



## THE POST 2020 MULTIANNUAL FINANCIAL FRAMEWORK

### *PROTECTING OUR PLANET, ENSURING A LIFE OF DIGNITY FOR ALL, INVESTING IN THE FUTURE*

In 2015, world leaders adopted an ambitious 2030 Agenda for achieving sustainable development worldwide. They defined 17 Sustainable Development Goals (SDGs) to end poverty, combat inequality, build peaceful, just and inclusive societies, protect human rights and promote gender equality, and ensure the lasting protection of the planet.

Soon after in Paris, the world took an historic commitment to the fight against climate change. The EU - and its Member States - were among the signatories. Now, the time has to come to implement the 2030 Agenda and the Paris Climate Agreement. If the EU wants to be coherent with its commitments to **protect our planet** and **people**, it has to be consistent in its policies, both within and outside the EU.

A decade after the worst financial, economic and social crisis since the Second World War, the EU has still not fully recovered. Europe is not growing closer together; on the contrary, more people are at risk of poverty, social exclusion, unemployment and discrimination. While a few get richer, the majority lose out. This increasing inequality is destructive; it hurts our people and our democracy. For the EU to reconnect with the people, we have to change how we invest our shared resources. We have to focus the budget on improving the working and living conditions for everyone in Europe.

In order to tackle climate change and growing inequality, we have to **invest in our future and stand up for our values**. We need to invest in future generations, adapt our infrastructure, and support our research programmes. The transition won't be made overnight. But the Greens/EFA group believes that we can **protect our planet, ensure a life of dignity for all** and **invest in our future, while standing up for our values** at the same time. We are convinced that EU budget has a key role to play due to its powerful catalytic effects on public and private funding at all levels. To be coherent, the EU must align its future budget, the so-called Post-2020 Multiannual Financial Framework (MFF), and its legal framework with these aims. An MFF that respects sustainability criteria is critically important. All EU expenditures should be sustainability-proofed to prevent contradictory or wasteful spending. While not all spending is directly climate related, no funds should go to policies or projects that would have a detrimental effect on our climate.

We are already surpassing the boundaries of our planet and there is an urgent need to protect natural resources and reduce energy consumption. The next MFF should place greater emphasis on these elements and dedicate appropriate funding throughout its different components. The Greens/EFA group is advocating a global and comprehensive response to the multiple challenges we face. The Post 2020 MFF must clearly show the political will to take these challenges on.

## A budget for Europe

**For the last two decades, the EU has received more and more competencies, made more and more commitments and agreed upon more and more priorities.** But despite this, the EU budget has not been increased or reformed. In 2020, the EU budget will still look like the old-fashioned budget that was agreed by the Heads of State and Government in 2000, with the same size and priorities. This has to change.

We are convinced that **the EU budget should be completely revised on both the expenditure and the revenue sides** to make a clearer and simpler link between the way it is financed and the way we invest. The post 2020 MFF should not be seen as a compilation of figures or priorities, or as a horse-trading exercise between the Member States, but rather as the translation of a political project and vision. We believe in the EU project as a way to **protect our planet, ensure a life of dignity for all and invest in our future while standing up for our values.** We want to this for the EU and **for the world.**

The Greens/EFA group is pushing for an EU budget that is dedicated to the fight against climate change. This is needed if we are to respect the commitment taken in Paris in 2015 and to safeguard the wellbeing of our people and planet. Not a single euro spent by the EU should contradict the Paris Agreement and **at least 50% of the EU budget should be climate-related.** This represents at least €900 bn of climate-related investment in the next decade. We need clear and targeted definitions for climate related expenditure to prevent green-washing of investment (e.g. sustainable road construction). The methodology to calculate the climate-related spending should be revised and clarified in order to be Paris Agreement compatible, more comprehensive for the institutions and the project managers, and to ensure proper monitoring. A negative list should be established to exclude climate-harmful expenditure.

In addition, the Greens/EFA group advocates a budget that **combats gender discrimination and inequalities.** In the current period, in spite of the joint declaration on gender mainstreaming attached to the MFF, there has been little progress and there is still not a clear gender equality strategy with specific objectives, concrete targets and allocations. We believe that it is fundamental to implement gender budgeting as part of an overall gender mainstreaming strategy. This is key to ensuring the protection of women's rights as laid down in the treaties. We want to implement gender budgeting in the post 2020 MFF with binding rules, proper and effective monitoring and a clear mention of gender equality in one of the headings.

