AN INVESTMENT IN EUROPE’S YOUTH:

Position of the European Youth Forum on the post-2020 Multiannual Financial Framework

ADOPTED BY THE COUNCIL OF MEMBERS
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EXECUTIVE SUMMARY

Overarching priorities

In the post-2020 Multiannual Financial Framework (MFF), the European Youth Forum calls for three main priorities: mainstreaming of funding for youth, sustainability proofing the MFF and a rights-based approach. The duration of the MFF should be 7 years, with a view to introducing a 5+5 year MFF for the subsequent framework. Civil society must be consulted on all aspects of the future MFF, including planning, implementation and monitoring.

Income

The post-2020 MFF should represent at least 1.3% of GNI of the EU27. Given the opportunity that Brexit presents, all rebates to Member States should be removed and scrapped. The VAT-based contribution to the budget should be reformed, while new forms of own resources should be introduced to complement GNI-based contributions. These could include a Common Consolidated Corporate Tax Base, a Financial Transaction Tax, a CO2 levy, proceeds from the EU Emission Trading Scheme, a Motor fuel levy, an Electricity Tax based own resource and a portion of the net profits produced by the ECB monetary policy operations.

General Expenditure Priorities

Civil society must be at the core of the Multiannual Financial Framework process. Youth organisations in particular must be involved in the planning, creation, implementation and monitoring of policies and programmes that affect them. In addition, these organisations must be supported also through the MFF to carry out their important work, including through appropriate structural support.

Education

In the field of education, the European Youth Forum calls for the budget for the Erasmus+ successor programme to be ten times the current allocation, enabling it to reach a more and increasingly diverse range of young people. In addition, a separate budget line within the Erasmus+ programme should be allocated for the youth and non-formal education sectors, accounting for at least 15% of the overall programme. Finally, investment in the European Solidarity Corps must not come at the expense of current programmes offering valuable opportunities to young people, but be financed through additional resources.

Social and Economic Inclusion

To ensure a holistic approach to employment and social inclusion, the European Youth Forum calls for the European Social Fund (ESF) to support the implementation of the European Pillar of Social Rights, as well as mainstreaming youth in all of its thematic priorities. The earmarking for social inclusion should be increased to at least 25% of the ESF successor programme, and this should be used to tackle barriers to inclusion beyond access.
to employment. The Youth Employment Initiative (YEI) should become a permanent source of funding, with at least €23 billion allocated for the successor programme. Access to funding under the ESF and the YEI should be simplified and youth organisations should be involved at all stages of design, implementation, monitoring and evaluation.

Cohesion Policy

To achieve a budget that boosts Europe’s regions the European Youth Forum calls for sustainability to be a cross-cutting priority for the cohesion policy funds, and the implementing mechanisms of cohesion funding to be simplified. In addition, funds to Member States should be made conditional on the respect of EU fundamental values and the rule of law.

European Citizenship

To foster European citizenship, the European Youth Forum calls for increasing the budget for the Europe for Citizens successor programme to €500 million: €1 for each citizen. In addition, projects that encourage citizens’ active participation in democratic decision-making should be supported, as well as those that strengthen critical thinking and that tackle the lack of participation by vulnerable groups in democratic processes. Finally, support for pro-European civil society organisations should be enhanced.

Agriculture and Environment

To encourage sustainable agriculture and to take a proactive approach to environmental protection, the European Youth Forum calls for significantly increasing funds for the LIFE programme, and environmental objectives to be incorporated across all internal and external policies. Funding for the Common Agricultural Policy (CAP) should be maintained with 20% of funding going to young farmers and generational renewal, 30% for environmental measures and 50% for sustainable economic support.

Migration

To protect and welcome young migrants and refugees, the European Youth Forum calls for mainstreaming funding for youth across all funding programmes that support the inclusion of migrants. In addition, 30% of the Asylum, Migration and Integration Fund (AMIF) successor programme should be allocated for inclusion of migrants. Finally, dedicated funding should be made available to support the transition of young refugees to adulthood.

Global Europe and External Action

To promote a global Europe, the European Youth Forum calls for the promotion and respect of fundamental values throughout the EU’s internal and external programmes and policies, as well as policy coherence for sustainable development in external programmes. In addition, sufficient and increased funding for youth organisations should be made available both within and outside Europe, across the spectrum of external action instruments and
programmes. Sufficient funding should also be apportioned to organisations working to implement the UN Security Council Resolution on Youth, Peace and Security.

Research and Innovation

To encourage excellence in research and development, the European Youth Forum calls to increase the budget of the Horizon2020 programme to €100 billion, and to make it more accessible to a wider pool of researchers. In addition, the role of youth research in the successor programme should be strengthened.
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<tr>
<th>Abbreviation</th>
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<td>AMIF</td>
<td>Asylum, Migration and Integration Fund</td>
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<td>CAP</td>
<td>Common Agricultural Policy</td>
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<td>CO2</td>
<td>Carbon Dioxide</td>
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<td>DGs</td>
<td>Directorates-General</td>
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<td>EDF</td>
<td>European Development Fund</td>
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<td>ESC</td>
<td>European Solidarity Corps</td>
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<td>ESF</td>
<td>European Social Fund</td>
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<td>ESIF</td>
<td>European Social and Investment Fund</td>
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<td>EU</td>
<td>European Union</td>
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<td>FP8</td>
<td>Framework Programme for Research and Innovation 8</td>
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<td>FP9</td>
<td>Framework Programme for Research and Innovation 9</td>
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<td>GNI</td>
<td>Gross National Income</td>
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<td>ILO</td>
<td>International Labour Organisation</td>
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<td>KA1</td>
<td>Key Action 1</td>
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<td>KA2</td>
<td>Key Action 2</td>
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<td>KA3</td>
<td>Key Action 3</td>
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<tr>
<td>LGBTQI</td>
<td>Lesbian, Gay, Bisexual, Transgender, Queer, Intersex</td>
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<td>LIFE</td>
<td>Programme for the Environment and Climate Action</td>
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<td>MEP</td>
<td>Member of the European Parliament</td>
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<td>MFF</td>
<td>Multi-annual Financial Framework</td>
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<td>NEET</td>
<td>Not in Education, Employment or Training</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organisation</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<td>NPs</td>
<td>National Programmes</td>
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<td>ODA</td>
<td>Official Development Assistance</td>
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<td>PES</td>
<td>Public Employment Services</td>
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<td>R&amp;D</td>
<td>Research and Development</td>
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<td>SDGs</td>
<td>Sustainable Development Goals</td>
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<td>SMEs</td>
<td>Small and Medium Enterprises</td>
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<td>SSH</td>
<td>Social Sciences and Humanities</td>
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<td>UNSCR</td>
<td>United Nations Security Council Resolution</td>
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<td>VAT</td>
<td>Value Added Tax</td>
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<td>VET</td>
<td>Vocational Education and Training</td>
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<td>YEI</td>
<td>Youth Employment Initiative</td>
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I. Explanatory note

This policy paper outlines the political demands of the European Youth Forum and its Member Organisations for the post-2020 EU Multiannual Financial Framework (MFF) and its accompanying programmes. This policy paper covers the key demands from youth organisations and young people in Europe for the financial future of the European Union.

This policy paper has been drafted as the next step in a long running campaign of the European Youth Forum: “Invest in Youth”. This campaign has emphasised the importance of increased funding for young people and youth organisations in many areas since it was initiated, including funding for young people in the wake of the financial crisis, the proposal for the 2014-2020 MFF and the current Erasmus+ programme. This policy paper on the post-2020 MFF was informed by those positions, among others.

In 2016, the European Youth Forum began a series of events in cooperation with the Youth Intergroup in the European Parliament to examine how to concretely invest in youth, including an examination of funding for youth unemployment and the European Fund for Strategic Investment. On the 10th of January 2018, another of these events was held to examine how to mainstream funding for youth in the post-2020 MFF. Many of the outcomes of that event are included in this paper.

This policy paper has been developed through a consultation with the European Youth Forum’s Member Organisations¹ and other stakeholders². The Expert Group on Funding contributed to the content, while Member Organisations working on specific areas of policy or on particular programmes were consulted directly on the areas that were of particular relevance to them. Inputs from the wider membership of the European Youth Forum were also incorporated.

The European Youth Forum would also like to take this opportunity to thank those external stakeholders including our NGO and civil society partners, MEPs, and experts in various fields for their input to this paper.

The considerable input into this policy paper ensures that the voice of young people has been heard, and is reflected in the content of this document. We now pass the baton to the European institutions and the Member States to also hear and act on the important voice of young people in their discussions.

¹ National Youth Council Ukraine (NYCU), Portuguese Youth Council (CNJ), World Organisation of the Scout Movement (WOSM), Young Men’s Christian Association (YMCA), International Falcon Movement (IFM-SEI), European Federation for Intercultural Learning (EFIL), Austrian Youth Council (OJV), National Youth Forum of Bulgaria (NMF), French-speaking Belgian National Youth Council (CJ), Federation of the Young European Greens (FYEG), European Young Farmers (CEJA), Rural Youth Europe (RYE).
² SDG-Watch, CEE BankWatch, Social Platform, Civil Society Europe.
II. INTRODUCTION

This is a crucial time for young people and Europe as a whole. New and exciting opportunities are continually emerging, and yet overwhelming challenges are also put before us as a continent. As a social group, young people are particularly vulnerable to such challenges, and yet stand to uniquely benefit from the opportunities that await.

During this turbulent time, it is not only the European Union’s (EU) responsibility but its duty to invest in young people and the future of our continent as a whole. The strongest message that Europe can send to its youth is to invest in them: in their present and in their future. This is an investment into the wellbeing of our societies: including and empowering young people, fighting against social and economic exclusion, and making a more sustainable world a reality.

The European Union’s tool for investment, the Multiannual Financial Framework (MFF), will be renewed in 2021. In the current MFF, only 2% of overall funding is spent on youth. This must change if we are to show Europe’s young people that the future of this continent lies with them. Therefore, the European Youth Forum calls for funding for young people and young people’s issues to be mainstreamed throughout the post-2020 MFF to ensure that the youth perspective and youth issues are included in every policy and programme. No clearer signal can be made of the EU’s commitment to the future, as well as the present, than investment in young people.

And yet some may wonder why investment in youth is a sound investment, and whether it will reap returns. The answer is clear: investing in youth bolsters the European identity and supports mobility within the EU. From an economic perspective, each national economy and thus the stability of the Eurozone are dependent on young people. Indeed, the sustainability of public finances in the long-term are also dependent on young people. With young people more likely than other sectors of society to be without a job, this has the potential to lead to economic divergence and eventually, disintegration. Investing in youth protects against these dangers and promotes a more cohesive and secure society overall. This is the European Union’s challenge for the post-2020 MFF and one that it must overcome, for the future of our continent and its peoples.

Priorities

The European Youth Forum highlights three underlying priorities that are essential to the post-2020 MFF:

- **Youth mainstreaming**: To ensure that funding for youth is mainstreamed across all policy areas and programmes;

- **Sustainability proofing**: To ensure that comprehensive implementation of the 2030 Agenda for Sustainable Development is delivered through the MFF, consistently

applying a set of sustainability principles\textsuperscript{5} to the setting and implementation of funding priorities and guaranteeing policy coherence for sustainable development. This also means that public finances are stable and sustainable. For young people’s future, it is imperative that public finances are long-lasting and public goods are sustainable, assuring the system for decades to come.

