



EUROPEAN PARLIAMENT

2009 - 2014

*Special committee on the policy challenges and budgetary resources for a
sustainable European Union after 2013*

5.10.2010

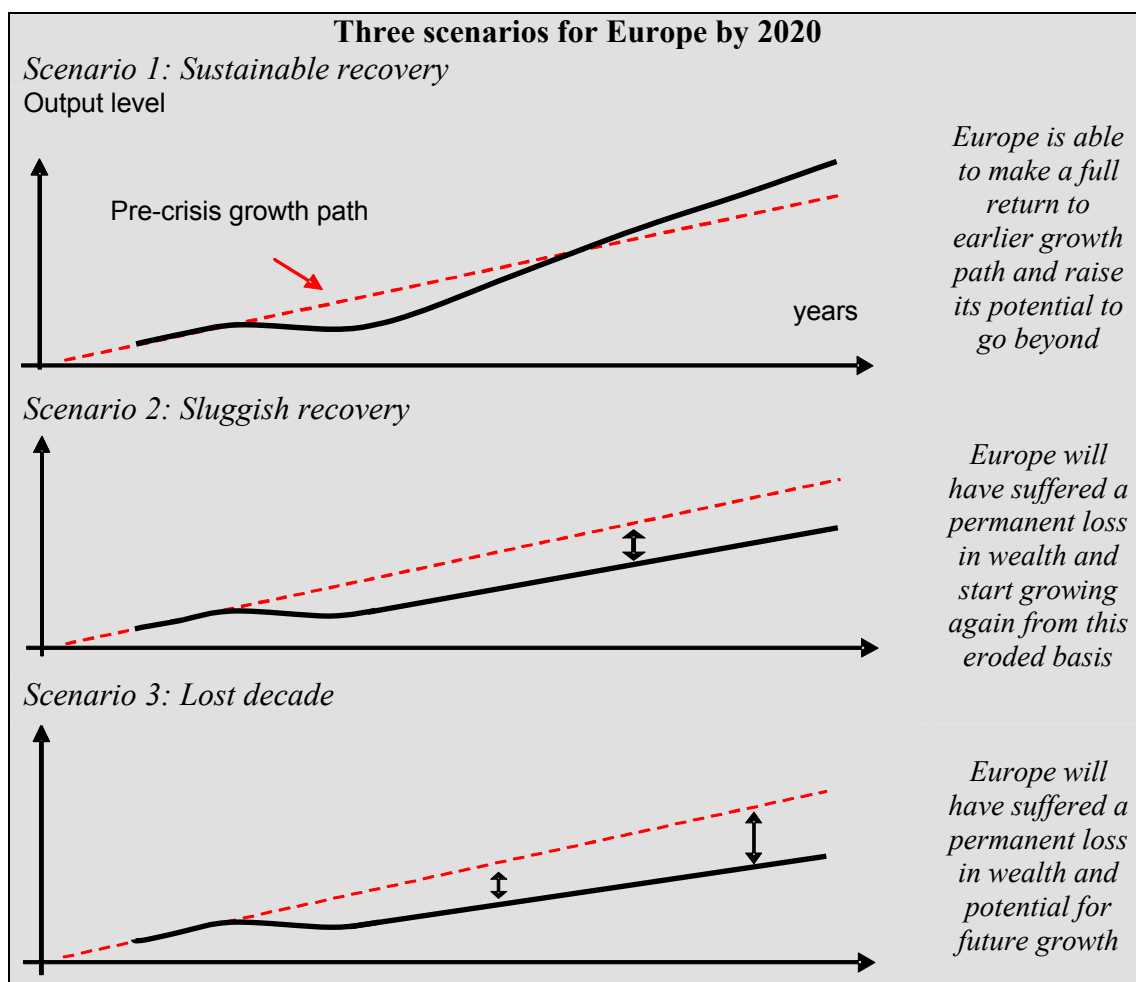
REFLECTION PAPER

on Implications of the EU2020 strategy on the post-2013 Multiannual
Financial Framework

