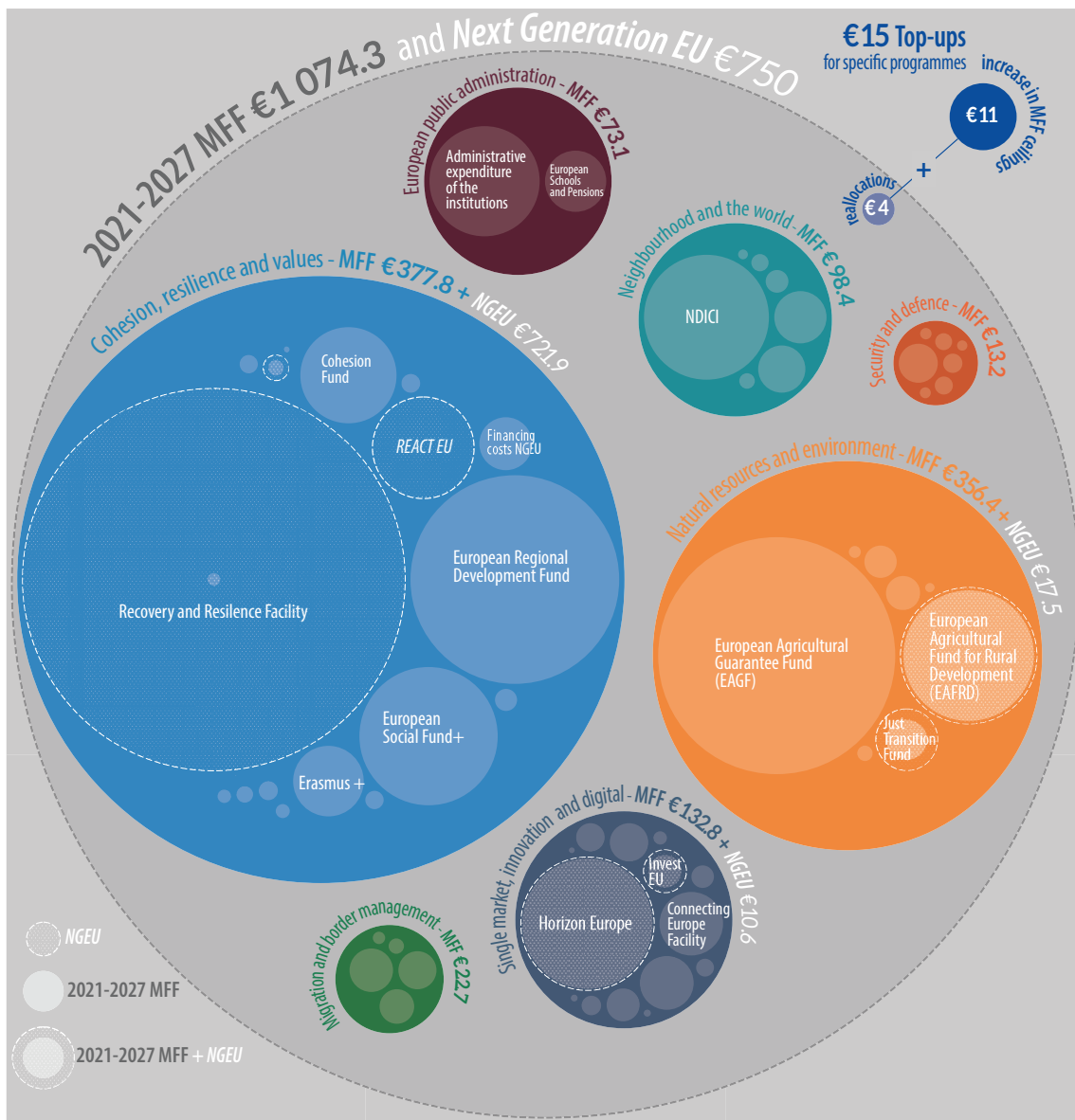


EU financing for 2021-2027

The 2021-2027 Multiannual Financial Framework (MFF), the Next Generation EU (NGEU) recovery instrument and new own resources

This briefing provides a graphic presentation of the long-term EU budget adopted on 17 December 2020, enabling the EU to finance the extraordinary needs in the aftermath of the Covid-19 pandemic. It highlights the improvements that the European Parliament achieved in particular.