- **A rights-based approach**: To ensure that throughout the MFF, young people are recognised as rights-holders and not as beneficiaries.\textsuperscript{6} While all people are entitled to certain civil, political, economic, social and cultural rights, young people are particularly at risk of being denied access to these rights.

We call for youth mainstreaming, sustainability proofing and a rights-based approach to be **cross-cutting priorities** for all programmes and policies within the post-2020 MFF.

**Duration**

The duration of the post-2020 Multiannual Financial Framework is a central topic of discussion in the context of the new framework.

Many long-term European priorities and challenges are addressed through the MFF. For example, infrastructure projects under cohesion policy may run over a period of many years, while farmers benefiting from the Common Agricultural Policy require long-term stability and certainty in their income source. Yet as with any budget, transparency and democratic accountability needs to be assured. The current and previous Multiannual Financial Frameworks have each ran for seven years, resulting in a situation where certain terms of the European Parliament and Commission have been deciding budgetary priorities for the subsequent compositions. This is inherently untransparent and undemocratic.

As such, the European Youth Forum calls for the MFF to move towards a 5+5 year formulation. This would mean a budget that is proposed for 10 years would be agreed, but there would be a significant review of these priorities halfway through implementation, including, if new priorities arise, a revision upwards of the MFF’s headings’ ceilings and of the annual ceilings for commitment and payment appropriations. This formulation would offer stability to those who are dependent on the budget, but would also answer to democratic accountability questions.

However this is not immediately possible. Given that the next European Parliament elections will take place in 2019 while the next MFF will begin in 2021 in the middle of the Parliament’s mandate, the immediate introduction of a 5+5 year formulation would not change the current scenario but would instead preserve the status quo.

Therefore the European Youth Forum calls for the post-2020 MFF to run for a period of seven years, allowing the MFF to come into line with the democratic timeline. Therefore, for

\textsuperscript{5} http://www.peoplesbudget.eu/key-asks/
the MFF subsequent to the post-2020 one, the European Youth Forum calls for the introduction of the 5+5 year proposal.

**Flexibility**

We are living in an ever changing world, with new challenges and new opportunities continuously presenting themselves. As such, the budgets that we adopt require flexibility to be able to respond to these challenges. In the current MFF period, new and unexpected challenges emerged after an agreement was reached, most notably the increase in migration, while for the previous MFF, the financial crisis hit resulting in large numbers of unemployed young people.

As such, for this post-2020 MFF, flexibility will also be required. However the European Youth Forum calls for assurances that flexibility within the budget will not mean the decrease of funds already allocated to priority areas of the MFF. Ensuring that the budget can respond to emerging challenges cannot come at the expense of our core priorities.

**Democratic and transparent process**

The Multiannual Financial Framework architecture, and even more so its method of adoption, is opaque and far removed from its citizens. As such, the European Youth Forum highlights the need to have a transparent process that is understandable to the citizens, thereby increasing understanding and, in turn, the legitimacy of the MFF.

In particular, a stronger role for the European Parliament and the involvement of civil society is crucial. Ensuring that young people and youth organisations are included in the planning, creation, implementation and monitoring of policies and programmes that affect them is essential to the overall success of the framework. By incorporating youth voices in all aspects of policies that affect young people, it is ensured that the programmes are effective and best meet the needs of the recipients.

At the current time, while many EU funds fall under the remit of the Multiannual Financial Framework, not all do. The European Youth Forum calls for funds such as the European Development Fund and other instruments that fall outside of the MFF to be incorporated into the budget. This will also increase the transparency of the MFF, through the introduction of clear accountability, notably of the European Parliament, and audit procedures for these funds and instruments. However these funds should also have their financial envelopes added to agreed MFF ceilings.

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The coming years will present the biggest opportunity for change within the European Union for many decades. Whether this change is ultimately positive or negative for citizens, and for the Union as a whole, depends greatly on what political priorities are chosen and whether

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7 European Youth Forum, 2016. 8 standards for a Quality Youth Policy.
the budget allocated is sufficient. In this policy paper, the European Youth Forum calls for investment in, and mainstreaming funding for, youth and a sustainable and rights based approach in the post-2020 Multiannual Financial Framework.
III. INCOME

As with any budget, how much money is involved and where it comes from is equally as important as how the money is spent. Therefore, the income aspect of the post-2020 MFF is crucial.

Current Situation

Currently, the income side of the Multiannual Financial Framework has some major hindrances to its well functioning. These include a lack of financial sustainability, a lack of transparency, and inherent unfairness. This section of the paper will focus on the current problems and the potential solutions.

Within the current MFF (2014-2020), the revenue side is almost entirely composed of three main sources of income:

- GNI\footnote{Gross national income (GNI) is defined as gross domestic product, plus net receipts from abroad of wages and salaries and of property income, plus net taxes and subsidies receivable from abroad. OECD data on Gross National Income: \url{https://data.oecd.org/natincome/gross-national-income.htm}.} contribution: This is the contribution from Member States directly, composed of a percentage of their overall GNI, usually approximately 1%. GNI contribution currently accounts for approximately 69% of the total revenue of the MFF.
- VAT\footnote{Value Added Tax (VAT): a tax on goods and services. European Commission, What is VAT?: \url{https://ec.europa.eu/taxation_customs/business/vat/what-is-vat_en}.}\footnote{Gross national income (GNI) is defined as gross domestic product, plus net receipts from abroad of wages and salaries and of property income, plus net taxes and subsidies receivable from abroad. OECD data on Gross National Income: \url{https://data.oecd.org/natincome/gross-national-income.htm}.} based own resource: This is a transfer made by Member States to the EU of 0.3% of the estimated overall VAT collection within that Member State. This accounts for approximately 12% of the current revenue.
- Traditional own resources: Traditional own resources include tariffs and customs duties. They form approximately 13% of overall revenue.

The remaining percentage is covered by other revenue including taxes paid by EU civil servants or fines paid by companies for breaches of competition law.

To further complicate matters, “rebates” were given to some Member States. Rebates are a financial mechanism to give money back to Member States after it was contributed to the budget. The United Kingdom’s rebate is the most well known example, but a number of other Member States also have the same mechanism applied, albeit at a lesser rate.

As mentioned, the revenue side of the budget currently has some major problems that must be rectified:

\textit{Lack of financial sustainability}: Sustainable public finances are crucial. For the young people of today and for future generations, public finances must be stable and able to be sustained long-term. In the context of the MFF, the most significant amount of funding comes directly from Member States via their GNI contributions. The level of these GNI contributions are decided by Member States for each successive MFF. Therefore, the financing of the
European Union is based on the will of the Member States and subsequent governments rather than on the needs and priorities of the Union at the time the budget is being decided. As such, the financial sustainability and stability of the Union’s budget is quite weak, making long-term planning and a holistic approach to the future difficult. It is imperative for the future of the EU and its people that public funds are financially sustainable in the long term.

_Lack of transparency:_ It is extremely difficult for citizens to understand how the MFF is financed. The division of income sources, as well as the opaque rebate system, means that it is challenging for citizens to understand how they contribute to the EU budget compared to national budgets.

_Unfair:_ The rebate system particularly has challenged the notion of solidarity, with certain Member States receiving obvious “payback” on their input. This has resulted in a feeling of special circumstances for particular States, resulting in a loss of solidarity.

**Post-2020 MFF**

For the funding of the post-2020 MFF, there are two main issues:

- How to fill the funding gap created as a result of the United Kingdom leaving the EU, and;
- How to make the income side of the budget more financially sustainable, transparent and fair.

In the context of the next MFF, the United Kingdom’s exit from the European Union (Brexit) has presented both opportunities and challenges. The most obvious challenge is that it is unlikely that the United Kingdom will contribute to the post-2020 MFF. Overall, this means a drop in revenue for the EU of around 15% at current levels of income/spending. Finding the resources to fill this gap is one major challenge for the MFF as a whole.

A major opportunity on the revenue side of the budget related to Brexit is there is now the potential, and a considerable amount of political will, to remove rebates from the budgetary equation. The removal of rebates has the potential to make the MFF more transparent for citizens, easier to calculate and to further promote EU-wide solidarity.

For the young people of today and for future generations, public finances must be stable and able to be sustained long-term. Due to the fact that the level of GNI contributions are decided by Member States for each successive MFF, and that GNI-based contributions form such a large part of the overall budget, the challenge for the post-2020 MFF will be to become more financially sustainable. The income side of the budget should be determined by the political priorities of the Union in already existing areas as well as new areas where cooperation at EU level is seen to have additional value.

In addition, Member States often view the EU budget as a cost to themselves, and fail to see the added value for pan-European challenges and cross-border costs that could not be tackled by one Member State alone. As such, Member States often seek to get the most
return on their national investment into the EU budget, the so-called “juste retour” or fair
return. This perception does not take account of the added value of paying into an EU-wide
budget.

Calls

In order to achieve a budget that is financially sustainable, fair, transparent and provides EU
added value, the European Youth Forum calls for:

- Allocating the budget for the post-2020 period after priorities are decided upon; financial resources should be determined by the political priorities; at least 1.3% of the GNI of the EU-27 to be allocated to the post-2020 MFF;
- Member States to recognise the EU added value and to view the budget as a win-win opportunity rather than focusing on the fair return or “juste retour”;
- Taking advantage of the opportunity that Brexit affords the EU to scrap rebates, making a more transparent and understandable system for all;
- Ensuring flexibility within the budget to respond to urgent challenges; the mid-term revision of the MFF 2021-2027 to include the possibility of revising the MFF ceilings; however this should not come at the expense of funds that are pre-allocated for specific projects;
- Reforming the VAT-based contribution to increase transparency and accountability, by establishing a real EU VAT base on which the own resource would be collected; a VAT-based contribution to remain a revenue source with the aim of reducing tax fraud;
- Gradually complementing GNI-based contributions with alternative forms of own resources, with a view to re-establish the role of the GNI-based contribution as a buffer in case of emergencies\(^\text{10}\); introducing new forms of own resources to form a tax basket, ensuring a more sustainable overall financing of the MFF; that these new genuine own resources could include (among others) a combination of\(^\text{11}\) a:
  - Common Consolidated Corporate Tax Base
  - Financial Transaction Tax
  - CO2 levy / carbon pricing
  - Proceeds from the EU Emission Trading Scheme
  - Motor fuel levy
  - Electricity Tax based own resource
  - A portion of the net profits produced by the ECB monetary policy operations\(^\text{12}\)

- Avoiding that new forms of own resources would put undue additional costs on EU citizens; that new forms of own resources should be economically progressive;

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\(^\text{10}\) Young European Federalists, 2017. A Federal Budget for the European Youth.

\(^\text{11}\) All proposals are outlined in the final report of the High Level Group on Own Resources. High Level Group on Own Resources, 2016. Future Financing of the EU: Final report and recommendations of the High Level Group on Own Resources.

\(^\text{12}\) Young European Federalists, 2017. On the institutional design and governance of the Eurozone.
“Budgets are not bookkeeping exercises - they are about priorities and ambition.”

Jean-Claude Juncker – President of the European Commission

IV. EXPENDITURE

The European Union’s political priorities for the post-2020 period will set the path for the future of Europe. Therefore the choices that we, as a Union, make now are crucially important as to what we want that future to look like.

Young people are not just the future, but are also the present. They do, however, have a larger stake in the future. To safeguard and protect that future, we must invest in young people now so that our ambition to achieve more and reach higher can be realised. In outlining our priorities for the post-2020 MFF, the European Youth Forum therefore calls for the mainstreaming of funding for youth in each policy area and programme. Throughout this expenditure chapter, we outline where to invest in youth and how to ensure that this mainstreamed approach can be achieved.