In order to face challenges from a positive perspective, the Greens/EFA group is in favour of substantially increasing the EU budget. In the mid to long term, fiscal capacity should cover stabilisation instruments that would adjust against asymmetrical shocks and common cyclical developments as well as promoting far-reaching reforms required for the green transformation of the European economy. Any new budgetary capacity would have to be a component of the EU budget, fall under the control of the European Parliament and be additional to current levels of spending. But in the short term, due to the current legal framework and circumstances, we want to **guarantee that the EU budget will not decrease in volume from 2020 levels,** even in case of Brexit. Under our proposals, the EU budget will represent €1800 bn for the 2021-2030 period, just below the Own Resources ceiling. Going above this level requires the ratification of the Member States' parliaments in order to be modified.

Where either the European Parliament, the Commission or one third of the Member States consider a Member State to be in breach of EU fundamental values, the Commission should be entitled to strictly monitor the use of EU money in that country, to ensure that EU spending is fully compliant with EU law. We propose that, where applicable, the principle of shared management could be temporarily suspended and that EU funding would be directly managed by the European Commission, in close cooperation with regional and local authorities. This would help prevent governments from breaking with the fundamental values of the EU while allowing the EU to **ensure a life of dignity for all across** the whole EU. Suspending EU spending in a Member State that systematically and persistently violates the fundamental values of the EU should only happen as a last resort and in accordance with Article 7 of the Treaty.

## A budget for the planet

In order to **protect our planet**, the Greens/EFA group demands that the EU budget undergoes a comprehensive reform, from objectives to implementation to performance. The public money invested in the budget should only be used for sustainable measures to provide public goods, many of which cannot be recompensed by the market. We need strong ambition to tackle the challenges of climate change and the loss of biodiversity. As such, we believe that all programmes and policies should be greened. The Common Agricultural Policy (CAP) is of great importance in the achievement of sustainability. We strongly object to the way funds are currently spent or distributed - the status quo is not an option and the way we use these EU funds must be radically changed. Farmers must be supported in changing their practices to become more sustainable. The CAP, alongside the Common Fishery Policy (CFP) and the LIFE + programme, should become the core of the EU's climate environmental and green energy programmes.

The first objective of the CAP is to feed 500 million European people with high quality food, with no negative impact on natural resources and the climate. Agriculture is not an economic sector like any other - it is vital, as without food there is no life. We have an obligation to ensure food security.

The CAP's objectives should be radically reshaped in order to beat climate change, preserve the environment and biodiversity and fundamentally change the animal husbandry system in favour of animal-friendly livestock systems. We have to face the finite limits of our environment and planetary resources and take into account climate change, extinction and ecosystem collapse, and the depletion of resources that affects us all. Further, it is important to develop the rural economy and rural areas, to promote quality jobs, ensure quality of life and good public services, particularly to meet the social demands of people working in the agricultural or fisheries sectors. The CAP's contribution to the social and rural fabric of Europe must be maintained, especially the successes in rural development, through community-led local development. We believe that the CAP can and should: reinvigorate local economies; encourage and maintain vibrant rural communities; focus on healthy food and organic farming; ensure animal welfare; and guarantee food sovereignty in Europe and enable it abroad. We see the need to support farmers' autonomy and assist in the transition<sup>1</sup>. We are convinced that a good CAP is a green CAP.

In order to reform these programmes, especially those that correspond to the EU's exclusive competencies, a consolidated budget **for the planet** should be safeguarded. The effect of Brexit is in any case expected to reduce the CAP budget by approximately €2.2bn annually. However, it is clear that the status quo is not an option and the CAP needs a comprehensive reform.

Today, more than 80% of the CAP subsidies go to 20% of the farmers with the largest, often industrial scale, holdings. On the other hand, 80% of European farmers get less than €5,000 per year. The Greens/EFA group wants to cap the direct payment at €50,000 per year and per beneficiary and reward quality job creation and environmental results. This will impact less than 1% of farmers but deliver savings of up to €13.2 bn annually (almost a third of the CAP)<sup>2</sup>.

Those savings should be reallocated within the CAP, redistributing support to small and medium sized farms and invested in a future-oriented transition to full sustainability. The CAP already contains measures to deal with job creation in rural areas, innovation and participatory research, young and new farmers, climate change adaptation and mitigation, nature and biodiversity including ecological infrastructure and agroforestry, soils, and other agro-environmental measures including organic farming. These should be strengthened. Other social aspects of rural development include decentralised territorial approaches to invigorate local economies, such as broadband, short food and supply chains, creating better links between farmers and consumers and the towns and the surrounding countryside. These can overcome and reverse poverty in rural areas and encourage people to stay or return to rural areas to live and work.

The new CAP must also be a fair CAP. Fair for the planet, fair for the land, fair for rural communities. Discriminatory differences in farmers' direct payments should be ended within the next MFF. Looking to the rest of the world, the EU should promote sustainable agriculture globally, and partner states'

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<sup>1</sup> <https://www.greens-efa.eu/files/doc/docs/bf2c48b7b5c340a11661d6cf7ebf91e8.pdf>

<sup>2</sup> [https://ec.europa.eu/agriculture/sites/agriculture/files/cap-funding/beneficiaries/direct-aid/pdf/annex1-2014\\_en.pdf](https://ec.europa.eu/agriculture/sites/agriculture/files/cap-funding/beneficiaries/direct-aid/pdf/annex1-2014_en.pdf)

compliance with these goals should be reflected in international trade agreements and trade preferences.

