



EU BUDGET FOR THE FUTURE

#EUBudget #EURoad2Sibiu #FutureofEurope



2 May 2018

A MODERN EU BUDGET FOR A UNION THAT PROTECTS, EMPOWERS AND DEFENDS



'Today is an important moment for our Union. The new budget is an opportunity to shape our future as a new, ambitious Union of 27 bound together by solidarity. With today's proposal we have put forward both a vision for the kind of Union we want, as well as a pragmatic plan for how we can make it happen. For the first time in our history, a rule of law mechanism will ensure sound financial management of the Union's budget and protect taxpayer's money. The ball is now in the court of Parliament and Council and I believe we should aim to have agreement before the European Parliament elections next year.'

Jean-Claude Juncker, President of the European Commission, 2 May 2018

'This budget proposal is truly about EU added value. We invest even more in areas where one single Member State cannot act alone or where it is more efficient to act together - be it research, migration, border control or defence. And we continue to finance traditional - but modernised - policies, such as Common Agricultural Policy and Cohesion Policy, because we all benefit from the high standard of our agricultural products and regions catching up economically.'

Günther H. Oettinger, Commissioner for Budget & Human Resources, 2 May 2018



A POSITIVE BUDGET FOR A POSITIVE AGENDA

The next long-term budget, starting on 1 January 2021, will be the first for the European Union of 27. This is a pivotal moment for the EU. A time when the Union is ready to back up its words with actions.

The Commission proposes a new, modern and focused long-term budget, tightly geared to the political priorities — bringing to life the positive agenda set out by President Juncker in the State of the Union Address on 14 September 2016 and agreed by the leaders of the 27 Member States in Bratislava on 16 September 2016 and in the Rome Declaration of 25 March 2017. The proposed budget combines new instruments with modernised programmes to deliver efficiently on the European Union's priorities and to rise to new challenges.

Key features of next EU Budget



More funding for priority areas



A new mechanism to protect the EU budget from financial risks linked to the rule of law



A strong focus on European added value and on performance



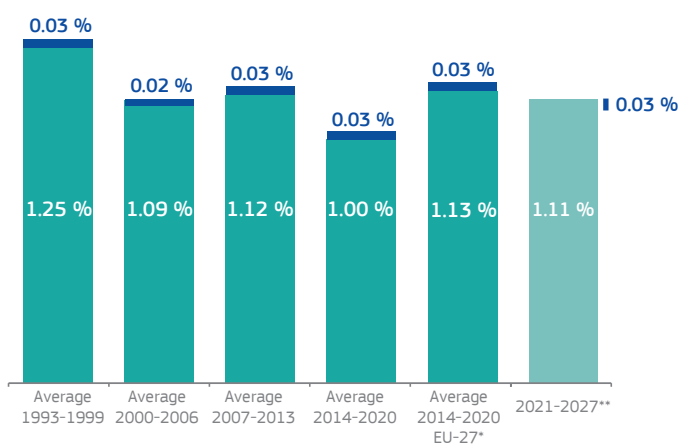
Less red tape for beneficiaries



A more flexible and agile budget with a clearer and leaner architecture

The size of the EU budget as a percentage of gross national income (GNI)

Commitments ceiling in % EU GNI



Commitments ceiling in % EU GNI

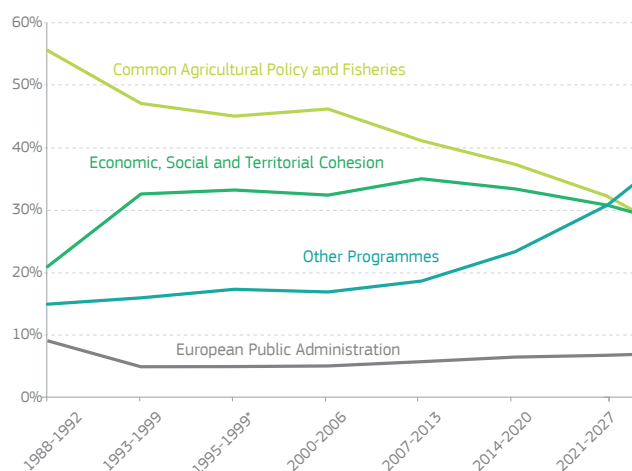
European Development Fund

(*) 2014-2020 estimated commitments (UK expenditure excluded) in % EU27 GNI

(**) European Development Fund integrated ("budgetised")

Source: European Commission

Evolution of main policy areas in the EU budget



Source: European Commission

*Adjusted for 1995 enlargement

ALIGNMENT TO POLITICAL PRIORITIES

The Commission's proposals will bring the EU budget fully into line with the positive agenda of the European Union post-2020. They are based on a rigorous assessment of the resources needed to deliver on the European Union's goals, and of the efficiency and added value of spending in each area. As a result, the Commission proposes a pragmatic approach, providing appropriate support for new and existing priorities while also addressing the shortfall in national contributions resulting from the United Kingdom's withdrawal from the EU.

