GERMANY AND FRANCE LEAD EU BUDGET CONCERNS

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Germany has voiced concern on fair burden-sharing in the next EU budget, while France is outraged by proposed cuts in farm aid.

The bloc's most powerful states joined other complaints from northern countries, after the European Commission unveiled its post-Brexit finance plan on Wednesday (2 May).

"We are ready to take responsibility for strengthening the European Union - but this requires a fair burden-sharing of all member states," the German foreign and finance ministers Heiko Mass and Olaf Scholz said in a joint statement in reaction to the proposals.

The commission spending plan for 2021-2028 "would considerably increase the additional burden on Germany" by €10bn a year, they added.

Germany, the biggest net contributor to the EU treasury, is also reluctant to use its wealth to pay for deeper monetary union, for instance, by creating a eurozone deposit guarantee scheme.

Its warning on burden-sharing echoed discontent in Denmark, the Netherlands, and Sweden - wealthy states who will also see their EU contributions go up after Britain leaves the bloc next year.

"It is completely wrong that you want to increase the budget even though the number of member states falls from 28 to 27 ☀ We'll fight really hard to reduce the bill," Danish finance minister Kristian Jensen said.

Building on earlier comments by the Danish prime minister, Jensen said Copenhagen did not want EU cohesion funds, which subsidise poor regions in mostly eastern Europe, to grow.

Dutch foreign minister Stef Blok added his voice to the Dutch PM's hostile reaction.

"The current proposal is unacceptable for the Dutch government. The EU income is declining due to departure of the United Kingdom. If income falls, we will need to spend less," he said.

Swedish finance minister Magdalena Andersson flat-out rejected the commission's proposal that her country should increase its contribution by almost €1.5bn a year.

"This is an unreasonable proposal. We cannot accept this," she said.

"Sweden has contributed an enormous amount, partly as a net contributor to the European Union and partly because we have taken disproportionate responsibility for the 2015 refugee crisis," she added.

French outrage

The commission plan is to levy some □□□□□□ from member states for the joint pot in the next budget period, a €192bn increase on the pre-Brexit amount.

It aims to spend more on border control, migration policy, defence integration, research and innovation, and education, but to cut aid to farmers by five percent and to cap direct subsidies for even the biggest farms at □□□□□□□ - an idea which met with sharp criticism from France, the largest net beneficiary of EU agricultural funding.

"Such a drastic, massive and blind cut is simply unthinkable," Stephane Travert, the French agriculture minister, said.

"It poses an unprecedented risk to farms' viability by seriously impacting farmers' incomes, for whom direct aid is an essential safety net. France cannot accept any decline in direct income for farmers," the minister added.

Irish farmers' groups also indicated the kind of pressure that the Irish government is likely to come under to make sure that its agricultural sector does not lose out in the coming years.

"Farmers have had their direct payments eroded by inflation. At the very least, farmers need a CAP [Common Agriculture Policy] increase in line with inflation," Irish Farmers' Association (IFA) president Joe Healy said.

The Brussels-based farmers' pressure group, COPA-COGECA, also expressed "strong disappointment with the cuts". "A strong budget is needed for a sustainable, modern EU agriculture sector delivering on various fronts," it said.

Poland sanguine

EU cohesion funds are also to go down by five percent in the next budget period, in a move that could see Poland lose as much as □□□□□ a year in subsidies even if the commission does not withhold any funds under proposed new disciplinary measures for member states that violate EU values.

Polish ministers and MEPs remained sanguine over the commission plan, however.

Ryszard Legutko, an MEP from Poland's ruling Law and Justice (PiS) party claimed the new EU budget would be "more beneficial for Poland" due to the "activism of the Polish government".

Zbigniew Kuzmiuk, another PiS euro-deputy, downplayed the threat of the commission disciplinary powers despite an ongoing clash between Brussels and Warsaw on Polish judicial reforms.

"It can't be the case that some official in Brussels will take a decision on suspending, for example, hundreds of millions of euros, because he heard that courts aren't working properly in Poland, Romania, Hungary or somewhere else," he said.

The Estonian leader, Juri Ratas, noted that his country's economic growth was an EU success story of the kind the new commission budget should not put at risk.

"Estonia is a good example of how EU membership has significantly supported the development of the country. Since joining the EU, Estonia has been among those benefitting the most from the shared budget," he said.

"The larger the EU budget is, the better the possibilities for funding to reach our joint goals. Estonia is willing to increase our contribution to the EU budget," Ratas added.

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