

A NEW EUROPEAN BUDGET

INVESTING IN EUROPE, INVESTING IN PEOPLE

FOR EQUITABLE AND SUSTAINABLE WELL BEING FOR ALL

S&D Group position on the next Multiannual Financial Framework post 2020 and Own Resources.

Appeal to EU Leaders

The debate on the long term EU budget post 2020 comes at a crucial time for Europe. It will shape the future of the European Union. What Member States agree to will have profound implications for people, both inside and outside the EU. Faced with new political challenges and with new ambitions agreed by the European Council, some Member States are tempted to play one political priority against another. Meanwhile they refuse to increase the level of the EU budget. This is not the way forward. We are convinced that an ambitious and adequate long term EU budget should be agreed with the introduction of new own resources for the EU. We will not give our consent to the post 2020 Multiannual Financial Framework (MFF) without a radical overhaul of the current financing of the EU budget.

The S&D Group in the European Parliament calls on EU Leaders to proceed in a timely manner to agree on a new MFF, financed through new own resources, so that implementation of the new EU programmes can begin as of 1 January 2021.

I - AN EU BUDGET FINANCED MAINLY BY OWN RESOURCES

- As resources of the EU budget come mainly from national contributions of the Member States, the EU budget decreases year by year.
- Member States are obsessed by “a just retour logic” and try ever year to reduce their national contributions. By acting in such a way, they ignore the contribution of the EU budget in achieving European political objectives inside and outside Europe.
- Genuine own resources must therefore become the primary revenue stream of the EU budget as foreseen in the Treaties.
- At least 60% of the EU budget should be financed from genuine own resources. National GNI based contributions from each Member State will decrease accordingly. They shall represent as a whole no more than 40% of the financing of the EU budget instead of 83% as it is currently the case.
- We need to put an end to all form of rebates and correction mechanisms.
- In order to encourage Member States to invest in the European project, national contributions to the EU budget shall be deducted from the calculation of the deficit under the Stability and Growth Pact.
- Genuine new EU own resources could be made of revenues stemming from a Financial Transaction Tax, revenues streaming from a tax on multinational corporations based on a Common Corporate Tax Base, profit from the European Central Bank (ECB), revenues stemming from the European Trading Scheme (ETS) to fight greenhouse gases , revenues stemming from climate-friendly taxes agreed at EU level, etc...

II - AN EU BUDGET THAT MEETS THE EU'S POLITICAL AMBITIONS AND OBJECTIVES

- We need to break the ludicrous and self-imposed limit of not spending more than 1% of the EU's Gross National Income (GNI) on the EU budget.
- We call for an increase of the EU budget to at least 1.3% of GNI, which represents the only way to maintain the current level of expenditures for some key investments polices of the EU while at the same time

addressing new ambitions and priorities (migration, defence, security, better management of EU external borders to name but a few).

- We need to ensure that additional new priorities shall be financed with genuine additional financial means and not to the detriment of existing investment policies.
- We support a Eurozone fiscal capacity under full democratic control of the European Parliament, with adequate financing. This must be additional to current cohesion policy funding.
- We call on the integration of the European Development Fund into the EU budget, but not at the detriment of current EU development cooperation programs.

III - EQUITABLE AND SUSTAINABLE WELL BEING FOR ALL MUST BE THE OVERARCHING PRIORITY OF THE MFF POST 2020

- The EU must deliver on its commitment to be a frontrunner in implementing the UN Sustainable Development Goals both internally and externally and the next MFF must be aligned towards those objectives.
- Youth is our key priority: we call for a substantial increase of the Youth Employment Initiative (YEI) and Erasmus+.
- Fighting against rising inequalities and implementing the European Pillar of social rights and is a top priority: we call for the setting up of a European Child Guarantee accessible to all children at risk of poverty or social exclusion.
- It is of utmost importance to maintain and strengthen the current level of investment provided under cohesion policy. European Structural and Investment Funds should remain accessible to all EU regions. Putting human capital first must be an overarching priority to tackle growing inequalities among and within EU regions while taking into account current social, environmental and economic challenges.
- We call to maintain funding for agricultural policy at its current level in order to provide sufficient support for farmers and rural areas while ensuring the smooth transition towards a sustainable, healthy and environmental friendly agriculture.
- The implementation of the Paris agreement on climate change must be mainstreamed in the next MFF and new instruments put in place to help regions and people to undergo a just transition towards a carbon free society.

IV- A MORE TRANSPARENT AND DEMOCRATIC MULTIANNUL FINANCIAL FRAMEWORK POST 2020!

- Render the EU budget more readable and understandable for managing authorities, project promoters and EU citizens.
- Increase the flexibility and adaptability of the MFF to cope with new challenges and priorities that arise.
- We call for a compulsory post electoral / mid-term revision of the MFF post 2020 in order to enable the next EP elected in 2019 to decide on budgetary priorities.