Pledging the EU’s support to the implementation of the 2030 Agenda for Sustainable Development and ensuring that the post-2020 MFF is sustainable is equally as important. Young people’s future depends on having an economy, institutions and public finances that work for the wellbeing of all people and the planet, leaving no one behind. In order to realise the Sustainable Development Goals, Member States must deliver on their commitment to reach those furthest behind first. Funding must target the most marginalised young people in Europe and beyond.

Finally, a rights-based approach is required, with young people viewed as rights-holders and not as beneficiaries.14

To truly reach the most marginalised young people in Europe however, accurate and up-to-date data is required. Effective strategies for young people, and decisions about where best to target our limited resources cannot be made if we don’t know who to target, and consequently how best to target them. Lack of data on the most vulnerable and the most marginalised makes them “invisible”. Time and resources must be invested into quality data collection, including targeted strategies and methods, to gather data on the most vulnerable and marginalised youth. We don’t treasure what we don’t measure. Member States and the EU must be mindful of their responsibility to collect and report accurate data on a frequent basis.

To have a strong and robust democracy, and independent civil society must be at the very heart of it15. Recently civil society has come under threat from multiple sources and research shows that the space available to civil society is shrinking.16 To ensure that our Europe lives

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13 European Commission, 14th of February 2018. EU long-term budget after 2020: European Commission sets out options – and their consequences
up to its values, civil society must be supported to carry out its important work. The European Youth Forum therefore calls for civil society, hence youth organisations, to be supported throughout the various programmes and the Multiannual Financial Framework as whole, through adequate and appropriate structural funding as well as reporting requirements that do not unduly burden them.

The European Youth Forum also strongly emphasises the right of young people and youth organisations to be involved\textsuperscript{17} in the planning, creation, implementation and monitoring of policies and programmes that affect them. To have a truly participatory approach to policy-making\textsuperscript{18}, institutions, governments and administrations must reach out to young people and youth organisations to make sure that their voice is heard. Young people know the solutions to their own problems and know how to tackle them better than others. Incorporating youth voices from all socio-economic and cultural backgrounds in all aspects of policies that affect young people will ensure the programmes are effective and best meet the needs of the recipients.

In the current MFF, new challenges emerged after the beginning of the programming period, including the increase in migration. Therefore, in-built flexibility for the post-2020 MFF is the hallmark of prudent planning. However, this flexibility should not come at the expense of priorities and budgetary amounts that are already earmarked, i.e., designated for a particular purpose. Flexibility cannot come at the expense of our core priorities and daily work to make Europe more inclusive, sustainable and allow our youth to prosper.

In this section on expenditure, each of eight policy areas will be discussed. These are:

A. Education  
B. Social and Economic Inclusion  
C. Cohesion Policy  
D. European Citizenship  
E. Agriculture and Environment  
F. Migration  
G. Global Europe and External Action  
H. Research and Innovation

Each policy area will be discussed outlining what is the current state of play regarding that policy area in the EU, how it featured in the last MFF, how the relevant programmes should be amended for the post-2020 MFF and finally, what concrete recommendations the European Youth Forum wishes to see in the post-2020 MFF.

\textsuperscript{17} Treaty on the Functioning of the European Union. Article 165-2.  
\textsuperscript{18} European Youth Forum, 2016. 8 standards for a Quality Youth Policy.
A. EDUCATION

Current State of Play

Education and Training

Education and training are core national policies that are complemented by EU-level policies. At EU level, education is comprised of a series of strategies\(^\text{19}\) aimed at improving the quality of education, access to lifelong learning opportunities, and the skillset and mobility of all European citizens, namely through programmes such as Erasmus+.

In terms of formal education, 85% of young people aged 15–19 in the EU are enrolled in education, mostly due to compulsory education,\(^\text{20}\) valuable competences were gained by young people as a result of engaging in mobility activities (4.3 million between 2007-2016 through Erasmus+ and its predecessor programmes), youth work (2.5 million since 1989 through Erasmus+ and its predecessors\(^\text{21}\)), vocational education and training (280,000 since 2014) sports, volunteering on local, national and international level as well as other non-formal and informal learning opportunities organised by youth organisations and other civil society organisations.

In Europe, education is still mostly seen as a preparatory step towards the labour market. It requires a real paradigm shift that puts the learner at the centre for education systems to become truly inclusive and contribute to improving the quality of life of individuals and the development of society as a whole\(^\text{22}\). European education systems are struggling to achieve gender equality\(^\text{23}\), inclusion of young people from migrant or ethnic backgrounds\(^\text{24}\) and young people from less privileged social backgrounds\(^\text{25}\). Education systems are also struggling to provide for the still 12.5 million young people who are not in Education, Employment, or Training (NEET)\(^\text{26}\).

Finally, much work remains to be done at regional and national level to achieve proper recognition of youth work and non-formal education, and the competences acquired through these systems. In addition, legal barriers prevent young people from engaging in quality volunteering experiences or moving abroad to volunteer in another country.

How the current MFF fared

In budgetary terms, education and training in Europe continues to be predominantly funded by national public budgets\(^\text{27}\). In contrast, EU investment in education and training amounts to

\(^{19}\) The Lisbon Strategy (2000-2010), the Europe 2020 Strategy (2010-2020), the Skills Agenda (2016-2020) and the European Education Area (2020-2025).


\(^{22}\) European Youth Forum, 2013, Policy Paper on Quality Education


\(^{24}\) Ibid.

\(^{25}\) Ibid.

\(^{26}\) https://www.eurofound.europa.eu/topic/NEETs

\(^{27}\) European Commission, 2017. Education and Training Monitor.
just €51.68 billion for the entire duration of the current MFF (5.1% of the total), split between the following programmes:

- Erasmus+ (€14.7 billion),
- European Structural and Investment Funds:
  - European Social Fund (€27.1 billion),
  - European Regional Development Fund (€8.3 billion)
  - European Agricultural Fund for Rural Development (€1.7 billion)

**Erasmus+**

Erasmus+ is widely recognised as one of the most successful EU programmes. It is an essential element of the EU's priority area of investment in education and training. The current programme has a budget of €14.7 billion, a 40% increase on the previous programme. The Erasmus+ programme has a dedicated chapter for Youth, amounting to 10% of the current budget. The programme has 3 key focus areas: learning mobility of individuals (KA1: 63% of the overall budget), cooperation for innovation and the exchange of good practices (KA2: 28% budget) and support for policy reform (KA3: 4.2% of budget).²⁸

The EU added value of the programme is uncontested and the outreach and impact of the programme, particularly among young people and the youth sector, is unique and highly successful.³⁰ However, among stakeholders, the following challenges are acknowledged: the budget is insufficient to meet demand; it prioritises higher education to the detriment of the other sectors; there is little impact at policy level; reaching out to disadvantaged groups remains a challenge; and the level of structural and financial support provided to organisations is too low to meet their needs.³¹

**European Structural and Investment Fund**

In the 2014-2020 MFF, the European Structural and Investment Fund supported investment in education, training and vocational training for skills and lifelong learning as one of its thematic priorities. This was largely done through the European Social Fund, the European Regional Development Fund and the European Agricultural Fund for Rural Development. A more detailed analysis of the impact of these funds can be found under the Social and Economic Inclusion chapter of this paper.

**European Solidarity Corps**

The European Solidarity Corps (ESC) was announced in September 2016 and at the time of writing, is still going through inter-institutional negotiations. If approved, the ESC will be

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²⁸ https://cohesiondata.ec.europa.eu/themes/10
²⁹ http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32013R1288
³² European Commission, 14th of September 2016. State of the Union Address 2016: Towards a better Europe - a Europe that protects, empowers and defends.
launched in mid-2018 with a budget of €341 million\textsuperscript{33} to be divided among three main activities (solidarity placements, solidarity projects and networking activities). The current proposal of the European Commission recommends that 80% of the available budget would be allocated to volunteering placements and 20% to occupational placements (i.e. jobs and traineeships).

**What the MFF should achieve**

Continued investment in education and training in the post-2020 MFF will undoubtedly provide added value for the EU. In the coming years, more robust social and education policies will be required to equip young people to meet emerging challenges, and to achieve Sustainable Development through the 2030 Agenda. Currently, education systems are struggling to meet the challenges of digitalisation and technological progress, the content and volume of information consumed daily from a variety of media sources, the environmental crisis, the fight against inequality and the social exclusion of a diverse range of societal groups. Tackling those challenges will require a fundamental change in how we provide education in both formal and non-formal settings, with a corresponding increase in funding provided to match those ambitions.

To address the aforementioned points and to continue improving the quality of education in Europe, a significant increase is required for programmes related to education and training in the post-2020 MFF. In addition, synergies and interlinkages between various programmes that deliver on education and training should be explored. However, specific measures would be needed to ensure such synergies can emerge, including better mainstreaming of youth in the MFF overall.

**Erasmus+**

Erasmus+ is currently achieving results, particularly in the areas of youth mobility and support for European civil society and youth organisations, that would not be possible without the programme\textsuperscript{34}. It is also clear that there is a lack of credible alternatives (at national, regional or local level) that could deliver the same results for learners, and that the absence of Erasmus+ funding would have major consequences for all sectors involved in the programme, and for those who did not have the opportunity to partake.\textsuperscript{35} It is also clear that the current budgetary allocation for education and training, and particularly for Erasmus+, is insufficient to achieve its goals.

Despite a 40% increase in the budget for Erasmus+ 2014-2020 as compared with the previous programming period, the programme continues to be underfunded. This is

\textsuperscript{33} From the €341 million allocated to the programme, almost 58% (around €197.7 million) will come from Erasmus+ programme. The rest of the budget will come from the European Social Fund (€30 million), European Programme for Employment and Social Innovation (€10 million), the Union Civil Protection Mechanism (€6 million), LIFE Programme (€4.5 million) and European Agricultural Fund for Rural Development (€1.8 million). The remaining 25% of the budget will come from the Global Margins for Commitments (€86.5 million) for the EU budget for 2018.

\textsuperscript{34} European Commission, 2017. Combined evaluation of Erasmus+and predecessor programmes. p. 434

\textsuperscript{35} Ibid
hampering the potential of the programme to reach out to even more young people, and is having broader organisational and system-level effects in the EU\textsuperscript{36}.

It is essential that the successor programme be more ambitious, aiming to reach out to many more young people and learners across Europe\textsuperscript{37}. Therefore, the budget for the post-2020 Erasmus+ should be multiplied by ten to broaden its access to more young people and learners. This budgetary increase should prioritise sectors of the programme that show good performance but receive substantially less funding, such as youth, sports and schools\textsuperscript{38}. Moreover, the programme should be made more accessible and inclusive for all young people, including Roma, LGBTQI, refugee and migrant young people, young people with disabilities, young people living in poverty and young people from ethnic minority backgrounds. A simplified, low-threshold administrative process is crucial to ensure the direct participation of young people themselves. Furthermore, information about the programme should be given in a manner that is youth-friendly to reach a broad spectrum of young people.

A separate budget should also be foreseen for the youth and non-formal education sector, accounting for at least 15\% of the overall Erasmus+ successor programme. This would allow for better recognition of the contribution of youth work, volunteering and non-formal education to the objectives of the programme, and the recognition of youth organisations as key stakeholders in the education field. Furthermore, there is a need to re-emphasise that the long-term sustainability of youth organisations is an important objective of the youth chapter of Erasmus+ and sufficient funding should be allocated for this objective. Lastly, more funding would also mean more opportunities for the Erasmus+ successor programme to contribute to the EU's implementation of the 2030 Agenda for Sustainable Development, including through ensuring the promotion of the SDGs among beneficiaries of the programme and education for sustainable development as a key priority.

