The Greens | European Free Alliance
in the European Parliament

Greens/EFA position paper on the Multiannual Financial Framework (2014-2020)

"No Sustainable Resources without own resources"

[PART I]
The Greens-EFA political statement on the forthcoming Multiannual Financial Framework (2014-2020)

As all the EU is currently facing a major economic, social and ecological crisis, its parallel debt crisis has led Member States to curb public spending and implement austerity budgets. But these measures alone cannot solve the current imbalances in the European Union. At the same time a considerable increase in investments is needed to address the structural problems underlying the crisis and achieve the EU 2020 strategy, as well as the 2050 climate and energy targets.

The MFF can play a key role in the fight against the current crisis as it can initiate the necessary reforms and catalyse the urgently needed transformation to a sustainable post carbon, nuclear-free, resource efficient, renewable-based economy, allowing for the creation of new green jobs and leading towards a renewed EU-competitiveness.

The Greens/EFA are advocating an EU response in the form of a Green New Deal, a comprehensive response to the multiple crises, integrating macro-economic reforms with a social inclusiveness agenda and green industrial policy, from the local to the global level. The MFF shall clearly reflect the political will to come to such a comprehensive response and shall become a budgetary tool of key importance for its implementation. Embracing the concept of the Green New Deal the MFF shall set intelligent incentives for sustainable growth, innovation and a green transformation of the European economies.

The Greens/EFA ask for a targeted increase in the MFF of 5%, based on the level of 2013, and henceforth fiercely oppose the initiative taken by several EU-net payers to come to a cut of 10% of the overall MFF. At the same time, we must not ignore the EU-member states' efforts to come to a new solidity in the national budgets. It poses a considerable risk, if the EU level excludes oneself from the common task to come to more sustainable budgetary policy.

The response to the crisis should also be reflected in the EU external policies through the defence and the promotion of Human rights, the funding of the Millennium Development Goal and the financing of global public goods.

The conflict between the overwhelming need for investments into an innovative, green and sustainable economy on the one hand and the need for budgetary solidity on the other hand can be solved by better focusing EU-investments. Without putting

into question the demand for an overall increase in the EU-budget it must be our primary role to demand for cuts in fields where money is spent in an unsustainable way and for increased investments in the field's central to the Green New Deal.
This is to be achieved via interlinked reforms at all levels: investments and changes to macro-economic and fiscal policies at all administrative levels, as well as through an ecological and social transformation of our industries and markets, respecting the gender mainstreaming and a budgeting methodology at all levels and at every stage of the policy making process and based on early education which enable people to create a more sustainable society.

The EU budget can positively contribute to the common task of financial consolidation when investments are made in fields of potential European added value or where cooperation allows for considerable synergies. What is more, as investments can, in many cases, be made more efficiently when coordinated on a European level and implemented across borders, channelling spending through the European budget can lead to a practice of more efficient spending.

The future MFF must also take into account the developments introduced by last round of treaty reforms. Given the transfer of further competencies to the EU level the current EU budget is far too little and ''regardless of realisable savings, the EU budget, at its current overall level of 1 % of GNI, is not capable of closing the financing gap deriving from additional financing needs arising from the Treaty''. ''Even with an increase of the level of resources for the next MFF of 5% compared to the 2013 level only a limited contribution can be made to the achievement of the Union's agreed objectives and commitments and the principle of Union solidarity, namely linked to the Europe 2020 strategy, the new tasks provided for by the Treaty of Lisbon, let alone respond to unforeseen events''.

The challenges ahead demand for a radical shift away from current business as usual policies. On the revenue side, a reform of the own resources system introducing new own resources for the EU, as for example Financial Transaction Tax, a CO2 and a Kerosene tax, to deliver a fair, transparent, more independent and future oriented budget system wholly financed trough EU own resources to live up to the challenges at hand is urgently needed. On the expenditure side, the Multiannual Financial Framework (MFF) has to become the EU financial instrument financing the Green New Deal, but, in order to be effective it needs to coincide with targeted policies at the Member State level and being implemented at the regional and local levels as well.

[PART II]
Greening the Multiannual Financial Framework

Own resources

The current system of own resources is neither transparent nor fair. The EU budget should without prejudice to other revenue be wholly financed trough own resources according to the treaty.
The level of Traditional Own Resources (TOR) has dramatically diminished over time, notably custom duties, inter alia as a result of the WTO in the 1990's, the ''hidden rebate'' which consists in the retention, by way of collection costs, of 25% of the amounts collected by the Member States for traditional own resources and the VAT-related incomes which have been cut by half in the early 2000's.
Today, 76% of the EU budget in financed trough the National contribution, the so-called ''RNB resource'', which distorts the rational debate on the EU budget negotiation.
The rebate system is unfair and does not respond to the need of solidarity among Member states while it also it goes against a pro-European budgetary policy.

