

Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe

European Parliament resolution of 8 June 2011 on Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe (2010/2211(INI))

The European Parliament,

- having regard to the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management¹,
- having regard to the Treaty on the Functioning of the European Union and in particular Article 312 thereof,
- having regard to its resolution of 29 March 2007 on the future of the European Union's own resources²,
- having regard to Council Decision 2007/436/EC, Euratom of 7 June 2007 on the system of the European Communities' own resources³ and its implementing rules,
- having regard to the Communication from the Commission on the EU Budget Review (COM(2010)0700),
- having regard to its decision of 16 June 2010 setting up a special committee on the policy challenges and budgetary resources for a sustainable European Union after 2013⁴,
- having regard to the contributions from the Austrian *Nationalrat*, the Czech Chamber, the Danish *Folketinget*, the Estonian *Riigikogu*, the *Deutscher Bundestag*, the *Deutscher Bundesrat*, the Irish *Oireachtas*, the Lithuanian *Seimas*, the Latvian *Saeima*, the Portuguese *Assembleia da República*, the Dutch *Tweede Kamer*, and the Swedish *Riksdagen*,
- having regard to Rule 184 of its Rules of Procedure,
- having regard to the report of the Special committee on the Policy challenges and budgetary resources for a sustainable European Union after 2013 and the opinions of the Committee on Development, the Committee on Environment, Public Health and Food Safety, the Committee on Industry, Research and Energy, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Agriculture and Rural Development, the Committee on Culture and Education and the Committee on Women's Rights and Gender Equality (A7-0193/2011),

¹ OJ C 139, 14.6.2006, p. 1.

² OJ C 27 E, 31.1.2008, p. 214

³ OJ L 163, 23.6.2007, p. 17.

⁴ Texts adopted, P7_TA(2010)0225.

- A. whereas the Parliament decided to set up a special committee with the following mandate:
- (a) to define the Parliament's political priorities for the post-2013 MFF both in legislative and budgetary terms,
 - (b) to estimate the financial resources necessary for the Union to attain its objectives and carry out its policies for the period starting 1 January 2014,
 - (c) to define the duration of the next MFF,
 - (d) to propose, in accordance with those priorities and objectives, a structure for the future MFF, indicating the main areas of Union activity,
 - (e) to submit guidelines for an indicative allocation of resources between and within the different headings of expenditure of the MFF in line with the priorities and proposed structure,
 - (f) to specify the link between a reform of the financing system of the EU budget and a review of expenditure to provide the Committee on Budgets with a sound basis for negotiations on the new MFF,
- B. whereas the special committee should present its final report before the Commission submits its proposals on the next MFF,
- C. whereas in accordance with Article 311 of the Treaty on the Functioning of the European Union, the Union is to provide itself with the means necessary to attain its objectives and carry through its policies and is to be financed wholly from own resources,
- D. whereas in accordance with Articles 312(5) and 324 of the Treaty on the Functioning of the European Union, the European Parliament must be properly involved in the process of negotiating the next MFF,
- E. whereas the entry into force of the Treaty of Lisbon strengthens Union policies and creates new fields of competence which should have a reflection in the next MFF,
- F. whereas the challenges faced by the Union and its citizens, such as the global economic crisis, the rapid rise of emerging economies, the transition to a sustainable society and resource efficient economy, tackling climate change, demographic challenges, including the integration of immigrants and the protection of asylum seekers, the shift in the global distribution of production and savings to emerging economies, the fight against poverty, as well as the threats of natural and man-made disasters, terrorism and organised crime, require a strong response from the Union and its Member States,
- G. whereas the European Union carries more weight at international level than the sum of its individual Member States,
- H. whereas the main target of EU cohesion policy should continue being the reduction of still existing social, economic, and territorial disparities across the Union, and whereas a visible and successful cohesion policy has a European Added Value by itself and should benefit all EU Member States,
- I. whereas EU citizens have become more demanding of the Union and also more critical of

its performance; and whereas public ownership of the Union will only return when its citizens are confident that their values and interests are better served by the Union,

- J. whereas the Europe 2020 strategy should help Europe recover from the crisis and emerge stronger, through job creation and smart, sustainable and inclusive growth; whereas this strategy is based on five Union headline targets on promoting employment, improving the conditions for innovation, research and development, meeting climate change and energy objectives, improving education levels and promoting social inclusion, in particular through the reduction of poverty,
- K. whereas the Union budget is a powerful agent for reform; and whereas its impact can be magnified if it mobilises additional sources of private and public finance to support investment, acting thus as a catalyst in the multiplying effect of Union spending; whereas the so-called 'just retour' principle has no economic rationale, since it does not take due account of European Added Value, spill-over effects and the need for solidarity between EU countries,
- L. whereas, according to Article 3 TEU, sustainable development of Europe should be based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment,
- M. whereas the principle of sound financial management is one of the basic principles for the implementation of the Union budget; and whereas many Member States are making difficult fiscal adjustments to their national budgets; and whereas sound financial management -efficiency, effectiveness, economy- have become increasingly important in public spending, both at Union and Member State levels,
- N. whereas the provisions for the periodic adjustment of expenditure programmes to changing needs and circumstances have been insufficient; and whereas the complex nature of regulations and rules has been one of the reasons for underperforming management and control systems,
- O. whereas the first four years of the current 2007-2013 MFF have clearly illustrated the limits of the capacity of the financial framework to accommodate new developments and priorities without jeopardising existing ones; and whereas the current MFF has been incapable of responding rapidly to new commitments such as Galileo, ITER, the Food Facility or the European Economic Recovery Plan,
- P. whereas the introduction of the GNI resource in 1988 in the EU financing system was supposed to temporarily complement a decrease in own resources, but was prolonged and reinforced over the years and is today the main component of EU budgetary resources; whereas this predominance has emphasized Member States' tendency to calculate their net balance, the consequence of which is a series of rebates, corrections, exemptions and compensations which renders the current system of own resources excessively complex, opaque, with insufficient links to existing Union policies and lacks fairness and is therefore incapable to ensure a transparent and efficient financing of Union policies in the European interest, and is finally totally incomprehensible to the European citizens,
- Q. whereas, in its resolution of 8 March 2011 on innovative financing at global and

European level¹, the European Parliament approved the introduction of a Financial Transaction Tax (FTT), which ‘could help to tackle the highly damaging trading patterns in financial markets, such as some short-term and automated high-frequency trade transactions, and curb speculation’,

Part I: Key challenges

1. Believes that the challenges ahead -whether demography, climate change or energy supply - are areas where the European Union, which is much more than the sum of its Member States, can demonstrate its added value;
2. Notes that the current crisis and severe constraints in public spending have made it more difficult for Member States to progress further in terms of growth, greater competitiveness, the pursuit of economic and social convergence and to participate fully in the internal market; strongly believes, that the solution to the crisis is more and not less Europe;
3. Considers that ‘Sustainable resources for the European Union’ means first and foremost to rethink the ‘resource system’ of the EU-Budget in order to replace the current national contributions with genuinely European resources;
4. Considers that the recent events show that the Euro zone is in need of bolder economic governance and that a monetary pillar without a social and economic pillar is doomed to fail; considers it essential for the Union to reinforce its system of economic governance in order to ensure the implementation of the EU2020 strategy (restore and to safeguard long-term economic growth rates), to prevent a repetition of the current crisis and to safeguard the European project;

Building a knowledge-based society

5. Points out that the crisis has highlighted the structural challenges which most of the Member States’ economies must face: suboptimal productivity, high levels of public debt, large fiscal deficits, structural unemployment, persistent barriers in the internal market, low labour mobility and outdated notions for skills, contributing to poor growth; underlines the need for investments in key areas such as education, research and innovation, in order to overcome these structural challenges and stresses the importance to reverse the trend of falling public investments;
6. Recalls that on current investment trends, Asia may by 2025 be at the forefront of scientific and technological developments; recalls however that these changes not only represents huge challenges but also opportunities, such as a sharp growth in export potential for the EU; notes that in tertiary-level academic and vocational education, the Union are lagging behind as only about 30 European universities rank amongst the world’s top 100; stresses that Europe is also falling behind in the skills race and draws attention to the fact that by 2020, 16 million more jobs will require high qualifications while the demand for low skills will drop by 12 million jobs;

Combating unemployment

¹ Texts adopted, P7_TA(2011)0080.

