

EU BUDGET FOR THE FUTURE



Ms Maja Bakran, Deputy Director General, DG MOVE

#EUBudget



KEY FEATURES

EU Long-Term Budget 2021-2027

'A modern budget for a Union that protects, empowers and defends'



More funding for
priority areas



A new mechanism
to protect the
EU budget from
financial risks
linked to the rule
of law



A strong focus on
European added
value and on
performance



Less red tape for
beneficiaries



A more flexible and
agile budget with a
clearer and leaner
architecture



ALIGNED TO POLITICAL PRIORITIES

Simplification, transparency and flexibility

In billion euro, current prices



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

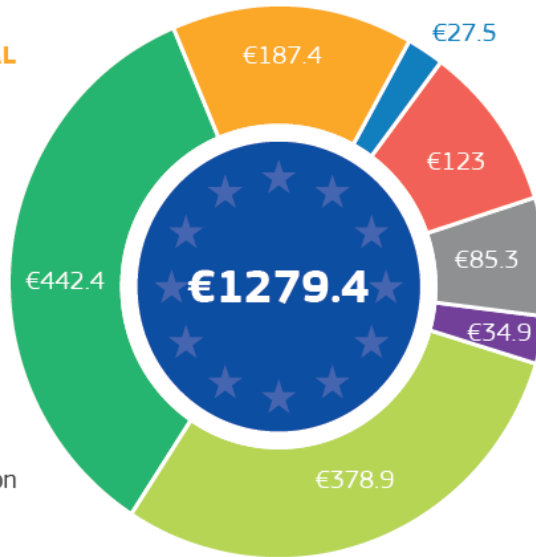
- 5 Regional Development and Cohesion
- 6 Economic and Monetary Union
- 7 Investing in People, Social Cohesion and Values



III. NATURAL RESOURCES AND ENVIRONMENT

€378.9

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



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

**25% of expenditure contributing to climate objectives
(with a target of 60% for CEF)**



European Commission

TRANSPORT IN THE EU LONG-TERM BUDGET PRIORITIES

CEF

I. SINGLE MARKET, INNOVATION & DIGITAL

- € 12.85 Bn - Transport - General Envelope

II. COHESION & VALUES

- € 11.3 Bn – Transport - Cohesion Envelope

V. SECURITY & DEFENCE

- € 6.5 Bn – Transport - Military Mobility

COHESION FUND & ERDF

II. COHESION & VALUES

- Cohesion Fund
Up to € 12 Bn – for Transport
- ERDF
Up to € 30 - 40 Bn – for Transport
Transport share to be defined with each MS during the programming in accordance with shared management programme

INVESTEU

I. SINGLE MARKET, INNOVATION & DIGITAL

- € 11.5 Bn Sustainable Infrastructure (including Transport)

HORIZON EUROPE

I. SINGLE MARKET, INNOVATION & DIGITAL

- € 15 Bn Climate, Energy and Mobility

Connecting Europe Facility

CEF GENERAL OBJECTIVE

- to **develop and modernise** the **trans-European networks** in the fields of transport, energy and digital
- to facilitate **cross-border** cooperation in the field of **renewable** energy,
- taking into account the long-term **decarbonisation** commitments
- and with emphasis on **synergies among sectors**

PROPOSAL OVERVIEW

TRANSPORT

€ 24,115 million

- **Efficient and interconnected networks**
- **Smart** (digital), **sustainable** (e.g. alternative fuels), **inclusive, safe and secure mobility**

€ 6,500 million

- **TEN-T adapted to military mobility requirements**

ENERGY

€ 8,650 million

- **Integration** of the internal energy market
- **Interoperability** of networks **across borders & sectors**
- **Decarbonisation**
- **Security of supply**
- **Renewables cross-border cooperation**

DIGITAL

€ 3,000 million

- Deployment of **very high capacity & 5G digital networks**
- **Increased resilience and capacity** of backbone networks on EU territories
- **Digitalisation** of transport & energy networks

SIMPLIFICATION & FLEXIBILITY

- **Leaner and more concise** programme – better alignment between priorities / eligible actions / indicators
- Detailed provisions to be set in **work programmes**
- Possibility to **adapt priorities during implementation**
- Flexibility between **Programmes** with **cumulative funding** or with **voluntary transfers** from shared management funds to **CEF**

SYNERGIES: TRANSPORT – ENERGY - DIGITAL

Decarbonisation and digitalisation of the Union economy implies a growing need for synergy between transport, energy and digital sectors.

