

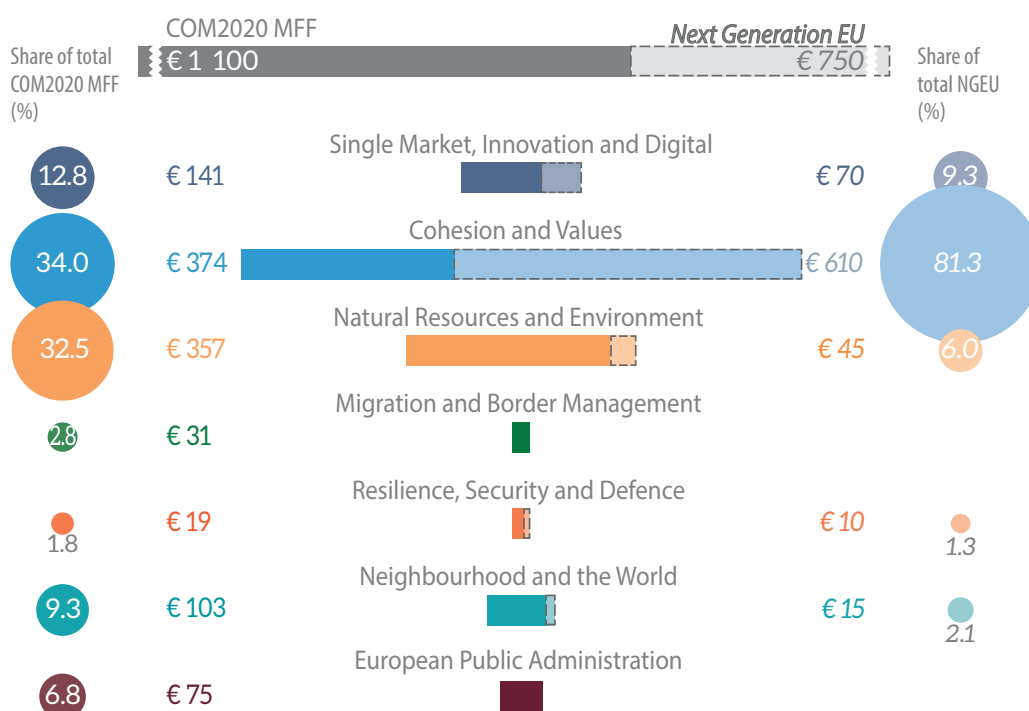
Amended proposal for the 2021-2027 MFF and 2021-2024 recovery instrument 'Next Generation EU' in figures

This briefing provides a graphic presentation of the next long-term budget and recovery instrument (Next Generation EU) proposed by the European Commission on 27 May 2020 (COM 2020). By comparing it with the Commission's initial proposal of May 2018 (COM 2018) and the European Parliament's negotiating position, we highlight the changes for the future financing of EU priorities.

The preparation of the EU's next Multiannual Financial Framework (MFF) started formally in [May 2018](#) with the proposal from the European Commission, more than two years ago. The European Parliament adopted its detailed negotiating position on [14 November 2018](#). The European Council, however, held its first substantial debate on the proposals only on 20 February 2020, failing to find agreement. The coronavirus pandemic has complicated the situation further. Given the new circumstances, on [27 May 2020](#) the Commission put forward an amended proposal for the 2021-2027 MFF and, linked to it, a recovery instrument, entitled Next Generation EU (NGEU) for the years 2021-2024.

Breakdown of COM2020 MFF and Next Generation EU (NGEU)

€ billion, (2018 prices)



Comparison of 2014-2020 MFF allocations with the Commission's proposals and the EP position for 2021-2027

€ billion, (2018 prices)