7. Considers that one of the great challenges facing the European Union is that of maintaining its competitiveness, increasing growth, combating high unemployment, focusing on properly functioning labour markets and on social conditions to improve employment performance, promoting decent work, guarantee workers' rights throughout Europe as well as working conditions and reducing poverty;

The challenge of demography

8. Insists that the Union must tackle its demographic challenge; notes that the combination of a smaller working population and a higher share of retired people will place additional strains on its welfare systems and its economic competitiveness;

Climate and resource challenges

9. Is concerned that the expansion of the world population from 6 to 9 billion will intensify global competition for natural resources and put additional pressure on the global and local environment; notes that demand for food is likely to grow by 70 % by 2050 and that the inefficient and unsustainable use and management of raw materials and commodities exposes citizens to harmful competition between food, nature preservation and energy production, as well as costly price shocks; it can have also severe consequences for industry with regard to business opportunities, including restrictions on access to raw materials, threatening economic security and contributing to climate change; stresses therefore the need for the EU to immediately take action and lead the process towards an economy based on sustainable use of resources;
10. Draws attention to the increasing global consumption of energy and to the fact that dependence on energy imports is set to increase, with the Union importing by 2050 nearly two thirds of its needs if current energy policies are not adequately altered and if the EU and Member States do not increase efforts to develop their own renewable energy sources and to realize their energy efficiency potential, taking full account of the EU's energy and climate commitments as well as safety aspects; warns that price volatility and supply uncertainties will also be exacerbated by political volatility in energy-rich countries; asks therefore to diversify supply routes and trading partners;
11. Supports the idea that the ensemble of all EU funding taken together should lead to an improvement in the general state of the European environment hereunder a reduction in GHG emissions that at least corresponds to the objectives in the present EU legislation; proposes therefore that positive and negative climate and environment effects of the spending of EU-funds should be analysed on aggregated levels;

Internal and external security and personal freedoms

12. Takes the view that globalisation has increased a sense of vulnerability by dissolving the boundaries between internal and external forms of freedom, justice and security; is convinced that addressing 21st century security challenges while safeguarding fundamental rights and personal freedoms therefore requires global and anticipatory responses, which only an actor the size of the Union can provide; is convinced that the external dimension of EU security is closely connected to democracy, rule of law and good governance of third countries and that the EU has a special responsibility to contribute to this;

Europe in the world: becoming an assertive player

13. Is convinced that the Union, as a major political, economic and trading power, must play its full role on the international stage; recalls that the Treaty of Lisbon gives new tools to better project European interests and values worldwide; emphasises that the Union will add value on the global scene and influence global policy decisions only if it acts collectively; insists that stronger external representation will need to go hand in hand with stronger internal co-ordination;

Delivering good governance

14. Is convinced that strengthening the sense of public ownership of the Union must become a driving force of collective action; believes that delivering 'good governance' is by far the Union's most powerful means of ensuring the continuous commitment and engagement of its citizens;

Part II: Optimising delivery: the role of the EU budget

European added value and the cost of non-Europe

15. Underlines that the main purpose of EU budgetary spending is to create European added value (EAV) by pooling resources, acting as a catalyst and offering economies of scale, positive transboundary and spill-over effects thus contributing to the achievement of agreed common policy targets more effectively or faster and reducing national expenditure; recalls that, as a principle, any duplication of spending and overlapping of allocated funds in various budget lines must be avoided and that EU spending must always aim at creating greater value than the aggregated individual spending of Member States; considers that the multi-annual financial framework, rightly used, constitutes a very important instrument for long-term planning of the European project by taking into account the European perspective and added value of the Union;
16. Draws attention to the following areas as potential candidates for greater synergy and economies of scale: the European External Action Service, humanitarian aid and more specifically an EU rapid response capability, the pooling of defence resources, research, development and innovation, big infrastructure projects (particularly in the field of energy and transport) and financial market oversight;
17. Considers that, alongside the subsidiarity check through the national parliaments anchored in the Treaty of Lisbon, an assessment of the EAV must be undertaken for each legislative proposal with budgetary relevance as a matter of best practice; insists, however, on the fact that the assessment of EAV needs more than a 'spreadsheet's approach' and that a political evaluation needs to examine whether the planned action will contribute efficiently and effectively to common EU objectives and whether it will create EU public goods; notes that the main and most important elements of the EAV, such as peace, stability, freedom, freedom of movement of people, goods, services and capital, cannot be assessed in numerical terms;
18. Stresses the need to prove all EU spending for consistency with Treaty obligations, the *acquis communautaire* or major EU policy objectives; highlights that EAV can be generated not only by expenditure, but also by European legislation and by coordination of national and EU policies on economic, fiscal, budgetary and social fields; is convinced

that the European Added Value of spending under the future MFF must be enhanced; stresses that EU funding should, wherever possible, contribute to more than one EU policy objective at a time (e.g. territorial cohesion, climate change adaptation, biodiversity protection);

19. Is strongly of the opinion that investments at EU level can lead to significantly higher savings at national level, notably in areas where the EU has undeniably more added value than national budgets; strongly believes that the EAV principle should underpin all future negotiations on the EU budget; welcomes, therefore, the Commission's commitment to launch a comprehensive analysis of the 'costs of non-Europe' for the Member States and the national budgets; calls on the Commission to publish this report in due time to allow taking it into account during the negotiation process of the next MFF;
20. Calls for a better coordination between the EU budget and the Member States' national budgets in financing the common political priorities; reiterates the need to coordinate the spending of public funds from planning to implementation in order to assure complementarity, a better efficiency and visibility, as well as a better streamlining of the EU budget; believes that the new economic and budgetary policy coordination mechanism (the 'European semester') should play an important role in aligning the policy targets across Europe and with the EU goals and thus help achieving the desired budgetary synergies between the EU and the national budgets;

An efficient budget

21. Considers that, while the principle of EAV should be used to guide future decisions determining priorities in expenditure, the efficient and effective use of appropriations should lead the implementation of different policies and activities;
22. Stresses that in order to achieve optimal results for sustainable growth and development on the ground, solidarity and cohesion; priority should be given to the improvement of synergies between all funds of the EU budget that have an impact on economic development and to an integrated approach between different sectors, the development of result-oriented policies and, where appropriate, the use of conditionalities, the 'do no harm' and 'polluter pays' principles, success factors and performance and outcome indicators;

Using the budget to leverage investment

23. Reminds that the EU budget is primarily an investment budget, which can generate more investment from public or private sources; considers that attracting additional capital will be crucial to reach the significant amounts of investment needed to meet the Europe 2020 policy objectives; emphasises, in particular, the need to maximise the impact of EU funding by mobilising, pooling and leveraging public and private financial resources for infrastructures and large projects of European interest, without distorting competition;
24. Takes note of the development since the 1990's of institutionalised public-private partnerships (PPPs) in the Union, inter alia in the transport sector, in the area of public buildings and equipment, and the environment, as forms of cooperation between public authorities and the private sector and an additional delivery vehicle for infrastructure and strategic public services; is, however, concerned about some underlying problems incurred by PPPs and insists that the design of future PPPs must take into account lessons

learned and rectify past deficiencies;

25. Takes note of the previous generally positive experience of the use of innovative financial instruments -including grant and loan blending and risk-sharing mechanisms, such as the Loan Guarantee Instrument for Trans-European Transport Network projects (LGTT), the Risk Sharing Finance Facility (RSFF) and the instruments of cohesion policy (JEREMIE, JESSICA, JASPERS and JASMINE)- in order to address a specific policy objective; considers that the Union should take action notably to enhance the use of the EU funds as a catalyst for attracting additional financing from the EIB, EBRD, other international financial institutions and the private sector;
26. Calls therefore on the Commission to propose measures to extend the system of innovative financing, after its detailed examination and following a precise assessment of public and private investment needs as well as a methodology for the coordination of funding from different sources; calls on Member States to ensure that their national legal framework enables the implementation of these systems; calls, therefore, for substantive strengthening of the regulatory, budgetary and operational framework of these mechanisms, in order to ensure their effectiveness in terms of leveraging investment, sustainability, proper use of EU resources and to guarantee adequate monitoring, reporting and accountability; insists moreover on the need to ensure that underlying risks are quantified and duly taken into account;
27. Notes the historical difficulties of finding private investors for large scale EU projects; recognises that the financial crisis has made private investors even more reluctant to finance EU projects and has revealed the need to rebuild sufficient confidence to allow major investment projects to attract the support they need; stresses that the support of the EU budget will be needed, in short as well as longer term, to attract and mobilise private funds towards projects of EU interest, especially for those projects with European added value that are economically viable but are not considered commercially viable;
28. Welcomes, therefore, the Europe 2020 Project Bond Initiative, as a risk-sharing mechanism with the European Investment Bank (EIB), providing capped support from the EU budget, that should leverage the EU funds and attract additional interest of private investors for participating in priority EU projects in line with Europe 2020 objectives; calls on the Commission to present a fully fledged proposal on EU project bonds, building on the existing experience with joint EU-EIB instruments, and to include clear and transparent criteria for project eligibility and selection; reminds, that projects of EU interest which generate little revenue will continue to require financing through grants; is concerned that the limited size of the EU budget might eventually impose limitations to providing additional leverage for new initiatives;
29. Reiterates the need to ensure utmost transparency, accountability and democratic scrutiny for innovative financial instruments and mechanisms that involve the EU budget; calls on the Commission to propose an implementation and project eligibility framework -to be decided through the ordinary legislative procedure- that would ensure a continuous flow of information and participation of the budgetary authority regarding the use of these instruments across the Union, allowing Parliament to verify that its political priorities are met, as well as a strengthened control on such instruments from the European Court of Auditors;

Ensuring sound financial management

30. Considers that improving implementation and quality of spending should constitute guiding principles for achieving the optimal use of the EU budget and for the design and management of the programmes and activities post 2013;
31. Stresses, furthermore, that the design of spending programmes should pay utmost attention to the principles of clarity of objectives, full compliance with the community acquis and complementarity of instruments and actions, harmonisation and simplification of eligibility and implementation rules, transparency, and full and agreed accountability; underlines the importance of gender budgeting as a good governance tool to improve efficiency and fairness;
32. Emphasises, in particular, that the simplification of rules and procedures should be a key horizontal priority and is convinced that the revision of the Financial Regulation should play a crucial role in this respect;
33. Stresses that the improvement of the financial management in the Union must be supported by a close monitoring of progress in the Commission and in the Member States; insists that Member States should assume responsibility for the correct use and the management of EU funds and issue annual national declarations on the use of EU funds at the appropriate political level;
34. Emphasises the need to address the trend of a growing level of outstanding commitments (RAL); recalls that, according to the Commission, the level of RAL will by the end of 2013 amount to EUR 217 billion; notes that a certain level of RAL is unavoidable when multiannual programmes are implemented, but underlines nevertheless that the existence of outstanding commitments by definition requires corresponding payments to be made; does therefore not agree with the approach by the Council to decide on the level of payments a priori, without taking into account an accurate assessment of the actual needs; will therefore do its utmost throughout the annual budget procedure in the next MFF to reduce the discrepancy between commitment and payment appropriations through increasing the level of payments appropriately;
35. Strongly believes that an assessment of the strengths and weaknesses of each Member States' management and control systems in individual policy areas is necessary in order to improve the quality of Member States' management and control of EU funds; further believes that better management, less bureaucracy and more transparency, as well as better, not more, controls are necessary to increase the efficiency and effectiveness of EU funds, also with regard to their absorption rate; considers, in this respect, that a balance needs to be found between the level of control and its cost;
36. Underlines the importance of legal certainty and budgetary continuity for the successful implementation of multi-annual policies and programmes; believes, therefore, that rules should not change during programming periods without due justification and adequate impact assessment, as this can result in higher transition costs, slower implementation and increasing risk of error;
37. Stresses that institutional capacity is one of the key elements for successful development, implementation and monitoring of Union policies; considers, accordingly, that strengthening institutional and administrative capacity at national, regional and local level could underpin structural adjustments and contribute to smooth and successful absorption of EU resources;