The European Maritime and Fisheries Fund (EMFF) is a critically important fund for promoting the transformation of fishing into an environmentally sustainable industry that maintains fish at abundant levels and allows profitable fishing without financial support. The fund must continue its transformation away from direct subsidies towards measures to reduce the environmental impact of fishing, provide safe and healthy food and ensure sufficient money for scientific research and fisheries controls.

LIFE + is a key programme for supporting the shift towards a resource-efficient, low-carbon and climate-resilient economy. It also contributes to the protection and improvement of the quality of the environment and the reversal of biodiversity loss, including the support of the Natura 2000 network, and tackling the degradation of ecosystems. The Greens/EFA group wants to quadruple the LIFE + budget and to spend at least 1% of the EU budget (€18 bn for the 2021-2030 period). We also want to broaden its scope to support local initiatives on renewable energy and energy efficiency.

**€570 bn (31.7% of the post 2020 MFF) should be reserved for those programmes over the next decade.**

## **A budget for the people**

In order to **ensure a life of dignity for all**, the Greens/EFA group is convinced that the EU budget should be transformed to combat growing economic, social and territorial inequality. We need a targeted cohesion policy geared towards improving the well-being of citizens and providing equal opportunities to all. Cohesion policy could be a key element of our response to a number of crises (such as economic and social crises), therefore playing a significant role for the future of the Union.

We consider cohesion policy an expression of solidarity and a commitment to help, learn from and cooperate with each other. It is a symbol of European integration and a weapon against populism, as it delivers tangible results on the ground. Through its shared management arrangements, it combines the specific needs of a given territory with European priorities, taking into account the importance of diversity. Especially in cross-border areas, it has helped reduce the negative effects of frontiers and consolidate cooperation.

It is hard to imagine Europe without a strong cohesion policy. Marginalisation of cohesion policy would increase the gap between citizens and the EU and reduce the Union to the administration of business between national governments and Brussels.

While cohesion policy has made important contributions to tackling the financial, economic and social crisis, 10 years on from the financial crisis, the EU has not fully recovered. The unemployment rate is still high in some regions, especially among young people. Economic disparities are still highly prevalent between and within the Member States. Economic recovery has not translated into less poverty and more jobs. More people are losing out and are at risk of being lost to our democracies. The opportunities for territorial cooperation, in particular cross-border, remain underestimated and underexploited. Finally, gender inequality is still at an unacceptably high level. We therefore need a strong cohesion policy, built on its strengths and achievements, in particular partnership involvement, an integrated and bottom-up approach, multi-level governance, a co-financing system, ex-ante conditionalities, long-term strategies and capacity building.

The Greens/EFA group remains firmly committed to the principle that all EU regions should benefit from cohesion policy. However, we must concentrate resources on regions identified as particularly disadvantaged and vulnerable. Sufficient and meaningful budgetary resources have to be ensured. Efficiency gains should be achieved by limiting funding opportunities in more developed regions and the richest Member States while clearly gearing investment towards EU priorities such as fighting social exclusion and poverty, high-quality job creation, education and training, and supporting energy efficiency and renewable energy. Modulation of the allocation key and/or the co-financing rate could also be explored if necessary to ensure genuine added value in the area of cohesion policy.

The cohesion policy is an investment tool **for the people** and the European Social Fund (ESF) has a central role to play. Its share must be increased to at least 40% of the total combined cohesion funds in each Member State and at least 45% in those with unemployment rates significantly higher than the EU average.

This investment will benefit the concerned individuals, the regions, participation in society and the labour market. We need to reconstruct our public services and infrastructure to improve working and living conditions - in hospitals, libraries, child care, schools, care homes, and social housing.

The cohesion policy should be improved<sup>3</sup> significantly to overcome existing inefficiencies and prevent counterproductive practices.

We do not need more asphalt, we need better working and living conditions - sustainable development needs to be strengthened and become the guiding principle. Spending geared towards achieving the targets set out in the Paris Climate Agreement has to be increased up to 50%. Local development should be made mandatory due to its closeness to citizens and the sense of ownership it generates. It can help strengthen the investment character of the policy and gear EU spending towards public needs.

In order to implement the concept of Just Transition, the cohesion policy should promote the necessary reconversion of the workforce in regions most affected by energy changes such as the phase out of coal. The energy transition is one of the areas where the EU could best reconnect itself with its citizens. For this reason, the Greens/EFA group is calling for a new instrument that would match citizens' investment: for each €1 raised via crowdfunding to support a clean energy project, the EU would provide matched funding.

