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**To: Jose Manuel Barroso, President of the European Commission**  
**Cc: College of Commissioners**  
**Cc: Catherine Day, Secretary General of the European Commission**

**Delivering a new EU Budget for Europe's future**

20<sup>th</sup> June 2011

Dear President Barroso,

In October last year we wrote to you to highlight that the budget review process must 'ensure that the EU budget is invested in people, eco-efficient innovation, social cohesion and the environment'. With the European Commission currently finalising its proposals for the next multiannual financial framework (MFF), write again to emphasise the immense political importance of the EU budget and your impending decisions. A reformed EU budget should send the right signal to citizens, investors and the international community about how Europe intends to catalyse a low-carbon, resource-efficient and socially just economy. Here below we provide our views on how we believe the EU budget can invest in Europe's future.

Public support for the EU budget depends on how it will deliver on the needs of citizens, such as for new green jobs, social cohesion and a healthy environment. All future expenditure should therefore be underpinned by a set of core principles: public money for public goods; policy coherence; transparency; effectiveness; partnership, and active participation of civil society organisations in the decision making on how funds will be used.

These principles must be translated into a set of instruments that should apply to all regulations governing the use of EU funds, including legally binding minimum standards for active participation and instruments to ensure coherence between policy objectives. A specific example of this relates to proposals to 'mainstream' spending on climate change, biodiversity and low-carbon energy across the EU budget. Any such approach must be supported by the inclusion of clear targets for spending by member states and be accompanied by effective accounting mechanisms that provide a visible demonstration to citizens of the added value of the EU budget.

We support a strong Common Agricultural Policy (CAP) if it clearly and demonstrably supports environmental, social and development objectives in Europe and in developing countries. We support a CAP budget that favours fair distribution of income along the agricultural value chains in Europe and globally. A continuation of the current system of entitlements where 80% of the budget goes to 20% of the farmers is not an option. Ensuring that a future CAP budget will only support those farmers who are delivering well defined public goods, such as protection of the environment and promotion of biodiversity and providing employment, should facilitate a transfer to a more legitimate and sustainable system of support. Specifically, we urge you not to give in to pressure to cut the CAP budget by slashing the second pillar since it is under this part of the CAP that funding is most clearly linked to the delivery of public goods. The result of earlier reforms, the second pillar's fate will also send out an important political signal about where the CAP will be heading: forwards or backwards.

We support a Cohesion Policy if it prioritizes investments into human and natural capital, including 'green infrastructure' projects and deep renovation schemes of the EU building stock over investments into large scale infrastructure projects that carry the risk of technological lock-in or are energy and emission intensive. Funds should be used to help address energy poverty and support social infrastructure. More specifically a European Social Fund should support workers to develop skills for new green jobs and ensure the active inclusion of the socially weak into the labour market.

We call on you to explicitly reflect the Europe 2020 poverty target and the Charter of Fundamental Rights in the MFF, by dedicating a specific budget heading to both of them, integrating them into the other budget headings, and allocating adequate funding to ensure these objectives are reached. The fight against poverty is one of the five EU targets of the Europe 2020 strategy with a solid basis in the Lisbon treaty (art.151 and 153) including for the funding of equality policies (art. 8, 10 and 19). Such a specific heading should focus on reducing school drop-outs and increasing access to employment for the people excluded from the labour market. A heading on "Promoting citizens' involvement and the respect of fundamental rights" should include the respect of fundamental rights, the implementation of equality including gender equality and accessibility, and the fight against discrimination.

Under the Development Budget, Official Development Assistance and Heading 4 (the EU as a global partner) must be increased and protected; seeking to eradicate poverty and to fight inequalities, with human rights based approach. The EU budget should provide the means for Europe to deliver on its international commitment for Official Development Assistance of 0.7% of GNI by 2015.


Last but not least, the EU's only dedicated environmental instrument, LIFE+, should be significantly increased in order to provide the 'seed money' for the implementation of the EU's core biodiversity policy, the Natura 2000 network.

We remain convinced that the EU Budget reform will be your defining action for your entire tenure as Commission President. The whole college of Commissioners must deliver on their shared responsibility to make real budgetary changes possible which ensure that the Europe 2020 Strategy leads towards a smart, sustainable and inclusive development of Europe.

Yours sincerely,



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Secretary General  
European Environmental Bureau



**Bernadette Segol**  
General Secretary  
ETUC



**Conny Reuter**  
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