

EUHPF
EU Health Policy Forum

**Contribution
to the Public Consultation
in view of
the 2008/2009 Budget Review**

**Brussels
April 2008**

Contributors

Florence Berteletti-Kemp, Smoke Free Partnership
Jeni Bremner, European Health Management Association
Spencer Hagar, International Union for Health Promotion and Education
Susanne Logstrup, European Heart Network
Mark McCarthy, European Public Health Association
Clive Needle, EuroHealthNet

Content

| | |
|---|----|
| Executive summary..... | 1 |
| Introduction..... | 3 |
| Response to the Consultation Questions..... | 5 |
| Conclusions..... | 15 |
| List of EUHPF member organisations..... | 16 |

EXECUTIVE SUMMARY

This response of the EU Health Policy Forum¹ takes seriously the European Commission's invitation to respond to the consultation on the Budget Review in the context of an overall vision of the future of the European Union and the necessary political will to translate this vision into reality for all people living in Europe. The EU budget is a tool to deliver policy and should reflect a vision of a world where decisions are based on social justice and fulfil our responsibility to future generations, and where everyone has the right to live in a healthy environment, free from poverty, and in harmony with nature.

For a long time the EU budget has been too much the outcome of trading off among national interests. It is time to focus primarily on delivering European public wellbeing. The Budget ceiling has changed from 1.2% of GDP to 1.24% of GNI². In lay terms, this equates to €255 per citizen per annum. Funding allocated to health through the Directorate General of Health and Consumer Protection (DG SANCO) is far too small (estimated at less than 15 eurocents per citizen per annum). Meanwhile, for example, the cost to the EU of tobacco related disease alone, is estimated at €100 Billion³ – 1% of the GDP, a sum almost equivalent to the entire European budget! The gross imbalance between the needs and wants of the people of Europe and current EU financing priorities urgently needs to be changed.

The EU Health Policy Forum considers that the following principles will guide the EU towards a value and rights based budget, financing priorities that matter for the people living in Europe and providing a better governance system.

¹ The EU Health Forum serves as an information and consultation mechanism to ensure that the aims of the Community's health strategy are made clear to the public and respond to their concerns. It provides an opportunity to representative organisations of patients, health professionals and other stakeholders, such as health service providers, to make contributions to health policy development, its implementation and the setting of priorities for action. The EU Health Forum is composed of two complementary elements: An Open Forum as a platform for general exchange of information and for a discussion with a broader range of groups and interested parties, and a Health Policy Forum with a consistent set of member organisations, for the discussion of key policy areas. (http://ec.europa.eu/health/ph_overview/health_forum/health_forum_en.htm)

² GDP (gross domestic product) and GNI (gross national income) are different measures of a country's financial status; GNI = GDP plus the net flows of income such as rents, profits, and labour from abroad. For the EU as a whole the difference between the two is marginal but there are some marked differences for individual countries. Germany, the UK, France, the Netherlands, Italy, Belgium, Sweden, Denmark, Finland and Austria all have significantly higher GNI than GDP so contributions to the EU budget based on GNI will be higher than if based on GDP. The other Member States have a GDP which is either only slightly lower or higher, and in some cases significantly higher, than the GNI. The countries with the largest difference between GDP and GNI in this direction are Ireland, Poland and Spain. (From QCEA briefing papers on the EU budget review: <http://www.quaker.org/qcea/briefings/Budget/index.htm>)

³ Aspect Report – Chapter 2:
http://ec.europa.eu/health/ph_determinants/life_style/Tobacco/Documents/tobacco_fr_en.pdf Smoking-attributable costs for these two categories of diseases (respiratory diseases and cardio vascular diseases) provide a conservative cost of smoking estimate for Europe, which ranges between €105.83 billion and €130.31 billion, or between **€228 and €281 per capita**. The indirect costs represent about 2/3 of the total costs of smoking, and are between €70.55 billion and €86.87 billion

Principles:

