

EESC to advocate for an ambitious EU budget of at least 1.3% of EU GNI



Commissioner Oettinger joined EESC plenary to discuss the Multiannual Financial Framework for 2021-2027

The negotiations for the next Multiannual Financial Framework (MFF) and the European elections come as the European Union finds itself at a crossroads. From growing Euroscepticism to challenges of migration, it faces a wide range of pressing political and socio-economic challenges; some of them are even calling the EU itself into question.

During a plenary **debate with Günther Oettinger** (European Commissioner for Budget and Human Resources) at this crucial juncture, the EESC stressed the need for the future budget to address these challenges, and called for an ambitious commitment from the Member States of **at least 1.3% of Gross National Income (GNI)** for the future financial framework. An agreement on a robust budget for 2021-2027 before the European elections in May 2019 would send an important political message and **ensure that important spending programmes can start without delay.**

At the outset of the debate, EESC President **Luca Jahier** acknowledged the different constraints which the European Commission had to take into account

when drawing up the budget proposal. Nevertheless, he felt that it lacked ambition. "We need a very strong budget if we are to send a message of hope, aspiration and optimism with regard to Europe and Europeans' future before the 2019 elections," he said. An ambitious budget was needed, now more than ever.

Javier Doz Orrit, rapporteur of the [EESC opinion](#) on the subject, said: "We support the structure and the priorities of the Commission's proposal as well as the measures for simplification, flexibility and synergies, but cuts are not the way forward. A further decrease in the volume of resources, given the state of the EU economy, is not acceptable." The EESC would advocate, in line with the European Parliament, a budget of at least 1.3% of GNI. This volume would better provide the EU with the tools to tackle current and future challenges and to take the range of various societies' needs on board.

In his speech about the structure and aims of the Commission's proposal, **Günther Oettinger** defended the planned budget decrease from 1.16% to 1.11% of GNI. The backdrop of the upcoming departure of the United Kingdom, the second largest net contributor to the EU, with a resulting shortfall in income of about EUR 84 billion for the next period, together with the unwillingness of some Member States to contribute more, would form the basis for this decision. The Commission's proposal needed to be ambitious but realistic in order to ultimately achieve unanimous agreement. The Commissioner was convinced that a budget of "more than 1.14% of GNI will not be achievable."

Speakers from the three groups, representing employers, workers and various interests in Europe, could by no means accept a severe budget cut for **cohesion policy or the Common Agricultural Policy (CAP)**, in view of the challenges. Nevertheless, they recognised the need to reform these policies. The need for funding for rural development and closing disparities between Member States was underlined.

The EESC rapporteur, **Mr Doz Orrit**, pointed to the social consequences of the crisis and the existing differences between Member States. **Both policies would need to at least maintain their current budget envelope.** On top of that, a specific programme to assist Member States in implementing the **European Pillar of Social Rights** should be established.

"If you cannot avoid cuts, then you also cannot avoid cuts in the two major programmes," responded **Commissioner Oettinger** referring to cuts for cohesion policy and the CAP. He regretted the budget cuts but considered them appropriate. Economic and social cohesion, solidarity between stronger and weaker regions, and sustainability would remain priorities for the Commission. This was also reflected in less important cuts for the ESF+. He emphasised that the cuts would be a logical consequence of Brexit and the necessary introduction of new political priorities, like border protection, migration, development aid and defence. Structural savings and higher contributions by Member States would each make up 50% of the shortfall caused by Brexit.

In its opinion, the EESC supports the introduction of **new own resources** for the budget to raise revenue. It believes that the Commission's proposals in

this regard do not go far enough and calls, in line with the proposals of the High-Level Group on Own Resources chaired by Mario Monti, for the introduction of a corporate tax based on the Common Consolidated Corporate Tax Base (CCCTB) and of taxes on financial transactions and carbon emissions. It draws attention to the complexity of making these resources operational on time.

In the debate following the Commissioner's speech, speakers from the Committee's three groups recognised the general consensus with the Commission regarding the aim of ensuring that the EU has sufficient financial resources. The Commissioner's willingness to take ideas for further simplification and flexibility on board, as well as the Commission's aim to increase **spending on policies with high European added value** (research and innovation, Trans-European Networks, Erasmus), were welcomed.

For some programmes, the **allocation of resources was criticised**. Members wanted a higher budget for the ESF+ and even more flexibility for cohesion funding. The need for adequate resources to fulfil international climate agreements and to tackle the challenges of digitalisation was highlighted. Therefore, the funding for the Globalisation Fund should be further expanded. It was also mentioned that interconnecting programmes could make funding more efficient.

Speakers welcomed the Commissioner's final encouragement to advocate for a **timely agreement** of a more ambitious budget. Together with the European Parliament and the Committee of the Regions, they want to advocate for a more ambitious budget whilst supporting the positive aspects of the Commission's proposal. Communication with the Member States would be crucial so as to enhance not only the European project itself but also the required ambitious budget.

After the debate with the Commissioner, the EESC plenary session adopted its opinion on the subject almost unanimously. **During forthcoming plenary sessions, several other opinions on the Commission's sectorial proposals for spending programmes in the 2021-2027 MFF will be debated and voted on.**

Read the statement on the European Commission's MFF proposal for 2021-2027 by EESC President [Luca Jahier](#) and watch the video statement by EESC rapporteur [Javier Doz Orrit](#).