Rapporteur: **Salvador GARRIGA POLLEDO**

INTRODUCTION

The steady gains in economic growth and job creation witnessed over the last decade have been wiped out – GDP fell by 4% in 2009, industrial production dropped back to the levels of the 1990s and 23 million people - or 10% of the active population - are now unemployed. The crisis has also made the task of securing future economic growth much more difficult. Our growth potential has been halved during the crisis. Many investment plans, talents and ideas risk going to waste because of uncertainties, sluggish demand and lack of funding. Europe is left with clear yet challenging choices. Either we face up collectively to the immediate challenge of the recovery and to long-term challenges, regain competitiveness, boost productivity and put the EU on an upward path of prosperity ("sustainable recovery"). Or we continue at a slow and largely uncoordinated pace of reforms, and we risk ending up with a permanent loss in wealth, a sluggish growth rate ("sluggish recovery") possibly leading to high levels of unemployment and social distress, and a relative decline on the world scene ("lost decade").



Source: European Commission (COM(2010)2020))

What is needed is a strategy to turn the EU into a smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion. This is the Europe 2020 strategy.

The aim of this reflection paper is to stimulate discussion in the SURE Committee on the implications of the EU 2020 strategy on the post-2013 Multiannual Financial Framework.

The EU institutions, notably the European Parliament, have paid utmost attention to the EU2020 strategy proposal by the Commission. They have already expressed their general views on the strategy and are starting to address its different sectoral dimensions. In this regard, it is worthwhile recalling that there are ample references in Parliament's recently adopted resolutions to aspects related to the funding of EU2020 and to the implications on the post-2013 Multiannual Financial Framework (MFF). To better inform the discussion a collection of relevant excerpts from position documents from the different EU institutions and bodies is included in Annex.

On the basis of the analysis of the Commission's proposal and of the reactions of the EU institutions and bodies, a number of issues are identified and suggested for discussion. These issues fall under four main horizontal categories: **alignment of the next MFF with the EU2020 strategy; setting of priorities; role of national budgets; and qualitative aspects of expenditure.**

Your rapporteur looks forward to a rich and productive discussion in Committee on the basis of which he would be able to draft a useful Working Document that could be broadly shared by the Members of the Committee.

SUCCINCT SUMMARY OF EU 2020

The European Commission, following a wide public consultation and an evaluation of the Lisbon strategy¹, adopted on 3 March 2010 its proposal (COM(2010)2020)² on EU2020. According to the Commission *"We need a strategy to help us come out stronger from the crisis and turn the EU into a smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion. Europe 2020 sets out a vision of Europe's social market economy for the 21st century"*.

The Commission puts forward three mutually reinforcing priorities and seven flagship initiatives to catalyse progress under each priority theme:

- **Smart growth**: developing an economy based on knowledge and innovation. This includes research, innovation, cohesion, rural development, education, training and lifelong learning, and digital society policies. Three flagship initiatives fall under this objective:
 - "Innovation Union";
 - "Youth on the move"; and
 - "A digital agenda for Europe".

¹http://ec.europa.eu/archives/growthandjobs_2009/pdf/lisbon_strategy_evaluation_en.pdf

²<http://ec.europa.eu/eu2020/pdf/COMPLET%20EN%20BARROSO%20%20%20007%20-%20Europe%202020%20-%20EN%20version.pdf>

- **Sustainable growth**: promoting a more resource efficient, greener and more competitive economy. This includes industrial, cohesion, rural development, climate change, transport, and energy policies. Two flagship initiatives fall under this objective:
 - "Resource efficient Europe"; and
 - "An industrial policy for the globalisation era".
- **Inclusive growth**: fostering a high-employment economy delivering social and territorial cohesion. This includes cohesion, employment, skills, and fighting poverty policies. Two flagship initiatives fall under this objective:
 - "An agenda for new skills and jobs"; and
 - "European platform against poverty"

The Commission also proposes 5 headline targets to define where the EU wants to be by 2020 and to track progress. To ensure that each Member State tailors the EU2020 strategy to its particular situation, these EU targets should be translated into national targets and trajectories:

- 75 % of the population aged 20-64 should be employed.
- 3% of the EU's GDP should be invested in R&D.
- The "20/20/20" climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right).
- The share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree.
- 20 million less people should be at risk of poverty.

According to the Commission, EU-level instruments, notably the single market, financial levers and external policy tools, should be fully mobilised to tackle bottlenecks and deliver the Europe 2020 goals.

