

# What the EU can and cannot do?

Philosophy, Economics and Politics: Current Debates  
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# Introduction

EU: mix of exclusive and shared responsibilities.

Shared responsibilities: Examples of agendas where the European Commission proposes, but the EU countries are unwilling/unable to accept the proposed solution.

=> Limited ability to push its agenda forward in the area of shared responsibilities.

**A: European Legal system**

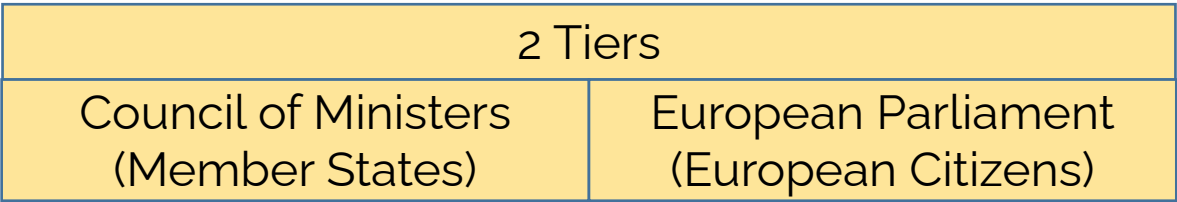
# A Crucial Issue: What is the EU?

- A pan-European Union?
- A large single market (4 freedoms) +?
- ***A complex political entity:***
  - Less than a state and less than a federation
  - But more than an intergovernmental organization
  - EU – as an entity *sui generis* - with a unique nature and structure
    - Member States remain sovereign nations
      - But they delegate some of their decision-making powers to shared institutions: specific issues, joint interests

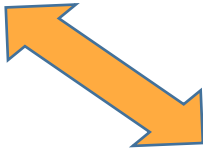
# Features of the Resulting System

- EU as a new international legal order?
- EU creates norms and standards (Single Market)
  - Direct effects
  - Supremacy (relative to national law)
- But unlike “normal” states: not always and for all areas

# Basic Structure



Legislative Power



Judiciary Power



Executive Power

ECJ  
National Courts

European  
Commission

# Competences

- Articles 2-6 of the Treaty on the Functioning of the EU (TFEU)
- Exclusive competences
  - **Member states are not permitted to make their own laws** concerning that area.
- Shared competences
  - Both the EU and the member states may make laws, but EU law has primacy over any adopted national law,
  - *The Union shall share competence with the Member States where the Treaties confer on it a competence which does not relate to the areas referred to in Articles 3 and 6.* (Article 4 TFEU)
- Supporting actions
  - Article 6: "supportive, coordinating or complementary action"
  - The EU can adopt binding laws, but not standardise across the EU ("harmonise") national laws.

# Exclusive and shared competences

Exclusive competence	Shared competence		Supporting competence
<p>The Union has exclusive competence to make directives and conclude international agreements when provided for in a Union legislative act as to ...</p> <ul style="list-style-type: none"> <li>• the customs union</li> <li>• the establishing of the competition rules necessary for the functioning of the internal market</li> <li>• monetary policy for the Member States whose currency is the euro</li> <li>• the conservation of marine biological resources under the common fisheries policy</li> <li>• Common Commercial Policy</li> <li>• conclusion of certain international agreements</li> </ul>	<p>Member States cannot exercise competence in areas where the Union has done so, that is ...</p> <ul style="list-style-type: none"> <li>• the internal market</li> <li>• social policy, for the aspects defined in this Treaty</li> <li>• economic, social and territorial cohesion</li> <li>• agriculture and fisheries, excluding the conservation of marine biological resources</li> <li>• environment</li> <li>• consumer protection</li> <li>• transport</li> <li>• trans-European networks</li> <li>• energy</li> <li>• the area of freedom, security and justice</li> <li>• common safety concerns in public health matters, for the aspects defined in this Treaty</li> </ul>	<p>Union exercise of competence shall not result in Member States being prevented from exercising theirs in ...</p> <ul style="list-style-type: none"> <li>• research, technological development and (outer) space</li> <li>• development cooperation, humanitarian aid</li> </ul> <p>The Union coordinates Member States policies or implements supplemental to their common policies not covered elsewhere in ...</p> <ul style="list-style-type: none"> <li>• the coordination of economic, employment and social policies</li> <li>• common foreign, security and defence policies</li> </ul>	<p>The Union can carry out actions to support, coordinate or supplement Member States' actions in ...</p> <ul style="list-style-type: none"> <li>• the protection and improvement of human health</li> <li>• industry</li> <li>• culture</li> <li>• tourism</li> <li>• education, youth, sport and vocational training</li> <li>• civil protection (disaster prevention)</li> <li>• administrative cooperation</li> </ul>



# Areas of Exclusive Competences

- According to the Article 3 TFEU:
  - Customs union
  - Establishing competition rules necessary for the functioning of the internal market
  - Monetary policy for the Member States whose currency is the euro
  - Conservation of marine biological resources under the common fisheries policy
  - Common commercial policy
  - Concluding international agreements
    - when their conclusion is required by a legislative act of the EU
    - when their conclusion is necessary to enable the EU to exercise its internal competence
    - in so far as their conclusion may affect common rules or alter their scope.

# Areas of Shared Competences

- Article 4 TFEU
  - **Internal market**
  - Social policy, limited to the aspects defined in the TFEU
  - Economic, social and territorial cohesion
  - Agriculture and fisheries, excluding the conservation of marine biological resources
  - Environment
  - Consumer protection
  - Transport
  - Trans-European networks
  - Energy
  - Area of freedom, security and justice
  - **Common safety concerns in public health matters, limited to the aspects defined in the TFEU**
  - Research, technological development and space development cooperation and humanitarian aid

# Supporting Actions: Areas

- Article 6 of the TFEU
  - **Protection and improvement of human health**
  - Industry
  - Culture
  - Tourism
  - Education, vocational training, youth and sport
  - Civil protection
  - Administrative cooperation

# The EU's Health Policy

EU **countries hold primary responsibility** for organising and delivering health services and medical care. EU health policy therefore serves to complement national policies, and to ensure health protection in all EU policies.