**European Solidarity Corps**

Investment in the European Solidarity Corps as part of the post-2020 MFF must not come at the expense of programmes already offering opportunities to young people, including Erasmus+ and the Youth Employment Initiative. The European Youth Forum welcomes the European Commission’s proposal\textsuperscript{39} to allocate €6 billion to this initiative in the next MFF and urges the European institutions and Member States to commit to properly fund this initiative regardless of its final implementation.

**Calls**

In order to achieve a budget that prioritises education and training, the European Youth Forum calls for:

\textsuperscript{36} European Commission, 2017. Combined evaluation of Erasmus+ and predecessor programmes.


\textsuperscript{38} European Commission, 2017. Combined evaluation of Erasmus+ and predecessor programmes.

\textsuperscript{39} European Commission, 2017. The Commission’s Contribution to the Leaders’ Working Lunch, Gothenburg.
• Ensuring that all people have access to quality education by increasing the overall financial envelope within the MFF for programmes related to education and training;
• Multiplying the budget of the Erasmus+ successor programme to ten times the current allocation to widen its access to an increasing number of young people and learners; the Erasmus+ successor programme to remain the main educational flagship initiative of the EU, promoting formal, non-formal and informal learning and supporting the mobility of young people and learners for studying, training and volunteering in another country;
• The EU to further assist Member States in modernising education by building a rights-based education system including the recognition of the complementary role of non-formal education providers such as youth organisations;
• The Erasmus+ successor programme to better recognise the contribution of youth work, volunteering and non-formal education sectors, including European citizenship education activities, to the objectives of the EU and to support the recognition of youth organisations as key stakeholders in the education field;\(^{40}\);
• A separate budget line within the Erasmus+ successor programme for the youth and non-formal education sectors, with a budget allocation accounting for at least 15% of the overall programme;\(^{41}\);
• The Erasmus+ successor programme to be accessible and inclusive for all young people; a simplified, low-threshold administrative process to be implemented to ensure the direct participation of young people; information about the programme to be transmitted in a youth-friendly way to reach a broad range of young people;
• Investment in the European Solidarity Corps budget must not come at the expense of programmes already offering valuable opportunities to young people; European institutions and Member States to properly fund this initiative regardless of its final implementation.
• Through a coordinated approach, Erasmus+, the European Solidarity Corps and the Youth Employment Initiative should be used as tools to achieve the successful implementation of the next EU Youth Strategy and must contribute to the EU’s implementation of the 2030 Agenda for Sustainable Development.
• The EU to build further on the principles of the ET2020 to strive for quality education including non-formal education. This engagement needs sufficient funding while it must not come at the expense of already existing programmes.


B. SOCIAL AND ECONOMIC INCLUSION

Current State of Play

Today, young people are the age group most likely to fall into poverty. The European social model, that aims to protect the wellbeing of its citizens, particularly the most vulnerable, is failing. The intergenerational gap has also widened significantly in recent years, and young people are being left behind.

In 2017, youth unemployment in the EU stood at 16.6%: while slowly decreasing, it remains more than double the overall unemployment rate. With few employers willing to take on inexperienced young workers, the availability of entry-level jobs is decreasing. As a result, many young people find themselves trapped in limbo between education and employment, where the protection of rights is weak. Youth unemployment has increased inequalities and made young people’s journey into the labour market longer and harder. Furthermore, in-work poverty has risen over the last decade and affects younger generations the most. This has an impact on the individual but also on society as a whole: when young people cannot contribute to economic life, a significant loss of contribution and financing of welfare systems occurs.

New challenges are also arising, highlighting pre-existing gaps in our social protection systems and increasing the precarious situation for young people. On the one hand, labour markets frequently do not offer young people any alternative to being trapped in consecutive, and temporary contracts. Currently, 43.8% of young people in employment have temporary contracts, as opposed to 12.1% of the rest of the working population. On the other hand, the increased demand for specialised skills as a consequence of digitisation, as well as automation and the gig economy require young people to adapt to the changing nature of work, without being given the support they need to face such changes. In other words, many young people are left without a safety net.

The EU has a responsibility to support young people to become active citizens. This means providing access to quality education, quality services, quality employment and training opportunities, and tackling barriers to the inclusion of vulnerable groups particularly. This must translate into a more holistic approach to young people’s social and economic inclusion, which has been lacking so far.

The recent proclamation of the European Pillar of Social Rights commits the EU and its Member States to work towards a more social Europe. For a social Europe to become a reality, greater efforts are needed to ensure that policies make a real difference in people’s

43 Eurostat, 31st October 2017. Euro Area Employment at 8.9%.
44 Around 12% of young people experienced in-work poverty in 2012 (as compared to 9% of the overall population). European Youth Forum, 2016. Excluding Youth: a threat to our future.
lives. These cannot only come in the form of political commitments. They must be reflected in budgetary decisions, securing continued and strengthened funding to help young people to access their fundamental rights as the first prerequisite to enabling them to reach their full potential.

**How the current MFF fared**

Within the current MFF, social investment, that is, investment in people, accounts for only 0.3% of the total public social expenditure in the EU, evidence of the gap between social issues and the support provided to address them. Currently, the main EU funding instruments promoting youth employment, social inclusion and education are the European Social Fund (ESF) and the Youth Employment Initiative (YEI), both as part of the European Structural and Investment Funds (ESIF).

**European Social Fund**

In the current MFF, ESF is one of three funds delivering the EU’s main investment policy, the so-called Cohesion Policy, supporting job creation, business competitiveness, economic growth, sustainable development, and improving citizens’ quality of life. ESF promotes quality employment and quality transitions; fosters education and training; and combats poverty and social exclusion. As such, despite not being exclusively for young people, the ESF, particularly investment priority 8(ii) that focuses on youth unemployment, is crucial to financing measures to tackle these challenges.

The current ESF allocation amounts to €6.4 billion. Member States have prioritised quality employment, education and training, and social inclusion within their ESF allocation. In the area of employment, ESF has funded interventions reaching out to the unemployed and inactive, but with slower progress on supporting the self-employed. The European Commission reports that by the end of 2015, ESF and YEI actions together had reached 2.7 million beneficiaries, including 1.6 million unemployed and 700,000 inactive people. Young people and their integration in the labour market are an explicit investment priority under ESF. Under investment priority 8(ii), the ESF invests at least €6.3 billion in youth employment. While giving visibility to young people in the labour market was a positive development, to achieve a truly holistic approach to the social inclusion of young people, youth needs to be mainstreamed throughout the fund as a whole.

In the area of education and VET, ESF resources support the reduction and prevention of early school leaving, promote equal access to lifelong learning, and facilitate the transition from education to work, also through vocational education and work-based learning. The first

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51 Ibid.

52 Ibid.


55 European Commission, 2016. The Youth Guarantee and Youth Employment Initiative three years on.
ESF evaluation report shows positive progress, with almost 1.9 million beneficiaries of ESF-funded initiatives on education and vocational training; and 410,000 beneficiaries having already gained a qualification by the end of 2016.  

In terms of social inclusion, €21.1 billion is invested in combating poverty and social exclusion. Under current regulations, 20% of ESF resources in each Member State must be earmarked to promote social inclusion and tackle poverty and discrimination; the only allocation to be explicitly quantified under ESF. Earmarking for social inclusion was a welcome step, and it has proved successful with most Member States going beyond the 20% benchmark, showing willingness to invest in social change. Despite this, ESF-funded measures on social inclusion have mainly supported active participation in the labour market, resulting in a missed opportunity to tackle the root causes of social exclusion.

Another positive element of the current ESIF is the establishment of the “Partnership Principle”, which requires Member States to involve civil society in the design, implementation, monitoring and evaluation of EU funds, including ESF. However, in practice, the level involvement of youth organisations varies across Member States, and in most cases it has either been lacking or has not been meaningful. This, paired with difficulties in accessing ESF funding due to strict criteria and reporting requirements, has resulted in youth organisations being prevented from taking an active role in implementing the ESF.

Youth Employment Initiative

The YEI is the main EU financial resource supporting the implementation of the Youth Guarantee. As such, it is one of the few examples of EU targeted investment in youth. This, paired with its ambition to provide all young people, especially the most vulnerable, with quality transitions into employment, make the YEI and the Youth Guarantee key initiatives not only for the social inclusion of young people, but also for their smooth integration into the labour market. Over the years, however, the Youth Guarantee and the YEI have presented shortcomings that have hindered their outcomes. These shortcomings include limited outreach, lack of quality, and the inadequacy of the funding.

The total funding for the YEI amounts to €8.8 billion until 2020, with €4.4 coming from a YEI specific allocation and a matching amount coming from Member States’ existing ESF resources. Serious concerns have been raised on the adequacy of the amount of funding for the YEI. In particular, it has been highlighted that the YEI and ESF allocation is not sufficient to provide all young people in NEET situations with a good quality offer of employment, training or further education within four months of becoming unemployed or leaving formal education. According to the ILO, at least €45.4 billion per year from the EU and the Member States combined would be needed for an effective implementation of the Youth Guarantee, while Eurofound estimates that the cost would be around €50.4 billion per year.

56 European Commission, 2017. Staff Working Document: Strategic report 2017 on the implementation of the European Structural and Investment Funds.
The inadequacy of funding is further supported by the available data on the outreach of the Youth Guarantee. While until 2016, 14 million young people had entered the scheme, and around 9 million had taken up an offer, “progress in reducing the overall number of young people in NEET situations has been slow. Moreover, as with the ESF, the implementation process of the YEI also has a lack of involvement of youth organisations, both in designing and monitoring processes, and in accessing funding, due to demanding criteria and reporting requirements.

What the post-2020 MFF should achieve

The post-2020 MFF is an opportunity for the EU to prove to its young people that their socio-economic prospects are not only at the top of the political agenda, but are also meaningfully reflected in the future of the EU budget. To increase effectiveness, a much stronger and more meaningful involvement of youth organisations must be an overall priority. Their experience on the ground and their knowledge of the needs of the most vulnerable are vital for the design of the programmes and the delivery of measures, as well as for monitoring their outcomes.

The Future of the ESF

The successor to ESF, said to be called ESF+, is set to become the main EU funding programme to implement the European Pillar of Social Rights and support the achievement of EU long-term strategic objectives such as promoting quality employment, tackling poverty and social exclusion, and investing in education and skills. It must support the achievement of these objectives as part of an approach to comprehensive implementation of the 2030 Agenda in the EU. ESF+ will therefore continue to cover a wide range of areas, all equally relevant for young people. To ensure that young people can benefit from initiatives funded under ESF+, youth should be mainstreamed throughout all thematic objectives and investment priorities under the fund.

Moreover, the ESF+ allocation for the next programming period should be substantially increased to ensure that funding matches societal challenges and barriers to be tackled. In its current form as part of cohesion policy, ESF risks budget cuts. Brexit, the overall economic and financial situation in the EU, as well as the debate on the Future of Europe, may negatively affect the amounts made available for cohesion policy beyond 2020. Given that the European Social Fund will be the main EU funding dedicated to implementing the European Pillar of Social Rights, it is imperative that it does not face cuts, but rather that increased investment is made in human capital and the well-being of people to allow the EU to face the challenges of today and tomorrow.