The Greens/EFA group continues to reject macro-economic conditionality in cohesion policy or any kind of sanction mechanism based on economic governance arrangements that punishes EU regions and beneficiaries for decisions taken at central government level.

We demand an increase in the transparency and accountability of cohesion policy spending and for greater efforts be taken to fight against fraud and corruption. This can be supported through decentralisation, public participation, capacity building and supervisory powers for the European Parliament.

Last but not least, we want to increase funding for the programmes that contribute to the further development of an area where equality and the rights of persons, as enshrined in the Treaty, the Charter and international human rights conventions, are promoted and protected, such as the "rights, equality and citizenship" programme. The latter should be increased fivefold (€3 bn over the 2021-2030 period). DAPHNE, which aims to contribute to the protection of children, young people and women against all forms of violence, should be given a separate budget line and autonomous programme and have its budget multiplied by 10 (€1.5 bn for the next financial period).

In addition, the objective "Promote equality between women and men and gender mainstreaming" under the "rights, equality and citizenship programme" should also have a separate budget line in order to properly monitor the spending dedicated to this goal.

**€480 bn (26.6% of the post 2020 MFF) should be invested in the Cohesion Policy over the next decade.**

## **A budget for the future**

In order to **invest in our future and stand up for our values**, the Greens/EFA group is convinced that the EU budget for future-oriented programmes should be doubled. The future-oriented policies come from three distinct blocks. The Youth-related programmes cover all situations faced today by young people. Everyone needs a good start to life. The EU should support young people in education and learning, finding work, travelling abroad to study, volunteer or work. The EU should help those in need and provide for good care services and infrastructure, be it for young or old. The research-related programmes develop future technologies and processes that will reduce our ecological footprint. The investment-related programmes will renovate our infrastructure and shift our transport, energy and communication models towards sustainable systems.

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<sup>3</sup> <https://www.greens-efa.eu/files/doc/docs/0c9dd02b52b4a904b6da8489702e304e.pdf,8%>

The Green/EFA group proposes the creation of a Fund for Fundamental Rights that would strengthen European values and the pro-democratic engagement of its citizens by supporting civil society organisations that uphold respect for rule of law, human rights and democracy.

The Greens/EFA group wants a budget **for the future** aligned with our commitments towards **the planet** and **the people**. Investment in future generations, technology and infrastructure should be **fair** and **sustainable**. Moreover, we believe that most of those **programmes should be directly managed by the European Commission**, which has a better overview of the situation.

Youth 2030, which encompasses all Youth-related programmes including Erasmus +, European Solidarity Corps and the Youth Employment Initiative (YEI), should receive at least €150 bn over the next decade. The Greens/EFA group wants to increase the budget for ERASMUS + fourfold, rising to €80bn for the next 10 years. Likewise, the Youth Employment Initiative should be increased six fold to €70 bn and receive a permanent annual funding of €7bn (of which 75% would come from YEI and 25% from the ESF).

Horizon 2030, the EU's research and innovation programme, should focus its investments on researching, developing and bringing to society the responsible technological and non-technological solutions that will enable and accompany the sustainable transformation of the way we live, produce and consume. It should be based on the needs of citizen's and communities, not just private interests. It should deliver a fair return to society as a whole, and address pressing societal challenges such as fighting climate change, the transition to sustainable and renewable energy, a toxic-free circular economy, sustainable food and farming practices, and affordable health care and medicine. It should be significantly increased compared to the current MFF. Horizon 2030 should receive at least €136 bn during the post 2020 MFF.

CEF 2030 should become the main EU investment tool directly managed by the European Commission and should be focussed on: cross-border connections for sustainable modes of transports, including renovation, missing links, intermodality and modernisation of infrastructure related to the new digitalisation and decarbonisation solutions; electricity infrastructure; renewable projects of common interest (PCI +); smart grids to foster the energy transition; high-speed broadband in the ICT sector. The European Commission should select the projects according to a strict legal framework, concentrating funding on the most sustainable and 2.0 projects and based on recommendations coming from the EU agencies. The CEF 2030 budget should be doubled and receive at least €80 bn over the next decade.

Cultural programmes, such as Europe for Citizens and Creative Europe, do not fall under the EU's exclusive competency but they do deliver an EU added value for the EU budget. "Unity in diversity" should be translated into programmes supporting all languages, regardless of their legal status, by promoting the common EU heritage and patrimony, by strengthening the exchange programmes and/or by enhancing twinning programmes for EU territories and cities. Finally, a vibrant and lively democracy requires a free press and diversity of expression. Investigative journalism and plurality of the press should also be strengthened. Cultural programmes should be increased eightfold (€16bn for the 2021-2030 period) amounting to more than €1.6 bn annually.

