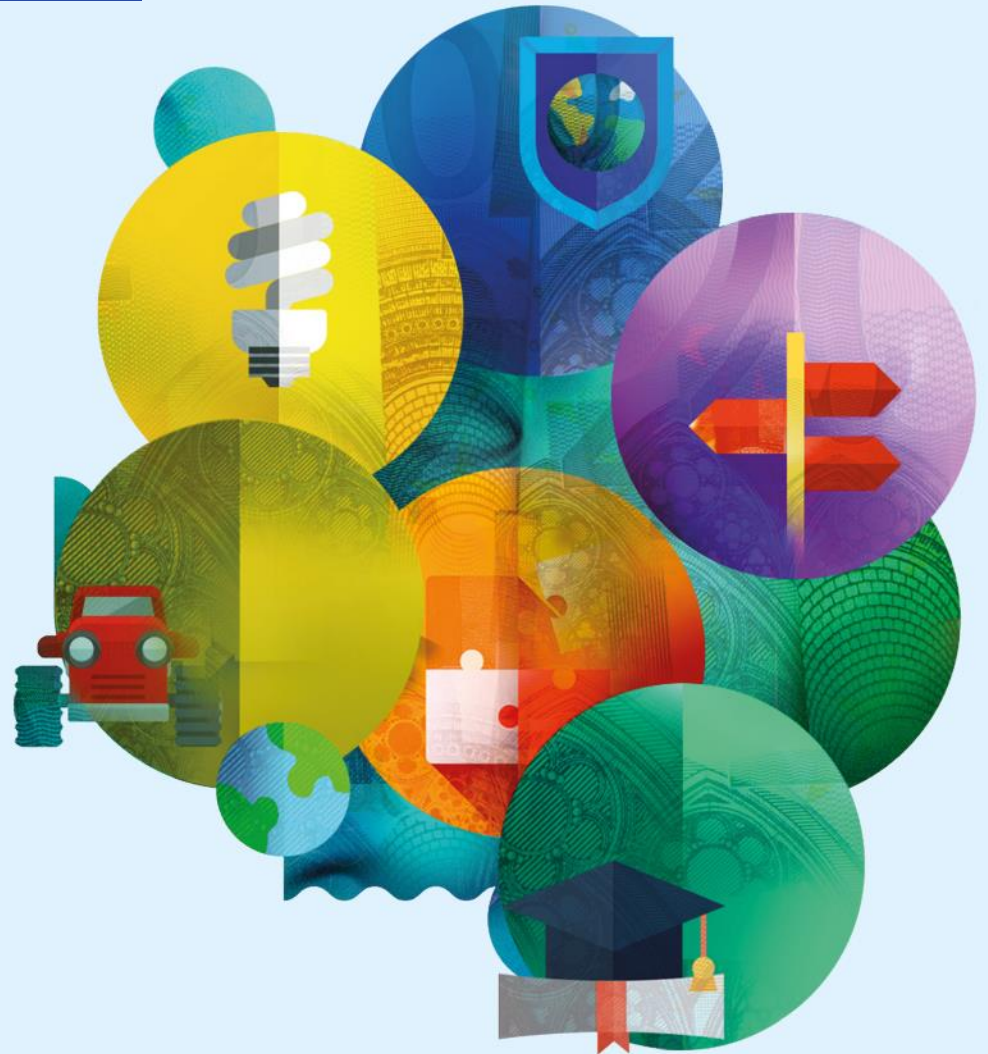


EU BUDGET FOR THE FUTURE

#EUBudget

#EURoad2Sibiu

#FutureofEurope





ALIGNED TO POLITICAL PRIORITIES

Simplification, transparency and flexibility

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

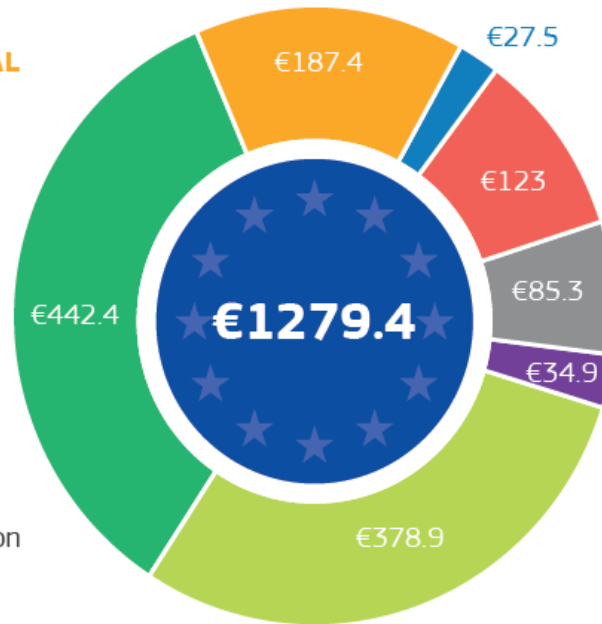
- 5 Regional Development and Cohesion
- 6 Economic and Monetary Union
- 7 Investing in People, Social Cohesion and Values



