

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](#)

[A Europe that delivers: Commission presents ideas for a more efficient European Union](#)



European Commission President **Jean-Claude Juncker** said today: *“With the Bratislava Roadmap, the Rome Declaration and now the Leaders’ Agenda, Europe has rightly been focused on creating a Union that delivers concrete and tangible results for its citizens on the issues that matter to them. We must continue on this path. I have always said that form should follow function – now is not the time for long discussions of institutional reform or Treaty change. There are, however, a number of steps we can take to make our work even more efficient in delivering on our key priorities. There are many options but the goal must be one and the same: creating a Europe that delivers.”*

Lead Candidates: Building on the 2014 “Spitzenkandidaten” experience

The 2014 election process strengthened the relationship between the three EU institutions and improved the efficiency of their work. It helped them to align themselves around a common work programme for the five year mandate. This is what enabled the Juncker Commission to work in a more political way and concentrate on where the Union delivers the best results, leaving the rest to Member States.

In his 2017 State of the Union Address, President Juncker said that the 2014 ‘lead candidate’ experiment should continue. Today, the European Commission is setting out how the process can be improved on the basis of the current Treaties while respecting the balance between the EU institutions and among the Member States. This includes calling on **political parties to make an earlier choice of the lead candidates, before the end of 2018, and for an earlier start to the campaign.** This would give voters more opportunity to identify with the candidates and the political programmes they stand for.

The Commission is also recommending the link **between national parties and European parties be made more visible.** Political parties at national level should boost transparency about the European parties they are affiliated to, for example by using their logos in campaign and ballot material. They should

also position themselves clearly on important European issues and express their intention for participating in political groups in the European Parliament and their choice for European Commission President.

Composition of the European Parliament and the European Commission

Leaders in the European Council have to decide – on the basis of a proposal from the European Parliament – on **the composition of the European Parliament for the 2019-2024 term** and what to do with the seats left vacant by the UK. One option is to reserve a number of these seats for a **transnational constituency**. Whilst in a recent Resolution (from 7 February), the European Parliament voted not to call for the creation of a transnational constituency, it did leave the door open for future debates. A number of Member States have recently expressed support for this idea, whereas others have expressed their disagreement with its establishment. A transnational constituency could strengthen the European dimension of the election by giving candidates the possibility to reach more citizens across Europe. On the other hand, parliamentarians normally represent and communicate closely with the voters who elected them on a local or national level, both for reasons of accountability and to be able to raise concerns of their constituents. The Commission is sympathetic to the idea of transnational lists, but this will require unanimous agreement of the Council, and changes to electoral law in all 27 Member States in the next year to be applied for the 2019 elections.

The College of Commissioners currently consists of 28 members, one from each Member State – in line with a Decision of the European Council from 22 May 2013. Before the next European Commission is appointed, leaders will have to decide whether to maintain the principle of one Member from each Member State, or to make the Commission smaller. A smaller executive would in theory be more efficient in its operation, easier to manage and would allow a more balanced distribution of portfolios. But a smaller Commission would also mean that some Member States would not be represented at the political level of the institution, and would lose the advantage of maintaining a direct political communication channel with their citizens and national authorities.

A Double-Hatted President for the Commission and Council

In his State of the Union speech in 2017, President Juncker first suggested the idea of a double-hatted President. A single person holding the two offices of President of the European Council and President of the European Commission could make the structure of the Union more efficient. This is possible under the current Treaties. A dual appointment does not require merging the two institutions. The President of the European Commission is already a Member of the European Council, and neither of the two Presidents vote in the European Council; their role is to advise, bring input from the work of their services, help to build bridges and map out common ground.

Citizens' Dialogues

The European Commission regularly organises Citizens' Dialogues with Members of the Commission, the European Parliament, national governments, local and

regional authorities and civil society representatives. Almost 500 of these interactive public debates have been held in 160 locations since 2012, and the Commission will increase their frequency between now and the European elections in May 2019, with a target of reaching around **500 more events**. The Commission also welcomes the initiatives of individual Member States to organise their own national conversations with citizens on the future of Europe and is ready to offer its support where it can, for example by linking the process to the online consultation on the future of Europe which could remain open until 9 May 2019. The Commission will share the benefits of its experience with Member States.

Background

Today's proposed ideas and options are a direct follow-up to the [European Commission's report \(from 8 May 2015\) on the 2014 European Parliament elections](#) which pledged to identify ways of further enhancing the European dimension and the democratic legitimacy of the EU decision-making process, and to examine further, and seek to address, the reasons for the persistently low turnout in some Member States.

