



European  
Commission

# EU BUDGET 2021

## A KICK-START OF THE EUROPEAN RECOVERY

#EUBudget #EUSolidarity #StrongerTogether



June 2020



*“The funding from the budget 2021 will help rebuild and modernise our Union, in the spirit of the green and digital transitions. It will also enable Europe to continue delivering on the six priorities of the von der Leyen Commission.”*

Johannes Hahn, EU Commissioner for Budget and Administration

In 2021, the European Union should have a budget of €166.7 billion, the Commission has proposed today. It will receive a contribution of €211 billion in grants and approximately €133 billion in loans from Next Generation EU – the temporary recovery instrument aimed to mobilise investments and kick-start the European economy.

Taken together, the budget and Next Generation EU will mobilise significant investments in 2021 to address the immediate economic and social damage brought by the coronavirus pandemic; kick-start a sustainable recovery and protect and create jobs.

## 1 Where will the money go?

The 2021 draft budget, boosted by Next Generation EU, directs funds to where they can make the greatest difference, in line with the most crucial recovery needs of the EU Member States and our partners around the world.

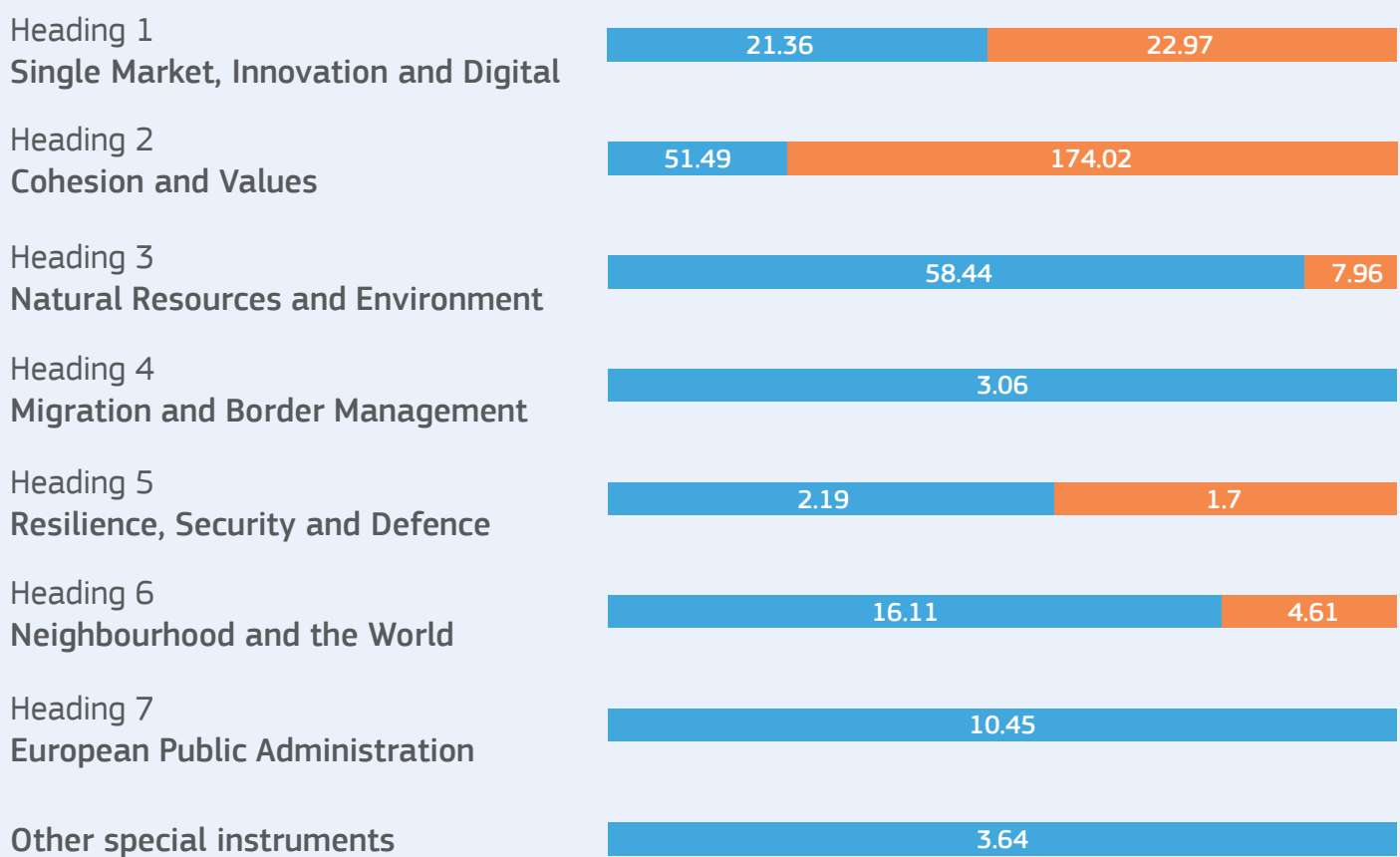


# Total EU budget and Next Generation EU - €378 billion

(plus €132.65 billion loans)



## Funding per heading in 2021



**DRAFT BUDGET 2021**  
TOTAL: **€166.75**

**NEXT GENERATION EU 2021**  
TOTAL: **€211.25**  
(plus €132.65 loans)

All amounts in EUR billion, in current prices.  
Source: European Commission



# 2 How will the funds under Next Generation EU be distributed?

In 2021, the additional funds from Next Generation EU will go to all three pillars of the Recovery Plan. The additional financing will thus go to Europe's regions, companies and citizens, the health sector and global partners. It will be used in combination with the funds due in the first year of the 2021-2027 multiannual financial framework.

## Funding for Next Generation EU-supported programmes in 2021

### Pillar 1

#### SUPPORTING MEMBER STATES TO RECOVER

	Next Generation EU in 2021	Total in 2021
