



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Senát for its Resolution on the Reflection Paper on the Future of EU Finances {COM(2017) 358 final}.

In March 2017 the Commission published the White Paper on the future of the European Union at 27, followed by five reflection papers: On the social dimension of Europe, on deepening the Economic and Monetary Union, on globalisation, on defence and on the future of EU finances. Together, the papers lay out a range of ideas, concepts and possibilities in order to start a wide-ranging and open debate about the future of the Union at 27.

The paper on the future of EU finances in particular presents the Commission's critical analysis of current challenges with which the EU budget is faced together with a set of potential measures on both the revenue and the expenditure side to address them. More concretely, the paper stresses the importance of rethinking EU finances in the aftermath of the United Kingdom's withdrawal from the Union, and sets out possibilities, reform options, risks and trade-offs for the future of EU finances, presented in five illustrative scenarios.

The Reflection Paper and the conference on the next Multiannual Financial Framework on 8 and 9 January 2018 in Brussels have served to spark a constructive and positive debate that is helping to prepare the Commission's proposals for the next Multiannual Financial framework in May 2018.

In this context, the Commission welcomes the Senát's support concerning the need for simplification of the revenue structure and budget management, both considered necessary to improve the efficiency of EU annual and multi-annual finances.

The Commission takes note of the Senát's opinion on the future agricultural policy, and the need to adapt it to new political conditions and objectives. The goal of an environmentally sustainable agriculture is an integral part of the Commission's agenda, consistent with the "climate mainstreaming" followed in the current Multiannual Financial Framework.

*Mr Milan ŠTĚCH
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The Commission appreciates the Sénat's understanding of the pressure under which unexpected events and newly arising emergencies have put EU finances and the collective effort needed to maintain an adequate balance between traditional policy areas and new common priorities, such as security and defence.

The Commission takes note of the Sénat's preference for the duration of the next Multiannual Financial Framework.

Finally, the Commission shares the Sénat's views concerning the role of national Parliaments in ensuring democratic control of economic policies.

The Commission looks forward to continuing the political dialogue with the Sénat in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Günther H. Oettinger
Member of the Commission*