

Briefing Paper
19th February 2018



Briefing paper on the Communication from the Commission on the Multiannual Financial Framework post-2020

Social Services Europe is the largest European umbrella organisation representing non-profit social and health care providers. Our members are at the forefront of ensuring accessible, affordable and quality services for all people in Europe and believe that investing in people brings both social and economic returns. Social and health care services enable people to live with dignity and care but also support people to engage in economic activities that contribute to growth.

Introduction

This briefing paper focuses on the Communication released by the Commission of the European Union to the European Parliament, to the European Council and to the Council of the European Union on the topic [“A new, modern Multiannual Financial Framework for a European Union that delivers efficiently on its priorities post-2020”](#).

Timeframe

The Commission will present its proposal in early May 2018 and expects relevant progress by the Sibiu 2019 Summit on the Future of the EU (9th May 2019).

Key Messages

Following the discussions on the Future of EU at 27, we can see that the new MFF will try focus on areas where European budget can bring added value. Several scenarios are on the table for the different areas.

Priorities of interest:

1. **Security and control:** This is the top priority for the Commission with the control of external borders and building a stronger European Border and Coast Guard. There are several scenarios of how this could happen costing extra EUR 8 billion to EUR 150 billion over a 7-year period.
2. **Youth Mobility:** There's a clear intention to enlarge the program: either (1) to double the number of young people in Erasmus+ (costing EUR 30 billion) or (2) to allow 1 of 3 young people to participate in the program (EUR 90 billion).
3. **Research and innovation:** The three possible scenarios are (1) *maintaining or even lowering the current investment levels:* would lead the Union to fall further behind compared to the world leaders, (2) *an increase in the Framework programme by 50% to EUR 120 billion:* would create additional 420.000 jobs by 2040, (3) *doubling the Framework program to EUR 160 billion:* would create 650.000 jobs by 2040.
4. **Cohesion Policy:** There are three possible scenarios for the future MFF: (1) *The European Social Fund and the Cohesion Fund would be maintained* if the current expenditure levels are maintained; (2) *The European Regional Development Fund and the European Social Fund stop supporting more developed regions* (as Austria, Belgium, Denmark, Netherlands, Germany, among others), leading to a EUR 93 billion reduction of expenses; (3) *Those Funds will have even more limited support* (with discontinuing the investment in less developed regions of France, Italy and Spain) which would lead to a reduction of EUR 124 billion of expenses. **This objective appears to be quite undermined in the context of this Communication.**
5. **International goals:** Intended increase of financing for external instruments beyond EUR 100 billion to promote international cooperation, migration management, SDGs, among

others; and simplification of external instruments, for example potentially including the European Development Fund in the MFF.

- 6. Modernising the EU budget:** The Commission wants to improve the efficiency and impact of instruments aiming at investment with possible integration within a **single investment support instrument** (that would further reinforce the European Fund for Strategic Investment). It also aims at improving flexibility in the funds, namely creating a “Union Reserve” with funds that are committed to the EU budget but then that aren’t spend – allowing between EUR 21 to 28 billion to be available in case of need (for example, this could have been used in supporting refugee camps).

Conclusion

Even though **the economic, social and territorial cohesion will be the second area with highest budget** (right after Agricultural Policy and Fisheries), there are scenarios on the Commission’s communication that we should be aware of as they could lead to negative impacts on the work of social services around Europe.