

Resolution of the European Committee of the Regions on the Draft Annual EU Budget for 2018

(2017/C 306/02)

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR)

- having regard to its opinion on the mid-term revision of the Multiannual Financial Framework (MFF),
 - having regard to the European Parliament resolution of 15 March 2017 on general guidelines for the preparation of the 2018 budget, Section III — Commission (2016/2323(BUD)),
1. welcomes the fact that the adopted Annual EU Budget for 2017 has taken up the CoR's recommendation for increased investment in research, innovation and infrastructure; sufficient commitment and payment appropriations for the Youth Employment Initiative and more funding for bridging cross-border missing transport links ⁽¹⁾; further points out that there are still many areas where the CoR requests have not been addressed, mainly due to the limited size of the EU Budget but where a further effort would be required;
 2. stresses the need for the EU Budget 2018 to provide the European Union with the means necessary to tackle urgent common European challenges in particular in relation to migration, security, climate change and the economic and social recovery and thereby produce tangible European added value for European citizens;
 3. reiterates that the EU Budget still lacks a certain level of flexibility in order to respond to numerous unforeseen events simultaneously and that the proposed mid-term review of the MFF has been designed to address it;
 4. regrets that the Council has taken so long to conclude its position towards the Commission's proposal for the mid-term review and that therefore the budgetary authority could not exploit all measures put forward by the Commission in the 2017 budgetary procedure; applauds however the agreement finally reached on 5 April 2017 by the European Parliament and the Council which results in a EUR 6 009 million top-up (15 % redeployments, 85 % unallocated resources) comprising EUR 3,9 billion for migration-related measures inside the EU (EUR 2,55bn) and for tackling the root causes of migration externally (EUR 1,39bn) as well as EUR 2,1 billion for jobs and growth, among which EUR 1,2bn for the Youth Employment Initiative;
 5. welcomes the increase in funding to address the migration and refugee crisis in 2017; calls for a further increase of funds to provide a systematic and sustainable approach to migration management and border controls such as the Asylum Migration and Integration Fund (AMIF), the Internal Security Fund (ISF), the European Social Fund (ESF) and the European Regional Development Fund (ERDF); reiterates its call for facilitating more direct access of local and regional authorities to the funding available for the management of migration and integration; suggests also providing adequate funding for carrying out voluntary returns, as well as to help countries of origin in reintegrating readmitted nationals; considers that guidelines for possible synergies between existing funds for this purpose are also important;
 6. notes with concern that the Annual EU Budget for 2017 has witnessed an unprecedented sharp decrease in payment appropriations for Cohesion policy programmes and that only the Amending Budget for 2016 No 4 has prevented an even sharper decrease; underlines that it is imperative for all relevant subjects to make maximum efforts to speed up the implementation and that it is of vital importance to ensure sufficient payment appropriations in 2018, in order to prevent the creation of another backlog of payments; welcomes, in this regard, a payment forecast until 2020 put forward by the Commission within the proposal for a mid-term review of the MFF; will endeavour to identify the best practice so far in accelerating the absorption rate of Cohesion policy programmes and to inform the budgetary authority about these practices;

⁽¹⁾ Commitment appropriations for Item 06 02 01 01 'Removing bottlenecks, enhancing rail interoperability, bridging missing links and improving cross-border sections' have been increased by additional 82,28 million EUR compared to 2016.