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



IV. MIGRATION AND BORDER MANAGEMENT

€34.9

- 10 Migration
- 11 Border Management

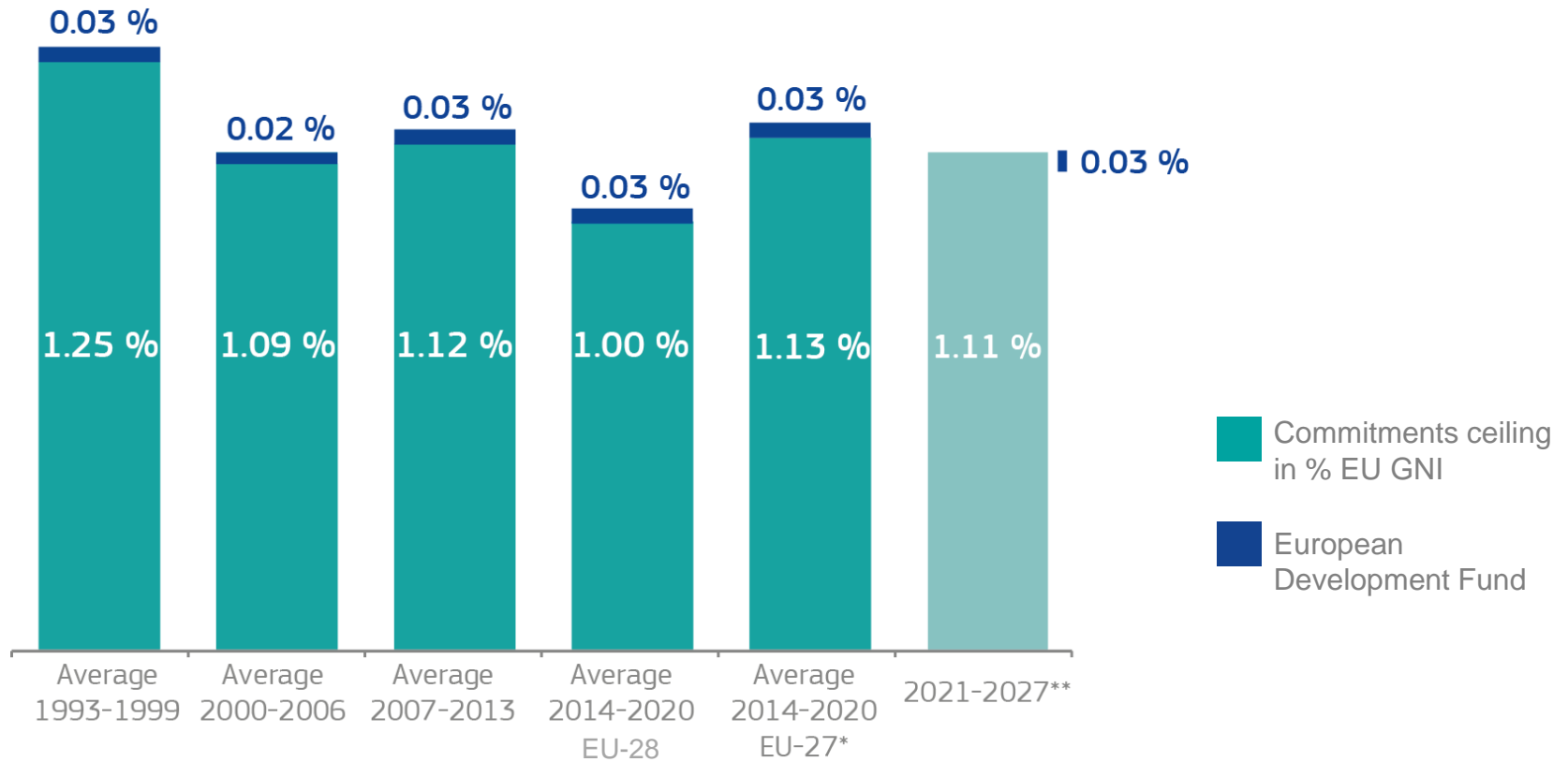
Source: European Commission



REALISTIC : MATCHING PRIORITIES WITH RESOURCES

Broadly stable level in % of GNI

The size of the EU budget as percentage of Gross National Income (GNI)



