

EU BUDGET FOR THE FUTURE

Multiannual Financial Framework

#EUBudget

#FutureofEurope

Helena Marrez, DG BUDG





WHAT IS THE SIZE OF THE EU BUDGET?

2018

EU-28 gross national income

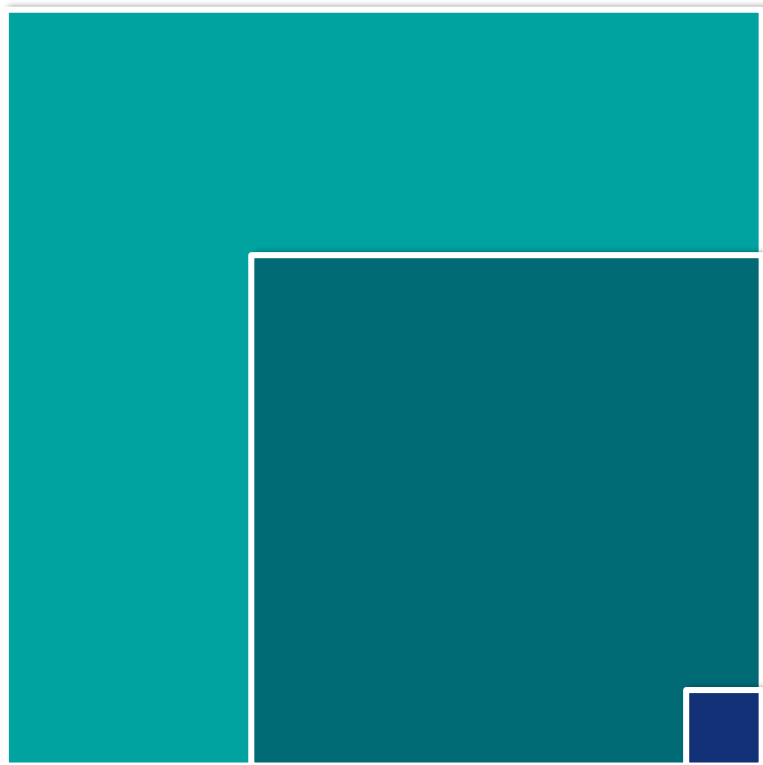
EUR 15 887 billion

EU-28 Member States public expenditure

EUR 7 249 billion

EU annual budget

EUR 139 billion

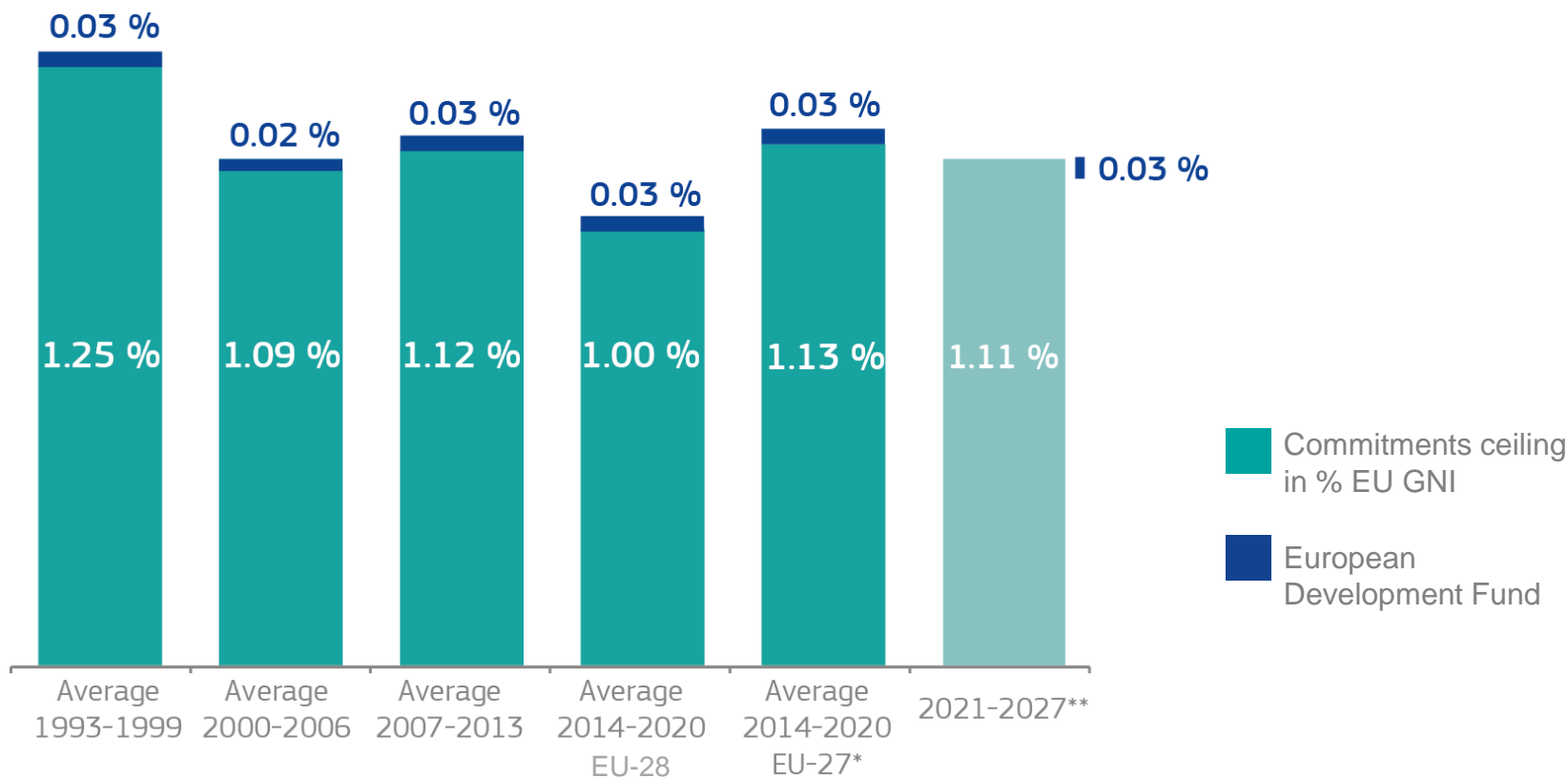


Every citizen enjoys the benefits that the EU brings for less than one cup of coffee a day.

