



EUROPEAN PARLIAMENT

2009 - 2014

Plenary sitting

A7-0193/2011

26.5.2011

REPORT

on Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe
(2010/2211(INI))

Special committee on the policy challenges and budgetary resources for a sustainable European Union after 2013

Rapporteur: Salvador Garriga Polledo

CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	3
EXPLANATORY STATEMENT	37
OPINION OF THE COMMITTEE ON DEVELOPMENT	40
OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY	46
OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY	51
OPINION OF THE COMMITTEE ON TRANSPORT AND TOURISM.....	57
OPINION COMMITTEE ON REGIONAL DEVELOPMENT.....	64
OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT	70
OPINION OF THE COMMITTEE ON CULTURE AND EDUCATION	74
OPINION OF THE COMMITTEE ON WOMEN’S RIGHTS AND GENDER EQUALITY	79
RESULT OF FINAL VOTE IN COMMITTEE.....	84

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

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

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.

Women's Rights and Gender Equality (A7-0193/2011),

- 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 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,
- D. 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,
- E. whereas the European Union carries more weight at international level than the sum of its individual Member States,
- F. 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,
- G. 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,

- H. 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,
- I. 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,
- J. 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,
- K. 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,
- L. 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,
- M. 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,
- N. 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,

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

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 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. 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;
17. 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);
18. 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;

19. 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

20. 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;
21. 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

22. 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;
23. 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;
24. 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;

25. 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;
26. 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;
27. 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;
28. 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

29. 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;

30. 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;
31. 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;
32. 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;
33. 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;
34. 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;
35. 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;
36. 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

37. 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

38. 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;
39. 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;
40. 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;
41. 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;
42. 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

43. 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;
44. 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;
45. 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;
46. 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;
47. 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;
48. 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;
49. 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;

Knowledge for growth

Research and innovation

50. 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;
51. 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;
52. 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;
53. 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;
54. 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;

55. 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

56. 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;
57. 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

58. 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

59. 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

60. 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;
61. 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;
62. 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

63. 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;

64. 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;
65. 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;
66. 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;
67. 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;
68. 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;

69. 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;
70. 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;
71. 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;
72. 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;
73. 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;

74. 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;
75. 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;
76. 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

77. 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;
78. 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;
79. 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;

80. 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;
81. 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;
82. 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;

Fisheries

83. 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 as well as to conserve marine ecosystems while paying special attention to the small scale fisheries sector;

Environment, climate change and resource efficiency

84. 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;
85. 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;
86. 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;

87. 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;
88. 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;
89. 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

90. 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;
91. 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;
92. 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;

A connected Europe

Trans-European energy networks

93. 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 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

94. 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;
95. 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;
96. 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;

97. 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

98. 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

99. 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

100. 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;
101. 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;
102. 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’⁵ 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

103. 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

104. 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;
105. 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;
106. 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;
107. 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

⁵ COM(2011)0012

carry out its activities, especially those related to new tasks, as identified in the Stockholm Programme and the Treaty of Lisbon;

108. 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

109. 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;
110. 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)

111. Notes that the EEAS is in its 'building-up' phase; highlights that according to the Council's decision of 20 July 2010, 'the establishment of the EEAS should be guided by the principle of cost-efficiency aiming towards budget neutrality'⁶; 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

112. Recalls that the 2015 deadline for meeting the Millennium Development Goals (MDG),

⁶ Council Decision 11665/1/10 of 20 July 2010 establishing the organisation and functioning of the European External Action Service.

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;

113. 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;
114. Calls once again for the budgetisation of the European Development Fund (EDF); insists, however, that incorporating the EDF into the EU budget must not lead to an overall reduction in development spending and must guarantee predictability;
115. 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;
116. 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;
117. 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;

Projecting EU values and interests globally

118. 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;
119. 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;

120. 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;
121. 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;
122. 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

123. 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;
124. 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

125. 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;
126. 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;
127. 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

128. 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;
129. 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';
130. 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;

131. 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;
132. 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;
133. 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;
134. Calls for maintaining a heading for external policies;
135. Calls for maintaining a heading for administration;
136. 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;
137. 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;
138. 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;
139. 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;

140. 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;
141. 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

142. Reiterates its position included in its resolution of 25 March 2009 on the Mid-term Review of the 2007-2013 Financial Framework⁷, 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

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

⁷ OJ C 117 E, 6.5.2010, p. 95.

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

144. 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

145. 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;
146. 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;
147. 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;
148. 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;
149. 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;
150. Reiterates that the decision-making process must be designed so as to allow for the effective use of these instruments;

Flexibility mechanisms

151. 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;
152. 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;
153. 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;
154. 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

155. 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;
156. 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;
157. 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;

158. 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;
159. 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

160. 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;
161. 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;

162. 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 level⁸ 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;
163. 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;
164. 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 Council⁹ 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

165. 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-

⁸ 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).

⁹ 1.23 % of the total GNI of the Member States in payment appropriations and 1,29 % in commitment appropriations

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;

166. 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 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 independent from the national budgets;
167. 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;
168. 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;
169. 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;

Part VI: Towards a smooth and efficient interinstitutional negotiation process

170. 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;
171. 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;

172. Welcomes the commitment of the Council Presidencies¹⁰ 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;
173. 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;
174. 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;
 -
 - ◦
175. 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.

¹⁰ Letter of Prime Minister Yves Leterme to President Buzek, 8 December 2010.

EXPLANATORY STATEMENT

The rapporteur has attempted with this Draft Report to distil and draw conclusions from the discussions held at the SURE Committee so far with the aim of providing first answers and political orientations on the several issues included in the Committee's mandate. Whereas the Committee has not yet completed the examination of all these aspects, the content of this Draft Report does not aim at formulating final positions but offering a balanced basis from which a large consensus in Parliament could be built.

Introduction

Never have Europeans become more demanding of the EU and also more critical of its performance. Public ownership of the EU will only return when our citizens are confident that their values and interests are better served by the Union. The next Multiannual Financial Framework (MFF) should be instrumental in showing European citizens that the Union has the capacity to think and act in their long-term interests and to produce effective results in securing solid growth and internal cohesion.

The crisis and severe constraints in public spending have made it more difficult for some Member States to provide sufficient funding not only to develop their own economies but also to help them participate fully in the internal market. This is one of the reasons why EU action is today more necessary than ever. The EU which is less constrained in its actions by day-to-day economic, financial, and political realities is best placed to carry out long-term planning and to mobilise the required spending.

The role of the EU budget

In a context where many Member States are undertaking difficult fiscal adjustments, the case for the EU budget has to be better justified than ever. The EU budget should provide the highest degree of European added value (EAV), be managed soundly, and leverage as much public and private resources as possible.

Challenges and political priorities

Whether we look at relative demographic and economic decline, climate change or energy shortages the challenges can only be properly understood and tackled when situated in a regional and global context. This is where the EU as an entity, which is much more than the sum of its Member States, can demonstrate its value. Success will only be possible if we work together; the challenges ahead are too large for any European country to address on their own.

The EU response to these challenges is the Europe 2020 strategy. A strategy that should help Europe recover from the crisis and come out stronger, through job creation and smart, sustainable and inclusive growth. The rapporteur therefore believes that the Europe 2020 strategy should be the policy reference of the next MFF and that it should reflect the ambitions of the strategy. The MFF should, additionally, reflect the entry into force of the Treaty of Lisbon that strengthens EU policies and creates new fields of competence.

Against this background the rapporteur identifies a number of key priorities for the next MFF grouped around the following themes: knowledge for growth; cohesion for growth and

employment; management of natural resources and sustainable development; citizenship; and Global Europe. For each priority the rapporteur sets budgetary and legislative orientations. It argues, in particular, that the amounts allocated to the common agricultural policy (CAP) and to cohesion policy in the next MFF should not be less than in the current financial programming period.

Structure

The structure of the next MFF should be realistic, facilitate planning continuity and avoid the shortcomings of the current MFF, in particular the lack of flexibility within headings. As justified earlier it should also reflect and give political visibility to the Europe 2020 dimensions of smart, sustainable and inclusive growth. In view of these requirements the rapporteur proposes:

- to group under a single heading all Europe 2020 related policies;
- to establish under the Europe 2020 heading four subheadings involving linked policies; in order to provide major spending policies with a stable financial planning framework it proposes four subheadings to be endowed with enhanced flexibility in order to ensure that budgetary means are suitable aligned with the progressive development of the 2020 strategy;
- to maintain the headings of , external action, and administration;

Flexibility and duration

The rapporteur believes that more flexibility within and across headings is an absolute necessity for maintaining functioning capacities of the Union. A Mid-term Review should become a legally binding obligation with a real possibility to revise the ceilings in compliance with the own resources decision. The mechanisms for revision should foresee a simplified procedure for changes under an agreed threshold. Further, flexibility below the ceilings should be enhanced in all possible ways. Finally, it is crucial to maintain and enhance the current system of extra-budgetary instruments for flexibility by further simplifying their use and providing them with sufficient envelopes.

The next MFF should strike a right balance between stability, medium-term predictability and flexibility. Flexibility and duration are thus intimately related.

While recalling Parliament's longstanding will to align for reasons of democratic accountability and responsibility, as much as possible, the MFF duration with the duration of the institutions' political cycles the rapporteur considers that a five-year cycle might be too short for policies which need a longer term programming and implementation life cycles requirements. On the other hand, a ten-year MFF could only be envisaged if an agreement on maximum level of flexibility would be reached with the Council. The rapporteur, therefore, takes the view that a new 7-year MFF, set until 2020, could provide for more stability by ensuring the continuity of the programmes for a longer period, and also make a clear link with the EU 2020 strategy. He stresses, however, that this option is subject to sufficient overall ceilings and an adequate and well-resourced flexibility within and outside the framework to avoid the problems encountered during the 2007-2013 period.

Matching ambitions with resources

Without sufficient additional resources in the post-2013 MFF, the EU will not be able to fulfil

both the existing policy priorities and the new tasks provided for by the Treaty of Lisbon. The rapporteur dismisses the call made by some Member States for freezing the EU's budget. This would be detrimental for the achievement of the Union's agreed objectives, lead to less efficient individual Member States' spending, and fail to address the common challenges that EU citizens are or will be facing.

Reform of own resources

The way the EU system of own resources has evolved, gradually being replaced by national contributions and consequently being perceived as an excessive burden on national public finances, renders its reform more necessary than ever. It places disproportionate emphasis on net cash flows to and from Member States diluting thus the European common interest.