1. The EU budget must respect and promote the values and rights outlined in the Lisbon Treaty and contribute to achieving the Treaty aims and objectives; currently, the EU budget does not sufficiently address people's needs and ambitions for health, well being and quality of life;
2. EU money is public money and it must serve the European public interest;
3. EU funds must respect the principle of solidarity;
4. Sustainable development must be the overarching goal of a new EU budget;
5. EU funds should be reoriented towards social objectives, including correction of market failures, increasing equity and promoting the well-being of all people living in Europe;
6. Public budgeting and spending must be a transparent and accountable process;
7. EU funds must be allocated in a way that reflects the EU's policy priorities and that also supports coherence within and between policies;
8. There must be an immediate end to all perverse subsidies and inappropriate incentives for growth;
9. EU spending should be subject to regular evaluation;
10. The process of public budgeting needs to allow for meaningful participation;
11. The effectiveness and efficiency of budget delivery could be improved through the involvement of a wider range of civil society stakeholders in planning and defining the programmes affecting them, and simplifying and speeding up the implementation processes.

Specific Recommendations:

12. EU spending should give particular attention to improving people's health and wellbeing;
13. Funding allocated to health through DG SANCO should be substantially increased;
14. The structural indicator concerning healthy life years should be widely applied to investment criteria for EU spending programmes;
15. External Policy, Common Agricultural Policy and Structural Funds and their respective budget allocations should reflect Public Health objectives;
16. The financial instrument for Public Health should be able to finance cross-sectoral actions;
17. The Public Health Programme and the Public Health Executive Agency should prioritise civil society partnerships;
18. A significant part of the multiannual financial framework should be managed across Programmes and DGs in order to promote synergies and more coherence amongst stakeholders from different sectors and also within the European Commission itself.

INTRODUCTION

The EU Health Policy Forum (EUHPF), comprising 49 member organisations, was established by DG SANCO as a consultative body for the discussion of key policy areas in the fields of health and of health care services. As such it contributes to the ongoing development of EU policies that affect the protection, maintenance and promotion of public health and wellbeing, as well as health care services. This work is undertaken by presentations by EUHPF members and EU officials, through debates and workshops, and through collective position papers by EUHPF members on key topics. These inform the contribution of member organisations, and of the Health Policy Forum as a whole, to the development and implementation of policy, and *inter alia* help to shape member organisations' responses to EU consultation exercises.

Achieving a 'high level of health protection' for all European citizens has been a clear objective of European Treaties since Maastricht (1992). It is also well recognised that high levels of physical and mental health and wellbeing are the foundations for other dimensions of European citizenship, including democratic participation, social and cultural integration, education, skills development and productive working life. The converse is also well recognised: a sound education, life-long learning and fulfilling employment are major contributors to health and well-being throughout the life span. To this established wisdom, research over the past 20-30 years has added significant new understandings:

- The major improvements in health and life expectancy in European member states in the past century have been largely due to organised social and environmental policy measures, while health care services, despite their huge and continuing costs, have contributed less to overall population health^{4,5}. This remains the case in the 21st century.
- The continuing growth of social and economic inequalities within the European Union⁶ threatens not only social inclusion and cohesion, within and between Member States, but also undermines educational achievement and contributes to inequalities in health of all people living in Europe.

While Member States' aspirations to support Europe's population to live healthy lives is, above all, an ethical issue, it also clearly has profound practical implications for economic success in a highly competitive, globalised world^{7,8}. It is essential that Member States succeed in enabling good health for all.

One of the areas about which EUHPF members have previously expressed collective concern was the allocation of the DG SANCO budget for the period 2007-2013. Members' actions included representation to the European Parliament

⁴ The EUHPF recognises too that access to primary and secondary health care and health promotion have played an important role.

⁵ Mackenbach, JP. "The contribution of medical care to mortality decline". J Clin Epidem 1996. 49:1207-13

⁶ implications of socio-economic inequalities in health in the European Union:

http://ec.europa.eu/health/ph_determinants/socio_economics/documents/socioeco_inequalities_en.pdf

⁷ Suhrcke, M, McKee, M, Arce, RS, Tsovala, S, Mortensen, J. "The contribution of health to the economy in the European Union". European Commission 2005

(http://ec.europa.eu/health/ph_overview/Documents/health_economy_en.pdf)

⁸ Suhrcke, M., Rocco, L., McKee, M. "Health: a vital investment for economic development in eastern Europe and central Asia". WHO 2007 (<http://www.euro.who.int/Document/E90569.pdf>)

and to Member States' governments in support of the European Commission's proposal for a significant increase in the allocation to health. The Health Policy Forum therefore have chosen to make a collective response to the consultation exercise *Reforming the Budget, Changing Europe*, seeking at the earliest stage to contribute to discussion on "the structure and direction of the Union's future spending priorities, assessing what offers the best added value and most effective results...". It is the opinion of the Health Policy Forum that, to fulfil its fundamental Treaty obligations, the European Union needs to ensure the essential pre-requisites for health and wellbeing for all people, across all Member States. This is currently far from being the case.

