

# EU long-term budget after 2020: European Commission sets out options – and their consequences



European Commission President **Jean-Claude Juncker** said: *“Budgets are not bookkeeping exercises – they are about priorities and ambition. They translate our future into figures. So let’s first discuss about the Europe we want. Then, Member States must back their ambition up with the money to match. And whilst we all need to understand that business as usual is not an option for this upcoming discussion, I firmly believe that we can square the circle and agree on a budget where everyone will be a net beneficiary.”*

At their meeting on 23 February, the European Union’s Leaders will discuss about how to ensure that the priorities they have set for the Union – on 16 September 2016 in Bratislava and on 25 March 2017 in the Rome Declaration – can be adequately funded and thus turned into reality. Both elements – defining common priorities and equipping the Union to implement them – are inseparable.

The Commission is contributing to this important discussion in three ways: First, by providing the necessary facts about the EU budget, its benefits, achievements and added value. Second, by drawing up scenarios which illustrate the financial impact of various possible policy choices. And third, by showing the consequences for students, researchers, infrastructure projects and many others in case the adoption of the new EU budget were to be delayed.

## Options for the future EU budget

When discussing about the level of ambition of EU action in areas like protecting the EU’s external borders, supporting a true European Defence Union, boosting Europe’s digital transformation or making the EU’s cohesion and agricultural policies more efficient, it is important for the Leaders to ascertain what their choices would mean concretely in terms of funding at EU level. Today’s contribution from the Commission seeks to do exactly that – by quantifying the financial impact of various possible policy choices. Those are not the Commission’s own proposals, but illustrations based on ideas frequently put forward in the public debate. Their purpose is to focus minds, to stimulate discussion and to provide a sound factual basis for making the important choices that lie ahead.

For example, if Leaders agree to honor the frequently made pledge to improve the protection of the EU’s external borders, this would cost €20 to 25 bn over seven years, and up to €150 billion for a full EU border management system. Indeed, each political priority – the European Defence Union,

supporting the mobility of young people, powering Europe's digital transformation, boosting research and innovation or underpinning a genuine Economic and Monetary Union – will need to be properly funded to become a reality.

## Modernising and financing the EU budget

The Commission is also setting out options to modernise the EU budget, including by making the link between the goals of the EU budget and the way it is funded stronger. Moreover, it sets out possibilities for strengthening the link – often referred to as “conditionality” – between EU funding and the respect for the EU's fundamental values..

## Timing matters – for citizens and businesses

A swift political agreement on a new, modern EU budget will be essential to demonstrate that the Union is ready to deliver on the positive political agenda outlined in Bratislava and Rome.

Commissioner in charge of Budget and Human Resources, **Günther H. Oettinger** said: *“We must not repeat the unfortunate experience of 2013 when the current EU budget was agreed with considerable delay. If such a delay were to happen again, more than 100,000 EU-funded projects – in key areas like business support, energy efficiency, health care, education and social inclusion – would not be able to start on time, and hundreds of thousands of young people would not be able to benefit from an Erasmus+ exchange in 2021”.*

Beyond being politically desirable, an early agreement is also a practical imperative. Partners and beneficiaries of EU funding – from students and researchers to infrastructure, health care or energy projects – as well as national and regional authorities deserve and need legal and financial certainty. The Commission draws the Leaders' attention to concrete examples of the detrimental impact which a delay would have on citizens and businesses all across the EU. The Commission believes that the unfortunate experience with the late adoption of the current EU budget – with significant delays in the launch of the new programmes and, consequently, in achieving the funding priorities – should not be repeated.

## Next steps

The European Commission will table its formal proposal for the next long-term EU budget in the coming months, at the latest in early May 2018. In the meantime, the Commission will continue listening to all stakeholders, including via the [public consultations](#) on the priorities of the EU that were launched in January 2018.

For More Information:

-Communication [“A new, modern Multiannual Financial Framework for a EU that delivers efficiently on its priorities post-2020”](#)

– [Fact sheets](#)

- [Reflection paper on the future of EU finances](#)
- [Public consultations: The future of EU finances – have your say on the EU budget after 2020](#)