Part III: Political priorities

38. Recalls that the entry into force of the Treaty of Lisbon strengthens Union policies and gives the Union significant new prerogatives, notably in the fields of external action, sport, space, climate change, energy, tourism, and civil protection; stresses that this requires sufficient financial resources; recalls in this context Article 311 TFEU which requires the Union to provide itself with the means necessary to attain its objectives and carry out its policies;

A budget supporting Europe 2020 objectives

39. Believes that the Europe 2020 strategy should be the main policy reference for the next MFF; maintains, at the same time, that Europe 2020 is not an all-inclusive strategy covering all Union policy fields; stresses that other Treaty-based policies pursuing different objectives need to be duly reflected in the next MFF;
40. Takes the view that the Europe 2020 strategy should help the EU recover from the crisis and come out stronger by improving the conditions for - and expenditure on- innovation, research and development, meeting the EU's climate change and energy objectives, improving education levels and promoting social inclusion, in particular through reduction of poverty; notes that Europe 2020 is intended to address not only short term economic growth and financial stability, but longer term structural transformation to a more sustainable growth path based on more efficient use of resources;
41. Considers that the current content of the Europe 2020 strategy, such as the headline targets, flagship proposals, bottlenecks and indicators remain of a very general nature and calls on the Commission to submit more detailed proposals; considers, furthermore, that the re-launch of the single market is an essential element of the Europe 2020 strategy which increases the synergy between its various flagship initiatives; underlines that the objectives of the strategy can only be achieved through concrete commitments from Member States in their National Reform Programmes, policies with proven delivery mechanisms and concrete and consistent legislative proposals;
42. Stresses, moreover, that the Europe 2020 strategy can only be credible if consistency is ensured between its objectives and the funding allocated to them at EU and national level; takes the view that the next MFF should reflect the ambitions of the Europe 2020 strategy and is determined to work with the Commission and the Member States to produce a credible funding framework ensuring, in particular, adequate funding for its flagship initiatives and headline targets; argues, in this respect, that tasks, resources, and responsibilities must be clearly defined and well orchestrated between the Union and its Member States, including local and regional authorities; calls on the Commission to clarify the budgetary dimension of the flagship initiatives as these priority action plans cut across all policies funded through the EU budget;
43. Warns that the development of a ten-year Europe 2020 strategy requires sufficient budgetary flexibility to ensure that budgetary means can be appropriately aligned with evolving circumstances and priorities;

A budget supporting economic governance

44. Highlights the fact that under the current European Financial Stabilisation Mechanism up

to EUR 60 billion of loan guarantees must be covered by the margin between the own resources ceiling and the annual budgeted expenditure; points to the additional obligations agreed in the context of the medium-term financial assistance to non-Eurozone Member States, which have to be covered by the same margin;

45. Calls for the European semester to provide for improved budgetary coordination and synergies between the Union and the Member States, thus increasing EAV; calls for the European semester to also increase economic coordination among Member States in accordance with the Community method principle and to provide improved economic governance to the Eurozone and to the Member States wishing to join, thus reducing the need to make use of the Financial Stabilisation Mechanism; believes that the European semester should focus on improving synergies between European and national public investments;
46. Notes that the European Stability Mechanism (ESM) after 2013 has been organised in a purely intergovernmental manner; expresses its concern about this development and underlines the lack of democratic control, accountability, as well as the enforcement of the intergovernmental approach; stresses the necessity of taking the Community method into account for the ESM; reminds that the EU budget provides guarantees for loans to Member States under the European Financial Stabilisation Mechanism, as well as the mid-term financial assistance for non-Euro area Member States' balances of payments facility;
47. Recalls that the European currency has been created without real economic convergence between the states willing to introduce it, and in the absence of a Union budget large enough to accommodate a currency of its own; considers that such a budget would require significant parts of current Member State expenditure to be replaced by Union expenditure, in order to take due account of the Community method and provide the Eurozone and the EU with the fiscal stability required in order to overcome the debt crisis; asks the Commission to assess the possible impact of a Eurobonds system on the EU Budget;

Knowledge for growth

Research and innovation

48. Notes the importance of research and innovation in accelerating the transition towards a sustainable, world-leading, knowledge-based economy; believes, consequently, that the next MFF should see a greater concentration of budgetary resources in areas that stimulate economic growth and competitiveness, such as research and innovation according to the principles of European added value and excellence;
49. Is firmly convinced of the added value of increasingly pooling national research and innovation expenditures in the EU budget in order to reach the necessary critical mass and economies of scale, improve impact and reduce overlapping and waste of scarce funds;
50. Believes that a concerted public and private effort is needed at European and national levels to reach the Europe 2020 target of 3 % of gross domestic product (GDP) expenditure on R&D, to achieve the creation of the European Research Area and of an 'Innovation Union'; calls on the EU institutions and the Member States to agree without further delay on a specific roadmap for achieving this target, and points to the massive economic commitment that this target would entail, amounting to around 130 billion Euro

annually for both the EU and national budgets and twice as much for the private sector;

51. Believes that public funds for R&D have to be substantially increased as public investment often provides an incentive for ensuing private investment; stresses the need to enhance, stimulate and secure the financing of research, development and innovation in the Union via a significant increase in relevant expenditure from 2013 notably for the Eighth Research Framework Programme; highlights, in this respect, the catalytic role that cohesion policy has played in the current programming period in increasing R&D investment and urges that this trend be continued and strengthened in the next period;
52. Emphasises that the increase of funds must be coupled with a radical simplification of funding procedures; is particularly concerned by the relative low uptake of EU funds by the European scientific community and calls on the Commission to persevere in its efforts to reconcile the demands of reducing administrative burdens and simplifying access to funding streams for researchers, SMEs and civil society organisations while maintaining sufficient budgetary control; highlights the need for exempting SMEs of certain administrative demands by cutting red tape and encouraging innovation through easier access to finance;
53. Calls for a stronger link between basic research and industrial innovation and between innovation and the manufacturing process; recalls, in particular, that one of the main difficulties in EU research and innovation programmes is the fact that the results are not effectively brought to the market and stresses the importance of creating incentives to commercialise the R&D products in particular through easier access to finance; highlights, in this respect, the importance of different funds working smoothly together and calls on the Commission to make the necessary adjustments so that the relevant funds can complement each other;
54. Recalls that in order to meet the EU climate and energy targets EU R&D efforts should be significantly stepped up notably on environmental research, energy-efficiency and renewable energy technologies; considers, furthermore, that Europe's frontrunner status on green technologies can only be kept if it is underpinned by appropriate research efforts;
55. Believes that it is not only subsidies that innovative European companies need, but also better legislation, better links to the research base and better and more diverse access to funding and financing, ranging from grants, to loans and to equity financing; calls, therefore, on the Member States and the Commission to create at national and European level the right conditions that will allow for the private sector to increase its share in R&D investments; stresses the need to improve PPPs in this field by cutting red tape and streamlining existing procedures; highlights, in this respect, the important role that the EIB and the EIF should play and considers, in particular, that permanent risk-sharing instruments offered by the EIB via the RSFF should be expanded, in particular in support to SMEs;
56. Highlights that innovation is one of the key priorities of Europe 2020 strategy; recognises the potential role of the European Institute of Innovation and Technology as a driver of EU sustainable growth and competitiveness, achieving this through the stimulation of world-leading innovation, and calls for the Knowledge and Innovation Communities to be enlarged and duly funded; underlines the importance of the European Research Council to provide cutting edge knowledge for future innovators and to support high-risk research

ideas; supports, moreover, the need for elaborating long term financial strategies to secure funding for large-scale R&D projects;

Industry and SMEs

57. Stresses that a strong and diversified industrial base is key to achieving the objective of creating a competitive, sustainable and inclusive European economy; recalls that SMEs are key drivers of economic growth, competitiveness, innovation and employment and recognises their important role in ensuring recovery and boosting of a sustainable EU economy; welcomes, therefore, the emphasis put by the Europe 2020 strategy on innovation and industrial policy, notably through the flagship initiatives ‘Innovation Union’ and ‘An integrated industrial policy for the globalisation era’, and stresses the need to enhance SME-relevant actions in other flagship initiatives;
58. Calls for SMEs and entrepreneurs to be placed at the heart of the Europe 2020 strategy; demands, accordingly, enhanced support in the next MFF for all programmes and instruments aimed at fostering SMEs, in particular the Competitiveness and Innovation Programme (CIP) and the Small Business Act, as well as through the use of the Structural Funds; proposes a better bundling of Community instruments and funds for SMEs in the EU budget; stresses, further, the need for greater accessibility to and adaptation of financing instruments to the needs of SMEs, inter alia through a stronger emphasis on microfinance and mezzanine financial instruments, the extension and expansion of the CIP’s guarantee instruments and the RSFF under the Research Framework Programme;