Source: European Commission



THE COMMISSION HAS PROPOSED PROPORTIONALLY LOWER EXPENDITURE COMPARED TO THE CURRENT LEVEL IN THE EU27



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

** European Development Fund integrated ("budgetised")



HOW THE PROPOSED 2021-2027 MFF IS ALIGNED TO POLITICAL PRIORITIES

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



IV. MIGRATION AND BORDER MANAGEMENT €34.9

- 10** Migration
- 11** Border Management



V. SECURITY AND DEFENCE €27.5

- 12** Security
- 13** Defence
- 14** Crisis Response



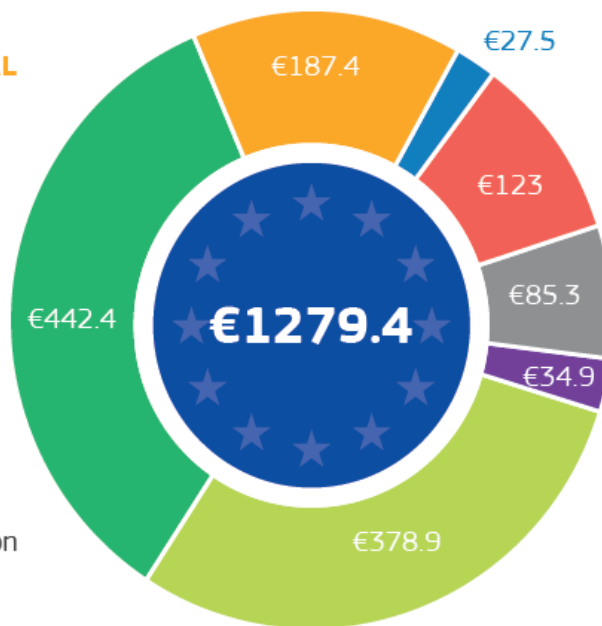
VI. NEIGHBOURHOOD AND THE WORLD €123

- 15** External Action
- 16** Pre-Accession Assistance



VII. EUROPEAN PUBLIC ADMINISTRATION €85.3

- 17** European Public Administration



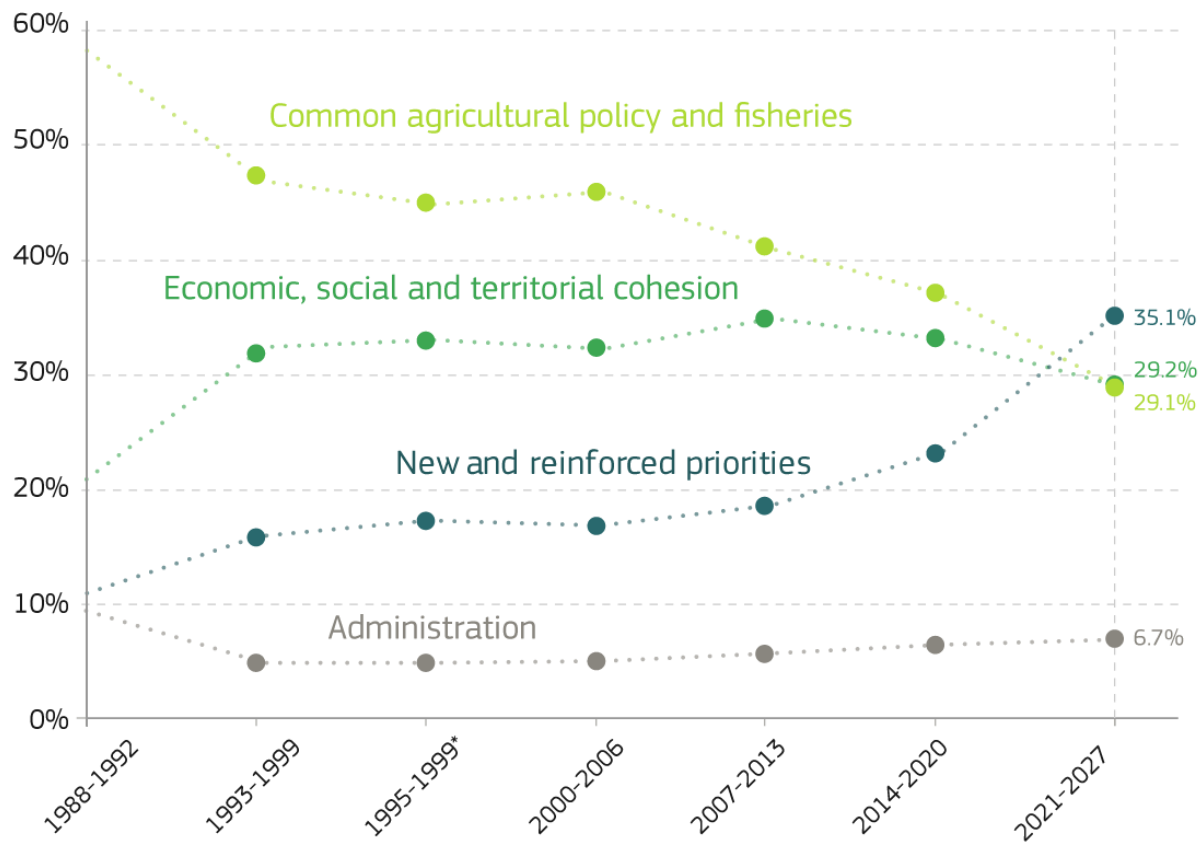
Source: European Commission





MATCHING PRIORITIES WITH RESOURCES

Evolution of main policy areas in the EU budget



*Adjusted for 1995 enlargement

Source: European Commission



WHAT DOES THE MULTIANNUAL FINANCIAL FRAMEWORK LOOK LIKE?

(EUR million – 2018 prices)

Commitment appropriations	2021	2022	2023	2024	2025	2026	2027	Total 2021-2027