How?

- Possibility to adopt **joint work programmes** on specific topics (e.g. connected and autonomous mobility)
- the **highest co-funding rate** of the sectors concerned could be applied
- for each sector **ancillary elements** pertaining to another sector could be eligible (e.g. renewable energy generation within a transport project)
- the **award criteria** for the assessment of a proposed action will integrate the synergy dimension

A PROVEN DELIVERY MECHANISM

- **Policy steering** (in particular from the TEN guidelines)
- **Close involvement of MS in CEF Committee** (in particular with the adoption of the work programmes)
- **Direct management by the Commission with delegation to an Executive Agency (INEA)**
- **Budget optimisation** through "*use it or lose it*"
- **Technical assistance** for project preparation and capacity building

PERFORMANCE FRAMEWORK

Monitoring with clear indicators on the specific objectives of each sector

Reporting with an efficient data collection system, in particular with **proportionate reporting requirements** imposed (e.g. in the conditions for applying for a grant and in the model grant agreement)

Evaluation by assessing the **efficiency, effectiveness, relevance, coherence** and **value added** of the programme with an **interim evaluation** and an **ex-post evaluation**

COMPLEMENTARITY

With Horizon Europe

- CEF will support large-scale roll-out and deployment of innovative technologies and solutions resulting from Horizon Europe

With Cohesion Policy Funds

- € 11.3 Bn from Cohesion Policy funds transferred to CEF
- 70% under the Cohesion Fund national allocations until 31/12/2023 and 30% on a competitive basis - *including a possible top-up of any reflow post 01/01/2024*
- MS can voluntarily transfer additional cohesion resources to CEF

With InvestEU

- € 11.5 bn guarantee available for the InvestEU "Sustainable Infrastructure" window
- **CEF grants** can be **used** for **blending** with InvestEU or other private financing, if need for bankability

WHAT ARE THE SPECIFIC OBJECTIVES? (1)

1. Development of the TEN-T network

60%

- 75% - Core Network Corridors
- 10% - Other sections of the Core network
- 15% - Comprehensive network specific sections: cross-border links & outermost regions

