



EU'S NEXT LONG-TERM BUDGET & NextGenerationEU: KEY FACTS AND FIGURES

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11 November 2020



"I welcome today's agreement on our Recovery Plan and the next Multiannual Financial Framework. We now need to move forward with finalising the agreement on the next long-term budget and NextGenerationEU by the end of the year. Help is needed for citizens and business badly hit by the coronavirus crisis. Our recovery plan will help us turn the challenge of the pandemic into an opportunity for a recovery led by the green and digital transition".

European Commission President Ursula von der Leyen

On 10 November 2020, the European Parliament and EU Member States in the Council, with the support of the European Commission, reached an agreement on the largest package ever financed through the EU budget, of €1.8 trillion. Following the coronavirus crisis and its consequences, the package will help rebuild a greener, more digital and more resilient Europe, which is better fit for current and forthcoming challenges.

Key figures in the agreement:

- Long-term budget for 2021-2027 of **€1.074 trillion** combined with the temporary recovery instrument, NextGenerationEU, of **€750 billion**;
- More than **50%** of the amount will support **modernisation** through policies that include research and innovation, via **Horizon Europe**; fair climate and digital transitions, via the **Just Transition Fund** and the **Digital Europe programme**; preparedness, recovery and resilience, via the **Recovery and Resilience Facility**, **rescEU** and a new health programme, **EU4Health**;
- Traditional policies such as **cohesion and common agricultural policy** will be modernised and will continue to receive significant EU budget funds, with the objective to support the green and digital transitions;
- 30%** of the EU funds, under both NextGenerationEU and MFF, will be spent to fight climate change. The package also pays a specific attention to biodiversity protection and gender mainstreaming;
- Key programmes, including **Erasmus+**, **EU4Health** and **Horizon Europe**, will be reinforced compared to the agreement at the July 2020 special European Council, by a total of **€15 billion**.

New own resources

The agreement contains a clear roadmap towards new own resources, which would help repay the borrowing under NextGenerationEU:

- **Carbon border adjustment mechanism** and a **digital levy**: to be proposed by June 2021, with a view to their introduction at the latest by 1 January 2023.
- A new own resource based on the **Emissions Trading System**: to be proposed by June 2021.
- **Further new own resources, to be proposed by June 2024**: could include a Financial Transaction Tax, a financial contribution linked to the corporate sector or a new common corporate tax base.



Rule of law

For the first time, the EU will have a **specific mechanism** to protect its budget against breaches to the rule of law. Final beneficiaries of EU funding in the Member State concerned will not be negatively affected by this mechanism.

Flexibility

The budget will have **increased flexibility mechanisms** to make it fit not only for today's realities but also for tomorrow's uncertainties.



"Today's agreement will allow to reinforce specific programmes under the long-term budget for 2021-2027 (including Horizon Europe, Erasmus+, EU4Health). All in all, the EU long-term budget together with NextGenerationEU will amount to more than €1.8 trillion. It will play an essential role to support the recovery and make sure traditional beneficiaries of EU funds receive the sufficient means to continue their work during these very challenging times for all".

Johannes Hahn, European Commissioner for Budget and Administration

1 NextGenerationEU

To finance NextGenerationEU, the Commission will borrow on the markets. The funds raised will go to specific programmes and will be spent in a limited period of time in order to kick-start the recovery.

Grants	390.0
of which provisioning for guarantees 	5.6
Loans 	360.0
TOTAL	750.0

	NGEU	Total with MFF
Recovery and Resilience Facility	672.5	673.3
Of which GRANTS	312.5	313.3
Of which LOANS 	360.0	360.0
REACT-EU	47.5	47.5
Rural development	7.5	85.4
Just Transition Fund	10.0	17.5
InvestEU 	5.6	9.4
rescEU	1.9	3.0
Horizon Europe	5.0	84.9

All amounts in EUR billion
Source: European Commission.

2 Long-term budget 2021-2027

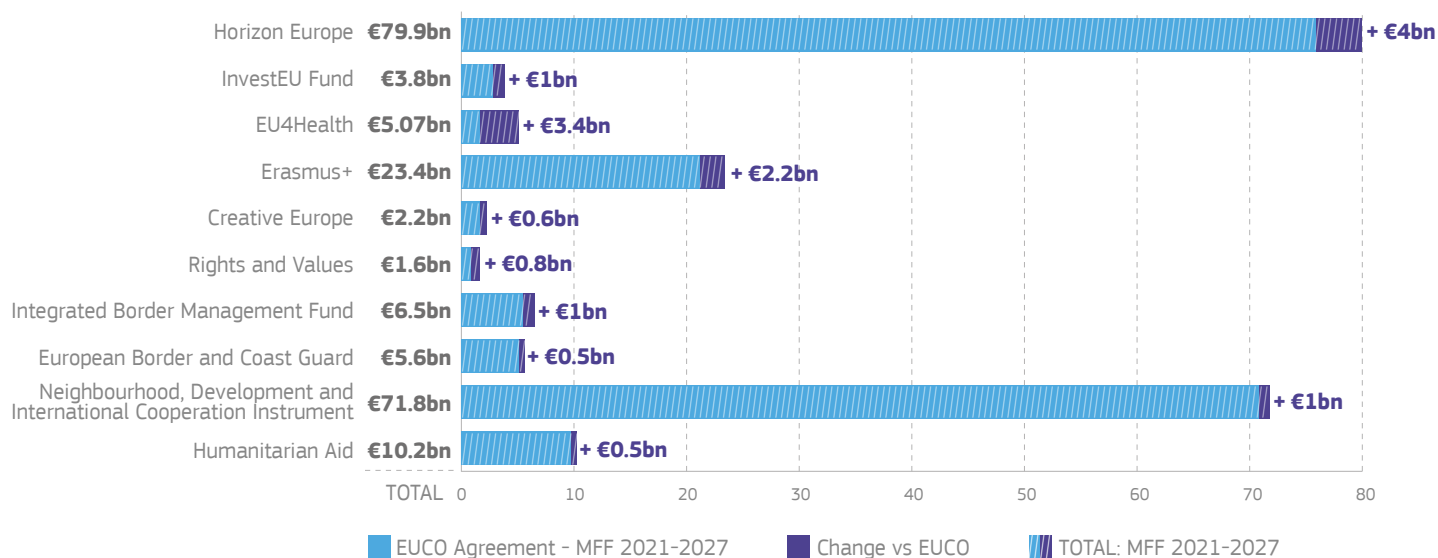
The long-term EU budget will continue to play a key role to support the recovery and make sure traditional beneficiaries of EU funds receive the sufficient means to continue their work during very challenging times for all.

MFF 2021-2027 total allocations per heading

	MFF	NEXT GENERATION EU	TOTAL
1. Single Market, Innovation and Digital	132.8	10.6	143.4
2. Cohesion, Resilience and Values	377.8	721.9	1 099.7
3. Natural Resources and Environment	356.4	17.5	373.9
4. Migration and Border Management	22.7	-	22.7
5. Security and Defence	13.2	-	13.2
6. Neighbourhood and the World	98.4	-	98.4
7. European Public Administration	73.1	-	73.1
TOTAL MFF	1 074.3	750.0	1 824.3

All amounts in EUR billion.
Source: European Commission.

Within the long-term budget 2021-2027, **ten programmes received top-ups** compared to the European Council agreement from 21 July 2020.



All amounts in EUR billion, 2018 prices.
Source: European Commission.

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