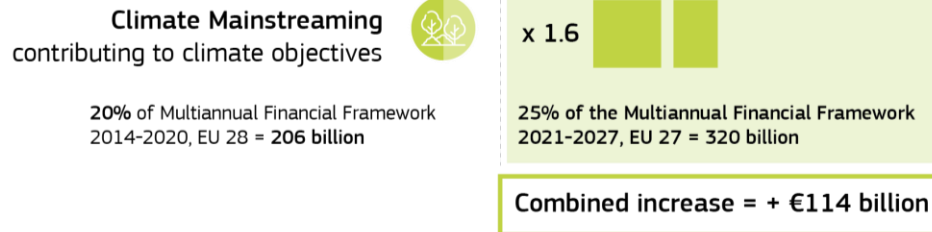
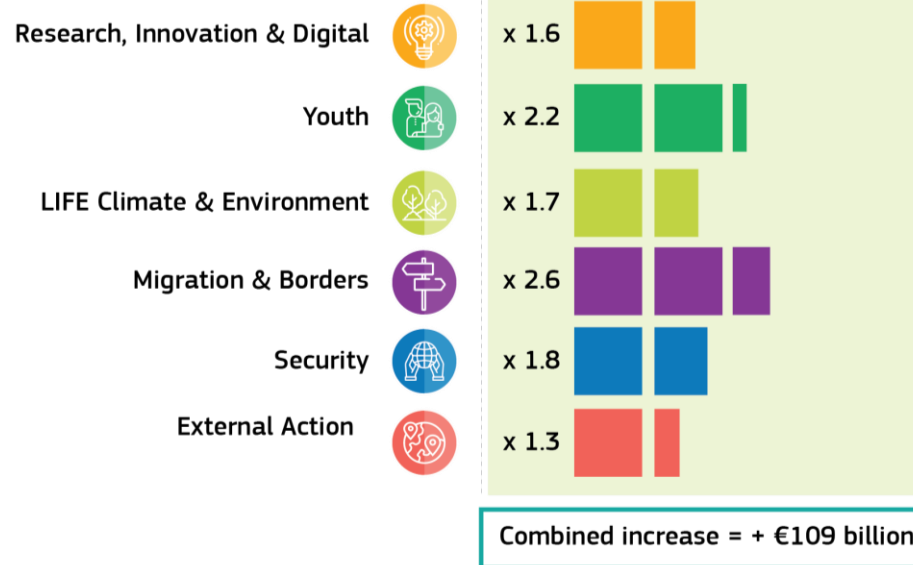
*2014-2020 estimated commitments (UK expenditure excluded) in % EU27 GNI
** European Development Fund integrated ("budgetised")

Source: European Commission



FOCUSED ON EUROPEAN ADDED VALUE

Reinforcement of priority areas



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

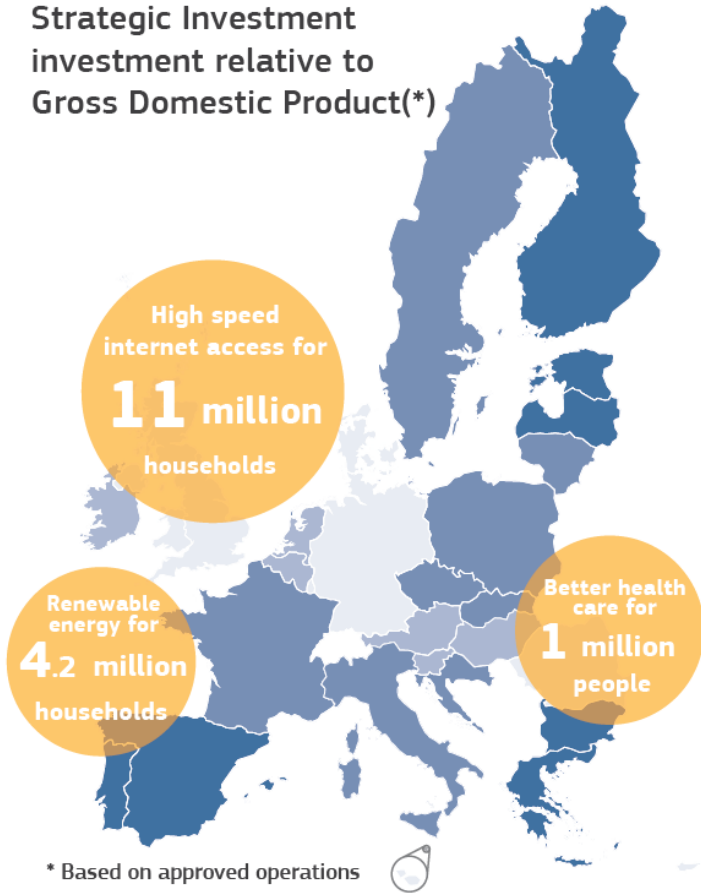
Source: European Commission



INVESTMENT (1)