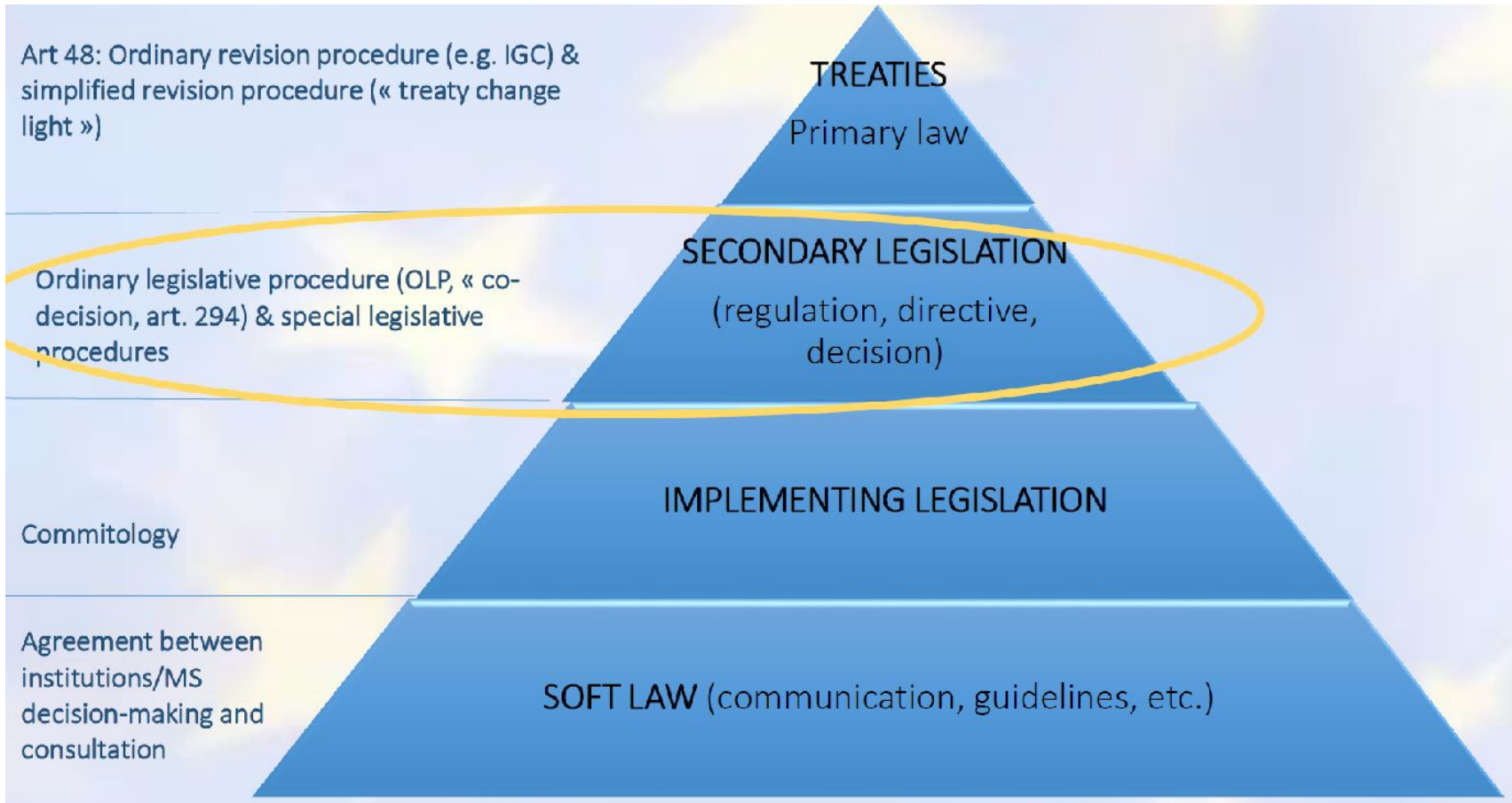
[https://ec.europa.eu/health/policies/overview\\_en](https://ec.europa.eu/health/policies/overview_en)

The EC can:

- Proposing legislation: patients' rights in cross-border health care; pharmaceuticals; cross border health threats
- Providing financial support
- Coordinating and facilitating the exchange of best practices between EU countries and health experts
- Health promotion activities.

# Exclusive and shared competences

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# Foundations: EU Treaties



# European Legal System

1. The Treaty on European Union and the Treaty on the Functioning of the European Union - constitutional level; approved by all member states, sets the institutional framework and division of powers
2. Secondary legislation
  - **Regulation:** general application, directly applicable in Member States
  - **Directive:** general application, binding framework for implementation in national legislation
  - **Decision:** directly binding upon those addressed
  - Recommendation, opinion: no binding force
3. European Court of Justice + the European Council (prime ministers) - enforcement

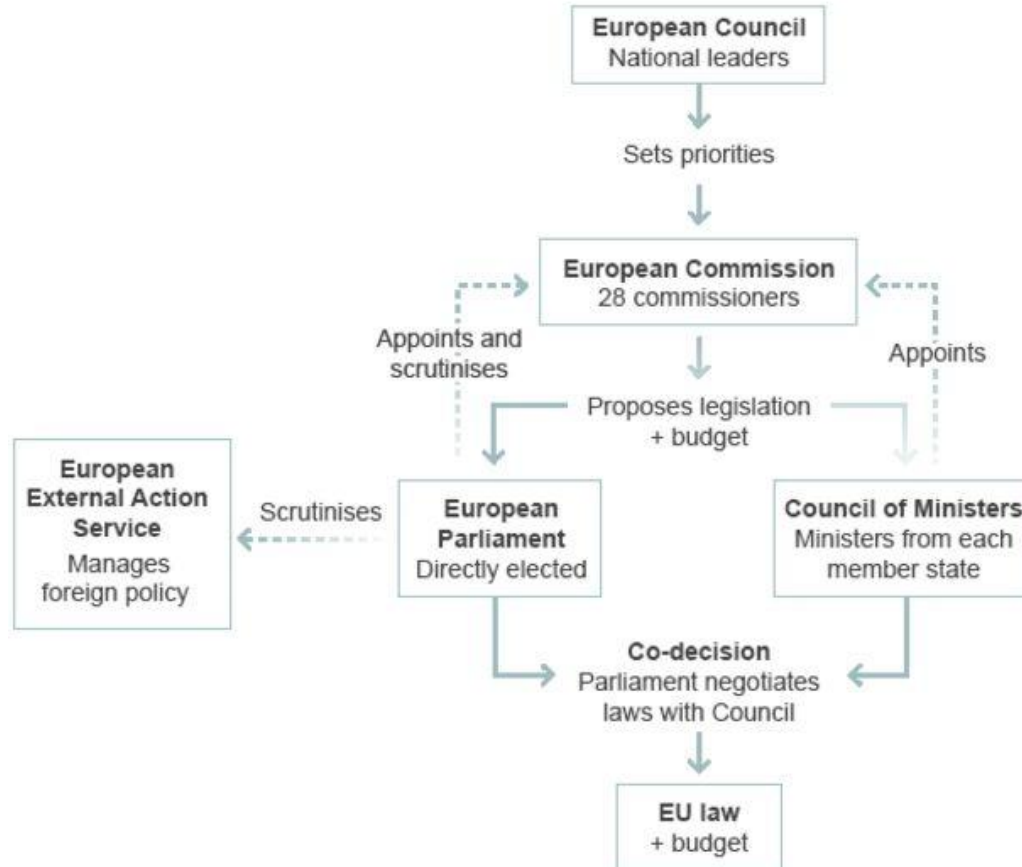


# EU Law: From Draft to Implementation



The EU legislation is proposed by the European Commission - but it's just the beginning:

### EU power structure



# Ordinary Legislative Procedure (Codecision)

- The EU's standard decision-making procedure
- The directly elected European Parliament has to approve EU legislation together with the Council
- How does it work?
  - The Commission sends proposal to EP and the CoM for joint decision-making
  - Two readings of the proposal by EP and the CoM
  - If EP and Council don't agree, proposal is brought before Conciliation Committee (equal number of representatives of EP and Council); Commission contributes to the discussion
  - If Committee reaches agreement, text is sent to EP and Council for a third reading and final adoption
  - In case of disagreement the proposal is rejected

## **B: Barriers to Successful Cooperation**

# Limits of Existing EU policies

The long-term dilemma between **federalism** (centered around the European Parliament) and **intergovernmentalism** (the European Council!) + the **technocratic nature** of the European Commission, and, to some extent, of the Council (=Council of Ministers); which is the main legacy of Jean Monnet.