For more information

[Communication: A Europe that Delivers: Institutional options for making the EU's work more efficient](#)

[Recommendation: on enhancing the European nature and efficient conduct of the 2019 elections to the European Parliament](#)

[European Commission Report on the 2014 European Parliament elections](#)

[2018 report on European and municipal elections](#)

Factsheets:

- Options for making the European Union's work more efficient
 - The composition of the European Parliament and European Council – what to expect in 2019
 - The birth of the 'Spitzenkandidaten' and the 2014 European election campaign
 - Dialogue with citizens ahead of the European elections
 - New rules for making the 2019 European elections more transparent
 - A double-hatted President?
 - Visits and meetings of Members of the Commission with national Parliaments since the beginning of the mandate
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Declaration by the High Representative on behalf of the EU on the alignment of certain third countries concerning restrictive measures in view of the situation in Venezuela

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On 22 January 2018 the Council adopted Decision (CFSP) 2018/90^[1] implementing Council Decision 2017/2074/CFSP.

In view of the continuing deterioration of the situation in Venezuela, seven persons should be included in the list of natural and legal persons, entities and bodies subject to restrictive measures in Annex I to Decision (CFSP) 2017/2074.

The Candidate Countries the former Yugoslav Republic of Macedonia*, Montenegro* and Albania*, the country of the Stabilisation and Association Process and potential candidate Bosnia and Herzegovina, and the EFTA countries Iceland, Liechtenstein and Norway, members of the European Economic Area, as well as Ukraine, the Republic of Moldova and Georgia.

They will ensure that their national policies conform to this Council Decision.

The European Union takes note of this commitment and welcomes it.

^[1] Published on 22.01.2018 in the Official Journal of the European Union L 16 I/14

*The former Yugoslav Republic of Macedonia, Montenegro and Albania continue to be part of the Stabilisation and Association Process.

European Citizens' Initiative: Commission registers 'We are a welcoming Europe, let us help!' initiative

The European Commission has today decided to register a European Citizens' Initiative entitled 'We are a welcoming Europe, let us help!' which states: *"Governments are struggling to handle migration. Most of us want to help people in need because we care. Millions have stood up to help. Now we want to be heard. Let's reclaim a Welcoming Europe! We call upon the European Commission to act."* The organisers call on the Commission to *"support local groups that help refugees... stop governments punishing volunteers... defend victims of exploitation, crime and human rights abuses"* (see Annex).

The Commission's decision to register the Initiative concerns only the legal admissibility of the proposal. The Commission has not analysed the substance at this stage.

The registration of this Initiative will take place on 15 February 2018, starting a one-year process of collection of signatures of support by its organisers. Should the initiative receive one million statements of support within one year, from at least seven different Member States, the Commission will have to react within three months. The Commission can decide either to follow the request or not, and in both instances would be required to explain its reasoning.

Background

European Citizens' Initiatives were introduced with the Lisbon Treaty and launched as an agenda-setting tool in the hands of citizens in April 2012, upon the entry into force of the European Citizens' Initiative Regulation which implements the Treaty provisions.

Once formally registered, a European Citizens' Initiative allows one million citizens from at least one quarter of EU Member States to invite the European Commission to propose a legal act in areas where the Commission has the power to do so.

The conditions for admissibility, as foreseen by the European Citizens' Initiative Regulation, are that the proposed action does not manifestly fall outside the framework of the Commission's powers to submit a proposal for a legal act, that it is not manifestly abusive, frivolous or vexatious and that it is not manifestly contrary to the values of the Union.

For more information

[ECIs currently collecting signatures](#)

[ECI website](#)

[ECI Regulation](#)

Annex – Description of the objectives of ‘We are a welcoming Europe, let us help!’

1. Citizens across Europe want to sponsor refugees to offer them a safe home and a new life. We want the Commission to offer direct support to local groups that help refugees who are granted national visas.
 2. No one should be prosecuted or fined for offering humanitarian help or shelter. We want the Commission to stop those governments that are punishing volunteers.
 3. Everyone has the right to justice. We want the Commission to guarantee more effective ways and rules to defend all victims of labour exploitation and crime across Europe and all victims of human rights abuses at our borders.
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[**Daily News 13 / 02 / 2018**](#)

New Commission guidance helps Member States organise sound tender procedures for EU-funded projects