Because it involves such profound questions of policy and organisation, the challenge of raising standards across the EU to those of the highest performing Member States is enormous. It will require a very long term commitment to raise priorities both for policy and spending in Europe, in order to improve the protection, maintenance and promotion of public health and wellbeing. Although the European Union's budget is only a small fraction of all economic activity and governmental spending across Europe, it has the capability – through leadership and leverage – to magnify impacts and promote social justice across the whole Union. In this consultation response, therefore, the EUHPF gives particular attention to the benefits that EU spending can have to improve people's health and wellbeing.

RESPONSE TO THE CONSULTATION QUESTIONS

Question 1: Has the EU budget proved sufficiently responsive to changing needs?

The EUHPF recognises that, while European objectives and composition have changed profoundly since the initiation of the European Communities, the current budget remains a very small proportion of European countries' GNP⁹. The Chart in this section of the Consultation document demonstrates the transfer from CAP to regional and other policies in the period 1988-2013. This change is along the direction recommended by health civil society organisations (CSOs), with a greater emphasis on social objectives. The EUHPF contends that the primary objective for the EU budget in the future should be to promote European objectives of equity, social justice and well-being for people and society. Economic growth should be an objective only in so far as it is sustainable and responsive to these needs, improves environmental and social conditions, protects and promotes health, and does not seek to be pursued independently of these needs. Indeed, where there is conflict between these objectives, the EU budget should beware of inappropriate or perverse incentives for growth when the primary objectives should be social welfare of all.

Question 2: How should the right balance be found between the need for stability and the need for flexibility within multi-annual frameworks?

The EU budget should develop within a long-term time frame, since the objectives of the Union are also both long-term and structural. Future stability will depend on social progress as well as economic development. Yet there are also new directions in policy emerging which need attention, and budgets of the different Commission directorates need to be large enough to revise their programmes to meet urgent contingencies.

In this regard, we draw the Commission's attention to the very small direct funding that is allocated to health through the DG SANCO. It has been estimated as less than 15 eurocents per annum per EU citizen. This is too small a base for either 'stability' or 'flexibility'. In recent past periods, heavy pressure on resources has come from emerging concerns about food safety and human safety (bioterrorism). At the same time, the European Court of Justice rulings on health services present a new and complex set of considerations.

The Commission and Parliament proposed at least doubling the DG SANCO budget for the period 2007–2013, but the Council rejected these recommendations. The EUHPF considers that this political decision was not based on an objective assessment of the needs of the populations of Europe. The consequences have

⁹Iain Begg, in his paper 'The 2008/2009 Review of the EU Budget: Real or Cosmetic? compares some aspects of the EU budget for the period 1988–1992 (period A) with the period 2007–2013 (period B), showing how little has really changed. Accessed at: <http://www.cesifo-group.de/pls/guestci/download/CESifo%20Forum%202007/CESifo%20Forum%201/2007/forum1-07-special1.pdf> on 7 January 2008

included impoverishment of the work of citizens' organisations in the health field¹⁰, and lack of capacity of the DG SANCO to address its major responsibilities, both in the developing field of support for regulation of health systems that has been led by EJC decisions, and the fundamental Treaty role of support for Health in all Policies across the EU.

Nevertheless, within the tight 'envelope' of the current DG SANCO budget, good work is done with great skill, economy of resources and flexibility. The EUHPF would like to see greater attention to the transparent tracking of EU resources for health, and programmatic and policy changes that develop health as the priority for social Europe.

Question 3: Do the new policy challenges set out in the consultation paper effectively summarise the key issues facing Europe in the coming decades?

Only partially. The EUHPF recognises that the bullet point summaries contained within (2.1) of the Paper correspond to executive responsibilities of the European Commission (EC) for administrative purposes. But EUHPF suggests a response which connects with needs, challenges and policy drivers. In particular, European health challenges are not limited to Article 168 of the draft amended Treaty of the Union (TEU) alone: the European Union can improve and protect health through articles throughout the Treaty, from aims to functions.

