

## Post-Paris EU climate policy briefings

*At the Paris Climate Summit, 195 governments agreed to reduce man-made greenhouse gas emissions to zero during the second half of this century and to limit average global temperature rise to 1.5°C. As signatories to the Paris Agreement, the EU and its Member States now need to revise and strengthen their climate and energy policies, and all other relevant policies to make them coherent with the Paris objectives. Our briefing papers provide a top line overview of the processes that will contribute to the needed zero-carbon transformation.*

### Mid-term Review of the Multi-annual Financial Framework

April 2016

#### What?

The multi-annual financial framework (MFF) lays down the maximum annual amounts ('ceilings') which the EU may spend in different political fields ('headings') over a period of at least 5 years. The current MFF covers seven years: from 2014 to 2020. By defining in which areas the EU should invest more or less over the seven years, the MFF is an expression of political priorities as much as a budgetary planning tool. The annual budget is adopted within this framework and usually remains below the MFF expenditure ceilings in order to retain some flexibility to cope with unforeseen needs. Importantly the Council and the Parliament have for the first time endorsed a specific spending objective for climate related activities, amounting to 20 per cent of the overall MFF. The main approach in achieving this objective is via the 'mainstreaming' of climate change objectives across different EU funding instruments, which is particularly important for the future EU Cohesion Policy.

The functioning of the MFF 2014-20 will be reviewed by the Commission by the end of 2016 (mid-term review), and is said to aim to orient the EU budget further towards jobs, growth and competitiveness.

#### What is at stake?

The concept of climate mainstreaming of the MFF is extremely important, both for the use of the many EU funds aimed at investments in the EU's economy as well as for the EU's international development cooperation with third countries. The European Commission claims that it is on track to reaching its 20% climate mainstreaming target. However, it has not released any reports or figures on progress. The review is an opportunity to track, review and increase the 20% target. In order to be in line with commitments to phase out fossil fuel subsidies, the Commission should ensure the EU budget needs to become completely fossil-fuel free.

#### Who are the key players?

**For the European Commission:** the Secretary General, supported by DG ECFIN and DG BUDGET; input from several other sectors, including AGRI, ENVI, DEVCO and CLIMA.

**For the European Parliament:** the Budget Committee, with input from ARG1, ENVI, and REGI.

#### What has happened, will likely happen and when?

The European Commission will start preparing the mid-term review in the second half of 2016.



The European Parliament has prepared its Own Initiative Report to feed into the discussions.

In 2017, the European Commission will already start working on the post-2020 MFF, with a view to putting forward a proposal in January 2018.

### **CAN Europe's position**

CAN Europe will work with partner organisations to put forward a number of key recommendations towards the mid-term review.

Among those recommendations is the demand that the EU budget will need to become fossil-free and better reflect the Paris Agreement.

The mid-term review should consider specifically the need for the EU to increase its greenhouse gas emissions targets in order to limit global temperature rise to well below 2/1.5 degrees.

The MFF needs to ensure that its 'Do Good' principle (through the 20% target) is expanded to an entire 'Do No Harm' principle; ie. no financial plans or projects should undermine the EU's climate, environment and sustainable development objectives.

**For more information, please contact:**

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