

## So what with the 7-year EU budget (“the multi annual financial framework”)?

### The legal basis :

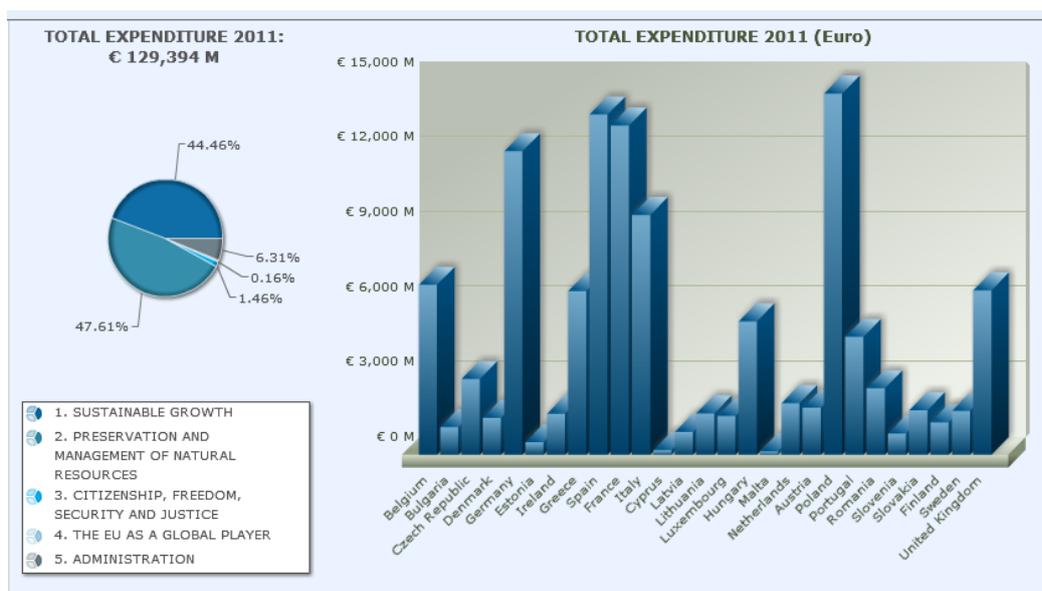
Article 312 of the Treaty on the functioning of the European Union :

*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 definition:

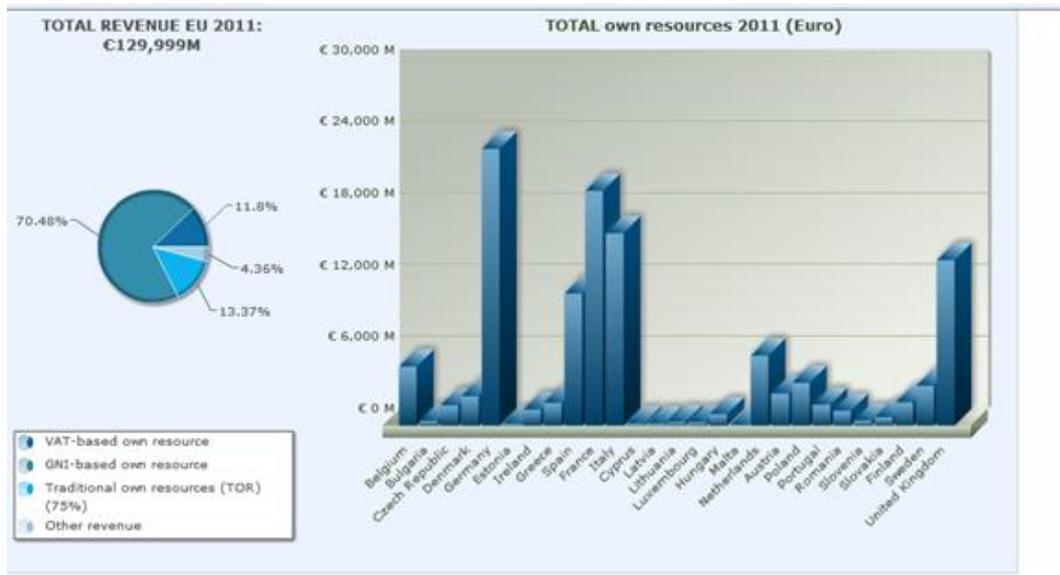
It defines the maximum amounts (‘ceilings’) available for each major spending area (‘heading’) of the Union’s budget. Within that framework, the European Parliament and the Council, which are the ‘budgetary authority’ of the Union, have to agree each year on the budget for the subsequent year. In reality, the annual budget adopted always remains below the overall ceiling of the MFF. There are 2 types of amounts: commitments – commitments to pay out funds to specific initiatives and payments – payments forecast for the period covered by the budget.

### Where the money goes (example year 2011)?<sup>1</sup>



### Where does the money come from (example year 2011)?

<sup>1</sup> [http://ec.europa.eu/budget/figures/interactive/index\\_en.cfm](http://ec.europa.eu/budget/figures/interactive/index_en.cfm)



**What happened with the agreement on the MFF 2014-2020?:**

The long-term EU budget for 2014-2020 agreed today (8 February) is smaller than it was back in 2007-2013. It goes down to 1% from 1.12% of EU GNI. It is the first net reduction to the EU budget in the Union’s history. The EU leaders’ agreement sets the figure for “commitments” – the maximum amount of money allotted during the seven-year period – at €960bn, while budget “payments” – the amount of money that can actually be spent – have been severely reduced by €34bn to €908.4bn.

In concrete terms how this will influence the possibility for the EU to meet our demands (see our position of 2011 in annex) is not yet completely clear now that the ceilings are set, discussion will go programme per programme but we can already say:

1. On energy, cohesion, environment policy

The cohesion policy will see 10bio€ cut in its budget 2014-2020 compared to 2007-2013 both in less developed and more developed regions. It means in practice less money available for housing projects in the field of energy, social integration or urban regeneration

The fate of the Intelligent energy Europe programme (which will go under the Research heading and programme) is not clear yet, although the European Council agreed on increasing money available for research.

The budget of the LIFE programme will certainly be decreased as well.

2. On social Policies

The European programme for the most deprived people (former food aid programme) will see its budget halve for the 2014-2020 period and taken from the European Social Fund.

An interesting initiative however has been announced: a 3 bio€ youth employment initiative in regions where youth unemployment rate is above 25%