2021-2027 MFF and Next Generation EU by heading

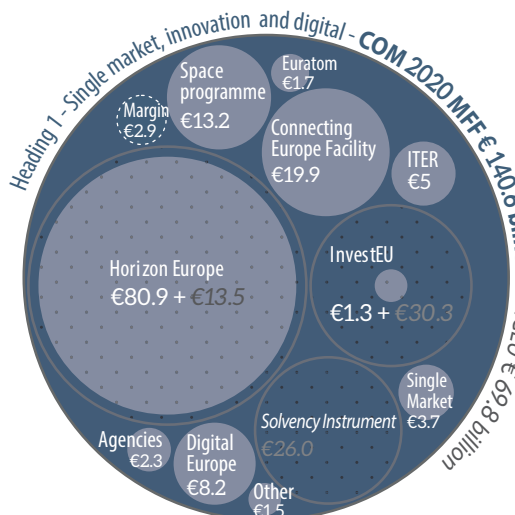
The bubble charts represent the Commission's amended proposal on the MFF (COM2020 MFF) for each heading and how their component programmes change with the additional allocation from NGEU, where applicable. The programmes within each heading are represented in relation to the total allocation, including both MFF and NGEU (COM2020 MFF + NGEU). The bubbles in lighter solid colour represent the amount for each programme as proposed in COM2020 MFF. The bubbles in grey dotted pattern represent the amount of COM2020 MFF + NGEU for programmes boosted by NGEU.

The bar charts highlight the percentage change between the initial Commission proposal of May 2018 (COM 2018 MFF) and, first, the Commission amended proposal of May 2020, with and without the NGEU (shown in bars in the same colour as the bubbles), and, second, the European Parliament position (in dark blue bars). The grey vertical line represents COM 2018 MFF.

The small pie charts to the right show the percentage share of each heading within the total proposed COM 2020 MFF + NGEU.

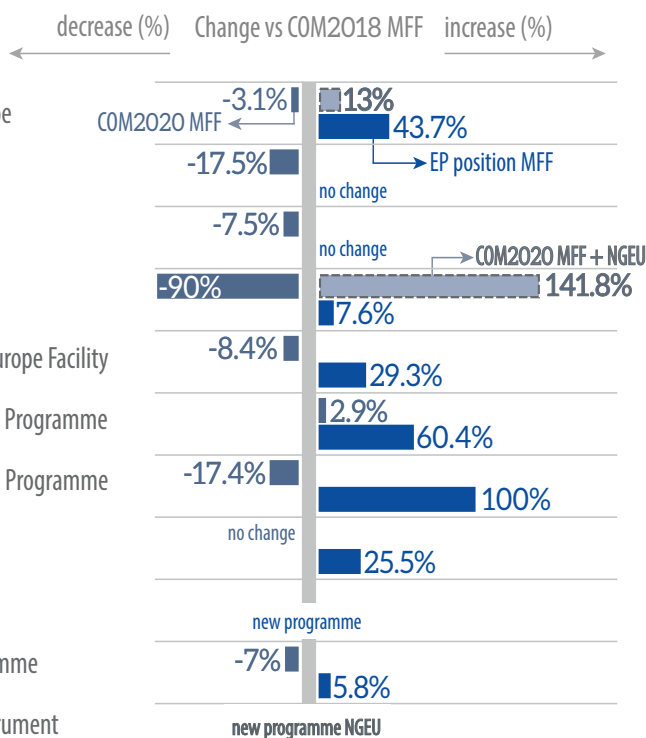
Heading 1: Single Market, Innovation and Digital

11.4% of total Commission proposal 2020 + NGEU



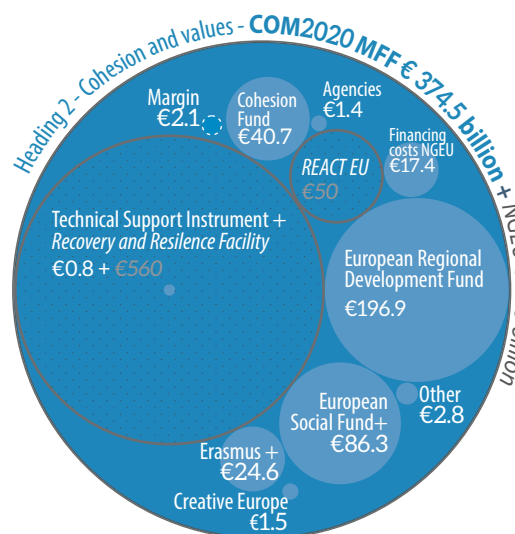
Other: Cooperation in the field of taxation (FISCALIS) (€0.24), Cooperation in the field of customs (CUSTOMS) (€0.84), EU Anti-Fraud Programme (€0.13), Other (€0.27)

Heading 1 amounts to €210.5 billion, of which one third would be provided under NGEU. It represents 11.4% of the total proposed financial package (COM2020 MFF + NGEU). Horizon Europe is the biggest programme. Boosted by €13.5 billion from NGEU, it amounts to €94.4 billion. However, even with the reinforcement proposed by the Commission it remains below the European Parliament position. The InvestEU fund will be predominantly financed under NGEU (+€30.3 billion). Its allocation under the MFF was significantly reduced (-90%). Such front-loading of the fund will allow the concentration of financial support in the first years of recovery. The allocations for some other programmes are reduced in comparison to COM2018 MFF, e.g. the Connecting Europe Facility by 8.4% (including a 32% decrease in investments in energy). The margin left under the heading is reduced by 73%.