Digital agenda

59. Believes that the EU should play a leading role in creating and enhancing the role of ICT and open standards for innovation; emphasises the need to develop the free circulation of content and knowledge, the so-called ‘fifth freedom’; stresses the importance of ensuring the rapid execution of the Union’s Digital Agenda and of continuing efforts towards reaching by 2020 the targets of making available to all EU citizens access to high-speed internet, also in less developed regions;

Sky and space

60. Believes that space activities act as a basis for innovation and industrial activity, high-skilled jobs and improve citizens’ well being and security; takes the view that the development of the newly established EU space policy would logically require adequate funding; underlines the strategic importance of large projects in this area: the European Global Satellite Navigation systems (Galileo and the European Geostationary Navigation Overlay Service), the Global Monitoring for Environment and Security programme (GMES) and the New Generation European Air Traffic Management system (SESAR) which will enable the creation of the Single European Sky; insists that, given the long lead times entailed and the levels of capital investment already committed to these projects, sufficient and consistent financial commitments over financial planning periods are required;

The right skills for tomorrow’s workforce

61. Highlights that failure to invest properly in education and life-long learning in the short term could compound and prolong the crisis, as citizens will not have the requisite skills

for jobs in the new knowledge economy; stresses, therefore, as a matter of urgency, the need for the EU to support public investments in these fields; reminds that school drop-out rate and restricted access to higher and university-level education are basic factors in the emergence of a high long-term unemployment rate and represent a blight on social cohesion; believes, in this context, in the imperative need to strengthen the link between education, R&D and employment;

62. Points to the importance of adequately funding education, mobility schemes for young people, training and lifelong learning programmes, promotion of gender equality as well as measures aiming at adapting the labour market as this makes an important contribution to the fight against early school leaving and unemployment and towards reaching the Europe 2020 headline targets; believes that the transition to a sustainable society in the coming years implies taking due account of the importance to promote new green jobs while new training will be required to this direction;
63. Takes the view that the flagship initiative on new skills and jobs should allow wider focus on the most vulnerable groups and people encountering difficulties in accessing the labour market, such as Roma; underlines the European Social Fund's (ESF) fundamental role in meeting the Europe 2020 strategy's social and employment objectives; believes, therefore, that the ESF should be treated as a political priority and funded accordingly; advocates a more strategic application of the ESF for promoting equality between women and men, labour market access and re-integration, combating unemployment, poverty, social exclusion and all forms of discrimination;

Cohesion for growth and employment

64. Stresses the EAV of cohesion policy, as this policy constitutes a well-established mechanism of delivering growth and jobs, a major tool for convergence, sustainable development and solidarity and one of the Union's most significant, visible, and successful policies for decades; points out, however, that a modern cohesion policy must undertake a number of structural reforms, in particular in the field of simplification, respond to the main challenges facing the Union, and promote synergies with other policies and instruments on the ground; is convinced that EU cohesion policy should remain an EU wide policy giving access to resources, experiences and assistance to all EU regions;
65. Recalls that cohesion policy has an increased importance with the entry into force of the Treaty of Lisbon and with the anchorage of territorial cohesion therein, takes the view, in this context, that all forms of territorial cooperation (cross-border, transnational, interregional) must be strengthened; underlines that macro-regional cooperation and strategies should also be addressed;
66. Stresses the predominant role of cohesion policy for the accomplishment of the Europe 2020 objectives and takes the view that a sound autonomous cohesion policy is a prerequisite for the successful implementation of this strategy; stresses that, due to its horizontal character, cohesion policy contributes significantly to all three priorities of the Europe 2020 strategy, namely smart, sustainable and inclusive growth, and that this should be reflected in the structure of the next MFF by rejecting any fragmentation of this policy across various heading or subheadings; recalls, however, that the EU cohesion policy has its own mission and objectives set out in Article 174 of TFEU that goes beyond the Europe 2020 strategy; stresses that those should be preserved in the next

programming period, especially given the enduring need for economic, social and territorial convergence in the Union;

67. Stresses that a successful and strengthened cohesion policy needs adequate funding, and that the amounts allocated to it in the current financial programming period should be at least maintained in the next period in order to step up its efforts to reduce development disparities between EU regions; reiterates, in this context, its strong request to ensure that, in the next MFF, the unspent or decommitted resources of cohesion funds remain in the EU budget and not be returned to the Member States; recalls its position that GDP per capita must remain the main criterion for determining the eligibility for regional policy assistance;
68. Believes that Member States and regions should concentrate EU and national resources on a small number of priorities and projects that are of genuine European relevance, such as R&D and innovation, responding to the specific challenges that they face; requests, in this context, that the Commission draws up concrete proposals to ensure a stronger thematic concentration of cohesion funding on the Europe 2020 priorities and considers that a more result-oriented system than the current 'earmarking' should be put in place, while ensuring that due consideration is made to 'region specific' needs and priorities; welcomes, in this respect, the Commission's intention to agree with each Member State and its regions or directly with the regions -in the context of the development and investment partnership contracts and operational programmes- on specific terms and conditionalities for the achievement of established targets;
69. Strongly believes in the importance of an integrated policy approach and considers that all sector-specific investments in the next MFF would have to be coordinated with the investments undertaken within the framework of cohesion policy; stresses, therefore, the need to improve coordination, reduce unnecessary overlaps and create greater synergies among the ERDF, the ESF, the cohesion fund, the EAFRD and the European Fisheries Fund (EFF); underlines the need to also avoid duplication and improve coordination between the European Globalisation Adjustment Fund and the ESF; believes, accordingly, that the creation of a common strategic framework setting out common investment priorities for all these funds represents an important step in this direction; believes, furthermore, that coordination has to take place at all levels of policy making from strategic planning to delivery; is convinced that the ESF must remain an integral component of cohesion policy at all stages of its programming, implementation and management;
70. Believes that urban areas - as places with a high concentration of challenges (unemployment, social exclusion, environmental degradation, migration) - can play an important role in regional development and contribute to tackling the economic and social disparities on the ground; stresses, accordingly, the necessity for a more visible and focused approach to the urban dimension of cohesion policy, while ensuring balanced conditions for synergic development of urban, suburban and rural areas;
71. Recognizes that according to the Treaty particular attention should be paid to rural areas, areas affected by industrial transition, and regions suffering from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density, islands, cross-border and mountain regions, as well as outermost regions; believes that resources and capacities found within these regions can have a

significant role in the future competitiveness of the European Union; stresses, accordingly, that these areas facing challenges should be recognised also in the future MFF; considers that for regions facing permanent handicaps a special strategy needs to be elaborated, as set out in the EP resolution of 22 September 2010;

72. Recalls that one of the main criticisms directed at cohesion policy relates to the complexity of its rules; insists on the importance of cross-financing and of simplifying the rules and procedures of this policy, on reducing complexity and administrative burdens, and on a more transparent and effective allocation of resources to cities, municipalities and regions; stresses that the audit and control systems should comply with the highest standards, so that abuses can be caught and promptly sanctioned; emphasises that the frequency of checks should be commensurate with the risk of irregularities in keeping with the proportionality principle;
73. Calls for an improvement of the monitoring and evaluation systems as regards their implementation; emphasises that the partnership principle should play a crucial role in this improvement and has to be upgraded in the context of simplification; believes that the elaboration of concrete and measurable outcome indicators should be regarded as a prerequisite for measuring the actual progress achieved towards the agreed targets; welcomes the Commission proposals for an ex-ante, on-going and impact evaluation of each operational programme; reminds that other principles of cohesion policy, such as the co-financing rule, multi-level governance, bottom-up approach, gender mainstreaming and additionality have proven their importance and should be maintained in the next MFF;
74. Calls on the Commission to establish an intermediary category for the duration of the next programming period for regions whose GDP per capita stands at between 75 % and 90 % of EU GDP, in order to provide them with a clearer status and more security in their development; asks the Commission to provide further information on the budgetary consequences of such an option; calls on the Commission to also draw up concrete proposals to reinforce equity between those regions and other regions on the same level of development; stresses that these transitional measures for the next programming period for regions coming out of the convergence objective and for regions with per capita GDP between 75 % and 90 % of the EU average should not be established at the expense of the current convergence (Objective 1) and competitiveness regions (Objective 2) or the European territorial cooperation objective (Objective 3);
75. Warns against subjecting cohesion funds to sanctions in the framework of macroeconomic conditionality linked to the Stability and Growth Pact as this would go against the very objectives that cohesion policy is set to pursue, namely the reduction of regional disparities; stresses, therefore, the need to step up surveillance to ensure that structural funding is used in accordance with the EU law and the intended objectives;
76. Is particularly concerned about the slow start of the operational programmes in the beginning of each programming period due, among other reasons, to an overlapping phase with the completion of the previous ones; draws attention to the fact that this problem needs to be tackled on time by addressing the factors that contribute to such delays; points, for this purpose, to the need of ensuring a certain continuity between the programming periods as regards the establishment of national management and control systems and authorities;

77. Encourages local and regional authorities to make as much use as possible of the innovative financial instruments, inter alia, revolving funds for energy efficiency measures; requests that these financial instruments be simplified but also subjected to greater democratic scrutiny;