Visible in many areas: Migration crisis, EMU crisis, evident frauds and misuses of EU funding in several EU countries...

Clear limits in “capacity to deliver solutions”, that are related to the very core of the structure of the EU governance that is mixing the exclusive and shared responsibilities.

# Barriers to Efficient Cooperation: Game Theory

- Conflict between “national interests” and “common interests”
  - Illustration: strong common position (e.g. EU v. Russia) or better position for some members thanks to the lack of common position
  - *Prisoner's dilemma?*
- Trust issue
  - Assurance games: conflict between safety and social cooperation
  - Actors share a single most-preferred outcome but have difficulty in reaching such an outcome due to the anticipation of possible mistake or unintentional move by other actors
    - Actors may fail to reach Pareto-efficient Nash equilibrium because they doubt the willingness and reliability of their partner
  - *Stag hunt game*
- Coordination issues
  - Multiple Nash Equilibria – with individual actors having a different ordering over such equilibria
  - *Battle of the sexes*
- Free riding

# The Prisoner's Dilemma

Figure 3.2 Prisoners' Dilemma Game (ordinal form)

		Player Beta	
		<i>S1</i>	<i>S2</i>
Player Alpha	<i>S1</i>	3, 3	1, 4
	<i>S2</i>	4, 1	2, 2

# The Stag Hunt

Figure 3.3 Assurance game (Stag Hunt) (ordinal form)

		Player Beta	
		<i>S1</i>	<i>S2</i>
Player Alpha	<i>S1</i>	4, 4	1, 3
	<i>S2</i>	3, 1	2, 2



# Battle of the Sexes

Figure 3.4 Co-ordination game (Battle of the Sexes)  
(ordinal form)

		Player Beta	
		<i>S1</i>	<i>S2</i>
Player Alpha	<i>S1</i>	<b>4, 3</b>	1, 1
	<i>S2</i>	1, 1	<b>3, 4</b>

# Additional Issues

- Implementation in individual member countries can differ
  - Example:
    - Directives and gold-plating
      - *The members of the High Level Group agree that gold-plating practices are one of the main sources of administrative burden overarching the full spectrum of implementation fuelled by an atmosphere of distrust across the system of ESIF management and by a fear of non-compliance due to legal uncertainty.*
        - Source: 4<sup>th</sup> MEETING of the High Level Expert Group on Monitoring Simplification for Beneficiaries of ESI Funds
- Conflict between complexity and capacity of actors

# The limits of the EU can cause crises of legitimacy

Example: The EMU crisis

Apparent and well known flaws of the EMU:

- No lender of last resort
- Limited credibility of no-bailout clause
- Vicious circle between vulnerability of banks and sovereigns (steps towards banking union might help)
- No risk sharing, no “federal” budget for transfers.

+ The SGP reforms of 2010-2012 caused deterioration of legitimacy

The Commission was granted by an effective power to decide about taxation in Member States - the European Semester implies the budget has to be approved by the Commission => the problem of no taxation without representation arise; clear illustration - Italy.

# **C: European Multiannual Financial Framework**

# The EU's Multiannual Financial Framework

Understanding the Multiannual Financial Framework

The 2021-2027 MFF: Structure and Priorities

Challenges for Negotiations:

- Size of the budget
- Common Agricultural Policy, and Regional and Cohesion Policy
- Brexit hole
- Rule of law and EU funding conditionality
- COVID-19 Pandemics

# The Multiannual Financial Framework (MFF)

- Sets out the long-term budget of the European Union)
- **It's a decision about policy priorities for seven years as well!**

Policy priorities are outlined for seven years, and under each heading, spending 'ceilings', maximum annual amounts that can be spent, are agreed.

- The current MFF covers the period 2014-2020.
- Legally binding (since the Lisbon Treaty)
- Quick reference on financing the EU available at <http://www.europarl.europa.eu/factsheets/en/section/188/financing>

## Treaty on the Functioning of the European Union, Title II, Chapter 2

1. The multiannual financial framework shall ensure that Union expenditure develops in an orderly manner and within the limits of its own resources.

It shall be established for a **period of at least five years**.

The annual budget of the Union shall comply with the multiannual financial framework.

2. The Council, acting in accordance with a special legislative procedure, shall adopt a regulation laying down the multiannual financial framework. **The Council shall act unanimously after obtaining the consent of the European Parliament, which shall be given by a majority of its component members.**

The European Council may, unanimously, adopt a decision authorising the Council to act by a qualified majority when adopting the regulation referred to in the first paragraph.

## Treaty on the Functioning of the European Union, Title II, Chapter 2 (Cont.)

3. The financial framework shall determine the amounts of the annual ceilings on commitment appropriations by category of expenditure and of the annual ceiling on payment appropriations. The categories of expenditure, limited in number, shall correspond to the Union's major sectors of activity.

The financial framework shall lay down any other provisions required for the annual budgetary procedure to run smoothly.

4. Where **no Council regulation determining a new financial framework has been adopted** by the end of the previous financial framework, the ceilings and other provisions corresponding to the last year of that **framework shall be extended until such time as that act is adopted.**

5. Throughout the procedure leading to the adoption of the financial framework, the European Parliament, the Council and the Commission shall take any measure necessary to facilitate its adoption.

