



Brussels, 1 December 2010

### **EU BUDGET TASK FORCE**

#### **MEETING WITH HERVÉ JOUANJEAN, DIRECTOR-GENERAL, DG BUDGET, EUROPEAN COMMISSION**

##### **ADDRESS BY PHILIPPE DE BUCK, DIRECTOR GENERAL**

- I would like to thank Mr Jouanjean to give us, once again, the privilege of his presence at BUSINESSEUROPE premises to discuss the future of the EU budget. This is the first meeting of the BUSINESSEUROPE special task force on the EU budget and I hope that we will be able to provide you with important and constructive contributions in the coming months.
- Before I pass you the floor, let me just say a few words about the context in which we are shaping the future of this important European tool. Consolidation is the word of the day. National governments are struggling to put their fiscal house in order. At the same time, they must demonstrate their commitment to implement badly needed structural reforms. This contributes to a certain reluctance of member states to transfer resources to the EU level.
- At the same time, the Lisbon Treaty rendered increased powers to the European Parliament, in particular on the EU budget. This means that a new balance must be found within the institutions. The discussions on the budget 2011 have shown that it did not become necessarily easier to agree on annual budgets. Yet, we believe the Commission, Parliament and Council will be able to conciliate views to find an appropriate level of resources for the EU budget while taking forward the necessary reforms for increased efficiency.
- The current context is thus far from easy and I foresee a tough battle in coming months. What we need is a better use of EU resources not necessarily more resources on the whole. The priority is getting more leverage out of each euro spent.
- This requires:
  - A strategic vision of where EU spending can create real added value in terms of growth and job creation. The EU budget should ensure Europe 2020 objectives are reached. We think competitiveness programmes, particular those harvesting the benefit of the internal market and innovation should be given much clearer priority. For instance, we have called for a doubling of EU funding for research after 2013, which could for a large part be financed by a deepening of CAP reform.



- An effective system of EU expenditure auditing as well as objective and independent evaluations to scrutinise programmes. This must be accompanied with more flexibility to allow a reallocation of funds to better performing programmes.
- To continue developing financial instruments in coordination with the European Investment Bank Group. We must ensure a revolving effect of the EU's limited resources, moving away from a one-off grant culture.
- Develop efficient public-private partnerships. It can lead to a better allocation and management of funds, encourage risk-sharing and increase value for money.
- Clear gains can result from developing synergies between national budgets and the Community budget in those areas where the EU added-value has been clearly identified.
- On the revenue side, the financing system of the EU budget should ensure simplicity, stability and fairness. Yet, only with significant reforms to the structure and effectiveness of EU spending will a constructive debate on the EU's own resource system be possible.
- To finish, let me say few words on the 2011 Budget discussions. BUSINESSEUROPE is concerned about the recent failure of the Council and European Parliament to agree on next year's EU budget. This will have noticeable consequences, including for the financing of important new projects and for final beneficiaries.
- I would like to praise the way the Commission is handling the current deadlock and the speed with which it has tabled a new draft proposal. We now hope that the Parliament and the Council will show a similar level of commitment and responsibility and swiftly agree on next year's budget.
- Most importantly, these institutions must endeavour for a constructive approach in order to allow for smooth and effective discussions leading to the next multi-annual financial framework.