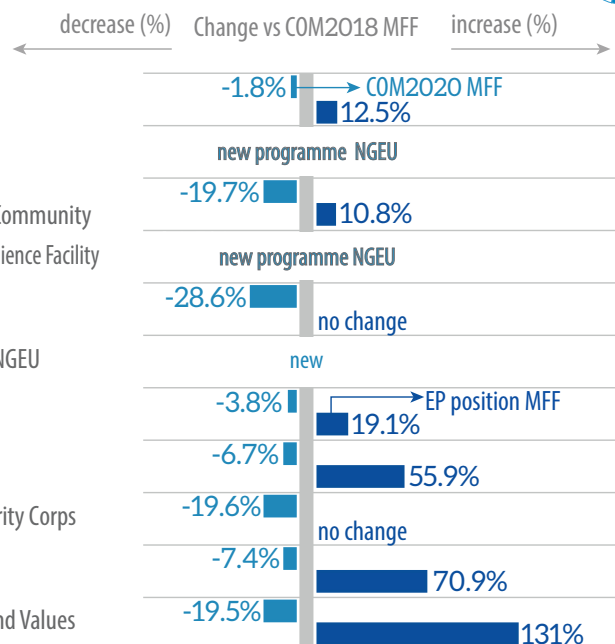
Heading 2: Cohesion and Values

53.2% of total Commission proposal 2020 + NGEU



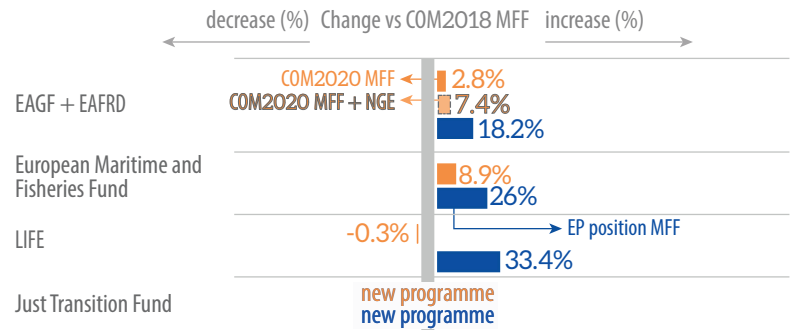
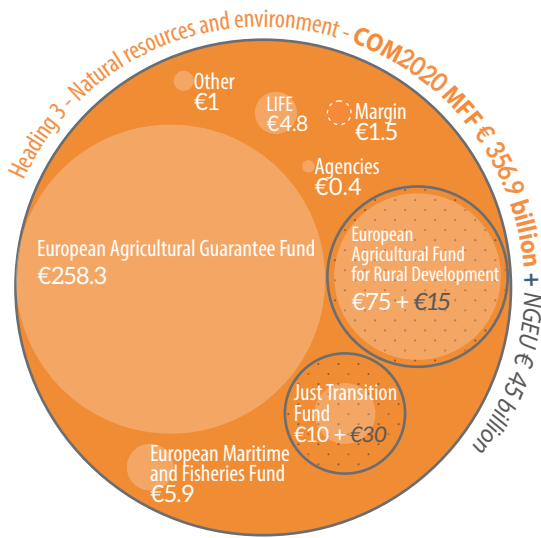
Other: Support to the Turkish-Cypriot Community (€0.17), European Solidarity Corps (€0.9), Justice, Rights and Values (€0.7), Protection of the Euro Against Counterfeiting (Pericles) (€0.01), Other (€1)

Heading 2 is the biggest among all seven MFF headings. Reinforced with €610 billion from NGEU, it amounts to €984.5 billion and represents more than half of the overall proposed package (MFF+NGEU). Of this amount, €560 billion would be spent through the Recovery and Resilience Facility, and €50 billion through React EU. Against the expectations of the European Parliament, many other programmes under heading 2 are cut in comparison with the MFF proposal of 2018. The reduction falls for example on the Pericles programme (-28.6%), European Solidarity Corps (-19.6%), Justice Rights and Values (-19.5%) and Erasmus+ (-6.7%). Moreover, the margin left under the heading is reduced by 47.7%.



