

EU Future Finances 2021-2027

EU Budget Directorate
Ministry for Finance
25 May 2018



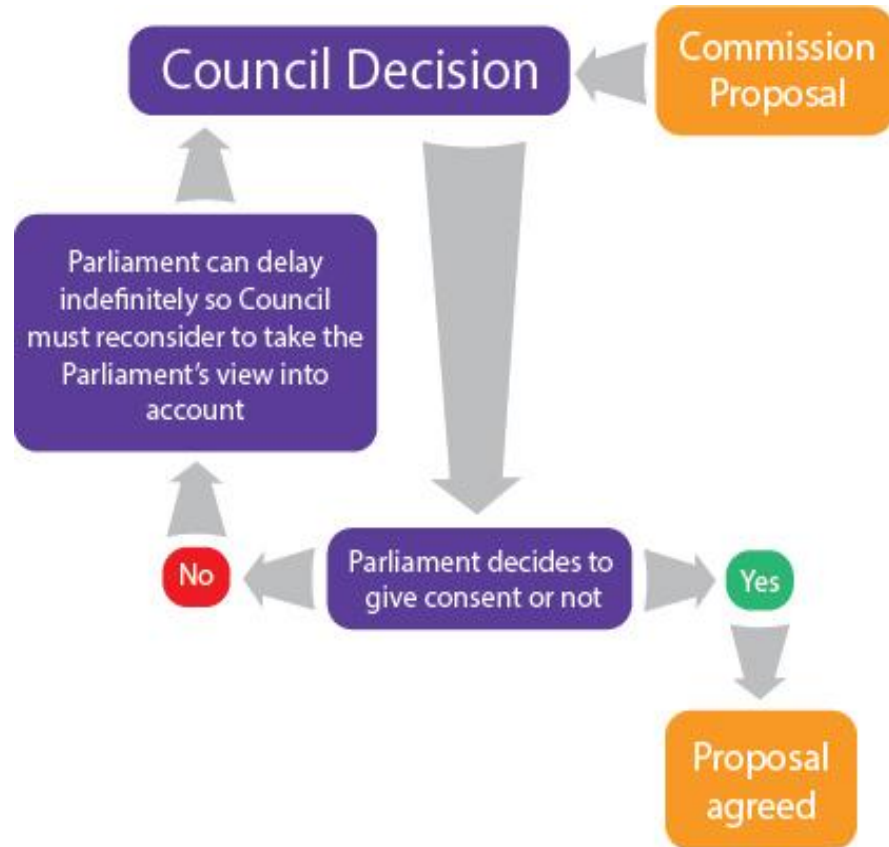
European Commission's Proposals of 2 May 2018

On 2 May 2018, the European Commission adopted the following proposals constituting the Multiannual Financial Framework (MFF) package for 2021 to 2027:

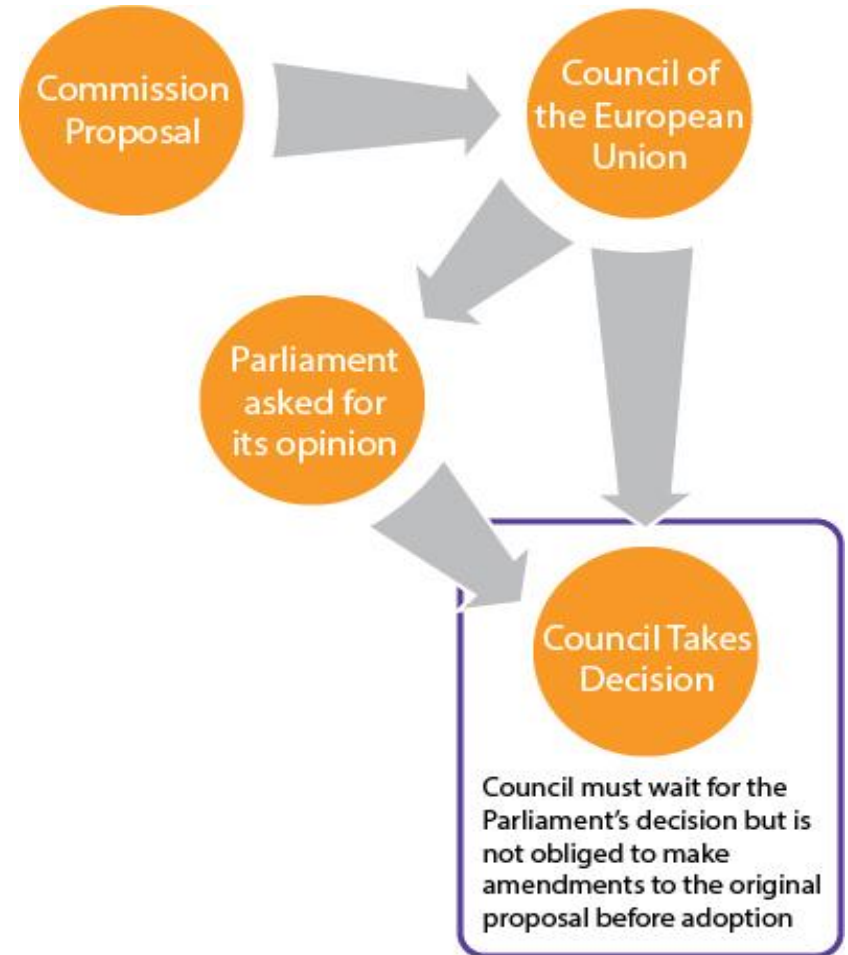
- Proposal for a **Council Regulation laying down the MFF**
- Proposal for an **Interinstitutional Agreement (IIA)** between the EP, the Council and the Commission on budgetary discipline, cooperation and sound financial management.
- Proposal for a **Regulation of the EP and of the Council** on the protection of the Union's budget in case of generalised deficiencies as regards the **rule of law** in the Member States.
- 4 legislative texts on the system of **own resources** (financing of the EU Budget) including the introduction of new sources.