(Consolidated version of the Treaty on the Functioning of the European Union;

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:12012E/TXT>)



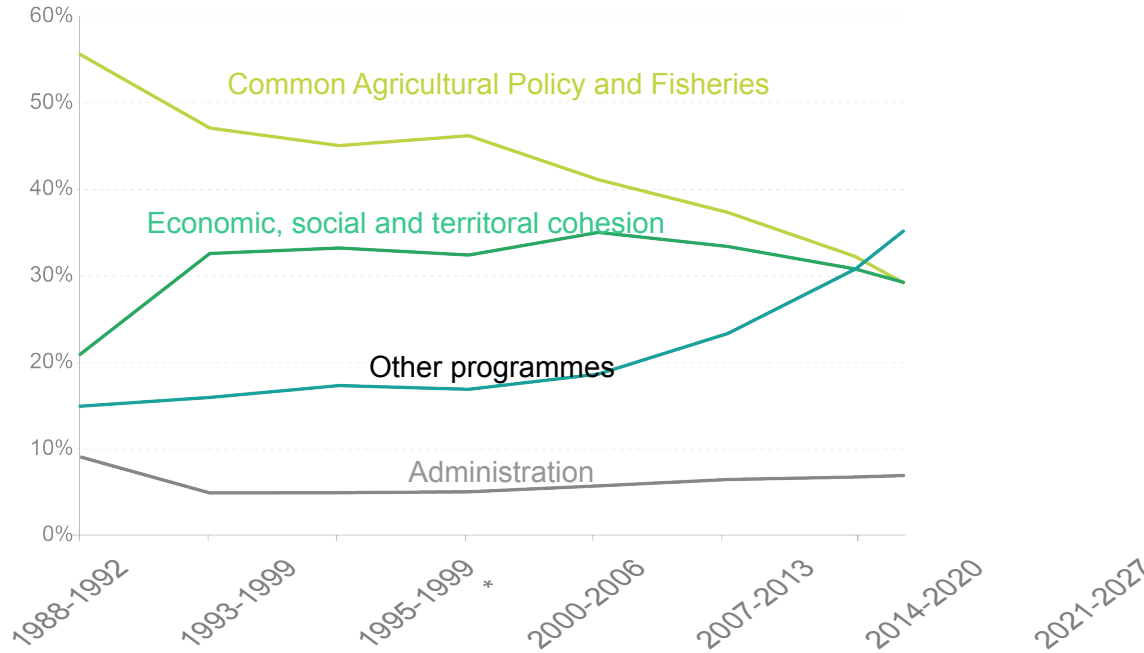
# The Multiannual Financial Framework 2021-2028

- Proposed by the Juncker's Commission on 2 May 2018 as "*A Modern Budget for a Union that Protects, Empowers and Defends*".
- €1,135 billion in commitments to be pledged by Member States (expressed in 2018 prices), equivalent to 1.11 per cent of the EU27's gross national income (GNI).
- An 0.1% increase over the previous MFF. The European Parliament proposed to increase the ceiling to 1.3% of GNI.
- This increase already declared as unacceptable by Netherlands; in coalition with Denmark, Sweden, Finland and Austria (*the Frugal Five*).
- Poland, Hungary, and other CEE supported higher EU budget, but strongly against conditionality (rule of law provisions)
- Aim of the new MFF: Focus on *European value added*.

# Matching priorities with resources

## Rebalancing and fairness

### Evolution of main policy areas in the EU budget

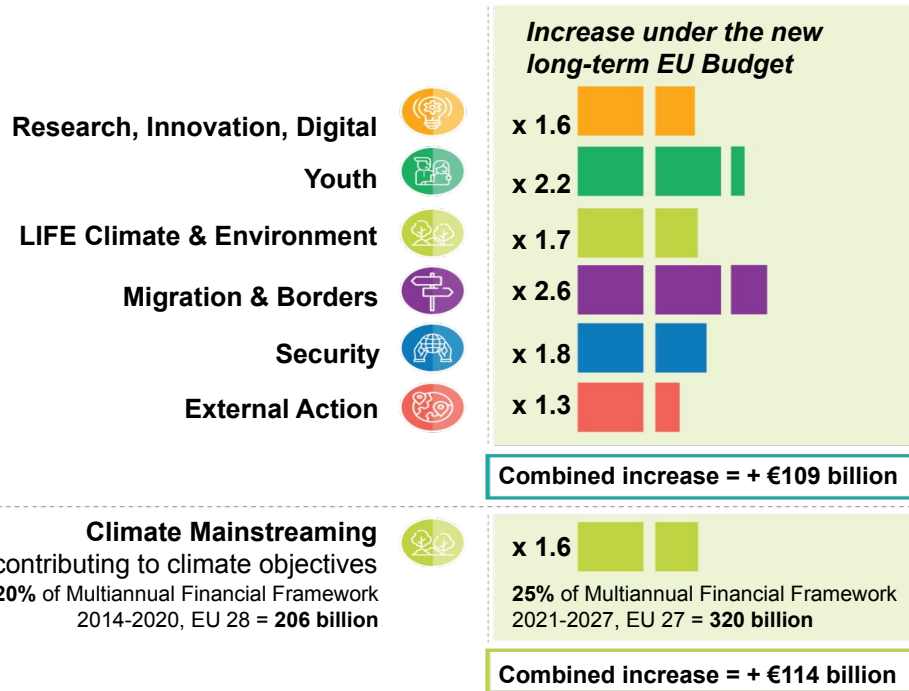


Note: A comparison between nominal and real spending can be found [here](#).

\*Adjusted for 1995 enlargement

Source: European Commission

# New Priorities: Focus on European added value



*Note:* Compared to Multiannual Financial Framework 2014-2020 at EU-27, including European Development Fund

Source: European Commission

# MFF Negotiations

The [negotiations on the MFF](#) were in a deadlock for a long time:

No negotiations of the Commission and the Council with the Parliament:

<https://www.euractiv.com/section/economy-jobs/news/meps-ready-to-fight-against-member-states-on-eu-budget/>

<https://www.politico.eu/article/european-parliament-david-sassoli-eu-budget-strategy-go-big-then-go-home/>

[No deal](#) on the Council summit in December 2019

[No deal](#) on the Council summit in February 2020

Most ambitious climate goals proposed by countries who are against higher EU budget.



This evening's plenary meeting lasted around 29 minutes | Olivier Hoslet/EPA

## **EU budget summit ends with no deal**

Leaders unable to agree on 2021-2027 spending plan.

# The Multiannual Financial Framework (MFF)

- New proposal drafted by von der Leyen's Commission in May 2020. Affected strongly by the COVID-19 pandemics in 2020: the budget amended by the ["Next Generation EU"](#) recovery package.
- Two main breakthroughs:
  - Brussels Summit - 16 - 21 July 2020, 90 hours of talk, second longest EU summit in the history (25 shorter than the one preceding acceptance of the Treaty of Nice) => EU leaders agreed on €750 bn recovery package, loans and grants included. Opposed mainly by the Frugal Five, after the first wave of the epidemics when the countries in the South were affected disproportionately more. But no unanimous support for the MFF.
  - Final Deal reached on December 10, finally approved by the EU Parliament on December 17.



**Charles Michel** ✓

@eucopresident



We did it! We have reached a deal on the recovery package and the European budget for 2021-2027.

This is a strong deal. And most importantly, the right deal for Europe right now.