2014-2020 MFF, 2021-2027 MFF, NGEU and top-ups (commitments, € billion, 2018 prices)





PACKAGE TOTAL

Commitments, € billion, 2018 prices

€1 835.3

Multiannual Financial Framework

2021 2027

		% share of total MFF
SINGLE MARKET, INNOVATION AND DIGITAL	€132.78	12.3%
COHESION, RESILIENCE AND VALUES	€377.76	35.2%
NATURAL RESOURCES AND ENVIRONMENT	€356.37	33.2%
MIGRATION AND BORDER MANAGEMENT	€22.67	2.1%
SECURITY AND DEFENCE	€13.18	1.2%
NEIGHBOURHOOD AND THE WORLD	€98.42	9.2%
EUROPEAN PUBLIC ADMINISTRATION	€73.10	6.8%

Top-up for specific programmes through an increase in the MFF

€11

European recovery instrument 'NGEU'

€750

2021 2023

NGEU PILLARS

- ★ Pillar 1:
Investment & reforms
- ★ Pillar 2:
Private investment
- ★ Pillar 3:
Lessons from the crisis

GRANTS AND GUARANTEES

€390

★ Recovery and Resilience Facility	€312.5
★ ReactEU	€47.5
★ Just Transition Fund	€10.0
★ Rural Development	€7.5
★ Horizon Europe	€5.0
★ rescEU	€1.9
★ InvestEU (guarantees)	€5.6

LOANS

€360

★ Recovery and Resilience Facility	€360
------------------------------------	------

Special flexibility instruments

€21.1






Solidarity and Emergency Aid Reserve	€8.4	Brexit Adjustment Reserve	€5.0
Flexibility Instrument (inc. €1 billion on which the European Parliament insisted)	€6.4	European Globalisation Adjustment Fund (EGF)	€1.3

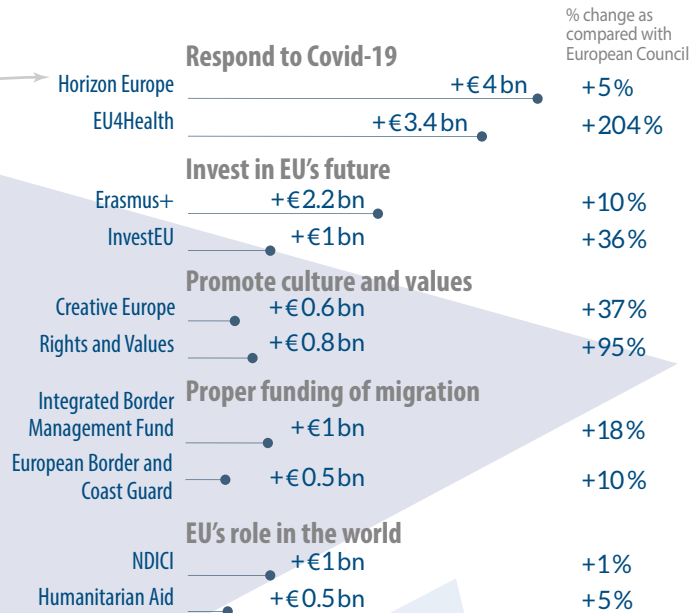
The agreement reached between the European Parliament and the Council Presidency is unprecedented in terms of the overall amount to be spent and the innovative solutions enabling financing of the extraordinary needs in the aftermath of the Covid-19 pandemic.

The overall ceiling of the 2021-2027 MFF is set at €1 074.3 billion (in 2018 prices) and will be gradually increased to €1 085.3 billion (+€11 billion). The increase is the result of the European Parliament's negotiating efforts to reinforce 10 selected EU flagship programmes. **Out of the total extra €15 billion, €11 billion will increase the MFF ceilings and €4 billion will be financed from reallocations and margins within the MFF** (see page 4).

From 2021 to 2023, the MFF will be supplemented by €750 billion from NGEU to arrive at a total of €1 835.3 billion. On top of this, the special flexibility instruments for unforeseen needs will amount to €21.1 billion (including €1 billion on which the European Parliament insisted).