Negotiating the EU Finances

MFF - Consent procedure

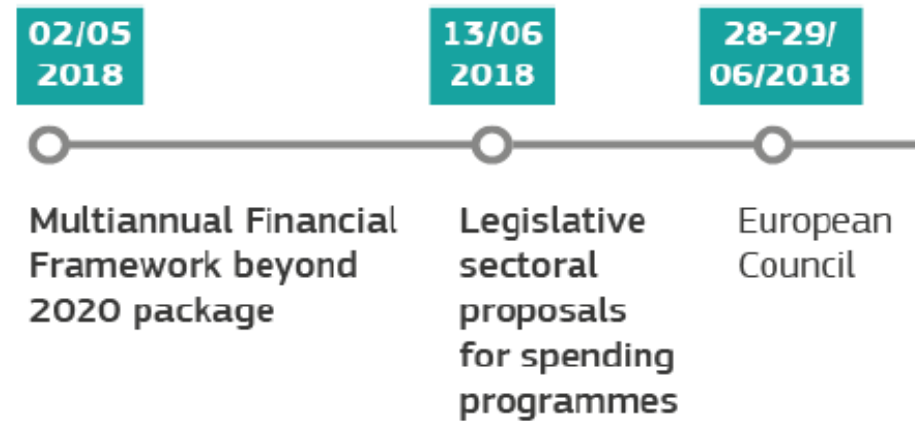


Own Resources Decision - Consultation procedure



RATIFIED BY NATIONAL PARLIAMENTS

MFF 2021-2027



Sectoral Proposals

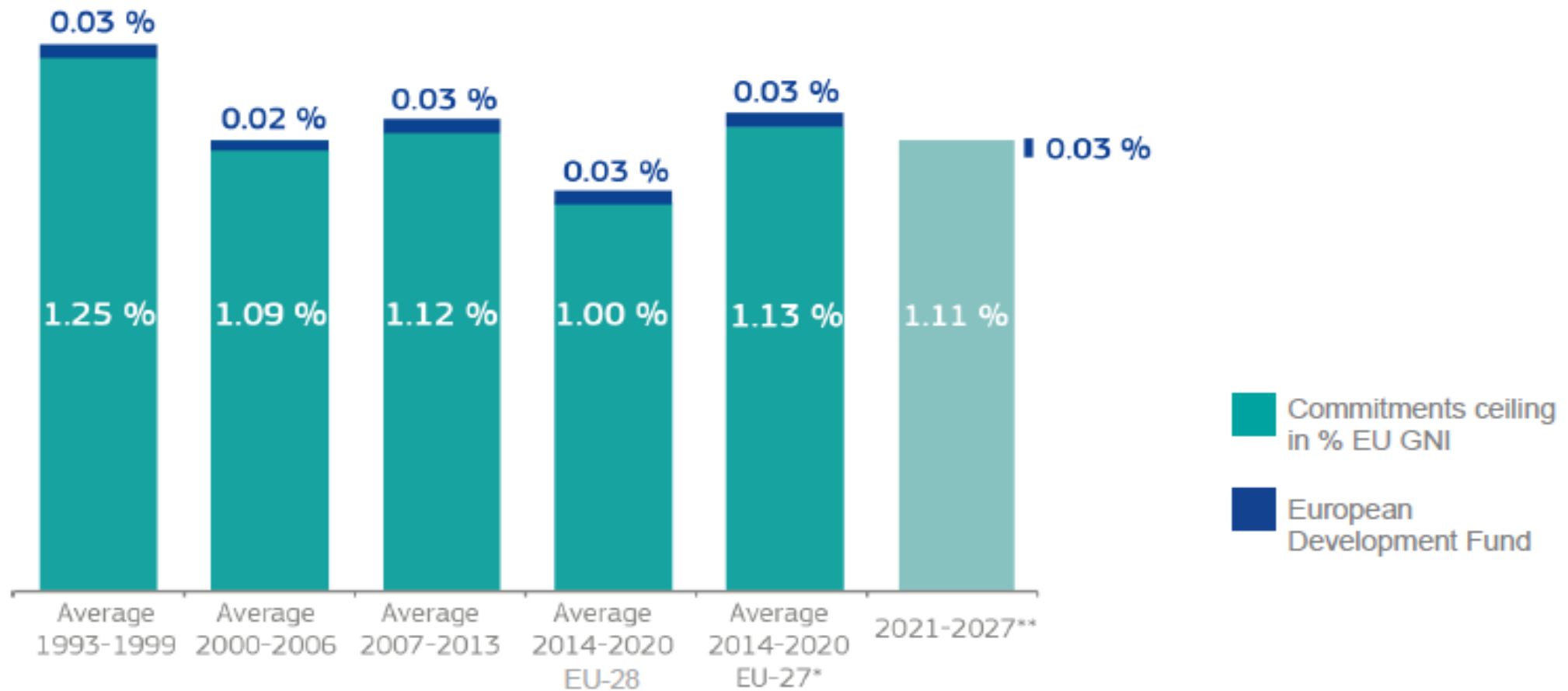
- The Commission will present sector-specific acts' proposals between 29 May and mid-June 2018. These will establish the EU's spending programmes in various policy areas under shared, direct and indirect management and will **define the conditions for eligibility and the criteria for national pre-allocations.**
- These are generally adopted under the **ordinary legislative procedure** by the Council and the European Parliament. The agreement of the European Council on the financial and horizontal aspects of the MFF provides guidance to the Council.

The Multiannual Financial Framework (MFF) of the EU Budget

- Provides a minimum of 5 years framework for the EU annual budgets, ensuring that EU spending stays within the agreed limits.
- Lays down the maximum annual amounts (ceilings) which the EU may spend in different categories (headings).
 - Commitment appropriations: total cost of legal commitments (contracts, grants, agreements/decisions) for one budgetary year
 - Payment appropriations: total payments due for one budgetary year based on the legal commitments of that year and earlier years