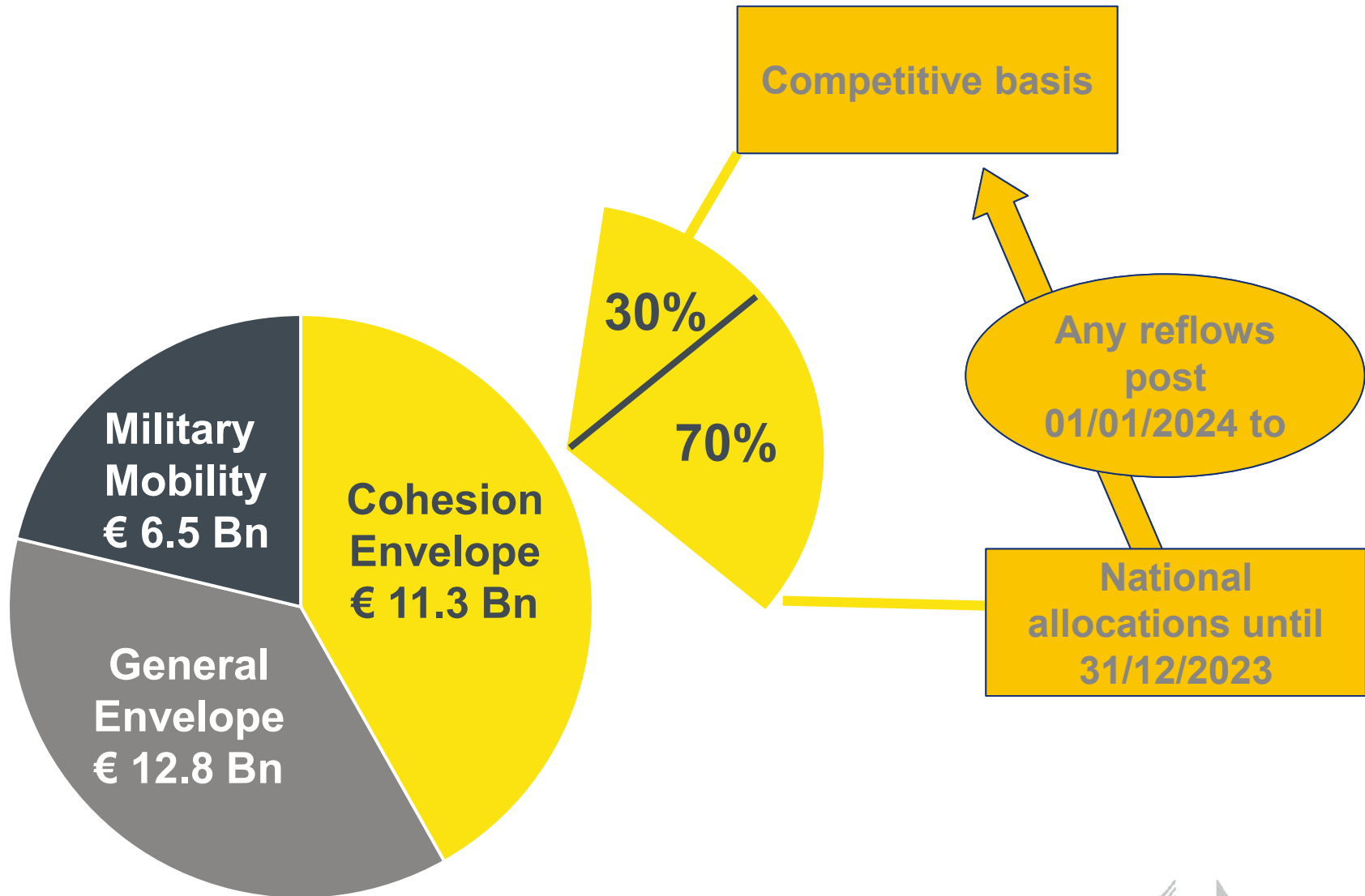
2. Modernisation of existing TEN-T network 40%

- **Core and Comprehensive network :**
Smart, sustainable, inclusive, safe and secure TEN-T:
MoS, Telematic application systems (e.g. VTMIS, RIS, ITS, ERTMS, SESAR), freight transport services, new technologies and innovation (e.g. alternative fuels, automation), interoperability, road safety, climate change, accessibility, security and civil protection