Heading 3: Natural Resources and Environment

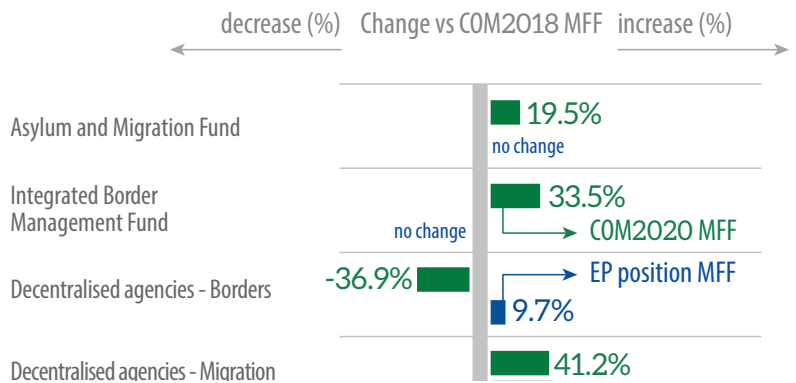
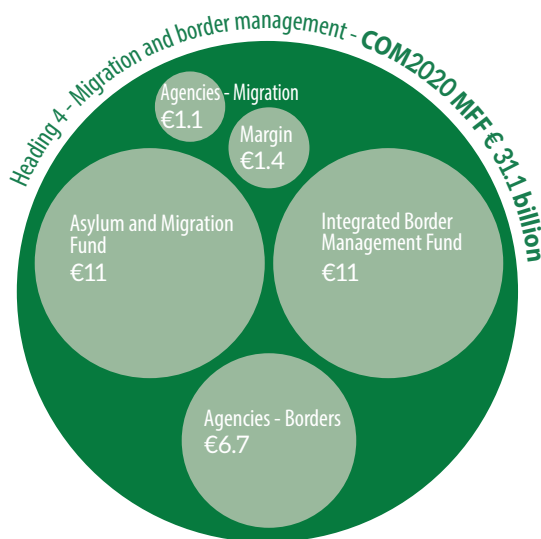
21.7% of total Commission proposal 2020 + NGEU



Heading 3 is the second biggest in terms of resources. It represents 32.5% of the proposed MFF alone and 21.7% of the total package (MFF+NGEU). Initially proposed by the European Parliament, the Just Transition Fund has been included in the MFF by the Commission and endowed with €10 billion. An additional €30 billion for the fund has been envisaged under NGEU. Both agricultural funds (EAGF and EAFRD) have slightly increased in comparison with COM2018 MFF. Still, the sum of the two funds and the additional €15 billion for the EAFRD from NGEU (€348.3 billion) is below the European Parliament position. The allocation for the LIFE programme has been slightly cut by the Commission and is also below the European Parliament's expectations. Unlike the margins under all other headings, the margin under heading 3 increases in the amended proposal from €0.81 billion to €1.5 billion.