The Greens/EFA group firmly believes that the European Union is built upon fundamental principles such as democracy, freedom and human rights. This needs to be reflected in the MFF. At a time when democratic standards are being questioned, we propose the creation of a Fund for Fundamental Rights, which would support NGOs that promote the values of Article 2 of the EU Treaty, particularly rule of law, human rights and democracy. While programmes exist to support pro-democratic NGOs for the Union's neighborhood, there is no such instrument with relation to defending democratic standards within the EU. The Fundamental Rights Fund would provide support directly to NGOs through independent re-granting institutions in Member States, similarly to the practice of EEA Grants, and prioritize NGOs who organise pro-democratic campaigns, fact-checking, watchdog activity and promote dialogue between antagonized groups of society. The fund would have different funding lines, including startup grants for new initiatives, medium to long-term funding for established organizations and micro-grants for grassroots initiatives. This programme should receive €2 bn over the next decade.

**€412 bn (22.9% of the post 2020 MFF) should be safeguarded for the future-oriented policies over the next decade.**

## A budget for the world

As a global actor, the EU needs to balance its values and interests. The Greens/EFA group insists that the EU has an interest in combating inequality and contributing to a peaceful, fair and sustainable world. Consequently, the Greens/EFA group is convinced that the budget **for the world** should respect three main pillars of **protecting our planet, ensuring a life of dignity for all and investing in our future while standing up for our values**. The budget for the EU's external actions should **acknowledge our responsibility and show our solidarity by fighting poverty worldwide, building peace and defending human rights through increases in funding**.

The Greens/EFA group wants to have a budget **for the world** that follows fundamental principles. The EU budget should support sustainable poverty eradication, civilian conflict prevention and resolution, human rights, the rule of law and democracy policies with an external dimension. Trade policy in particular should be coherent with development objectives.

EU development policies should be effective and respect internationally agreed principles, which have proven to deliver results: respect for official development aid criteria; ownership of beneficiary countries; untying of aid; and mutually agreed conditionalities. In order to avoid development policies being subordinated to short-term external policy interests, the next MFF must preserve a separate development instrument, aimed primarily at fighting poverty worldwide.

The Greens/EFA group wants to **strengthen the budget of the EU external policy** and is convinced that the budget **for the world** should be dedicated to civilian conflict prevention, peacebuilding, human rights, humanitarian aid and sustainable development.

Increased funding for EU development aid is a prerequisite to achieving the longstanding goal of allocating 0.7% of EU GNI to development by 2030. The new budget should integrate the European Development Fund (EDF) which should be financed with the same repartition key as the rest of the EU budget allowing for a democratic oversight by the European Parliament. 20% of EU aid should be reserved for human development<sup>4</sup> whereas 10% of ODA shall be dedicated to achieving food security, through supporting small-scale farmers and agro-ecological farming practices. People most in need and Least Developed Countries deserve special attention and a minimum of 0.2 % of the EU GNI should be reserved for them.

Development aid spending should increase to €12.5 bn annually in order to help reach the 0.7 % goal. Significant financial resources will be needed to help developing countries deal with climate change. The next MFF should foresee allocations of at least €3 bn per year to climate action in developing countries.

The Greens/EFA group believes that the simplification of the current architecture should not result in the merger of all external financial instruments, as thematic instruments differ from geographic instruments in the decision-making modalities. A merger of all instruments would put at risk the specific implementing of rules which make thematic instruments so effective. We want to preserve the specificities of the European Instrument for Human Rights and Democracy (EIDHR), which operates without the consent of local authorities and largely within particularly sensitive and difficult environments. Also, the Instrument contributing to Stability and Peace (IcSP) differs very much from other instruments as it can react within hours to crises and has established a very particular network with civil society in the field of peacebuilding. A dedicated human rights instrument and a dedicated instrument for peacebuilding and conflict prevention would ensure that there are no risks to their independence and that funds cannot be diverted to other objectives.

The EU is about peace, democracy, security and development. The Greens/EFA group wants to triple funds available for civilian conflict prevention within the Instrument contributing to Stability and Peace budget and to spend at least € 85 million ( €850 million for the 2021-2030 period) and to double the budget for the Common Foreign and Security Policy (CSFP) to €700 million annually (€7 bn over the next decade).

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<sup>4</sup> Human development means all measures improving people's lives directly (e.g. schools, hospitals) rather than measures which aim at stimulating economic growth, which is then expected to increase the well-being of people.

The Greens/EFA group strives for a stronger role for culture in the EU's international relations. Cultural work serves as facilitator for social inclusion, economic development and innovation, democracy, education, conflict prevention and reconciliation. The current fragmentation in the programming of cultural activities in the EU international cultural relations goes in line with a fragmentation of the financing. Therefore, we support the creation of dedicated budget lines and integration of new initiatives in the EU's external actions, such as a Cultural Visa Programme and the stronger coordination of EU cultural actions in partner countries through focal points.

