

https://ec.europa.eu/info/strategy/recovery-plan-europe_en

The largest stimulus package ever

The EU's long-term budget, coupled with the NextGenerationEU initiative, which is a temporary instrument designed to boost the recovery, will be the largest stimulus package ever financed through the EU budget. A total of €1.8 trillion will help rebuild a post-COVID-19 Europe. It will be a greener, more digital and more resilient Europe.

The new long-term budget will increase flexibility mechanisms to guarantee it has the capacity to address unforeseen needs. It is a budget fit not only for today's realities but also for tomorrow's uncertainties.

On 10 November 2020, an agreement was reached between the European Parliament and EU countries in the Council on the next long-term EU budget and NextGenerationEU. This agreement will reinforce specific programmes under the long-term budget for 2021-2027 by a total of €15 billion.

Main elements of the agreement

More than 50% of the amount will support modernisation through:



research and innovation, via Horizon Europe



fair climate and digital transitions, via the Just Transition Fund and the Digital Europe Programme



preparedness, recovery and resilience, via the Recovery and Resilience Facility, rescEU and a new health programme, EU4Health

In addition, the package pays attention to



traditional policies such as cohesion and the common agricultural policy, in order to ensure stability and modernisation



fighting climate change, with 30% of the EU funds, the highest share ever of the European budget



biodiversity protection and gender equality

Multiannual Financial Framework 2021-2027

total allocations per heading*

	<i>MFF</i>	<i>NextGenerationEU</i>	<i>TOTAL</i>
1. Single market, innovation and digital	€132.8 billion	€10.6 billion	€143.4 billion
2. Cohesion, resilience and values	€377.8 billion	€721.9 billion	€1 099.7 billion
3. Natural resources and environment	€356.4 billion	€17.5 billion	€373.9 billion
4. Migration and border management	€22.7 billion	-	€22.7 billion
5. Security and defence	€13.2 billion	-	€13.2 billion
6. Neighbourhood and the world	€98.4 billion	-	€98.4 billion
7. European public administration	€73.1 billion	-	€73.1 billion
TOTAL MFF	€1 074.3 billion	€750 billion	€1 824.3 billion

Source: European Commission

* The amounts include the targeted reinforcement of ten programmes for a total of €15 billion, compared to the agreement from 21 July 2020. The programmes are Horizon Europe, Erasmus+, EU4Health, Integrated Border Management Fund, Rights and Values, Creative Europe, InvestEU, European Border and Coast Guard Agency, Humanitarian Aid.

NextGenerationEU

NextGenerationEU is a **€750 billion temporary recovery instrument that will allow the Commission to raise funds on the capital market**. It will help repair the immediate economic and social damage brought about by the coronavirus pandemic. Post-COVID-19 Europe will be greener, more digital, more resilient and better fit for the current and forthcoming challenges.

- The [Recovery and Resilience Facility](#): the centerpiece of NextGenerationEU with €672.5 billion in loans and grants available to support reforms and investments undertaken by EU countries. The aim is to mitigate the economic and social impact of the coronavirus pandemic and make European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions. Member States are working on their recovery and resilience plans to access the funds under the Recovery and Resilience Facility.
- Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU): NextGenerationEU also includes €47.5 billion for REACT-EU. It is a new initiative that continues and extends the crisis response and crisis repair measures delivered through the [Coronavirus Response Investment Initiative](#) and the [Coronavirus Response Investment Initiative Plus](#). It will contribute to a green, digital and resilient recovery of the economy. The funds will be made available to
 - the [European Regional Development Fund \(ERDF\)](#)
 - the [European Social Fund \(ESF\)](#)
 - the [European Fund for Aid to the Most Deprived \(FEAD\)](#)
 These additional funds will be provided in 2021-2022 from NextGenerationEU and in 2020 through a targeted revision to the current financial framework.
- NextGenerationEU will also bring additional money to other European programmes or funds such as Horizon2020, InvestEU, rural development or the Just Transition Fund (JTF).

NextGenerationEU breakdown

Recovery and Resilience Facility (RRF)	€672.5 billion
<i>of which, loans</i>	€360 billion
<i>of which, grants</i>	€312.5 billion
ReactEU	€47.5 billion
Horizon Europe	€5 billion
InvestEU	€5.6 billion
Rural Development	€7.5 billion
Just Transition Funds (JTF)	€10 billion
RescEU	€1.9 billion
TOTAL	€750 billion

Source: Conclusions of the European Council of 21 July 2020

Figures

NextGenerationEU figures per EU country

- Recovery and Resilience Facility: [grants allocation per Member State \(2018 prices\)](#)
- REACT-EU: [allocations 2021](#)
- Just Transition Fund: [allocations per Member State](#)

MFF figures per EU country

- [MFF 2021-2027 Breakdown of Cohesion Policy allocations per Member State \(2018 prices\)](#)
- [MFF 2021-2027 Breakdown of Cohesion Policy allocations per Member State \(current prices\)](#)
- [MFF 2021-2027 Breakdown of direct payments \(within EAGF\) per Member State \(current prices\)](#)
- [MFF 2021-2027 Breakdown of European Agricultural Fund for Rural Development per Member State \(MFF only, current prices\)](#)

Financing the EU long-term budget and NextGenerationEU

The EU long-term budget will be financed through the resources of the EU.

The European Union [will borrow on the markets](#) to finance NextGenerationEU at more favourable costs than many Member States and redistribute the amounts.

For the Commission to start borrowing, the Own Resources Decision must be adopted by the Council and ratified by Member States' national Parliaments.

A clear roadmap towards new sources of revenue to help repay the borrowing

The Commission will put forward proposals by June 2021 on sources of revenue linked to:



a carbon border adjustment mechanism



a digital levy



the EU Emissions Trading System

By June 2024, the Commission will propose new sources of revenue, such as:



a Financial Transaction Tax



a financial contribution linked to the corporate sector



a new common corporate tax base

Next steps

The MFF Regulation and the Interinstitutional Agreement endorsed on 10 November 2020 must now be formally adopted by the European Parliament and the Council, within their respective roles and procedures.

In parallel, work must continue towards a final adoption of all other elements of the package, including the sectoral legislation and the Own Resources Decision.

The Own Resources Decision, which would enable the Commission to borrow to finance NextGenerationEU, needs to be ratified by all EU countries in line with their constitutional requirements.

The beneficiaries

Anyone can benefit from the EU budget. Find open and upcoming calls for funding proposals, get background information on funding processes and programmes, and apply online.

[Learn about the tendering process and opportunities for doing business with the European Commission.](#)

Background

The Commission put forward its [proposal for the EU's next long-term budget](#) on 2 May 2018. The framework proposal was immediately followed by legislative proposals for the 37 sectoral programmes (e.g. cohesion, agriculture, Erasmus, Horizon Europe, etc). Between 2018 and the beginning of 2020, the Commission worked hand in hand with the rotating Presidencies of the Council, and in close collaboration with the European Parliament, to take the negotiations forward.

On 27 May 2020, in response to the unprecedented crisis caused by the coronavirus, the European Commission proposed [the temporary recovery instrument NextGenerationEU](#) of €750 billion, as well as targeted reinforcements to the long-term EU budget for 2021-2027.

On 21 July 2020, [EU heads of state or government reached a historic agreement on the package](#). Since then, the European Parliament and the Council, and with the participation of the European Commission, held 11 trilateral political dialogues on the deal with the objective of fine-tuning the final parameters of the deal.

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