

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 pursue efforts to keep average global temperature rise to 1.5°C. Having now ratified the Paris Agreement, the EU and its Member States 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/ EU Budget post 2020

October 2016

What?

The multi-annual financial framework (MFF) - the EU budget - lays down the maximum annual amounts ('ceilings') which the EU may spend in different political fields ('headings') over a period of 7 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, e.g. energy and transport infrastructure or regional development plans, the MFF is an expression of political priorities as much as a budgetary planning tool. 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 and the Connecting Europe Facility.

The current MFF 2014-2020 has been reviewed by the Commission in September 2016. The Commission doesn't foresee structural changes or fresh money but only reallocations in-between budget lines to address the migration crises and youth unemployment. While the EP (and our group) asked for an increase of the EU budget.

As part of the Mid-term Revision the Commission proposes to extend, double and partially green (by setting a minimum target for climate-related projects) the European Fund for Strategic Investments (EFSI), part of Commission president Juncker's investment plan for growth and jobs.

What is at stake?

The concept of climate mainstreaming of the EU budget 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. A 'climate proof' EU budget would not finance fossil fuel based energy and transport infrastructure anymore, but instead catalyse the transition to 100% renewables and fully energy efficient economies.

The European Commission admits that the EU is not on track to reaching its 20% climate mainstreaming target, considerable EU funds still go to e.g. gas infrastructure. Whereas the ongoing legislative revision is mainly of technical nature, this process leads to the European Commission's proposal of the next EU budget 2021-2027: an opportunity to increase the 20% climate action target and to phase out fossil fuel subsidies to ensure the EU budget becomes 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 REGIO, AGRI, ENVI, DEVCO and CLIMA.



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

What has happened, will likely happen and when?

The European Commission's legal proposal for the mid-term revision is currently negotiated by the Council and European Parliament. This will be concluded by mid-2017.

In parallel the European Commission - is developing its proposal for the EU budget post-2020, with a view to putting forward a proposal by the end of 2017.

CAN Europe's position

CAN Europe will work with partner organisations to put forward a number of key recommendations towards the mid-term review and for the EU budget 2021-2027.

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 and even more the next EU budget 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 climate mainstreaming and increasing the 20% climate action target) is expanded to an entire 'Do No Harm' principle; i.e. no financial plans or projects should undermine the EU's climate, environment and sustainable development objectives.

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