Heading 4: Migration and Border Management

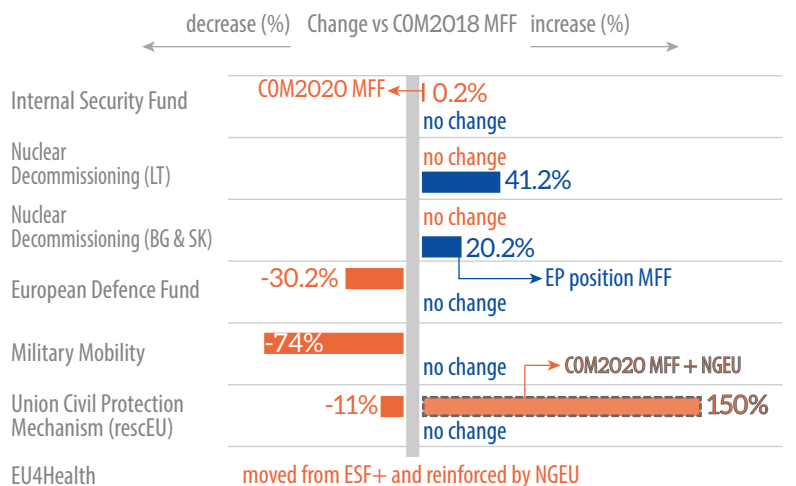
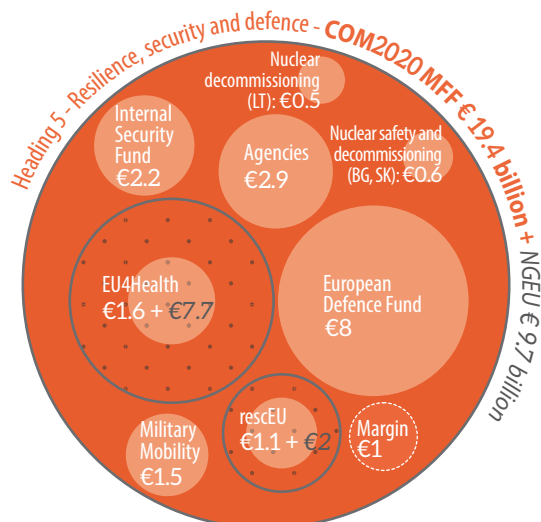
1.7% of total Commission proposal 2020 + NGEU



The Commission and the EP both agree on an increase in EU spending on migration and border management. In comparison to the proposal of 2018, the Asylum and Migration Fund is reinforced by 19.5% and the Integrated Border Management Fund by 33.5%. These increases are above the expectations of the EP. While the allocation for the decentralised agencies dealing with migration increases from €0.8 billion to €1.1 million (+41.2%), the spending on border management agencies falls from €10.6 billion to €6.7 billion. The margin under heading 4 is reduced by 33%.

Heading 5: Resilience, Security and Defence

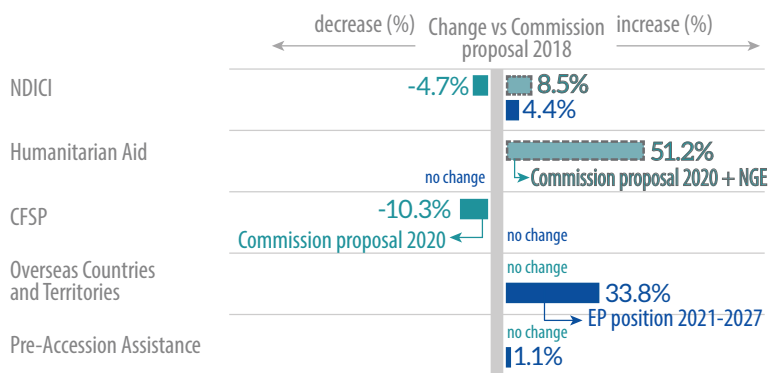
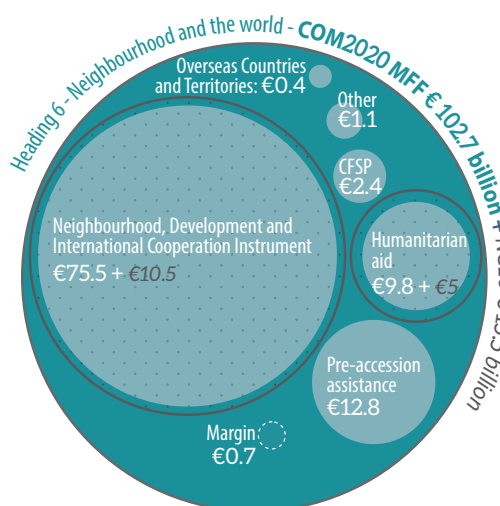
1.5% of total Commission proposal 2020 + NGEU



The allocation for heading 5 is the smallest among all seven headings and represents 1.6% of the total proposed package (MFF+NGEU). The largest item under heading 5, the European Defence Fund, is reduced by 30.1% in COM 2020. Also the allocation for military mobility is much lower than initially (-74%). The Commission proposed to cut by 11% (€136 million) the allocation for rescEU under the MFF and, at the same time, to reinforce it with €2 billion under NGEU. Moreover, the allocation for the EU4Health programme (previously included in the ESF+ under heading 2), has been substantially increased, both under the MFF and NGEU and amounts to €9.3 billion. The margin is scaled down by 37%.

