

Brussels, 12 September 2007

Reforming the Budget, Changing Europe Launch of the consultation on the Budget Review 2008/9

What should be the structure and direction of the European Union's spending priorities to meet the challenges of the globalised world in the next decade and beyond? What is the best way of providing the resources necessary to fund EU policies? These fundamental and other more technical questions are to guide a broad consultation on the future of EU finances launched today by the European Commission. An open debate, to which all interested parties at local, regional, national and European levels are invited, will shape the Commission's work on the Budget Review to be proposed in 2008/9.

Adoption, on the initiative of the Commission President José Manuel Barroso and Commissioner for Financial Programming and Budget Dalia Grybauskaitė, of the Consultation Paper in view of the Budget Review marks a first public step in the process of the reform of all aspects of EU spending and resources, as agreed in May 2006 by the European Parliament, the Council and the Commission.

*"This is day one of a no-taboos debate about spending priorities. Which also means a no-taboos debate about policy. How can the EU focus spending on the right areas to deliver a Europe of results over the coming decades? How should Europe respond to and shape globalisation to boost growth and jobs? How do we build a low-carbon economy, with secure and competitive energy supplies? This is our chance to start with a blank sheet of paper. To look at what the EU will need to spend in the years to come and where that money will come from", declared **José Manuel Barroso**, the President of the Commission*

*"We invite all actors at all levels to participate in a frank debate on future challenges and how EU spending can be focused on where it can generate the highest benefit", said Commissioner **Dalia Grybauskaitė**. "This consultation, launched by the Commission with no pre-conditions, should prepare the ground for a renewed consensus on future priority policies and how they should be financed. Each euro spent at EU level must bring the maximum added-value for European citizens and taxpayers".*

The Commission's work on the review is already ongoing with an imminent "health check" on the Common Agriculture Policy and the adoption in May this year of the 4th Cohesion Report that looked at progress in reducing regional disparities in the EU. Other policy areas will also undergo reviews. In addition, the Commission has launched a series of horizontal and sectoral studies by outside experts to be finalised in spring 2008.

The Consultation Paper contributes to structure and focus the public debate on budget reform on key aspects and questions:

- Has the EU budget proved sufficiently responsive to changing needs?
- What criteria should be used to ensure that the principle of European value added is applied effectively?
- How should policy objectives be properly reflected in spending priorities? What changes are needed?
- How could the effectiveness and efficiency of budget delivery be improved?
- Could the transparency and accountability of the budget be further enhanced?
- What principles should underpin the revenue side of the budget and how should these be translated in the own resources system?
- Is there any justification for maintaining correction or compensatory mechanisms?
- What should be the relationship between citizens, policy priorities and the financing of the EU budget?

All submissions in this consultation process should be sent to:

budget-review@ec.europa.eu

by 15 April 2008. They will be published on the website

http://ec.europa.eu/budget/reform/index_en.htm

where the Consultation Paper and other useful information on EU finances can be found.

After the consultation the Commission will propose the Budget Review in 2008/9.