- Welcomes the Commission's proposal to introduce in fairer, simpler and more transparent own resource system which would increase up to 60% the Own Resources share in the EU budget by 2018 at the latest
- Is convinced that the proposal would help Member states to consolidate their own national budget by decreasing their own national contribution to the EU budget.
- Fully supports the Commission's proposal to introduce an EU-wide Financial Transaction Tax as a EU own resource from 2014 onwards.
- Appreciates the substitution of the current technical VAT calculation by a new VAT resource which should be simplified to be comprehensive and accepted.
- Believes that the own resource proposal should be the first step towards a wholly own resources financed budget which would require additional EU own resources, such as revenues stemming from the auctioning of ETS certificates, carbon and/or energy taxes, a flight ticket tax, a common consolidated corporate tax and/or a roaming levy.
- Welcomes the proposal to get a 10% rate as administrative compensation for collection costs.
- Takes note of the rebates system simplification which should be the first step towards a rebate-free EU budget.

Multiannual Financial Framework

The current Multiannual Financial Framework is not sufficient to respond to the global challenges the EU is facing.
The EU budget must be the instrument which supports to the EU2020 strategy while the Greens-EFA group advocates for provisions that would enhance sustainability.
The Multiannual Financial Framework has been reduced over the past 2 decades while the EU has received increasingly more competencies.
Despite its size, the EU budget may have a large leverage effect if it is spent in the green added-value-related fields.

Overall amount

- Takes note of the Commission proposal to freeze the EU Multiannual Financial Framework at the 2013 level (in commitments).
- Is convinced that the overall amount does not respond to the crises that EU is facing with.

- Recalls the EP report voted on June the 8th 2012 which expressed that ''even with an increase of the level of resources for the next MFF of 5% compared to the 2013 level only a limited contribution can be made to the achievement of the Union's agreed objectives and commitments and the principle of the Union solidarity''.
- Reminds that without a higher MFF the EU2020 targets will not be reached as well as the EU 2020 strategy will be a failure.
- Stresses that EU funds must be allocated in accordance with their expected impact on their immediate recipients and the broader society, so that social cohesion, as well as cross-border balances are safeguarded and promoted; in order to avoid asymmetries and other perverse effects a misallocation of funds could potentially engender.
- Reiterates that without a higher MFF it will be even more difficult to reach the EU2020 targets, and the EU 2020 strategy could fail.
- Underlines that both commitment appropriation and payment appropriation ceilings still remain at 1.29% and 1.23% respectively. These rates are far too little to fully implement all sectorial policies laid down in the Lisbon Treaty and are wakening the EU´s ability to finance properly the EU2020 strategy.
- Asks for adding the European financial Stability Mechanism whose launch is foreseen for June 2012 within the MFF to improve the transparency and the democratic control of the EU as well as the EU responsibility and accountability.

<u>''Negative Priorities on unsustainable programs and redeployments for greening the budget''</u>

- Reiterates its position in favour of the SURE report concerning the overall amount for the forthcoming MFF (2014-2020).
- Calls for proportional savings in the unsustainable programs and funds; asks therefore for some additional internal redeployments; proposes to reallocate the savings and the redeployments towards the positive priorities defined in the paper and according to the content of the reforms of the sectorial policies, always with respect to the need of maintaining intra and inter-state balances and cohesion.
- Calls for some savings in the unsustainable programs and funds; asks therefore for some additional internal redeployment; proposes to reallocate the savings and the redeployments towards the positive priorities defined in the paper and according to the content of the reforms of the sectorial policies.
- Stresses that during the current MFF we have let more than €12b as margins under the ceilings of which €7,6b under the Heading 2 and €1,7b under the heading 3b which is more than a third of the ceiling of the heading 3b.
- Proposes a maximum volume to be redeployed up to €56,5b which represents 5,2% of the overall amount of the next financial perspectives. The calculation has been based on the Commission proposal and calculated over the 7 year period.
- Demands the deletion of unsustainable programs which can provide €10,9b savings (ITER project, EURATOM funding, reserve for crisis in the Agricultural sector, Return fund, Smart Borders, and EUROSUR).
- Reminds that the EU has not competence to fund the military sector; demands therefore to cancel the military part of the EU programs which consumes €2,6b (GMES, Galileo).
- Is convinced that the EU funds should be used in order to promote a more sustainable Europe and would deliver greater long-term effects; Calls therefore to stop unsustainable funding which can save up to €4,9b, including €4,4b from the road-related expenditures covered by the Transport part of the Connecting Europe Facility and half billion from unsustainable fishing.

