

E3G

Putting the means on the table: EU Budget reform?

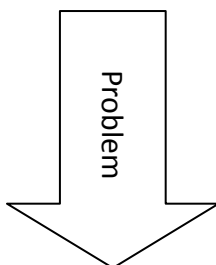
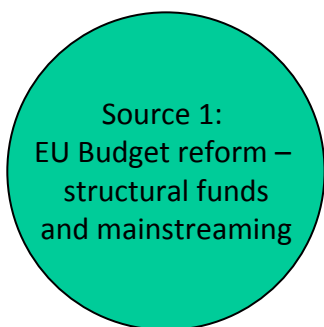
Jesse Scott, E3G

Cecodhas, 27 October 2010

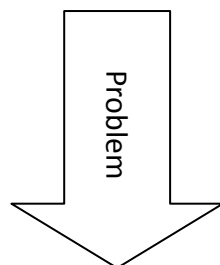
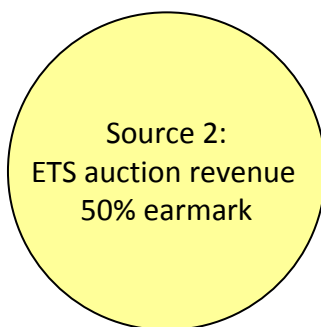
Possible sources of EU funding



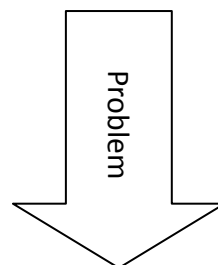
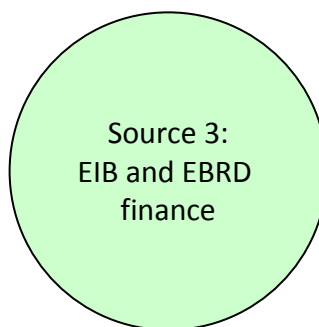
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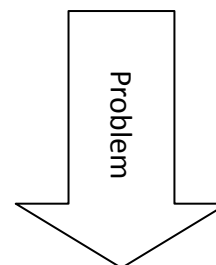
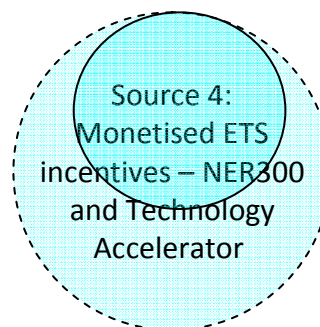
Incumbency will resist reform



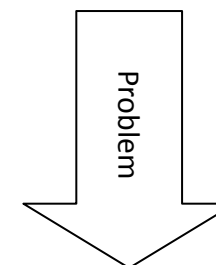
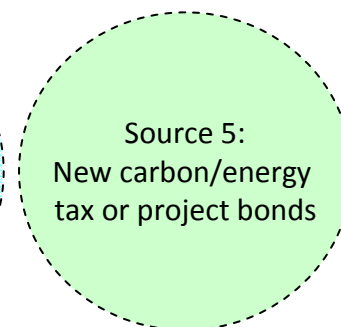
Sovereignty re hypothecation



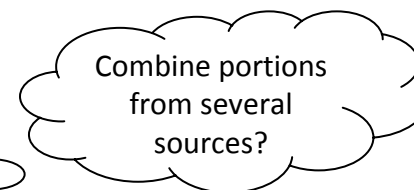
Is the system working? How much is available for low-carbon, have EIB and EBRD reached capacity?



Scale up requires new ETS decisions: 30% target (but are incentives inside or above cap?)



Don't actually exist yet...