7. reiterates the need to step up EU financial support for rural development given the importance of rural areas in Europe and calls for directly accessible financial resources for European farmers affected by disasters and various crises ⁽²⁾. In particular, stresses the importance of boosting measures designed to ensure food security, and support to farmers affected by crisis mainly in the dairy sector, but also in the meat, fruit and vegetable sectors;
8. calls for sufficient funding to be allocated to strengthening territorial cooperation policies, with a view to ensuring that these policies contribute to achieving harmonious economic, social and regional development across the whole European Union;
9. welcomes the Commission proposal for extending the EFSI until 2020 but insists that synergies with the European Structural and Investment Funds (ESIF) should be further clarified and enhanced; recalls that EFSI 2.0 is not designed to replace existing EU funds, requests that the definition of the additionality principle is clarified and that geographical balance is encouraged by stepping up the development of regional investment strategies and the use of investment platforms; reiterates its firm opposition to have the extension of EFSI be financed from the Connecting Europe Facility (CEF);
10. as stated under point 25 of the CoR's Opinion on the EU response to the demographic challenge (SEDEC-VI/008), in the Committee's view, the EU should seek to mainstream demographic considerations across all policy areas, should include budget headings that aim to enable the further development of these policies and measures, and should set up priority measures for regions that are particularly affected by the consequences of demographic change;
11. calls for an appropriate level of commitment appropriations to be ensured for Horizon 2020 in 2018, but notes with concern that many interested parties, including SMEs, are being deterred from submitting Horizon 2020 project proposals due to limited resources;
12. stresses the need for COSME appropriations to be increased to ensure that SMEs have appropriate access to finance and to boost job creation in the EU;
13. welcomes the Commission's intention to add EUR 500 million in commitment appropriations for the Youth Employment Initiative; in addition, highlights the importance of the continuous development of the Youth Guarantee as results achieved under the programme still cannot be considered to be fully satisfactory;
14. recalls that in 2018, a mid-term review of CEF and Horizon 2020 will be carried out and proposals for the next Framework Programme (FP9) will be made; this whole process being linked to the next MFF negotiations, stresses that many critical issues will have to be tackled in the discussions relating to the withdrawal of the UK from the EU;
15. highlights the huge success of the Erasmus programme in addressing the problems of young people in accessing appropriate education and training or job opportunities; calls for the European Solidarity Corps to be attributed appropriate funding. Enabling young people to acquire additional skills by means of work and volunteering benefits the public and private sectors. Therefore, underlines the importance of working with the private sector to couple public and private funds for initiatives such as the ESC ⁽³⁾;
16. stresses that the EU should extensively engage in fulfilling its environmental commitments through the implementation of concrete and credible climate policies, grounded in a coherent regulatory framework and endowed with solid financial resources; therefore, calls on the Commission to provide sufficient appropriations in its 2018 draft budget and to come forward with an interim assessment of the progress in achieving the 20 % climate spending target as part of the 2014-2020 MFF;

⁽²⁾ CoR Resolution on the Draft Annual EU Budget for 2017.

⁽³⁾ CoR Opinion COR-2017-00851

17. notes with concern that, without substantial additional efforts, the EU's 2020 biodiversity targets will not be met; stresses, therefore, the importance of mainstreaming biodiversity protection across the EU budget, of increasing funding in accordance with Article 9(4) LIFE Regulation under the current LIFE programme for Natura 2000, and of providing additional funding for new measures under the upcoming Action Plan for improved implementation of the Nature Directives until 2020; stresses in this context that the launch of the European Commission Peer-to-Peer tool under the Environment Implementation Review (EIR) will require an adequate budget allocation in 2018, which should come in addition to existing budget resources supporting the effective implementation of EU environment legislation, in line with the better regulation agenda;
18. supports the European Commission's proposal to raise up to 90 % funding rate to support, within the framework of ERDF investment priorities, measures for predicting, preventing and recovering from major natural disasters;
19. anticipates the 2017 launch of the European Commission Peer-to-Peer tool under the Environment Implementation Review (EIR) and expects sufficient appropriations to be allocated in 2018 to this tool, without prejudice to other budget lines supporting the implementation of EU environment legislation;
20. calls for European Neighbourhood Policy (ENP) financial resources on cooperation to be gradually concentrated on financing projects at subnational level, in order to adapt EU financial resources to the needs of local and regional stakeholders;
21. highlights the importance of exploiting synergies between existing funds such as: the Facility for Refugees in Turkey (EUR 3 billion), the EU Emergency Trust Fund for Africa (EUR 1,8 billion), the EU Regional Trust Fund in Response to the Syrian Crisis (EUR 1 billion) as well as other financial instruments which potentially could provide up to EUR 8 billion over 2016-2020 to deliver the compacts; further possible synergies with ESIF funds should also be examined;
22. calls the Commission to consider the possibility of bringing back the Local Administration Facility (LAF) used by the accession countries and broadening the scope of its use to the ENP countries with stricter reimbursement rules requiring more specific and more sustainable projects;
23. calls for a Community stabilisation facility to be put in place to enable — through capacity building programmes — such as the Libyan local authorities to enhance their own capacity to provide services to citizens and to create territorial development and jobs. In this context, a Trust Fund to be managed in partnership with European cities and regions could be considered as a valuable instrument, in particular using innovative legal instruments;
24. calls for financing for an 'Erasmus programme for local and regional elected representatives' aimed at increasing their ability to exchange ideas and best practices with their peers in order to promote sustainable local and regional development;
25. recalls the equal opportunities requirements for budgeting and asks for this principle to be mainstreamed in the 2018 budget;
26. highlights the need for a gender-based approach to become a clear reality in the 2018 draft EU budget, in accordance with the principles underpinning the European social model in the area of gender equality;
27. instructs the President to forward this resolution to the Commission, the European Parliament, the Council, the European Court of Auditors and the President of the European Council.

Brussels, 12 May 2017.

*The President
of the European Committee of the Regions*
Markku MARKKULA