Today the Commission published new [guidance](#) to help national, regional and local public officials dealing with EU funds ensure efficient and transparent public procurement procedures for EU-funded projects. *“Helping Member States organise sound tender procedures for EU investments is key to safeguard the EU budget from errors and ensure the maximum impact of each euro the EU spends, for the direct benefit of citizens,”* said Commissioner for Regional policy Corina **Crețu**. The guidance, soon available in all languages, covers the process from A to Z, from the preparation and publication of the calls to the selection and evaluation of bids and the contract implementation. As such, it can also be useful outside the scope of EU funds. At each step, the guidance includes tips to avoid mistakes, good practices and useful links and templates. It also explains how to make the most out of the opportunities offered by the [revised public procurement directives of 2014](#), i.e. less red tape and more online procedures to make it easier for small businesses to participate in public tenders and the possibility of introducing new criteria in award decision to choose socially responsible companies and innovative, environment-friendly products. The [European Structural and Investment \(ESI\) Funds](#) channel over €450 billion into the EU real economy over the 2014-2020

funding period, half of which is invested through public procurement. An [infographic](#) on the guidance and [more information](#) on what the Commission does to help Member States improve the way they manage and invest EU funds are available online. (For more information: Nathalie Vandystadt – Tel.: +32 229 67083; Sophie Dupin de Saint-Cyr – Tel.: +32 229 56169)

University of Cyprus joins the Erasmus+ Master Loan Guarantee Scheme

The European Investment Fund and the University of Cyprus have today signed an agreement, which will allow students from other countries to defer tuition fees and student accommodation rent payments. This new pilot scheme worth EUR 4 million and backed by the [Erasmus+ Master Loan Guarantee Scheme](#) is expected to benefit more than 240 Master students. Other favourable conditions include another two-year grace period to defer their tuition fees after the end of the studies and a minimum four-year repayment plan after that period. The University of Cyprus is the second university in Europe to launch this kind of initiative following the University of Luxembourg in 2017. The new agreement is the seventh to be signed under the guarantee scheme (the other five agreements were signed with financial institutions). Tibor **Navracsics**, Commissioner for Education, Culture, Youth and Sport, said: *“This shows that the Erasmus+ guarantee facility is an interesting development opportunity for universities seeking to internationalise their educational offer. It is all the more welcome that the university can take advantage of a comprehensive funding offer of loans and guarantees, thanks to the combined efforts of the European Investment Bank and European Investment Fund. Incoming students will not only be able to benefit from affordable Master studies in Cyprus, but also from a brand new university library, to be built with the Bank’s support.”* The Erasmus+ Master Degree Loan Scheme has been running since June 2015, with seven institutions in six countries participating. EUR 160 million in student loans are currently available with Erasmus+ backed guarantees of EUR 26 million. Further information is available in the [press release](#) by the European Investment Fund and the University of Cyprus. More information on the Erasmus+ programme can be found [here](#). (For more information: Nathalie Vandystadt – Tel.: +32 229 67083; Joseph Waldstein – Tel.: +32 229 56184)

Mergers: Commission clears creation of a wind farm company by Votorantim and Canada Pension Plan Investment Board

The European Commission has approved, under the EU Merger Regulation, the proposed creation of a company jointly controlled by Votorantim of Brazil and the Canada Pension Plan Investment Board of Canada. The newly created joint venture, VTRM Energia Participações, will operate wind farms in Brazil. As part of the proposed concentration, Votorantim and the Canada Pension Plan Investment Board will also jointly acquire Ventos do Araripe III, which operates wind farms in Brazil, and will transfer its assets to the joint venture. Votorantim is active in a variety of business sectors including, among others, cement and concrete, mining and metallurgy, pulp and paper, chemical and electricity. The Canada Pension Plan Investment Board is an investment management organisation that invests in public equities, private equities, real estate, infrastructure and fixed income instruments. The Commission concluded that the proposed transaction would raise no competition concerns as the joint venture has no actual or foreseen activities within the

European Economic Area. The transaction was examined under the simplified merger review procedure. More information is available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.8777](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Yizhou Ren – Tel.: +32 229 94889)

Mergers: Commission clears acquisition of Alloheim by Nordic Capital

The European Commission has approved, under the EU Merger Regulation, the acquisition of Alloheim Senioren-Residenzen Holding SE (“Alloheim”), of Germany by Nordic Capital Fund VIII Limited, which acts as general partner of Nordic Capital VIII Alpha, L.P. and Nordic Capital VIII Beta, L.P. (together “Nordic Capital”), of Jersey. Alloheim is a nursing home operator which provides stationary care in the form of elderly care, specialised care and assisted living, as well as ambulatory care. Nordic Capital is a private equity fund primarily investing in large and medium-sized companies operating in Europe. The Commission concluded that the proposed acquisition would raise no competition concerns given the limited impact brought about by the transaction on the market structure. There is no horizontal overlap between the companies’ activities, while for the only existing vertical relationship the individual market shares of the companies remain below 30%. The operation was examined under the simplified merger review procedure. More information will be available on the Commission's [competition](#) website, in the [case register](#) under the case number [M.8757](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Yizhou Ren – Tel.: +32 229 94889)

[Upcoming events](#) of the European Commission (ex-Top News)