



EUROPEAN COMMISSION

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Dear Chair,

The Commission would like to thank the Poslanecká sněmovna for its Opinion on the proposal for a Multiannual Financial Framework for the period 2021-2027, in particular as regards the proposal for a system of own resources of the European Union.

On 2 May 2018, the Commission proposed a pragmatic, modern, long-term budget for the period 2021 to 2027, which Member States received positively as a useful basis for discussion. The next Multiannual Financial Framework would fund pressing priorities, such as research and innovation, young people, the digital economy, migration and border management, security and defence. For instance, the budget of Erasmus+ and the European Solidarity Corps would be doubled. At the same time, the proposal aims to find solutions to the sizeable gap in the budget of the European Union created by the United Kingdom's decision to leave the Union.

The result of these changes will be a rebalancing of the budget and an increased focus on new priorities and other areas where the budget of the European Union brings the highest added value. The Commission has critically examined where savings can be made and efficiency can be improved. It is proposing that funding for the Common Agricultural Policy and Cohesion Policy is moderately reduced. These policies will be modernised to ensure they can fulfil their Treaty objectives and contribute significantly to new priorities and economic reform.

As regards the revenue side, building on recommendations from the High-Level Group on Own Resources, the Commission proposes to simplify the current own resource based on the Value Added Tax and to introduce a basket of new own resources that is linked to the Union's political priorities.

The proposed new own resources would represent about 12% of the total European budget and could contribute up to EUR 22 billion per year.

*Mr Ondřej BENEŠÍK
Chair of the Committee for
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*cc Mr Radek VONDRÁČEK
President of the
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The Commission has taken good note of the Poslanecká sněmovna's concerns with regard to the proposed new own resources. The Commission is however of the view that it makes sense to link genuinely European policies more clearly with the revenue side of the finances of the European Union.

The Commission therefore remains of the view that fresh money will be needed for maintaining the current level of ambition of the budget and that its sources of funding will need to be modernised.

The points made above are based on the initial proposal presented by the Commission which is currently in the legislative process in the Council. The Commission welcomes the support of the Poslanecká sněmovna in finding a compromise, which will benefit the 27 Member States.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Poslanecká sněmovna and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Günther H. Oettinger
Member of the Commission*