1. ALIGNMENT OF THE POST-2013 MFF WITH EU2020

There is widespread agreement among the Institutions of the need to mobilise all EU instruments and policies to achieve the objectives of the EU2020 strategy. Furthermore, Parliament has underlined that the EU Budget must play a central role in achieving the EU2020 targets and that the current budget does not sufficiently reflect the financial needs associated with tackling 21st century challenges.

The aim of aligning EU expenditure with the EU 2020 goals has been clearly expressed by the Commission: *"The Commission will propose action to develop innovative financing solutions to support Europe 2020's objectives by fully exploiting possibilities to improve the effectiveness and efficiency of the existing EU budget through stronger prioritisation and better alignment of EU expenditure with the goals of the Europe 2020 to address the present fragmentation of EU funding instruments (e.g. R&D and innovation, key infrastructure investments in cross-border energy and transport networks, and low-carbon technology)...".*

In this respect, the allocation of the 2011 Draft Budget appropriations to EU 2020 Flagships is, according to the Commission³, the following:

% of Heading 1a supporting EU2020 Flagships	86%
% of Heading 1b supporting EU2020 Flagships	67%
% of Heading 2 supporting EU2020 Flagships	18%
% of Rural Development	70%
% of Heading 3a supporting EU2020 Flagships	11%
% of Heading 3b supporting EU2020 Flagships	25%
% of Heading 4 supporting EU2020 Flagships	10%
% of Headings 1 to 4 supporting EU2020 Flagships	43%

The European Council has also underlined the need of all common policies to support the strategy *" All common policies, including the common agricultural policy and cohesion policy, will need to support the strategy."*

The contribution of the Common Agricultural Policy (CAP) and of the Cohesion policy to EU2020 has received so far particular attention in communications and resolutions by the Commission, the Parliament and the Committee of the Regions.

Regarding CAP, the Commission has underlined its contribution to the objective of sustainable growth, more specifically its contribution to *"address climate change, in particular through adaptation measures based on more efficient use of resources, which will also contribute to improving global food security"*. It could be interpreted that Parliament has gone beyond a mere contribution of CAP to the strategy: *"CAP reform by 2013 and a sustainable forestry strategy should be considered within the framework of the EU2020 strategy"*.

³ Letter of Mr Lewandowsky to Ms Jędrzejewska of 20 August on the financing of the EU 2020 strategy in the EU 2011 Budget

As of Cohesion policy, the Commission declares that *"economic, social and territorial cohesion will remain at the heart of the Europe 2020 strategy to ensure that all energies and capacities are mobilised and focused on the pursuit of the strategy's priorities. Cohesion policy and its structural funds, while important in their own right, are key delivery mechanisms to achieve the priorities of smart, sustainable and inclusive growth in Member States and regions."* Parliament shares the view that it is an effective and efficient mechanism for EU2020 delivery but *"stresses that the cohesion policy is not subordinated to the EU2020 Strategy; highlights that whilst the cohesion policy's priorities should be aligned with the EU2020 objectives, sufficient flexibility should be allowed to accommodate regional specificities and support the weaker and neediest regions to overcome their socio-economic difficulties, natural handicaps and reduce disparities"*. Parliament furthermore considers that *"a strong and well-financed cohesion policy, embracing all European regions, must be a key element of the EU2020 Strategy"* and that it is *"unnecessary to create new separate thematic funds to address the EU2020 goals and instead deems that they should be included in cohesion and rural development policies"*.

Against this background I suggest structuring the discussion on this theme around the following questions.

EU2020 budget alignment

- *Should the EU2020 strategy be the strategic policy reference of the post-2013 MFF?*
- *Should the three EU2020 broad objectives determine the structure of the post-2013 MFF? Should there be one heading per objective? Or should there be an earmarking for EU2020 objectives across "classical" headings?*
- *How should the EU2020 related expenditure be defined? How to distinguish between flagship-related expenditure and broader EU2020 expenditure? Does the preliminary 2011 DB Commission's allocation to flagships provide a proper account of the budgetary dimension of the strategy?*
- *How should be the EU2020 strategy and its corresponding budget be adapted to changing policy needs? How important should be budget flexibility within and across EU2020 objectives?*
- *Should cohesion policy and the EU2020 Strategy be integrated? Should cohesion policy be subordinated to the EU2020 Strategy or sufficient flexibility should be allowed to accommodate regional specificities?*
- *Should rural development policy be considered within the framework of the EU2020 strategy? To what extent should CAP (first pillar) also be considered within the strategy?*
- *Should the external dimension of the EU2020 strategy be financed under the respective sectoral policies or under the external policies heading?*
- *Should all the administrative expenditure be included in a single Heading?*

