

4 January 2012

Your reference:  
Our reference: MIN/25023/2011

Mr Nick Roseveare  
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Minister for Europe

*Dear Mr. Roseveare,*

Thank you for your letter dated 31 October to the Foreign Secretary regarding the EU General Affairs Council (GAC) on 15 November 2011. I am replying as Minister for Europe. I apologise for the delay in responding.

The November GAC held talks on the EU's Multiannual Financial Framework (MFF) for the period 2014-2020. The discussions focused on economic, social and territorial cohesion; the "Connecting Europe" facility; the Common Agriculture Policy and the Common Fisheries Policy. The Polish presidency stated it would present a report on the outcome of these discussions to the GAC on 5 December 2011.

The December GAC took note of the presidency progress report on MFF. We are pleased that the Danish presidency intends to start the negotiation phase in January 2012.

Within the negotiations, the UK's top priority for the MFF is budgetary restraint, thereby ensuring that the EU budget contributes to domestic fiscal consolidation. The Prime Minister has stated, jointly with his EU counterparts, that the maximum expenditure increase through the next MFF period is a real freeze in payments, year on year from actual payments in 2013.

However, the UK considers that 'EU as a Global Player' (Heading 4 of the budget) is a priority area and, while the UK's overall objective is to restrain budget size, we consider that this area should have a proportionately larger share of a budget that, at most, increases by no more than inflation. The UK is keen to retain an EU focus on global poverty reduction, and building stability and security, especially in the European Neighbourhood and fragile states. Meeting our 0.7% ODA/GNI target will remain a key part of this, as will ensuring adequate climate financing.

*David Lidington*  
THE RT HON DAVID LIDINGTON MP