



**EUROPEAN COMMISSION**

**José Manuel Durão Barroso**  
President of the European Commission

**Statement of President Barroso following the Special meeting of the European Council on the Multiannual Financial Framework 2014-2020**

*Check Against Delivery*  
*Seul le texte prononcé fait foi*  
*Es gilt das gesprochene Wort*

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Ladies and Gentlemen,

Anything short of admitting that our talks have been extraordinarily complex and difficult would not reflect reality. At the same time it is true that those talks were constructive, but these are difficult and complex issues, because they touch upon vital interests of our Union, of the Member States, of the citizens. I think now Heads of State or Government and all the Members of the European Council now understand each other's positions better. From that point of view it was a real constructive debate. But the reality is that we are not yet at the point of reaching consensus and we need another round before concluding.

It's important to put all this in context. As I said during the discussions these are my third budget negotiations (the first was in 1992, the second in 2005) and I can say that this one is the most difficult given the complexity of the current situation and also the fact that for the first time ever in the European Union's history we are discussing real cuts and not an increase in the budget. And we are doing this in a context where we have more members now. In 1992 we were 12 Member States around the table, now we are 27, very soon 28, with more competences for the European Union. So you will understand how challenging, how complex these discussions are. So, apart from discussing the quantity, the overall amounts and other matters, it is important also to focus on quality - the quality of the finished product.

Quality for the Commission means we approach these negotiations with five benchmarks and one overriding goal to modernise the budget so that it has an increased impact on creating growth and jobs. That is what the June European Council confirmed. I quote "The European Union's budget must be a catalyst for growth and jobs across Europe, notably by leveraging productive and human capital investments. Within the future Multiannual Financial Framework, spending should be mobilised to support growth, employment, competitiveness and convergence, in line with the Europe 2020 Strategy".

Therefore we want to maintain a critical mass of pro-growth investment in infrastructure across Europe, also to make the single market work. Sharing costs enables us to develop other projects too, such as the free movement of knowledge. This is how we will achieve better results in the key areas of education and research which are vital to a competitive Europe that can maintain or establish its leadership in the sectors of the future.

We want to ensure that our cohesion policy is in line with our economic and growth strategy and that it benefits our citizens and businesses across Europe. I made clear during the meeting that we need this spirit of cohesion to be translated in appropriate amounts, namely for the most vulnerable countries and regions of Europe.

We want to ensure that the budget continues to be a lever for continued reform of our common agriculture policy.

We want to show solidarity with those most affected by the crisis in Europe and maintain our commitments to the poorest in the world.

And we want the financing of the European budget to be fairer, more transparent and simpler which is what the proposal on the table does.

And we want of course to have efficiency gains. By efficiency gains I mean reducing costs that are avoidable but not necessarily cutting the capacity to act of the European institutions. Because when we have more competence on the European level we have to give the European institutions the means to deliver.

The reality is that the EU budget is small, only around 2% of total public expenditure in the EU and 1% of EU GNI.

The Commission is fighting for that limited amount of money to be used in a modernised budget that puts growth and jobs creation at its heart. We will continue to defend the rationale of our approach. We need a budget that will allow the EU to live up to its responsibilities at home and abroad for the next seven years. Of course, we also know that in the end everyone needs to compromise, so that everyone can find themselves in the deal.

To conclude, the reality is that there are still important differences of opinion on a number of key issues, especially the overall size of the budget and the fairness of the distributions between member states.

But I believe that in the coming weeks progress can be achieved and of course we will work to build the bridges needed to get an agreement in time.

I thank you for your attention.