The EUHPF proposes the following key issues which underpin health and well being for all, and accord with the priority provisions of the Lisbon Treaty as follows:

ECONOMIC CHANGE

The Lisbon strategic approach has contributed to growth in certain sectors. But, as successive *Eurobarometer* surveys¹¹ and other indicators of public opinion and demand have shown, that is not sufficient to address real needs and ambitions for health, well being and quality of life. Unless the European Union embraces a truly sustainable development approach to growth, with a primary purpose of improving its societies, it will fail in its founding objectives.

Sustainable development and community cohesion must have greater prominence and must focus on public gain. Development of technologies and knowledge with EU budgetary support should be focussed on public gain before corporate profit, and with transparent outcomes. While the economic benefit of reducing cost burdens to health care service systems is increasingly well documented and important, the purpose of improving the health of the population is treated as a supplementary factor. Protecting, maintaining and promoting health will have significant wider budgetary and socio-economic benefits. The 2006 Council Conclusions on Health in all Policies¹², recognised by the Commission in its subsequent 2007 proposal for an EU Health Strategy¹³, should be implemented.

¹⁰http://ec.europa.eu/phea/documents/Accepted_proposals.pdf

¹¹http://ec.europa.eu/health/ph_publication/eurobarometers_en.htm

¹²http://www.eu2006.fi/news_and_documents/conclusions/vko48/en_GB/1164897086637/

¹³http://ec.europa.eu/health/ph_overview/strategy/health_strategy_en.htm

The structural indicator concerning healthy life years¹⁴ should be widely applied to investment criteria for EU spending programmes, and the financial instrument for public health should be able to finance cross-sectoral actions.

DEMOGRAPHIC CHANGE

Recognising the EU competences in social security and solidarity, the fields of child and adolescent development, education and training, learning for life and supporting healthy ageing should be inspired through all policies rather than restricted. Particular gains – including long-term social and economic development – would be achieved by specific budgetary targets to contribute actively to remove poverty in Europe, and to promote equity in educational opportunities and outcomes, from birth onwards. A special emphasis should be devoted to the needs of the youth to ensure their current well being as well as the empowerment of future generations. The growing proportion of older people in all European societies also needs close attention, throughout the lifespan, and not only in later years, and also as a great potential opportunity for social development, not only as a challenge to service provision and funding. There should be more emphasis on the importance of healthy ageing and more investment in areas that can support Europe's older population to remain healthy, independent and productive. The EU also has a pivotal role to play in addressing the needs of people who migrate and the communities within which they move. The contributions that migrant workers¹⁵ are making need to be better recognised, particularly in the growing health and social care sectors^{16,17}.

The use of structural funds to improve equity, for example, should continue but requires increased transparency and evaluation. The impact of demographic change on social care and health infrastructures is at the core of the development of Europe in coming decades and sustainable solutions based on intergenerational solidarity should be developed to ensure fair and sustainable health systems and social services in Europe. Women play a very special role which needs to be recognised by society, and appropriately compensated.

ENVIRONMENTAL CHANGE

Health is an integral part of European strategies to address climate change and develop sustainably¹⁸. Through achievable reforms to budgets, significant action can be taken to meet the challenges of land use and transport, food, water and energy supply and safety, while simultaneously improving nutrition, physical activity, substance abuses and environmental health, thus contributing to making Europe a world leader in socioeconomic, environmental and lifestyle determinants of health. Furthermore, pursuing the same objectives in the European Union's External Policy by contributing to the achievement of the Millennium Development Goals is not only an ethical imperative but also the best way to address the root causes of migration, wars and economic underdevelopment. However, these objectives will require a fundamental shift in the provisions of the Common Agricultural Policy and Structural Funds, and the EUHPF recommends early

¹⁴http://ec.europa.eu/health/ph_information/indicators/docs/RAND_HLY_en.pdf

¹⁵<http://www.euro.who.int/document/e88366.pdf>

¹⁶<http://www.compas.ox.ac.uk/publications/Briefings/MHW-briefing.pdf>

¹⁷<http://www.parliament.uk/documents/upload/EA213%20Audit%20Commission%20.doc>

¹⁸<http://www.euro.who.int/document/e88366.pdf>

consultation with health experts in the next review period to ensure maximum benefits to health.