Management of natural resources and sustainable development

Common agricultural policy

78. Affirms that the common agricultural policy (CAP) should also be geared towards contributing to the achievement of the targets of the Europe 2020 strategy and that both pillars of the CAP should make a valuable and distinctive contribution to it, in a complementary way; emphasises that the CAP is firmly anchored in the Treaty of Lisbon, which defines its objectives and tasks;
79. Stresses that while the primary role of the current and the reformed CAP is to guarantee European Union food security as well as global food supply in times of rising food prices and food shortages, it is at the same time delivering a variety of public goods beyond agricultural markets, such as maintaining farm land in production throughout Europe, shaping the diversity of landscapes, enhancing biodiversity and animal welfare, mitigating climate change, preserving soils and water, combating rural depopulation, poverty and segregation, providing for employment and services of general interest in rural areas, contributing to a more sustainable food production and supporting renewable sources of energy;
80. Calls on the Commission to present proposals for a reformed CAP, which aim at a more effective and efficient allocation and use of the CAP budget, inter alia, via a fair distribution of direct payments between Member States, regions and farmers by strengthening conditionality towards delivering the public goods expected by society and by more targeted payments in order to ensure best return for public money; emphasises the need for maintaining a two-pillar system of the CAP and for simplifying the implementation mechanisms;
81. Supports food autonomy of developing countries; recalls the commitment made by the WTO members during the 2005 Hong Kong Ministerial Conference to achieving the elimination of all forms of export subsidies; considers that the new CAP must be in line with the EU concept of policy coherence for development; underlines that the Union must no longer use export subsidies for agricultural products and must continue to coordinate efforts with the world's major agriculture producers to cut trade distortion subsidies;
82. Insists that, given the wide array of tasks and objectives that the CAP is called to respond to, the amounts allocated to the CAP in the budget year 2013 should be at least maintained during the next financial programming period;
83. Calls for an increased coordination of the European Agricultural Fund for Rural Development (EAFRD), the European Regional Development Fund (ERDF) and other cohesion and structural funds in order to strengthen a territorial approach; asks the Commission to present specific proposals on how better synergies could be achieved with regard to funding for non-agriculture related activities in the EAFRD and other relevant instruments; expects that the expenses linked to economic diversification in regions where agriculture is declining will increase over the period of the next MFF;

Fisheries

84. Stresses that fisheries resources constitute a public good vital for global food security; points to the fact that the fisheries and aquaculture sector and related activities are often the main source of livelihood and sustainable employment in coastal, island and remote regions; considers that, in order to achieve its medium and long-term goals (stable, sustainable and viable fisheries sector), recovery of its fish stocks and tackling the social aspects linked to the reduction of fishing effort, the reformed Common Fisheries Policy (CFP) will need adequate financial resources post 2013; recognises the need for increased coordination with cohesion policy; underlines that the European Fisheries Fund should be used to support sustainable fishery practices, in accordance with the maximum sustainable yield principle, as well as to conserve marine ecosystems while paying special attention to the small scale fisheries sector;

Environment, climate change and resource efficiency

85. Emphasises that the Union should lead the transformation towards a sustainable economy and promote a transition to a sustainable society with a competitive European industry and affordable energy prices in order to ensure a clean and healthy living environment; stresses that this should be achieved, inter alia, through reduced energy consumption in all sectors, for which a well-functioning internal energy market and infrastructure is a prerequisite, the decentralisation of energy supply, increased use of renewable energy, improved biodiversity protection and ensuring ecosystem resilience;
86. Underlines that LIFE+ has been successfully implemented and has proven its importance in safeguarding biodiversity and protecting the environment; emphasizes the need for continuing well endowed programmes for nature and biodiversity in order to meet EU environmental objectives, notably for LIFE+ and NATURA 2000;
87. Underlines the need for a horizontal approach, combining measures to combat climate change and to reduce greenhouse gas emissions - in particular energy saving measures - in all relevant policy areas, including external policies; is convinced that well-placed incentives such as conditionality of EU expenditure and legislation are the key elements in order to achieve the Europe 2020 targets in this field; considers, consequently, that climate actions should be mainstreamed in all relevant sections of expenditure including the external one, and climate impact assessments should be conducted for new projects; considers that larger shares of the European emission trading scheme revenues should be invested in mitigation and climate innovation;
88. Takes the view that tackling the challenge of sustainability, through introducing environmental criteria and increasing resource and energy efficiency to combat climate change, is one of the core objectives of the Europe 2020 strategy;
89. Supports, accordingly, the suggestion expressed in the Commission's Budget Review to include an obligation to identify in a transparent manner where sectoral programmes have promoted the 20/20/20 climate and energy objectives specified in the Europe 2020 strategy and contributed to meeting the 'Resource Efficient Europe' flagship initiative goals;
90. Underlines the global responsibility of the EU in tackling climate change; recalls that pledges resulting from the Copenhagen and Cancun agreements aimed at helping

developing countries to address climate change must be ‘new and additional’ to the existing development aid with an adequate level of coherence being maintained between the two policies; suggests that a new programme be created for this purpose; reiterates the position of the European Parliament on the need to maintain within the EU budget the financing of all European policies; calls for the integration of the EU international climate change pledges in the EU budget in order to achieve a maximum leverage effect of community resources;

Energy

91. Is convinced that the energy’s share in the next MFF should increase; believes that renewable energy technologies, energy efficiency and energy saving should be key priorities and calls for a corresponding increase of EU funding in these areas; calls on the Commission to develop concrete benchmarks and to ensure that agreed targets are met and that they can be efficiently monitored within the framework of the European semester of policy coordination and through specific plans such as the National Energy Efficiency Plans;
92. Underlines the need to increase finance in research, technological development and demonstration in the area of energy in order to develop sustainable energy available for all; calls for the full implementation of the already adopted Strategic Energy Technology Plan (SET-Plan), including appropriate funding, during the next MFF;

A connected Europe

93. Given the huge financing needs in the areas of transport and energy infrastructure, and given the positive externalities of these projects, stresses the need to develop an incentive regulatory framework in order to promote public and private long term investment in these fields; asks that innovative financial instruments be developed in cooperation with long term investors;

Trans-European energy networks

94. Points to the need to prioritise energy efficiency and renewable energies when deciding on financing energy infrastructure; underlines the urgent need to modernise and upgrade the European energy infrastructure, to develop smart grids and build interconnections which are necessary for realising the internal energy market, for diversifying sources and routes with third countries enhancing security of supply, for increasing the share of renewable energy, and for meeting energy and climate targets; takes note of estimates that substantial investments of approximately EUR 1000 billion by 2020 are needed in this field; particularly in order to ensure transmission capacity, including new production capacity and investment in electricity grids; notes that, at current world energy prices, the substantial investment required can primarily originate from the private sector; emphasises the need to maximise the impact of European funding and the opportunity offered by the structural funds and innovative financial instruments to fund key national and cross-border European priority energy infrastructure projects; stresses the need for a substantial allocation from the European Union budget for innovative financial instruments in this field;

Transport and Trans-European transport networks

95. Underlines that investing in effective transport infrastructure has a key role for Europe to defend its competitiveness and pave the way for post crisis, long term economic growth; believes that the Trans-European transport networks (TEN-T) are vital in order to guarantee the proper functioning of the internal market and provide important EAV as they contribute to improving accessibility and interoperability between the various parts of the EU by guaranteeing cross-border links and eliminating bottlenecks, improving the use of traffic management and information systems, as well as assuring intermodality in cross-border infrastructure, which the Member States alone would not invest in; considers that the TEN-T should provide a genuine European core network rather than the aggregation of national projects and that the financing of core projects should be assessed and reviewed in the light of progress on the ground and EAV; strongly believes that TEN-T should, accordingly, be a key priority in the next MFF;
96. Considers that conditionality should be enhanced by introducing the principle of ‘Use-it-or-lose-it’ (decommitment); when allocated funding has not been used the unspent or decommitted resources of transport funds should remain in the EU budget and not be returned to the Member States;
97. Recalls that a global investment of EUR 500 billion will be required for the period 2007-2020 for TEN-Ts; considers, therefore that an increase in TEN-T funds is necessary in the next MFF, together with increased coordination between EU and Member States, as well as the funds available for TEN-T and the funding for transport projects within the framework of cohesion policy and territorial cooperation, thus, using better the available sources of financing; stresses the role that innovative financing instruments, including PPPs and project bonds, can also play in the financing of those projects; considers that expenditure used from the cohesion fund should be conditional upon the observation of general principles of European transport policy; believes that TEN-T funding should actively integrate the objectives of economic, social and territorial cohesion, as well as sustainable development obligations to meet Europe 2020 targets and should as far as possible give priority to low-carbon transportation;
98. Calls on the Commission to take into account, in particular, the need to shift freight and passenger flows towards more sustainable and efficient transport flows while providing efficient co-modality; considers that the upcoming revision of the TEN-T guidelines needs to find solutions to the interoperability between national as well as cross-border railway systems and introduce conditionality on EU expenditure in order to achieve a genuine Single European Railway policy, and to ensure greater use of inland waterway and short sea shipping;

Tourism

99. Recalls that tourism is a new EU competence under the Lisbon Treaty, which should, therefore, also be reflected in the next MFF; stresses the important contribution of tourism to the European economy and believes that the European strategy for tourism should aim at raising the competitiveness of the sector and be supported with adequate funding for the next period;

Maritime Policy

100. Acknowledges that the seas and oceans will play an increasingly key role in global economic growth in the future; considers that the Integrated Maritime Policy must be

pursued and geared towards tackling the challenges faced by coastal zones and maritime basins, supporting blue growth and a sustainable maritime economy; requests that the EU increases its effort to support an ambitious EU maritime policy which will allow Europe to assert its international position in this strategic sector; insists that the appropriate budgetary means be made available in favour of this policy;

