27.3.2020

Mr Johan Van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Subject: Opinion on general guidelines for the preparation of the 2021 budget, Section III – Commission (2019/2213(BUD))

Dear Mr Chair,

Under the procedure referred to above, the Committee on Civil Liberties, Justice and Home Affairs has been asked to submit an opinion to your committee in line with what has been decided by Written Procedure dated 19 March 2020.

The Committee on Civil Liberties, Justice and Home Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions into its general guidelines for the preparation of the 2021 budget, Section III – Commission.

Yours sincerely,

(signed) Juan Fernando López Aguilar
SUGGESTIONS

– having regard to the special report of the Intergovernmental Panel on Climate Change (IPCC) of 8 October 2018 on Global Warming of 1.5°C¹,

– having regard to Article 314 of the Treaty on the Functioning of the European Union (TFEU),

– having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,


– having regard to Council Regulation (UE, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020³,

– having regard to the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management⁴,

– having regard to Council Decision 2014/335/EU, Euratom of 26 May 2014 on the system of own resources of the European Union⁵,

– having regard to the general budget of the European Union for the financial year 2020⁶ and the joint statements agreed between Parliament, the Council and the Commission annexed thereto,

– having regard to its interim report of 14 November 2018 on the multiannual financial framework 2021-2027 – Parliament’s position with a view to an agreement⁷ and to its resolution of 10 October 2019 on the 2021-2027 multiannual financial framework and own resources: time to meet citizens’ expectations⁸,

– having regard to its resolution of 15 January 2020 on the European Green Deal⁹,

– having regard to the Council conclusions of … 2020 on the 2021 budget guidelines

---

¹ https://www.ipcc.ch/sr15/
⁶ OJ L xx, ....
– having regard to Rule 93 of its Rules of Procedure,
– having regard to the report of the Committee on Budgets (A9-0000/2020),
A. whereas pursuant to Article 311 of the TFEU, the Union shall provide itself with the means necessary to attain its policy objectives and the budget shall be financed wholly from own resources;
B. whereas pursuant to Article 312 of the TFEU, the multiannual financial framework (MFF) shall be adopted by the Council by unanimity after obtaining the consent of the European Parliament by a majority of its component members;
C. whereas the current MFF ends at the end of 2020, and whereas 2021 should be the first year of implementation of the next one;
D. whereas Parliament has been ready to negotiate the MFF since November 2018, but the Council has so far failed to engage in any meaningful talks with Parliament beyond minimal contact on the margins of the General Affairs Council; whereas the timeframe for reaching an agreement in the European Council has been repeatedly extended;
E. whereas should a new MFF not be adopted on time, several EU programmes could risk being shut down because their legal basis will have ceased to apply; whereas in such a scenario, a safety net in the form of a temporary extension of the ceilings and other provisions of the last year of the present framework would have to be set up in accordance with Article 312(4) of the TFEU;
F. whereas in accordance with Article 2(1)(c) of the Paris Agreement, finance flows should be made ‘consistent with a pathway towards low greenhouse gas emissions and climate-resilient development’;
G. whereas the current Commission has branded itself as geopolitical and displayed an ambition to tackle climate and environment-related challenges, which it regards as the ‘defining task’ of this generation;
H. whereas asylum and migration will remain high on the EU’s agenda; whereas solidarity measures, such as relocation programmes, resettlement, or humanitarian admission, are crucial pending meaningful reform of the Common European Asylum System; whereas Member States will continue to need financial support for the reception and registration of persons in need of international protection, the processing of asylum applications and the dignified return of persons without a right to stay;
I. whereas well-managed legal migration is important to ensure an adequate response to the evolving labour market; whereas funding is needed for the proper integration of asylum seekers.
J. whereas Turkey continues to host the largest refugee population in the world and discussions are currently ongoing on how the EU should continue its support to Turkey after the end of its commitments made under the EU Facility for Refugees in Turkey;
K. whereas the effective protection of the EU’s external borders is a precondition for the proper functioning of the Schengen area and free movement within the EU; whereas effective protection of the external borders must comply with Union and international law, respecting, in particular, the right to asylum and the principle of non-refoulement; whereas the establishment of a fully-fledged European Border and Coast Guard system will increase the shared responsibilities between Member States and the Union for the external borders, while Member States retain the primary responsibility for the management of their external borders;

