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The Bundestag is discussing the EU's next Multiannual Financial Framework

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A debate on the future shape of the Multiannual Financial Framework 2014–2020 took place in the Bundestag on 24 November. The CDU/CSU/FDP government coalition and the opposition SPD presented their conclusions during the debate. The coalition's stance included the government's previous proposals for reducing the value of the EU's Multiannual Financial Framework, leaving the expenses on the Common Agricultural Policy at the same level and the need to allocate more funds to science at the expense of other areas, such as the cohesion policy. The costs incurred by Germany to rescue the eurozone were used for the first time in official argumentation as the main motivation for cutting EU expenses. The government coalition also commented on new proposals from the European Commission. Its MPs supported the reduction of the limit on transfers from the structural funds to a level of 2.5% of the beneficiary country's GDP. They also declared they would firmly insist on keeping the funds allocated in the EU's new financial frameworks for the regions which are likely to lose support from structural funds, including Germany's new federal states, at a level of at least two thirds of the previous value. The government coalition is opposing the imposition of limits on EU subsidies for farmers and is rejecting the possibilities of direct funding of the development of energy networks from the EU budget, arguing that these should be financed from either national budgets or private funds. It was emphasised that withholding the availability of structural funds to those countries which notoriously breach EU budget criteria needed to be considered.

The opposition parties appealed for the EU's financial framework to remain at the present level, and the Green Party did not rule out increasing it.

Commentary

- The stance of the government coalition on the EU's financial framework has confirmed that improving the German financial balance with regard to the EU's budget continues to be a priority for Germany. Germany will make efforts to achieve this by reducing the EU budget, limiting German contributions and also keeping the level of subsidies from the Common Agricultural Policy for German beneficiaries unchanged. Germany also insists that the new federal states should continue receiving money from structural funds even though their GDP per capita is higher than 75% of the EU average. As part of the present financial framework, Germany has managed to gain temporarily higher funds for them from this policy although they fail to meet the fund allocation criterion.

- The German concept is showing that major cuts in the EU budget may concern structural funds, as a consequence of which the costs of reducing EU expenses will mainly be incurred by Central European countries. Despite the limitation of the EU's financial framework, Germany will expect that the lower budget will offer more funds for subsidising science and for new obligations under the Treaty of Lisbon, including those imposed as part of the common foreign or energy policy.

- The coalition parties have used the debate for the promotion of the German arguments for reducing the EU budget. The opposition's criticism of the coalition's proposals was rather a PR trick than a genuine voice of objection. It seems that in particular the SPD, which was pushing through cuts in EU expenses in the previous negotiations of the financial frameworks, will agree with the government coalition's stance.