- Points out that the Cohesion policy envelope, which has been slightly reduced for the next financial perspective, the allocated funds for the richest regions have been increased per inhabitant; believes that a freeze at the 2013 level for the More developed regions would ensure the minimum funds required to respond to these regions' specificities and would deliver up to €9b to be redeployed.
- Underlines that the CAP budget, which has been reduced by the Commission, still subsidies exports as well as it supports unfairly and unrealistically big farmers without employment or environmental conditions; proposes therefore to cap direct payments at € 100 000 per year and per beneficiary and to implement a system of degressive direct payments for the farmers who receive more than €50 000 a year. These measures would deliver up to 46.8 billion of which 37.9 billion should be exclusively redeployed within the CAP for sustainable farming and food systems.
- Calls for further savings in heading 5 (administration) respecting the principle of social justice for the European public sector; believes that such effort, which would show the concerns of the EU institutions towards the EU citizens in the current financial situation, may provide €1b saving.
- Believes that the overall amount concerning the margins as proposed by the Commission should be globally affected to the MFF; stresses that a global margin fully used during the next Multiannual Financial Framework could deliver additional €10,4b.
- Stresses that the overall amount of the proposed savings and reallocations correspond to a maximum volume of €47,7billion to be redeployed in order to green the next MFF and represents 4,4% of the overall amount of the next financial perspective.
- Stresses that during the current period and until now we have under used the reserves and funds setting outside the MFF; Points out that comparing to the Commission proposal for 2014-2020 we have let up to €8,8b in the Emergency Aid reserved, European Globalization fund, Solidarity Fund and Flexibility Instrument.
- Underlines that these reserves, funds or possible new ad hoc funds should be fully mobilized and the unused money should fall into the budget by being redeployed towards the sustainable programs.

<u>Expenditures outside the MFF</u>

- Reminds that all expenditures should be included in the MFF to improve the democratic scrutiny of the EU budget as well as it gives more transparency to the budgetary making process.
- <u>Refuses</u> the dissemination of funds related to the same policies and also refuses the multiplication of funds outside the MFF.
- Demands the budgetisation of all expenditures by increasing the MFF accordingly.
- Welcomes the creation of Global Climate and Biodiversity fund which should be however integrated to the MFF and sufficiently funded in order to respect the international commitments of the Union.

<u>Duration</u>

- Appreciates that the Commission followed the EP's position to have a 7-year period for the next MFF in order to finance the EU2020 strategy which should be a step towards a 5 + 5 framework in the future.
- <u>Is against</u> the proposal from the Commission to propose only an evaluation of the implementation of the MFF in 2016 which limits the power of the Parliament and exclude any binding revision therefore calls, as the Committee of Regions does, for a real mid-term review.

Structure

- Understands the spirit of the proposal to keep continuing with the classic 5-Heading structure as it has been during the last MFF. Therefore underlines that it may not clarify the link between the EU budget and the funding of the EU2020 strategy.
- Reminds the necessity to have a ''global MFF margin serving all Headings below the overall MFF ceiling and above the separate available margins of each Heading'' which would smooth amending budget procedures.

Flexibility

- Welcomes the Commission proposal to increase the flexibility in the budgetary procedure. Furthermore calls for full flexibility within the forthcoming MFF which requires the possibility to use frontloading, back loading, all allocated margins, unspent money and decommitted funds foreseen within the MFF over the seven year period.
- Fully supports the proposal on the contingency margin which allows the European Commission to propose MFF-revision up to 0.03% of the EU GNI above the MFF ceilings after a Qualified Majority Vote in both arms of the budgetary authority.
- Accepts the proposal to have 10% flexibility on the multiannual envelope for each EU programmes, excepting large-scale projects and pre-allocated cohesion funds, which may increase the flexibility within a Heading; expresses furthermore its concerns on the risk of the diminishing of the budgetary envelope without objectives reasons and calls for clear and objective evaluations from the Commission while redeployment proposed.
- Supports the increase of the size of the Flexibility Instrument which would be increased up to 500 millions euro per year, and its use which may be activated up to N+3.
- Underlines the utility and the necessity of such Instrument to smooth the annual budgetary process and amending budget procedure.

Large scale projects

- Asks for a ring-fencing of the large-scale projects in a separate sub Heading within the MFF in order to avoid ballooning cost which endangered other EU programmes and policies.
- Reiterates its concerns on the cost-benefit impact for the EU budget of some large-scale projects, such as Galileo, which may be better managed and should be better monitored.
- Expresses its objections concerning military-related expenditures financed trough the EU budget and demands for an impact assessment to be done.
- Is fully against the nuclear project ITER which neither responds to the global crises we are facing, nor is sustainable from a budgetary, energetic and technologic point of view nor reflects the reality to move to a nuclear-free world which is the main consequence of the Fukushima catastrophe.