Matching Priorities with Resources

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

New Structure of the EU Budget

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



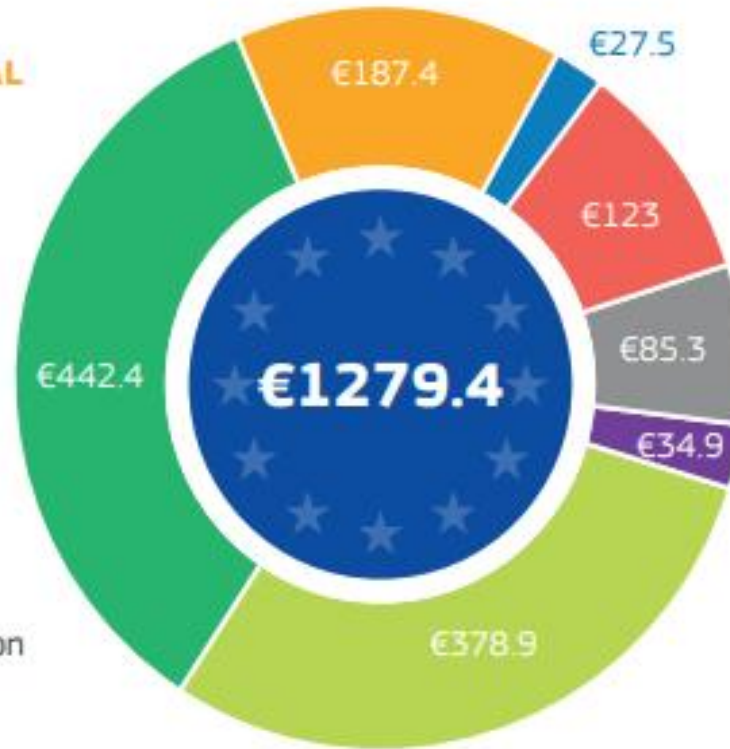
VI. NEIGHBOURHOOD AND THE WORLD €123