Current situation: EFSI








European Fund for Strategic Investment investment relative to Gross Domestic Product(*)

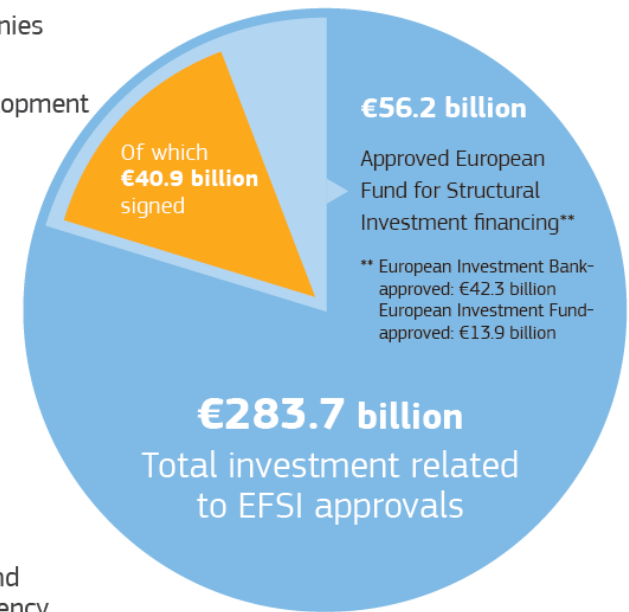


Darker colours signify higher investment

Showcasing the success of the 'Juncker Plan' in using the EU budget to mobilise private investment

EFSI investment by sector(*)

-  Smaller companies **28 %**
-  Research Development and Innovation **22 %**
-  Energy **22 %**
-  Digital **12 %**
-  Transport **8 %**
-  Social Infrastructure **4 %**
-  Environment and resources efficiency **4 %**

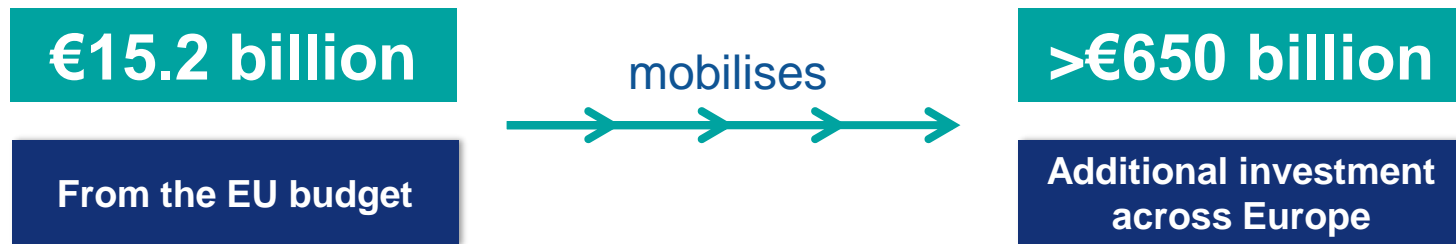


Target by 2020 **€500 billion**



INVESTMENT (2)