The rapporteur agrees that an improved system ensuring fairness, transparency and sufficient budget revenue, would allow the budgetary decision making-process to focus on key EU priorities with real added value, rather than net-balances between Member States. He considers, in particular, that the existing exceptions and correction mechanisms should be progressively phased out, as an indispensable step in making the EU budget more equitable and transparent.

Negotiation process

The next MFF is the first one to be adopted under the new Treaty of Lisbon that makes legally binding the consent of Parliament (by the majority of its component members) before it can be adopted by Council (by unanimity). In view of succeeding in this demanding procedure, and in compliance with Article 312(5) TFEU, the rapporteur urges the Council and the Commission to make every necessary effort to swiftly reach an agreement with Parliament on a practical working method for the MFF negotiating process that should also include a firm commitment by Council to discuss the proposals on new own resources.

26.1.2011

OPINION OF THE COMMITTEE ON DEVELOPMENT

for the Special Committee on the policy challenges and budgetary resources for a sustainable European Union after 2013

on Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe
(2010/2211(INI))

Rapporteur: Thijs Berman

SUGGESTIONS

The Committee on Development calls on the Special Committee on the policy challenges and budgetary resources for a sustainable European Union after 2013, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. whereas in many parts of the world environmental degradation is one of the root causes of human deprivation; and whereas a failure to take due account of the environmental bases for development can considerably reduce or even jeopardise the effectiveness of aid, whilst addressing environmental issues can enhance its value,
 - B. whereas the Leading Group on Innovative Financing for Development puts the funding gap as regards efforts to meet the Millennium Development Goals (MDGs) by 2015, as well as the Official Development Assistance (ODA) target of 0.7% of GNI and environmental crisis targets, at \$324-336 billion per year between 2012 and 2017,
 - C. whereas the growth of the global economy has not been matched by the introduction of effective means of levying taxes on global economic activity to pay for global public goods,
 - D. whereas innovative financing mechanisms are needed if we are to meet the MDGs and our commitments in respect of climate change mitigation and adaptation,
1. Recalls that the 2015 deadline for meeting the MDGs, and the collective ODA target of 0.7% of GNI, falls within the next multiannual financial framework period and that there

is a real risk that the EU will not meet its international development commitments; recalls also that the MDGs are minimum aspirations and that, even if all targets are met, significant additional funding will still be required to fight poverty and improve health and education standards for the world's poor; therefore insists that a benchmark figure of 20% of the Commission's allocated assistance under country programmes covered by the Development Cooperation Instrument (DCI) should be earmarked for basic and secondary education and basic healthcare;

2. Recalls that since the MDGs were first agreed the world has undergone an accelerated process of globalisation and faces an unprecedented financial crisis; stresses the importance of Member States continuing to strive to achieve these goals;
3. Draws attention to the need to develop a global solidarity mechanism as a way to achieve the MDGs; points out, at the same time, that tax havens, trade mispricing and illicit capital flights represent huge hindrances to development in poor countries; therefore urges the EU, once again, to take initiatives within the ambit of the G20 and the OECD and within the EU itself to clamp down on tax havens and harmful tax arrangements;
4. Stresses that the report of the Taskforce on Financial Transactions for Development commissioned by the Leading Group on Innovative Financing for Development concludes that an international levy on currency transactions and a tax on all financial transactions would be technically, economically and legally feasible;
5. Calls on the Commission to propose the introduction of a financial transaction tax (FTT) at European level, in view of its numerous advantages: it can help to stabilise the markets and to raise funds for domestic fiscal consolidation and measures to eradicate poverty and address climate change;
6. Recalls that innovative financing for development is not designed to be a substitute for ODA, but to complement it; takes the view that the introduction of an FTT should therefore be linked to a more binding commitment on the part of all Member States to achieve the 0.7% ODA target and to provide additional climate adaptation funding;
7. Points out that one of the reasons why the MDGs have not been achieved is the failure to recognise the contributions of the environment, natural resources and ecosystems to human development and poverty eradication; deplures, in this context, the fact that only 3% of current European ODA is allocated to environmental issues; urges the Commission to ensure that environmental issues are mainstreamed in all external policies and financial instruments, especially in the light of the current challenges of climate change and biodiversity loss;
8. Emphasises that the Multiannual Financial Framework should address, inter alia, the following issues: achieving the MDGs, climate change, halting biodiversity loss and resource overconsumption; in particular, stresses that the next Multiannual Financial Framework should support policy coherence, i.e. by ensuring that some forms of EU spending on agriculture, fisheries, trade and energy are not directly at odds with development policy objectives;
9. Calls for a sizeable increase in the Heading 4 ceiling, in particular for the DCI, given that

over the last seven years despite some progress in cutting poverty owing to inadequate aid effectiveness and coordination, as well as the impact of various natural disasters and energy, food, financial and economic crises, especially in sub-Saharan Africa and south-east Asia, much more needs to be done; points out, also, that some DCI resources have been redeployed for new non-ODA activities;

10. Highlights the fact that development aid mechanisms should also seek to promote wealth creation, since this remains a crucial tool in alleviating poverty; recalls that an estimated EUR 800 billion is lost annually from developing countries through illicit capital flows, prevention of which could prove decisive in alleviating poverty and achieving the MDGs;
11. Notes that in recent years the funds available to address urgent natural and humanitarian disasters have been insufficient and points out that climate change is making natural disasters ever more frequent; calls, therefore, for more funding for the Humanitarian Aid Instrument and the emergency aid reserve;
12. Calls for an adequately funded flexibility mechanism to be set up within Heading 4 in order, in the future, to address effectively and speedily unforeseen events such as the food crisis and the global economic crisis;
13. Stresses that any additional funding in the area of development policy should be coordinated and create effective synergies with Member States' development programmes and with the efforts of the wider international community in order to ensure real added value at European level;
14. Insists that existing and future spending pledges aimed at helping developing countries to combat climate change or to adapt to its effects must be additional to current development budgets, with an adequate level of coherence being maintained between the two policies; calls for a separate budget heading for financing measures to combat climate change;
15. Believes that channelling funds to Africa through three different instruments is inefficient and does not respond to Africa's wish to develop as a unified continent; recommends, therefore, developing a single financing instrument for Africa, taking into account the Africa-EU joint strategic partnership; calls, in addition, for greater capacity-building assistance for the African Union institutions;
16. Calls on the EU to step up its efforts to alleviate the humanitarian situation in all conflict zones, including in Palestine, in particular through its support for UNRWA and its assistance in preparing the Palestinian people for statehood;
17. Insists that, in accordance with Article 208 of the TFEU, the EU should honour its Policy Coherence for Development commitments, including by significantly reforming and downscaling agricultural subsidies and, in particular, putting an end to exports of surpluses taken off the European market as a result of the impact of price innovation mechanisms and export refunds, in view of their harmful effects on farmers in the developing world;
18. Notes with concern that EU aid benefits proportionately more middle-income countries

than low-income countries; in particular, points out that EU aid programming that aims to enable developing countries to adapt to the requirements of international competition benefits middle-income countries in particular, rather than low-income countries, which are less attractive to foreign investment;

19. Suggests that the EU reassess its donor relationship with middle-income countries, since many emerging economies have outgrown traditional development cooperation; looks instead to the EU to concentrate funding on the neediest population groups in those countries, and on the poorest countries, especially least-developed countries;
20. Stresses that innovative financing mechanisms need to be developed and supported by the Commission on a far bigger scale than today, in order to create inclusive financing and provide effective support to SMEs and micro-entities in the developing world; believes that this can be done with various instruments, such as credit guarantees and revolving funds, in cooperation with local banks and organisations with specific know-how in the field of micro-finance, thereby significantly enhancing the leverage of the EU development budget, and that this requires close cooperation with international financial institutions and bilateral financial institutions;
21. Calls on the Council and the Commission to promote and work towards the implementation of the following innovative financing instruments for development: a financial transaction tax, transport levies, measures to combat illicit capital flows, the reduction of remittance costs, and a debt moratorium or debt cancellation;
22. Points out that although aid can act as a form of leverage for developing countries, it is not enough to guarantee sustainable and lasting development; calls, therefore, on developing countries to strengthen and mobilise their domestic resources, involve their domestic private sectors and local government effectively in the MDG agenda and take greater ownership of their MDG projects;
23. Recalls that the Lisbon Treaty removed the formal obstacle to the integration of the European Development Fund (EDF) into the EU general budget; therefore, calls once again for the budgetisation of the EDF, so as to increase parliamentary scrutiny of development spending in ACP countries and make EU development policy more consistent and effective; insists, however, that incorporating the EDF into the EU budget must not lead to an overall reduction in development spending with respect to the two separate existing instruments and must guarantee predictability; stresses also the need to secure the interests of ACP countries, i.e. by ringfencing development funds for the ACP within the EU budget;
24. Calls, when the new Multiannual Financial Framework is drawn up, for a substantial increase in the amount of the EIB loans covered by the EU guarantee, in order to boost the effectiveness and visibility of EU action beyond its borders with a view to achieving the EU external policy objectives enshrined in the Lisbon Treaty;
25. Calls on the EIB to provide the Commission with all the necessary information by devoting a specific section of the annual report on EIB financing operations to a detailed evaluation of the measures taken by the EIB to comply with the provisions of the current mandate, excluding from the scope of the guarantee all operations which would allow, or

contribute directly or indirectly to, any form of tax evasion, and paying particular attention to EIB operations using financial vehicles situated in offshore financial centres;

26. Notes with concern that EU aid does not clearly focus on poverty eradication; recalls that the concept of ‘development’, which refers to qualitative criteria that encompass quality of life and the improvement of living conditions, should not be confused with the concept of economic growth, as measured by the increase in GDP; accordingly, urges the Commission to eschew a simple ‘export-led’ or ‘growth-oriented’ development policy, but instead to target its assistance on the most vulnerable, which entails the development of a pro-poor strategy, through the financing of long-term objectives, such as health, education, access to energy in rural areas, small farmers, etc.;
27. Insists that all spending under development-related budget lines must target recipients’ economic and social development and be designed to fulfil the ODA criteria established by the OECD Development Assistance Committee definition, and demands watertight legal measures to ensure that development budgets cannot be siphoned off for other purposes;
28. Insists on genuine and effective scrutiny powers for Parliament over the implementation of all EU development programmes, as provided for by Article 290 of the TFEU;
29. Calls for procurement procedures and disbursement mechanisms to be simplified and speeded up and made more transparent;
30. Calls for binding national and EU legislation to be drawn up to ensure that aid target commitments are met;
31. Calls for a greater share of aid money to go to small-scale agriculture, rural development, health and education.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	26.1.2011
Result of final vote	+: 17 -: 10 0: 0
Members present for the final vote	Thijs Berman, Michael Cashman, Ricardo Cortés Lastra, Corina Crețu, Véronique De Keyser, Nirj Deva, Charles Goerens, Catherine Grèze, András Gyürk, Eva Joly, Filip Kaczmarek, Franziska Keller, Miguel Angel Martínez Martínez, Gay Mitchell, Norbert Neuser, Bill Newton Dunn, Maurice Ponga, Birgit Schnieber-Jastram, Michèle Striffler, Alf Svensson, Eleni Theoharous, Ivo Vajgl, Iva Zanicchi, Gabriele Zimmer
Substitute(s) present for the final vote	Martin Kastler, Wolf Klinz, Patrizia Toia