- 15 External Action
- 16 Pre-Accession Assistance

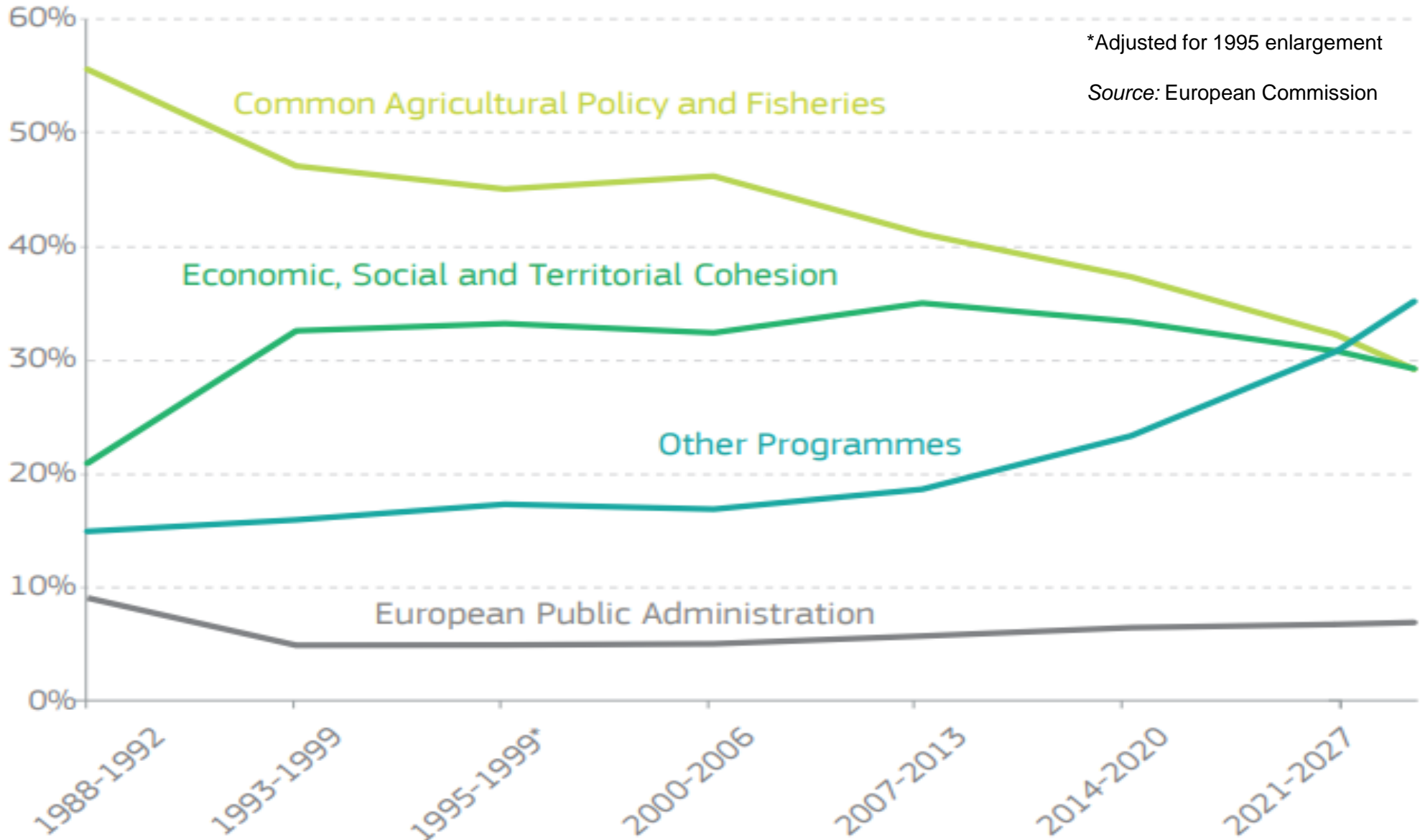


VII. EUROPEAN PUBLIC ADMINISTRATION €85.3

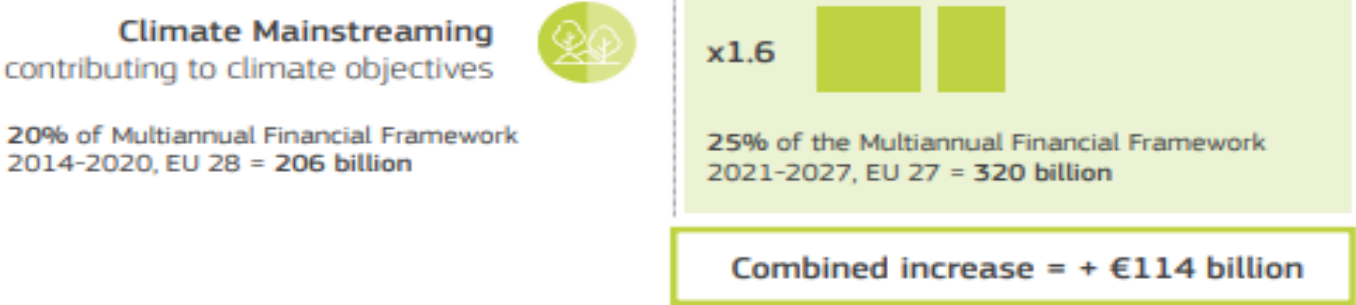
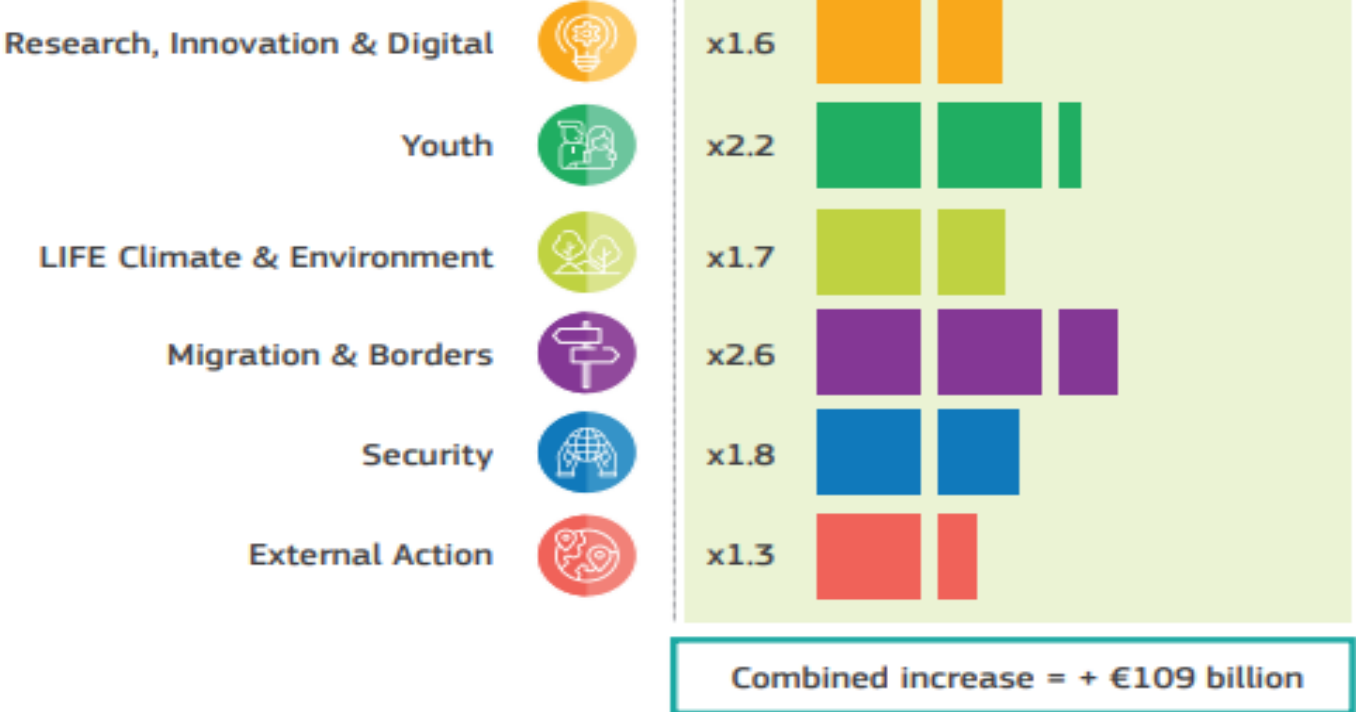
- 17 European Public Administration