Agencies

- Insists on the need to appropriately fund the European Agencies especially these which have been or may be established in the future, such as the European Supervisory Authorities.

Heading I - Smart and Inclusive Growth

The Heading 1 which is entitled ''smart and inclusive growth'' includes the financing of the Cohesion policy, the new European Connecting Facility and the research. The budget of the heading 1 shall reflect the financial need to fulfil the EU2020 strategy targets by being more future-oriented results.

The Cohesion policy has been regularly increased during the past 3 decades but needs also to be restructured in order to finance a more sustainable development, including social and climate measures according to the EU2020 strategy.
Because the European Connecting Facility is a new instrument proposed by the Commission to speed up the implementation of the transnational and cross-border networks in the transport, energy and telecommunication sectors, to avoid bottlenecks and help a stronger European integrated market and because it size is limited to respond to all financial needs in these sectors it should be concentrated into the EU2020 targets by leveraging public and private money.
To recover, the European economy must develop its research and innovation capacity, towards the delivery of sustainable and efficient solutions to the problems it currently faces, including the societal challenges identified in Horizon 2020, but also employment and value creation.
The large-scale project funded through this heading should be ring-fenced in order to avoid ballooning cost as well as it should not receive funds for non EU-competences, such as the military sector.

- Is convinced that the final Cohesion Policy budget should be linked to the content of its reform, and conditional to substantial progress made to fund a more sustainable and inclusive development.
- Welcomes the Commission proposal on the Cohesion Policy package which is more future-oriented including the fight against both social and environmental crisis; however asks for a more sustainable funding in some areas and sectors by stopping funding road infrastructures for instance.
- Welcomes the Commission proposal on the Cohesion Policy package which is more future-oriented including the fight against both social and environmental crisis; however asks for a more sustainable funding in some areas and sectors.
- Fully supports the concentration of the funds on the ''Regional convergence'' objective which is foreseen for poorer regions; therefore strongly supports the minimum of funds dedicated to the ESF (25%) and that at least 20% of the total ESF resources in each Member State be allocated to the thematic objective "promoting social inclusion and combating poverty"; Recalls that the ESF is the key instrument to deliver on three out of the five headline targets of the EU 22 strategy such as the employment, education and poverty/social exclusion goals.
- Proposes the inclusion of the EGF into the ESF in order to increase coherence, complementarity and to make it more transparent by including it under the MFF.
- Fully supports the concentration of the funds on the ''Regional convergence'' objective which is foreseen for poorer regions; therefore agrees with the minimum of funds dedicated to the ESF (25%).
- Welcomes the proposal to create a new category of regions ''Transition regions'' which should smoothen the phasing out for former Objective 1 regions as well as it would not discriminate regions with the same economic parameter anymore; therefore supports the principle of a minimum share financed through the ESF (40%). -Agrees with the Commission to finance all other EU regions within the ''Competitiveness'' objective which take part of the EU2020 strategy; therefore appreciates the minimum of funds dedicated to the ESF (52%).
- Appreciates the thematic concentration on EU2020 targets laid down in the ERDF Regulation as proposed by the Commission; however ask for a minimum flexibility for the regional authorities while negotiating their partnership.
- Fully supports the concentration of investment priorities of the ERDF regulation to the specific thematic objectives, and especially to supporting the low-carbon economy (thematic objective 4) as long as it excludes nuclear

and CCS; Welcomes the current allocation of at least 20% respectively 6% of ERDF resources to thematic objective 4 in developed and transition regions respectively less-developed regions but stresses that these minimum percentage should be raised to 40%, 60% respectively 20%, including public and non-motorized transport, of which at least 30%, 30% and 15% is specifically dedicated to supporting the low-carbon economy in order to provide sufficient support for energy efficiency and renewable energy use;

- Fully supports the proposal to increase significantly the ''territorial cooperation'' objective which promotes cross-border, transnational and interregional projects.
- Appreciates the financial allocations for the Cohesion fund as it has been proposed by the Commission; however demands to the Commission more information on the €10billion ring-fenced in the Connecting Europe Facility.
- Takes note of the proposal for ''outermost and sparsely populated regions''; Regrets therefore that latter category is single out compared to the others regions mentioned in the Article 174.

- Welcomes the proposal from the European Commission to create a new financial instrument whose purpose is to invest in the cross-border network infrastructures on the transport, energy and telecommunication sectors; however demands to the Commission to carefully select sustainable investments and projects in order to better align them with the objectives of the Union.
- Insists on the fact that the Project bonds should not be restricted to infrastructures but shall be enlarged in order to support Energy efficiency and the renewables.