Given its broad scope, ESF+ should be simplified. To achieve this, the number of thematic objectives should be reduced from the current eleven to just three. This simplification will not narrow the scope of the fund, but instead streamline current investment priorities, ensuring

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60 European Commission, 2016. The Youth Guarantee and Youth Employment Initiative three years on.

the most effective targeting of funds. Under ESF+, these three objectives should be employment, education and inclusion should be prioritised.

On inclusion, adequate funding should continue to be allocated to measures specifically tackling poverty, inequality and social exclusion. The current earmarking – i.e. the designated funding for this particular purpose - of 20% has been exceeded by most Member States, and should therefore be increased to at least 25%. Under this thematic objective, however, ESF+ should focus on tackling inequalities beyond employment, for example by supporting access to affordable, sustainable and quality services, such as healthcare, housing and income support. In this context, income support measures should be eligible for funding, in order for ESF+ to be used to develop minimum income schemes at regional and national level.

On employment, ESF+ should continue to foster quality job creation as well as the activation of people at risk of poverty and social exclusion, by fostering their participation in the labour market and, more broadly, social inclusion. The focus on youth unemployment must be retained, by ensuring that the integration of young people into the labour market, and particularly that of young people in NEET situations, remains a clear investment priority. Entrepreneurship and self-employment should also be supported, but only as the expression of entrepreneurial spirit, and not as a solution to the lack of alternative quality employment choices. The modernisation of labour markets should be supported through ESF+, including by increasing the capacity of Public Employment Services (PES), providing personalised support to ease transitions from education to employment, improving work-life balance, and supporting young workers to adapt to the changing nature of work. In this context, ESF+ could also support access to social protection for young people.

On education, ESF+ should continue to allocate adequate funding to support equal access to quality education and life-long learning for all, both in formal and non-formal settings. Moreover, ESF+ should support Member States’ reforms of their education, VET and apprenticeship systems. Young people need to be allowed to develop skills compatible with the current and future needs of the labour market, as well as broader competences (e.g. analytical thinking, leadership, teamwork) that can apply to a variety of jobs and life situations, rather than to one single profession, particularly given the ever-changing nature of work. Funded measures, however, should be based on the understanding that education is first and foremost a human right, and therefore cannot be uniquely seen as a tool to match the needs of the labour market. Instead, education and training should be opportunities for learners to acquire soft skills and competences to become active citizens, participate in democratic life and contribute to sustainable societies. To this end, ESF+ can support efforts to ensure that education is free and programmes specifically target harder to reach groups.

More broadly, ESF+ should continue to act as a financial incentive for Member States to implement necessary structural reforms under all thematic objectives. Moreover, ESF+ should fund interventions encouraging empowerment, cooperation and partnership between

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all stakeholders, from PES and employers, to the education and health sectors, to provide vulnerable young people with comprehensive support.

*The Future of the Youth Employment Initiative*

Current plans for the next EU budget foresee the possible inclusion of the YEI under ESF+. Regardless of whether the YEI continues to exist as a separate fund or is included under ESF+, funding for the implementation of the Youth Guarantee must be strengthened. Providing quality opportunities to young people is a social investment that can only result in positive social and economic returns in the long-term. The Youth Guarantee is by now a well-established scheme, as confirmed by its explicit recognition in the European Pillar of Social Rights. Therefore, the Youth Guarantee must continue and both the EU and Member States must be committed to its delivery.

Research has shown that even a targeted investment of €8.8 billion is far from sufficient to finance the full implementation of the Youth Guarantee. Considering the goal to reach the entire population of young people not in education, employment or training (NEET), the EU must increase targeted investment in youth employment to at least €23 billion in the post-2020 MFF, in parallel with increased support through national budgets.

Increased funding would allow the Youth Guarantee to move from being a reactionary, emergency measure to become a more permanent tool to tackle youth unemployment. The alternative would be a considerable economic cost as a result of not integrating young people in NEET situations into the labour market: around €142 billion per year.

Should the YEI be streamlined into the ESF+, funding regulations should include a provision to ensure that an adequate percentage of ESF+ resources are earmarked for Member States with a NEET rate above 10%, as well as local regions whose NEET rate exceeds 10%.

To ensure that qualitative, sustainable, and long-term solutions are offered to young people, the EU should define clear quality criteria and standards for offers under the Youth Guarantee. Such quality standards should underpin the deployment of YEI resources. These should be based on the Youth Forum’s European Quality Charter on Internships and Apprenticeships.

*Synergies and complementarities*

To meaningfully reach out to vulnerable young people, a holistic and comprehensive approach to social inclusion, as an inherent part of sustainable development, must be taken.

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66 This means that in 4 years the number decreased by 1.5 millions. On the basis of this, we can expect that in the next 4 years (until 2020) the NEET population would decrease by another 1.5 million, reaching the total of 11 million. This means that, in order to reach these 11 million NEETs, in the next MFF, we should allocate 23 million to the YEI: 11.3 = 3.6, which means that to reach out to 11 million NEETs between 20210-20276, efforts will will need to be multiplied by 3.6. So, 6.4 (initial YEI + ESF allocation) x 3.6 = 23 billion. [https://www.eurofound.europa.eu/sites/default/files/ef_images/ef_images/emcc/images/neets/neetscompletev2.png](https://www.eurofound.europa.eu/sites/default/files/ef_images/ef_images/emcc/images/neets/neetscompletev2.png)
67 Eurofound, 2017. Europe en marche?
68 European Youth Forum, 2018. Updated position on the implementation of the Youth Guarantee.
This can be achieved both by prioritising preventive measures, as well as by encouraging synergies and complementarities between EU funds. Currently, the complexity of operations supported by different funding instruments hinders cooperation. More guidance should be provided for developing initiatives co-funded by ESF+ and other EU funding instruments.

For example, to promote the inclusion of young migrants, synergies between ESF+ and the Asylum, Migration and Integration Fund (AMIF) should be fostered, but on the condition that current shortcomings, such as restrictions limiting beneficiaries to legally residing third country nationals, or those are already within an asylum process, are duly addressed in the next programming period. Along these lines, with a view to improving the inclusiveness of Erasmus+, a link should be built with ESF+, ensuring not only that vulnerable young people can take advantage of mobility opportunities, but also that their inclusion in society is further supported through initiatives funded under ESF+ and Erasmus+. Given the specific social inclusion dimension of ESF, ESF+ should provide young people in vulnerable situations with the right intervention to prepare them for a mobility experience under Erasmus+.

Calls

In order to achieve a budget that ensures a holistic approach to employment and social inclusion, the European Youth Forum calls for:

- ESF+ to be underpinned by a clear strategy to support the implementation of the European Pillar of Social Rights, as part of a comprehensive approach to sustainable development, and for its thematic objectives and investment priorities to be linked to the principles of the Pillar;
- Mainstreaming youth in all thematic priorities under ESF+ and the integration of young people into the labour market to be retained as an investment priority;
- ESF+ to support interventions fostering empowerment, cooperation and partnerships between all stakeholders, for a more holistic approach to social inclusion;
- Earmarking for social inclusion to be increased to at least 25% of the ESF+ allocation; under this priority, funds should be designed and implemented to tackle barriers to inclusion beyond access to employment;
- ESF+ to allocate adequate funding to support equal access to quality education and life-long learning for all, both in formal and non-formal settings;
- ESF+ to support young people’s development of both skills for work but also skills for life, on the basis of a rights-based approach to education and with the aim of helping learners to acquire the skills and competences necessary to become active citizens and contribute to sustainable societies;
- The YEI to become a stable, permanent source of funding by increasing funding to at least €23 billion regardless of whether it is kept as a separate fund or funding is earmarked under ESF+; given that Member States are primarily responsible for

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young people’s participation in the labour market, to support the YEI funding allocation through national budgets;  

- The allocation of both ESF+ and YEI to be based on social indicators using the Pillar of Social Rights and the Social Scoreboard to ensure funding is deployed where social challenges are most pressing; for funds to be allocated to Member States and regions where the number of young people not in education, employment or training (NEET) is more than 10%;  

- Simplifying access to funding and reporting requirements under the ESF+ and YEI to ensure that youth organisations’ capacity to support, monitor and report on the implementation of the Youth Guarantee;  

- Funding regulations to ensure that youth organisations and young people from all socio-economic and cultural backgrounds, are meaningfully involved in all stages of the design, implementation, monitoring and evaluation of ESF+ and YEI, including in the ESF Monitoring Committees in Member States;  

- Decentralising the management of the ESF+ and YEI to target specific groups within their daily reality;  

- Measures supported by the ESF+ and YEI to comply with minimum quality standards set at EU level, ensuring that EU funds are invested to implement quality measures and to offer good quality opportunities and more broadly to foster their social inclusion;  

- Synergies and complementarities between ESF+ and other EU funding instruments to be fostered, with the objective of implementing a more holistic and coherent approach to social inclusion, as an inherent part of sustainable development.

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C. COHESION POLICY

Current State of Play

Economic, social and territorial cohesion has been a long-term goal of the European Union for many decades. Cohesion within the EU has been pursued particularly to reduce the differences between the various regions and to ensure that even the most disadvantaged regions are assisted. Financially, this has been pursued through what’s known as cohesion policy, or the European Structural and Investment Funds.

Cohesion policy forms a large proportion of the EU’s overall budget, accounting for 34% in the 2014-2020 MFF. It is responsible for providing financial support to the EU’s regions and local municipalities for large scale infrastructure projects in areas such as transportation and energy, but also priorities such as supporting SMEs (Small and Medium-sized Enterprises), research and innovation, and employment and social inclusion. As cohesion policy is one aspect of EU funding that can be most clearly seen on the ground, consequently it is recognised as a significant driver of solidarity amongst the EU’s Member States, regions, cities and municipalities.

How the current MFF fared

Within the 11 thematic areas identified for cohesion funding for the 2014-2020 period, priorities 8-10, which focus on employment, social inclusion and education, were not adequately financed under the European Social Fund (ESF). Inequality and social exclusion are still very much present with the EU’s regions, with one in four people at risk of poverty or social exclusion. In addition, a holistic approach to the implementation of the 2030 Agenda within cohesion policy is still lacking, while mainstreaming sustainability throughout cohesion funds has not yet been achieved.

In addition, complex administrative procedures have hampered the impact of cohesion funding, resulting in a time lag between granting of funds and disbursement. Despite efforts at simplification, procedures remained too rigid and administratively burdensome.

What the MFF should achieve

The 2030 Agenda for Sustainable Development should be at the core of cohesion policy and be mainstreamed throughout all actions and funds. This includes financing only sustainable projects, while sustainability criteria should be laid down as ex-ante conditionalities.

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77 Eurostat, People at risk of poverty or social exclusion. http://ec.europa.eu/eurostat/statistics-explained/index.php/People_at_risk_of_poverty_or_social_exclusion#Further_information
79 Ex-ante conditionalities are conditions that must be met prior to the distribution of cohesion funds. http://ec.europa.eu/regional_policy/en/policy/what/glossary/e/ex-ante-conditionalities
The ESF successor programme should also take a holistic and comprehensive approach to addressing education, employment and social inclusion. This is covered in this paper in the chapter on social and economic inclusion.

Cohesion policy processes should also be simplified, making it easier for funds to be administered and spent in a speedy manner in response to challenges, as well as allowing smaller organisations to participate in projects. In addition, policy coherence should be ensured through complementarity rather than competition between different EU funding sources.