27.1.2011

OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY

for the Special committee on the policy challenges and budgetary resources for a sustainable European Union after 2013

on Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe
(2010/2211(INI))

Rapporteur: Gerben-Jan Gerbrandy

SUGGESTIONS

The Committee on the Environment, Public Health and Food Safety calls on the Special committee on the policy challenges and budgetary resources for a sustainable European Union after 2013, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Emphasises that a future sustainable economy is not just a moral objective, but as much an economic necessity; believes that the EU should lead this transformation and promote a transition to a sustainable low-carbon society through reduced energy consumption, the decentralisation of energy supply, increased use of renewable energy and ensuring ecosystem resilience to keep European industry competitive and to ensure a clean and healthy living environment;
2. Recalls that the next financial perspectives should achieve the EU 2020 Strategy objectives, especially the 20/20/20 climate and energy objectives, including a rise to 30% of the target for emission reductions, and meet the 'Resource Efficient Europe' flagship initiative goals;
3. Reiterates the importance of transforming the EU economy into a resource-efficient economy; considers therefore that the EU should use its budget to drive reductions in the use of resources and dependency on imports, while increasing recycling and restoration in the fields of waste, water, materials and land;
4. Emphasises the need to strengthen integration of EU environmental, public health and

climate legislation and objectives into sectoral policies (including the CAP, cohesion policy, consumer policy, the CFP and development policy); suggests, therefore, mainstreaming EU finances to ensure compliance with EU environmental and public health legislation and the active contribution of spending through the EU budget to its environmental policy objectives and, as suggested by the Commission's budget review, include an obligation to identify in a transparent manner where sectoral programmes have promoted climate objectives specified in the Europe 2020 Strategy; underlines the importance of future research and innovation programmes in delivering the EU's objectives of smart, sustainable and inclusive growth;

5. Is convinced that the EU budget should support the provision of public goods that are unlikely to be sufficiently delivered by the market; environmental public goods include the preservation of biodiversity and ecosystems, wilderness, climate stability and carbon absorption capacity, water provision and quality, air and soil quality, resilience to fire and floods, as well as the maintenance of valued cultural and historic landscapes; believes, therefore, that the Common Agricultural Policy should reward farmers and land managers for the delivery of public goods, such as an attractive countryside rich in biodiversity, and that the Structural and Cohesion Funds should foster ecological sustainable development and the transition to a low energy-consumption and resource-efficient society;
6. Calls for any structural and cohesion policy instruments for the new financing period to be geared to achieving cost-efficient greenhouse gas reductions in line with a higher emissions reduction target for 2020 in accordance with the 2°C objective;
7. Stresses the need to extend national and European accounts to environmental issues in order to facilitate a green transformation of the European economy which will lead to long-term economic growth and prosperity, as stated, amongst others, by the European Environment Agency in the European Environment State and Outlook Report 2010;
8. Is convinced that only a coherent EU budget can truly deliver the maximum results; reiterates that more coherent budgetary policy means coherence must exist not only between different policies but also between national budgets and the EU budget;
9. Emphasises that EU spending must be more clearly targeted and concentrate on projects that deliver most public benefit at European level and that support major European goals, such as the transition towards a low-carbon economy and coherent support to clean green growth;
10. Is concerned about the financial and policy implications of environmentally harmful subsidies; considers that European funding should not have negative impacts on the environment, climate change, ecosystems and biodiversity within and outside the EU; calls on the Commission thus to identify and for the EU subsequently to phase out all environmentally harmful subsidies as soon as possible, at the latest by 2020, in line with the commitment undertaken under the Convention on Biological Diversity (CBD) in Nagoya and for the whole budget to be climate and biodiversity proofed; eliminating these harmful subsidies will free up funds which will be used, for example, for green job creation; also requests that European payments be assessed, prior to implementation, to ensure that they do not produce negative effects or undermine European climate, energy, biodiversity and resource objectives;

11. Is thus convinced that all EU funding must be climate and environment proofed prior to implementation so as to ensure that there are no negative effects for European environmental, climate, biodiversity or resource use objectives; reiterates that this must be followed up with adequate monitoring to ensure that targets set were achieved and that the requirements were complied with and actively to promote the achievement of climate, energy and biodiversity objectives for 2020;
12. Is concerned about the lack of transparency in EU spending and is convinced that an open, transparent information process for all citizens will strengthen the future of the community and that the EU budget should therefore provide full, timely and accessible disclosure of its spending;
13. Reiterates the importance of reaching EU climate and biodiversity targets and urges the EU to ensure that these targets are reflected in all other policies; calls upon the EU to commit to sufficient funding on a structural basis to reach these targets and to further enhance the capacity of developing countries to mainstream environment and climate mitigation and adaptation across sectors and economic development plans;
14. Calls for the EU budget to commit sufficient funding on a structural basis to reach its key environmental targets and to earmark money within the different EU funds for eco-friendly sectors, such as energy saving, renewable energy, sustainable agriculture and public transport, which contribute to a stronger and more resilient EU economy;
15. Remains of the opinion that, in order to achieve EU and global biodiversity objectives, cofinancing for the management of Natura 2000 needs to be guaranteed from a dedicated source in the new EU budgetary framework; points out that, according to the TEEB report (The Economics of Ecosystems and Biodiversity), the return on biodiversity conservation investment is up to a hundred times more;
16. Emphasises the need to secure long-term financial provision in the next Multiannual Financial Framework (MFF) for public health priorities, health promotion and disease prevention, notably through a strategic and more efficiently managed follow-up action programme to the existing EU Public Health Programme;
17. Recognises the positive impact of investments in health infrastructure on structural reforms in the health sector and underlines the need to maintain and strengthen structural funds dedicated to health infrastructures, thus supporting adaptation and innovation of health systems for growth and sustainability;
18. Calls for the next MFF to ensure appropriate training, research and Agency financing to further the EU's integrated approach to food safety and thus secure over the long term a high level of food safety and animal health and welfare across the EU;
19. Calls for education and lifelong learning to be regarded as key factors in improving public health;
20. Underlines the importance of the LIFE+ programme as the main EU instrument entirely dedicated to environmental financing and underlines the need to strengthen LIFE+ in the future MFF to achieve EU environmental objectives while promoting synergies with other

EU financial instruments;

21. Emphasises that the European Court of Auditors and the competent national authorities must assess not only the legality but also the effectiveness of European expenditure, and the degree to which the measures concerned contribute to the achievement of environmental objectives;
22. Calls on the Commission to further develop and regularly present to Parliament the key qualitative and quantitative performance indicators for budget implementation within the next MFF, which are additional to RAL and RAC;
23. Urges the Commission to increase the efficiency and effectiveness of the next financing instruments by better monitoring and reporting on qualitative performance indicators;
24. Calls on the Commission to present annual policy objectives to be achieved within the next MFF, which can better monitor the achievement of the results by the end of the MFF period.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	25.1.2011
Result of final vote	+: 55 -: 2 0: 0
Members present for the final vote	János Áder, Kriton Arsenis, Pilar Ayuso, Paolo Bartolozzi, Sandrine Bélier, Sergio Berlato, Martin Callanan, Nessa Childers, Chris Davies, Bairbre de Brún, Bas Eickhout, Edite Estrela, Elisabetta Gardini, Gerben-Jan Gerbrandy, Julie Girling, Nick Griffin, Satu Hassi, Jolanta Emilia Hibner, Dan Jørgensen, Karin Kadenbach, Christa Kläß, Jo Leinen, Peter Liese, Kartika Tamara Liotard, Linda McAvan, Radvilė Morkūnaitė-Mikulėnienė, Gilles Pargneaux, Antonyia Parvanova, Sirpa Pietikäinen, Mario Pirillo, Pavel Poc, Vittorio Prodi, Oreste Rossi, Horst Schnellhardt, Richard Seeber, Bogusław Sonik, Catherine Soullie, Salvatore Tatarella, Marina Yannakoudakis
Substitute(s) present for the final vote	Margrete Auken, Tadeusz Cymański, José Manuel Fernandes, Jacqueline Foster, Gaston Franco, Matthias Groote, Jutta Haug, Marisa Matias, Judith A. Merkies, Miroslav Mikolášik, Renate Sommer, Eleni Theoharous, Michail Tremopoulos, Thomas Ulmer, Marita Ulvskog, Vladimir Urutchev, Adina-Ioana Vălean
Substitute(s) under Rule 187(2) present for the final vote	Andres Perello Rodriguez

28.1.2011

OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY

for the Special committee on the policy challenges and budgetary resources for a sustainable European Union after 2013

on Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe
(2010/2211(INI))

Rapporteur: Herbert Reul

SUGGESTIONS

The Committee on Industry, Research and Energy calls on the Special committee on the policy challenges and budgetary resources for a sustainable European Union after 2013, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes the flagship initiatives highlighted in the EU 2020 Strategy; calls for a broad political concept for a competitive, social and sustainable future for the EU and stresses the need to achieve the EU's social, economic and territorial cohesion; emphasises that the EU flagship initiatives described in the EU 2020 Strategy, most of them related to EU policies in the field of industry, research and energy, require solid, credible and sustainable EU financial support if the EU's key 2020 objectives are to be met and the present problem of fragmentation in EU funding instruments simultaneously addressed; asks, therefore, for reference amounts for the flagship initiatives to be included in the post-2013 Multiannual Financial Framework (MFF);
2. Stresses the need to secure long-term financial provision in the next MFF for existing and new long-term flagship programmes in the field of competitiveness for growth and development and, in particular, for any strategic follow-up to the existing long-term programmes; recalls that their implementation requires intensive monitoring and evaluation, as well as budgetary flexibility and simplification, in order to achieve better performance in European programmes; stresses the need to analyse spending of EU funds from an added value point of view, including through better coordination between national and EU budgets;
3. Underlines that long-term challenges in relation to EU competitiveness and sustainable

growth must be reflected in budgetary resources, which should not jeopardise existing funding for ongoing EU programmes; stresses the importance of research, innovation, information society and energy in tackling major societal challenges such as economic growth, climate change, energy and resource scarcity, health and ageing;