Streamlining tools to promote investment: **InvestEU Fund**



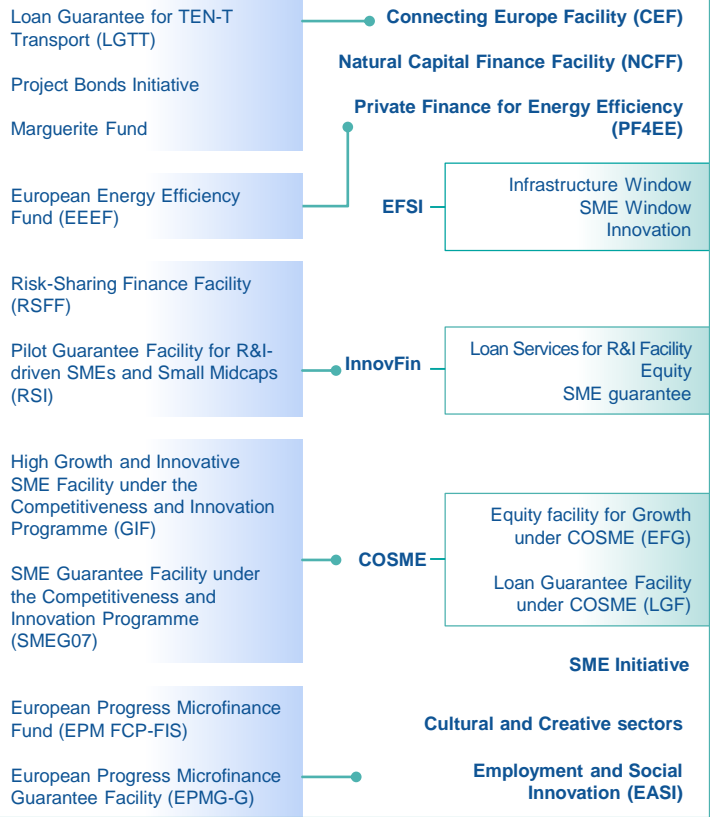
- ❑ A new, **fully integrated investment fund**: InvestEU
- ❑ **Mobilise** significant **private resources** with a relatively limited amount of public resources for much needed investments throughout Europe
- ❑ **Single, streamlined structure** including all centrally managed financial instruments inside the EU
- ❑ Reducing overlaps, **simplify access to funding** and **reduce administrative burden**



INVESTMENT (3)

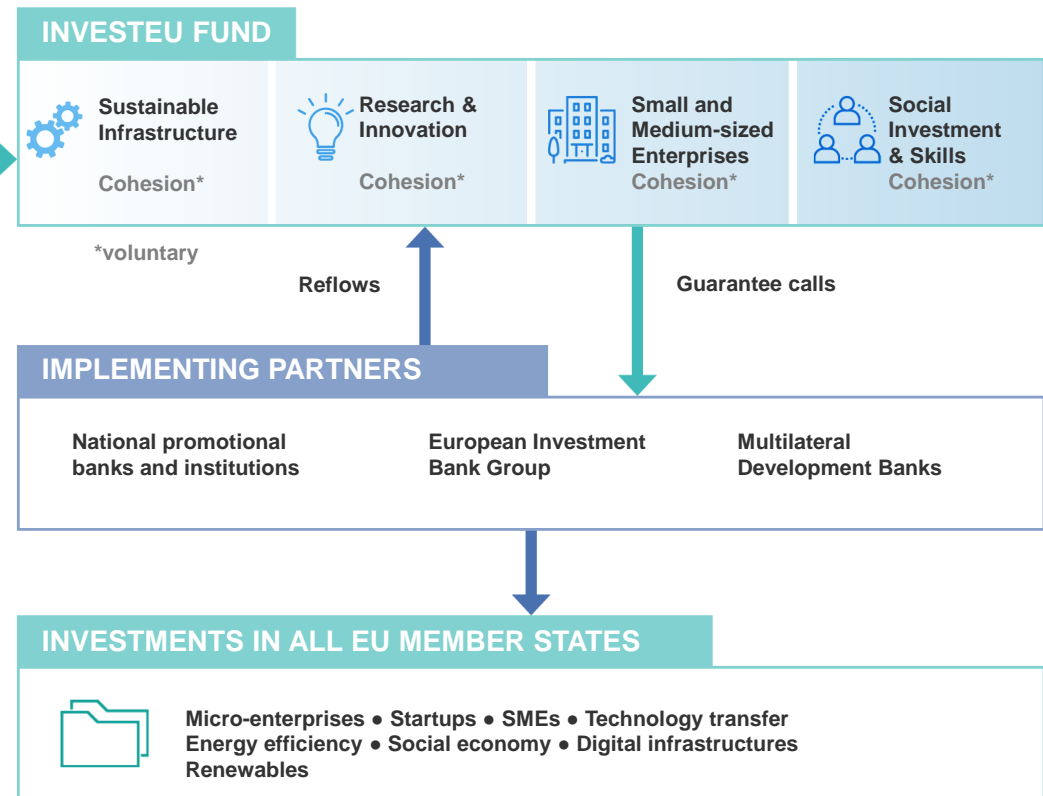
Streamlining tools to promote investment: InvestEU Fund

Financial instruments under current multiannual financial framework



Inside the EU

New architecture for the long term EU budget 2021-2027





REGIONAL DEVELOPMENT AND COHESION

- ❑ A strengthened link with the European Semester
- ❑ A simplified framework and less red tape for the beneficiaries of the funds
- ❑ A more tailored approach to regional development
- ❑ Relative per capita income as the predominant criterion for allocating funds