#EUCO



7:00 AM · Jul 21, 2020



4.2K



1.6K



Copy link to Tweet

**Next Generation EU  
2021-2023**

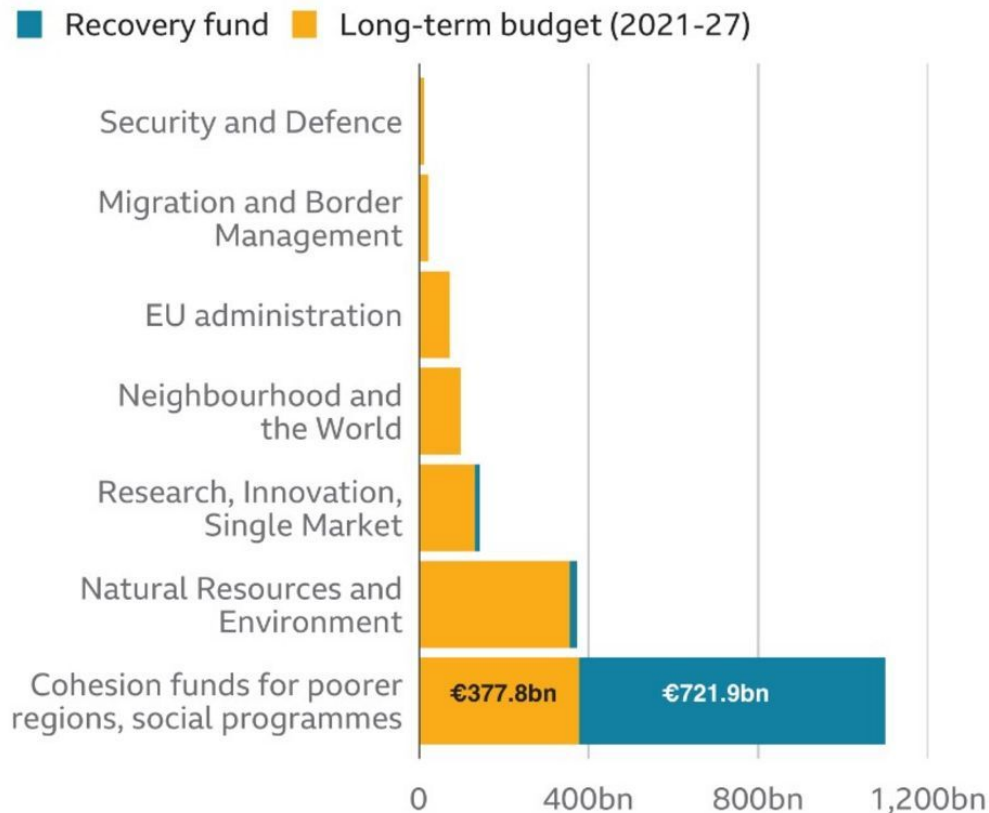
**Temporary reinforcement  
€ 750 billion**

**Multiannual Financial  
Framework  
2021-2027**

**€ 1 074.3 billion**

## EU long-term budget and Covid recovery fund

Total: €1.82 trillion



Source: EU

BBC



# Revenues

Own revenues:

- 80% of customs duties on imports outside the EU
- Part of VAT collected by the Member States
- Levy on Member States' GNI of a uniform percentage
- Other resources such as the contribution of the non-Member States

The Next Generation EU Plan financed via borrowings on financial markets => some see this plan as the first step towards the Fiscal union.

Backed by temporary increase on Member States' contribution to 2 % of GNI.

More on revenues on the EP official site:

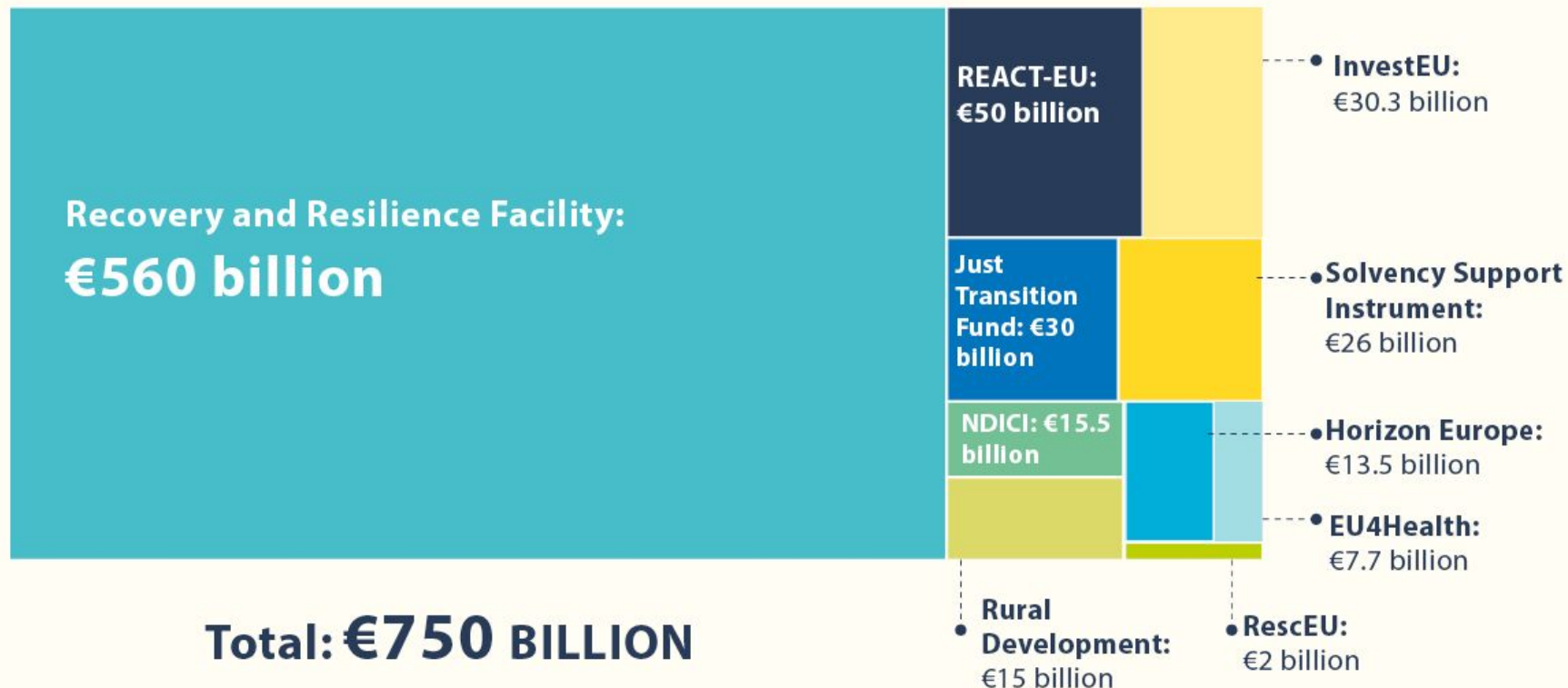
<https://www.europarl.europa.eu/factsheets/en/sheet/27/the-union-s-revenue>