- Welcomes the proposal of the Commission on the new ´Erasmus for All´ Programme with its enlarged scope of beneficiaries, taking especially into account beneficiaries from the EU´s neighbourhood, as well as aiming for greater efficiency in the delivery as well as broader recognition of the Erasmus programme, thereby joining funds and acting in a complementary way.
- Calls for the maintenance of a separate "Youth in Action" programme - with its formal independence, earmarked amounts, targeted format and user-friendly variety of administrative and material handling procedures - as it has proven to be a valuable tool of non-formal/informal learning as well as encouraging young people's participation in a democratic life in Europe.

- Takes note of the proposal from the Commission on the Regulations on 'Connecting Europe Facility (CEF)' and 'TransEuropean Transport Networks (TEN-T)' on respectively the Core and Comprehensive Networks;
- Urges the Commission and the Member States that all EU co-funded transport infrastructure must be earmarked for green and sustainable intermodal infrastructure networks with a strong priority on the European added value of abolishing transborder rail missing links and sustainable projects in and between new Member States;
- Encourages the Commission and the Member States not to think big, but to act smartly and put priority on improving and upgrading existing rail infrastructure that can bring considerable profits on the shorter term with smaller investments; underlines therefore that projects, such as interoperability, ERTMS and rail noise reduction at the source should be at the top of the priorities list;
- Strongly supports better coherence within and between the proposed MFF and the Regulations on CEF, TEN-T, regional and cohesion funds, integrating the EU 2020 targets on reduction of CO2 emissions and heavy road accidents, environmental legislation (including Natura 2000 and the trans-

border application of the SEA Directive), the need for avoiding and/or internalising external costs and a modal shift towards sustainable modes, such as rail and sustainable waterborne transport;

- Underlines that present approaches and legislation on the 9 Rail Freight Corridors, 6 ERTMS-corridors, 'Green' corridors and the 10 Comprehensive Network corridors are confusing and therefore suggests to integrate them into a sustainable intermodal concept;
- Emphasises that for all EU co-funding of transport projects, road projects should get a maximum of 30 % of the total amounts, spent for rail, walking and cycling projects;
- Reminds the Commission on the new Article 195 of the Lisbon Treaty on Tourism and calls therefore for setting up a financing framework in favour of sustainable tourism projects, such as European cycling networks, eco-tourism and protection of natural, historical, cultural and industrial heritage;

- Supports the proposal from the Commission to establish a specific budget for energetic investments which needs to be appropriately funded as well as to earmarked for green and sustainable technologies, infrastructures or networks; therefore is strongly against any support projects which may endanger and go against the environmental regulations**.**
- Reminds to the Commission its position on the need to foresee at least two third of the funds for green-related projects, such as renewable plants, the energy efficiency and smart grids; Moreover reminds to the Commission its opposition to the CCS and oil-related funding which can not be considered as sustainable as well as nuclear-related expenditures.
- Proposes to the Commission to use partly these funds through the EIB as guarantees and loans in order to have a higher leverage effect.

- Generally welcomes the proposal for Horizon 2020 and its focus in particular on societal challenges; finds the balance of funding between the three main pillars appropriate; regrets however the lack of clarity from the Commission with regards to the articulation between objectives and instruments;
- Believes in addition that more impetus should be given in each of the pillars to the development of the Green Economy, through increased funding not only to greener and smarter technologies but also to social innovation and non-technological solutions; calls for at least 80% of funding in the energy sector to go towards R&D in renewable energy, end-user energy efficiency and development of smart grids;
- Is convinced that Horizon 2020 funds, representing only a minor fraction investments in research and innovation in the EU, should be in line with EU 2020 priorities and used as catalyst for EU added-value activities, better streamlining of EU public funds and increased leverage of private funds;
- Asks for public support to private sector research not to be unconditional but to result in fairer return to the European citizen and society as a whole; notably mechanisms for knowledge transfer and access to results of public funded research must be improved; more emphasis must be put on giving access to Horizon 2020 funding to institutions from developing countries.
- Welcomes the establishment of the SMEs-dedicated instrument in Horizon 2020, however regrets that funds are not clearly allocated to its implementation; believes that at a minimum 15% of the Horizon 2020 budget must be earmarked for SMEs; fears that the successful programmes of the Competitiveness and Innovation Programme that were merged into Horizon 2020, and which were very attractive to SMEs would be discontinued and calls on the Commission for their expansion and continuation;
- Warns against the financing through Horizon 2020, of security research programmes that would result into hidden subsidies for defence research;