Citizenship, freedom, security and justice

Fostering European culture and diversity

101. Emphasises that promoting Union citizenship has a direct impact on the daily lives of Europeans and that it contributes to a better understanding of the opportunities provided by Union policies, as well as of their fundamental rights, enshrined in the European Charter of Fundamental Rights and the Treaties; is convinced that adequate funding in the area of citizenship must be guaranteed;
102. Points out that youth- and culture-related policies are essential and among the first priorities to be recognised for their added value and reaching out to citizens; calls on the EU and the Member States to acknowledge the increasing importance of cultural and creative industries to the European economy, and their spill-over effect on other economic sectors ; strongly emphasises that the full potential of these policies can only be realised if they are provided with adequate levels of funding and calls for their potential to be fully exploited within rural development and cohesion policy;
103. Recalls the importance of sport for health, economic growth and jobs, tourism and social inclusion, and the fact that Article 165 TFEU gives the EU new competences in this field; welcomes the Commission communication on ‘Developing the European Dimension in Sport’ (COM(2011)0012) as a first step in assessing the added value of sport, and in particular of everyday exercise, and focusing on the societal, economic and organisational dimension of sport;

Youth policy

104. Stresses that youth should represent a strong priority for the Union and that the youth dimension should be visible and reinforced in EU policies and programmes; believes that youth should be perceived as an EU cross-cutting theme, developing synergies between different policy areas relating to youth, education and mobility; welcomes the ‘Youth on the Move’ flagship initiative as a cornerstone of the Europe 2020 Strategy; underlines in particular that youth-related programmes like Lifelong Learning and Youth in Action, which bear low cost per beneficiary and therefore have high efficiency, should be maintained as separate programmes in the next MFF and that they deserve a much stronger investment;

An Area of Freedom, Security and Justice

105. Emphasises that creating a robust culture of fundamental rights and equality as enshrined in the Lisbon Treaty must remain a priority for Europe; stresses that while these values must be budgetarily mainstreamed, adequate targeted funding must be guaranteed;
106. Notes that economic, cultural and social growth of the Union can only thrive in a stable, lawful and secure environment, respecting and enforcing fundamental rights and

safeguarding civil liberties; considers, accordingly, that efficient justice and home affairs policies are a pre-requisite for economic recovery and an essential element in a wider political and strategic context; underlines the importance of mainstreaming the EU priorities in the field of 'home affairs' into the Union's external dimension, including European Neighbourhood policy, especially in view of the impact that growing migration will have on the development of EU policies towards third countries; stresses the need for the appropriate financing of the immigration, asylum and security policies and also taking into account the priorities of the EU while implementing them;

107. Stresses the need for an integrated approach towards pressing immigration, asylum questions as well as towards the management of the external borders of the Union, with sufficient funding and support tools to handle emergency situations made available in a spirit of respect for human rights and solidarity amongst all Member States, respecting national responsibilities and a clear definition of tasks; notes that, in this regard, the increased challenges of FRONTEX, the European Asylum Support Office and the Funds on Solidarity and Management of Migration Flows need to be duly taken into consideration;
108. Notes that the share of funding for the area of freedom, security and justice in the Union budget is relatively small and stresses that in the future MFF these policies must be allocated with appropriate and objectively justifiable funding to enable the Union to carry out its activities, especially those related to new tasks, as identified in the Stockholm Programme and the Treaty of Lisbon;
109. Emphasises the need of developing better synergies between different funds and programs and points to the fact that the simplification of management of funds and allowing cross-financing enable the allocation of more funds to common objectives; welcomes the Commission's intention to reduce the total number of budgetary instruments in Home Affairs in a two pillar structure and where possible under shared management; believes that this approach should contribute significantly to an increased simplification, rationalisation, consolidation and transparency of the current funds and programmes; stresses however the need to ensure that the different objectives of home affairs policies will not be mixed up;

Global Europe

110. Reiterates its deep concern at the chronic underfinancing and particularly acute flexibility problems in the implementation of the Union's external activities, due to the unpredictable nature of external events, and recurring international crises and emergencies; stresses, accordingly, the need to close the gap between its ambitions and resources in foreign policy, by ensuring adequate financial resources and efficient flexibility mechanisms in order to enable the Union to respond to global challenges and unforeseen events; reiterates its request that budgetary implications deriving from any new commitments and tasks taken up by the Union must be additional to programmed amounts, in order to avoid jeopardising existing priorities;
111. Points to the discrepancy between the level of the Union's global financial assistance and its often limited influence in related negotiations and stresses the need to enhance the Union's political role and leverage in international institutions and fora; believes that the EU should ensure a political role which is proportional to the financial support it provides;

European External Action Service (EEAS)

112. Notes that the EEAS is in its ‘building-up’ phase; highlights that according to the Council’s decision of 26 July 2010, ‘the establishment of the EEAS should be guided by the principle of cost-efficiency aiming towards budget neutrality’¹ ; stresses the need for the new service to be provided with sufficient funds to allow the EU to fulfil its goals and role as a global player; stresses accordingly, the need for the new service to fully exploit efficiency gains deriving from the pooling of resources at Union level as well as synergies with Member States, avoiding duplications, existing or potential overlaps, inconsistencies and incoherencies and leading to cuts and savings in all national budgets, demonstrating thus the true added value of the Union’s diplomacy;

Poverty alleviation

113. Recalls that the 2015 deadline for meeting the Millennium Development Goals (MDG), and the collective Official Development Aid (ODA) target of 0.7 % of gross national income (GNI), fall within the next MFF period; stresses, accordingly, that an appropriate overall level of development aid and funding is required for the Union and its Member States to meet its international development commitments, including the financial commitments made in the Copenhagen Accord as well as those of the Cancun Agreement; stresses furthermore that also future spending pledges aimed at helping developing countries to combat climate change or to adapt to its effects must be additional, with coherence being maintained between the two policies; urges Member States to take immediate action to meet their ODA targets and fulfil their development pledges;
114. Stresses the need to strike the right balance between direct budget support on the one hand and financing of sustainable projects on the other; underlines that development aid should be spent in an inclusive manner, reaching the most marginalised and excluded groups;
115. Calls once again for the budgetisation of the European Development Fund (EDF), as it would increase consistency and transparency; insists, however, that incorporating the EDF into the EU budget must lead to an overall increase in the EU budget by the amount initially allocated to finance the EDF;
116. Believes that the European Commission/EEAS should systematically assess the impact of the EU assistance, in order to improve the effectiveness of EU originating development aid as well as improving synergies between EU and national development aid, in line with the Paris Declaration;
117. Finds it important that the development aid being given by the EU promotes sustainable development in the receiving countries; stresses that assessments need to be made and criteria set up that respects this objective;
118. Notes that the highest percentage of the world’s poorest people lives in emerging economies; insists however, in order to incite these governments to better engage in poverty reduction within their own borders, that alternative schemes for development cooperation with these countries, such as co-financing, should be gradually introduced;

¹ Council Decision 2010/427/EU of 26 July 2010 establishing the organisation and functioning of the European External Action Service (OJ L 201, 3.8.2010, p. 30).

Projecting EU values and interests globally

119. Stresses that EU foreign policy should be based on Union's founding principles and values, namely democracy, respect for human rights, diversity, fundamental freedoms and the rule of law; reiterates the need to equip the Union with more adequate and targeted means to promote these values globally and to expand the sphere of peace and stability in its neighbourhood; highlights the particular contribution made via the EIDHR;
120. Considers the EU to have a special responsibility among the international community for promoting security, democracy, and prosperity in Europe's neighbouring countries, where economic development and progress of stability are in the direct interest of the EU; considers therefore that building close and effective relations with neighbouring countries should remain a priority in the Union's external agenda; emphasises that stepped up financial commitments are needed for the Union to live up to major challenges -support to democratic transition and consolidation, good governance, human rights- and high expectations deriving from this moral responsibility; believes at the same time that the more targeted use of funds is at least as important as funding levels; calls therefore for the strengthening of conditionality in EU aid programmes with the aim of improving democratic development and sound budgetary management, reducing the level of corruption and the capability to use EU support in a transparent, effective and accountable manner;
121. Notes that the EU is approaching a new round of enlargement, particularly in the direction of the Western Balkans; calls for the next MFF to take the costs of future enlargements into account, namely through adequate funding for the Instrument for Pre-Accession; considers that the IPA instrument should give priority to support the necessary improvements for candidate countries to comply with the *acquis communautaire* and facilitate the use of EU funding, in particular for civil society, social partners, minorities, NGOs, cultural heritage, as well as local and regional authorities;
122. Underlines that the Union needs to quickly adapt its policy towards the emerging countries and develop new strategic partnerships with them; asks the Commission to propose in this regard a policy instrument targeting activities that are not ODA related but fall into areas of mutual interest;
123. Is of the opinion that, considering growing global challenges as well as the Union's global responsibilities, especially in face of the current political developments in the Arab world, a restructuring of the EU's external financial instruments becomes indispensable; advocates accordingly an overhaul and more strategic application of its external instruments as well as the development of new forms of cooperation and delivery mechanisms with partner countries in order to enhance the impact and visibility of EU external action as well as to achieve the overall objective of greater consistency and coherence of EU external action; stresses that the next MFF should support policy coherence, i.e. by ensuring that EU policies and expenditure on agriculture, fisheries, trade and energy are not directly at odds with development policy objectives;

Responding to crisis situations

124. Reiterates that crisis prevention and management are major EU priorities; stresses, accordingly, the need to ensure effective and adequately funded instruments in this respect; takes the view that the current Instrument for Stability remains an important

means for immediate Union response to crises' situations, but more emphasis should be placed on longer term, preventive actions, including peace-building and conflict prevention, namely via more responsive geographic programmes;

125. Believes that humanitarian aid plays a key role in EU external relations; notes that natural disasters tend to become more frequent as well as more devastating in their consequences, whereas conflicts will tend to spark more often due to the struggle for resources such as energy, water and raw materials; underlines the need to ensure appropriate budgetary allocations for the Humanitarian Aid Instrument and the Emergency Aid Reserve, so as to avoid the yearly ad hoc demands from the European Commission for extra funding; this budget should remain independent in order to guarantee the neutrality of humanitarian aid - dissociated from other (e.g. geopolitical) considerations or interests;