**Calls**

In order to achieve a budget that boosts Europe’s regions, the European Youth Forum calls for:

- To reinforce good governance and democracy, training of civil servants should continue for the post-2020 cohesion policy;
- Disbursement of cohesion funds to Member States to be made conditional on the respect of EU fundamental values\(^{80}\) and the rule of law\(^{81}\); calls, in addition, for assessment mechanisms to be put in place, to monitor the compliance of Member States’ beneficiaries with common standards of respect of EU values\(^{82}\); alternatively these funds should be disbursed through civil society to prevent those most in need from missing out due to government actions; training of civil servants should continue even if funding disbursement is suspended;
- Disbursing cohesion funding in a manner that does not replace national and regional investment but complements it;
- Maintaining the structure of cohesion policy in three categories, namely most developed regions, transition regions and less developed regions, as the impact of globalisation, migration, poverty and more is not limited to less developed regions\(^{83}\);
- Sustainability to be a cross-cutting priority; for the cohesion policy funds (the European Regional Development Fund and the Cohesion Fund) to contribute to comprehensive implementation of the 2030 Agenda and concentrate on sustainability proofing within the regions, including transportation and climate change adaptation as outlined in the Urban Agenda for the EU\(^{84}\);
- Making smaller amounts of funding available to be managed by civil society organisations for relevant projects; civil society organisations would be supported to manage these grants through capacity-building workshops; funding processes would be significantly simplified to facilitate this;

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\(^{80}\) Treaty of the European Union, Article 2.

\(^{81}\) Transparency International, 2017. Can EU funds promote the rule of law?

\(^{82}\) This will be done by means of the EU Pact on Democracy, the Rule of Law, and Fundamental Rights as proposed by the European Parliament (see European Parliament resolution of 25 October 2016 with recommendations to the Commission on the establishment of an EU mechanism on democracy, the rule of law and fundamental rights (2015/2254(INL)).


\(^{84}\) European Union, 2016, Urban Agenda for the EU - Pact of Amsterdam
• Introducing social, environmental and demographic indicators as allocation criteria for cohesion funds, using the newly adopted European Pillar of Social Rights as a starting point and namely the Social Scoreboard\textsuperscript{85}, as well as the 2030 Agenda for Sustainable Development; inclusion of migrants, regardless of their immigration status, in local and regional communities to be a criteria for the distribution of funds;

• The overall implementing mechanisms of cohesion funding to be simplified, making programming more straightforward and allowing civil society, in particular youth organisations, to contribute to cohesion projects without undue bureaucratic burdens;

• Complementarity between cohesion funds and other EU sources of funding being mobilised for similar purposes, eg Common Agricultural Policy and the Youth Employment Initiative.


D. EUROPEAN CITIZENSHIP

Current State of Play

The trust of European citizens in institutions and politics is in decline. This is partially due to the fact that the EU has failed to effectively address citizens’ expectations throughout the last major financial, economic and social crises, and partly due to the continuing lack of involvement of citizens in its governance.

Despite the EU actively communicating on the importance of citizens being engaged in its work and seeking to increase the level of interest in EU affairs, euroscepticism is on the rise and the interest of European citizens, especially young people, in the EU is dropping. Without informed and democratically active European citizens, the legitimacy and democratic accountability of the European Union institutions are in question, as well as the health of our democracy as a whole. The EU must invest in a more democratic Union with more engaged citizens, and to encourage particularly the participation of young people in democratic processes.

How the current MFF fared

The Europe for Citizens programme has funded a number of bottom-up activities that would not have been possible otherwise, as there are very few resources available at national, regional and local level for activities with a specific transnational focus. The programme has also proved its complementarity with other EU funding programmes, notably Erasmus+ and Creative Europe, utilising a wider range of measures to approach citizens' participation.

Since 2014, the programme grew in terms of quantity and quality of applications. As the programme grew and attracted more motivated applicants, unfortunately the modest budget allocated to the programme has resulted in many good quality projects being rejected. The low success rate may also discourage small civil society organisations, including youth organisations, from applying.

Europe for Citizens has also become an important instrument for structured dialogue between civil society representatives, including youth organisations, and decision-makers. It has the potential to become a platform for a broader discussion on citizenship education on European level, particularly with young people, but must see increased engagement at

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86 In 2000 the populist vote in an EU state was 8.5%, in 2017 it grew to 24.1%. The Economist, 2018. Dancing with danger: Europe's populists are waltzing into the mainstream.

87 European elections in 2014 demonstrated the lowest level of citizens engagement since its first elections in 1979: less than 43% of European citizens came to the polls, while 72% of 16-18-24 year-olds did not vote at all and more that 50% of 65+ did, ensuring that interests of young people becoming less of the priority for political institutions. European Youth Forum, 2015. Young People and Democratic Life in Europe: What Next After the 2014 European elections?


political level from responsible institutional bodies. This is the way to ensure that the programme not only fulfills its objectives but also feeds into the priorities of the current political agenda on citizenship education.

The 2014-2020 programme has contributed to developing and strengthening European public space by funding a number of pro-European civil society organisations through operating grants. It has provided financial sustainability for their work, space for different organisations to learn from each other, as well as flexibility to conduct activities that cannot be funded using other exclusively project funding. In the context of rising challenges for civil society across Europe with a number of national governments seeking to silence the voice of civil society and those whose interests they guard, this support is essential to securing a sustainable and healthy European democracy.

What the post-2020 MFF should achieve

The Europe for Citizens programme is crucial to promoting EU citizenship, and thus must be enhanced and further developed within the post-2020 MFF. It must be accessible to and offer support for civil society organisations, particularly youth organisations, that work to promote European values. It should also encourage active European citizenship and dialogue between citizens and the European institutions. By taking a more participatory approach, activities conducted through the post-2020 programme could become a better tool to promote European values in a way that is engaging, innovative and encourages active citizenship and young peoples’ contribution to sustainable societies. This is particularly relevant to reaching a broader section of the population, including young people, people with disabilities, refugees and asylum seekers, Roma, indigenous groups and people from disadvantaged socioeconomic backgrounds, as well as empowering citizens to take informed decisions that benefit the Union.

In order to reach its ambitious goals, the future programme must be better funded. However, complementary EU programmes must not be affected by this increase: to narrow the gap between citizens and European institutions and to reinforce the European project, there must be a coherent approach between all programmes that contribute to fulfilling this goal. Moreover, funding for civil society organisations, notably youth organisations, must not only be retained, but increased.

Calls

In order to achieve a budget that fosters European citizenship, the European Youth Forum calls for:

- Increasing the budget for the post-2020 Europe for Citizens programme to €500 million: €1 for each citizen;

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91 As envisaged by article 11 of the Treaty on European Union
• Supporting projects that encourage citizens’, particularly young peoples’, active participation in democratic decision-making with the aim of enhancing participatory policy-making within the EU’s institutional framework;
• Supporting the development of activities that tackle the lack of participation by vulnerable groups in democratic processes;
• Encouraging Town-Twinning projects that seek to create a sustainable mechanism for citizens’ participation in decision-making processes on local, regional, national and European level;
• Supporting programmes that strengthen critical thinking, as well as digital and media literacy;
• Creating stronger links between the priorities of Europe for Citizens and other European policies linked to citizenship, as well as complementary programmes;
• Enhancing support, including operational support, for pro-European civil society organisations, including youth organisations, working to connect citizens with the European project;
• Improving the structured dialogue between beneficiaries of the programme, the European institutions and other interested parties.
• Promoting activities reflecting the European language diversity, so that every young person has equal opportunities to actively participate in European youth programmes.
E. AGRICULTURE AND ENVIRONMENT

Current State of Play

EU policy, including the budget, should maximise social, environmental and economic benefits and avoid, or at least minimise, harmful impacts. Policy-making needs to be aligned with EU commitments, particularly the Paris Agreement on Climate Change and the 2030 Agenda on Sustainable Development.

The LIFE programme is the only instrument in the EU’s budget that is wholly dedicated to supporting environmental, nature conservation and climate action projects. The LIFE programme currently accounts for 0.35% of the current EU budget, and is insufficient to meet commitments made by the EU. While it is crucial to significantly increase the LIFE budget to meet its nature conservation and climate change commitments, it is equally important to look at other areas that have a significant environmental impact.

Agriculture and the environment are inextricably linked. Whilst sustainable farming practices can deliver substantial benefits, unsustainable farming practices have adverse impacts on the environment. While employment in agriculture has been decreasing, it is still an important sector in the EU. In addition, the EU spends more on agriculture than on any other sector, amounting to 38% of the total MFF budget in the current programming period. It is therefore necessary to take a closer look at the EU’s Common Agricultural Policy (CAP) and its links to environmental and social sustainability.

The main goal of the CAP is to retain jobs in the sector by guaranteeing farmers a fair income and increasing agricultural productivity, as well as to ensure food security through stable markets. The agri-food sector is one of Europe’s biggest economic sectors, employing 22 million farmers and agricultural workers and more than 44 million people indirectly through jobs in food processing, food retail and food services. More recently, however, the CAP has been recognised as performing a variety of other functions, including setting standards for animal health and welfare, environmental protection and sustainable development, as well as the preservation of rural communities and generational renewal.

How the current MFF fared

Within the 2014-2020 MFF, most of the CAP budget (71%) is directly paid to farmers under what is referred to as “Pillar I”. Another 24% is used to finance rural development and agri-environmental measures (Pillar II), leaving roughly 5% to support specific agricultural products.

Despite successive reforms, the current CAP is not fit for purpose. The EU itself maintained that “the CAP must be modernised, simplified, and made even more coherent with other EU

92 http://ec.europa.eu/environment/life/
95 European Commission. CAP at a Glance.
policies to maximise its contribution to the ten Commission Priorities and the Sustainable Development Objectives.97 Currently, the CAP has many shortfalls in its environmental, economic and social objectives.

The CAP performs poorly in supporting young farmers. Only 6% of farmers are under the age of 35, leaving questions about the future of agriculture in the EU98 and the long-term sustainability of the sector. Current measures are insufficient to support young farmers and to secure the future of the agricultural sector in Europe. Measures in the current CAP have failed to provide enough incentives for young farmers to enter the sector.

Unsustainable agriculture uses too many chemical inputs and pesticides, leading to soil depletion, biodiversity loss and water pollution with severe health effects. Globally, unsustainable land use also threatens key ecosystems and increases our vulnerability to climate change, with agriculture directly responsible for 10% of greenhouse gas emissions.99 Even after several reforms, the CAP continues to support agricultural practices that are responsible for undermining the natural resources farmers rely on.

The CAP has contributed to making Europe largely self-sufficient and a leading exporter of food globally. This focus on competitiveness, however, has had a detrimental impact on farmers in the global South who are unable to compete with subsidised European exports, resulting in destroyed livelihoods in many developing countries.100

In parallel, many Europeans still don’t have access to quality food. Around 20% of food is wasted in the EU, amounting to 88 million tonnes.102 At the same time, 43 million people in the EU were unable to afford a quality meal every second day in 2015.103 Even with excess food production and subsidies in the billions, the CAP is not succeeding in providing adequate nutrition for every EU citizen.

