



Press Release

PR 172553

13.11.2017

PRESS RELEASE BY THE MINISTRY FOR EUROPEAN AFFAIRS AND EQUALITY

New challenges for the finances of the European Union discussed at a national level

New challenges have arisen since the current EU budget was designed. The refugee crisis, security concerns, cyber-threats and terrorism as well as defence, require pan-European responses. Minister for European Affairs and Equality Helena Dalli held this, during a conference organized by MEUSAC on the EU Commission's Reflection Paper on the finances of a future Europe of 27 in a changing world.

Dr Dalli said that the pressure created by these competing demands on finite resources has underscored the urgent need to reflect on what kind of budget is needed for the Europe of the future. The withdrawal of the United Kingdom will signify the loss of an important partner and contributor to the financing of EU policies and programmes. However, it also presents an opportunity for a vital discussion about the modernisation of the EU budget. "The EU budget faces a tough challenge to fund more with less. That must be achieved with an EU budget that will only get smaller following the departure of the United Kingdom", said Minister Dalli.

Parliamentary Secretary for European Funds and Social Dialogue Aaron Farrugia said that "We are right in the middle of shaping the future of EU finances, and cohesion policy must necessarily play an important role in this".

Dr Farrugia said that the fundamental dilemma we are facing is that on one hand, citizens expect Europe to play a bigger role in policy areas, such as migration, security or to a lesser extent here in Malta, defence. Citizens also expect Europe to play an active role to tackle challenges such as globalisation, employment, technological change and climate change. On the other hand, we ask how and whether the EU will make use of sufficient resources to act effectively in all these areas. That is why he reiterated the need to improve the effectiveness of the EU budget and therefore linking Europe's spending with better economic governance. "This will strengthen the new EU budget and the European Union's role and weight in the world economy and how we position ourselves to secure competitiveness", said Parliamentary Secretary Farrugia.

Parliamentary Secretary Farrugia also called for increased flexibility, one which ensures that funds are available and can be redirected to unforeseen challenges and purposes, which was achieved under the Maltese Presidency, could also be incorporated into the next MFF.

MEUSAC's event marked the end of a series of half day conferences organised to encourage different stakeholders to discuss the Reflection Papers on the Future of the EU including:

- The Reflection Paper on the social dimension of Europe which offers different ideas, proposals and options for a social dimension of Europe by 2025.
- The Reflection Paper on harnessing globalisation and how the EU can best harness globalisation and respond to its opportunities and challenges.
- The Reflection Paper on the deepening of the economic and monetary union which was discussed during the Core Group.
- The Reflection Paper on the future of EU finances which maps out the different opportunities, risks and trade-offs for the future of the EU budget.