Administration

126. Believes that high quality public administrations, at both Union and national levels, are an essential element for achieving the strategic goals set in the Europe 2020 strategy; calls on the Commission to present a clear analysis of administrative expenditure post-2013, duly taking into account the public finances consolidation efforts, the new tasks and competences attributed to the Union by the Treaty of Lisbon, and the efficiency gains to be derived from an optimal use of human resources in particular through redeployment and new technologies;
127. Points out that such analysis should investigate the scope for synergies and, notably, savings, inter alia through restructuring, further interinstitutional cooperation, review of each institution's and body's working methods and working places, better separation of tasks of institutions and agencies, the medium and long-term financial impact of building policy, pension systems and other areas of statutory provisions of staff working for EU institutions; believes that this analysis can show that there is scope for a reduction of the overall EU administrative budget without compromising the high quality, performance and attractiveness of the EU public administration;
128. Points to the significant savings that could be made if the European Parliament were to have a single seat;

Part IV: Organisation and structure of the financial framework

A structure to reflect priorities

129. Considers that the structure of the next MFF should facilitate both planning continuity and flexibility within and between headings, and avoid the failures of the current MFF, particularly with regard to shortfalls in subheading 1a 'Competitiveness for Growth and Employment', subheading 3b 'Citizenship' and heading 4 'External relations'; considers that the MFF structure should increase the visibility of EU political and budgetary priorities for the European citizens; insists, in this respect, on the need to avoid unjustified radical changes and to consolidate and improve the current structure;
130. Reiterates that the Europe 2020 strategy should be the main policy reference for the next MFF; considers, as a consequence, that the structure should reflect and give political visibility to the Europe 2020 dimensions of smart, sustainable and inclusive growth; proposes, accordingly, a new structure grouping under one single heading all internal

policies under the title ‘Europe 2020’;

131. Proposes to establish under the Europe 2020 heading four subheadings involving linked policies which should also favour better coordination and implementation synergies among them; proposes, thus, a subheading comprising knowledge related policies; a second subheading devoted to cohesion policy reflecting its horizontal nature and its contribution to all Europe 2020 objectives, as well as social policy; a third subheading encompassing sustainability and resource-efficiency related policies; and a fourth subheading on citizenship, which would combine the current MFF subheadings 3a (citizenship) and 3b (freedom, security and justice) into a single subheading given the previous experienced difficulties which arise when a number of small programmes are brought together within a small subheading;
132. Believes that the next MFF should allow for a ring-fencing of large-scale projects, which are of strategic importance for the Union, within the heading ‘Europe 2020’; believes that the EU budget should make a long-term contribution to these projects, in order to ensure their planning continuity and organisation stability; considers that, should additional financial resources be needed for these large-scale projects, those should not be found at the expense of smaller successful projects that are financed by the EU budget;
133. Considers that, in view of the integrated character of the Europe 2020 strategy, and in order to ensure that budgetary means are appropriately aligned with the progressive development of the strategy, it is essential that a higher degree of flexibility is ensured among the four Europe 2020 subheadings;
134. Recalls the difficulties which arise when a number of rather small programmes are brought together within a small subheading; proposes, accordingly, to combine the 2007-2013 MFF subheadings 3a (citizenship) and 3b (freedom, security and justice policies) into a single subheading;
135. Calls for maintaining a heading for external policies;
136. Calls for maintaining a heading for administration;
137. Calls for the creation of a ‘global MFF margin’ serving all headings below the overall MFF ceiling and above the separate available margins of each heading to be mobilised in the framework of the annual budgetary procedure; believes that such margin should also receive the unspent margins as well as the decommitted and unspent appropriations (commitments and payments) of the previous budgetary year;
138. Considers, moreover, that in order to improve transparency and visibility an additional ‘reserve margin’ below the own resources ceiling and above the MFF ceiling should be used for including the risks of defaults linked to the loan guarantees of the European Financial Stabilisation Mechanism and the Facility providing medium-term financial assistance to non-Euro area Member States’ balances of payments, as well as a possible intervention of the EU budget in the European Stability Mechanism after 2013;
139. Urges the Commission to provide in an annex to the EU budget all EU related expenditure that occurs –following an intergovernmental procedure- outside the EU budget; believes that this information provided on an annual basis will give a complete picture of all investments that Member States agree to undertake at the EU level;

140. Suggests that the EU budget should clearly identify - possibly in an annex - all investments that are made in each EU policy field, originating also from different parts of the EU budget; believes, at the same time, that the Commission should also provide an estimate of the investment needs that are foreseen for the whole duration of the programming period;
141. Urges the Commission to include detailed information on the revenue side of the EU budget in its Draft Budget, as transmitted to the EU budgetary authority; notes that a joint presentation of the revenue and expenditure side of the budget is actually standard practice for all national budgets; strongly believes that in this way a permanent debate on the financing system of the Union will be maintained, while fully acknowledging that the budgetary authority does not have at present any competence to propose changes to this part of the budget;
142. Proposes, therefore, the following structure for the next MFF:

1. Europe 2020

1a. Knowledge for growth

Including research and innovation, education and lifelong learning and internal market policies.

1b. Cohesion for growth and employment

Including cohesion (economic, social and territorial) and social policies.

1c. Management of natural resources and sustainable development

Including agriculture, rural development, fisheries, environment, climate change, energy, and transport policies.

1d. Citizenship, freedom, security and justice

Including culture, youth, communication and fundamental rights and freedom, security and justice policies.

2. Global Europe

Including external action, neighbourhood and development policies.

3. Administration

ANNEX

Responding to changing circumstances: flexibility

143. Reiterates its position included in its resolution of 25 March 2009 on the Mid-term Review of the 2007-2013 Financial Framework¹, that more flexibility within and across headings is an absolute necessity for the functioning capacities of the Union not only to face the new challenges but also to facilitate the decision-making process within the institutions;

Mid-term Review

144. Stresses the need, if the MFF period is longer than 5 years, for an obligatory Mid-term

¹ OJ C 117 E, 6.5.2010, p. 95.

Review allowing for a quantitative as well as qualitative analysis and stock-taking on the functioning of the MFF; underlines that, in the future, the Mid-term Review should become a legally binding obligation enshrined in the MFF regulation, with a specific procedure including a binding calendar, which ensures full involvement of the Parliament in its role of legislative and budgetary authority; stresses that, if the review should establish the inadequacy of the ceilings for the rest of the period, a real possibility to revise them should be guaranteed;

Revising the ceilings

145. Insists that the degree of flexibility actually provided by the revision mechanism is dependent on the procedure for exercising it, and faces a general reluctance of the Council to using it; considers it essential -if the adjustment of expenditure ceilings is to remain a realistic option- that the future mechanisms for revision foresee a simplified procedure for changes under an agreed threshold; calls, in addition, for the possibility to increase the overall MFF ceiling to be maintained;

Ensuring sufficient margins and flexibility below the ceilings

146. Stresses the importance of ensuring sufficient reserves for each heading; notes with interest the Commission's proposal to establish a fixed percentage for margins; considers, however, that this option could provide better flexibility only if the future ceilings were set at a sufficiently high level, allowing for such additional room for manoeuvre;
147. Points out that flexibility below the ceilings should be enhanced in all possible ways and welcomes the Commission's proposals put forward in the Budget Review;
148. Considers important to maintain the possibility to front or backload spending within a heading's multi-annual envelope, to allow for countercyclical action and a meaningful response to major crises; considers, in this respect, that the current system of flexibility for legislative acts has worked sufficiently well in the current MFF; calls, therefore, for the flexibility threshold of 5% above or below the amounts fixed under codecision to be maintained in the next MFF;
149. Is convinced that unused margins, de-committed and unused appropriations (both commitments and payments) in one year's budget should be carried over to the next year and constitute a global MFF margin to be attributed to the different headings according to their estimated needs; believes, therefore, that the money allocated to the EU budget should only be spent in this context and not returned to the Member States, as is currently the case;
150. Believes, in addition, that these proposals must be complemented by a reallocation flexibility to transfer between headings in a given year and by increased flexibility between sub-headings;
151. Reiterates that the decision-making process must be designed so as to allow for the effective use of these instruments;

Flexibility mechanisms

152. Considers it crucial to maintain special instruments (Flexibility Instrument, European

Globalisation Adjustment Fund, European Union Solidarity Fund, Emergency Aid Reserve), which can be mobilised on an ad-hoc basis, by further simplifying their use and providing them with sufficient envelopes, as well as by possibly creating new instruments in the future; stresses that the mobilisation of such additional sources of funding must abide by the Community method;

153. Considers that the European Globalisation Adjustment Fund (EGF) has been successful in providing EU solidarity and support to workers made redundant because of the adverse effects of globalisation and the global financial and economic crisis and should, therefore, be maintained under the new MFF; believes, however, that the procedures for implementing the support from the EGF are too time consuming and cumbersome; calls on the Commission to propose ways in which these procedures can be simplified and shortened for the future;
154. Believes that the Flexibility Instrument, which has been the most fully implemented of the flexibility mechanisms, has been essential in providing for additional flexibility; proposes to significantly increase the initial amount for the Flexibility Instrument, with a subsequent yearly increase over the period of the MFF, and to keep the possibility to carryover the portion of the unused annual amount up to year $n+2$;
155. Notes that in recent years the funds available to address urgent natural and humanitarian disasters have been insufficient; calls, accordingly, for a substantial increase of the envelope of the Emergency Aid Reserve as well as the possibility for a multi-annual mobilisation of the instrument;