1. Single Market, Innovation and Digital	23 955	23 918	24 203	23 624	23 505	23 644	23 454	166 303
2. Cohesion and Values	51 444	54 171	56 062	56 600	57 148	59 200	57 349	391 974
Of which: Economic, social and territorial cohesion	45 597	46 091	46 650	47 212	47 776	48 348	48 968	330 642
3. Natural Resources and Environment	50 323	49 580	48 886	48 097	47 326	46 575	45 836	336 623
Of which: Market related expenditure and direct payments	37 976	37 441	36 946	36 346	35 756	35 176	34 606	254 247
4. Migration and Border Management	3 076	4 219	4 414	4 647	4 719	4 846	4 908	30 829
5. Security and Defence	3 154	3 229	3 183	3 281	3 517	3 743	4 216	24 323
6. Neighbourhood and the World	14 765	14 831	15 002	15 290	15 711	16 298	17 032	108 929
7. European Public Administration	10 388	10 518	10 705	10 864	10 910	11 052	11 165	75 602
Of which: Administrative expenditure of the institutions	8 128	8 201	8 330	8 432	8 412	8 493	8 551	58 547
TOTAL COMMITMENT APPROPRIATIONS	157 105	160 466	162 455	162 403	162 836	165 358	163 960	1 134 583
as a percentage of GNI	1,12%	1,13%	1,13%	1,12%	1,11%	1,11%	1,09%	1,11%