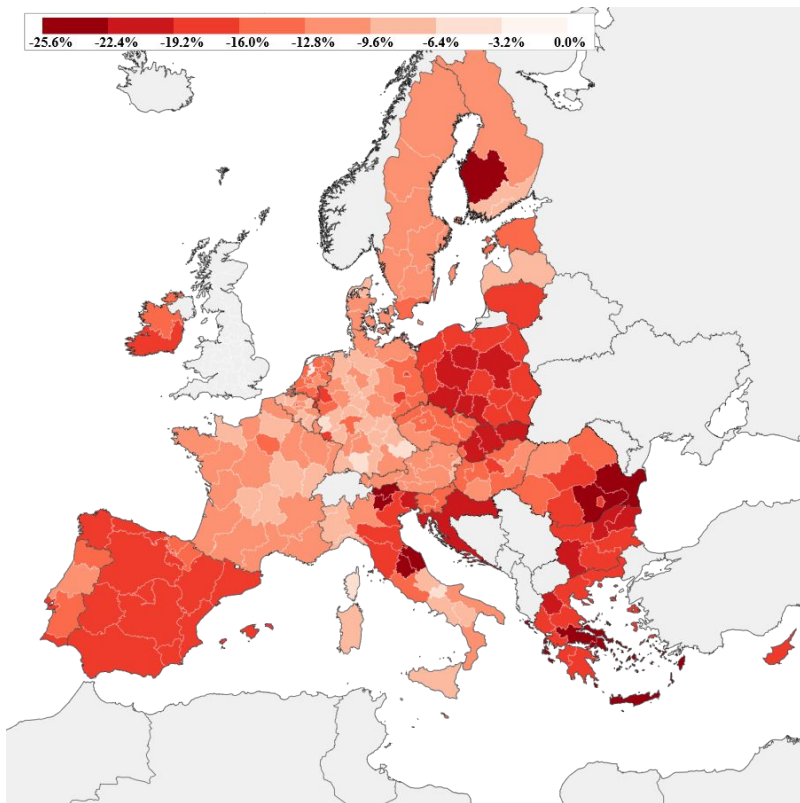
# New Revenues for the EU?

Since the EU member states are not willing to contribute more, new financial resources were proposed and [are supposed to be drafted by the Commission](#):

- 20% of the revenues from the Emissions Trading System;
- A 3% call rate applied to the new Common Consolidated Corporate Tax Base (to be phased in once the necessary legislation has been adopted);
- A national contribution calculated on the amount of non-recycled plastic packaging waste in each Member State (EUR 0.80 per kilo) - approved.
- Phasing out of current rebates by 2025
- Rising the share of customs revenues to 90%, and left just 10% to the Member States.

# Next Generation EU

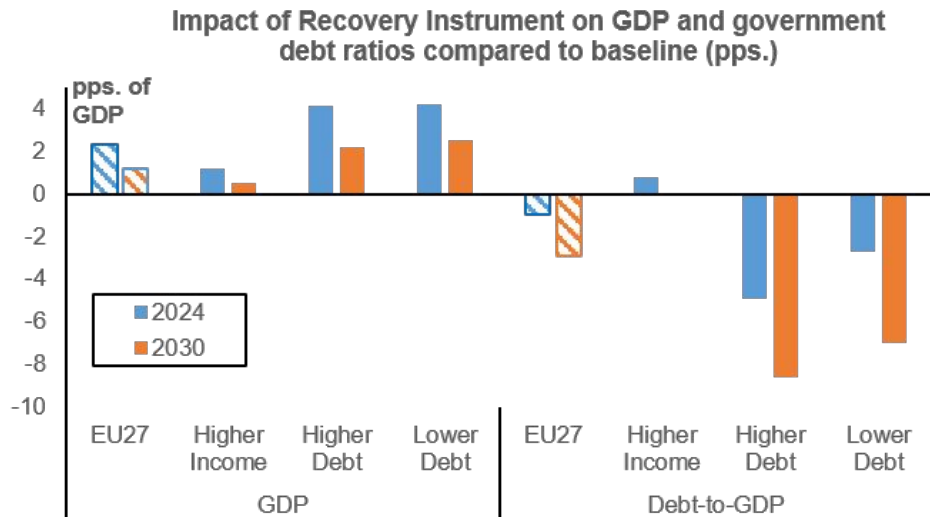




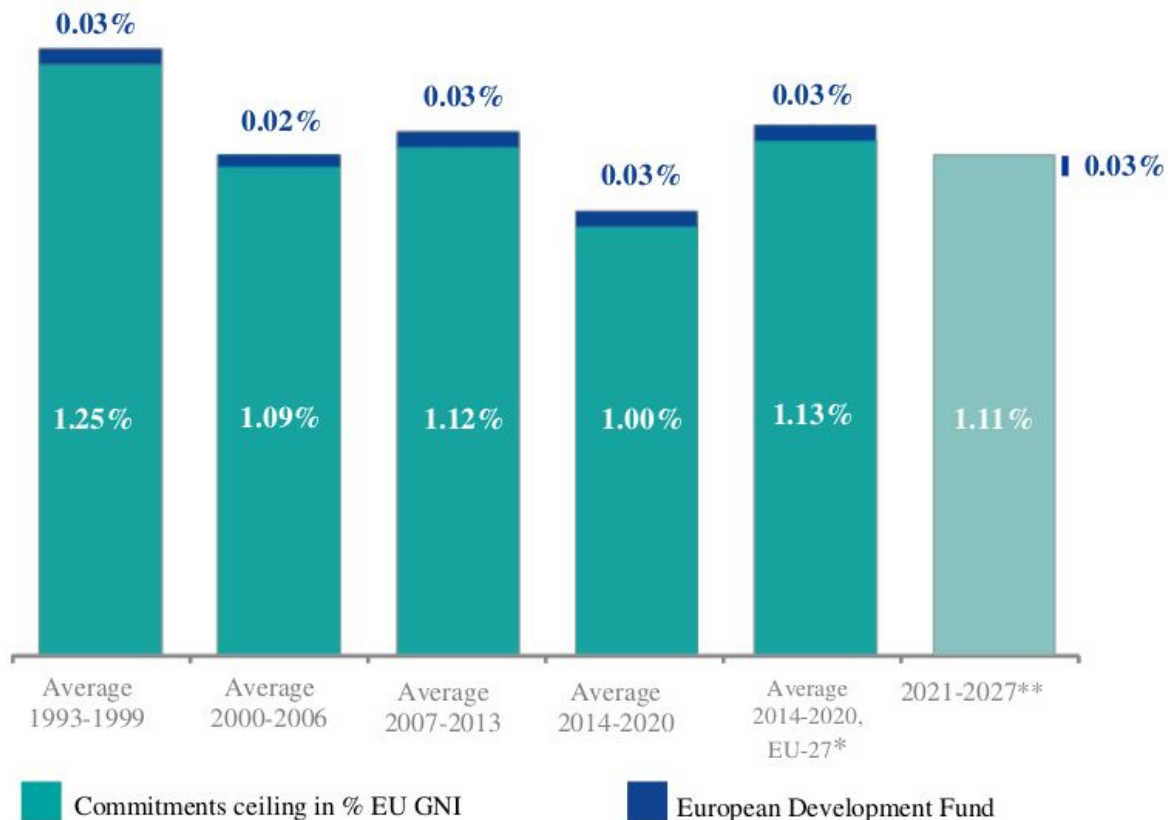
# EU Recovery plan

An overview at [voxeu.org](https://voxeu.org):