- Calls for the improving the mechanisms for societal, ethical and sustainability assessment and evaluation of the research and innovation work-programmes; also, the transversal role of social sciences and humanities in Horizon 2020 should be strengthened.
- Welcomes the proposal for a COSME programme addressing the needs of European SMEs; emphasises that sustainability must be transversal to all of COSME's objectives and supports a doubling of its budget;

Heading II - Sustainable Growth: Natural resources

The Heading 2 has always been one of the main heading in the EU MFF financing the natural resources management through the Common Agricultural Policy (CAP), LIFE and the Fisheries Common Policy (FCP). The size of the heading 2 shall reflect the challenges the EU is facing especially by tackling the climate change, by keeping a GMO-free EU, and by financing the biodiversity management, the agricultural restructuring, the environmental protection, public goods, the rural economic and the social vitality.
The CAP has been regularly reformed during the last past decades and this trend should be maintained. Moreover the EU 2020 strategy sets specific targets which should be financed through a structural and substantial reform of the CAP.
Although the CFP may be seen as a small sectorial policy within the heading 2 the Common Fishery Policy has to be deeply reformed and guided by scientific advises and future-oriented results.

- Is convinced that the final CAP budget should be linked to the content of its reform, and conditional to substantial progress to be achieved over the coming legislative period towards made to achieve a more sustainable farming and food system
- Fully supports the principle of greening of the direct payment proposed by the Commission, but emphasizes that the Commission proposals are only a first step and lack ambition in critical areas and calls for further precision in programs and measures towards more sustainable farming practices financed through the Pillar I, such as the mainstreaming of crop rotation, support for protein crops and ending the subsidies for intensive livestock farming, as well as cleaning out subsidies for restructuring & competitiveness spent on factory farming, or intensive high density animal rearing operations. CAP payments should promote grass fed livestock systems and should help break the EU's soya dependency and hence its balance of trade deficit in agricultural products.
- Welcomes the ending of the historical basis for payments.
- Supports the proposal from the Commission to cap the direct payment which is a way towards a fairer direct payment scheme and redistributes support to small famers; Agrees moreover with the proposal to reduce the disparities on the direct payments among Members states which has to be the first step towards a more equal treatment among European farmers.
- Takes note of the freeze of the distribution between both Pillars which may be accepted if Pillar one is substantially reformed; Appreciates however both proposals by keeping the Pillar II within the heading 2 and by integrating it within the Common Strategic Framework.
- Rejects the export refunds and subsidies from the CAP budget which are against the principle of sustainability and Policy Coherence for Development
- Refuses the use of both the Reserve for crisis in the agriculture sector and the European Globalization Adjustment Fund for the European farmers which would mean that the European Union considers these funds as a compensation for future negative measures such as negative free-trade agreements signed between the EU and third countries in the agriculture

sector which help disguise the implicit ramifications of assisting large numbers of farmers out of business is contradictory to the EU's food security and sustainable land management goals. Demands furthermore from the European Commission more details on its vision on the agriculture sector future, rural development and territorial cohesion, and a new mandate for trade negotiations based on the commitments of the EU to work against climate change, biodiversity loss, soil and water depletion and to strengthen local rural economies

- Insists that the purpose of rural development funding is not merely to top-up direct payments to farmers in Pillar I, but to invest in and promote sustainable development in the entire rural economy and society; calls for the bottom-up, participative and partnership approach and Local Action Groups to be mainstreamed across rural development programmes, with a territorial approach to investment which ensures the coherence of all European funds spent in a defined region;
- Rejects the proposal to invest Pillar II money in risk management insurance schemes, as the mere subsidisation of the profits of private insurance companies and the rewarding of moral hazard in agriculture; demands that rural development programmes emphasise a co-operative approach among rural actors, with joint investments and partnerships through producer organisations and other rural bottom-up partnerships; calls for a mandatory minimum spend by each Member State on each priority.

- Welcomes the Commission proposal concerning LIFE which has been set up in order to achieve EU objectives such as the fight against the Biodiversity loss; Underlines moreover that the Court of Auditors has expressed that LIFE has been helping to fulfil the EU objectives.
- Calls for a significant increase of LIFE budget if the EU wants to reach its objectives mainly in the fight against biodiversity loss.