While the Greens/EFA group very much supports the idea of overcoming the many structural problems in the defence sector that hamper cooperation, as this would benefit the Common Security and Defence Policy (CSDP), we strongly reject the idea of injecting EU budget money into a sector which already consumes €200 billion annually.

**€180 bn (10% of the post 2020 MFF) should be invested outside the EU over the next decade.**

## **A budget for freedom, security and justice**

In order to ensure freedom, security and justice, and to make sure refugees are protected, the Greens/EFA group is convinced that an increased share of the EU budget should be dedicated to those policy fields. We believe that the EU has a key role to play in helping Member States to properly and decently answer the challenges they are facing in the areas of freedom, security and justice.

An effective right to freedom of movement within the Schengen area has to go hand in hand with effective, proportionate and humane border management capabilities and an effective asylum system. A functioning judiciary system is also needed to tackle cross-border crimes such as money laundering, tax evasion and terrorism. In order to properly fulfil its obligations towards both EU citizens and non-EU citizens, especially refugees and asylum seekers, the EU should fundamentally reform its policies. An increase in spending for border management should go hand in hand with an increase in spending for the Common European Asylum System.

Transnational criminality requires transnational solutions and actions. The EU Budget should support the strengthening of existing transnational cooperation mechanisms and offices, such as Joint Investigation Teams coordinated by Eurojust and the European Public Prosecutor Office (EPPO). The fight against terrorism requires increased funding to improve information exchange and data protection and analysis. We would like to introduce an exchange programme, comparable to Erasmus, for law enforcement officers, which would amount to at least €20 million annually (€200 million over the next decade). The EPPO should evolve towards a European FBI and its budget should be multiplied fivefold, reaching €80 million annually (€800 million for the 2021-2030 period).

The programme for supporting Member States, regions or local authorities willing to take care of asylum seekers should receive an additional €10 bn over the next period (€1bn annually). Member States who completely refuse to take asylum seekers should not receive any support from the EU return fund. In order to avoid a situation in which refugees seeking protection in Europe have to take dangerous and often deadly routes, the Greens/EFA group is also strongly in favour of significantly increasing EU funding for resettlement. The programme for resettling especially vulnerable refugees from camps in third countries such as Jordan or Libya should be increased to €20 bn (€2 bn annually).

**€40 bn (2.2% of the post 2020 MFF) should be spent for our common freedom, security and justice over the next decade.**

## **A budget for the administration**

To ensure a the smooth functioning of the Union, the EU budget must adequately finance its administration. The EU requires a highly qualified staff, respecting geographical and gender balance. This should include at least 40% of each gender in **junior and senior managerial positions**. However, the Greens/EFA group is convinced that savings can be made to the EU's administrative budget.

The Greens/EFA group supports a single seat for the European Parliament but proposes that a fair solution be found for Strasbourg. We believe that the EU staff regulations should be revised before



2024 to include all allowances in the taxable revenue, to increase the taxation rates and progressiveness of the tax system for the EU staff and to abolish the expatriate allowance. Altogether, those actions could deliver up to €600 million savings annually (5% of the administrative spending). The two highest grades of the income scale of EU agents should be abolished.

On top of the revision of the staff regulation - which will lead to an increase of income tax for office holders such as European Commissioners, Judges, Auditors, and MEPs - we would like to see further reforms to the benefits of these office holders. For example, we want to see an alignment of their pension age to the staff regulation and to increase the transparency and accountability of lump sum payments such as the General Expenditure Allowances for MEPs.

**€118 bn (6.5% of the post 2020 MFF) should be dedicated to the administration over the next decade.**

## **A coherent budget**

Without putting into question our position on the overall amount of the post 2020 MFF, we strive for a balanced approach to the EU budget. Alongside our positive priorities, some **clear and measurable redeployments have to be made, with a list of excluded expenditures**. The EU budget should be consistent with its international commitments and objectives. To do so, we have to scrap all nuclear, fossil fuel, asphalt and defence-related expenditures from the EU budget. The EU budget should no longer directly or indirectly finance fossil fuel infrastructure, either in the EU or abroad.

We believe that the **Financial Instruments (FIs), including the EFSI and EFSD, and the EIB activities, should be bound by the same objectives and targets as the rest of the EU budget**. They should dedicate part of their financial capacity to enhancing the technical assistance. FIs have a complementary role to play but should not substitute the grant system. The FIs and the EIB should deliver additional funding for additional projects rather than socializing losses.