Evolution of the Main Policy Areas



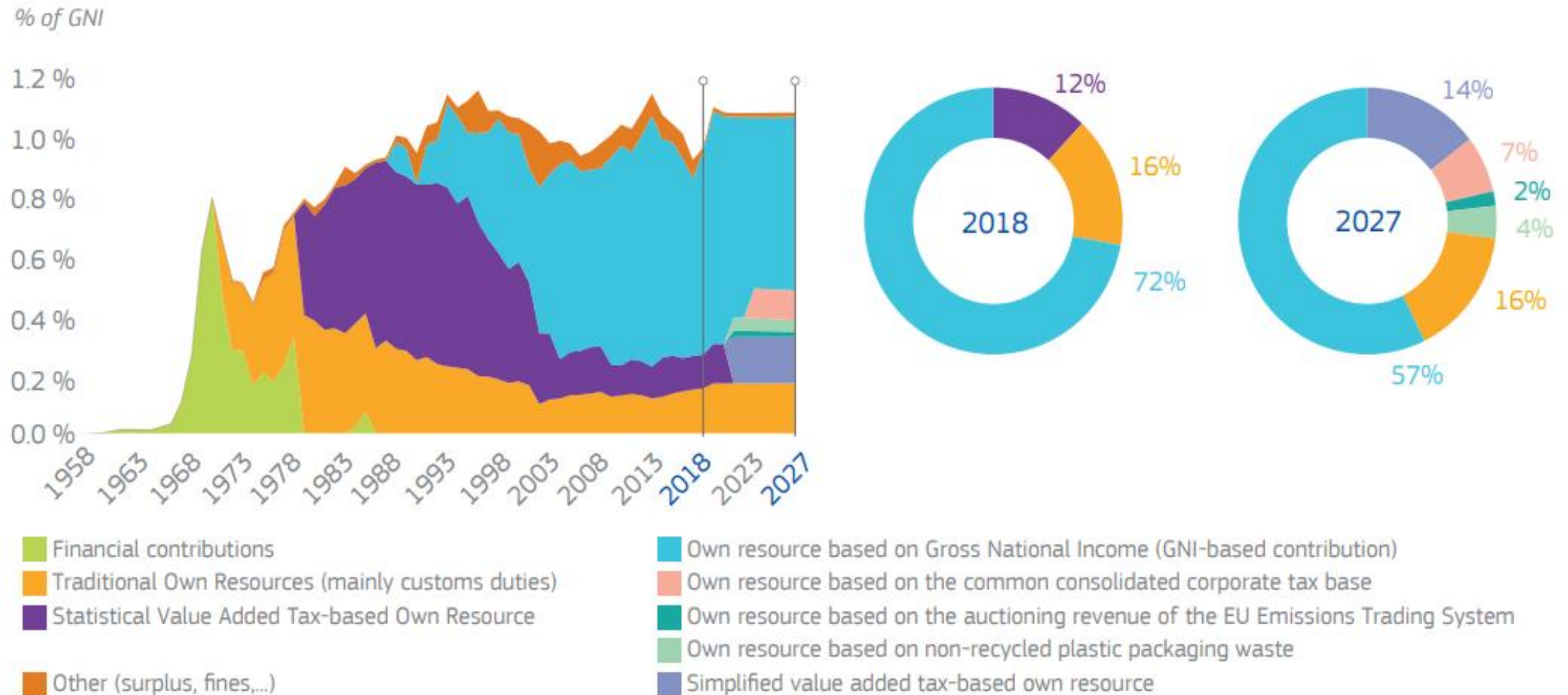
Reinforcement of Bratislava/Rome Priorities



