitions; recalls that the Commission work programme for 2023 included a pledge to ‘push to create a new European Sovereignty Fund’;

25. Acknowledges, however, that, by using existing programme structures and seeking to create synergies, the STEP proposal has the potential to deliver results more quickly; considers that the STEP proposal should act as a testbed for a fully-fledged Sovereignty Fund in the next MFF period;

26. Notes that the STEP proposal combines the re-prioritisation of funds under existing programmes, including the cohesion policy funds, with targeted reinforcements for specific programmes under Headings 1 (single market, innovation and digital), 3 (natural resources and environment) and 5 (security and defence);

27. Underlines that, in order to deliver on the strategic objectives for STEP, financing should be increased, with further reinforcements of EUR 2 billion in current prices over and above the Commission proposal in Heading 1 and of EUR 1 billion in current prices over and above the Commission proposal in Heading 5;

28. Recalls its long-standing position that recurrent redeployments are not a viable way to finance the Union’s policy priorities;

29. Reiterates its view that decommitted appropriations should remain in the budget and be committed by the budgetary authority through the annual budgetary procedure and recalls its position on the revision of the Financial Regulation in that regard; welcomes, therefore, the fact that the STEP proposal assumes the re-use of EUR 1.2 billion in research decommitments under Article 15(3) of the Financial Regulation and that the Commission thus implicitly acknowledges the inaccuracy of its estimate for research decommitments underpinning the 2020 MFF agreement;

30. Recalls its long-standing demand that all EU spending instruments should be incorporated in the budget, in full respect of the principle of budgetary unity; considers, in that connection, that the proposed allocation for the Innovation Fund under Heading 3 marks important progress towards its full budgetisation;

European Union Recovery Instrument (EURI) borrowing costs

31. Takes note that the amount programmed in the MFF to repay the borrowing costs associated with EURI is far below requirements, with the Commission estimating the shortfall to be between EUR 17 and 27 billion over the MFF period; highlights that, already in the draft budget, increased EURI costs are expected to consume all resources under the Flexibility Instrument and around one third of resources under compartment (a) of the Single Margin Instrument in 2024;

32. Underscores that steeply rising interest rates since Russia's invasion of Ukraine have laid bare the inherent structural flaws in the EU budget's debt repayment architecture; recalls that interest costs and debt repayment depend on market developments, are not discretionary spending and therefore cannot be subject to a spending cap under an MFF ceiling without posing a direct risk to investment programmes and the budget's capacity to respond to emerging needs;

33. Recalls that Parliament has consistently called for a solution to this problem and insisted that the EURI repayment costs be placed over and above the MFF ceilings;

34. Welcomes the creation of the EURI Instrument as a special instrument to be mobilised as required based on the actual repayment needs; insists, however, that the Instrument cover all EURI repayment costs, not only those above the programmed amount under Heading 2b (resilience and values); underlines that a EURI Instrument designed in this way should be the model for managing all EURI repayment costs in the next MFF;

35. Insists on the need for the Commission to provide the budgetary authority with timely and detailed information on the calculations underpinning the forecasts for EURI borrowing costs, including the assumptions and parameters used, in order to enable responsible management of repayment costs;

Enhancing the budget's capacity to respond to crises and emerging needs

36. Points out that the proposed model for managing EURI repayment costs would have the effect of restoring the budgetary space in the Flexibility and Single Margin Instruments from 2024 to 2027 as per the initial MFF financial programming;

37. Underlines, however, that the MFF contains very little flexibility, with the Flexibility Instrument and unallocated margins amounting to only 1.05 % of the commitments ceiling; stresses that the current MFF has relied heavily on that limited flexibility and indeed on reorienting cohesion policy, which is not a crisis response tool but has been repeatedly called on to make up for shortcomings in budgetary flexibility or crisis response mechanisms in the MFF to the detriment of its long-term policy objectives;

38. Points, furthermore, to the increased needs since the beginning of the MFF for humanitarian aid inside and outside the Union and for support in relation to natural disasters, in particular those driven by climate change, and considers that these needs are likely to grow; stresses that the annual allocation for the SEAR was exhausted in 2021 and 2022 and is expected to be fully used in 2023; points out that beneficiaries of aid under the EU Solidarity Fund have, in some instances, received less than 50 % of the aid they would ordinarily have received and have had to wait a long time for disbursement owing to the limitations of the SEAR;

