



Committee on the Environment, Public Health and Food Safety
The Chair

04.10.2022

Mr Johan Van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Subject: Opinion on Upscaling the 2021-2027 MFF: a resilient EU budget fit for new challenges (2022/2046(INI))

Dear Mr Chair,

Dear Mr Van Overtveldt,

The coordinators of the Committee on the Environment, Public Health and Food Safety (ENVI) decided on 13 June 2022 that ENVI would provide an opinion on the *Upscaling the 2021-2027 MFF: a resilient EU budget fit for new challenges (2022/2046(INI))* in the form of a letter. Therefore, both as ENVI Chair and Rapporteur for this opinion, let me provide you with ENVI's contribution in the form of resolution paragraphs, which was adopted by ENVI at its meeting¹ of 3 October 2022 and which I kindly request will be taken into account by your committee:

- Underlines that the broader revision of the MFF 2021-2027 must keep its commitment to obtaining an equitable, resilient, sustainable and socially fair recovery for all through the 2024-2027 Union budget concluding and, later on, implementing the revised 2030

¹ The following were present for the final vote: Abir Al-Sahlani, Mathilde Androuët, Attila Ara-Kovács, Bartosz Arłukowicz, Simona Baldassarre, Marek Paweł Balt, Aurélia Beigneux, Hildegard Bentele, Sergio Berlato, Monika Beňová, Michael Bloss, Simona Bonafè, Biljana Borzan, Delara Burkhardt, Pascal Canfin, Sara Cerdas, Mohammed Chahim, Asger Christensen, Nathalie Colin-Oesterlé, Anna Deparnay-Grunenberg, Estrella Durá Ferrandis, Matthias Ecke, Bas Eickhout, Cyrus Engerer, Agnès Evren, Pietro Fiocchi, Hélène Fritzson, Malte Gallée, Andreas Glück, Catherine Griset, Anja Hazekamp, Krzysztof Hetman, Martin Hojsík, Pär Holmgren, Jan Huitema, Yannick Jadot, Radan Kanev, Ondřej Knotek, Petros Kokkalis, Ewa Kopacz, Joanna Kopcińska, Peter Liese, César Luena, Javi López, Marian-Jean Marinescu, Liudas Mažylis, Marina Mesure, Tilly Metz, Silvia Modig, Dolors Montserrat, Alessandra Moretti, Ville Niinistö, Ljudmila Novak, Grace O'Sullivan, João Pimenta Lopes, Jessica Polfjård, Nicola Procaccini, Luisa Regimenti, Frédérique Ries, María Soraya Rodríguez Ramos, Silvia Sardone, Christel Schaldemose, Christine Schneider, Günther Sidl, Ivan Vilibor Sinčić, Maria Spyraiki, Eugen Tomac, Nils Torvalds, Véronique Trillet-Lenoir, Edina Tóth, Alexandr Vondra, Mick Wallace, Pernille Weiss, Sarah Wiener, Michal Wiezik, Tiemo Wölken, Anna Zalewska

framework for Union climate, energy and environmental targets with the objective of making the EU climate neutral by 2050 at the latest and be based on the ‘Do No Significant Harm’ principle, within the meaning of Article 17 of the Taxonomy Regulation;

- Recalls the need to assign sufficient human and financial resources for the implementation of the 2030 Biodiversity Strategy, of the Farm to Fork Strategy, of the Circular Economy Action Plan, of the Chemical Strategy for Sustainability, of the Zero-pollution Action Plan, of the Pharmaceutical Strategy and of Europe’s Beating Cancer Plan in the Union budget; in this line, calls to increase the budgetary support for the LIFE programme, the EU4Health programme, the Just Transition Fund and all other programmes that support and protect nature conservation and empower vulnerable citizens; stresses the need to use existing funds more efficiently; furthermore calls on the Commission to include within the MFF revision a sincere commitment to increase specifically the staffing level of DG for Environment and DG Climate Action, which must correspond with the workload stemming from the EU Green Deal agenda;
- Stresses the need for continuous work towards the achievement of climate and biodiversity mainstreaming targets² laid down in the Interinstitutional Agreement of 16 December 2020 (the ‘Interinstitutional Agreement’ - IIA³) and asks for increased efforts in the 2024-2027 Union budget to achieve these levels of spending; recalls the biodiversity-related spending targets of 7.5% from 2024 and 10% from 2026 onwards of the MFF; stresses that all efforts should be made to reach 10% biodiversity-related spending as soon as possible; highlights, that the biodiversity financing gap over the period 2021 and 2030 is around EUR 18.69 billion per year⁴ and should be remedied as soon as possible; recalls that the position of 5 September 2019 of the ENVI Committee was to set a 40% target for climate mainstreaming in the 2021-2027 MFF; recalls that 37% of the spending under the Regulation (EU) 2021/241 establishing a Recovery and Resilience Facility (the ‘Recovery and Resilience Facility’) should contribute to climate objectives; stresses the need to ensure that sufficient funding is allocated to the implementation of the Nature Restoration law upon its adoption;
- Stresses the need for a significant improvement and tightening of climate and biodiversity mainstreaming ("tagging") methodologies in the 2021-2027 MFF to avoid greenwashing and ensure a genuine climate and biodiversity additionality of resources dedicated to respective minimum spending targets, in line with the concrete proposals of the European Court of Auditors⁵ and the European Parliament⁶;
- Reminds the Commission of its engagement and obligation according to IIA to take stock of the progress of the climate mainstreaming efforts at mid-course and examine if

