|  |  |
| --- | --- |
| **No27/2018** | **18 May 2018** |

**The European Commission's budgetary proposal lacks political ambition**

**An EESC conference on the future long term budget of the European Union calls for a swift agreement on an adequate and properly reformed financial framework that strengthens the European Union**

The proposal for the EU's **Multiannual Financial Framework (MFF) post 2020**, put forward on May 2 by the European Commission, does not go far enough and lacks political ambition. As a consequence, it can only be considered a starting point for further debates on a financial framework capable of providing the means to deliver on citizens' expectations and new needs and challenges. The proposed ceiling for EU expenditure and its distribution should be reviewed so as to strengthen the EU's position as a global player. These were the main conclusions of a conference on the MFF for 2021-2027 hosted by the **European Economic and Social Committee (EESC)** on 15 May 2018.

The EESC conference brought together the views of policymakers, think tanks, researchers and civil society stakeholders. The participants acknowledged the constraints for the next MFF and welcomed numerous positive aspects of the Commission's proposal, but they also voiced their dismay at the growing gap between citizens' concerns and expectations and the limited institutional power and financial resources currently allocated to the EU. The gap could not be properly addressed by the Commission's proposal, hence the need to revise it.

Opening the EESC conference, **Stefano Palmieri**, president of the EESC's ECO section, said that "Europe needs a European Union that delivers added value. This is the reason why the EESC urges European leaders, in line with the European Parliament and despite the financial consequences of the UK's withdrawal from the EU, to **increase the current ceiling for EU expenditure to 1.3% of GNI"**.

Not only the volume but also the structure, distribution and toolkit of the proposed budget were up for debate. Positions were divergent.

Although speakers generally welcomed the addition of new political priorities, they asked for an in-depth assessment of new policy instruments in terms of suitability and effectiveness.

The distribution of the budget was questioned by several speakers. New priorities should not harm long-standing ones, namely **Cohesion Policy and the Common Agricultural Policy**, regarding the provision of financial means, irrespective of the fact that these policies should be properly reformed. Social, economic and territorial cohesion should continue as a key priority, also with a view to commitments to the **European Pillar of Social Rights** and the Sustainable Development Goals.

"We do not want to accept cuts to European cohesion, to the European Social model and to our Common Agricultural Policy," said **EESC President Luca Jahier** in his address. "These policies and tools have worked well and have proved their resilience and added value when Europe was hit by the crisis in 2007. Would these tools not have been there, Europe and mainly the most vulnerable social groups would have suffered even more". The protection of the most disadvantaged regions and most vulnerable social groups must – in his view – be continued.

The point was also raised at the EESC conference that the Commission should provide comprehensive and comparable figures to make a discussion on the proposal and a comparison with previous MFFs possible.

**Isabelle Thomas**, MEP and rapporteur for the European Parliament resolution on the next MFF, said in this regard that "the documents presented have a way of doctoring the figures in a dishonest way, by not taking account of inflation and rounding up calculations, for example. We need real figures that we can truly discuss".

The move to put **European added value** at the centre of budgetary decision-making and the increased investment in the fields of research, innovation and digital transformation, as well as youth, security and defence, were generally welcomed. Measures to make the budget simpler and more flexible were also appreciated.

The Commission's proposal for additional genuine **own resources** was welcomed as a step in the right direction, as new own budget resources could help to reduce the focus on net balances when discussing the EU budget.

Greater conditionality for the access to EU funding was endorsed and new instruments for a stable Economic and Monetary Union were welcomed. Nevertheless, participants questioned the ambition and effectiveness of the proposed tools and asked for more details.

Finally, speakers agreed that it was of the utmost importance for the EU Member States to make all possible efforts to reach an agreement on the Multiannual Financial Framework (MFF) post 2020 and for the European Parliament to give its consent before the Informal European Council in Sibiu and the parliamentary elections in May 2019. The ability to reach a swift compromise would be crucial for the future of Europe. A delayed agreement would harm Europe's position in the world, fuel EU scepticism and jeopardise funding for ongoing and new EU programmes as from 2021, thus negatively affecting European competitiveness.

**Kevin Körner**, senior economist at *Deutsche Bank Research*, stressed the need to prioritise a **transparent negotiation process** for citizens and **proper communication of the strategy behind the MFF post 2020** at the national level over a desirable swift agreement.

In the course of the conference, participants mentioned their interest in the detailed proposals on the future of the European Fund for Strategic Investment and the funding of migration policy. The European Commission has announced that it will present all detailed financial proposals for the sectorial programmes until 12 June.

The conclusions of the conference will feed into an **EESC** [**opinion**](https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/multiannual-financial-framework-post-2020) on the Commission's proposal. It is due to be discussed and adopted at the EESC Plenary in September 2018.

**For more information, please contact:**

# EESC Press Unit – Jasmin Klötzing Tel.: + 32 (0) 2 546 90 67

[jasmin.kloetzing@eesc.europa.eu](mailto:jasmin.kloetzing@eesc.europa.eu)

**@EESC\_PRESS**

[VIDEO: How has the EESC made a difference](http://www.eesc.europa.eu/?i=portal.en.videos.41081)?

*The European Economic and Social Committee is an institutional consultative body established by the 1957 Treaty of Rome. The Committee has 350 members from across Europe, who are appointed by the Council of the European Union. It represents the various economic and social components of organised civil society. Its consultative role enables its members, and hence the organisations they represent, to participate in the EU decision-making process.*

If you no longer wish to receive these messages, please send an e-mail to:  [press@eesc.europa.eu](mailto:press@eesc.europa.eu)