4. Believes that EU spending should concentrate on policies with European added value, in line with the principles of subsidiarity, proportionality and solidarity; underlines that research, energy and ICT infrastructures are examples of European added value;
5. Urges the Commission to increase the efficiency and effectiveness of the next set of financing instruments by better monitoring and reporting on qualitative performance indicators;
6. Believes that adequate financing needs to be secured in order to honour the EU's international agreements;

Energy policy

7. Takes the view that the new multiannual financial framework should reflect the EU's political priorities and targets in the field of energy and climate change policies, as outlined in several European Parliament resolutions, such as the resolution on Towards a new Energy Strategy for Europe 2011-2020¹¹ and in particular the resolution on the EU 2020 Strategy¹²; emphasises that the Union needs a short, mid- and long-term vision for an efficient and sustainable energy policy to 2050; notes that substantial investments in the European energy infrastructure are needed, so as not to jeopardise meeting EU 2020 targets and achieving long-term 2050 objectives;
8. Calls for energy's share in the EU budget to be increased and notes the potential other financial instruments with effective European added value have for contributing to the funding of key European priority energy infrastructure projects in a regionally balanced manner, where, for example, such projects cannot be financed by the market, as well as for increasing European funding on new and renewable energy technologies, energy efficiency and energy savings policies and measures; states that the latter should remain key priorities, be well reflected and supported by the EU's future financial perspective and reduce the need for additional new energy infrastructures and generation and production facilities in any future energy strategy;
9. Stresses the need to secure long-term financing in order to develop the innovative and sustainable energy technologies that will be needed over the long term and which are essential for sustainable development and creating new markets for EU industry; calls for the immediate implementation of the European Strategic Energy Technology Plan (SET Plan) containing concrete actions for research in the field of clean, sustainable and efficient low-carbon energy technologies, representing a large step in the EU energy system; calls also for EU financing to be oriented towards small-scale and decentralised projects in this area; emphasises the need for public financial support in this area;

¹¹ European Parliament resolution of 25 November 2010 on Towards a New Energy Strategy for Europe, P7_TA-PROV(2010)0441.

¹² European Parliament resolution of 16 June 2010 on EU 2020, P7_TA-PROV(2010)0223.

underlines the need to increase finance in research, technological development and demonstration in the area of energy in order to develop clean, affordable energy available for all;

10. Emphasises the need to maximise the impact of European funding by playing a catalytic role in mobilising, pooling and leveraging public and private financial resources for infrastructures of European interest, including the Southern Gas Corridor and other routes for diversification of gas supplies;

Industrial policy

11. Welcomes the fact that the EU 2020 Strategy highlights the importance of industrial policy for sustainable growth, social and economic welfare, and for employment in Europe; calls for a comprehensive vision for European industry in the year 2020, with a view to ensuring that a diversified, competitive, sustainable and low-carbon industrial base is maintained and further developed and that decent green jobs are created as a result; supports strongly the continuation of guarantee instruments in the framework of the Competitiveness and Innovation Framework Programme (CIP) and calls for the resources allocated to the CIP to be extended and considerably expanded; asks the Commission for there to be a stronger emphasis on mezzanine financial instruments in the next generation of programmes and to support them with risk-sharing funds and facilities;
12. Recalls that Parliament called on 10 March 2009 for the visibility and awareness of SME-related policy actions to be further enhanced through the bundling of Community instruments and funds for SMEs under a separate heading in the EU budget;
13. Stresses the need to ensure that adequate budget financing instruments are allocated to supporting the objectives of the Resource Efficiency Strategy flagship initiative put forward by the Commission in 2011;
14. Highlights the need for the European Investment Bank (EIB) to play an important role in financing research and innovation activities, especially as regards industrial innovation projects;
15. Welcomes the Commission's proposal to explore new financing sources for major European investment projects in areas like energy, transport and ICT that have clear European added value;

Research, innovation and development

16. Believes that thriving research, innovation and development must help in addressing major societal challenges of our times, including climate change, resource efficiency, health and ageing population, urban management and mobility, food and water; recalls the EU's objective of strengthening its scientific and technological bases by building a European Research Area; recognises the key role of the EU's policy-oriented, transnational, collaborative programmes, pooling together research and innovation competences to respond to policy challenges at an European level and addressing major societal goals; recognises the role of the European Institute of Innovation and Technology (EIT) as a driver of EU sustainable growth and competitiveness, achieving this through

the stimulation of world-leading innovation and calls for priority areas for the Knowledge and Innovation Communities (KICs) to be enlarged and duly funded; underlines the importance of continuing efforts to simplify research, innovation and development funding and ensuring access for smaller research institutes, businesses and civil society organisations;

17. Stresses that the EU's competitiveness is very much dependent on its innovation capacity, its research and development facilities and the linkage between innovation and the manufacturing process;
18. Stresses the need to enhance, stimulate and secure the financing of research, innovation and development in the EU via a significant increase in research expenditure from 2013 and to continue efforts to simplify research innovation and development funding and for appropriate programme management; calls in particular for future research, development and innovation funding programmes to be focused around major societal themes, thereby achieving greater resource security and efficiency in particular; calls for increased international cooperation on R&D and more funds for mobility programmes; considers that the EU's support for large-scale projects should not dwarf the funding allocated to research in other areas and that the implementation of such projects should be adequately monitored;
19. Stresses that innovation is one of the main contributors to competitiveness and growth; calls for a stronger link between basic research and industrial innovation; stresses the success of the Risk Sharing Finance Facility (RSFF) and encourages the making of more funds available to the RSFF; believes that the whole chain of innovation should be taken into consideration, from frontier research to technological development, demonstration, dissemination, valorisation of results and rapid integration of research results into markets; encourages Commission proposals for a unitary patent protection system that would considerably decrease translation and administration costs;
20. Stresses the need to improve public-private partnerships, including through cutting red tape and streamlining existing procedures; calls on the Commission to implement a more result-oriented, performance-driven approach to its programmes;

Information society

21. Believes that Europe should play a leading role in creating and applying ICT; believes that the use of ICT helps in underpinning current structural challenges and achieving sustainable economic growth; stresses the importance of continuing efforts towards ubiquitous and high-speed access to fixed and mobile high-speed broadband for all citizens and consumers by 2020, especially in less developed Member States, as well as the promotion of e-initiatives ensuring the rapid execution of the EU's Digital Agenda;
22. Calls on the Commission to engage more closely with regions in order to help them strengthen their capacity to absorb structural and rural development funds allocated to broadband infrastructure investments, and to provide further guidance on the use of funds from public-private partnerships and other financing instruments;
23. Stresses that civil engineering costs account for a large percentage of the cost of deploying

new fixed and mobile infrastructure and that this could be reduced through better planning and programme synergies; calls therefore for infrastructure programmes to be better coordinated and integrated, by means of improved planning at national, regional and local level, in order to deliver cost reductions and promote investment;

24. Supports the Commission's initiative of working with the EIB to improve the availability of funding for next generation networks and emphasises the need for such funding to be directed towards open infrastructure projects which support a diversity of services;
25. Calls on the Commission and the EIB to set out concrete proposals for new financial instruments complementing the existing means of financing broadband infrastructure, including guarantee, equity and debt instruments, or a combination thereof, by spring 2011;

Space policy

26. Underlines the strategic importance of the European global satellite navigation systems (Galileo and EGNOS) and of the Global Monitoring for Environment and Security (GMES) programme and is convinced that their implementation will require intensive monitoring and evaluation; asks that any future allocation of funds to EU space initiatives, such as Galileo, be under a separate heading and additional to research and innovation funds; underlines that public investment in such projects must bring back benefits to the EU public sector through financial returns and favourable pricing policies for EU citizens.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	27.1.2011
Result of final vote	+: 43 -: 0 0: 3
Members present for the final vote	Jean-Pierre Audy, Ivo Belet, Jan Březina, Reinhard Bütikofer, Maria Da Graça Carvalho, Giles Chichester, Pilar del Castillo Vera, Christian Ehler, Ioan Enciu, Gaston Franco, Adam Gierek, Norbert Glante, Fiona Hall, Jacky Hénin, Romana Jordan Cizelj, Lena Kolarska-Bobińska, Béla Kovács, Marisa Matias, Judith A. Merkies, Jaroslav Paška, Miloslav Ransdorf, Herbert Reul, Teresa Riera Madurell, Amalia Sartori, Francisco Sosa Wagner, Konrad Szymański, Britta Thomsen, Evžen Tošenovský, Claude Turmes, Niki Tzavela, Marita Ulvskog, Vladimir Urutchev, Adina-Ioana Vălean, Alejo Vidal-Quadras, Henri Weber
Substitute(s) present for the final vote	Antonio Cancian, Françoise Grossetête, Jolanta Emilia Hibner, Yannick Jadot, Oriol Junqueras Vies, Bernd Lange, Vladko Todorov Panayotov, Peter Skinner, Silvia-Adriana Țicău, Catherine Trautmann
Substitute(s) under Rule 187(2) present for the final vote	Marit Paulsen

26.1.2011

OPINION OF THE COMMITTEE ON TRANSPORT AND TOURISM

for the Special committee on the policy challenges and budgetary resources for a sustainable European Union after 2013

on Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe
(2010/2211(INI))

Rapporteur: Brian Simpson

SUGGESTIONS

The Committee on Transport and Tourism calls on the Special committee on the policy challenges and budgetary resources for a sustainable European Union after 2013, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

Introduction

1. Recalls that transport underpins Europe's economic and social activity, that the transport sector represents 4.6% of the European Union's GDP, while employing 9.2 million individuals, and that, as well as allowing communication between individuals and communities and providing the network enabling growth in intra-European trade and then completion of the single market, the sector is significant in terms of its potential contribution to ensuring social, economic and territorial cohesion boosting employment and trade and enhancing the tourism sector, together with the contribution an efficient and reliable transport system can make to reduced accidents, carbon emissions and oil dependency, pollution and congestion;
2. Notes the importance of the transport sector in EU industrial policy, both in terms of its contribution to Gross Domestic Product and in terms of jobs; considers the European Union, moreover, to be the industrial leader in transport technology (aeronautics industry, high-speed rail travel, intelligent transport management systems, advanced control, safety and interoperability systems, ERTMS, SESAR, safe and sustainable infrastructure engineering, etc.), and that the EU should therefore adopt a financial framework enabling it to maintain and strengthen its leadership in that industrial sector; believes that the next

financing period should give the EU transport sector the opportunity to consolidate its leadership in green, safe and intelligent technologies that contribute to further economic development and greater economic and social cohesion;

