



EU's reform and the next multiannual perspective

New priorities, new objectives? Challenges for CEEC

Next MFF – Czech Republic's perspective

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Challenges for the discussion on the post 2020 MFF

- Period of the MFF – 7-year vs. 5-year period
- Volume of the EU budget (share of the EU GNI)
- Flexibility of the future MFF
- Expenditure side focused on new priorities
- Revenue side – expected proposal for reform
- Impact of Brexit



I. Key challenges and CZ views MFF period, volume and flexibility

- **7-year period**
 - Appropriate time for the implementation of the multiannual programmes
- **Current level of the EU budget at 1 % of the EU GNI**
- **Flexibility**
 - consolidation and simplification – current system is too complex



II. Key challenges

Expenditure side

- **Shared management policies vs. (in)direct implementation**
- **Cohesion policy** – our main priority
- **Pros:**
 - significant impact on development of our economies
 - contributes to the convergence of the regions
- **Cons:**
 - slow implementation pace (huge „RALs“ at the end of 2020)
 - high error rate (ECA reports)
 - Overregulation and need for real simplification



III. Key challenges Revenue side and Brexit

- **Revenue side**
 - Discussion on new own resource(s) and future of rebates (in the context of the Brexit)
 - CZ position
 - simple, transparent, fair system based on traditional own resources and GNI resource
- **Brexit – might affect all challenges**
 - Transition period will have significant impact on the future MFF (volume, expenditure and revenue side)



What can be expected..?

- **Unanimity in the Council allows only gradual adjustments of the Multiannual financial framework**
- **Unanimity and net budgetary balances approach prevent**
 - Significant change of the expenditure side
 - Removal of the corrections and rebates at the revenue side
- **Four key elements for the Member States agreement on MFF:** MFF volume, Cohesion policy and CAP funds and correction mechanism
- **+ Brexit** –new challenging element for the negotiations of post 2020 MFF



Thank you for your attention!