2. SETTING OF PRIORITIES

Parliament has in its EU2020 related resolutions already identified a number of policies that should be granted with more budgetary resources. A non-exhaustive list of priorities includes:

- research (double ICT research) and innovation (green technologies, broadband);
- space: completing Galileo
- energy: key energy infrastructure investments (European energy grid, green corridors, interconnectors), energy efficiency;
- transport: TEN-T, decarbonising the transport sector;
- education and youth.

Priority setting

- *Should the post-2013 MFF support a lower number of policy objectives than the current one? Or should the prioritisation mainly take place within each policy area?*
- *Could the concept of European added value (EAV) help to prioritise across policy objectives or within them?*
- *How should the Commission justify that subsidiarity and proportionality (expenditure is the best option) are complied with in the MFF proposal?*

3. THE ROLE OF NATIONAL BUDGETS

The EU2020 strategy commits both the EU and the Member States. The strategy will succeed if Europe acts collectively, as a Union. There is a strong need for better synergy between EU and national level spending, while respecting subsidiarity. Although the EU and the Member States coordinate their policies through a wide range of formal (e.g. BEPG, OMC) and implicit mechanisms, budget synergies are rarely put into practice. According to a study procured by Parliament⁴, national budgets, apart from some exceptions – mainly found in regional policy – seldom refer to their contribution to achieving the objectives of the Lisbon or other EU strategies.

The new economic and budgetary policy coordination mechanism (so-called "European semester") endorsed by the ECOFIN Council on 7 September⁵ could offer an effective opportunity to achieve the desired budgetary synergies. Under this new six-month cycle, Member States, taking the advice of the European Council on the main economic challenges into account, will review in April their medium-term budgetary strategies and at the same time draw up national reform programmes. In June and July, the European Council and the Council will provide policy advice before the member states finalise their budgets for the following year.

⁴http://www.ipolnet.ep.parl.union.eu/ipolnet/webdav/site/myjahiasite/shared/bss/regulatory_and_other_questions/14052010_synergy_between_european_national_budgets_final_report.pdf

⁵http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/116306.pdf

The Role of National Budgets

- *How could national budgets be better aligned with the EU2020 strategy? How could be ensured that there is no overlapping between EU and national expenditure so that the best added value of the Union expenditure can be derived?*
- *Should Member States include in their medium-term budgetary strategies an overview of their financial commitments and efforts to the realisation of the EU2020 objectives?*
- *Should co-financing be used more to improve budget synergy? Should more funds be allocated to joint programming of national programmes?*
- *Does the absence of an agreed Europe-wide standard budget complicate the search for synergy? Does the length and timing of budget cycles make things more difficult?*
- *Which role could the cooperation between the European and the National Parliaments play for improving medium-term budgetary synergy?*

3. QUALITY OF EXPENDITURE

According to the Commission the MFF discussion "should not only be about levels of funding, but also about how different funding instruments such as structural funds, agricultural and rural development funds, the research framework programme, and the competitiveness and innovation framework programme (CIP) need to be devised to achieve the Europe 2020 goals so as to maximise impact, ensure efficiency and EU value added."

We need to ensure that the policies pursued are legally justified, respect the principle of subsidiarity but also that they are carried out, in accordance with the principle of proportionality, in the optimal way to achieve the intended results. In each instance it should be assessed which is the best policy-mix to attain the objectives: legislation, coordination, expenditure or a combination of these. Should the recourse to funding be justified, the establishment of the level of funding is strongly related to the design of the spending programme, to how efficiently it can turn euros into intended results. This leads the rapporteur to propose the following topics for discussion:

Quality of expenditure

- *To what extent should EU funding be conditional on compatibility with the EU2020 strategy?*
- *Should the funding level of programmes under the post-2013 MFF take into account the performance record of the current spending programmes (mid-term evaluation)?*
- *Should the funding level of programmes under the post-2013 MFF be reviewed depending on results or performance?*
- *Should the level of EU funding be conditional on the introduction of reforms (e.g. simplification in Research Framework Programme)? How could the discussion on the allocation of financial resources (MFF) and programme design (legislative proposals of new multiannual spending programmes) be coordinated?*