Recovery and Resilience Facility		
Of which GRANTS	131.58	131.7
Of which LOANS (outside of the EU budget)	132.65	132.65
REACT-EU	42.44	42.45
Rural development	-	15.00
Just Transition Fund	7.96	9.47
<b>Total Pillar 1</b>	<b>181.78</b> +132.65 loans	<b>198.43</b> +132.65 loans

### Pillar 2

#### KICK-STARTING THE ECONOMY AND HELPING PRIVATE INVESTMENT

	Next Generation EU in 2021	Total in 2021
InvestEU, including Strategic Investment Facility	9.65	10.12
Solvency Support Instrument	8.28	8.28
<b>Total Pillar 2</b>	<b>17.92</b>	<b>18.40</b>

### Pillar 3

#### LEARNING THE LESSONS FROM THE CRISIS

	Next Generation EU in 2021	Total in 2021
Health programme	1.17	1.19
Union Civil Protection Mechanism (rescEU)	0.53	0.62
Horizon Europe	5.05	17.31
Neighbourhood, Development and International Cooperation	3.29	15.37
Humanitarian Aid	1.32	2.8
<b>Total Pillar 3</b>	<b>11.35</b>	<b>37.27</b>

All amounts are commitments in EUR billion, in current prices.  
Source: European Commission

# 3 What happens next?

The draft budget for 2021 is based on the Commission proposal for EU's next long-term budget as put forward in May 2020. The European Commission now submits its proposal to the European Parliament and the Council, which will adopt their respective positions.

In late autumn, the two institutions will have 21 days to agree on a final budget, during the conciliation period. This year, it runs between 27 October and 16 November. Once an agreement will have been reached, the European Parliament and the Council will have to approve it.

In the meantime, negotiations on the revamped long-term budget and Next Generation EU continue. Once the European Parliament and the Council agree on the MFF 2021-2027, including Next Generation EU, the Commission will adapt its proposal to the outcome through an amending letter.

It is essential that the draft budget is adopted swiftly so that hundreds of thousands of farmers, researchers, entrepreneurs and municipalities across Europe can start benefitting from it and invest the funds in a better future of the next generations.

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