² 30 % of Union expenditure contributing to climate objectives, and annual spending levels for biodiversity of at least 7.5 % in 2024, increasing to 10 % in 2026 and 2027.

³ IIA= Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.LI.2020.433.01.0028.01.ENG>)

⁴ <https://op.europa.eu/en/publication-detail/-/publication/793eb6ec-dbd6-11ec-a534-01aa75ed71a1/language-en/format-PDF/source-258471562> (pg 14)

⁵ https://www.eca.europa.eu/Lists/ECADocuments/SR22_09/SR_Climate-mainstreaming_EN.pdf

⁶ [https://www.europarl.europa.eu/RegData/etudes/STUD/2022/732007/IPOL_STU\(2022\)732007_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2022/732007/IPOL_STU(2022)732007_EN.pdf)

the targets are reached or are on track to being reached; asks the Commission, in case of not reaching these targets, to make corresponding proposals in line with the requirements laid down in Article 16 of the IIA; expects the Commission to publish the methodology before the end of 2022 following consultation with the Parliament and relevant stakeholders; furthermore, urges the Commission to develop and complete similar tracking methodology for biodiversity spending as fast as possible;

- Calls on the Commission to integrate Article 16 points d-f of the IIA into the revised MFF regulation with an specific annex including shares of expenditures that will contribute to both biodiversity and climate targets per program;
- Calls on the Commission to ensure in the revision that the 2026 and 2027 mainstreaming targets related expenditure contributing to halting and reversing the decline of biodiversity are reached; stresses the need to ensure consistency between climate and biodiversity funding and the respect of the ‘Do No Significant Harm’ principle through the entire budget in all the 6 dimensions;
- Requests the Commission to carry out an assessment and, where appropriate, present a legislative proposal for the integration of the Climate Investment Fund and the Modernisation Fund in the Union budget that could be submitted in the context of the proposals for the next MFF in order to achieve greater coherence and efficiency in the management and use of Union funds and resources;
- Recalls the budget line with recovery cost (“NGEU line”) that could be used to pay the refinancing of interest costs and eventual debts repayments is in the same heading cluster with other expenditures programmes like the EU4Health programme; reiterates its clear position, as defended in the 2021-2027 MFF negotiations, that the NGEU interest costs and repayments should be counted over and above the MFF ceilings;⁷
- Recalls that a part of the revenues generated by the inclusion of building and road transport into the scope of Directive 2003/87/EC should be used as an own resource to finance the Union budget as general income, in accordance with the legally binding IIA that sets out a roadmap towards the introduction of new own resources, thereby providing the Union budget with the means of contributing to addressing the social impacts arising from that inclusion, for the transition to be just and inclusive, leaving no one behind;
- Recalls that additional allocations shall be made available subject to the specific technical adjustment based on the carbon-price fluctuation provided for in Article 4b of ... [Council Regulation (EU, Euratom) 2020/2093⁸ as amended] so as to ensure that the available appropriations for the Social Climate Fund in the Union budget increase in alignment with the carbon price; recalls that the application and prolongation of the specific technical adjustment based on carbon-price fluctuation shall be considered in the context of the negotiations of the applicable MFF;
- Recalls the importance of taking due account of the lessons learned from the COVID-19 pandemic regarding public health and affordable and accessible health and care services; in this regard reiterates its call for increasing the level of support to the European Health Union in addition to the EU4Health Programme, particularly in light

⁷ https://www.europarl.europa.eu/doceo/document/TA-9-2021-0432_EN.html

⁸ Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433I, 22.12.2020, p. 11).