3. Considers it evident that, from the point of view of policy challenges and budgetary resources for the period after 2013, almost all the EU's adopted objectives, whether expressed in terms of Europe 2020 or in other frameworks, depend on an efficient, sustainable and environmentally acceptable as well as accessible transport sector;
4. Notes that the EU 2020 Strategy seeks to achieve intelligent, sustainable and inclusive growth through knowledge and innovation, energy efficiency apt to create a green – and yet competitive – economy, and the promotion of territorial and social cohesion as cross-cutting guidelines directly linked to support for the transport and tourism sectors;
5. Insists that, viewed particularly from a financial efficiency standpoint, the need to ensure real added value from EU budgetary expenditure on transport policy items is paramount; notes that, while duplication or displacement of investment and expenditure better undertaken at national and regional level must be avoided, it is essential not to miss the opportunities for facilitating sustainable growth which the added value of EU transport expenditure at national, regional and cross-border level alone can provide;
6. Stresses the paramount role of the agencies in the integration of transport systems in terms of security, interoperability and functioning; is concerned at the growing gulf between their responsibilities and the budgetary resources allocated to them;
7. Endorses the Commission's view that cross-border infrastructure is one of the best examples of where the EU can plug gaps and deliver better value results; considers that targeted financial support at EU level can help to kick-start other important projects, which often have great commercial potential in the long term; notes that countries are now launching huge, ambitious infrastructure investment drives, that maintaining competitiveness means that Europe has a particularly strong strategic interest in effective infrastructure, to lay the foundations for long-term economic growth, and that the result would be a European core transport network ensuring a more energy-efficient transport sector, which could include shifting freight and passenger flows towards more sustainable and accessible transport modes; observes that such support needs to be targeted on key priorities – removing bottlenecks on strategic trans-European axes, encouraging their extension and building cross-border and intermodal connections;
8. Calls on the Commission and Member States to consider developing an integrated EU policy for inland waterways – bearing in mind the benefits of transport by ship on Europe's integrated river and canal network, and the fact that the EU has over 37 000 waterways linking hundreds of cities and industrial regions and that 20 of the 27 Member States have inland waterways – and for suitable support to be granted for this from the EU and Member State budgets;
9. Emphasises the need – in view of the potential of eco-efficient transport for generating new jobs – to support, through EU policies and financial instruments, the development of the requisite infrastructure for electric vehicles and their integration into a Europe-wide intelligent energy network which would also be able to use energy generated locally from

renewable energy sources;

Trans-European Networks

10. Draws particular attention to the added value of the Trans-European Transport Network (TEN-T), whose priority projects are all transnational and whose added value is particularly evident in the context of development of an efficient, multimodal and comprehensive EU transport network, in addressing the issue of lack of accessibility and low interoperability between various parts of the EU, including hinterland connection with ports, in cross-border sections of projects and in the leverage effect which EU investment has in encouraging private and public funding of strategic projects;
11. Recalls that the funding requirements for TEN-T projects for 1996-2020 are estimated at €900 billion, of which €500 billion remain to be financed, and €395 billion for the 30 current priority TEN-T projects, of which €270 billion remain to be financed;
12. Notes in this context that for the TEN-T priority projects, excluding Galileo, a total EU expenditure of €47.4 billion (30.8%) gives rise to investment of €106.6 billion from other sources for those same projects over the period of the current Financial Perspective, and that the equivalent figures for the TEN-T network as a whole are €105 billion (27%) and €285 billion (73%);
13. Recalls that the main funding contributors to the TEN-T are the Member States, the Regions and the Union, the latter through the TEN-T budget and the Cohesion and Structural Funds, that in the current budgetary period (2007-2013), 15% of the investment needed to complete the works which were due to take place during this timeframe is being funded and that, as the costs of implementing large infrastructure projects are likely to increase, the overall envelope available for transport investments in the post-2014 Multiannual Financial Framework (MFF) will be critical for the implementation of the TEN-T;
14. Notes in particular that in the context of the Europe 2020 Strategy, which is focused on smart, sustainable and inclusive growth, there are provisions for the TEN-T:
 - ...'to mobilise EU financial instruments (TENs among others) as a part of a consistent funding strategy that pulls together EU and national public and private funding',
 - ...'(to) accelerate the implementation of strategic projects with high European added value to address critical bottlenecks, in particular cross-border sections and intermodal nodes (cities, ports, logistic platforms)';
15. Calls therefore for an increase in overall funds, as well as increased coordination between the funds available for TEN-T and the cohesion funding for transport projects (currently 23.7% of cohesion resources) and for the dedication of this amount from the cohesion fund to be contingent upon the observation of general principles of European transport policy and for TEN-T funding to be made conditional upon the concentration of national funding on, and the systematic application of the tools of Directive 2008/96/EC to, the TEN-T core and comprehensive networks;
16. Calls for the development of other funding instruments for TEN-T, particularly via the

allocation of own resources derived from transport activities (earmarking), the use of specific instruments from the EIB and the improvement of PPP mechanisms together with aids to the engineering of such mechanisms;

17. Considers that revenue from the internalisation of the external costs should be earmarked particularly for mobility and thereby facilitate the PPPs, inter alia in transport projects;
18. Underlines that the cohesion funding for transport projects should be continued within the new Financial Perspective with clear commitments from the Member States to cofinance and implement these transport projects, that cohesion policy remains crucial for countries seeking to comply with the convergence criteria, and that the successful implementation of transport projects in these countries largely depends on the availability of cohesion funding;
19. Notes that only half of one percent of the TEN-T budget for the period 2007-2013 remains unallocated but insists that the EU commitment to funding cannot be open-ended for those projects which do not progress because the necessary matching funding from national budgets is not made available before 2015;

Marco Polo

20. Recalls that the Marco Polo programme aims to free Europe's roads of an annual volume of 20 billion tonne-kilometres of freight, the equivalent of more than 700 000 trucks a year travelling between Paris and Berlin, by freight transfer to other modes; notes its importance for a transition to a low-carbon economy, a transition which will require considerable and well coordinated funding; recalls further that in a programme budget for 2007-2013 of €450 million, social and environmental benefits equivalent to approximately €10 are generated for every euro spent and that no immediate equivalent of the Marco Polo programme exists at Member State level;
21. Recommends exploring the possibility of introducing loan guarantees as an instrument in the Marco Polo programme;
22. Points out that the Marco Polo II Regulation approved by Parliament in 2009 is designed to make access to the programme's funding easier for small and medium-sized enterprises and that funding criteria have been adapted to market conditions;

Galileo

23. Insists that Galileo is a project of major strategic importance for the European Union, especially in view of the commitment to invest in similar systems from national military budgets shown by other economies, such as China, India and Russia, and that a scenario where European business is unable to benefit from the multiple economic, environmental, innovative, research and employment opportunities offered by Europe having its own satellite navigation system is not desirable; considers moreover that, should a service be reduced or switched off, the potential disruption to business, banking, transport, aviation, communication etc., to name but a few, would be very costly (e.g. in terms of revenues for business, road safety etc.); recalls that the budgetary authority recognised this when it increased the ceilings for Heading 1A within the current Financial Perspective to

accommodate continued investment in the Galileo programme;

24. Calls on the Commission and the Member States to consider increasing dramatically GNSS application research funding in order to give European industry, SMEs and all the stakeholders a chance to increase their level of uptake in the global GNSS market and to ensure the EU's independence in a sector on which more than 6% of the whole EU GDP relies;
25. Notes that the development and practical application of intelligent transport systems and Global Navigation Satellite Systems will be major beneficiaries of Galileo;
26. Insists that, given the long lead times that projects such as Galileo or the Single European Sky, with its technological component SESAR, entail and the levels of capital investment already committed to these projects, it is necessary for sufficient and consistent financial commitment over financial planning periods to be made to ensure their successful implementation and spin-off benefits and specifically to ensure the deployment of SESAR, as a condition for the full completion of the Single European Sky;
27. Notes that the accelerated implementation of the Single European Sky project and more specifically the deployment of its technological component SESAR, to begin in 2014, have been defined as a key priority to achieve an efficient and sustainable air transport system in Europe and that the SESAR project will make it possible to cut air traffic management costs by 50%, improve safety records by a factor of 10 and reduce by 10% the environmental impact of each flight;

ERTMS

28. Notes the importance of the ERTMS project for railway interoperability and making modal shift a reality; believes that the rolling-out of the ERTMS has, like many other transport infrastructure projects, recently been suffering the consequences of the economic recession, in terms of the rate and volume of public sector investment; acknowledges the European dimension and added value of the project, and therefore calls for the ERTMS, and in particular its cross-border sections, to be made an EU budgetary priority in the coming years;

Maritime policy

29. Considers that the Integrated Maritime Policy must be pursued and geared towards tackling the challenges faced by coastal zones and maritime basins and supporting blue growth and a sustainable maritime economy in line with the EU 2020 Strategy; insists that the appropriate budgetary means be put at the disposal of this policy;

New funding instruments

30. Calls for the development of new funding instruments, both by reviewing the policy of the European Investment Bank to allocate more loans to innovative transport projects, and by using revenue from the taxation of heavy vehicles and the auctioning of CO₂ emission quotas from the aviation sector, in order to fund joint projects aimed at reducing the environmental footprint of these modes of transport;

Tourism

31. Recalls the importance of tourism to the European economy, to the European natural and cultural heritage and to particular countries and regions where it is an economic and social mainstay; draws attention to the significance of the new provision on tourism that is now included in the Lisbon Treaty, giving Parliament legislative powers in the field of tourism for the first time, and to the need to exercise those powers to make the sector more competitive; reiterates its concern that no budget line to assist in the development of tourism has been established to reflect this new challenge and insists that in future adequate levels of EU support for tourism must be provided through the establishment of a dedicated budget line for sustainable economic development, industrial heritage and protection of the natural and cultural heritage, aided where appropriate by the Structural Funds and other funds.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	25.1.2011
Result of final vote	+: 36 -: 0 0: 3
Members present for the final vote	Inés Ayala Sender, Georges Bach, Izaskun Bilbao Barandica, Antonio Cancian, Michael Cramer, Christine De Veyrac, Saïd El Khadraoui, Ismail Ertug, Carlo Fidanza, Jacqueline Foster, Mathieu Grosch, Jim Higgins, Juozas Imbrasas, Ville Itälä, Dieter-Lebrecht Koch, Georgios Koumoutsakos, Werner Kuhn, Eva Lichtenberger, Marian-Jean Marinescu, Hella Ranner, Vilja Savisaar-Toomast, Olga Sehnalová, Brian Simpson, Dirk Sterckx, Keith Taylor, Silvia-Adriana Țicău, Giommara Uggias, Thomas Ulmer, Dominique Vlasto, Artur Zasada, Roberts Zīle
Substitute(s) present for the final vote	Philip Bradbourn, Spyros Danellis, Anne E. Jensen, Petra Kammerevert, Guido Milana, Dominique Riquet, Peter van Dalen, Janusz Władysław Zemke