L. whereas the highly complex and ever-evolving nature of threats to the EU’s security, requires a comprehensive and coordinated approach which links the external and internal dimensions and invests in capacity building and enhanced cooperation to improves the capability of the EU and its Member States to prevent and address those threats in an effective and efficient manner;

M. whereas the future Citizens, Equality, Rights and Values programme was partially agreed with the Council and included in the Parliament first reading position; whereas this programme is of strategic importance to strengthen European citizenship, and thus funding must be commensurate; whereas it includes a new strand on Union values that would provide financial support to civil society organisations active at local, regional and transnational level in promoting rights, thereby also strengthening the protection and promotion of Union values and the respect of the rule of law and contributing to democratic dialogue, transparency and good governance, including in cases of shrinking space for civil society;

Budget 2021: make the Green Deal a success...

1. Insists that the EU budget is vital to respond to the challenges the Union is facing and reflects the degree of ambition of the Member States and the institutions;

2. Deplores the lack of attention given to the call by IPCC scientists, in their latest report, for radical action to catch up with the ecological transition, in the light of their warning that CO₂ concentration increased three times faster in 2018-2019 than in the 1960s; underlines the fact that there are only a few years left to prevent climate change from getting irreversibly out of control;

3. Notes that reducing greenhouse gas (GHG) emissions by 55 % by 2030 represents an enormous challenge, notably with regard to building insulation, developing public transport and achieving both an agricultural transition and a socially just transition; insists that in order to succeed in this unprecedented enterprise in only ten years, urgent action is needed, backed by a strong EU budget as of 2021;

...and protect EU citizens from the next financial crisis

4. Is concerned about the risk of a new financial crisis, as highlighted by international financial institutions, in the light of rising global public and private debt (322 % of the world’s GDP); is worried about the potential social and political consequences of such a crisis – projected by the International Monetary Fund (IMF) to be ten times harsher than in the aftermath of 2008 – if the EU is not equipped with new tools to protect social cohesion;
A budget commensurate with the challenges

5. Welcomes the Commission’s proposals for the European Green Deal and the Sustainable Europe Investment Plan, notably the Just Transition Fund; stresses that these are deeply linked to the negotiations on the next MFF and therefore imply a strong and credible MFF; stresses that financing for any new initiatives should be calculated in addition to the Commission’s original proposal and thus result in higher MFF ceilings;

6. Notes, however, that in order to attain the 40 % GHG emissions reduction target by 2030, the Commission has estimated that it will be necessary to bridge a funding gap of at least EUR 500 billion every year, including social adaptation measures; considers that this funding gap is strongly underestimated even for the 40 % target, not to mention the 55 % target, and is yet to be addressed at EU or national level; stresses the urgent need for another quantum leap in political and financial efforts in order to achieve these objectives; believes that introducing genuine new own resources is key to bridging this gap; considers that a just transition requires just funding;

7. Considers, therefore, that the whole 2021 budget must comply with the 55 % GHG emissions reduction target, as requested in its resolution of 15 January 2020 on the European Green Deal, and with the social commitments made by the President of the Commission, in order to send the right signals to EU citizens and businesses;

8. Reiterates that Parliament’s mandate for the MFF was set in its interim report of 14 November 2018 on ceilings, programme allocations, own resources and flexibility provisions, the mid-term revision and horizontal principles, such as mainstreaming the Sustainable Development Goals (SDGs) and climate and gender equality;

9. Reiterates its position that commitment appropriations for the 2021-2027 period should be set at EUR 1 324.1 billion in 2018 prices, which represents 1.3 % of the EU-27’s gross national income (GNI); reflecting this position, is determined to defend a 2021 budget of EUR 192.1 billion in current prices in commitment appropriations (1.29 % of GNI);

10. Notes that this position implies, in million euros in 2021, 18.179 for Horizon Europe, 4.613 for Erasmus+, 2.132 for the InvestEU Fund, 883 for the Single Market Programme, 15.645 for the European Social Fund+, 4.256 for the Connecting Europe Facility, 11.716 for the Neighbourhood, Development and International Cooperation Instrument (NDICI), 937 for LIFE, 923 for the Asylum and Migration Fund, 676 for the instrument for financial support for border management and visa under the Border Management Fund (BMVI), 228 for the Internal Security Fund (ISF), and 247 for the Citizens, Equality, Rights and Values programme;

