
Deal on mid-term revision of EU's long-term budget

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- Parliament and Council of the EU have reached a consensus on enhancing the EU's Multiannual Financial Framework (MFF)
 - A financial boost to secure long-term support for Ukraine, and for other priorities
 - Changes to EU budget tackle current and future challenges
 - Addressing escalating expenses linked to the repayment of the NGEU recovery plan
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Following talks with EU member states, MEPs reached an agreement on the revision of EU's long-term budget, addressing unforeseen challenges like Russia's invasion of Ukraine.

On Tuesday, negotiators from the Parliament and the Council of the EU reached a provisional political agreement regarding the update of the EU's long-term budget.

This update reflects the [demands put forward by the Parliament in December 2022](#), calling for a reform of the EU budget to respond more effectively to evolving needs and unforeseen circumstances, to address funding gaps, provide a structural solution for NextGenerationEU borrowing costs, and ensure a stable financing solution for Ukraine.

This revision will also integrate the [Ukraine Facility](#) and the "[Strategic Technologies for Europe Platform](#)" (STEP), once agreement on it is reached, into the EU's multiannual financial framework.

Additional funding for 2024-2027

The Ukraine Facility comprises €50 billion of loans (€33 billion) and grants (€17 billion).

For **migration and external challenges**, the budget revision allocates an additional €2 billion for migration and border management, and €3.1 billion to support priorities in the EU's neighbouring regions and globally. An additional €4.5 billion will be redeployed from other EU programmes in external policy.

The **EU's crisis preparedness and budgetary flexibility** are strengthened with an additional €3.5 billion. Moreover, the STEP initiative receives €1.5 billion specifically for its defence investment component. Reinforced priorities are covered through a mix of fresh money and funds redeployed from other programmes.

Interest payments for the “Next Generation EU” (NGEU) initiative

In line with Parliament's demands, the budget revision introduces a mechanism to tackle the escalating costs linked to the repayment of the NGEU recovery plan amid surging interest rates.

This would protect EU programmes such as the Erasmus+ or financing for cross-border transport and energy infrastructure from cuts and safeguard flexibility options, should costs run beyond what was originally budgeted for. The new mechanism includes the use of unspent money that would otherwise be lost to the EU budget and a backstop with additional member state contributions if needed.

Furthermore, Parliament managed to guarantee a smooth implementation of the EU4Health programme until 2027.

Quotes

[Johan Van Overtveldt](#) (ECR, BE), Chair of the Committee on Budgets: "The revision of the EU long-term financial programming framework is long-awaited and a responsible answer of the EU budgetary authority to current challenges. But this can only be a starting point for a thorough rethink with regard to EU action in the future as for example the war in Ukraine will demand more effort in the time to come. I also deeply regret the included cuts in the funds for Horizon Europe, our successful common research and development programme. Divesting in this field cannot be the way forward to secure growth and jobs in our part of the world."

[Jan Olbrycht](#) (EPP, PL), MFF co-rapporteur: "We welcome the agreement on a revised Multiannual Financial Framework (MFF) for 2021-2027, aiming to secure a stable budget until the end of 2027, enabling Union citizens to benefit from uninterrupted and robust implementation of EU policies over the long term. In response to unforeseen crises, notably Russian aggression against Ukraine, a EUR 50 billion support package was crucial for addressing Ukraine's immediate needs and aiding in its recovery. Moreover, structural improvements to the EU budget were essential to accommodate increased NGEU debt costs,

migration challenges, and to enhance flexibility, ensuring swift responses to unexpected events."

[Margarida Marques](#) (S&D, PT), MFF co-rapporteur: "We have a deal on a real MFF revision. One that not only provides aid to Ukrainians from the EU budget, but in which we have reinforced our ability to respond to the demands of EU citizens. We have serious challenges ahead, and even if we would have liked an even more ambitious and comprehensive revision, today's agreement provides the Union with more capacity than before to respond. We have taken a first step in strengthening EU Strategic Autonomy and we have more means to address migration – including through the new Migration Pact - and more Humanitarian Aid."

Next steps

The provisional political agreement still has to be formally approved by the Council of the EU, and the Parliament. Parliament plans to vote in its 26-29 February plenary session.

Background

The [Multiannual Financial Framework](#) (MFF) sets the annual limits (expenditure 'ceilings') on EU commitments in different policy areas (broad categories of spending called 'headings') and on overall annual payments for a period of seven years. The [current framework for 2021-2027](#) was [adopted in 2020](#). The European Commission [proposed a mid-term revision on 20 June 2023](#). Parliament's position is [here](#).

Further information

[Committee on Budgets](#)

[Press statement - "MEPs welcome EU summit deal on Ukraine and the EU's long-term budget" \(01/02/2024\)](#)


[Fact Sheets on the European Union: Multiannual financial framework](#)

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