

European Commission  
Commissioner for Financial Programming and Budget  
Mr. Janusz Lewandowski  
B-1049 Brussels  
Belgium

Opinion on the proposal for a multi-annual financial framework for the EU for the period 2014-2020

Dear Janusz Lewandowski

Please find attached responses from the Parliamentary Finance Committee and the European Affairs Committee on the proposal for a multi-annual financial framework for the EU for the period 2014-2020.

The committees have examined the proposal and have the following comments:

#### Opinion

A majority of the committees, consisting of Social Democrats, Socialist People's Party, Liberal, Liberal and the Conservative Party, believes that the Commission proposal (COM (2011) 398, 403, 500, 510, 511 and 512) will provide a sound basis for further work on the next multiannual financial framework (2014-2020), but is skeptical on parts covering future funding sources. Most welcome the fact that the future EU budget is designed to support the shared priorities in the 2020 Strategy.

The objectives of basing the EU budget on added value compared to the same expenses incurred at national level and making the EU budget more future-oriented and result-oriented, are very positive. It is also encouraging that climate and energy are mentioned as interdisciplinary areas. The Committees agree that areas such as research, innovation, joint infrastructure projects and EU foreign policy-making be strengthened in the new budget. It is particularly to stimulate investment in greener technologies and greener services, for this is where the greatest potential for future exports and jobs of the future lies, because there is an industry that already employs 3.5 million Europeans.

Sustainable growth and employment development should be driven by market demand and supported by politically determined subsidies and incentive structures. The same principles should apply to infrastructure.

Most fully endorse the Commission's proposal to focus even more on infrastructure projects that add value throughout the EU, for example in transport, communications and energy. Targeted financial support at EU level could help to kick start these important projects, which often carry a great commercial potential in the longer term.

The majority places great emphasis on an increased market orientation and liberalisation of the CAP with a view to dismantling agricultural subsidies in the long run for all 27 member states. The majority notes that the Commission's proposal added up to a greener CAP. In this regard, the majority notes that there is no contradiction between a long-term goal of supporting settlement and a greater focus

on environmental sustainability in the existing aid.

The Committees are sceptical about the Commission's proposals for reforming the financing side. The Committees disagree with the Commission's plans for a direct collection of EU VAT. Member states' exclusive rights to tax collection must be maintained. The EU budget is financed today including customs duties and agricultural levies, which the member states collect on behalf of the entire community. In addition, the majority considers it of great importance to terminate Denmark's negative treatment on the revenue side and that Denmark does not contribute to other wealthy countries' rebates without even getting one itself.

#### Minority opinions

A minority (Danish People's Party members of the committees) wishes in relation to the above statement to make the following comments:

The Danish People's Party looks at the positive description in relation to reforming the EU's spending side, spending more closely aligned with the EU's political priorities. However, the EU should not develop new forms of own revenues. EU income should be based on direct payments from the EU member states, so that there is full openness and transparency to the citizens.

Another minority (Enhedslisten member of the committee) believes that future EU budgets must be based on that growth in the EU in no way exceed the growth in member states' public sector. This also means that the cuts in their budgets to be recovered in the EU budget. Enhedslisten rejects all proposals for new direct or indirect taxes, which ends in the EU coffers. It should be ensured that Member States have full control over EU budgets and development of both EU revenue and expenditure. We would like a tax on financial transactions - a Tobin-like tax - corporate and coordinate efforts against tax havens, etc. But EL believes this to be done through coordination between countries and not as an EU tax.

The use of EU funds should be reprioritised so that the focus is on supporting a green transformation in member states. Climate action must be based on an objective that the EU countries as a whole must reduce their CO2 emissions by 40 percent in 2020, and that in the longer term there is implementation of a transition to 100 percent renewable energy.

Farm subsidies should be reduced and redirected. Every element of export subsidies must be removed and the support should be focused on supporting the development of agriculture, making it both environmentally and economically sustainable. The key element in this is support for organic conversion and local production of food.

A third minority (Liberal Alliance members of committees) is extremely critical that the budget of the EU is rising when member states should cut public spending. The EU should take the lead in relation to a tightening of consumption as a signal in proportion to the member states. Liberal Alliance is critical towards the introduction of new EU resources. Liberal Alliance stands strongly critical of the imposition of tax on financial transactions and does not want the EU to collect any taxes or develop new forms of own revenues.

The ongoing phase-out of parts of agricultural subsidies should not be reused to support other areas, but instead reduced the support from member states. Liberal Alliance generally wants a focus on activities around trade in the EU as well as a breakdown of internal customs barriers and barriers to the free market. Liberal Alliance is positive towards discussions about climate challenges across the EU member states, but is concerned about the rising level of public support for green energy at EU level and wants to emphasize that the need for the development of new technologies and services is subject to market conditions.

Sincerely

Marianne Jelved  
Chairman of Finance Committee

Eva Kjer Hansen  
President of the European Committee