Finally, within the sector, CAP subsidies are not distributed fairly, thereby contributing to inequality. Overall, roughly 80% of direct payments go to just 20% of farmers. 80% of farmers with the lowest incomes receive merely about 25% of total direct payments.104 In Ireland, for instance, almost 50% of direct payments under Pillar I went to just 12% of farmers in 2015.105

100 Birdlife & EEB, 2016. Uncap the truth: Spotlight on the EU farm policy.
103 Eurostat, 2016. Inability to afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day. EU Survey on Income and Living Conditions (EU-SILC). Available at: http://ec.europa.eu/eurostat/web/regions/data/database
104 Capreform, 2016. Focus on the distribution of direct payments.
105 Agriland, 2017. Almost 50% of Ireland’s direct payments go to just 12% of farmers.
What the post-2020 MFF should achieve

The failures of the current CAP point to the need for reform. We need a CAP that works with nature and for people, in particular young farmers. The CAP should not be used to artificially keep food prices low, but instead support the transition towards more sustainable environmental management and food production, helping farmers in case of climate or health crises and supporting the installation of new young farmers.

Agroecological approaches can address many of the problems simultaneously, yet to date investments in organic farming systems accounts for a mere 1.5% of the overall CAP budget. Agroecology promotes methods that work in harmony with nature and with minimal artificial impacts. A new generation of both young farmers and consumers is emerging, who are more environmentally aware and prefer local and organic production. The agricultural model of the EU needs to change to support the transition to this new model.

Calls

In order to achieve a budget that encourages sustainable agriculture and takes a proactive approach to environmental protection, the European Youth Forum calls for:

- Significantly increasing funds for the LIFE programme to enable broad support for measures related to biodiversity and nature;
- Environmental objectives, as outlined in the Paris Agreement on Climate Change, need to be incorporated across all internal and external policies, including the CAP, in a comprehensive and coherent manner;
- Amending the CAP to ensure that it is capable of supporting sustainable development; the budget dedicated to the CAP should be maintained; spending priorities need to be revised to reflect environmental priorities and generational renewal;
- Distributing the CAP via a three-pillar system as follows:
  - 20% for measures targeting young farmers and generational renewal
  - 30% for progressive environmental measures
  - 50% for sustainable economic support
- Ensuring sustainable economic support, in particular to active young farmers by:
  - Introducing schemes that facilitate generational renewal by providing incentives;
  - Supporting the installation of new farmers by introducing land management tools that guarantee a fair access to land;

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107 The policy recommendations are based on positions of our members including the European Council of Young Farmers, Rural Youth Europe and the Federation of Young European Greens. European Council of Young Farmers, 2017. Young Farmers are Key in the Future CAP.; Federation of Young European Greens, 2017. Reinventing our Agricultural Priorities.
○ Supporting the development of professional training and facilitated learning;
○ Distributing direct payments more fairly, in particular to those with small farms and young farmers engaged in environmentally sensitive approaches to agriculture;
○ Introducing anti-fraud mechanisms that ensure a fair distribution of payments.

● Ensuring an environmentally sustainable CAP:

○ Ensuring that the CAP helps to meet commitments made under the 2030 Agenda and the Paris Agreement on Climate Change;
○ Ensuring coherence with established policies and principles such as the polluter pays principle and policy coherence for sustainable development;
○ Investing in a transition to sustainable agricultural production and the promotion of environmentally sensitive approaches such as agroecology, short supply chains and quality food, including through, but not exclusively, financial incentives for farmers;

● Reintroducing market regulations and production regulation mechanisms such as quotas and common market organisation tools;
● Adopting trade agreements which promote fair trade, local food production and higher social and environmental standards.
F. MIGRATION

Current State of Play

Over 1.5 million people have arrived in Europe via the Mediterranean since 2015. The overwhelming majority of asylum seekers in the European Union are young people and children. However, the EU's response to the influx of migrants, refugees and asylum seekers fell short of international legal standards, leading to human rights violations and the loss of lives.

Europe urgently needs a new, positive approach to migration. Political statements in support of migrant and refugee integration must take a rights-based approach and be supported with funding. Laws and policies addressing migration at EU and national level must respect international law, and resettlement efforts must be bolstered beyond existing provisions. Further to legal and moral obligations, migration presents valuable opportunities for Europe, including a solution to the continent’s ageing population.

Stemming irregular migration flows has been a key priority for European leaders. In addition to providing pathways for legal migration, the EU must also prioritise raising living standards across the globe and equalising wealth distribution, including through funding for development. This is further developed in this paper in the chapter on global Europe and external action.

How the current MFF fared

The EU’s main funding instrument supporting inclusion of migrants is the Asylum, Migration and Integration Fund (AMIF). Established in 2014, AMIF was initially allocated €3.1 billion. 88% of AMIF is allocated to Member States for the implementation of National Programmes (NPs), while the European Commission directly manages the remaining 12%. A total of €765 million was earmarked for integration in the NPs. The regulation establishing AMIF specifies compulsory minimum expenditure for reception (20%) and legal migration and integration (20%) priorities.

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108 In 2015, 53% of first-time asylum applicants in the EU were aged 18-34, and 30% were under 18.
109 As of November 2017, from the 22,504 pledges received from Member States, 18,366 refugees had been resettled in the EU and EFTA countries (Iceland, Liechtenstein, Norway and Switzerland). The European Commission has set aside €500 million for an estimated further 50,000 refugees to be resettled by October 2019.
110 The European Commission has set aside €500 million for an estimated further 50,000 refugees to be resettled by October 2019.
111 The EU will see a reduction in the number of working age persons per pension over the next few decades: from 4 working age people per pensioner over 65 today, to 2 working-age people in the next few decades.
112 UNHCR & ECRE, 2018. Follow the Money: Assessing the use of EU Asylum, Migration and Integration Fund funding at the national level.
In 2017, the EU allocated a further €1.13 billion to support Member State NPs. Key concerns raised by civil society include the eligibility criteria and lack of accessibility of AMIF funds at national level, as well as a lack of transparency in awarding funds. Despite their role in facilitating inclusion, youth organisations do not often apply for funding under AMIF as the procedure is complex and the amounts too great for youth organisations to absorb.

Other EU funds have also been mobilised to respond to migration flows over recent years. The key funds beyond AMIF which are contributing to the inclusion of refugees, migrants and third country nationals are:

- European Regional Development Fund
- European Agricultural Fund for Rural Development
- European Social Fund
- Fund for European Aid to the most Deprived
- European Maritime and Fisheries Fund
- Erasmus+
- Employment and Social Innovation
- Europe for Citizens

There is a lack of data regarding the amounts/percentage of funds invested in inclusion from programmes other than AMIF. The European Commission should collect and publicise this information.

As the key EU fund accessed by youth organisations, inclusion of migrants and refugees is also prioritised within Erasmus+. Mainstreaming integration across EU funding programmes is a positive development but in several cases, such as in the European Social Fund and AMIF, the funds are restricted to legally residing third country nationals, or those are already within an asylum process. Such restrictions require recipient organisations to systematically check the migration status of those they support, therefore justifying the persistent division of families through migration status. More broadly, such reporting requirements create an additional burden for civil society and promote the racial profiling of service users.

Finally, a key barrier for young refugees remains the transition to adulthood and the corresponding loss of protection upon reaching the age of majority. Funding to support this transition period must be made available, including through the extension of certain social protections and safeguards to a higher age bracket (e.g. 18-25 years old).

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115 Ibid
118 Ibid
What the post-2020 MFF should achieve

The post-2020 MFF must ensure a rights-based approach to migration. Investment in safe, legal migration pathways must therefore be prioritised, as set forward in the second pillar of the Valletta Action Plan. As integration often implies a one-way process through which newcomers integrate into their new communities, greater focus on inclusion is necessary. Inclusion is not unilateral, but rather a reciprocal and mutually influencing process representing an opportunity and challenge for all; it is a task for everyone. Support for inclusion must be guaranteed from the moment of arrival, with a focus on access to the labour market for newcomers and long-term labour market integration, access to inclusive and non-segregated education with respect to their native language and cultural heritage, access to adequate and non-segregated housing, and access to basic mainstream services including healthcare and legal services.

Youth must be mainstreamed throughout funding programmes supporting asylum, migration and integration, particularly given the age bracket of those arriving in Europe. Youth organisations are key actors in this regard, and are often at the forefront of receiving, working with and supporting young refugees. Youth organisations are important contributors to enhancing an inclusive society for all culturally and socially diverse young people, empowering them to become active citizens. Their access to the relevant funding programmes under the post-2020 MFF must be facilitated.

Migration and security are not linked. The European Union needs to make a strong political statement, and to not associate these two areas either through funding or policy. A clear distinction between EU funds for security and migration must be made. Furthermore, funding for external action must not be used to support the reception of asylum seekers in the EU, thereby jeopardising development aid. Finally, in order to guarantee added value, funding programmes must support the implementation of the EU’s values and policies, as has been the aim of the AMIF.

Calls

In order to achieve a budget that protects and welcomes migrants and refugees, the European Youth Forum calls for:

- The separation of migration priorities from security ones in the post-2020 Multiannual Financial Framework as the two policy areas are not linked;
- Mainstreaming youth across EU funding programmes supporting inclusion, including at national level, for example through the AMIF National Programmes; this should include the use of funds to support the youth sector, recognising the role of youth work and non-formal education in facilitating inclusion;

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Guaranteeing the full and meaningful participation of civil society actors, including youth organisations, in the design, implementation, monitoring and evaluation of funding programmes at European and national level, including through earmarking of funds for civil society; for AMIF, this means strengthening the partnership principle to be a compulsory part of National Programmes with a view to systematically including representation from a range of partners including civil society, as well as implementation at European level;¹²⁴

- Increasing the minimum allocation for supporting inclusion within the AMIF national programmes to 30%;¹²⁵
- Dedicating funding to supporting the transition of young refugees to adulthood, particularly upon reaching the age of majority, for example through the introduction of a transition period extending beyond 18;
- Removing restrictions on funding to organisations and service providers supporting migrants based on the grounds of immigration status, as well as any corresponding obligations to report undocumented migrants benefiting from humanitarian assistance;¹²⁶
- Ensuring greater cooperation and coordination between authorities managing funds that support inclusion at EU and national level, in order to better support the complementary role of civil society.

¹²⁴ UNHCR & ECRE, 2018. Follow the Money: Assessing the use of EU Asylum, Migration and Integration Fund funding at the national level.
¹²⁵ As recommended in UNHCR & ECRE report (ibid)
G. GLOBAL EUROPE AND EXTERNAL ACTION

Current State of Play

In an increasingly interconnected, globalised and complex world, the challenges the EU and its partners around the world are facing cannot be solved by individual governments, but through cooperation and collective action. Poverty, inequality, climate change, human rights violations, roll back of civic space and human insecurity, amongst others, are all global challenges. The EU as a whole continues to be the largest donor of Official Development Assistance (ODA), despite failing to live up to these commitments. EU action beyond its borders needs to be instrumental in addressing these collective challenges.

Recent developments in EU external policy, as well as its international commitments, will influence its action in relation to foreign and security policy, development cooperation, human rights and relations with the neighbourhood in the coming years. In 2016, the European Union adopted A Global Strategy for foreign and security policy, highlighting the need to promote a more rules-based global order contributing to a more peaceful and sustainable world. In 2015, United Nations Member States adopted the 2030 Agenda for Sustainable Development, responding to new global challenges and recognising the need for universal action to set the world on a more sustainable path. However, thus far the EU has failed to bring the implementation of the 2030 Agenda into its policy-making in a comprehensive way.

In response to this new global Agenda, in 2017 the EU adopted the New European Consensus on Development as a shared vision for action in development cooperation for the EU and its Member States. It responds to new global challenges and aims to bring EU development policy in line with the 2030 Agenda. Under the new Consensus, the primary objective of development policy remains poverty eradication, but it also recognises the need to integrate the social, environmental and economic dimensions of sustainable development in European development policy.