CHANGES THROUGH RISKS AND THREATS

Article 168 of the draft amended TEU is clear about the responsibilities for protecting the population against threats to health and disease risks. Like pollution, disease knows no boundaries¹⁹. The EUHPF urges the recognition of threats of chronic diseases, as well as the more immediately visible threats of communicable diseases. This includes a modern approach to physical and mental health threats, including better use of health impact assessments²⁰ in all policy areas, meaningful participation of stakeholders in policymaking and sustainable efforts in relation to health promotion. The responsibility is greater as individuals become more mobile and Member States become increasingly interdependent. .

GLOBAL CHANGE

The new EC Health Strategy for the first time has recognised the need to consider actions undertaken by the EU beyond its borders. Globalisation brings benefits and problems. Whether through development and trade policies linked to budgets, or use of external programmes, or in budgetary approaches that impact upon the Millennium Development Goals, the EU should put health needs at the core of its financial strategy to develop its responsibilities on the World stage.

Question 4: What criteria should be used to ensure that the principle of European value added is applied effectively?

All *Eurobarometer* surveys regularly indicate that one of the most important issues for EU citizens is their health. It is therefore of the utmost importance that Member states recognise the importance of working together in the field of health and healthcare.

The EUHPF proposes that to ensure that the principle of European added value is applied effectively, impact assessments of policy measures (legislative, programmes, other) must consider the following criteria:

- Sustainable economic growth
- Protection and promotion of public health
- Equality among people
- Solidarity among Member States

These policy areas transcend the responsibilities of member states individually. Through the Treaty, they are responsibilities for European collective action, which provides added value, through the use of appropriate policy instruments.

¹⁹http://ec.europa.eu/health/ph_threats/com/preparedness/docs/HEOF_en.pdf

²⁰Health Impact Assessment see: <http://www.who.int/hia/en/>

Question 5: How should policy objectives be properly reflected in spending priorities? What changes are needed?

Almost everyone considers health to be a key issue and improving people's health is firmly within the remit of the EU. The EU has the necessary policy levers to make a difference and also the tools to measure the effectiveness of its interventions. It is essential that this priority is clearly reflected within the new policy framework and that the EU is clearly seen to be taking action to tackle health inequalities and to maintain and improve the people's health. All DGs can learn from the experience of DG SANCO, which is increasingly effective at working across EU policies and DGs – working to make 'Health in all Policies' a reality.

The achievement of health through European policies should be transparently demonstrated within spending priorities. The health impacts of all DGs budgets should be determined and related to spending priorities within and between DGs.

Question 6: Over what time should reorientations be made?

Significant changes in the balance of budget spent over the past 25 years have been made, as indicated in the chart in this section of the consultation document. CAP expenditure has halved over that period, and regional support almost doubled, with increases also for other priorities. This is the correct direction of travel, with significant shifts in the current period. But there is much further to go. There is little argument, from a health perspective, for giving any funding to the CAP in its present form, which still relates to production rather than the nutritional benefits of food. Tobacco control and smoking reduction as well as nutrition policies for health must be underpinned by the CAP. The EUHPF wishes to see the continued reorientation of EU funds towards social objectives, which include correction of market failures, increasing equity and promoting the well-being of all. The time horizon may be up to 25 years, but the trend needs to be set now. The guiding direction for change is from a Europe for markets and industry towards a Europe of systems and organisations for people and society.

Question 7: How could an effectiveness and efficiency of the budget delivery be improved?

Firstly, by greater transparency. In key budgetary areas such as structural funds and agricultural policies, evaluation and dissemination is insufficient. This is a vital element of the policy-into-practice cycle routinely used in health sectors.

Secondly, by better involvement of a wider range of stakeholders in planning and defining the programmes which will affect them.

Thirdly, by simplification of implementation processes. There are serious concerns about the methods and regulations applied by the Public Health Executive Agency, originally seen as a forerunner of other executive bodies but now increasingly seen as a barrier to inclusion of civil society partnerships. This needs review.

Fourthly, by speed. Cash flows for civil society bodies is a major issue and payments should be more responsive to need. Projects take too long to prepare and approve while the results and output should be better used for policy change. Better use of modern communications technologies should enable much swifter actions.

