

KEY QUESTIONS

the big six

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What are important milestones in the EU's annual budget process?

The Commission develops the draft budget in April-May; programming runs from November to July

The EU's general budget is negotiated and approved annually. However, the annual budget process takes place within the political priorities and financial programming set in the multiannual financial framework (MFF): The annual budget can only be adopted within the spending limits set in the MFF. The European Development Fund (EDF) is approved for five- to seven-year periods, and while its budget is not renewed every year accounts are reviewed each year by the European Commission (Commission), and adjustments can be made.

The following points outline the steps in EU's annual budget process:

- **The Commission presents its draft budget:** Usually by the end of May, the Commission presents its annual draft budget to the European Council (Council) and the European Parliament (Parliament). This budget is developed in a closed process, without consultation from external stakeholders, and must be in accordance with MFF's spending ceilings. The annual draft budget includes country and thematic programs within the Development Cooperation Instrument (DCI).
- **Council and Parliament prepare positions on draft budget:** Once the Commission has presented its draft budget, the Council prepares its position on it between July and September and proposes amendments. The

Council forwards its position to the European Parliament by mid-September; however, the committees of the Parliament already start holding internal discussions on the draft budget between July and September. This includes the Committee on Development (DEVE), which delivers its opinion along with proposed budgetary amendments on funding to DCI country and thematic programs, and the Budget Committee (BUDG). This period is thus a key opportunity for engaging with Members of the European Parliament in the relevant committees around budget allocations to the DCI.

- **Parliament votes on amendments to Council's position:** Once Parliament has received the Council's position, it has 42 days to approve or amend it. BUDG prepares the Parliament's position, based on the previous inputs from the thematic committees. Usually in late October, the Parliament votes in plenary on the Council's position, including the proposed amendments.
- **Conciliation procedure between Parliament and Council:** Parliament forwards the amended text to the Council. If the Council approves all amendments, the budget is considered adopted. If not, a 'conciliation committee' – consisting of an equal number of representatives from Council and Parliament – is convened to reach an agreement. The Conciliation Committee has 21 days to find a compromise, after which the Parliament and Council must adopt the agreed budget.