The Greens/EFA group wants **to increase citizen oversight and parliamentary scrutiny of the EU budget**. We support the consultation of citizens when drafting the EU programmes and selecting projects, especially when it comes to Cohesion Policy. We also want the European Parliament to become a fully-fledged budgetary co-authority, voting the revenue side of the EU budget with the Council, and scrutinizing all EU spending. Thus, we are against the current "budgetary galaxy". We want to have all budgetary commitments to fall under the MFF ceiling, including trust funds and guarantees and under the full control of the European Parliament.

Fraud and the perception of fraud with EU funds must be tackled decisively. In order to improve accountability of financial management, the Greens/EFA group is calling for mandatory annual assurances from Member States on the spending of EU funds by national, regional and local authorities. Where there is an absence of national assurances, or where EU funding has not been spent correctly, funding should be reduced.

We want to **improve the added value, results, transparency and controls of the EU budget**. The EU budget should focus on its core commitments to increase its added value. We should embrace the performance-based budgeting principle to deliver more for the same amount. The EU budget should become more transparent to fight against fraud and corruption. We should also improve controls and reduce the administrative burden so as to increase citizens' confidence in EU public spending.

## **A budget with predictability, flexibility and legitimacy**

The EU budget is not just about figures, it is about financing a political vision. The Post 2020 MFF should ensure the highest level of predictability, flexibility and legitimacy. First, we are in favour of a 10-year MFF (2021-2030) in order to be able to plan for investments that are required to ensure the way we live, produce and consume are respectful of the climate and the environment.

Second, there should be "no taxation without representation" and the EU budget should reflect the majority vote of the EU citizens. Thus, we believe that the MFF should be adopted by Qualified Majority within the Council after trilogue-style negotiations with the EP while in the long run, the MFF should be adopted like the EU budget is. Moreover, the non-negotiable condition required for us to

agree to a 10-year EU budget is for there to be a sunset clause by the end of 2025 unless there is a post-electoral revision clause adopted by Qualified Majority in 2025. Indeed, we are convinced that the newly elected EU commission in 2024 should, as a first political act, present a revision of the 2021-2030 MFF according to the outcome of the EU 2024 elections and taking into account the Parliament and Council majorities.

Third, we need a budget that is able to answer to unforeseen events, challenges and crises that may occur. That is why all current flexibility instruments should be renewed, strengthened and counted over and above the MFF ceilings in both commitments and payments.

## **A budget with its own resources**

In order to respect the Treaties, the EU budget should normally be wholly financed through its own resources, something that is not currently the case. Indeed, the level of Traditional Own Resources (TOR) has dramatically diminished over time, most notably because of less customs duties being imposed, which is due to the multiplication of free-trade agreements. Today around 80% of the EU budget is financed through national contributions, which prohibits a rational debate in the negotiations on the EU budget.

The current system of own resources is neither transparent nor fair. Moreover the rebates are unfair and do not respond to the need to create solidarity among EU citizens and regions, while they also go against having a pro-European budgetary policy.

The Greens/EFA group strongly believes that Brexit presents an excellent opportunity to make the income side of the EU budget more sustainable and more transparent, to make the EU more autonomous, and ultimately to make better use of the EU Budget's transformative power. This would mean fundamentally reforming the own resources system, scrapping all rebates, and the introduction of new funding sources<sup>5</sup> that are in line with certain Union policies, such as in environment and climate (e.g. carbon border adjustment mechanism, plastic tax, carbon tax and ETS), in transport (road fuel and air ticket taxes), in tax justice including the fair taxation of companies in the digital sector (FTT, CCCTB etc.) and the fight against tax avoidance. There could also possibly be an EU energy tax and an EU telecoms tax, two sectors where EU policies have led to massive price reductions for consumers

The end of the current rebate system and the introduction of new own resource mechanisms on the income side of the EU Budget risks creating excessive burdens on certain Member States. These should be alleviated by means of specific compensations on the expenditure side, i.e. additional support through EU programmes limited in duration and time and in line with EU objectives and targets.

Finally, we share the conclusions of the Monti report<sup>6</sup> and consider it a good starting point for the successive reform of the Own Resources System. The Greens/EFA group wants to **reform the revenue side of the EU budget by introducing a rebate-free budget financed predominantly by own resources** before the end of the next MFF.