<https://voxeu.org/article/next-generation-eu-recovery-plan-europe>



## The size of the EU budget as a percentage of gross national income (GNI)



\*2014-2020 estimated commitments  
(UK expenditure excluded) in % EU27 GNI

\*\* European Development Fund integrated ("budgetised")

# Spending priorities

In billion euro, current prices (the whole MFF)



## I. SINGLE MARKET, INNOVATION AND DIGITAL €187.4

- 1 Research and Innovation
- 2 European Strategic Investments
- 3 Single Market
- 4 Space



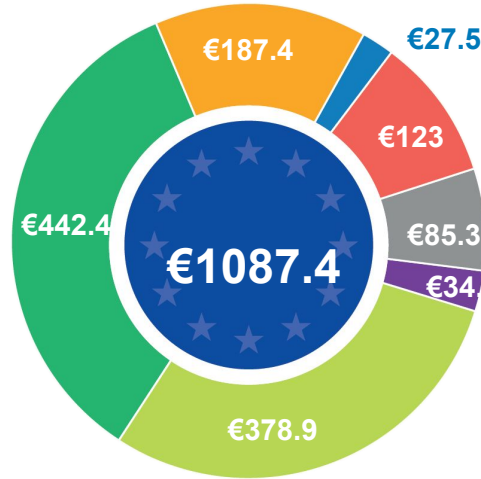
## II. COHESION AND VALUES €442.4

- 5 Regional Development and Cohesion
- 6 Economic and Monetary Union
- 7 Investing in People, Social Cohesion and Values



## III. NATURAL RESOURCES AND ENVIRONMENT €378.9

- 8 Agriculture and Maritime Policy
- 9 Environment and Climate Action



## IV. MIGRATION AND BORDER MANAGEMENT €34.9

- 10 Migration
- 11 Border Management



## V. SECURITY AND DEFENCE €27.5

- 12 Security
- 13 Defence
- 14 Crisis Response



## VI. NEIGHBOURHOOD AND THE WORLD €123

- 15 External Action
- 16 Pre-Accession Assistance



## VII. EUROPEAN PUBLIC ADMINISTRATION €85.3

- 17 European Public Administration



European Commission

# Challenges for the MFF 2021-2027

- Brexit gap: The United Kingdom was net contributor to the EU budget (12-13 bil.€ per year, overall about 7% of the EU's budget; thus, higher contributions of all remaining EU member states are needed)
- New priorities require new financial resources
- Ceiling at 1.2% of GNI most still valid
- Limited willingness of the EU Member States to increase contributions to the EU budget and the new financial resources not yet approved (Sweden, Netherlands, Finland main opponents).
- Two existing spending programmes need to be reconsidered: the Common Agricultural Policy and Regional Policy

# The EU Budget and the Rule of Law

- Commission sought power to cut funds to countries that don't respect the rule of law, see p. 4 of the Commission proposal.
- Officially, the EC was *"proposing to strengthen the protection of the EU budget from financial risks linked to generalized deficiencies as regards the rule of law in the Member States. If such deficiencies impair or threaten to impair sound financial management or the protection of the financial interests of the Union, it must be possible to draw consequences for EU funding."*
- The decision is supposed to be adopted via qualified majority voting in the Council.
- Verbally, it seems it's just a technical instrument to assure that no one uses EU funds for frauds, however Hungary and Poland strongly against such attempts.



# The EU Budget and the Rule of Law

- The [deal reached on December 11, 2020](#). Conditionality mechanism approved in a Regulation.

a) The Union budget, including Next Generation EU, must be protected against any kind of fraud, corruption and conflict of interest.

h) The **Commission will bear full responsibility for autonomously assessing whether the conditions for the adoption of measures exist**, whether it relies on its own information or on that from third parties. It will bear full responsibility for the accuracy and relevance of the information and findings on which it bases its assessment. Where such information and findings, whichever their origin, are used for the purposes of the Regulation, the Commission will ensure that their relevance and use will be determined exclusively in light of the Regulation's aim to protect the Union's financial interests.

i) The measures adopted under the mechanism will be promptly reviewed at the initiative of the Member State concerned or by the Commission at the latest one year after their adoption by the Council. In case the Commission decides not to submit a proposal to lift the measures, it will state the reasons for its decision and will inform of them at a meeting of the Council.

j) **In case the Member State concerned submits a request as set out in recital 26 of the Regulation, the President of the European Council will put the item on the European Council agenda. The European Council will strive to formulate a common position on the matter.**

# EU breaks deadlock over €1.8tn budget and Covid-recovery fund

🕒 11 December 2020



Coronavirus pandemic



Hungarian PM Viktor Orbán (left) and Polish PM Mateusz Morawiecki are now planning legal challenges to the rule of law clause

# Some notes on EU budget.

- The philosophy of the overall EU budget rested in the past state of the EU integration in which most was concentrated around the single market.
- The ambitions of the EU are larger now: to provide EU-wide public goods (like the climate policy) - because such provision can be more efficient than national policies (common standards, predictability etc.) => These aspects became visible in response to the COVID-19 pandemics.
- No easy solution within the existing treaties.

<https://www.bruegel.org/2020/02/a-radical-way-out-of-the-eu-budget-maze/>

# Conclusions

- The EU as an institutional arrangement, not federation, not international organization.
- Some EU's decisions are binding for its Member States - in the area of exclusive competencies, and, to some extent, in the areas of shared policies as well.
- The EU is rapidly evolving - mainly in reaction to external shocks.
- The MFF for 2021 - 2028 set the path towards fiscal union, something unthinkable just few years ago.

