



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank you for transmitting the Riksdag's Opinion on the Commission's proposals for the EU's multiannual financial framework 2014-2020 {COM(2011) 500 final}.

As you know, the proposals that were tabled by the Commission on 29 June have since been supplemented by the adoption by the Commission between October and December 2011 of the full range of proposals for sectoral programmes and instruments designed to implement the next financial framework. These proposals provide more extensive information on the Commission's approach in the relevant policy areas, some of which are mentioned in your Opinion.

As regards the main points raised in the Opinion, the Riksdag is critical of the proposed budget and recommends a much more stringent approach. The Commission is fully aware of the current climate of austerity and budgetary consolidation in Member States. However, we believe that our proposal represents a credible budget that matches our ambition while also reflecting the current difficult economic situation. Europe faces a range of challenges that are most efficiently addressed at EU level, such as strengthening EU competitiveness in a global economy, combating climate change and securing safe energy supply sources. In this respect, the question of EU added value is of crucial importance. By targeting funding at areas where EU spending can add value over and above what could be achieved at national level, EU programmes can both contribute to the achievement of our commonly agreed Europe 2020 targets and can assist Member States in their essential fiscal consolidation efforts.

I welcome very much the support given by the Riksdag to the Commission's increased focus on areas such as infrastructure investments and research and development. The proposed Connecting Europe Facility is a crucial element of the Commission's approach, designed to enable targeted investments in key infrastructures and to fill in the missing links in the EU's existing networks. This facility should act as a catalyst for further funding from the private and public sectors, providing the necessary kick start. In the area of research and innovation, for the first time, Horizon 2020 brings together all EU research and innovation funding under a single programme. It focuses more than ever on turning scientific breakthroughs into innovative products and services that provide

Mr Per WESTERBERG
Talmannen
Riksdagen
Sveriges riksdag
SE – 100 12 STOCKHOLM

business opportunities and change people's lives for the better. At the same time it drastically cuts red tape, with simplification of rules and procedures to attract more top researchers and a broader range of innovative businesses.

Concerning the Common Agricultural Policy and cohesion policy, I take note of the Riksdag's views on the size of the budget and the scale of the reform. You will agree that many of the major challenges ahead, including food security, climate change, biodiversity loss, water scarcity, rural depopulation, touch on the issue of agriculture policy. This is one of the reasons why the Commission considers the proposed funding on agriculture policy through the CAP – coupled with deep reform of the policy - to be a fair reflection of the importance of the CAP to Europe's citizens. The Commission's proposals for the reform of the CAP after 2013 address, inter alia, these issues by proposing more targeted income support and a fairer distribution between farmers, regions and Member States, within the wider objectives of strengthening the competitiveness, sustainability and permanence of agriculture throughout the European Union. A key element of the Commission's approach is the proposed greening of direct payments to enable optimal use of natural resources.

Cohesion policy will continue to be strategically important for the EU, making a genuine contribution to convergence and growth in Member States, which is especially important in the current economic climate. The Commission has proposed a number of important improvements in cohesion policy in the post-2013 financial perspectives, including better alignment with the Europe 2020 strategy, focus on a limited number of strategic priorities, strengthened performance incentives and conditionality and stronger emphasis on financial engineering and leverage funding. The Commission considers that the proposed Common Strategic Framework will bring about a considerable simplification of cohesion policy, providing strategic orientations for all EU funds covered by the framework and translating the Europe 2020 objectives into investment priorities.

On the financing side of the budget, I take note of the Riksdag's views on the proposed reform. However, I hope that you can agree that there is a pressing need to re-align EU financing with the principles of autonomy, transparency and fairness and to ensure that the EU is able to achieve its policy objectives. The Commission's proposals are not about adding to the tax burden of citizens, but they are about changing the mix of resources that finance the EU budget. The Commission analysed potential options for new own resources and decided to propose a new own resource system based on a financial transactions tax and a new VAT resource. These would ensure a fair distribution of impact across the Member States and the critical mass necessary to reduce substantially the Member States' contributions to the EU budget. The current system, which is overly dependent on contributions from the Member States, does not ensure neutrality in this respect.

The Commission's proposals include temporary corrections in favour of Sweden, Germany, the Netherlands and the United Kingdom. These corrections, which take the form of lump sums, are much more transparent and simple than the current correction mechanisms. They are open to public and parliamentary scrutiny and entirely predictable. They also ensure an equal treatment of the Member States and will be financed in a fair and transparent manner whereby each Member State contributes according to its GNI at market price.

Finally, I would like to express my appreciation for the attention given to the Commission's proposals by the Swedish Riksdag. It is essential that national parliaments in the Member States be fully involved in the process of determining the European Union's future financial framework and the priorities that it should support.

We welcome your continued support and constructive engagement in this important matter. The Commission looks forward to continuing the political dialogue with the Swedish Parliament.

Yours faithfully,

Maroš Šefčovič
Vice-President