of the enlarged mandates of the European Medicines Agency (EMA), the European Centre for Disease Prevention and Control (ECDC) and especially considering that a substantial part of EU4Health is already committed to HERA; stresses that new emerging strains of SARS-CoV-2 pose a challenge to public health in the Union and therefore, sufficient resources should be allocated to prevention, preparedness, and protection; stresses the importance of a long term, coherent and coordinated strategy for pandemics, including SARS-CoV-2 variants of concern, comprising from both medical and non-medical counter measures; stresses that sufficient resources should be allocated for increasing investments in research and development in the area of health;

- Welcomes the frontloading of funds for the Union Civil Protection Mechanism; emphasizes, nevertheless, the importance of assigning adequate funding between 2024 and 2027, ensuring that the Union can effectively respond together to emergencies such as pandemics, fires, floods and other unforeseen events and circumstances;
- Calls for additional crisis reaction capacity in the context of climate financing worldwide and adaptation in the EU, increasing the amount available for the special instrument of the Solidarity and Emergency Aid Reserve (SEAR), which is aimed at better helping tackle emergency situations due to major natural disasters or public health crises in Member States and accession countries; recalls the increasing need to tackle emergencies and crises related to natural disasters and extreme weather internally and externally to the EU and its associated costs; underlines the need to put in place the necessary adaptation measures for the climate that would also reduce costs and improve public spending accountability for our citizens; recalls that the volume of SEAR funds were cut in half during the MFF revision; recalls that the margins left in the EU budget 2023 are empty; urges the Commission to alleviate the pressure on SEAR and Heading 6 with an urgent proposal of reinforcement of the ceiling and this special instrument in the MFF;
- Stresses that more financial support shall be provided by the Union in the 2024 - 2027 period of the current MFF to international climate finance and the relevant geographic programmes and the thematic programme Global Challenges of the Neighbourhood, Development and International Cooperation Instrument⁹, in particular by ensuring that a top up determined on a yearly basis, which should correspond at least to the level of revenues generated by the sale of CBAM certificates, making the necessary adjustments to the budgetary appropriation of that instrument through the Union annual budgetary procedure until 2027 and then included in the next multiannual financial framework;
- Insists that in order to properly comply with their tasks the Union, agencies under the remit of the Committee on the Environment, Public Health and Food Safety (EEA¹⁰, ECHA¹¹, EMA, ECDC and EFSA¹²) must be adequately funded and staffed; stresses that the lack of proper funding for these agencies and their income instability could jeopardise, among others, the achievement of the European Green Deal or the successful

⁹ Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009 (OJ L 209, 14.6.2021, p. 1)

¹⁰ [European Environment Agency.](#)

¹¹ [European Chemicals Agency.](#)

¹² [European Food Safety Authority.](#)

management of public health risks;

- Highlights the importance of a system of own resources capable to contribute to the Union's goals on the climate, the environment and health; therefore, reaffirms its strong support for new own resources, calling for a significant share of the income from the emissions trading scheme, a plastics contribution and a carbon border adjustment mechanism;
- Highlights the importance of an upscaling of the system of own resources capable to contribute to the Union's goals on the climate, the environment and health; therefore, reaffirms its strong support for new own resources as envisaged in the IIA on the roadmap towards the introduction of new EU own resources, calling for a significant share of the income from the emissions trading scheme, a plastics contribution and a carbon border adjustment mechanism; calls for additional own resources in the future that go beyond the roadmap agreed upon in the IIA; recalls that under the IIA, a basket of new own resources is envisaged to be introduced by 1 January 2023; stresses that green own resources are means of aligning the Union budget with the Union's policy priorities, thus providing Union added value, and should be used to contribute to the climate mainstreaming objectives, the repayment of NextGenerationEU debts and the resilience of the Union budget as regards its functioning as a tool for investments and guarantees; calls for speedy adoption of the first basket of own resources and an ambitious second proposal including new green own resources capable of filling the substantial "green investment gap" across EU Member States, notably after the end of NGEU;
- Highlights the impact of recent spikes of inflation on the prices of energy, food, medicinal products and other critical resources; asks that the Commission consider making an assessment on the impact of this on the MFF for the period 2024-2027; welcomes the recent proposal by the Commission for an emergency mechanism to divert extraordinary profits, accrued during the energy crisis, towards the mitigation of related challenges such as energy poverty.

I have sent a similar letter to Jan OLBRYCHT and Margarida MARQUES, co-rapporteurs of this BUDG own-initiative report.

Yours sincerely,

Pascal CANFIN