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<sup>5</sup> <https://green-budget.eu/communicating-green-own-resources-a-new-narrative-for-the-eu-budget/>

<sup>6</sup> [http://ec.europa.eu/budget/mff/hlgor/library/reports-communication/hlgor-report\\_20170104.pdf](http://ec.europa.eu/budget/mff/hlgor/library/reports-communication/hlgor-report_20170104.pdf)

# ANNEX I: The Greens/EFA Post-2020 MFF

## The Greens/EFA Priorities<sup>7</sup>:

### Protecting the Planet

- LIFE + : € 18 bn -> to be increased fourfold

### Ensuring a life in dignity for all

- ESF: at least € 200 bn -> to be increased by 70%
- rights, equality and citizenship: € 3 bn -> to be increased fivefold
- DAPHNE<sup>8</sup>: €1.5 bn-> to be increased tenfold

### Investing in the Future

- Erasmus +: € 80 bn -> to be increased fourfold
- YEI: € 70 bn -> to be increased almost six fold
- Horizon 2020: € 136 bn-> to be increased by 25%
- CEF<sup>9</sup>: € 80 bn -> to be doubled
- Cultural Programmes: €16 bn -> to be increased eightfold
- Fund for Fundamental rights: € 2bn -> *new*

### Being consistent in the world

- Peace, humanitarian aid sustainable development: € 120 bn -> to be increased by 40%
- IcPS civilian conflict prevention: € 580 mio -> to be tripled
- CFSP: € 7 bn -> to be doubled

### Freedom, Security and Justice

- Asylum seekers programme: € 10 bn -> *new*
- "Erasmus" for law enforcement officers: € 200m -> *new*
- Towards a EU FBI: € 800m -> to be multiplied fivefold

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<sup>7</sup> all % compare the financial envelope 2014-2020 with 70% of the programme for the 2021-2030

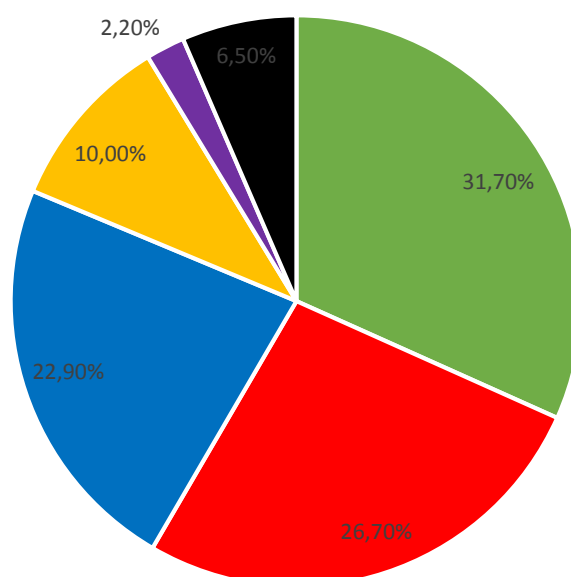
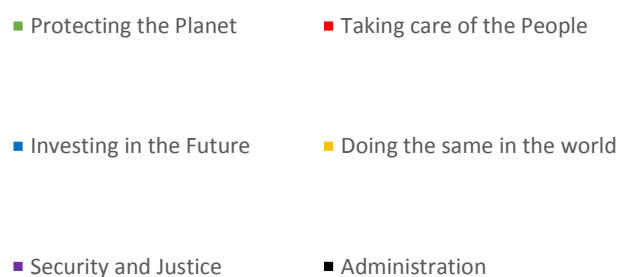
<sup>8</sup> Compare to 2016 budget

<sup>9</sup> including the top-up from the Cohesion Fund

## ANNEX II: The Greens/EFA Post-2020 MFF

Headings	2021-30	Annual average	%
Protecting the Planet	570 000	57 000	31,7
Ensuring a life in dignity for all	480 000	48 000	26,7
Investing in the Future	412 000	41 200	22,9
Doing the same in the world	180 000	18 000	10,0
Freedom, security and Justice	40 000	4 000	2,2
Administration	118 000	11 800	6,5
<b>TOTAL</b>	<b>1 800 000</b>	<b>180 000</b>	<b>100</b>

### MFF 2021-2030



## Greens/EFA 10 points on the post-2020 MFF

1. Greening the EU budget by **increasing the climate-related spending to 50%**
2. **Guaranteeing that the EU budget will not decrease in volume** from 2020 levels, even in the case of Brexit
3. Reforming the revenue side of the EU budget by securing **a rebate-free budget, financed predominantly by own resources**
4. **Adopting a fair CAP by capping direct payments** in order to invest in a transition to a living and (biologically and structurally) diverse countryside, vibrant rural areas and decent livelihoods
5. **Strengthening EU solidarity** by investing in all regions and by doubling the funding for social policies (ESF and YEI)
6. **Investing in the future** by doubling the funds for future-oriented programmes (youth programmes, research & development, infrastructure, culture and education programmes)
7. Being consistent in the world, acknowledging responsibility and showing solidarity by fighting poverty worldwide and **spending at least 0.7% of the EU GDP on development policy**
8. Combating gender discrimination and inequality by **implementing gender budgeting**
9. **Increasing citizen oversight** and parliamentary scrutiny of the EU budget and **improving added value, results, transparency and controls of the EU budget**
10. Defining clear and measurable redeployments and the list of **excluded expenditures**