EUROPEAN REGIONAL DEVELOPMENT AND COHESION FUND

Budget of €273 billion



investing in research and innovation



support small businesses



help with the transition towards a low-carbon economy



support digital, energy and transport networks



fund better health, education and social infrastructure and sustainable urban development

EUROPEAN SOCIAL FUND+

Budget of €101 billion



investing in people



ensuring fairer opportunities for all



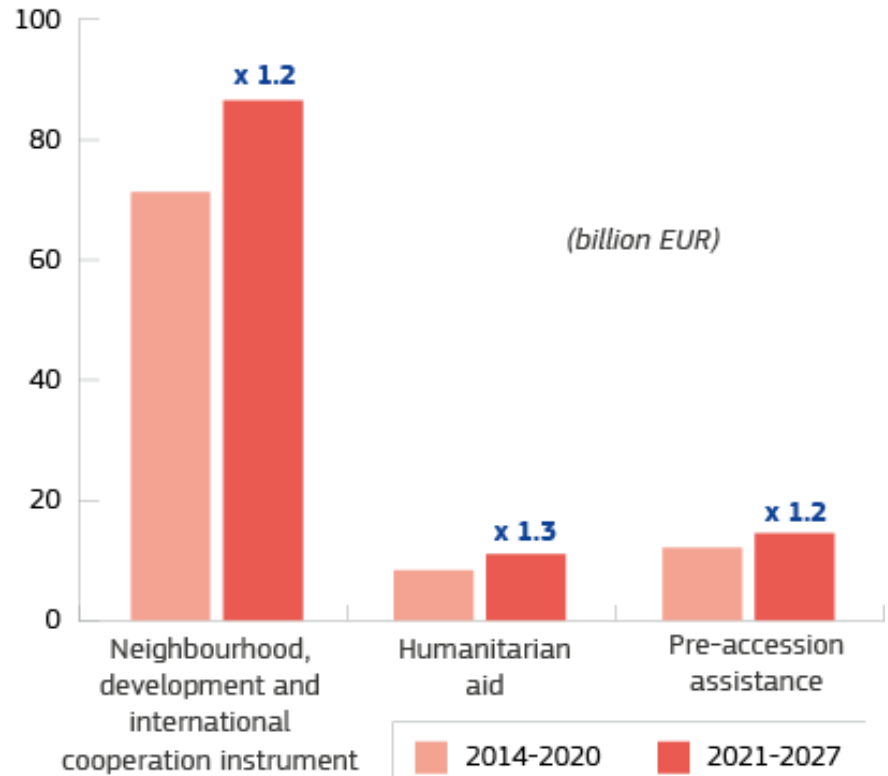
funding skills, youth employment and social inclusion



NEIGHBOURHOOD AND THE WORLD (1)

Over half of all development aid comes from the EU and its members, making them collectively the **world's largest aid donor**.

- The Commission proposes to increase investment in the external actions up to 26% to reach €123 billion in the future long-term EU budget.