Note: Compared to MFF 2014-2020 at EU-27, including the European Development Fund (EDF)

Financing the EU Budget

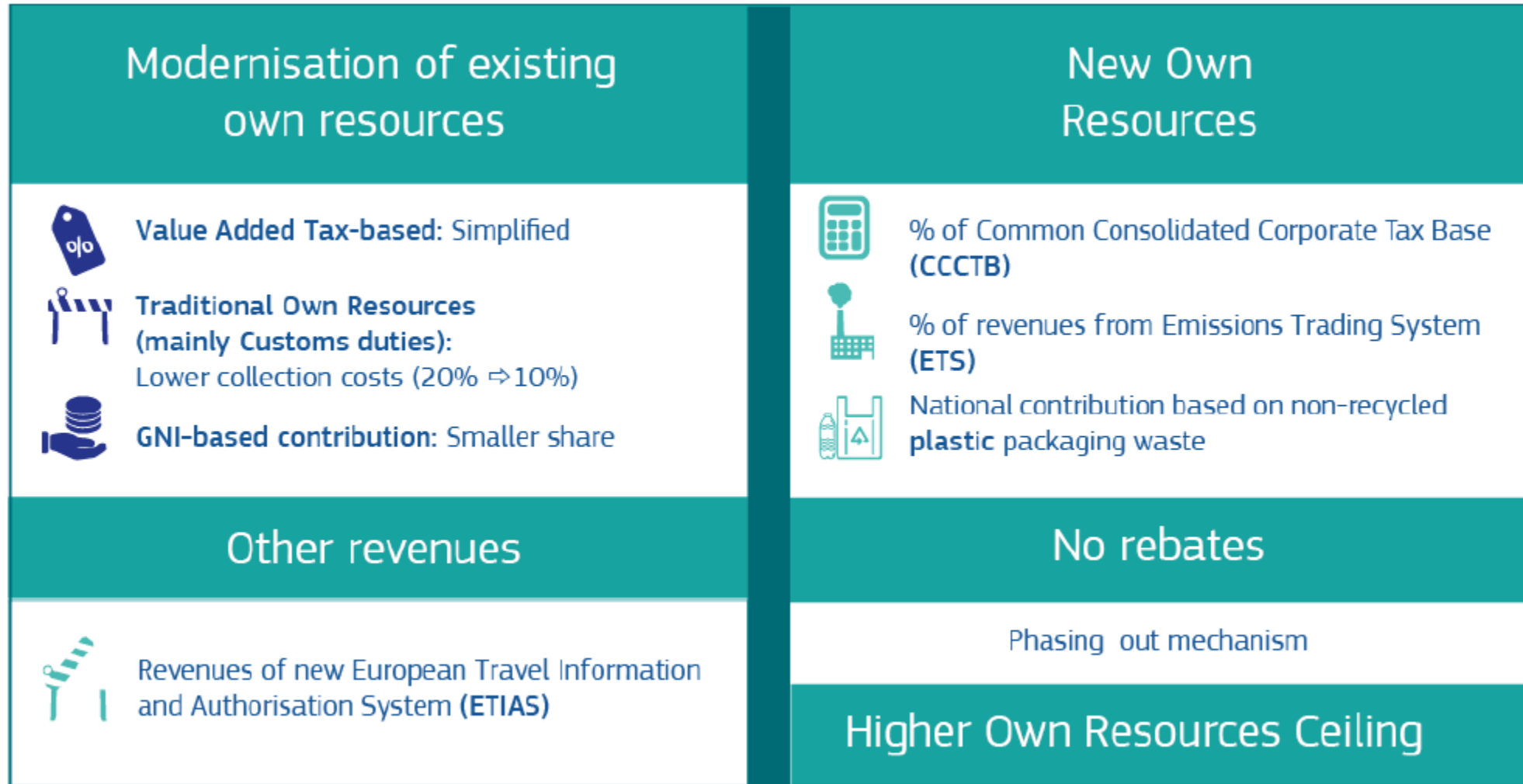
Development of sources for Financing of the EU Budget



Source: European Commission

Modernising the EU Budget's Revenue Side

Simplification and diversification of revenue sources



Thank you