Question 8: Could the transparency and accountability of the budget be further enhanced?

Yes. The EUHPF draws particular attention to the need for much greater transparency by member state governments in ensuring that the population (who are their taxpayers) are being fully informed of how public funds are allocated and used. The European Parliament is part of the budgetary authority and, for this purpose, its powers of scrutiny should be sufficiently extended, in liaison with national elected authorities, and together with the EU Court of Auditors.

Full, public evaluations and health impact assessments should become standard tools within the budgetary and policy processes of the EU institutions and member states. Programme funds used by EC services in health promotion, for example in contributions to events or media campaigns, must be more openly decided before allocation, by reference to stakeholder groups, and the impacts of their application more rigorously evaluated and openly reported. Moreover, if “Health in all Policies” is to have real meaning, health stakeholders should be empowered to participate in programme planning on a cross directorate basis. The work of DG SANCO to consider stakeholder involvement is creditable²¹, but needs to be taken forward by the Secretary General for development in all sectors that impact on public health – therefore all budgetary bodies.

Question 9: Could enhanced flexibility help to maximize the return on EU spending and political responsiveness of the EU budget?

The EUHPF welcomes budget ‘flexibility’ oriented towards the ‘highest-performing programmes’ if performance is valued by their health and social impacts. ‘Flexibility’ that can be directed towards disadvantaged groups (for example, in times of emergency or newly developing needs), and especially for areas of ‘market failure’, is a necessary part of the social protection that the European Treaty demands. In this, of course, it is not substituting for necessary actions by member states but supporting transitional policies and promoting synergies.

In that respect, the capacity and capability of the systems, and structures and personnel of member states to absorb such support is crucial. Community initiatives and policies should endeavour to improve member state governmental

²¹ Although we understand that some interaction between the Commission and the tobacco industry is sometimes necessary (because the Commission is a regulator and the tobacco industry is required to comply with and implement EU legislation), the EUHPF would like to stress that such interaction should be limited to what needs to be done for the Commission to regulate tobacco products and the tobacco industry effectively. Over and above that, the EUHPF takes the view that the tobacco industry should not take part in public health policies, through “dialogue” or impact assessments related to health policies.

structures and social capacities, especially the contribution of CSOs. Absorption should not be formulated narrowly within industrial objectives but within these wider goals. To achieve this, the EU must work collaboratively, through instruments that incentivise member state policies towards social goals. The use of EU funds, and political responsiveness, will thereby promote health.

The EUHPF thus welcomes the new Inter-Institutional Agreement proposal for flexibility and suggests that – in a fast developing context – the revision of the multiannual financial framework needs to remain one of the key instruments (rather than the main instrument) so as to be able to respond to significant changes of permanent character in the EU policies.

However, the EUHPF considers that further flexibility could help to maximize the return on EU spending and political responsiveness of the EU budget. Given the huge potential for inter-sectoral synergies and collaborations (for instance between health and environment, health and research, health and culture or health and education), the EUHPF would welcome cross-sectoral programmes within the multiannual financial framework. For example, the objectives of the Health Programme 2008-2013²² are to improve citizens' health security, to promote health, including the reduction of health inequalities and to improve health information and knowledge. These objectives are crucial for the quality of life of both current and future generations; yet are too specific to respond to every aspect of what is needed, for instance, in terms of sustainable development.

The next budget should offer the possibility for multiple inter linkages between the key challenges listed in the review: for example between the use of renewable energy and climate change or climate change and poverty, or climate change and public health. The challenges are inter-linked and solutions and programmes should therefore take this into account. At the moment, this is not the case.

The EUHPF suggests that a significant part of the multiannual financial framework should be managed across Programmes and DGs in order to promote synergies and more coherence amongst stakeholders from different sectors and also within the European Commission itself. The procedures and objectives should be transparent and explained clearly. The EUHPF understands that the above suggestion is technically possible as it is already used for the European Union Solidarity fund.