31.1.2011

OPINION COMMITTEE ON REGIONAL DEVELOPMENT

for the Special Committee on the policy challenges and budgetary resources for a sustainable European Union after 2013

on Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe
(2010/2211(INI))

Rapporteur for the opinion: Constanze Angela Krehl

SUGGESTIONS

The Committee on Regional Development calls on the Special Committee on the policy challenges and budgetary resources for a sustainable European Union after 2013, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Points to the increased importance of cohesion policy following the entry into force of the Treaty of Lisbon, and to the fact that a third pillar – territorial cohesion – has been added to it, and notes that Member States, regions and cities are best placed to implement that policy on an active basis and that sectorialisation would therefore be counterproductive and would not be consistent with the Treaty on the Functioning of the European Union;
2. Takes the view that cohesion policy is a key component for the accomplishment of the EU 2020 strategy and that a sound autonomous cohesion policy is the prerequisite for successful joint action by the EU as it contributes as an effective tool to achieving common goals of that strategy at regional and local level and allows for a consolidation of strategic goals and local needs with potential on the ground; stresses that the cohesion policy with its horizontal character is contributing to all EU2020 objectives – smart, sustainable and inclusive growth – and that this should be reflected in the structure of the post- 2013 Multiannual Financial Framework; underlines that objectives which are included in the Lisbon Treaty but are not part of EU2020 goals should also be achieved and that the relationship between the objectives of the EU2020 Strategy and other objectives should be clarified; supports the Commission in optimising the exploitation of synergies between the existing funds;
3. Considers economic, social and territorial cohesion to be a fundamental prerequisite for

achieving the competitiveness objective, specifically through encouraging economic growth and job creation;

4. Points out that the success of economic and social cohesion policy can be clearly seen in the 271 regions of the 27 Member States and notes that the subsidiarity principle, the partnership principle, and multilevel governance are fundamental prerequisites for that success; reaffirms its position on best practice, as set out in its resolution of 24 March 2009 on best practices in the field of regional policy and obstacles to the use of the Structural Funds¹³;
5. Stresses that the European added value of cohesion policy, which accounts for the largest individual budget, is uncontested, as this policy constitutes a well-established mechanism of delivery of European objectives and has been one of the EU's most significant, visible and successful policies for decades with the capacity to promote synergies among the other European internal policies;
6. Points out that a modern cohesion policy must take on the remaining needs of structural reforms and the new challenges facing all the EU regions; considers that it is therefore necessary to set the following priorities:
 - we need sustainable economic growth which has a positive impact on the labour market in both urban and rural areas;
 - we need smart, effective and modern infrastructure (transport, communications, water/sewage, waste, energy);
 - we stress the need, within cohesion policy, for increased support for:
 - (i) smart growth based on research, development and innovation, as well as ICT deployment,
 - (ii) education, training and further training,
 - (iii) employment,
 - (iv) integrated urban development (including, for example, promoting building energy efficiency),
 - (v) strengthening the social dimension, including the services of general interest, and demographic change issues,
 - (vi) small and medium-sized enterprises (SMEs) as the motor of regions' economic and social development,
 - (vii) climate change objectives,
 - (viii) regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island,

¹³ OJ C 117 E, 6.5.2010, p. 38.

cross-border and mountain regions,

- (ix) the establishment of more integrated and balanced regional economic structures as a guarantee of more harmonious economic and social development;
7. Draws attention to the fact that the means of achieving greater competitiveness depend on the specificities of each region, including the development levels thereof, and therefore that due attention must be paid to providing flexibility to Member States and regions in order to draw up the best policy mixes;
 8. Endorses the view that the ESF must remain an integral component of cohesion policy and be strengthened; calls for greater coordination both with cohesion policy and rural development measures under the ERDF and the EAFRD with a view to using resources in the most effective and efficient manner possible, not only by taking into account the characteristics and convergence problems of each region but also by properly involving rural regions;
 9. Takes the view that all forms of territorial cooperation (cross-border, interregional and transnational cooperation) and the budgets allocated to them must be strengthened;
 10. Insists, in keeping with a spirit of solidarity, on specific support for the EU-27's least developed and most disadvantaged regions (Objective 1); stresses, at the same time, the need for a powerful Objective 2 for the more developed regions as well as for appropriate transitional rules; considers, however, that, in order to ensure harmonious and balanced development in all the EU regions, cohesion policy must necessarily embrace the whole territory of the EU;
 11. Points out that there is a significant threshold effect between the regions eligible for funding under the convergence objective and the other regions, and takes the view that this threshold effect should be reduced;
 12. Stresses that a successful, strengthened cohesion policy needs adequate funding, which cannot in any circumstances be less than in the current 2007-2013 programming period;
 13. Recalls that one of the main criticisms directed at cohesion policy has to do with the complexity of its rules; insists on the importance of simplifying the rules and procedures of this policy and reducing complexity and administrative burdens in order to ensure more transparent and effective allocation of resources to the cities, municipalities and regions, while the frequency of checks should be commensurate with the risk of irregularities in keeping with the proportionality principle;
 14. Underscores the fact that a better mix of financing instruments, including grants, loans or revolving funds, can support more efficient use of resources; encourages local and regional authorities to make as much use as possible of the financial engineering and technical support instruments introduced by the Commission in order to boost investment at local and regional level;
 15. Emphasises the need to strengthen the leverage effect of Structural Funds through better use of public procurement; stresses in this respect the need to further develop and

implement rules of procurement with reduced environmental impacts ('green procurement'); encourages the Commission and the Member States to further stimulate the use of pre-commercial procurement in order to contribute to more R&D and innovation in the EU;

16. Insists that, in future, expenditure control should be streamlined and more result-oriented in order not to put excessive administrative burden on final beneficiaries;
17. Stresses that conditionality agreed ex ante in areas directly linked to the cohesion policy and appropriate outcome indicators should be designed to constitute an opportunity for improving regions' policy-making and a more open debate with a view to strengthening cohesion effectiveness;
18. Notes that a five-year period is too short, since authorisation procedures would be much too long and would not make it possible to use resources efficiently; points to the fact that a seven-year period has proved its worth in the past and that the programming period should in no circumstances be shorter; underscores the fact that a seven-year or, past 2020, even longer multiannual financial framework (MFF) period, would safeguard efficiency; stresses that a period thus established ought to be designed so as to match the scheduling of financing priorities with the terms of office of Parliament and of the Commission;
19. Stresses that cofinancing and the n+2 and n+3 rules should be maintained, possibly combined with greater flexibility to cover exceptional situations which might be expected to arise within the next programming period; takes the view that cofinancing for the next programming period should remain similar in overall terms to that for the current period; insists that while a degree of flexibility in the use of resources should be guaranteed, de-committed funds arising from the above rules should remain in the cohesion budget and not be returned to the Member States;
20. Points out that monies from funds set up in connection with cohesion policy should not be used, under the Stability and Growth Pact, as a means of 'punishment'; insists that this would be counterproductive for the regions and Member States affected and the EU and that such measures would treat Member States and regions unequally as they would punish the poorest the most;
21. Points to the fact that any conditionality rules provided for should be limited in their scope to the framework of cohesion policy measures and instruments;
22. Demands a proposal with the aim of stricter financial sanctions for Member States which do not adhere to the stability criteria, and therefore suggests that stronger automatism be provided for;
23. Takes the view that, in addition to assisting the regions, cohesion policy measures also raise the EU's profile in the regions, and points out that better visibility in the regions could demonstrate this even more clearly and contribute to the added value of European action;
24. Particularly stresses the fact that cohesion policy, which is at the same time 'smart',

'sustainable' and 'inclusive' plays a crucial role within the EU 2020 strategy and can give, as all policy fields, a contribution to these goals; points out that this provides further clear evidence of the importance of cohesion policy as a whole, and rejects any fragmentation of this policy across various budget headings as cohesion policy should have its own heading within the EU budget.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	27.1.2011
Result of final vote	+: 40 -: 1 0: 1
Members present for the final vote	François Alfonsi, Luís Paulo Alves, Charalampos Angourakis, Sophie Auconie, Catherine Bearder, Victor Boștinăru, Zuzana Brzobohatá, Alain Cadec, Salvatore Caronna, Francesco De Angelis, Tamás Deutsch, Rosa Estaràs Ferragut, Danuta Maria Hübner, Ian Hudghton, María Irigoyen Pérez, Seán Kelly, Evgeni Kirilov, Constanze Angela Krehl, Petru Constantin Luhan, Riikka Manner, Iosif Matula, Erminia Mazzoni, Miroslav Mikolášik, Lambert van Nistelrooij, Jan Olbrycht, Wojciech Michał Olejniczak, Markus Pieper, Georgios Stavrakakis, Csanád Szegedi, Nuno Teixeira, Michael Theurer, Kerstin Westphal, Hermann Winkler, Joachim Zeller
Substitute(s) present for the final vote	Karima Delli, Karin Kadenbach, Andrey Kovatchev, James Nicholson, Elisabeth Schroedter
Substitute(s) under Rule 187(2) present for the final vote	Edvard Kožušník, Norica Nicolai, Jan Zahradil

29.3.2011

OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT

for the Special committee on the policy challenges and budgetary resources for a sustainable European Union after 2013

on investing in the future: a new multiannual financial framework (MFF) for a competitive, sustainable and inclusive Europe
(2010/2211(INI))