39. Recalls its demands for an increase in the Flexibility Instrument and the SEAR and for an additional permanent special instrument to allow the EU budget to better adapt and quickly react to crises and their social and economic effects; understands that, in the absence of such an instrument, it will remain difficult for the Union to ensure its preparedness for unforeseen events, especially since, currently, 99.6 % of the Union's budget is pre-allocated; stands ready to work to find pragmatic solutions in the short term, while reflecting on a more structural, streamlined solution in the next MFF;

40. Considers, in this respect, that the Commission's proposal to increase the Flexibility Instrument and the SEAR is a step in the right direction; insists, however, that the EU budget must be equipped with the necessary flexibility and budgetary space to be able to respond to crises and adapt to emerging and growing needs;

41. Underlines that budgetary flexibility has proven that it enables resources to be targeted where they are needed and the Union to respond to unforeseen events and to adjust its spending priorities in light of evolving political or economic needs; insists, therefore, that the Flexibility Instrument be increased by EUR 3 billion in current prices over and above the Commission proposal for the MFF period;

42. Notes that demands on the SEAR are unlikely to lessen; considers, therefore, that reinforcing the SEAR is crucial to enable the Union to act in emergency situations caused by major natural disasters or public health crises in Member States and accession countries and also to support non-EU countries suffering from conflicts, refugee crises or natural disasters; insists, therefore, that the SEAR be increased by EUR 2 billion in current prices over and above the Commission proposal for the MFF period.

Recommendations and modifications

43. Asks the Council and the Commission to take into account the following recommendations and modifications:

    (i) increase the ceiling of Heading 1 by EUR 2 billion in current prices over and above the Commission proposal;

    (ii) increase the ceiling of Heading 4 by EUR 1 billion in current prices over and above the Commission proposal and apply the increase to the heading from 2024;

    (iii) increase the ceiling of Heading 5 by EUR 1 billion in current prices over and above the Commission proposal;

    (iv) increase the ceiling of Heading 6 by EUR 1 billion in current prices over and above the Commission proposal;

    (v) increase the Flexibility Instrument by EUR 3 billion in current prices over and above the Commission proposal;

    (vi) increase the Solidarity and Emergency Aid Reserve by EUR 2 billion in current prices over and above the Commission proposal;

    (vii) provide that the EURI Instrument, established as a special instrument over and above the MFF ceilings, cover all EURI repayment costs;

    (viii) The proposal for a Council regulation should be modified as follows:

Modification 1

Proposal for a regulation
Recital 4

Text proposed by the Commission	*Modification*
(4) The EU budget should enable the Union to provide the necessary policy responses to emerging challenges and to meet legal obligations which cannot be accommodated within existing ceilings nor by exhausted flexibility. The expenditure ceilings in commitment appropriations for Headings 1, 3, 5, 6, and 7 including the sub-ceiling for administrative expenditure of the institutions for the years 2024, 2025, 2026 and 2027, ***and the ceiling for Heading 4 for the years 2025, 2026 and 2027*** should therefore be increased. As a result, the expenditure ceilings in payment appropriations for the years 2026 and 2027 should be increased.	(4) The EU budget should enable the Union to provide the necessary policy responses to emerging challenges and to meet legal obligations which cannot be accommodated within existing ceilings nor by exhausted flexibility. The expenditure ceilings in commitment appropriations for Headings 1, 3, ***4,*** 5, 6, and 7 including the sub-ceiling for administrative expenditure of the institutions for the years 2024, 2025, 2026 and 2027 should therefore be increased. As a result, the expenditure ceilings in payment appropriations for the years 2026 and 2027 should be increased.

Or. en

Modification 2

Proposal for a regulation
Recital 11

Text proposed by the Commission	*Modification*
(11) Given the uncertainty surrounding the future evolution of interest rates and in order to avoid undue pressures on Union programmes, it is appropriate to establish a new thematic special instrument to cover all funding costs for NextGenerationEU borrowing ***which exceed the amounts initially programmed***. The necessary commitment appropriations and corresponding payment appropriations in the Union budget should be made available over and above the ceilings of the MFF.	(11) Given the uncertainty surrounding the future evolution of interest rates and in order to avoid undue pressures on Union programmes, it is appropriate to establish a new thematic special instrument to cover all funding costs for NextGenerationEU borrowing. The necessary commitment appropriations and corresponding payment appropriations in the Union budget should be made available over and above the ceilings of the MFF.