External action & youth

Currently 85% of the global under 30 population live in emerging and developing economies. Despite this large global youth population, youth had not been considered in the context of external action or development policy until recently.

The EU has now begun to place an emphasis on youth and the role of young people in its external action. The Global Strategy commits the EU to deepening work on youth in its external action to foster co-existence and counter violent extremism. It recognises that promoting resilient societies will require championing decent work opportunities for youth. The New European Consensus on Development recognises youth as a cross-cutting

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128 New European Consensus on Development: Our World, Our Dignity, Our Future.
element that must be addressed to achieve sustainable development and commits the EU to “strengthen the rights of young people and their empowerment in the conduct of public affairs, including by promoting their participation in local economics, societies and decision-making, notably through youth organisations.” In 2017, youth was the focus of EU relations with Africa, with “Investing in Youth” the theme of the 5th African Union-European Union Summit.

Since the adoption of United Nations Security Council Resolution 2250 on Youth, Peace and Security (UNSCR 2250) in 2015, the EU has begun to reflect on the role of youth in peacebuilding and consider how it can prioritise youth, peace and security and the implementation of UNSCR 2250 in its external action, reflecting the role of youth organisations and young people in peacebuilding and promoting peaceful societies.

Finally, when it comes to its direct neighbourhood, the EU has also emphasised the importance of youth in its actions. Opportunities for young people and youth exchanges are essential elements of the European Neighbourhood Policy. Current programmes are vital for youth organisations in the participating countries.

How the current MFF fared

In the current Multiannual Financial Framework, the external action of the Union is covered by the heading “Global Europe” and deals with development and international cooperation, humanitarian aid, neighbourhood and enlargement, and foreign policy instruments. External action accounted for just over €66 billion in the overall budgetary period.

Overall, the current MFF was particularly affected by recent geopolitical developments, such as increased migratory pressure or instability in the neighbourhood. It was essential to provide additional funding to respond to these new challenges, while not jeopardising the fixed objectives of the programmes in this area.

Despite a new focus on youth in EU external action, available funding sources do not match the political commitment. A focus on youth is not present in the instruments covered by “Global Europe”, and in envelopes available to civil society applicants, youth organisations are shut out of funding possibilities by the size of grants, administrative burden and legal requirements.

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130 New European Consensus on Development: Our World, Our Dignity, Our Future.
131 UNSCR 2250 on Youth, Peace and Security - 9 December 2015.
134 Heading 4 finances the following programmes: Common Foreign and Security Policy; Development Cooperation Instrument; EU Aid Volunteers; EU Civil Protection and European Emergency Response Coordination Centre; European Instrument for Democracy and Human Rights; European Neighbourhood Instrument; Guarantee fund for External actions; Humanitarian aid; Instrument for Nuclear Safety Cooperation; Instrument for Pre-accession Assistance; Instrument contributing to stability and peace; Macro-financial assistance; Partnership Instrument
136 Ibid.
One major challenge for the Union’s external action and its related funding has been its “external” character. Indeed, programmes for external action were designed in isolation from the internal policies of the EU, creating either potential mismatches or duplication in actions. Even though some other programmes had elements of external action in their objectives and actions, it was limited. The EU failed to ensure that the internal and external programmes worked together in a coherent manner and therefore lacked a holistic vision.

Finally, special instruments outside the current Multiannual Financial Framework (e.g. European Development Fund) or financial instruments such as the External Investment Plan have also been used to support the external action of the Union.

What the post-2020 MFF should achieve

The next MFF should pursue the goals of the Global Strategy, and the New European Consensus on Development and be based on the fundamental values of the European Union, the principles and aims of EU external action and the principles of EU development policy. The EU’s external action must contribute to more socially, economically and environmentally sustainable development. Overall, there should be “a stronger coordination between external and internal policies (…), including the implementation of the sustainable development goals of the Union Nations 2030 Agenda.”

There should be a coherent approach throughout internal programmes to include an external dimension, including specific funding mechanisms to support this, with youth as a thematic priority. Internal and external funding programmes must also ensure that the principle of policy coherence for development and the commitment to policy coherence for sustainable development enshrined in the 2030 Agenda for Sustainable Development is respected.

In addition, any move to bring the budget for the European Development Fund inside the MFF must guarantee that the financing of the EDF, as well as of other external action instruments, will not be reduced.

The successor to the current Development Cooperation Instrument must be used to support partner countries and their civil society in working towards the 2030 Agenda, with a focus on wellbeing of people and planet, in their contexts. This funding should not be used to tackle challenges within EU borders, but solely to provide support to partner countries. The next MFF should continue to guarantee direct funding to civil society organisations and human

137 The European Centre for Development Policy Management, 2017. Strategically financing an effective for the EU in the world: first reflections on the next EU Budget.
139 Treaty of the European Union. Article 2.
141 Treaty on the Functioning of the European Union. Article 208
143 As stressed by the European Parliament Committee on Foreign Affairs Opinion on the next MFF: 25 January 2018
rights defenders across a range of external action instruments, particularly, but not exclusively, in countries where human rights, democracy and the rule of law are at risk.

The focus on youth as a key driving force for the achievement of sustainable development must be prevalent in the Development Cooperation Instrument. This focus should be present in both budget support to partner countries and programmes open to civil society, in order to achieve the objectives of strengthening the rights of young people, their participation in the conduct public affairs, local economies, societies and decision-making, as well as increasing quality employment opportunities and effective education policies.

As recognised in the New European Consensus on Development, youth organisations are a key conduit for strengthening young people’s rights and participation. Representative youth organisations in partner countries, and in cooperation with European youth organisations where relevant, should be supported to fulfil this role through the MFF. This would require the simplification of application procedures, smaller grants and fewer administrative burdens for youth organisations across all funding programmes open to civil society, in addition to specific funding to support the functioning of youth organisations in the local and national context, as well as to support cooperation and exchange between youth organisations in different regions, through a variety of external action instruments. Access of youth organisations to funding for development education and awareness raising, as well as for education for sustainable development, should also be simplified. The European Neighbourhood Instrument and the Instrument for Pre-Accession Assistance successor programmes should also allocate increased funding to support civil society and youth organisations to contribute to the development of democracy and rule of law.

Strengthened opportunities for young people to engage in a global context, notably via the Erasmus+ successor programme, should be ensured in a coordinated way throughout different policies.

Finally, the European Instrument for Democracy and Human Rights successor programme should give specific attention to youth rights, i.e. obstacles faced by young people in accessing their fundamental rights. In Common Foreign and Security Policy, specific funding to ensure the implementation of the UNSCR 2250, and the participation of youth organisations in that implementation, should be allocated.

Calls

In order to achieve a budget that promotes a global Europe, the European Youth Forum calls for:

- Promoting the respect for and promotion of fundamental values, notably democracy, human rights and the rule of law, throughout its internal and external programmes and policies;

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145 As indicated in the European Parliament Draft Report on the next MFF
• Allocating sufficient and coherent funding to implement the Global Strategy of the European Union;
• Ensuring policy coherence for sustainable development and integrated implementation of the 2030 Agenda for Sustainable Development in its external programmes and policies;
• Providing coherence between the internal and external programmes and policies and in the development of the external dimension of internal programmes and policies;
• Implementing the focus on youth in development policy as enshrined in the New European Consensus on Development through budget support to partner countries and programmes open to civil society;
• Earmarking sufficient and increased funding for youth organisations both within and outside Europe across the spectrum of external action instruments and programmes; developing a mechanism for young Europeans to participate at global level in forums such as the United Nations;
• Apportioning sufficient and increased funding for youth organisations both within and outside Europe to implement the UNSCR 2250 on Youth, Peace and Security as part of Common Foreign and Security Policy\(^\text{147}\); 
• Integrating the European Development Fund in the Multiannual Financial Framework, ensuring that the overall EDF envelope would be incorporated in addition to the existing MFF ceilings.

H. RESEARCH AND INNOVATION

Current State of Play

Vast challenges and opportunities exist for the European Union as a result of globalisation, social change and technological advancements. To reap the benefits and to tackle the challenges, the EU must invest in Research and Development (R&D). In doing so, Member States have the potential to modernise their economies, to use technology to provide better services to a more connected population, and to fund basic and applied research to support technological and social innovation, decarbonisation and the circular economy. The EU has a role to play in assisting Member States in this transition and should continue to do so.

How the current MFF fared

The Framework Programme for Research and Innovation 8 (FP8), better known as Horizon 2020, is the principal EU programme dedicated to research and innovation with almost €77 billion of funding allocated throughout the current MFF\(^ {148} \). Funding for Horizon 2020 is drawn from EU, national, and regional levels, and even private funds, with three priority areas for funding: “Excellent Science”, “Industrial Leadership”, and “Societal Challenges”. More than 70% of the overall funding goes to the “Excellent science” and “Societal challenges” pillars\(^ {149} \). The interim evaluation confirms that the programme remains highly relevant, noting that 83% of projects funded would not have gone ahead without this source of funding\(^ {150} \). Horizon 2020 also actively contributes to enhancing the EU’s attractiveness as a research hub by fostering the creation of transnational, multidisciplinary networks, pooling resources, and creating critical mass to tackle global challenges\(^ {151} \).

However there are also major issues that are hindering the programme’s potential. Horizon 2020 is dramatically underfunded relative to its demand, with 3 out of 4 projects of good quality not receiving funding. The European Commission estimates that an additional €62.4 billion would have been needed to fund all projects that applied to the programme. Another issue is the programme’s structure which, despite improvements, is difficult to navigate for stakeholders. Its implementation is the responsibility of nine different directorates-general (DGs) of the European Commission and 22 different bodies, making Horizon 2020 an unwieldy and complex programme to understand, manage and apply to. In terms of concrete outcomes, Horizon 2020 is currently struggling to produce breakthroughs regarding the impact of scientific projects (particularly when it comes to projects related to sustainable development and climate change), and to have a wider policy impact in the EU to encourage Member State investment in R&D. It is increasingly unlikely that the Europe 2020 objective to invest at least 3% of GDP in R&D will be reached by 2020 as investment by Member States has been stagnating at an average of 2% over the past number of years.


\(^{151}\) Ibid.
What the post-2020 MFF should achieve

Horizon 2020 and its successor, Framework Partnership 9 (FP9), should continue to build the scientific and technological base while supporting projects aimed at solving the societal problems the EU is currently facing. To achieve this, the budget of the FP9 should be increased to at least €100 billion for the next MFF to match demand. This increased funding should continue to foster scientific excellence, basic research and financing innovation in the EU but a stronger role for Social Sciences and Humanities (SSH) is needed in FP9. Technological innovation is important but proper financing of SSH research is fundamental to studying new challenges such as violent extremism, populism, migration, and inequality. The role of young people in research as a subject, but also as researchers should be embraced and more projects from young researchers and/or about young people and the youth field should be funded. FP9 should also allocate more funds to tackle the structural discrimination that persists in R&D through a strategic approach to increase the number of women and ethnic minorities actively working in R&D. The structure of the FP9 should be vastly simplified and made easier to manage, to understand and to apply to. Better rules for co-funding and complementarity with other funds such as ESIF should also be considered.

Calls

In order to achieve a budget that encourages excellence in research and development, the European Youth Forum calls for:

- Substantially increasing the budget of the Horizon 2020 successor programme;
- Strengthening the role of Social Sciences and Humanities (SSH) and of youth research in the Horizon 2020 successor programme;
- Making the Horizon 2020 successor programme more accessible to a wider pool of researchers, particularly civil society organisations, including youth organisations.

As called for by the European Parliament
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