ANNEX
DOCUMENTS FROM EU INSTITUTIONS AND BODIES REGARDING THE EU2020
STRATEGY

As background to the discussion, this Annex provides excerpts from recent resolutions of the European Parliament, conclusions from the European Council and opinions of the Committee of the Regions and the Economic and Social Committee related to the implications of the EU2020 strategy on the post-2013 MFF. They are grouped around the four horizontal issues identified. The following documents have been examined:

European Council conclusions (EC2) http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/115346.pdf	17 June 2010
European Parliament resolution on EU 2020 (EP5) http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2010-0223+0+DOC+XML+V0//EN	16 June 2010
European Parliament resolution on Community innovation policy in a changing world EU 2020 (EP4) http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A7-2010-0143+0+DOC+XML+V0//EN	15 June 2010
Resolution of the Committee of the Regions on the stronger involvement of Local and Regional Authorities in the Europe 2020 strategy (COR) http://portal.cor.europa.eu/europe2020/news/Documents/CdR_199-2010_fin_EN.doc	10 June 2010
European Parliament resolution on a Digital Agenda for Europe: 2015.eu (EP3) http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A7-2010-0066+0+DOC+XML+V0//EN	25 May 2010
European Parliament resolution on the contribution of the Cohesion policy to the achievement of Lisbon and the EU2020 objectives (EP2) http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2010-0191+0+DOC+XML+V0//EN	20 May 2010
European Council conclusions (EC1) http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/113591.pdf	25/6 March 2010
European Parliament resolution on EU 2020 (EP1) http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2010-0223+0+DOC+XML+V0//EN	10 March 2010
Communication from the Commission EUROPE 2020 A strategy for smart, sustainable and inclusive growth (COM) http://ec.europa.eu/eu2020/pdf/COMPLET%20EN%20BARROSO%20%20%2007%20-%20Europe%202020%20-%20EN%20version.pdf	3 March 2010
Opinion of the European Economic and Social Committee on the post-2010 Lisbon Strategy (EESC) http://www.eesc.europa.eu/?i=portal.en.news.10090	4 November 2009

1. ALIGNMENT OF THE POST-2013 MFF WITH EU2020

General aspects

"The Commission will propose action to develop innovative financing solutions to support Europe 2020's objectives by fully exploiting possibilities to improve the effectiveness and efficiency of the existing EU budget through stronger prioritisation and better alignment of EU expenditure with the goals of the Europe 2020 to address the present fragmentation of EU funding instruments (e.g. R&D and innovation, key infrastructure investments in cross-border energy and transport networks, and low-carbon technology)...;" (COM)

"Today we adopt "Europe 2020", our new strategy for jobs and smart, sustainable and inclusive growth. It constitutes a coherent framework for the Union to mobilise all of its instruments and policies and for the Member States to take enhanced coordinated action. It will promote the delivery of structural reforms. The emphasis must now be on implementation, and we will guide and monitor this process. We will discuss further, over the coming months, how specific policies can be mobilised to unlock the EU's growth potential, starting with innovation and energy policies;" (EC2)

"5. g) All common policies, including the common agricultural policy and cohesion policy, will need to support the strategy. A sustainable, productive and competitive agricultural sector will make an important contribution to the new strategy, considering the growth and employment potential of rural areas while ensuring fair competition. The European Council stresses the importance of promoting economic, social and territorial cohesion as well as developing infrastructure in order to contribute to the success of the new strategy." (EC1)

"25. Recognises that the EU Budget must play a central role in achieving the EU 2020 targets;..." (EP2)

"33. Takes the view that the current budget does not sufficiently reflect the financial needs associated with tackling 21st-century challenges; urges the Commission to put forward an ambitious proposal to make the EU 2020 strategy a success;" (EP1)

"3.9.1. Reform the EU budget in accordance with Lisbon: Generally speaking, the budgets of individual policies need to be re-evaluated in line with Lisbon and geared towards research and competitiveness, environment and climate, investment in sustainable energy use; constructive public spending in the business location, active labour market policy, work/family life balance, social cohesion, poverty prevention and creating new, high-quality jobs. In connection with this, a reform-based discussion on the EU budget relating to Lisbon should also be given consideration in the forthcoming 2014-2020 financial framework. An effective implementation of European targets will also require that the consolidation of the regional dimension is included as a key topic in the discussion on the funding of structural and cohesion policy after 2013." (EESC)

