



EU BUDGET FOR THE FUTURE

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13 June 2019

A MODERN, BALANCED AND FAIR BUDGET – ROADMAP TO AN AGREEMENT



'A lot of work has already been done in moving forward the Commission's proposal for the EU's future long-term budget. I congratulate the European Parliament and Member States in the Council for their hard work and commitment. Now is the time to move up a gear. With the highest turnout in European elections for 20 years and a campaign more focused on European issues than ever before, 2019 is a year of renewal for our Union. Agreeing on our future budget is not a number-crunching exercise but about matching our ambitions and priorities with the right budgetary means. The stakes are high but with courage and political will, there is a chance to reach agreement by autumn.'

Jean-Claude Juncker, President of the European Commission.

'Thanks to the good work of three consecutive Council Presidencies, we have already reached partial agreement on 12 sectoral files, while negotiations can start on further 16. Most importantly, an agreement on the overall framework is needed. And we need to reach it as quickly as possible – in the name of our students, farmers and researchers, among many others who count on the EU budget.'

Günther H. Oettinger, European Commissioner for Budget and Human Resources.



MOVING INTO THE FINAL PHASE OF NEGOTIATIONS

The Commission presented its proposals for a new and modern long-term budget, tightly geared to the Union's priorities, in May and June 2018. This was followed by an intensive period of technical work in both the European Parliament and the Council.

The European Council in December 2018 called on the incoming Romanian Presidency of the Council to 'develop an orientation for the next stage of negotiations, with a view to achieving an agreement in the European Council in autumn 2019'. Since then the work led by the Romanian Presidency has helped to pinpoint the key issues that will need to be decided by Leaders by the autumn.

An agreement is within reach – but there remains much work to do. An ambitious and balanced agreement on the future framework will only be possible with strong political leadership from the European Council. The European Council on 20-21 June can be a crucial milestone in this process. It should launch a new phase of political negotiations with an increasing focus on financial and other strategic issues.



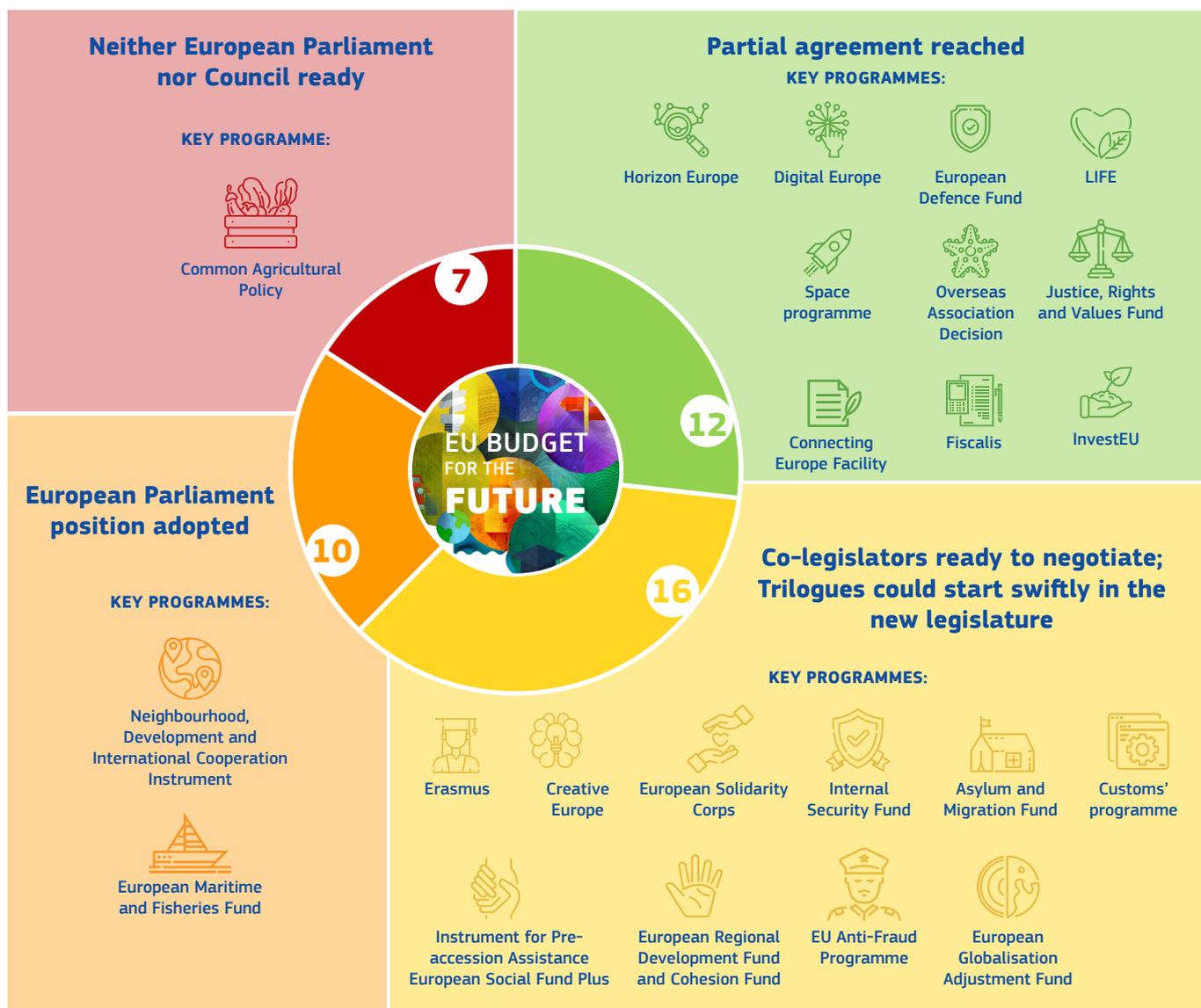
The Commission calls on the European Council to set out a roadmap to achieving an agreement on the EU long-term budget in the autumn and to invite the Council to take the work forward as a matter of priority.

