



Positioning of the Government of Catalonia
on the Multiannual Financial Framework 2021-2027 proposal

One of the topics of the European Union agenda at this time - and probably until well into 2020 - is the debate on what should be its long-term budget, or what is the same, the debate on its Multiannual Financial Framework (MFF) for the period 2021-2027.

The MFF translates the Union's political priorities in financial terms for a specific period; in this case, for 2021 to 2027, while establishing the maximum amounts of community spending for each of these priorities. It also includes the EU sources of income or capital.

In May 2018, the European Commission presented the proposal for the new MFF 2021-2027. Now it is up to the Member States to negotiate and approve it by the Council, once the European Parliament would give its consent.

In this context, and because these are also priority issues for us, Catalonia wishes to contribute to the debate on the next MFF (2021-2027), at a time when the EU continues having to face great challenges. Not only because the United Kingdom's departure, but also because of climate change, population aging, increasing social inequalities, knowledge society, populism rise or the false debate on increasing immigration.

The Government of Catalonia puts forward the following **positioning and proposals**:

General aspects

- i. We consider it appropriate the proposal of creating new own resources, although it could be more ambitious.
- ii. We consider it very positive the proposal of reducing the number of funding programs or instruments, by simplifying them or grouping them into thematic areas. This measure facilitates transparency of results. It also involves more integrated and transversal policies to face our society's challenges.
- iii. We would like more consideration for the subsidiarity principle and sub-state entities' role in the management of the different European funding or funding programs. Catalonia defends and demands that the EU place the management of these financing programs in the closest way to citizens, in accordance with the powers legally attributed to each administration level, and make it clear what is the role of regions and municipalities.



- iv. We consider it primordial that the 2021-2027 budget could pay special attention to the transformation of democratic institutions and to strengthening a healthy democracy that will confront populism, rampant fascism in European institutions, increasing Euroscepticism and, ultimately, total disaffection with regard to everything related to politics and collective projects completion.
- v. We support the creation of a new mechanism to protect the Union budget in the event of widespread deficiencies in the rule of law in EU member states. We believe it is essential to create such a mechanism that guarantees respect for the rule of law and fundamental rights for all EU citizens, in accordance with article 2 of the EU Treaty, and that protects the EU budget in support to all policies and their beneficiaries, especially when they involve the use of EU funds.

Specific Aspects

- vi. We reaffirm our commitment to social, economic and territorial cohesion objectives recognized in the EU treaties, and we consider cohesion policy funds should be devoted to these goals. We demand to assume the role of management authority for all 2021-2027 funds, and full participation in negotiations and decisions within the European Semester framework, in accordance with the subsidiarity principle. With a view to investments effectiveness, we ask an increase in EU co-financing rate for all funds at 2014-2020 period levels, as well as a more flexible thematic concentration among the different priorities for each region, and the possibility of thematic concentration at the state level to be eliminated because of re-centralising effect. We consider positive the effort for administrative simplification and the introduction of mechanisms to react quickly to unforeseen social challenges, as well as the introduction of social indicators, in addition to GDP, to determine programs financing. We are opposed to macroeconomic conditionality, and propose to maintain N+3 rule of the current period (instead of N+2 proposed for 2021-2027 period).
- vii. We underline the European added value of European territorial cooperation programs - which is why we request the maintenance of the budget and guarantee the continuity of the different existing programs in 2014-2020 period.

In this framework, we welcome European Commission's objective of improving efficiency and synergies among European funds, and we ask that the different funds can intercomplement, but without co-financing ceiling for the different European funds.



We ask the European Commission to take greater account of cross-border territories located in natural handicap areas, and provide them with more funds. In this regard, we support the European Commission's proposal of setting up a mechanism to overcome administrative and legal obstacles in a cross-border context.

We also advocate continuity in allocation for cross-border maritime cooperation programs, and we require the regulation proposal include a clear distinction between internal and external maritime border cooperation, as articulated for cross-border land cooperation.

- viii. We are committed to a modernized agricultural policy (CAP) built around the two pillars: direct payments to farmers, and rural development financing. We welcome the creation of synergies through the Horizon Europe program to support research and innovation in food, agriculture, rural development and bio economy. However, the proposed new CAP cannot be achieved by cutting resources from the first nor the second pillar and increasing the national co-financing rates, given the objectives pursued by both pillars. The budgetary allocation for this policy currently undertaken by the European Commission will not only limit support to farmers, but also hamper farms' viability, restrict the development of resilience and competitiveness in the sector, and limit sustainable management of the territory. The reduction of funds for the second pillar (by regions or member states) will create a situation of inequality among those member states that allocate more resources to it and those that do not. For this reason, the volume of funds allocated in the new period for the second pillar of the CAP should take into account the level of execution of the previous periods, and fully repair the unfair distribution made in 2006 for 2007-2014 period. We also demand the regions' role be maintained in defining the strategic plans, and we ask for regionalizing the two pillars of the CAP to achieve consistency and maximum efficiency of public resources.
- ix. As we are a coastal country, we wish a more active participation in the European Maritime and Fisheries Fund (EMFF), and that the greater support the EMFF wants to give to blue economy does not mean reducing the resources destined for fishing activity nor for supporting it.
- x. We consider very positive that LIFE program becomes a unique and integral financing resource for environment, climate and clean energy actions to mitigate climate change. We share the need to expand the environmental dimension in EU spending programs to devote at least 25% of this spending to climate goals. We call for a review of LIFE program current governance so that sub-state entities are part of the contact-points network of the program.
- xi. Catalonia-based entities are leaders in obtaining funds from Horizon 2020 program - the flagship instrument for financing research and innovation in the



EU. Increasing budget allocation in the new Horizon Europe instrument is very positive, yet it is necessary to introduce some mechanisms to simplify and give more coherence to the different initiatives, while ensuring tools to support and encourage SMEs' participation, and facilitate public-private collaboration. In addition, research budget in the field of social sciences and humanities should be increased.

