



EU BUDGET FOR THE FUTURE

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THE NEIGHBOURHOOD AND THE WORLD



WHY IS THIS A PRIORITY?

The European Union is the world's biggest donor of development assistance, the first trading partner and the first foreign investor for almost every country in the world. As a Union promoting peace, stability and exporting its values and rules, it is faced with many challenges as well as opportunities in an increasingly complex and connected world. Prosperity and peace in the EU's neighbourhood has a positive impact on the EU's own prosperity.

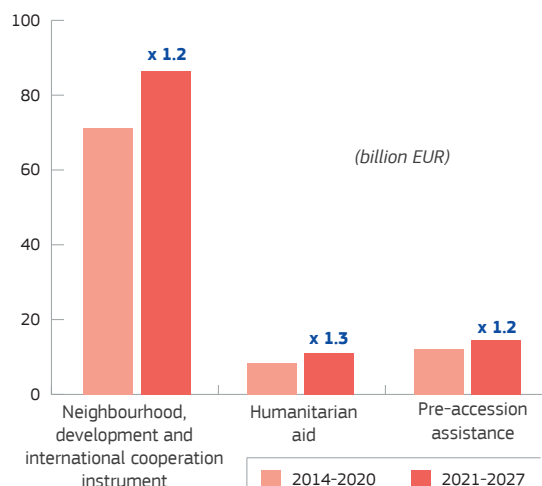
The EU budget helps the Union to implement its priorities globally, to rise to the challenges and opportunities and to promote its interests in the world, including through multilateral solutions. The new long-term budget will bring a significant modernisation of the external dimension of the EU budget. It will increase the effectiveness and visibility of the EU's external policies, strengthen coordination with internal policies and give the EU the flexibility for a faster response to new crises and challenges.



WHAT DOES THIS MEAN IN FINANCIAL TERMS?

The Commission proposes to increase investment in the external actions up to 26% to reach **€123 billion** in the future long-term EU budget, along with a major restructuring of the EU's external action instruments to provide better coherence, build on cooperation effectiveness, simplify processes and use economies of scale.

Investing in the European Union's external action in the neighbourhood and beyond and assistance for countries preparing for accession to the European Union



Source: European Commission



WHAT IS NEW IN THE COMMISSION PROPOSALS?

- A **significant modernisation** of the 'external dimension' of the budget to increase its effectiveness and visibility.
- Most of the existing instruments are merged into a single **neighbourhood, development and international cooperation instrument** with worldwide coverage.
- The financial architecture will be further simplified via the integration of the **European Development Fund** into the EU budget.
- The neighbourhood, development and international cooperation instrument will have the following:

- A **geographic pillar** ('engaging with partners') to cover programmed cooperation with neighbourhood and all other non-EU countries. Budget allocation are ring-fenced for geographical regions, in particular the neighbourhood and Africa.
- A **thematic pillar** ('reaching common goals') addressing issues of global nature and/or political flagship initiatives.
- A **rapid-response pillar** for crisis management, conflict prevention and resilience building.
- A **flexibility cushion** for existing or emerging urgent priorities. A primary objective of this cushion would be to address migratory pressures, but also stability and security needs, unforeseen events, and new international initiatives and priorities.
- A **new investment architecture** will allow for the 'crowding-in' of additional resources from other donors and the private sector, building on the European External Investment Plan and its European Fund for Sustainable Development.



HOW ELSE WILL THE FUTURE EU BUDGET MAKE A DIFFERENCE IN THIS AREA?

The **Instrument for Pre-Accession Assistance** will:

- support EU candidate countries and potential candidates on their path to fulfilling the accession criteria.

The **Humanitarian Aid instrument** will:

- provide needs-based delivery of EU assistance to save and preserve lives, prevent and alleviate human suffering, and safeguard the integrity and dignity of populations affected by natural disasters or man-made crises.

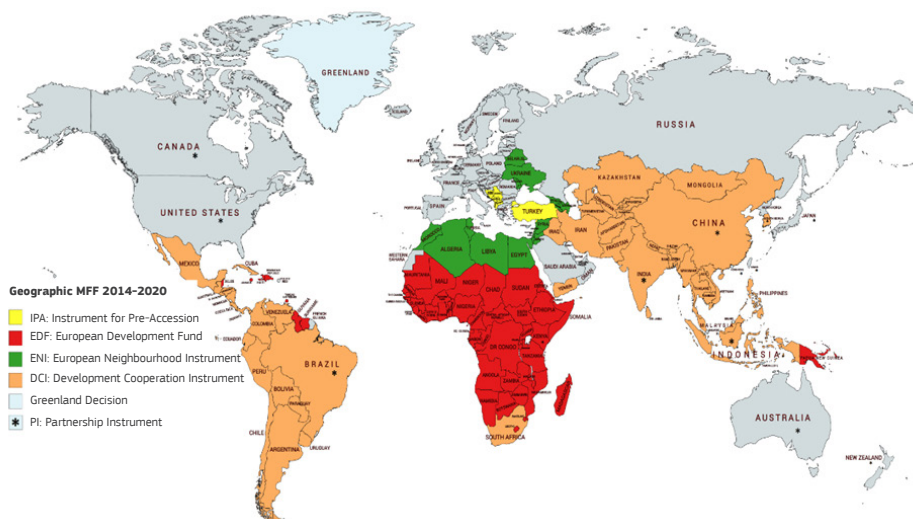
The **Common Foreign and Security Policy budget** will:

- respond to external conflicts and crises, build the capacity of partners, and protect the European Union and its citizens.

The **overseas association decision** will:

- continue to detail the rules and procedures for the association of the EU with Overseas Countries and Territories, including Greenland.

Current geographical instruments



Proposed geographical instruments



NEXT STEPS