Or. en

Modification 3

Proposal for a regulation
Article 1 – paragraph 2

Text proposed by the Commission	*Modification*
(2) In Article 9, paragraph 2 is replaced by the following:	(2) In Article 9, paragraph 2 is replaced by the following:
‘2. The Solidarity and Emergency Aid Reserve shall not exceed a maximum annual amount of EUR ***1 739*** million (in 2018 prices). Any portion of the annual amount not used in year n may be used up to year n+1. The portion of the annual amount stemming from the previous year shall be drawn on first. Any portion of the annual amount from year n which is not used in year n+1 shall lapse.’;	‘2. The Solidarity and Emergency Aid Reserve shall not exceed a maximum annual amount of EUR ***2 170*** million (in 2018 prices). Any portion of the annual amount not used in year n may be used up to year n+1. The portion of the annual amount stemming from the previous year shall be drawn on first. Any portion of the annual amount from year n which is not used in year n+1 shall lapse.’;

Or. en

Modification 4

Proposal for a regulation
Article 1 – paragraph 3

Text proposed by the Commission	*Modification*
3) The following Articles are inserted:	(3) The following Articles are inserted:
‘Article 10a	*‘Article 10a*
EURI Instrument	*EURI Instrument*
1. The EURI Instrument ***may be used to finance the additional costs where, in a given year,*** the costs of the interest and coupon payments due in respect of the funds borrowed on the capital markets in accordance with Article 5(2) of Decision (EU, Euratom) No 2020/2053 ***exceed the following amounts (in 2018 prices):***	1. The EURI Instrument ***shall be mobilised by the European Parliament and the Council in the framework of the budgetary procedure provided for in Article 314 TFEU*** to finance the costs of the interest and coupon payments due in respect of the funds borrowed on the capital markets in accordance with Article 5(2) of Decision (EU, Euratom) No 2020/2053**.**’;
– ***2024 – EUR 1 840 million,***	
– ***2025 – EUR 2 332 million,***	

– ***2026 – EUR 3 196 million,***

– ***2027 – EUR 4 168 million,***

2. The EURI Instrument may be mobilised by the European Parliament and the Council in the framework of the budgetary procedure provided for in Article 314 TFEU.';

Article 10b

Ukraine Reserve

1. The Ukraine Reserve may be mobilised for the sole purpose of financing expenditure under [the Ukraine Facility Regulation] and shall aim at providing at least EUR 2 500 million in current prices as an annual indicative amount.

2. The Ukraine Reserve shall not exceed an amount of EUR 50 000 million in current prices for the period 2024 to 2027. The annual amount mobilised under the Ukraine Reserve in a given year shall not exceed EUR 16 700 million in current prices.

3. The Ukraine Reserve ***may*** be mobilised by the European Parliament and the Council in the framework of the budgetary procedure provided for in Article 314 TFEU.';

Article 10b

Ukraine Reserve

1. The Ukraine Reserve may be mobilised for the sole purpose of financing expenditure under [the Ukraine Facility Regulation] and shall aim at providing at least EUR 2 500 million in current prices as an annual indicative amount.

2. The Ukraine Reserve shall not exceed an amount of EUR 50 000 million in current prices for the period 2024 to 2027. The annual amount mobilised under the Ukraine Reserve in a given year shall not exceed EUR 16 700 million in current prices.

3. The Ukraine Reserve ***shall*** be mobilised by the European Parliament and the Council in the framework of the budgetary procedure provided for in Article 314 TFEU.';

Or. en

Modification 5

Proposal for a regulation
Article 1 – paragraph 4

Text proposed by the Commission	*Modification*
(4) In Article 12, paragraph 1 is replaced by the following:	(4) In Article 12, paragraph 1 is replaced by the following:
'1. The Flexibility Instrument may be used for the financing, for a given financial year, of specific unforeseen expenditure in commitment appropriations and	'1. The Flexibility Instrument may be used for the financing, for a given financial year, of specific unforeseen expenditure in commitment appropriations and

corresponding payment appropriations that cannot be financed within the limits of the ceilings available for one or more other headings. The ceiling for the annual amount available for the Flexibility Instrument shall be EUR ***1 562*** million (in 2018 prices).';	corresponding payment appropriations that cannot be financed within the limits of the ceilings available for one or more other headings. The ceiling for the annual amount available for the Flexibility Instrument shall be EUR ***2 209*** million (in 2018 prices).';

Or. en

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44. Instructs its President to forward this resolution to the Council and the Commission.