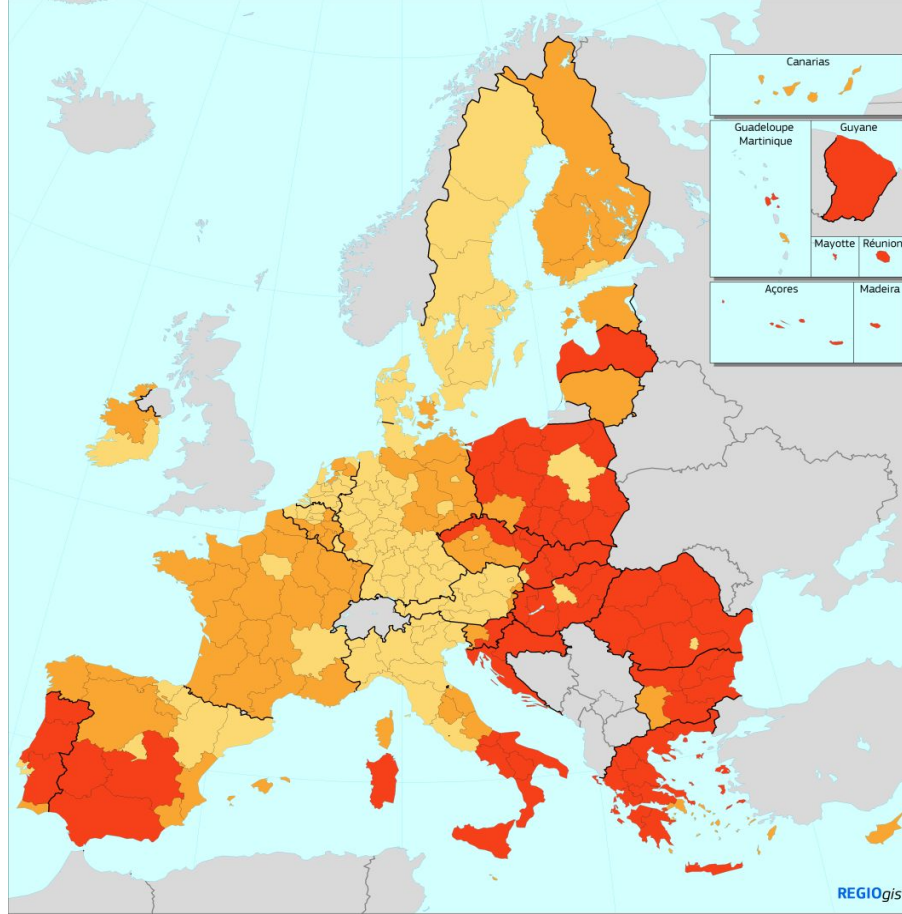
Supplementary slides

# A1 Changes in the Common Agricultural Policy

- 45% in the 90's, 38% till 2020, 29% current proposal.
- Emerging consensus: The direct support provides good incomes especially for richer farmers, and in old EU countries. 80% of direct payments go to 20% of farmers => Fairness questionable.
- It is less effective for greening and biodiversity and is unevenly distributed.
  - => Proposal to cut spendings on industrial farming while maintaining support for small-scale farmers
  - => Control of wage earnings in agriculture should be common responsibility of the EU and the Member States.
- Support even by France, opposed by the Czech Republic

# A2 Regional and Cohesion Policy

- From 34% to 29%.
- Emerging consensus: Cohesion policy contributes to convergence, but it is unclear how strong and long-lasting the effects are.
- Large simplification and overhaul.
- Thresholds: GDP per capita in PPP up to 75 %, 75 % - 90 % , above 90 % of the EU average.
- Quotas for almost all EU countries decrease, except Bulgaria, Romania, and Greece.
- Spendings need to correspond to the main priorities of the EU. Among them, the low carbon economy appears.



**GDP/head (PPS) by NUTS2 region, average 2014-2015-2016**

Index, EU-27 = 100

- < 75% (less developed regions)
- 75% - 100% (transition regions)
- >= 100% (more developed regions)



# A3 Enforcement of common rules in the EU.

- The EU has legal procedures on how to enforce common rules: Infringement procedure.
- EC - or the Member States - appeal to the European Court of Justice
- Infringement might end up with a financial penalty against the perpetrator.
- The sanction must be voted unanimously in the Council (unanimously)  
=> Alternative instrument is seen in a legal norm that would give the Commission a right to link the delivery of the European structural funds with the compliance with the rule of law. Proposed as a separate measure, so that qualified majority could have been used.

## A3 Is there conditionality in the EU funding already?

The European Court of Justice could, if seized of a relevant case, declare that the principles of the mutual trust do not apply to the Polish judiciary, and that would imply a trigger to the process that would lead to suspension of the EU funds (Due to the Common Provisions Regulation)

Conditionality embedded in the EU funds already. All major programmes have specific objectives, procedures, and control system. Resources are being cut in the case of non-compliance.

# A3 Is the conditionality of EU funds desirable?

Clear counterarguments:

Sanctions hit wrong people

Discrimination against poorer countries (Since maximum possible financial sanctions are linked to cohesion funds)

Damage to economic convergence.

# Aligned to political priorities (3)



## I SINGLE MARKET, INNOVATION & DIGITAL

### 1 Research & Innovation

- Horizon Europe
- International Thermonuclear Experimental Reactor (ITER)
- Euratom Research & Training Programme

### 2 European Strategic Investments

- InvestEU Fund
- Connecting Europe Facility
- Digital Europe Programme (incl. Cybersecurity)

### 3 Single Market

- Single Market Programme (incl. Competitiveness and Small and Medium-Sized Enterprises - COSME, Food Safety, Statistics, Competition and Administrative Cooperation)
- EU Anti-Fraud Programme
- Cooperation in the Field of Taxation (FISCALIS)
- Cooperation in the Field of Customs (CUSTOMS)

### 4 Space

- European Space Programme



## II COHESION & VALUES

### 5 Regional Development & Cohesion

- European Regional Development Fund
- Cohesion Fund
- Support to the Turkish-Cypriot Community

### 6 Economic & Monetary Union

- Reform Support Programme including the Reform Delivery Tool and Convergence Facility
- Protection of the Euro Against Counterfeiting

### 7 Investing in People, Social Cohesion & Values

- European Social Fund + (incl. Integration of Migrants & Health)
- ERASMUS+
- European Solidarity Corps
- Justice, Rights & Values
- Creative Europe (incl. MEDIA)

European  
Solidarity  
Fund

European  
Investment  
Stabilisation  
Function

Globalization  
Adjustment  
Fund



European  
Commission

# Aligned to political priorities (4)



## III NATURAL RESOURCES & ENVIRONMENT

### 8 Agriculture & Maritime Policy

- European Agricultural Guarantee Fund
- European Agricultural Fund for Rural Development
- European Maritime & Fisheries Fund

### 9 Environment & Climate Action

- Programme for Environment & Climate Action (LIFE)

25% climate  
mainstreaming  
across the  
EU Budget



## V SECURITY & DEFENCE

### 12 Security

- Internal Security Fund
- Nuclear Decommissioning (Lithuania)
- Nuclear Safety and Decommissioning (incl. for Bulgaria and Slovakia)

### 13 Defence

- European Defence Fund
- Connecting Europe Facility - Military Mobility

### 14 Crisis Response

- Union Civil Protection Mechanism (rescEU)

European  
Peace  
Facility

Emergency  
Aid Reserve



### 10 Migration

- Asylum & Migration Fund

### 11 Border Management

- Integrated Border Management Fund

European  
Border and  
Coast Guard  
(Frontex)



## VI NEIGHBOURHOOD & THE WORLD

### 15 External Action\*

- Neighbourhood, Development and International Cooperation Instrument (incl. external aspects of migration)
- Humanitarian Aid
- Common Foreign & Security Policy
- Overseas Countries and Territories (including Greenland)
- **16 Pre-Accession Assistance**
- Pre-Accession Assistance

\*The European Peace Facility is an off - budget fund outside the Financial Framework



European  
Commission