With regards to the new European Globalisation Adjustment Fund (EGF), the EUHPF understands that the opening of economies to international competition can have negative consequences for the most vulnerable and least qualified workers in some sectors and areas of the European Union. Providing personalised support to workers who have been made redundant is a commendable objective but it is a last resort measure. The EGF offers personalised support (as opposed to collective support) to workers who have already been made redundant so that they can quickly find a new job. The EUHPF suggests that this fund should be used more flexibly:

²²http://ec.europa.eu/health/ph_programme/pgm2008_2013_en.htm

Firstly, to also offer the possibility and support for workers to create their own collective alternative employments which could, in some cases, be within their own “converted” factories/businesses.

Secondly, to also favour projects identifying specific ‘market failure’ of the EU internal market which have an impact on “*the creation of sustainable communities able to manage and use resources efficiently and to tap the ecological and social innovation potential of the economy, ensuring prosperity, environmental protection and social cohesion*”²³.

The EUHPF welcomes the new Inter-Institutional Agreement proposal regarding the Emergency Aid reserve in order for the Union to be able to respond to emergency situations in third countries. As its task is to respond rapidly in order to fund the delivery of supplies (food, medicines, tents, blankets...) and services (medical teams, demining experts...) to the affected region as quickly as possible, it is crucial that this is maintained.

The EUHPF welcomes the continuation of the European Solidarity fund as suggested in the revised Inter-Institutional Agreement.

Question 10: What principles should underpin the revenue side of the budget and how should these be translated in the own resources system

The EUHPF recognises that member states retain sovereignty over their fiscal policies, but it has been demonstrated repeatedly that public health objectives require a range of policy options, including education, legislation and taxation, to achieve agreed goals.

The Consultation demonstrates the changing financial support of the EU from ‘Own Resources’, such as hypothecated taxation of VAT, to direct transfers from Member States. VAT fraud, through false declarations of traders between countries, remains a significant EU problem, and the EU with member states might consider how to create powerful incentives to effectively tackle this problem. An EU method of tax collection seems unduly complex given that the points of tax collection are multiple and collection systems already exist for Member States. A move to full transfers from MS to EU, without ‘Own Resources’, might address this problem although we recognise that this issue may be contentious across the MS.

However, the EUHPF recommends that the EU consider new ways of promoting revenue with the full involvement of member states. A number of MS already use taxation to achieve health and social objectives, such as taxation on tobacco and alcohol. Equally, the EU and MS may wish to consider the increased benefits of greater investment in health protection and health promotion, in agreement with their Treaty obligations, and in accordance with the new EU Health Strategy.

²³The renewed EU Sustainable Development Strategy

Question 11: Is there any justification for maintaining correction or compensatory mechanisms?

The correction factor was a technical response to the existing imbalance of the EU's budget, with a high proportion of funding going to the CAP. Since that time, there have been many other criticisms of CAP, and modifications in its amount and impacts. Further, the Structural Funds, established at the Edinburgh summit in 1991, have contributed very significantly to the economies of smaller EU countries, and improving economic levels have accompanied rising levels of population health. New member states are generally greater beneficiaries of both CAP and Structural Funds, so that redistribution towards lower income countries is actively occurring – although equalisation remains distant. Thus, since there are well marked policies for distribution equally (by need) to low-income areas, it would seem still relevant to look at the net balance impact on high-income countries to ensure that no individual country is taking too great a burden of this redistribution. The formula for this may still need to be decided.

Regarding compensatory mechanisms, the actual collection costs incurred by Member States (customs, audit services, etc.) are significantly lower than their 25% retention. For Member States collecting a large share of customs duties at important EU entry points, an increase of the collection costs thus represents a net decrease of their financial contribution to the EU budget (since the increase of the GNI contribution is smaller than the increase in the collection costs retained). These countries should only charge the actual figures related to the collection costs. Ultimately, traditional own resources (which consist of customs duties, agricultural duties and sugar levies) should be levied directly by the EU (from economic operators) making any claim for compensatory mechanisms from the MS totally redundant.

Question 12: What should be the relationship between citizens, policy priorities and the financing of the EU budget?

This final question engages wider issues about the structure of the EU as a whole. The relationship of the EU directly to its citizens and residents is limited. In the large spending areas the implementation is done through the Member States. The Member States agree policies through the Council, and the level of discussion within the MS varies a great deal. Moreover, while the Parliament and the Council have a co-decision process for the EU budget, neither has control over its implementation: this is done by the Commission, which is not formally accountable to any citizen representatives.