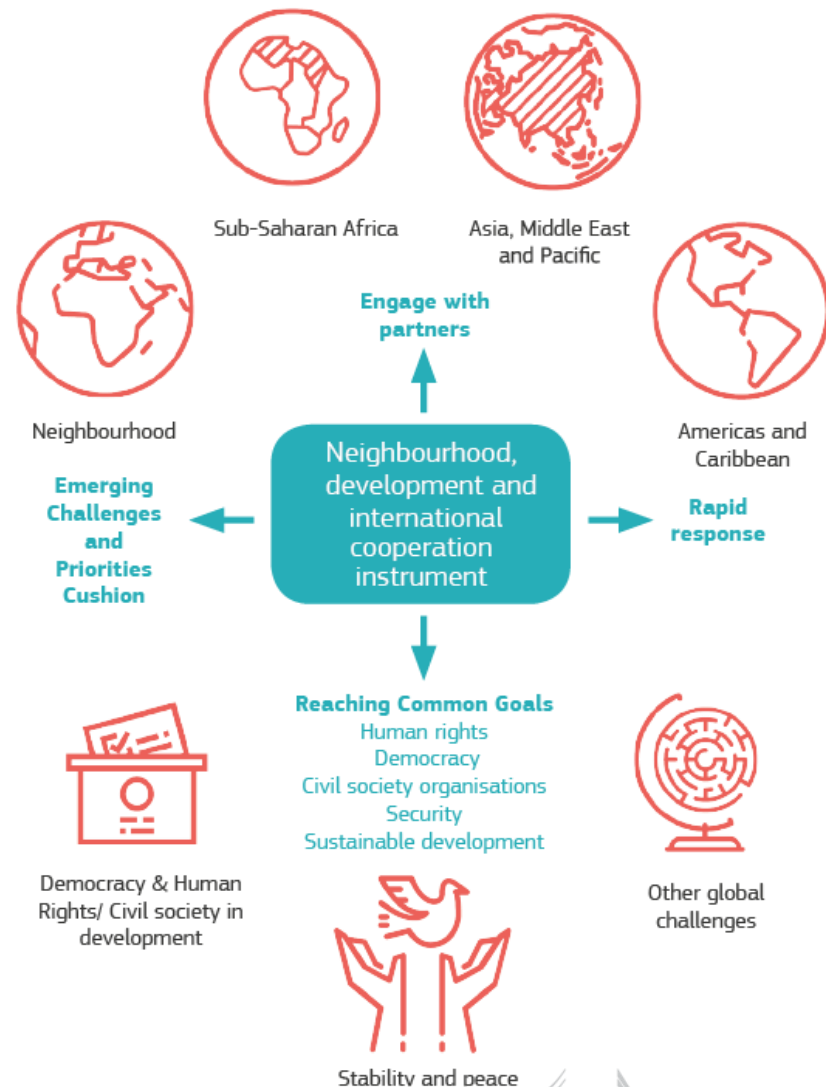




NEIGHBOURHOOD AND THE WORLD (2)

The neighbourhood, development and international cooperation instrument

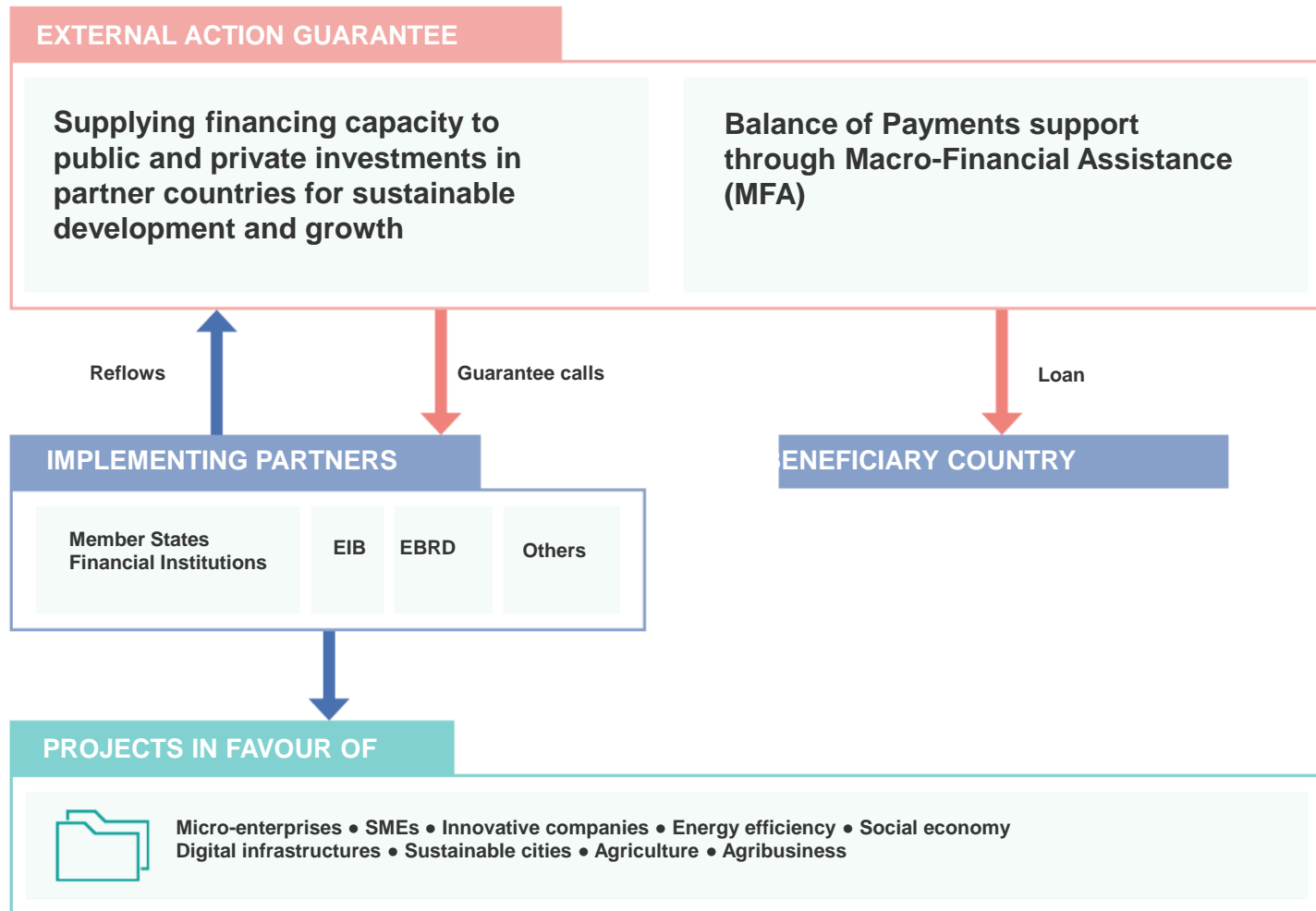
- ❑ Major restructuring of the EU's external action instruments to provide better coherence, build on cooperation effectiveness, simplify processes and use economies of scale.
- ❑ New neighbourhood, development and international cooperation instrument