Programmes will be arranged around the main thematic spending priorities, corresponding to the headings in the formal budget structure. Within each priority, programmes will be grouped in policy clusters, which will be reflected in the titles of the annual budget. The new architecture will provide greater transparency on what the EU budget is for and how the different parts of the budget will contribute. It will also provide greater flexibility to respond to evolving needs and to unforeseen emergencies in areas such as security and migration.

THE NEW MULTIANNUAL FINANCIAL FRAMEWORK 2021 - 2027 A BUDGET FOR A UNION THAT PROTECTS, EMPOWERS AND DEFENDS

In billion euro, current prices

I. SINGLE MARKET, INNOVATION AND DIGITAL €187.4

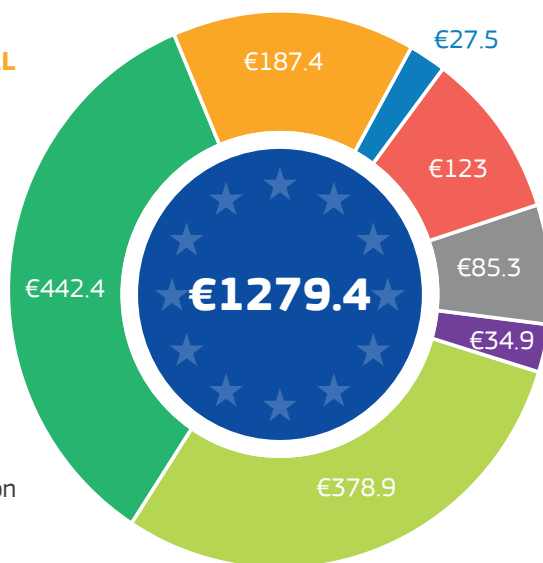
- 1 Research and Innovation
- 2 European Strategic Investments
- 3 Single Market
- 4 Space

II. COHESION AND VALUES €442.4

- 5 Regional Development and Cohesion
- 6 Economic and Monetary Union
- 7 Investing in People, Social Cohesion and Values

III. NATURAL RESOURCES AND ENVIRONMENT €378.9

- 8 Agriculture and Maritime Policy
- 9 Environment and Climate Action



V. SECURITY AND DEFENCE €27.5

- 12 Security
- 13 Defence
- 14 Crisis Response

VI. NEIGHBOURHOOD AND THE WORLD €123

- 15 External Action
- 16 Pre-Accession Assistance

VII. EUROPEAN PUBLIC ADMINISTRATION €85.3

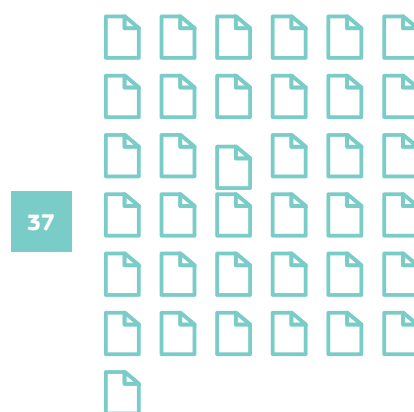
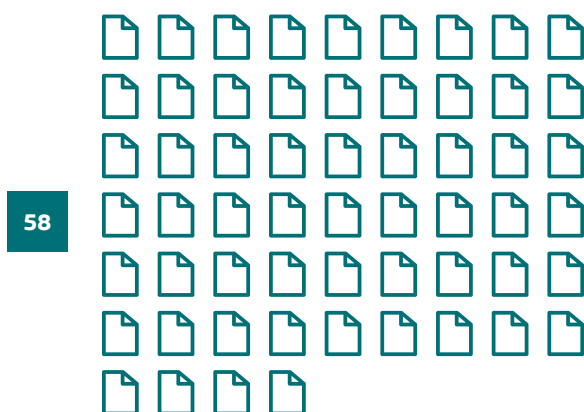
- 17 European Public Administration

CLARITY AND SIMPLIFICATION

The Commission proposes a more coherent, focused and transparent framework. The structure of the budget will be clearer and more closely aligned with EU priorities. The Commission proposes to reduce the number of programmes by more than a third, for example by bringing fragmented funding sources together and radically streamlining the use of financial instruments.

Existing Multiannual Financial Framework structure includes 58 programmes

New programmes or instruments in the new proposal





MATCHING POLITICAL AMBITIONS

If Europe wants to move forward together on its positive agenda, it will require a budget to match its ambitions. Investing in areas such as research and innovation, young people and the digital economy will pay rich dividends for future generations. This is why the Commission proposes increases in priority areas.

Research, Innovation & Digital



x1.6



Youth



x2.2



LIFE Climate & Environment



x1.7



Migration & Borders



x2.6



Security



x1.8



External Action



x1.3



Combined increase = + €109 billion

Climate Mainstreaming
contributing to climate objectives



x1.6



20% of Multiannual Financial Framework
2014-2020, EU 28 = 206 billion

25% of the Multiannual Financial Framework
2021-2027, EU 27 = 320 billion

Combined increase = + €114 billion

Note: Compared to the Multiannual Financial Framework 2014-2020 at EU-27, including the European Development Fund

Source: European Commission