- Welcomes the proposal from the Commission to group into the EMFF most of the financial instruments related to the fisheries policy which would contribute to the Integrated Maritime Policy
- Fully supports the introduction of the conditionality which would allow Member States and operators to the eligible funding if they comply with their responsibilities under the CFP.
- Agrees with the Commission to continue to diminish the subsidies available for the fleets which has been become a continuing trend over the past years; Underlines furthermore that the fleets are too large overall and funding that keeps them artificially large should be terminated; However recalls that funding should be available to improve the quality of fishing, such as more selective fishing gears and practices.
- Points out that payment for processing, marketing measures, port improvements and modernisation can lead to increased fishing capacity and must be carefully limited.
- Is against any funding available for helping the introduction of compulsory Transferable Fishing Concessions.
- Underlines that the reform aims to ban the discarding of unwanted catches which would provide money for handling these catches once they are brought ashore, reminds therefore that this could be counter-productive, reducing the incentive to the fishermen to reduce those catches in the first place.
- Disagrees with the Commission proposal concerning the funding for aquaculture which is too indiscriminate, without sufficient safeguards for ensuring environmental sustainability.

Heading III - Security and Citizenship

The Heading 3 has hitherto been underfinanced and put under constant pressure which has prevented the EU from responding to the main challenges it is facing. The current level of the Heading 3 does not reflect the evolution over the past two decades and the entry in force of new Treaties which have substantially increased the competencies of the EU on these matters.
The EU citizenship has to be financed as a priority to be accepted and shared throughout the Union. Moreover, the EU should face the challenges ahead from a positive perspective by guaranteeing an appropriate and comprehensive approach with more active support for capacity building, identifying and spreading best practice and innovative approaches.

- Appreciates the overall amount proposed by the Commission for this Heading which clearly shows the European added-value that this category has; Expresses however strong reserves on the internal financial repartition among the programmes which could narrow and limit the EU funding to a strict and conservative interpretation of the need in this field; regrets therefore that fight against violence against women is not mentioned among the specific objectives.
- Insists that specific resource allocation cannot be replaced by horizontal objectives, but has to be introduced as a complement to specific resource allocation. Gender equality must be introduced as a specific objective in the Proposal for the Rights and Citizenship Programme, and a minimum amount of earmarked funding for gender equality must be defined. Specific funding to continue and step up EU actions (DAPHNE) to end violence against women and the gender equality line of PROGRESS must also be re-introduced. Increased funding for gender equality is needed if the EU is to meet its targets, both in terms of employment and growth, but also in terms of rights and democracy.
- Criticizes the new architecture on the Justice and Home affairs funding which decreases the rights of EU citizens by toughening the conditionality as well as the treatment of migrants in the EU, especially those facing multiple discriminations - women, Roma, disabled etc.
- Considers the proposal for the Justice programme as a positive step; Asks therefore for the introduction of the defence rights perspective into the programme in order to rebalance the funding; Proposes furthermore to finance a cross-border cooperation between lawyers.
- *Points out* the imbalance in the Internal Security Fund which covers 3 times more the visa and border control programmes than the EU Police cooperation needs; *is worried* furthermore of the funding of some new proposals, such as ''Smart Borders, Eurosur and the EU cybercrime centre, and *reserves* its position on the final content; strongly rejects the subordination of the Union's border policy to an internal security strategy and its funding and is deeply concerned about the underlying perception of people on the move as a potential security threat;
- Asks for more detailed information on Rights and Citizens Programme which may be a positive tool
- Underlines the positive proposals on the Asylum and Migration Fund by improving the commitments; Expresses however strong reserves on the utility and the need to integrate the Return fund and the Integration into this programme which may endanger the final objectives as well as it may result to an unbalanced financial repartition within the Programme; Is worried about the proposal of a budget line for external activities in the Home Affaires budget; underlines the need for policy coherence for development; rejects the financing of any Home Affaires activities in third countries, such

as for instance those related to the European Border Surveillance System (Eurosur)

- Welcomes the Commission proposal to increase the budget dedicated to the Culture and Media programme by 37%;
- Welcomes the creation of a transversal strand for financial facilities for the whole sector but urges the Commission to ensure that all organisations, very small and small enterprises, do get the same chances of access to these facilities, reminding that creative niches of smaller sized projects remain the core of creativity and innovation.
- Demands however to the Commission to make sure that the cultural strand and MEDIA strand are clearly identified and distinct from one another: their value chains and needs remaining absolutely different. This concerns also the restructuration of Cultural Contact Points and Media Desks, which guarantee by no mean a reduction of administrative costs.
- Welcomes the new proposal of a citizenship programme: "Europe for citizens".