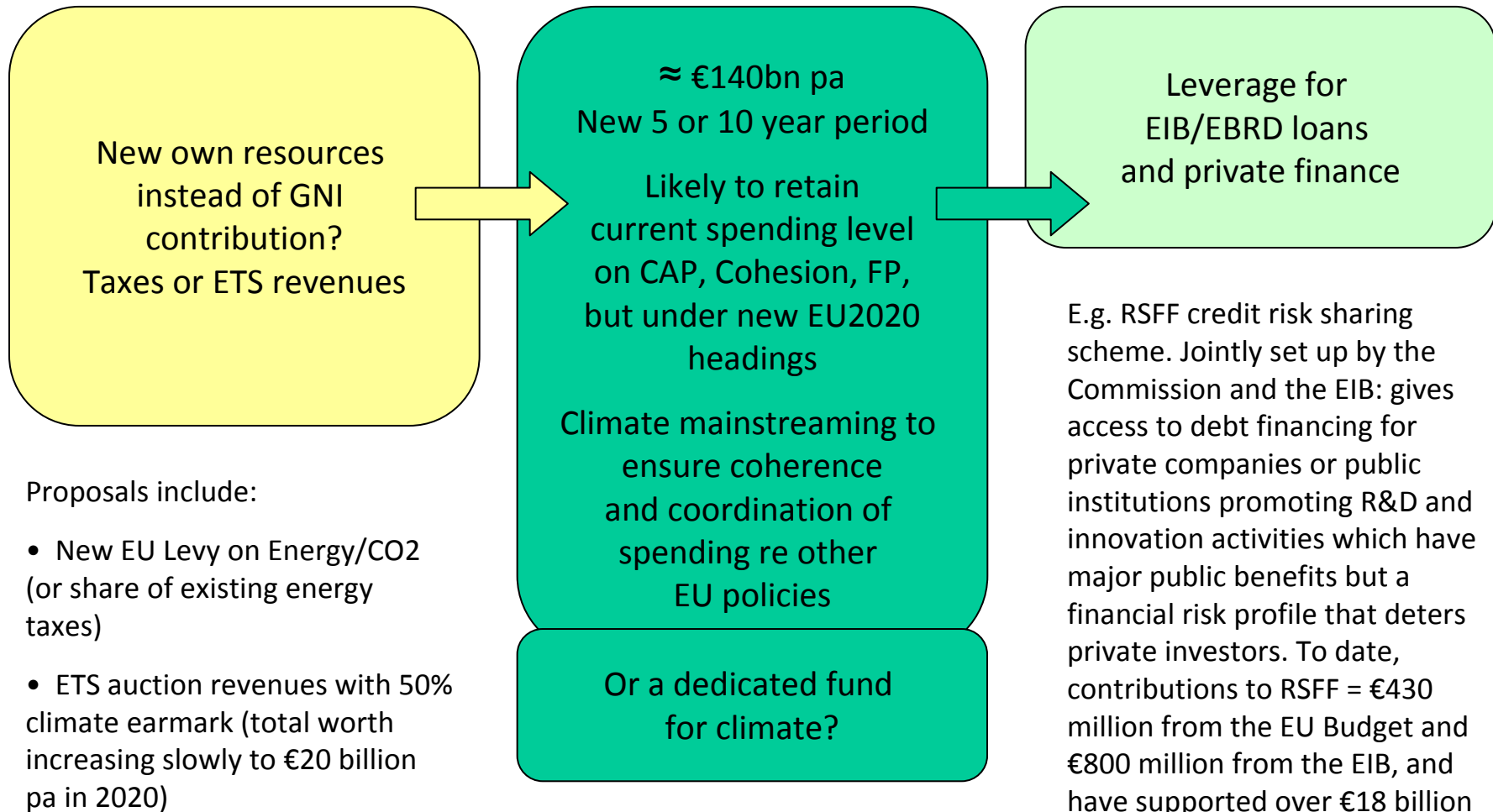
EU Budget Review principles



- Published 19 October: http://ec.europa.eu/budget/reform/index_en.htm
- Designed to deliver EU2020 Strategy's "smart, sustainable, inclusive Europe"
 - Employment; 20m out of poverty; educational levels; 3% of GDP into R&D; reduce greenhouse gas emissions 20-30%, increase renewables and energy efficiency 20%
- Strong emphasis on EU added value: the Budget should be spent only where it achieves
 - Economies of scale and/or avoiding duplications
 - Critical mass: research excellence through continental-scale competition
 - A solution to cross-border challenges
 - More leverage for public/private resources than is available at national level
- New element of qualitative competition between regions for Cohesion Policy Funds
- A single strategic framework "menu" for Cohesion Fund, ESF and ERDF

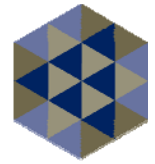
(The word "housing" doesn't appear in the Review Communication... but it refers to tackling "social inclusion and environmental degradation in urban areas").

EU Budget Review proposals



Proposals include:

- New EU Levy on Energy/CO2 (or share of existing energy taxes)
- ETS auction revenues with 50% climate earmark (total worth increasing slowly to €20 billion pa in 2020)



Non-Budget Funds: EPR, EU 30%

- €146 billion EPR underspend agreement for EE and RES.
- Debate on whether the EU should move to a 30% by 2020 emissions reduction target: how to focus additional effort on EE?