NEIGHBOURHOOD AND THE WORLD (3)

Streamlining tools to promote investment





STRONGER LINK WITH THE EUROPEAN SEMESTER OF ECONOMIC POLICY COORDINATION



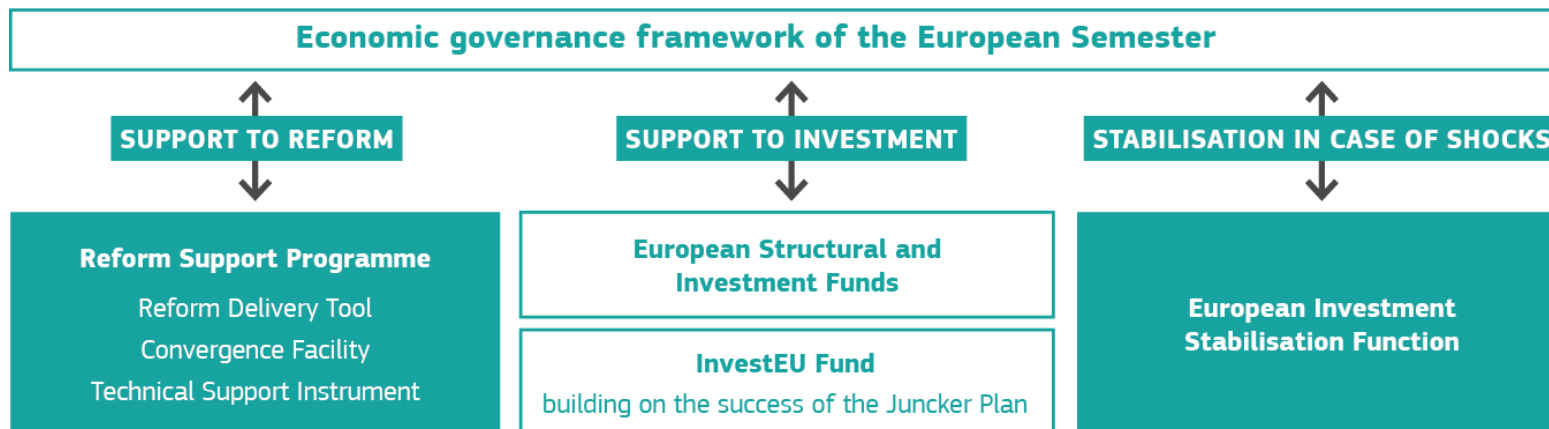
coordination and complementarity of financing from cohesion policy funds and the new Reform Support Programme



roadmap for the short, mid- and long-term planning and monitoring of investments



technical and financial support for reforms at national level





SOUND FINANCIAL MANAGEMENT AND THE RULE OF LAW



New **mechanism** will allow:

to suspend, reduce or restrict access to EU funding

in a manner proportionate to the nature, gravity and scope of the rule of law deficiencies

when a "generalised deficiency" may affect the financial interests of the EU



It will **apply to**:

all EU funds implemented in shared management

to funds implemented in direct and indirect management where the financial beneficiary is a government entity



It would **not affect**:

the individual beneficiaries of EU funding

Member States would continue to be obliged to implement the affected programmes and pay final recipients

HOW WILL IT WORK?

The Commission sees that conditions for invoking the mechanism are fulfilled

The Commission informs the Member State concerned

Member State has a specified time period which shall not be less than one month to send explanations

The decision to impose such protective measures will then be taken by the Commission

The Council will need to adopt the decision through reversed qualified majority voting¹

The measures will stay in place until the deficiencies regarding the rule of law cease to exist