Heading IV - Global Europe

The Heading 4 has traditionally been underfinanced and the expense procedures have been so cumbersome and slow that the international perception of the EU as a global player remains far below its already existing political weight, its possibilities and objectives.
The Lisbon treaty has established the function of an EU Foreign Minister (VP/HR) and a European External Action Service which foresees the gradual of the national and the European diplomatic services, thus offering a real added-value to the EU which should lead to synergies and savings at national levels by economy of scale, eventually making even the consular services of individual member states superfluous. However, contrary to all logic, the new European ambition towards developing a genuine European Foreign Policy has not been accompanied by the necessary transfer of finances from the national to the EU level.
Not only does the new European diplomacy need to be provided with increased finances for additional staff and infrastructure, taking account of the reallocation of member states resources towards the European level. The existing external financial instruments should also gain in quality. Although Europe is living through a period of economic and financial turmoil, the 0,7 % development aid goal to reach the Millennium Development Goals should achieved as promised until 2015. The EU should increase its aid in order to help achieving this aim. As a consequence of the rapid transformation of the classic North South divide, notably the development of a substantial middle class in the BRICS countries, EU Official Development Aid should concentrate on the Least Developed countries with a country-taylored phasing out period for middle income countries. With an enlarged budget for civil society organisations, the EU can make a contribution to poverty alleviation and empowerment of the poor even in those countries who's GDP should allow them to lift its population out of poverty without external support. Gender relevant targets should be made more clear and binding in the future financing mechanisms.
With Lisbon, the EU acquired a Foreign minister, but the funds to go with the post do not exist and need to be created. For EU relations with countries who do not fall into the category Least Developed, Enlargement or Neighbourhood, the EU needs the financial means to interact, particularly when it comes to new policy needs in the field of global public goods or climate change.

- Demands the budgetisation of the European Development Fund (EDF) which should be financed through the same repartition key as the rest of the EU budget avoiding potential 'special' post-colonial relationships and

dependencies and allowing for a democratic oversight by the European Parliament.

- Reminds the Commission of its position concerning the Instrument for Pre-accession Assistance (IPA) which should respect the Copenhagen principles; Calls for the acceleration of the accession processes for the official candidates; Underlines furthermore that a smoother integration, through a more gradual increase of the EU funds, may avoid a bubble after the adhesion.
- Agrees with the Commission to continue to fund the European Neighbourhood Policy with the current repartition key which might be reinforced taking into account the political situation in the southern coast of the Mediterranean Sea.
- Supports the proposal from the Commission concerning the Development Cooperation Instrument (DCI). A level of 10% for non-DACable activities can easily lead to misuse. We Greens want development money to contribute to achieving the development objectives at 100%. Within the DCI a new separate envelope for rehabilitation and reconstruction should be created in order to bridge the gap between the current DCI interventions which for which programming takes about 12 months and the Humanitarian Aid Instrument which can not intervene for more than 6 months; All programmes under DCI have to be controlled and scrutinized by the European Parliament.
- Takes note of the Commission's proposal to establish a new Partnership Instrument. Expresses however its concern over the overwhelming concentration on EU business interests in the draft proposal. Demands to create a genuine foreign policy instrument, focused on activities in the mutual interest of the EU and the third countries concerned, such as global public goods, exchanges on best practices in the political, governance, economic and social field, public diplomacy, people to people contacts, etc.
- Proposes to change the name of the Instrument for Stability to "Conflict prevention and Peace building Instrument" and to concentrate its activities on these two policies areas, to clarify the division of labor on global threats between external policies and Home Affairs and to stop financing activities on counter terrorism;
- Criticizes the Commission for deciding to continue the use of Instrument for Stability to finance rehabilitation and reconstruction, instead of creating a special quick dispense mechanism under the DCI;
- Urges to increase the funding for the Instrument on the Promotion of Democracy and Human Rights (EIDHR) while reducing the proportion of the funding dedicated to election observation The funding mechanisms should be revised as to allow better access for smaller civil society organizations, and those not legally registered, .
- Criticizes the complexity and the bureaucratisation of the EU programmes in the Heading 4 which does not allow the small-project managers, especially from the civil society, which often receive the highest added value scores by the Court of auditors; Underlines furthermore the need to spend more into the productive and future-oriented projects rather than in expensive impact assessments and controls which may lower the leverage effect of the EU funds.

Heading V - Administration

The Heading 5 concentrated the administrative expenditures and has ever been low comparing to national or regional budgets. Up to 94% of the EU budget is spent for non-administrative related expenditures.

Moreover the EU should take into account the need to preserve a high quality administration, and the new task and competences deriving from Lisbon treaty and the enlargement of the EU.

- Takes note of the Commission proposal to save up to 1 billion euro over the next programming period in the Heading 5 by proposing a staff regulation reform.
- Is convinced that a long term approach is needed in order to keep on having a high quality EU administration as well as ensuring a long term financial sustainability in the administrative related expenditures.
- Underlines the need to have a long term financial impact assessment on the pensions systems.
- Reminds its position on the age, geographic, and gender balanced related trends and retirement.
- Calls for an ecological, social and gender balanced reform to ensure the equality and justice among the working staff.

Adopted 26/06/2012