Rapporteur: Giovanni La Via

SUGGESTIONS

The Committee on Agriculture and Rural Development calls on the Special committee on the policy challenges and budgetary resources for a sustainable European Union after 2013, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Regards the current debate on the new common agricultural policy (CAP, which is the EU's only communitarised policy) as vital, given agriculture's major role as a strategic sector and in generating genuine added value in the European Union, in order to enable the EU to maintain its production capacity in the context of climate change and increased pressure on natural resources, and thereby guarantee food security at European and world level;
2. Recalls that, in addition to its fundamental objectives, the CAP has a multifunctional role in delivering public goods, such as environmental protection, high-quality food production, biodiversity conservation and high animal welfare standards, as well as in shaping and preserving the diversity and quality of valued landscapes in the EU, particularly in disadvantaged and mountainous regions, where agriculture is the only economic activity that can be carried out; notes that the CAP also plays an important role in achieving European energy objectives, plays a key part in avoiding territorial imbalances and combating the abandonment of agricultural land, rural depopulation and the ageing of the rural population in the EU by providing appropriate funding for rural communities, ***and is an essential precondition for sustainable development in many EU regions***;

3. Notes the importance of innovation and sustainability in the context of European agriculture, which makes an important contribution towards achieving the objectives of the European Union; calls for greater policy coherence and better use of existing cohesion and research policy instruments with a view to boosting investment in agricultural research;
4. ***2 a. Recalls that the JEREMIE initiative has been very successful with more than six billion euro made available for SMEs, and suggests that a similar financial mechanism, which could be called JERICHO ('Joint European Rural Investment CHOice'), is developed for the rural development programmes in the next programming period;***
5. ***2a. Notes that the EU will continue to need efficient agriculture even after 2013; takes the view that food sovereignty must remain a fundamental objective of the European Union;***
6. ***2 a. Recalls that in the coming decades the European Union and the rest of the world will have to face new challenges, such as food security, water and energy shortages; believes that agriculture could help mitigate the possible negative effects of these problems;***
7. Notes that this is the first CAP reform in an EU of 27 Member States and that, in order to ensure food security at European and world level, it is important to encourage the continuation of all types of agriculture by making it possible for them to be practised, taking due account of the different levels of development in the various European countries and territories while resisting any attempt to renationalise what is a common policy; stresses that the new CAP must ensure a reasonable distribution of resources among the Member States;
8. ***Stresses the need both for direct payments (1st pillar) to make agriculture possible everywhere in Europe and ensure a decent living for farmers, and for programmes to help rural areas (2nd pillar) particularly in relation to agriculture; favours a reduction in red tape (particularly in the case of cross-compliance) and for the simplification of procedures so that farmers can concentrate on their main tasks and have a maximum of planning security;***
9. Notes that the CAP's share of the total EU budget has steadily decreased, from about 75% in 1985 to what is expected to be 39.3% by 2013 – a figure which represents less than 0.45% of total EU GDP, even though agricultural policy makes an essential contribution to food security for 500 million Europeans, provides 13.6 million jobs, forms the basis for 5 million jobs in the EU's agri-food industry and directly protects and maintains 47% of the territory of the European Union;
10. Considers that, given the wide range of objectives which agricultural policy is called upon to meet in the Europe 2020 strategy and elsewhere and the need to broaden them to take account of a range of new challenges for European action, as well to ensure real added value, the budget allocated to EU agricultural policy must be at least equal to its current budget;
11. ***Recalls that the recent economic crisis has had a significant adverse impact on***

agriculture;

12. ***Recalls that European producers are obliged to comply with high European standards, in particular as regards product quality, food safety, the environment, social legislation and animal welfare; takes the view that, in the absence of adequate budget resources for the CAP, European producers will no longer be able to guarantee compliance with these standards;***
13. ***Notes that the EU has experienced a steadily-widening trade deficit in agricultural products and has lost a significant market share in the past 10 years; recalls that the European economy is highly dependent on imports in areas such as raw materials rich in plant proteins;***
14. Considers that the duration of the multiannual financial framework (MFF) must be chosen in such a way as to allow for adequate and effective budget implementation capable of achieving the targets of a strong Europe and that a high degree of flexibility is needed, ***given the new challenges the CAP is already facing;***
15. 7. Believes that, in light of past experience, short programming periods can generate inefficiencies in terms of both spending and the achievement of aims, and therefore proposes a period of at least seven years, so that problems and mistakes which have arisen or occurred in the recent past will not be repeated, ***providing a stable framework that will favour investment in agriculture;***
16. Calls for the MFF and current budget structure as well ***as the present two-pillar structure of the agricultural budget*** to be maintained in order to guarantee a single heading for agriculture and rural development.
17. ***Recommends that, as a matter of principle for the future, the level of EU co-financing should reflect the European added value of the different investments made under the rural development programmes;***

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	28.3.2011
Result of final vote	+: 29 -: 1 0: 0
Members present for the final vote	John Stuart Agnew, José Bové, Luis Manuel Capoulas Santos, Vasilica Viorica Dăncilă, Michel Dantin, Paolo De Castro, Albert Deß, Lorenzo Fontana, Iratxe García Pérez, Béla Glattfelder, Martin Häusling, Esther Herranz García, Peter Jahr, Elisabeth Jeggle, Gabriel Mato Adrover, Mariya Nedelcheva, Rareş-Lucian Niculescu, Georgios Papastamkos, Marit Paulsen, Britta Reimers, Czesław Adam Siekierski, Marc Tarabella, Janusz Wojciechowski
Substitute(s) present for the final vote	Pilar Ayuso, Sylvie Goulard, Marian Harkin, Sandra Kalniete, Giovanni La Via, Astrid Lulling, Maria do Céu Patrão Neves, Artur Zasada, Milan Zver

13.4.2011

OPINION OF THE COMMITTEE ON CULTURE AND EDUCATION

for the Special Committee on Policy Challenges and Budgetary Resources for a Sustainable European Union after 2013

on Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe
(2010/2211(INI))

Rapporteur: Cătălin Sorin Ivan

SUGGESTIONS

The Committee on Culture and Education calls on the Special Committee on Policy Challenges and Budgetary Resources for a Sustainable European Union after 2013, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

Structure and duration of MFF

1. Notes that the existence of small headings, such as Heading 3b in the current MFF, hampers the reallocation of funds between programmes; urges that small headings and sub-headings be reviewed in the next MFF;
2. Underlines the importance of striking the right balance between predictability and flexibility in multiannual expenditure; believes that a seven-year MFF would achieve this; takes the view that a five-plus-five-year MFF might also be satisfactory, provided that it included a comprehensive mid-term review with full involvement of Parliament;

European added value: in general

3. Points out that the current education, youth, media and culture funding programmes generate European added value by pooling resources and enhancing cooperation; underlines that these programmes contribute to the EU's economy and notes that they were developed according to the needs of the sectors concerned, have high implementation rates and produce noticeable leverage and spill-over effects;
4. Recalls that one of the five Europe 2020 headline targets is to reduce the share of early school-leavers to less than 10% and increase the share of the younger generation with a

degree or diploma or proper professional training to at least 40%; is concerned that no national programmes yet exist to achieve these objectives; underlines that education, training and youth mobility – and also mobility in adult education and professional training – are essential for creating and safeguarding jobs and reducing poverty, and are thus crucial for both Europe’s short-term economic recovery and its longer-term growth and productivity; points out that unemployment among young people up to the age of 25 in the EU is currently almost 20%; recalls that EU policy initiatives in cooperation with the Member States have helped to modernise education and training policies;

5. Underlines that education, training, mobility and investment in R&D are important cornerstones for innovation, employment and economic growth in Europe;
6. Takes the view that EU programmes play an important role in steering national policies in the direction agreed at inter-governmental level, and towards the targets of the Europe 2020 strategy; recalls that EU policy initiatives have helped to modernise education and training policies and institutions within the Member States;
7. Stresses the importance of the educational, cultural, creative and media sectors, which are important elements of the economic value chain, in achieving the Europe 2020 targets relating to employment, productivity and social cohesion; notes that, beyond their direct contribution to GDP, the cultural and creative industries have a positive spill-over effect on other sectors of the economy such as tourism, enterprise and digital technologies; takes the view that EU policy initiatives and programmes in these areas have demonstrable ‘European added value’;

European added value: individual programmes

Lifelong Learning

8. Notes that the Lifelong Learning Programme contributes in a broad sense to the individual development of European citizens by organising mobility schemes at EU level and thus maximising synergies; notes that the Member States would not be able to finance similar actions unaided, and that the programme therefore facilitates access to learning mobility for all EU citizens; notes that international experience and multilingualism are increasingly valued on labour markets; is therefore convinced that studying abroad improves employment prospects;
9. Notes that the programme’s Erasmus sub-programme has an implementation rate of close to 100%; recalls the well-documented evidence that Erasmus considerably facilitates study abroad and provides students with a wider range of skills, and that this, in turn, significantly improves subsequent employment prospects for those students participating in Erasmus and thereby contributes substantially to Europe’s competitiveness;
10. Notes that the Comenius, Leonardo da Vinci and Grundtvig sub-programmes promote partnerships and exchanges of best practices across Europe, helping both educators and learners to acquire new skills; acknowledges that they therefore bring to school, adult and vocational education a better understanding of cultural and linguistic diversity, and improve the skills base of Europeans, thereby directly contributing to an increase in Europe’s competitiveness; takes note of the success of the Erasmus Mundus programme

(2009-2013) in establishing partnerships with universities outside the EU and highlighting the distinctive characteristics of European higher education capable of attracting gifted young people with a view to increasing the EU's competitiveness at world level;

11. Underlines that the internationalisation of education is of socio-cultural and economic importance; recognises that European universities are losing ground as centres of excellence and believes that measures should be taken to attract top talent from outside the EU; insists that the Commission boost cross-border mobility of researchers, students, scientists and teachers, in and outside the EU;

Culture 2007

12. Notes that the Culture 2007 programme plays a unique role in supporting cross-border and European-wide cooperation in the cultural sphere, fostering mobility and Europe's cultural and linguistic diversity; recalls its significant economic spill-over effects; underlines the transversal character of culture and supports it as a vital element in the EU's external relations;
13. Highlights that the programme reaches a wide audience, plays a special role in developing citizenship and social inclusion and therefore fully supports the process of European integration;
14. Notes that the programme is very differentiated between many categories of beneficiaries and actions, which ensures, in part, its successful implementation;

Youth in Action

15. Recalls that the Lisbon Treaty encourages the participation of young people in democratic life in Europe; takes the view that the Youth in Action programme contributes to this and reinforces the renewed EU Youth Strategy (2010–2018);

Europe for Citizens

16. Recalls that the Europe for Citizens programme supports European civic participation through transnational cooperation projects (such as town-twinning partnerships) and thereby contributes to the development of active European citizenship; stresses that voluntary work is fundamental to active citizenship and democracy, giving concrete expression to European values such as solidarity and non-discrimination, thereby contributing to the harmonious development of European society; reiterates the importance of renewed commitment to voluntary work as part of the Europe for Citizens programme;