1..2..3 PROGRESS ACHIEVED SO FAR

Considerable progress has already been made. The balanced package put forward by the Commission last year was widely recognised as a sound basis for the negotiations.

Successive Presidencies of the Council have set a rapid pace. The European Parliament has also shown its strong commitment to a timely and ambitious agreement on the future long-term budget. The Parliament and Council have engaged constructively and efficiently in the negotiations on the sectoral programmes.

CURRENT SITUATION OF SECTORAL LEGISLATIVE PROPOSALS*





OTHER ELEMENTS POSITIVELY SEEN BY EUROPEAN PARLIAMENT AND COUNCIL

The discussions to date in the European Parliament and the Council have shown broad support for many of the essential modernisation features proposed by the Commission for EU's next long-term budget:

- ✔ strong focus on **European added value**
- ✔ **streamlined and more transparent structure** of the future budget
- ✔ **reduction in the number of programmes**, the creation of new integrated programmes and the increased focus on synergies between instruments
- ✔ **simplification of funding rules**
- ✔ **greater flexibility** to ensure rapid reaction in a fast-changing world

Progress is also being made in the discussions of the following proposals:

- ✔ The **budgetary instrument for convergence and competitiveness** for the euro area.
- ✔ The new mechanism to ensure that generalised deficiencies in the **rule of law** do not put the budget at risk
- ✔ The Commission's proposals to **modernise the revenue side** of the EU budget



TOWARDS A FAIR AND BALANCED BUDGET

1 January 2021 – the moment from which on the next multiannual financial framework needs to be legally ready to be implemented in all Member States – is only 18 months away and there remains much to be done to ensure that the future financial programmes can start delivering from day one.

The formal adoption process is only part of the story. The practical preparations for the new programmes also take time, whether it be preparing operational programmes, launching calls for proposals, or putting in place management, monitoring and control systems.



MANY STEPS BETWEEN A EUROPEAN COUNCIL AGREEMENT AND IMPLEMENTATION ON THE GROUND

THE EXAMPLE OF THE PREVIOUS FINANCIAL FRAMEWORK



AND A TIMELY AGREEMENT MATTERS A LOT. IT WOULD:

- accelerate Europe's **digital transformation**, investing in high-performance computing, artificial intelligence, cybersecurity and digital skills to compete on the global technology market;
- create **tens of thousands research jobs** already in 2021 and **many more** in the **wider economy**;
- allow over **100,000 Cohesion Policy** projects to start on time;
- allow as many as **1,000,000 young people** to benefit from an Erasmus exchange and give the opportunity to **40,000 young people** to engage in solidarity action across Europe already in 2021;
- support **start-ups and small and medium-sized companies** to carry out their investments;
- ensure funding to a number of large-scale infrastructure projects such as **Europe's space programmes**, the **Rail Baltica** project or the **Brenner base tunnel**;
- significantly step up **defence investments**, to enhance Europe's strategic autonomy in protecting and defending its citizens;
- support the development of a fully integrated European **border management system**, protecting the Union **against trafficking, smuggling and fraud**.



Time is therefore of the essence. Completing work on the future framework and the spending programmes in time to allow their full implementation by 1 January 2021 will be challenging, but it is achievable - provided that the European Council leads the way.