



HIGH LEVEL GROUP ON OWN RESOURCES

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M. JOSEPH MUSCAT, PRESIDENT OF THE COUNCIL OF THE UNION
M. JEAN-CLAUDE JUNCKER, PRESIDENT OF THE EUROPEAN COMMISSION**

Brussels, 20 January 2017

Subject: Final Report and Recommendation of the High Level Group on Own Resources

Dear Presidents,

In line with its mandate, the High Level Group on Own Resources, jointly established by the European Parliament, the Council of the European Union and the European Commission, which I had the honour to chair, adopted its final report and recommendations in December 2016.

I hereby have the pleasure to submit to you this report, entitled 'Future Financing of the EU' (see document enclosed). It examines options to make the own resources system more transparent, equitable and democratically accountable but it also considers broader issues, as suggested by the three Institutions on the occasion of consultations held by the Group with each of them in the course of our work.

The report was published on 17 January 2017 and is available at the following address, together with the translations in all EU languages of its executive summary and recommendations:
http://ec.europa.eu/budget/mff/hlgor/index_en.cfm

The report aims to inform the upcoming debate on the direction and the overall financial architecture of the EU and its central budget in particular. It is intended to be an analytical, conceptual and policy-oriented input for the decision making process in view of the next Multiannual Financial Framework.

Although members have participated to the work of the Group in their personal capacity, its composition - with three members appointed by each Institution and a chairman appointed jointly by the three Institutions, in the case of the Council after unanimous agreement of the Member States - makes it rather significant politically that we have achieved a consensus among all members. We hope this may augur well, in a policy area which has been traditionally characterized by tensions among Institutions, political parties and cultural orientations. Also for this effort of genuine convergence, in addition to the high competence, commitment and dedication shown by each of them, I thank my colleagues wholeheartedly.

I also wish to recognize the highly professional contribution provided throughout our work by the staff of the three Institutions, especially the members of the Secretariat and of the Task Force on Own Resources. We, and I personally, are particularly grateful to Anne Montagnon, the Head of the Task Force.

As you are certainly aware, the report is being presented and discussed in the relevant fora of the Institutions, including the ECOFIN Council under Maltese Presidency.

While the High Level Group as such ceases to exist with the submission of this report, my colleagues and I will gladly remain at your disposal for any explanation, clarification and exchange of views regarding the follow-up to the report that you may wish to have in the weeks and months ahead.

Finally, a number of key challenges to the EU have emerged since the Group was established in 2014, like the need to cope effectively with the migration and refugees problems, with control of the external borders, with the implications of Brexit, with a new U.S. Administration likely to induce the EU to rely more on its own initiatives and resources if it wants to be master of its own future, in the context of more assertive foreign policies by some regional or global powers which do not share certain fundamental values in which Europe believes. Each of these challenges, let alone their combined impact strongly suggest that the political authorities of the EU and its Member States adopt a strategy to make the budget adequate, credible and adaptable to the varying needs of providing essential European public goods, such as internal and external security.

With deep respect and warm personal regards,

Mario Monti [signed]
Chairman of the High Level Group on Own resources