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Prime Minister's Office**Notes from the EU thematic consultation forum on the European Commission reflection paper on the future of EU finances**

The thematic consultation forum was led by Hans Dahlgren, State Secretary for Foreign and EU Affairs to Prime Minister Stefan Löfven. It was attended by Government Offices officials.

The State Secretary welcomed the participants and briefly presented the content of the Commission's reflection paper. The State Secretary presented the Government's proposed standpoints ahead of the upcoming Multiannual Financial Framework negotiations.¹ The State Secretary then asked the participating organisations for their thoughts, in accordance with the invitation to the consultation forum.

Most of the participating organisations welcomed the Government's proposed Swedish standpoints ahead of the upcoming Multiannual Financial Framework negotiations.

A number of participating organisations emphasised that the starting point should be the measures and policy areas that deliver EU added value, and not the budget being reduced or Sweden wanting unchanged contributions. A limited budget, and thus limited Swedish contributions, would be a natural consequence of a budget based on genuine EU added value, in turn based on public goods and common cross-border challenges. Several organisations emphasised that the Common Agricultural Policy and Cohesion Policy in many respects lacked these public goods and did not aim to address common cross-border challenges.

¹See the press release from 27 March: <http://www.government.se/press-releases/2017/03/smaller-eu-budget-and-swedens-contribution-must-be-kept-down--the-governments-general-priorities-ahead-of-the-upcoming-eu-budget-negotiations/>

One organisation emphasised the role of foreign and development cooperation policy in the budget; it was important that this area, and in particular development cooperation, received adequate resources and that funds were only used for their intended purpose.

One organisation underlined the value of the Common Agricultural Policy and said that agricultural policy was perhaps more efficiently managed at EU level than at national level.

Another organisation considered that the EU budget was small in relation to the set objectives. The EU should not devote itself to redistribution as EU added value in this could be questioned and compensation tended to become permanent.

One organisation was sceptical about the plans to increase defence cooperation; it was important that redistribution within the EU was not used for military purposes.

Several organisations reflected on the possibility of, or need for, stronger conditionality in the EU budget. Some organisations stressed the risk of increased divisions in the EU that could result from stronger conditionality. Some organisations felt, however, that stronger conditionality was important in relation to the rule of law.

Regarding EU income, one organisation said that increased co-financing would be preferable to rebates. Many organisations agreed that new taxes at EU level were not desirable and that a GNI-based contributions structure was preferable, not least for transparency and efficiency reasons, and scope for political accountability.

The State Secretary thanked everyone for an interesting discussion and said that additional meetings might be held over the next few years on the upcoming Multiannual Financial Framework.