European Parliament achievements

- 
TOP-UPS
 additional €15 billion for 10 flagship programmes
- 
MID-TERM REVIEW
 Mid-term review/revision of the MFF to be presented by the Commission by January 2024
- 
FLEXIBILITY
 Increased MFF flexibility
 +€1 billion for Flexibility Instrument
- 
JUST TRANSITION FUND
 New Just Transition Fund included in the MFF
- 
COHESION AND COMMON AGRICULTURE POLICY
 Allocation maintained at level comparable to 2014-2020




EXPENDITURE


EUROPEAN PARLIAMENT ACHIEVEMENTS





REVENUE


EU VALUES AND OBJECTIVES

- 
NEW OWN RESOURCES
 Legally binding plan for introduction of new own resources
 - 2021: non-recycled plastic packaging waste
 - 2023: Emissions trading system carbon border adjustment mechanism and digital levy
 - 2026: other new own resources such as financial transaction tax and common corporate tax base
 - New own resources should cover the cost of repayments and interest for NGEU

- 
FINANCING OF THE TOP-UP
 Use revenue from competition fines, decommitted research funds and reflows under the European Development Fund to **top up** flagship programmes and **increase the MFF ceilings**

- 
RULE OF LAW
 - Broadened definition of breaches of the rule of law
 - Financial beneficiaries are protected
 - Preventive mechanism triggered if serious risk of a breach
 - Shorter deadlines for action
 - Suspended commitments transferred up to year n+2

- 
SPENDING TARGETS
 - **Climate**: at least 30% of MFF and NGEU spending
 - **Biodiversity** annual target in the MFF spending: 7.5% by 2024, 10% by 2026
 - **Gender equality**: better method to track spending

- 
NEXT GENERATION EU
 - EP role enhanced in **budgetary scrutiny** and **oversight** of external assigned revenue and expenditure
 - '**Constructive dialogue**' in case of new proposals based on Art. 122 TFEU

EU flagship programmes reinforced with additional resources

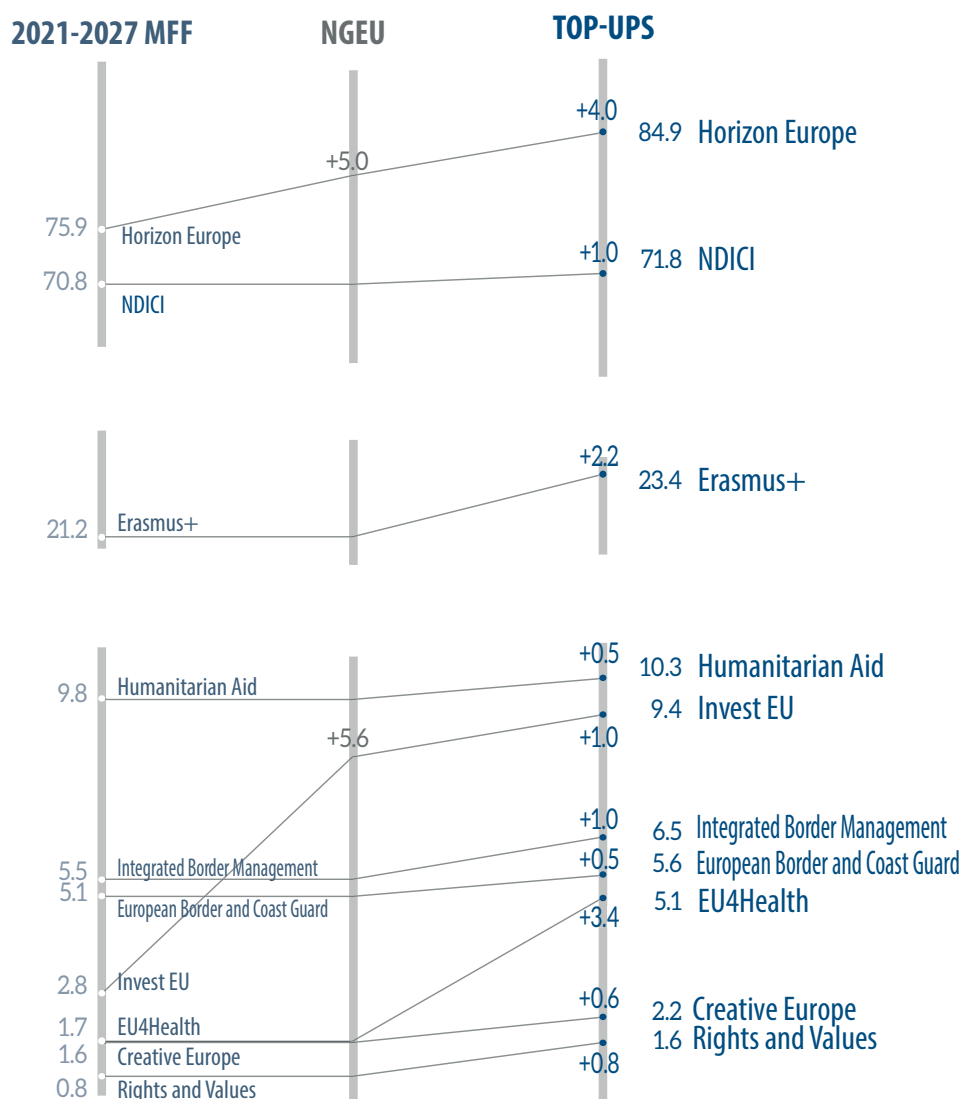
During the MFF negotiations, the European Parliament obtained €15 billion to reinforce ten EU flagship programmes on top of the amounts agreed by the European Council in July 2020. The top-up will be financed in the following way:

- €11 billion from a new mechanism linked to the proceeds from competition fines collected by the EU. This mechanism will result in a genuine increase of the

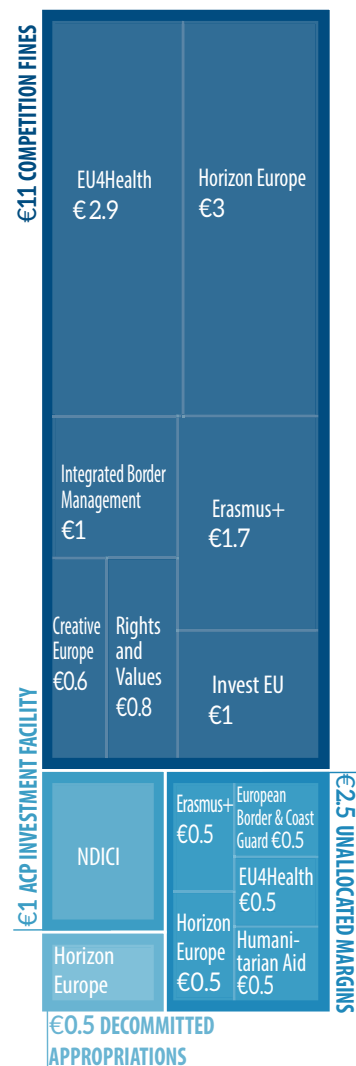
MFF ceilings on a yearly basis throughout 2022-2027;

- €2.5 billion from margins left unallocated within the ceilings set by the European Council in July 2020;
- €1 billion from reflows from the ACP Investment Facility (European Development Fund);
- €0.5 billion from decommitted appropriations in the area of research (based on Article 15(3) of the Financial Regulation).

Commitments, € billion, 2018 prices



FINANCING OF TOTAL €15 TOP-UPS



Notes

All figures are in constant 2018 prices, in € billion. 2014-2020 MFF (EU27, with EDF).

Acronyms: Multiannual Financial Framework (MFF), European Parliament (EP), Next Generation EU recovery instrument (NGEU).

Data sources: European Council conclusions, [17-21 July 2020](#); Council [Regulation 2020/2093](#) laying down the 2021-2027 MFF, 17 December 2020; [Interinstitutional agreement](#) on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, 16 December 2020; Visualising the proposed European Union 2021-2027 multiannual financial framework and the recovery instrument (Next Generation EU), [animated infographic](#), EPRS, 2020.

This Briefing is part of a set of infographics related to the negotiations on the 2021-2027 MFF and the Next Generation EU recovery instrument. Earlier versions include: G. Sabbati, M. Sapala, [The 2021-2027 Multiannual Financial Framework in figures](#); M. Sapala, N. Kresnichka-Nikolchova, [Amended proposal for the 2021-2027 MFF and 2021-2024 recovery instrument 'Next Generation EU' in figures](#).

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