The duration of the MFF

156. Underlines that the choice of the duration of the next MFF should strike the right balance between stability for programming cycles and implementation of individual policies, and the duration of the institutions' political cycles –in particular those in the European Commission and the European Parliament–; recalls that a longer period requires greater flexibility;
157. Believes that a 5-year cycle fully complies with the Parliament's expressed will to align, as much as possible, the MFF duration with the duration of the institutions' political cycles, for reasons of democratic accountability and responsibility; is concerned, however, that a 5-year cycle might be too short at this stage for policies which need a longer term programming (i.e. cohesion, agriculture, TENs) and would not fully comply with those policies' programming and implementation life cycle requirements;
158. Notes that the 10-year MFF, as proposed by the Commission in the Budget Review, could provide substantial stability and predictability for the financial programming period but, as the overall ceilings and the core legal instruments would be fixed for ten years, it will increase the rigidity of the MFF and render the adjustments to new situations extremely difficult; considers, however, that a 5+5 cycle could only be envisaged if an agreement on a maximum level of flexibility, including an obligatory mid-term review, was reached with the Council and enshrined in the MFF regulation;
159. Takes the view that for the next MFF a 7-year cycle, set until 2020, should be the preferred transitional solution as it could provide for more stability by ensuring the continuity of the programmes for a longer period, and also make a clear link with the

Europe 2020 strategy; stresses, however, that all options for the duration of the next MFF are subject to sufficient funding and an adequate and well-resourced flexibility within and outside the framework to avoid the problems encountered during the 2007-2013 period;

160. Believes that a decision on a new 7-year MFF should not pre-empt the possibility of opting for a 5 or 5+5 year period as of 2021; reiterates its conviction that a synchronisation of the financial programming with the mandate of the Commission and the European Parliament will increase democratic responsibility, accountability and legitimacy;

Part V: Matching ambitions with resources: the link between expenditure and the reform of EU financing

Sufficient budgetary resources

161. Is fully conscious of the difficult fiscal adjustments that many Member States are making to their national budgets and reiterates that achieving EAV and ensuring sound financial management -efficiency, effectiveness, economy- should be, more than ever, guiding principles of the EU budget;
162. Emphasises that 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 as well as from existing policy priorities and commitments such as:
- the achievement of the Europe 2020 headline targets in the fields of employment, R&D, climate and energy, education and poverty reduction;
 - the increase of research and innovation spending from currently 1.9 % of GDP to 3 % of GDP, adding up to approximately EUR 130 billion of public and private spending per year;
 - the necessary investments in infrastructure;
 - the essential fully-fledged and transparently calculated financing of large-scale projects adopted by the Council such as ITER and Galileo as well as the European space policy;
 - the not yet quantifiable additional appropriations needed in the field of Common Foreign and Security Policy, including the European External Action Service and the European Neighbourhood Policy;
 - the additional financing needs related to the future enlargement of the EU;
 - the financing of the existing European Financial Stabilisation Mechanism and the European Stability Mechanism after 2013 in order to provide the Eurozone and the EU with the fiscal stability required in order to overcome the debt crisis;
 - the financial effort related to the attainment of the Millennium Development Goals (MDG) to spend 0.7 % of GNI on development aid, i.e. around EUR 35 billion annually further to the current spending of 0.4 % of GNI;
 - the pledges resulting from the Copenhagen and Cancun agreements aimed at helping

developing countries combat climate change and adapt to its effects which should be new and additional to the commitments made under the MDG and amount by 2020 to 100 billion dollars annually around a third of which to be shouldered by the EU;

163. Is therefore of the firm opinion that freezing the next MFF at the 2013 level, as demanded by some Member States, is not a viable option; points out that even with an increase of the level of resources for the next MFF of 5% compared to the 2013 level¹ only a limited contribution can be made to the achievement of the Union's agreed objectives and commitments and the principle of Union solidarity; is, therefore, convinced that at least a 5% increase of resources is needed for the next MFF; challenges the Council, in case it does not share this approach, to clearly identify which of its political priorities or projects could be dropped altogether, despite their proven European added value;
164. Reiterates that without sufficient additional resources in the post-2013 MFF, the Union will not be able to fulfil the existing policy priorities, namely linked to the Europe 2020 strategy, the new tasks provided for by the Treaty of Lisbon, let alone respond to unforeseen events;
165. Notes that the own resources ceiling has been unchanged since 1993; believes that the own resources ceiling might require some progressive adjustment as Member States confer more competences on, and fix more objectives for the Union; considers that while the current ceiling of own resources set unanimously by the Council² provides sufficient budgetary leeway to meet the most pressing Union challenges but that it would still be insufficient for the EU Budget to become a real tool for European economic governance or to contribute in a major way to investing in the Europe 2020 strategy at EU level;

A more transparent, simpler and fairer financing system

166. Recalls that according to the Treaty of Lisbon 'without prejudice to other revenue, the budget shall be financed wholly from own resources'; stresses that the way the system of own resources has evolved, gradually replacing genuine own resources by the so-called 'national contributions', places disproportionate emphasis on net-balances between Member States thus contradicting the principle of EU solidarity, diluting the European common interest and largely ignoring European added value; notes that, in practice, this state of affairs means that the size of the budget is affected by the financial circumstances of individual Member States, as well as their attitude towards the EU; strongly calls, therefore, for an in-depth reform of EU resources in order to realign the financing of the EU budget with the spirit and requirements of the Treaty;
167. Considers that the main aim of the reform is to achieve an autonomous, fairer, more transparent, simpler and equitable financing system, which can be better understood by

¹ 2013 level: 1,06 % of GNI; 2013 level + 5%: 1,11 % of GNI; both in commitment appropriations at 2013 constant prices. These figures are based on the assumption of a 7 year MFF using the following estimates and forecasts by the Commission: - DG BUDG's May 2011 forecast of 2012 GNI: EUR 13.130.916,3 million (2012 prices); - DG ECFIN's January 2011 estimate of GNI nominal growth of 1,4% for 2011-2013 and 1,5% for 2014-2020. NB: Figures are subject to change in line with variations of the Commission's estimates and forecasts as well as with the reference year and type of prices used (current or constant).

² 1.23 % of the total GNI of the Member States in payment appropriations and 1,29 % in commitment appropriations

the citizens, and make clearer their contribution to the EU budget; calls, in this context, for an ending of existing rebates, exceptions and correction mechanisms; is convinced that the introduction of one or several genuine own resources for the Union, in order to replace the GNI-based system, is indispensable if the Union is ever to get the budget it needs to significantly contribute to financial stability and economic recovery; recalls that any change on own resources should be implemented in compliance with fiscal sovereignty of Member States; insists, in this context, that the Union should be able to collect directly its own resources independently from the national budgets;

168. Emphasises that the restructuring of the system of own resources as such does not concern the size of the EU budget but finding a more effective mix of resources to fund the agreed EU policies and objectives; points out that the introduction of a new system would not increase the overall tax burden for citizens, but instead reduce the burden on national treasuries;
169. Stresses that the European Parliament is the only parliament who has a say on the expenditures side but not on the revenues side; therefore emphasises the crucial need for a democratic reform of EU resources;
170. Takes note of the potential new own resources proposed by the Commission in its Communication on the Budget Review (taxation of the financial sector, auctioning under the greenhouse gas Emissions Trading System, EU charge related to air transport, VAT, energy tax, corporate income tax); awaits the conclusions of the impact analysis of these options, including a feasibility study on the various options for an EU Financial Transaction Tax, that should also examine the relevant collection mechanisms, in view of the presentation by the Commission of a legislative proposal by 1 July 2011;
171. Considers that an FTT could constitute a substantial contribution, by the financial sector, to the economic and social cost of the crisis, and to public finance sustainability; is of the opinion that an FTT could also contribute partially to the financing of the EU budget, as well as to lowering Member States' GNI contributions, and that the Union should also act as an exemplar in relation to the movement of funds towards fiscal havens;

Part VI: Towards a smooth and efficient interinstitutional negotiation process

172. Recalls that, pursuant to the Treaty of Lisbon, the consent of the Parliament, given by a majority of its component members, is compulsory for the adoption of the MFF by the Council, acting unanimously;
173. Underlines the stringent majority requirements for both the Parliament and the Council and points to the importance of exploiting to the full the Treaty provision under Article 312(5) of the TFEU which requires the Parliament, the Council and the Commission, throughout the procedure leading to the MFF adoption, to take any measure necessary to this end; notes that this explicitly imposes upon the institutions the duty to carry out negotiations in order to find agreement on a text to which Parliament can give its consent; points out further that if no MFF has been adopted by the end of 2013, the ceilings and other provisions corresponding to the year 2013 shall be extended until such time as a new MFF is adopted;

174. Welcomes the commitment of the Council Presidencies¹ to ensure an open and constructive dialogue and collaboration with the Parliament during the whole procedure for the adoption of the future MFF and reaffirms its willingness to work in close cooperation with the Council and the Commission in full accordance with the provisions of the Treaty of Lisbon during the negotiating process;
175. Urges, consequently, the Council and the Commission to comply with the Treaty and to make every effort necessary to swiftly reach an agreement with the Parliament on a practical working method for the MFF negotiating process; reiterates the link between a reform of revenue and a reform of expenditure and demands, accordingly, a firm commitment by the Council to discuss in the context of the MFF negotiation the proposals on new own resources;
176. Demands that a wide-ranging public debate on the purpose, scope and direction of the Union's MFF and the reform of its revenue system be opened at EU level; proposes, in particular, that a Convention-type conference on the future financing of the Union be convened, which must include Members of the European Parliament as well as of national parliaments;

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177. Instructs its President to forward this resolution to the Council, the Commission and the other institutions and bodies concerned, as well as to the national governments and parliaments of the Member States.

¹ Letter of Prime Minister Yves Leterme to President Buzek, 8 December 2010.