Heading 6: Neighbourhood and the World

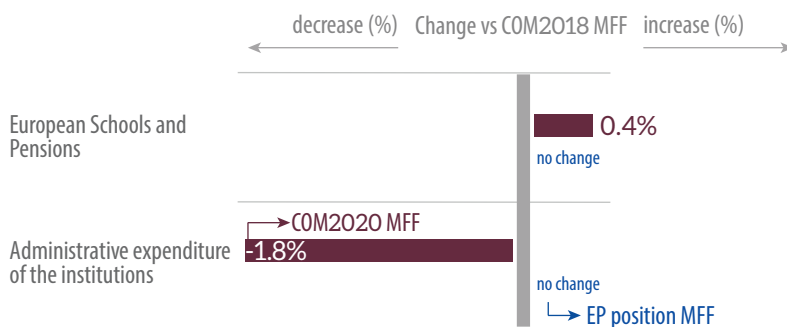
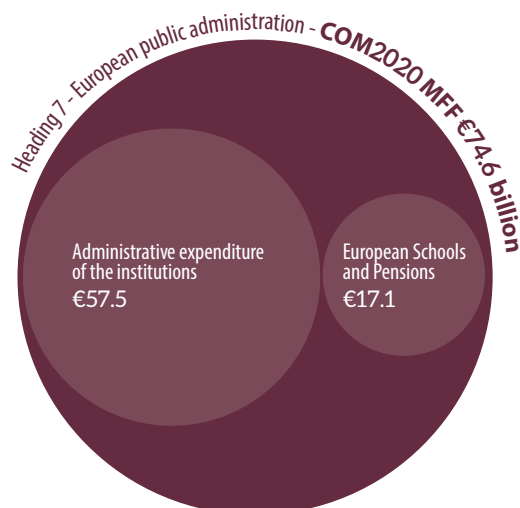
6.4% of total Commission proposal 2020 + NGEU



The Commission proposed a reduced (-5.7%) MFF allocation for heading 6 (€102.7 billion). Thus, the gap between this proposal and the European Parliament position amounts to €10.7 billion. The Commission also proposed to reinforce heading 6 with €15.5 billion from NGEU, and distribute it between the NDICI (€10.5 billion) and Humanitarian Aid (€5 billion). The CFSP and the margin are cut by 10.3% and by more than 77% respectively.

Heading 7: European Public Administration

4% of total Commission proposal 2020 + NGEU



Heading 7 represents 4% of the total proposed package (MFF+NGEU). The Commission deducted €1 billion (-1.8%) from its initial allocation for the administrative expenditure of the institutions. This is against the European Parliament's negotiating position.

Notes

All figures are in constant 2018 prices.

For detailed assumptions see: M. Parry, M. Sapala, [2021-2027 multiannual financial framework and own resources: Analysis of the Commission's proposal](#), EPRS, European Parliament, July 2018, p. 28.

Acronyms: Multiannual Financial Framework (MFF), European Parliament (EP), European Commission proposal for the 2021-2027 MFF of 2 May 2018 (COM2018 MFF), European Commission amended proposal for the 2021-2027 MFF of 27 May 2020 (COM2020 MFF), European Commission proposal for the recovery instrument, Next Generation EU (NGEU).

Data sources: European Commission, A Modern budget for a Union that protects, empowers and defends. The Multiannual Financial Framework for 2021-2027, [COM\(2018\) 321 final](#), 2 May 2018; European Commission, The EU budget powering the recovery plan for Europe, [COM\(2020\) 442 final](#), 27 May 2020; M. Parry, M. Sapala, [2021-2027 multiannual financial framework and new own resources. Analysis of the European Commission's proposal](#), In-depth Analysis, EPRS, July 2018; European Parliament resolution of [14 November 2018](#) on the Multiannual Financial Framework 2021-2027 – Parliament's position with a view to an agreement. [Committee on Budgets](#), European Parliament.

The briefing is an updated version of the EPRS publication '[The 2021-2027 Multiannual Financial Framework in figures](#)', January 2020.

This Briefing is part of a set related to the MFF. Others cover '[Single Market, Innovation and Digital](#)', '[Cohesion funds, values and economic and monetary union](#)', '[Natural Resources and Environment](#)', '[Migration and Border Management](#)', '[Security and Defence](#)', '[Neighbourhood and the World](#)' and '[European Public Administration](#)'.

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