MEDIA

17. Stresses the important role that the MEDIA and MEDIA Mundus programmes have played in strengthening the competitiveness of the European audiovisual industry and increasing its worldwide audiences; notes, in particular, that since national support mechanisms apply mainly to the production phase, these programmes have demonstrated significant European added value by supporting cross-border (and indeed global)

distribution of European audiovisual works; insists therefore that these programmes be maintained/renewed as individual programmes, thereby guaranteeing their added value and visibility;

18. Recognises that digitisation of the sector is important for the MEDIA programmes;

Future sports programme

19. 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 entitled ‘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;

Budgetary consequences

20. Considers that the allocation of adequate resources to education, a component of the Europe 2020 Strategy, could contribute significantly to the achievement of its objectives;

21. Notes that EU education, youth, media and culture programmes are successful in that they enjoy high implementation rates and generate clear European added value, which can be measured in economic terms, strengthening the sense of European identity and belonging, and calls for adequate funding, meaning a substantial increase in the resources;

22. Calls for adequate funding for an ambitious programme in the field of sport, in line with the Union’s new responsibilities in this area;

23. Underlines the importance of maximising synergies and multiplier effects between different parts of the budget, in particular between structural policies, on the one hand, and lifelong learning, youth and cultural projects, on the other;

24. Considers it necessary to take measures for the public promotion of cultural, educational, youth and mass-media programmes.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	12.4.2011
Result of final vote	+: 27 -: 2 0: 0
Members present for the final vote	Magdi Cristiano Allam, Maria Badia i Cutchet, Zoltán Bagó, Malika Benarab-Attou, Lothar Bisky, Piotr Borys, Jean-Marie Cavada, Silvia Costa, Santiago Fisas Ayxela, Mary Honeyball, Petra Kammerevert, Emma McClarkin, Marek Henryk Migalski, Katarína Neveďalová, Doris Pack, Chrysoula Paliadeli, Marie-Thérèse Sanchez-Schmid, Marietje Schaake, Marco Scurria, Joanna Senyszyn, Hannu Takkula, László Tőkés, Helga Trüpel, Gianni Vattimo, Marie-Christine Vergiat, Sabine Verheyen, Milan Zver
Substitute(s) present for the final vote	Ivo Belet, Nadja Hirsch, Seán Kelly, Iosif Matula

20.4.2011

OPINION OF THE COMMITTEE ON WOMEN'S RIGHTS AND GENDER EQUALITY

for the Special committee on the policy challenges and budgetary resources for a sustainable European Union after 2013

on Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe
(2010/2211(INI))

Rapporteur: Eva-Britt Svensson

SUGGESTIONS

The Committee on Women's Rights and Gender Equality calls on the Special committee on the policy challenges and budgetary resources for a sustainable European Union after 2013, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. 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 low-carbon society, ageing populations threatening the sustainability of its social model, the need for real equality between women and men, the shift in the global distribution of production and savings to emerging economies, and the threats of terrorism and organised crime require a strong response from the Union and its Member States,
- B. whereas the Europe 2020 strategy should help Europe recover from the crisis and come out stronger, through job creation and smart, sustainable and inclusive growth; whereas this strategy is based on five headline targets for 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 and gender inequalities,
- C. whereas the Strategy for equality between men and women 2010-2015 asserts that the next Multiannual Financial Framework will provide support for implementation of the actions envisaged in the strategy,

The challenge of demography

1. 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, raising increasingly significant problems in relation to gender poverty, given the high number of elderly women and current welfare disparities;
2. Stresses that priority should be given to comprehensive action which links the topic of equal opportunities with country growth indicators, highlighting the links between women, work, the economy, fertility and an ageing population, to break the vicious circle between women's participation in the workplace, a low birth rate, insufficient growth and the unsustainability of welfare systems;
3. Highlights the considerable differences in women's and men's access to and opportunities to exert power over economic structures, as women are poorly represented in economic decision-making, including the formulation of financial, monetary, commercial and other economic policies;
4. Underlines the importance of gender budgeting as a good governance tool to improve efficiency and fairness, proper monitoring of how budgetary allocations affect the economic and social opportunities of women and men, and flexibility to restructure the ones that negatively affect the achievement of gender equality; believes that a substantial analysis of gender issues in the European budget planning process will improve the targeting of resources in such a way that equality and social cohesion are enhanced;
5. Calls for SMEs and entrepreneurs, with a particular focus on women entrepreneurs, who are statistically less risk-averse but are strongly discriminated against with regard to access to financing, 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); stresses, further, the need for greater accessibility of financing instruments, without any distinction of gender, and adaptation of those instruments to the needs of SMEs, inter alia through the extension and expansion of the CIP's guarantee instruments and the Risk-Sharing Finance Facility (RSFF) under the Research Framework Programme;
6. Points to the importance of adequately funding education, mobility, the promotion of gender equality and lifelong learning programmes, as this would make an important contribution to the fight against unemployment and towards reaching the Europe 2020 headline target of a 75% employment rate; highlights that achieving this target will require not only a reduction in unemployment but also many of the inactive persons, most of them women, to enter the labour market;
7. Recognises that, through the integration of gender perspectives, the effectiveness of policies to achieve growth and employment can be enhanced, as it is often the case that insufficient attention has been given to gender analysis, which has meant that women's contributions and concerns have not been adequately addressed;
8. Takes the view that the flagship initiative on new skills and jobs should allow a wider focus on youth, early school-leavers, single mothers, older people, disadvantaged and disabled people and migrants; emphasises that the European Social Fund (ESF) should

provide adequate resources for measures aimed at improving labour market access and combating unemployment and social exclusion;

9. Takes the view that specific measures to develop the technical and scientific skills of young women need to be included in the European investment plan for employment, the environment and innovation, in order to improve their qualifications and employability, in particular in strategic growth sectors in which they are under-represented;
10. Notes that economic, cultural and social growth of the Union can only thrive in a stable, lawful and secure environment, safeguarding civil liberties and promoting equality between women and men and equality of opportunities; considers, accordingly, that efficient home affairs policies are a prerequisite for economic recovery and an essential element in a wider political and strategic context; underlines the important role of 'home affairs' policies in the Union's external dimension;
11. Emphasises the need for stronger and more efficient integration of gender equality policies and gender mainstreaming tools during the next programming period;
12. Stresses that EU foreign policy should be based on the Union's founding principles and values, namely democracy, respect for human rights and the rule of law, and the promotion of equality between women and men; reiterates the need to equip the Union with adequate and targeted means to promote these values globally;
13. 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 of providing an immediate Union response to crisis situations, but that more emphasis should be placed on longer-term, preventive actions, namely via more responsive geographic and gender programmes;
14. Calls on the Commission to come up with proactive measures through the European Agricultural Fund for Rural Development in order to support women's employment in rural areas;
15. Stresses the necessity to increase the budgetary allocations for the ESF in order to provide adequate resources for measures to improve education and training so as to improve labour market access and combat unemployment, and for measures and activities under the Social Inclusion Strategy and the EU 2020 flagship initiative on combating poverty and social exclusion in favour of disadvantaged and vulnerable persons, especially women, including those confronted with precarious and insecure contracts;
16. Proposes, therefore, the following structure for the next MFF:
 1. Smart, sustainable and inclusive growth (Europe 2020)
 - 1a. Knowledge for growth and employment
Including research and innovation, education and lifelong learning, the internal market and social policies.

1b. Sustainable development

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

1c. Cohesion for growth and employment

Including cohesion policy (economic, social and territorial).

2. Citizenship

Including culture, youth, equality between women and men, communication and freedom, security and justice policies.

3. Global Europe

Including external action, neighbourhood and development policies.

4. Financial Governance

Including a link to the European Stability Mechanism.

5. Administration.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	20.4.2011
Result of final vote	+: 26 -: 0 0: 3
Members present for the final vote	Regina Bastos, Edit Bauer, Emine Bozkurt, Andrea Češková, Marije Cornelissen, Silvia Costa, Edite Estrela, Ilda Figueiredo, Zita Gurmai, Mary Honeyball, Rodi Kratsa-Tsagaropoulou, Constance Le Grip, Barbara Matera, Elisabeth Morin-Chartier, Angelika Niebler, Siiri Oviir, Antonyia Parvanova, Raül Romeva i Rueda, Nicole Sinclaire, Joanna Katarzyna Skrzydlewska, Eva-Britt Svensson, Marc Tarabella, Marina Yannakoudakis, Anna Záborská
Substitute(s) present for the final vote	Izaskun Bilbao Barandica, Anne Delvaux, Christa Klaß, Katarína Neveďalová, Rovana Plumb

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	25.5.2011
Result of final vote	+: 39 -: 5 0: 4
Members present for the final vote	Alexander Alvaro, Marta Andreasen, Richard Ashworth, Francesca Balzani, Thijs Berman, Reimer Böge, José Bové, Michel Dantin, Isabelle Durant, Bas Eickhout, Frank Engel, Hynek Fajmon, Göran Färm, José Manuel Fernandes, José Manuel García-Margallo y Marfil, Eider Gardiazábal Rubial, Salvador Garriga Polledo, Gerben-Jan Gerbrandy, Ivars Godmanis, Kinga Göncz, Jutta Haug, Gunnar Hökmark, Cătălin Sorin Ivan, Anne E. Jensen, Ivailo Kalfin, Jürgen Klute, Giovanni La Via, Marian-Jean Marinescu, Mario Mauro, Jan Olbrycht, Marit Paulsen, Markus Pieper, Miguel Portas, Czesław Adam Siekierski, Georgios Stavrakakis, László Surján, Konrad Szymański
Substitute(s) present for the final vote	François Alfonsi, Sophie Auconie, Andrea Cozzolino, Frédéric Daerden, James Elles, Derk Jan Eppink, Robert Goebbels, Sidonia Elżbieta Jędrzejewska, Ioannis Kasoulides, Constanze Angela Krehl, Riikka Manner, Barbara Matera, Elisabeth Schroedter, Theodor Dumitru Stolojan, Giommara Uggias, Vladimir Urutchev, Derek Vaughan, Joachim Zeller, Milan Zver
Substitute(s) under Rule 187(2) present for the final vote	Mário David, Jolanta Emilia Hibner, Carlos José Iturgaiz Angulo, Seán Kelly, Hans-Peter Mayer, Georgios Papanikolaou, Jutta Steinruck, Patrice Tirolien, Graham Watson, Pablo Zalba Bidegain