- xii. We agree on the need to create the Digital Europe program and provide it with sufficient resources to support the digital transformation of both European and Catalan society and economy. Synergies must be established between this new Digital Europe program and Connecting Europe mechanism to finance digital connectivity infrastructures.
- xiii. Next MFF must devote the necessary resources to give effect to principles of equal opportunities -especially equality between women and men-, access to labour market, fair labour conditions, as well as adequate and sustainable social protection recognized in the European Pillar of Social Rights. EU policies and instruments in this field must respect the objectives of improving social cohesion recognized in the treaties. These objectives cannot be questioned because of the need for structural reforms in member states, and must be developed in full respect of the subsidiarity principle. Social cohesion improvement must be the backbone inspiring actions of every administrative level.
It must include social partners' direct involvement at territorial level, the improvement of resilience as well as economic and social convergence, the fight against poverty and social inequalities, protection for children and support for young people, health systems and policies, investment in education and skills training (especially digital one) to adapt to current and future needs of economy, support for social innovation, employment promotion through active interventions allowing integration or reinsertion of most vulnerable groups, such as people with disabilities, as well as paying attention to migrants' situation and integration into the labour market.
- xiv. We highly value Erasmus program contribution to forging European values, and claim full direct participation in its governance by sub-state entities having powers in this regard, as in the case of Catalonia.
- xv. Regarding the Asylum and Migration Fund, we propose it shall emphasize coexistence, diversity and interculturality, and not exclusively border flows control. We request that funds distribution at state level include sub-state levels having direct powers for first admission and integration policies, especially for young people and adolescents (education, employment, health, social services).
- xvi. In the field of security, the Union advocates that in order to prevent and combat threats, co-ordination and transnational collaboration among police, judicial authorities and other competent authorities are essential through



information exchange, joint investigations, interoperable technology and common risks assessments. To facilitate this objective, it is essential that Internal Security Fund (ISF)'s regulation over 2021-2027 period specifies that the part of the funds managed by member states must be allocated to both national and regional authorities having direct powers in public safety, and acting as a police authority, in order to avoid sub-state entities' exclusion as beneficiaries.

- xvii. Culture is a nuclear element in Europe. We believe the EU must continue supporting initiatives that promote European culture and values. We welcome continuing favouring the promotion of European cinema, as well as creative and audio-visual sectors in general.
- xviii. We consider it positive the creation of the new Justice, Rights and Values Fund, as well as the allocation increase and the simplification of mechanisms for accessing this financing in order to strengthen the exercise of power, as well as the creation of opportunities for commitment and democratic participation in both politics and civil society.
- xix. We call for more attention to SMEs in all European funding programs. The wish to bring together under a single umbrella - as in the new Single Market Program- various actions separately financed by other European funds is a good approach. However, we demand efficient tools define this program effectiveness, so that companies and consumers can better take advantage of the single market potential with a special emphasis on tourism.
- xx. We invite the proposal for a 2021-2027 MFF to contemplate specific financing for the tourism sector, and we ask the EU to continue considering it as a key sector, both for the growth and creation of jobs, and for the transition towards a low carbon economy.
- xxi. We urge the Union to intensify investments in high-performance infrastructures in transport, energy and the digital sector. In addition, the Mediterranean railway corridor is a priority for our country, and we want it to be a reality now to benefit the entire Mediterranean flow. We agree on the need to finance the deployment of the European systems on traffic management for air and rail transport, and help EU transition towards a connected, sustainable, inclusive and secure mobility. It is also necessary to contribute to transport decarbonisation, starting by creating a European network of charging and alternative fuels infrastructures, or prioritizing environment-friendly transport modes. We agree on the need to complete priority sections of energy networks that are essential for the internal market, especially by encouraging cooperation in clean, renewable energies projects having a cross-border dimension.



With regard to the digital sector, we agree that high-capacity digital networks deployment and common electronic communication infrastructures are a priority.

- xxii. In the field of Economic and Monetary Union, we propose that the Reform Support Program be not at the sole states' discretion. We ask that sub-state entities participate in the governance of this instrument based on their legally attributed powers.
- xxiii. We praise the efforts to concentrate in a single fully integrated financial instrument, namely InvestEU, all mechanisms supporting strategic investments alternative to subsidies. We ask, however, for simplifying this instrument to enable it achieve the goals for which it was created.
- xxiv. Finally, we share the proposal of increasing the provision for the Neighbourhood, Development and International Cooperation Instrument, together with the merging of external action funds into a single instrument to provide a better coherence, to take advantage of development cooperation efficiency, especially of migrant-issuing countries, simplify processes and use scale economies, in compliance with the global objectives of sustainable development. This new approach also allows greater flexibility to strengthen the capacity for quick response in the event of a crisis, and to meet urgent challenges and priorities. We reaffirm the need to "territorialize" and increase local and regional authorities' participation in the European Neighbourhood Policy (ENP).

We urge the EU to help address, through more effective funding, unresolved global challenges in the fields of human rights, democracy, civil society organizations, sustainable development, conflict prevention, stability and peace, and a quick response to crisis situations, while continuing to support economic, social and territorial cohesion policies, the CAP and the EMFF, which remain key in the European project at present. This support must be made explicit by recovering the participation levels these policies had in the MFF in prior periods. Therefore, coping with current challenges and new challenges in the coming years need better funding and more resources.

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