

# EU budget: Making the EU fit for its role as strong global actor

The external action budget will be the EU's main tool to support its partner countries in their political and economic transformations towards sustainable development, stability, consolidation of democracy, socio-economic development and the eradication of poverty. It will also allow the EU to continue to provide humanitarian assistance all over the world. As regards the EU's neighbourhood, this will also be the tool to help the neighbourhood countries in their economic approximation to the EU's Single Market.

High Representative/Vice-President, Federica **Mogherini**, said: *"We propose a budget for the external action of the European Union of €123 billion for the next seven years: an increase of 30% that is an unprecedented investment in our global role. More resources for more action as a reliable, predictable, cooperative global player – exactly what our citizens and our partners expect in these troubled times. It is recognition of the added value of the EU work on foreign policy. Together we can have an impact that no Member State alone can have in today's world."*

Commissioner for European Neighbourhood Policy and Enlargement Negotiations, Johannes **Hahn**, highlighted: *"The increased and reformed budget will allow us to continue working with those countries that are engaged to join the EU, as well as maintaining our special relationship with our Eastern and Southern neighbours. This will support our strategic goal to achieve a space of stability, security and prosperity close to the EU's borders."*

Commissioner for International Cooperation and Development Neven **Mimica** added: *"The EU is a key promoter of the UN 2030 Agenda and its Sustainable Development Goals. Our proposals set out the financial basis for the EU to maintain its role as the leading development actor, assisting our partners to eradicate poverty and respond to global challenges, while ensuring we leave no one behind."*

Commissioner for Humanitarian Aid and Crisis Management Christos **Stylianides**, said: *"As humanitarian emergencies in the world are increasing every year and becoming more complex, the EU is reinforcing its leading role as a major humanitarian aid provider. With an increased budget, we will continue showing solidarity with millions of people in need."*

Key elements of the new external budget proposal:

- **Increased funding:** The funding will increase from €94.5 billion in the period 2014-2020 to €123 billion from 2021-2027, up by 30%.
- **Simplification:** The Commission proposes to reduce the number of instruments, as well as to integrate the European Development Fund into the EU budget. This will allow for more coherence and a clearer focus on political objectives and engagements with partners, in line with the EU's values and priorities.

- **Flexibility:** The new budget structure will allow the use and re-use of unutilised funds on a multi-annual basis. This will enable the EU to better respond to changing circumstances in line with its priorities of eradicating poverty, promoting sustainable development, prosperity, peace and stability.
- **Increased transparency and democratic scrutiny:** for example by incorporating the European Development Fund in the EU budget.

The new proposed instruments for EU external action:

- **Neighbourhood, Development and International Cooperation Instrument (NDICI) with €89.2 billion:** This new streamlined instrument will consist of three pillars: 1. A *geographic pillar*, with particular focus on the Neighbourhood area and Sub-Saharan Africa, will be considerably increased to jointly address global challenges such as human development including gender equality, climate change, environmental protection, migration and food security; 2. A *thematic pillar* which will complement the geographic pillar through support for human rights and democracy, civil society, stability and peace inasmuch as they have to be addressed at global level, as well as other global challenges that would not be covered under the geographic pillar; 3. A *rapid response pillar* which will allow the EU to swiftly respond to crises, as well as to support conflict prevention, strengthen the resilience of states, societies, communities and individuals, the linking of humanitarian aid and development action, as well as early action to address other foreign policy objectives.
- A new **European Instrument for Nuclear Safety:** With **€300 million**, this will complement the activities under the new streamlined instrument on the basis of the [Euratom Treaty](#);
- The **Instrument for Pre-Accession Assistance (IPA III): €14.5 billion** will offer increased support to EU candidate countries and potential candidates on their path towards fulfilling the EU accession criteria through deep and comprehensive reforms;
- The **humanitarian aid instrument: €11 billion** will allow for EU assistance on a needs-basis in order to save and preserve lives, prevent and alleviate human suffering and safeguard the integrity and dignity of populations affected by natural disasters and man-made crises;
- The **Common Foreign and Security** budget, with **€3 billion**. This funding will be used to respond to external conflicts and crises, to build the capacity of partner countries and protect the EU and its citizens.
- Cooperation with **overseas countries and territories** including **Greenland**, with **€500 million**. This funding will support and strengthen the economic, political and cultural ties between the EU and the 13 overseas countries and territories linked to the EU Member States.
- The remaining amount of approximately €4.5 billion consists of the budgetary margin (€3.2 billion) and other budgetary items, such as macro-financial assistance grants, evaluation and audit measures or work related to international organisations and decentralised agencies.
- The Commission proposal includes an **investment framework for external action** with an increased fire-power of **up to €60 billion**. Building on the successful experience of the EU's External Investment Plan, it will

help to raise and leverage additional financial resources for sustainable development from the private sector.

- In addition, and outside the EU budget, the High Representative, with the support of the Commission, is proposing to establish a **European Peace Facility**, with **€10.5 billion**. The European Peace Facility will fund operational actions under the Common Foreign and Security Policy that have military or defence implications, and therefore cannot be financed under the EU's budget. It will strengthen the Union's ability to preserve peace, prevent conflicts and strengthen international security, in line with the Treaty on European Union and the purposes and principles of the United Nations Charter.

## **Next steps**

A swift agreement by the European Parliament and the Council of the European Union on the overall long-term EU budget and its sectoral proposals, in order to ensure that EU funds deliver results on the ground as soon as possible.

Delays similar to the ones experienced at the beginning of the current 2014-2020 budgetary period could result in severe constraints to meet EU's international obligations and commitments towards partners.

An agreement on the next long-term budget in 2019 would provide for a seamless transition between the current long-term budget (2014-2020) and the new one and would ensure predictability and continuity of funding to the benefit of all.

## **For More Information**

[MEMO](#)

[Legal texts and factsheets on the Neighbourhood and the World](#)

[European Peace Facility](#)

Further information on the [EU budget for the future](#)