TOTAL PAYMENT APPROPRIATIONS	150 168	151 482	160 631	160 631	160 631	160 631	160 631	1 104 805
as a percentage of GNI	1,07%	1,07%	1,12%	1,10%	1,09%	1,08%	1,07%	1,08%
Margin available	0,22%	0,22%	0,17%	0,19%	0,20%	0,21%	0,22%	0,21%
Own Resources ceiling as a percentage of GNI (*)	1,29%	1,29%	1,29%	1,29%	1,29%	1,29%	1,29%	1,29%

(*) These percentages are without prejudice to the ceiling set out in the Own Resources Decision in force.

Source: COM (2019) 310 - Technical adjustment of the financial framework for 2020 in line with movements in GNI (ESA 2010)



FINANCING THE EU BUDGET

SIMPLIFICATION AND DIVERSIFICATION OF REVENUE SOURCES

Modernisation of existing Own Resources



Value Added Tax-based: simplified



Traditional Own Resources (customs duties):
lower collection costs (20% to 10%)



GNI-based contribution: smaller share

New Own Resources



Common Consolidated Corporate Tax Base
→ *less likely to be retained*



20% of revenues from **Emissions Trading System**



National contribution based on **non-recycled plastic packaging waste**
→ *has gained broad support by Member States*

No rebates



Phasing out mechanism over five years

Higher Own Resources ceiling

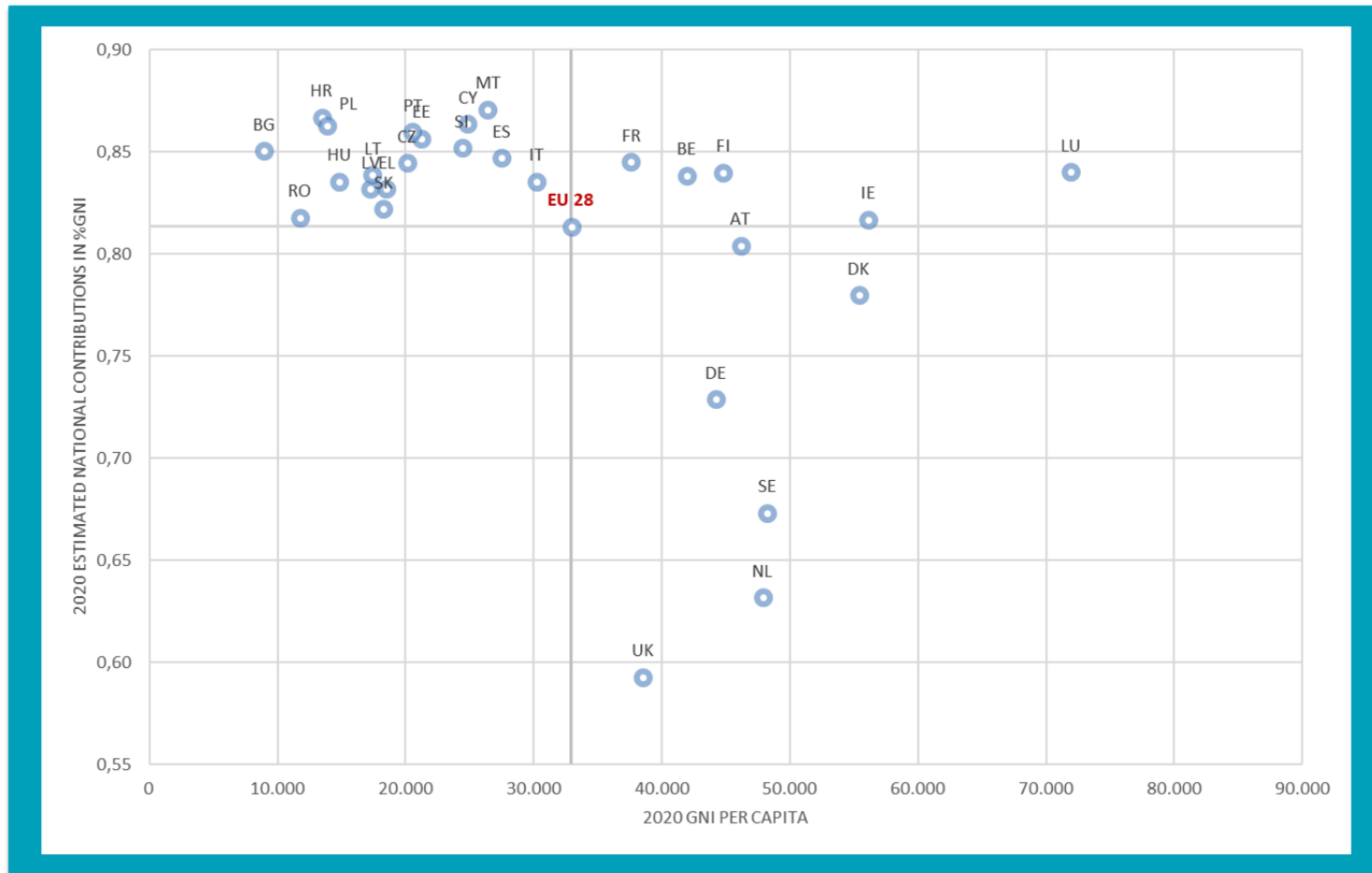


From currently 1.2% of GNI to 1.29% of GNI



A FAIRER BUDGET

2020 estimated* national contributions and GNI by Member State

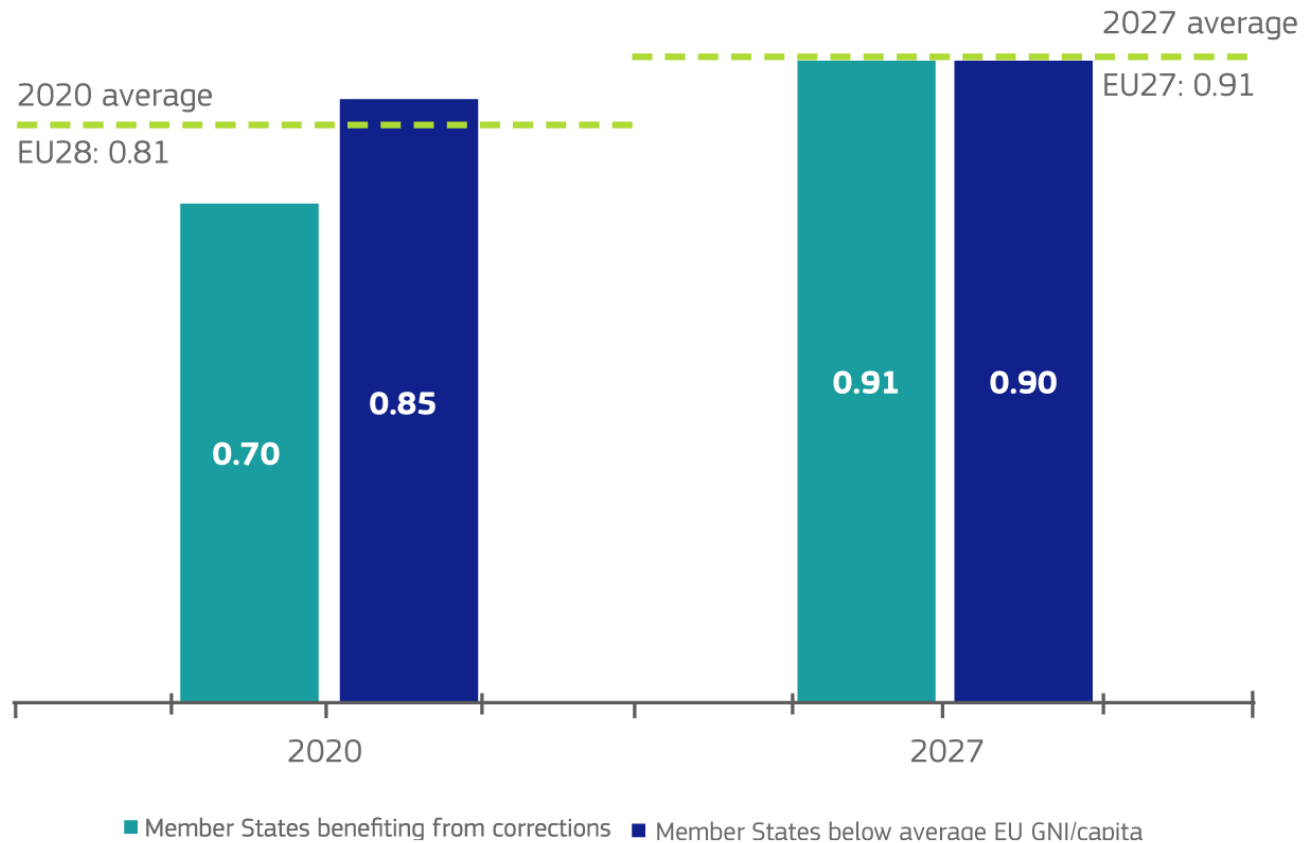


*Nat. contributions: GNI based on the Spring 2019 economic forecast; nat. contributions estimated based on Draft Budget 2020



A FAIRER BUDGET

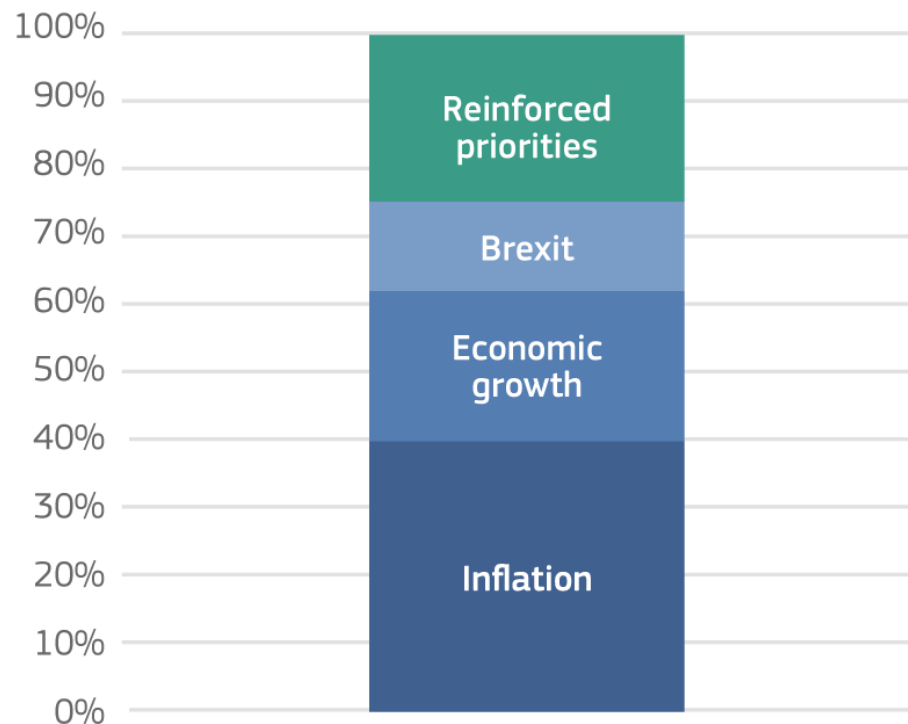
National contributions as a percentage of gross national income (GNI)





THE REASONS BEHIND THE INCREASES

Drivers of the changes in national contributions 2027 vs 2020 (% of total change)



**Illustrative visualisation based on estimates based on the Commission proposal for the 2021-2027 Multiannual Financial Framework, the 2020 Draft Budget and the 2019 Spring economic forecast*

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Consultation on the future of Europe

<https://ec.europa.eu/commission/consultation-future-europe>



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https://ec.europa.eu/info/publications/technical-briefing-eus-next-long-term-budget_en

Data on the European Structural and Investment Funds:
<https://cohesiondata.ec.europa.eu/>

Examples of EU funded projects:

https://ec.europa.eu/budget/euprojects/search-projects_fr

Factsheets and legal texts of the Commission's proposals for 2021-2027:

https://ec.europa.eu/commission/future-europe/eu-budget-future_fr