DG SANCO established the EUHPF as a means of consultation with 49 European-level organisations, providing a dynamic cross-range of perspectives and representation. The EUHPF membership is mainly of civil society organisations, although there is also representation from governmental agencies and industry. The European Union's task of coordination and leadership towards agreed policy objectives would be considerably enhanced if it ensured the capacity of European CSOs to make sure that there is a powerful voice for 'health' at a European level.

The financing of the EU budget should reflect its use. The EU public should be better engaged in understanding the budget composition and its allocation. To achieve this, the European Commission should give greater engagement to European CSOs that coordinate and inform national and local CSOs. To promote social justice and citizen participation, working with CSOs is the necessary course: through this means, the public will be assisted to recognise the financing of the EU and to show greater engagement with the common objectives. The existing high level of European citizens' engagement in health issues would be a good basis for well designed and properly evaluated measures to expand individuals' engagement in the roles of the EU in protecting, maintaining and promoting their health, not only in the roles of DG SANCO, but in those of the other sectors having a major impact on health.

CONCLUSIONS

The EUHPF calls for an EU budget reflecting European values and policy priorities as anchored in the Lisbon treaty. It is time for the European budget to deliver European public good by focusing on the added value of EU spending.

Today's Europe and today's world call for a more coherent rationale to tackle major global challenges. This needs to be adequately reflected in the EU budget. The European Union, as the largest political and economic bloc in the world, needs to provide true leadership on the common challenges that are listed in the EUHPF response to this consultation. Health has a crucial role to play in achieving Europe's full potential for prosperity, solidarity and security. We therefore hope that a good balance will be reached between improving health in its own right and valuing health as a key part of the solution to address all the challenges facing Europe today.

Finally, the EUHPF hopes that the overarching strategic framework for this budget Review will be instrumental in convincing the Commission and the Member States to work closer and in cooperation, in order to improve health in Europe in the decade to come. We are looking forward to working with the EU institutions towards this goal in the coming years.

This document was endorsed by the EU Health Policy Forum. The EU Health Policy Forum consists of the following member organisations:

Aids Action Europe (AAE)
Assembly of European regions (AER)
Association Internationale de la Mutualité (AIM)
Association of European Cancer Leagues (ECL)
Association of Schools of Public Health in the European Region (ASPHER)
Association of the European Self-Medication Industry (AESGP)
Bureau Européen des Unions de Consommateurs (BEUC)
Council of European Dentists (CED)
EUCOMED
EuroHealthNet
European Aids Treatment Group (EATG)
European Alcohol Policy Alliance (EUROCARE)
European Breast Cancer Coalition (EUROPA DONNA)
European Cancer Patient Coalition (ECPC)
European Committee for Homeopathy (ACH)
European Disability Forum (EDF)
European Federation of Allergy and Airways Disease Patients (EFA)
European Federation of Nurses Association (EFN)
European Federation of Pharmaceutical Industries and Associations (EFPIA)
European Federation of Public Services Unions (EPSU)
European Generic Medicines Association (EGA)
European Genetic Alliances' Network (EGAN)
European Health Management Association (EHMA)
European Health Telematics Association (EHTEL)
European Heart Network (EHN)
European Hospital and Healthcare Federation (HOPE)
European Midwives Association (EMA)
European Network for Smoking Prevention (ENSP)
European Organisation for Rare Diseases (EURORDIS)
European Patient's Forum (EPF)
European Public Health Alliance (EPHA)
European Public Health Association (EUPHA)
European Region of World Confederation for Physical Therapy (WCPT)
European Society for Mental Health and Deafness (ESMHD)
European Union of Medical Specialists (UEMS)
European Union of Private Hospitals (UEHS)
European's Older People's Platform (AGE)
European Youth Forum – Youth Forum Jeunesse (YFJ)
Global Alliance of Mental Illness Advocacy Networks (GAMIAN EUROPE)
Groupement International de la Répartition Pharmaceutique (GIRP)
Health Action International Europe (HAI)
International Alliance of Patient's Organizations (IAPO)
International Planned Parenthood Federation European Network (IPPFEN)
International Union for Health Promotion and Education (IUHPE)
Mental Health Europe – Santé Mentale Europe (MHE-SME)
Pharmaceutical Group of the European Union (PGEU)
Red Cross - European Union Office
Standing Committee of European Doctors (CPME)