11. Aims to set binding biodiversity and climate mainstreaming targets and to fix the latter to at least 30 % for 2021; reiterates its call on the Commission to lay down clear eligibility criteria of a stringent and comprehensive methodology for defining and tracking relevant climate and biodiversity expenditure;

A sufficient and realistic level of payments

12. Is determined to avoid a new payment crisis; reiterates that the overall payment ceiling
must take into account the unprecedented volume of outstanding commitments at the end of 2020 to be settled under the next MFF; further notes that the focus of payment appropriations in 2021 will largely be on completion of 2014-2020 programmes; insists, however, that this should not hinder the launch of new programmes;

13. Insists, therefore, on setting payments at an appropriate level as of 2021 in order to obviate any difficulties for beneficiaries and reiterates its commitment to defend a level of payments at EUR 184.7 billion in current prices for 2021;

**MFF contingency plan**

14. Reiterates its demand for a contingency plan to protect beneficiaries and ensure continuity of funding in the event that the current MFF needs to be extended beyond 2020; demands that the Commission present such a plan without delay, including the prolongation of the legal bases where relevant;

15. Notes that the extension of the current MFF ceilings would result in EUR 172.2 billion in commitment appropriations in 2021, which represents 1.15 % of the EU’s GNI according to the Commission’s 2018 estimate; notes, furthermore, that an additional EUR 3.5 billion would become available under flexibility instruments at the beginning of 2021;

**Protect EU external borders, provide international protection and manage migration flows, ensure internal security**

16. **Calls for a coherent and consistent approach of the European Council and the European Union Presidency to the financing of all sectoral programmes in the justice and home affairs (JHA) area under the next MFF as well as all Justice and Home Affairs agencies and bodies including the EDPS so that adequate resources are available to secure the timely implementation of all commitments taken in European legislation in this policy area;**

17. **Stresses the need to provide adequate funding for the European Border and Coast Guard Agency to enable it to rapidly achieve its full standing corps of 10,000 border guards and staff, and to acquire the necessary equipment to enable it to provide efficient and meaningful support to the Member States; emphasises that appropriate funding should also be provided to the Border Management and Visa Instrument, under which Member States are helped to ensure the efficient management of the Union’s external borders;**

18. **Calls for increased financial resources to be allocated to Member States specifically for the purpose of ensuring adequate reception and registration of asylum seekers, the processing of asylum applications and the dignified return of persons without a right to stay with a clear preference for voluntary returns;**

19. **Stresses that immediate solidarity measures, notably a relocation programme, should be introduced pending meaningful reform of the EU’s asylum rules; requests furthermore that funding remains foreseen in the EU budget for the support of refugees in Turkey;**
20. Highlights the importance of providing adequate funding to Member States to support them in their efforts to enhance cross-border cooperation and capacity-building in the fight against transnational serious and organised crime, terrorism, including hybrid threats, as well as radicalisation leading to violent extremism; reiterates the important role of Europol and Eurojust in supporting Member States in this regard; underlines moreover the additional workload of eu-LISA linked to the development of the new EU databases and the implementation of interoperability; calls for sufficient funding and staff to be made available to these agencies to enable them to fulfil their mandates;

21. Welcomes that the European Public Prosecutor’s Office (EPPO) has been established, and that the Chief Prosecutor has taken up her duties, recalls that due to the highly sensitive nature of its work, the EPPO has special requirements including a fully independent and highly secured data centre as well as security protection services both for the Chief Prosecutor and the physical buildings; insists that these requirements are matched with adequate funding;

22. Insists that an increase of the budget of all other decentralised JHA agencies and the EDPS would be needed in 2021 for them to fully fulfil their mandates, thereby reinforcing the application of EU law and operational cooperation at Union level;

Promotion of the rule of law

23. Calls for sufficient funding to be provided as a priority to support the activity of civil society organisations and other stakeholders active in promoting rights and strengthening and promoting Union values and the rule of law, including via the future Citizens, Equality, Rights and Values programme, in times when a shrinking space for civil society is witnessed in several Member States;