Common Agricultural Policy

"9. Is disappointed that no mention was made of the agricultural sector in the original proposals for the EU 2020 strategy, despite agriculture's potential to make an active contribution to meeting the main challenges ahead; is convinced that, with the right policy framework and adequate budgetary resources, agriculture and forestry can play an important role in the overall European strategy designed to secure economic recovery and achieve climate targets, while at the same time contributing to EU and global food security, growth and job creation;" (EP1)

"63. Points out that CAP reform by 2013 and a sustainable forestry strategy should be considered within the framework of the EU 2020 strategy; is convinced that, with the right policy framework and adequate budgetary resources, agriculture and forestry can play an important role in an overall European strategy to secure economic recovery, while at the same time contributing to EU and global food security, preserving the rural landscape, which accounts for 90% of the EU's territory, ensuring the protection of jobs in rural areas, securing environmental benefits and making an important contribution to the search for alternative resources;" (EP5)

Cohesion Policy

"Economic, social and territorial cohesion will remain at the heart of the Europe 2020 strategy to ensure that all energies and capacities are mobilised and focused on the pursuit of the strategy's priorities. Cohesion policy and its structural funds, while important in their own right, are key delivery mechanisms to achieve the priorities of smart, sustainable and inclusive growth in Member States and regions." (COM)

"25. ...considers that cohesion policy due to its strategic focus, strong and binding conditionality, tailor-made interventions, and monitoring and technical assistance, is an efficient and effective mechanism for EU2020 strategy delivery;" (EP2)

"28. Emphasises that a strong and well-financed cohesion policy, embracing all European regions, must be a key element of the EU2020 Strategy; believes that this policy, with its horizontal approach, is a pre-condition for the successful delivery of the EU2020 goals, as well as for achieving social, economic and territorial cohesion in the EU; rejects all attempts to renationalise the cohesion policy and asks for the regional dimension to be fully supported in the review of the EU budget;" (EP2)

"30. Stresses that the cohesion policy is not subordinated to the EU2020 Strategy; highlights that whilst the cohesion policy's priorities should be aligned with the EU2020 objectives, sufficient flexibility should be allowed to accommodate regional specificities and support the weaker and neediest regions to overcome their socio-economic difficulties, natural handicaps and reduce disparities;" (EP2)

"37. Believes, however, that the Union should continue to use, as its main financing mechanisms, the Cohesion Fund and structural funds, which have well-established and operational delivery methods; considers it unnecessary to create new separate thematic funds to address the EU2020 goals and instead deems that they should be included in cohesion and rural development policies;" (EP2)

"2. emphasises that Cohesion policy, with its devolved approach and system of multilevel governance, is the only European Union policy to link the goals of the Europe 2020 strategy and the new challenges with local and regional authorities, but it does need sufficient funding. It is therefore essential that cohesion policy continue to be geared towards the goals of sustainable economic growth, social inclusion, employment, fight against climate change and the quality and efficiency of public service provision;" (COR)

External dimension

"5. h) The strategy will include a strong external dimension, to ensure that EU instruments and policies are deployed to promote our interests and positions on the global scene through participation in open and fair markets worldwide." (EC2)

"64. Stresses that more attention should be paid to the external dimension of the EU 2020 strategy; urges the Commission to take a broader and more comprehensive approach in its external action, in line with the EU concept of policy coherence for development; calls on the Commission to use its trade strategy for EU 2020 to promote the Union's core values, such as the promotion of human rights, democracy, the rule of law and fundamental freedoms and the defence of the environment;" (EP5)

2. SETTING OF PRIORITIES

"41. Believes that the EU should embark on major economic projects, such as a truly European energy grid, completion of the Galileo project and the widespread application of green technology, including systematic renovation of the EU's building stock, e-health and efforts to improve and update ICT infrastructure;" (EP1)

"21. Calls for a strengthened European approach to financing innovation and to prevent the current fragmentation and short-termism; considers that the provision of adequate financial resources is vital to the development of innovation and that the EU budget for innovation should therefore be substantially increased; calls for this to be reflected in the upcoming revision of the current financial framework and in the planning process in connection with the 2014-2020 Financial Perspective;..."(EP4)

