

Record of Horizontal Interests Group workshop in London on the EU Budget Report
24 January 2014

Themes emerging from the evidence were noted, including:

- *Setting the budget*: Is there a need for a finance ministry function in the EU budget system? Do the five or seven year Multiannual Financial Framework (MFF) periods provide sufficient flexibility or certainty?
- *Running the budget*: Is criticism of the European Court of Auditors (ECA) fair? What standard of errors are national budgets held to? Is the standard of accountability too great in Europe? Could the European Parliament (EP) adopt a scrutiny role and would this lead to downward pressure on expenditure?
- *Spending the budget*: Is the EU budget a modern one? Does it do enough in 'high value' areas, such as development? Does the interaction between the Commission, Council and EP work?

Setting the budget

Stakeholders debated the length of MFF periods and discussed the comparative benefits of a five and seven year MFF periods. The overall benefits of an MFF were also discussed and included the fact that MFF periods encourage Member States to discuss stability and that they allow external policies to come into play.

However, some participants argued that five to seven year MFF periods do not work as EU institutions change during this period. Further, some considered a seven year MFF to be 'a bit messy' as the potential for toxic legacies would make it difficult to secure political buy-in and the it is arguable that this timeframe may be too inflexible to accommodate significant or rapid change.

Running the budget

Stakeholders exchanged views on whether the standard of accountability is too high - a point raised in evidence submitted. Some thought that a high bar had been set and that there needed to be some discussion of whether this standard was too ambitious or unrealistic.

Ways of spending and routing EU money were also discussed with some agreement that it is important to look at alternative structures to the EU budget, such as co-financing, which would allow Member States to cater to their national interest.

On the question of the EP having more say in the EU budget, stakeholders did not consider this to be a plausible option due to the distance between the taxpayer base and the EP. The list system in place for MEP elections was seen as further diluting this democratic link although stakeholders did recognise that EP involvement had helped on CAP reform.

Spending the budget

On options for a modern budget, evidence had suggested that the budget could serve to protect people from the modern world by maintaining market price aspects of the CAP and representing research and development. Stakeholders also considered moving away from redistributive 'carousel spending' and more towards paying for distinctive common goods and spending that produces positive externalities.