



Financing Our Ambitions

Noticing that an ambitious budget agreement was found in the Boge report and approved by the European Parliament in June 2005, and that the Council found another one in December of the same year, under the British presidency.

Regretting that the adopted budget will not implement the prospective project supported by the parliament,

Noting that the compromise found in between isn't as ambitious as the parliament's proposition was,

YEPP makes the following statements for this ambitious challenge, willing to implement them from 2008 on, for the budgetary revision foreseen in the above mentioned agreement :

- To give an image of seriousness and professionalism of the Union, the EU should back up its concrete proposals with financial means we support the principle of **agreements on EU's incomes** before any further discussion on its expenses. This would allow to evaluate the very policy versus its expenses and therefore to thrive it or not in the following budget agreements. With this *modus operandi*, the European Initiative for Growth would have been coupled with extra funding from member states and therefore operates, far from its current lethargy.

- This proposal would be eased by making the **budget and the legislature match** with each other. So, the parliamentary evaluation of the policies implemented by the commission would benefit from a shortened budget perspective. It would be brought down to 5 years instead of the current 7. The budget discussion would then be discriminating part of European elections and each European political parties **would define their perspectives** for both the Union's tasks and means to manage them. Citizens would then take part in the various proposals done by the parties.

- We recognise the desirable **increase in the Union's "own resources", in proportion of its total budget**. They decreased from based on 1% of national VAT to 0,5 since 2004. They could also be more diverse. It would result in a desirable more independent EU. This may not necessarily result in a global increase of the Union's budget, but would dissociate it from the arbitrary contributions and good will

of national government. Therefore, national funding would decrease in proportion of the global EU budget, making it more independent and long term minded.

- To promote every single EU policy, budget agreement should include the whole Union's actions. It should therefore **include related funding like** the one given by **the European Development Fund**. This would increase the control of European institutions such as the Parliament, the Court of Justice and Court of Auditors and allow a better coherence of European policies on this issue. This funding represents 11% of the world public funding for development. Europe is the first to help developing countries with 55% of the world aid, and the EU manages 20% of it. It is fair enough to mention it. This could be shaped as an alternative version of the budget, including any EU funding, mentioning the long term projects that the Union is financially supporting and also unbudgeted engagements

- We regret the persistent budgetary discrimination between different member states. **Particular agreement highlighting national disparities should be reconsidered during every budget discussion.** What was fair yesterday may no longer be since every member state have developed at different speed and since the Union itself have enlarged. You cannot seemingly pretend to be a full member and asking for particular dispositions on various policies. Particular conditions left to historical members are hindering cohesion with new entrants. They should therefore be erased.

- To overcome such a stocking state of fact, the YEPP calls for a **large double majority in the Council to agree on budgets.** It would allow negotiations on the well being of a particular disposition rejected by particular interests. In any case, this debate should take place within a much more ambitious one, the one of the EU's finances and financial institutions.

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