"26. Emphasises that Europe should be at the cutting edge in the development of internet technologies and ICT low-carbon applications; proposes that the EU ICT research budget be doubled in the next Financial Perspective;" (EP4)

"50....proposes that the EU ICT research budget be doubled and that the budget for ICT take-up be multiplied by four in the next Financial Perspective;" (EP3)

"19. Emphasises that major R&D projects, key energy infrastructure investments and the new EU competence on space policy, as well as EU innovation policy, require solid, credible and sustainable EU financial support if the Union's key 2020 objectives are to be met;" (EP5)

"29. ...calls on the Commission to increase the total financial envelope earmarked for research and innovation in the Community budget;"(EP5)

"50. Notes that, to tackle the climate challenge, substantial investments in energy infrastructure will be needed before 2020 and beyond, including investment in the upgrading of Europe's energy networks, a truly European, smart energy super-grid, green corridors, interconnections, completing the Galileo project, green technology, e-health, the Trans-European Transport Network (TEN-T) programme and free and equitable access to ICT and broadband;" (EP5)

"55. Reiterates its request that adequate financing be secured to support clean, sustainable and efficient low-carbon energy technologies, amounting to total spending from the EU budget of at least EUR 2 billion annually, in addition to FP7 and CIP, from 2010 onwards;..." (EP5)

"49. ...calls, therefore, on the Commission and the Member States to put energy efficiency at the top of the EU agenda, including in budgetary terms;" (EP5)

"51. Points out that the Union needs to invest more efficiently in existing transport infrastructures, such as TEN-T, to boost job creation, improve social and territorial cohesion and create a sustainable and interoperable transport system; calls for an interplay between transport modes and the smart use of logistics, since de-carbonising the transport sector and making it sustainable will require innovation, new technologies and financial resources;" (EP5)

"34.Emphasises that Parliament has also identified youth as a key priority for the 2011 budget and has clearly expressed its intention to afford further financial support to all major programmes in that field;" (EP5)

3. SYNERGY WITH NATIONAL BUDGETS

"19. Believes that the Member States should indicate how they used EU funds to achieve the various EU 2020 objectives....;" (EP1)

"55. ...calls, in this context, for the Commission and the Member States to establish a timetable for their funding commitments, as a matter of urgency, to ensure that funds start flowing from 2010 for the various initiatives of the SET plan, as well as complementary initiatives;" (EP5)

4. QUALITY OF EXPENDITURE

"The EU multi-annual financial framework will also need to reflect the long-term growth priorities. The Commission intends to take the priorities, once agreed, up in its proposals for the next multi-annual financial framework, due for next year. The discussion should not only be about levels of funding, but also about how different funding instruments such as structural funds, agricultural and rural development funds, the research framework programme, and the competitiveness and innovation framework programme (CIP) need to be devised to achieve the Europe 2020 goals so as to maximise impact, ensure efficiency and EU value added. It will be important to find ways of increasing the impact of the EU budget – while small it can have an important catalytic effect when carefully targeted." (COM)

"19. Believes that...-EU funding should be conditional on results and compatibility with the objectives of the EU 2020 strategy;" (EP1)

"6. Criticises the lack of an overall assessment of the impact of cohesion expenditure on regional development; calls upon the Commission to assess the territorial impact of earmarking Structural Funds to the Lisbon Strategy and to evaluate whether this system is actually contributing to balanced and coherent regional development;" (EP2)

"32. Considers that explicit targets should be set for SME-compatible funding tools, to guarantee digital interoperability and accessibility, and that they should clearly include EU targets for eco-innovation;" (EP5)

"40. Stresses the importance of providing for a minimum allocation of funds for SMEs in the open calls published under the Research and Innovation initiatives, following the same commitment adopted for the FP7 (15% of the resources in the Cooperation programme);" (EP4)

"46. Believes that the rules for distribution of the EU structural funds should be adjusted to take account of the need to promote innovation that reduces costs and improves resource use;" (EP5)

"30. Underlines the importance of simplifying research and development funding and cutting red tape, so that knowledge-driven businesses can maximise their effectiveness and new employment opportunities can be encouraged;" (EP5)

"44. Considers that enhanced support for innovation must always be accompanied by a reduction in the red tape confronting applicants; calls on the Commission to eliminate red tape by re-engineering Framework Programme processes and by creating a users' board;" (EP4)