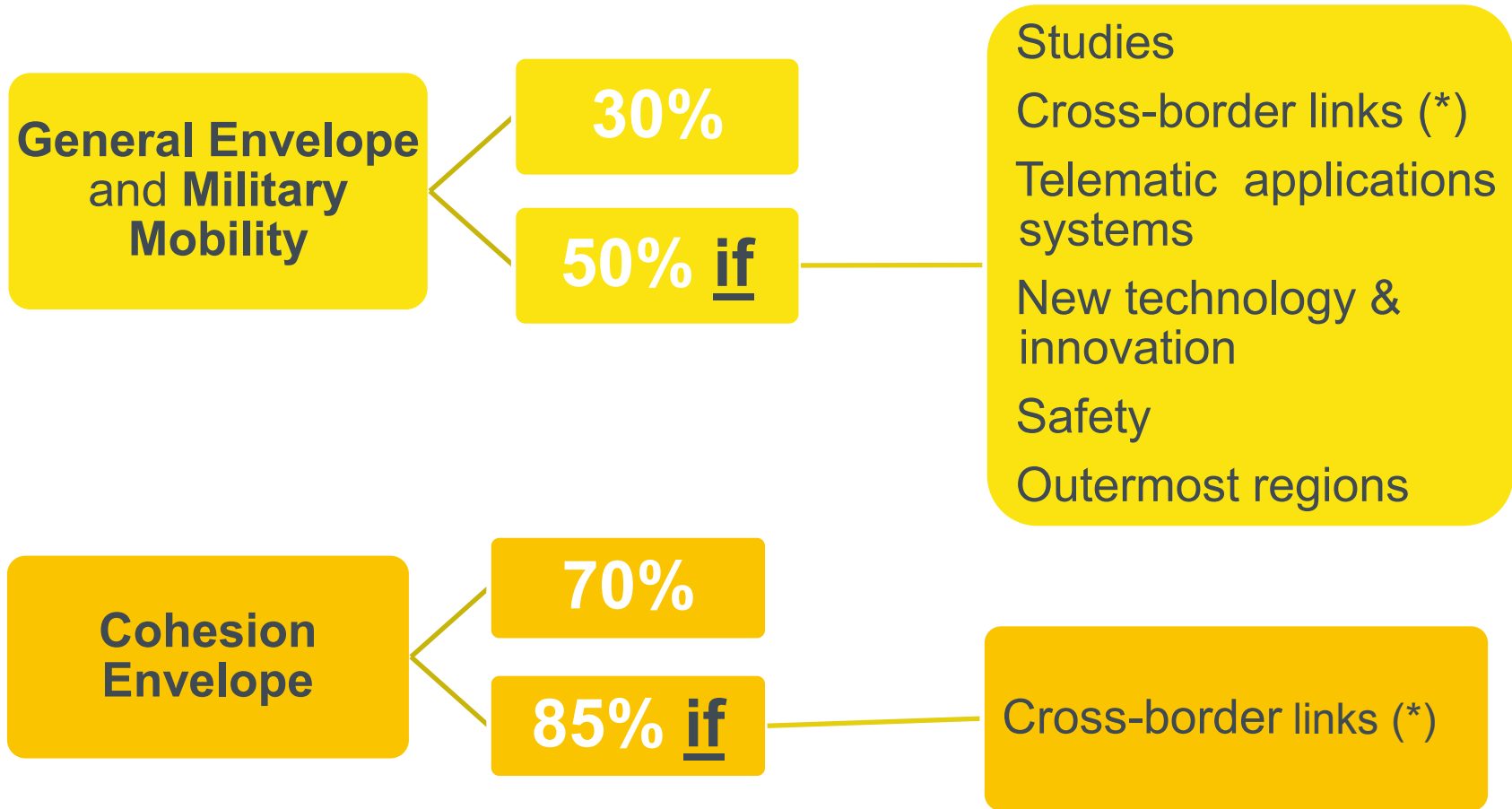
MILITARY MOBILITY

- Implementation through the CEF of the **€6.5bn military mobility proposed budget**
- Goal - leverage **synergies with existing EU policies** to facilitate the movement of military troops and assets within and from the EU
- For **dual-use of transport infrastructure** on the TEN-T network
- Project proposals need to have the agreement of **Member States**
- Usual CEF process for evaluation of proposals and project management
- Based on the **Action Plan on Military Mobility**
 - 2018: Military requirements to be defined
 - 2018: Identification of the gaps between technical TEN-T requirements & military mobility requirements needed
 - 2019: Identification of the Dual use projects

CEF TRANSPORT BUDGET



MAXIMUM CO-FINANCING RATES



Only maximum co-funding rates in Basic Act
More detailed rates in the work programmes

STRONGER ARTICULATION WITH THE CORE NETWORK CORRIDORS

An increased role for the European Coordinators and their work plans in the selection process of projects

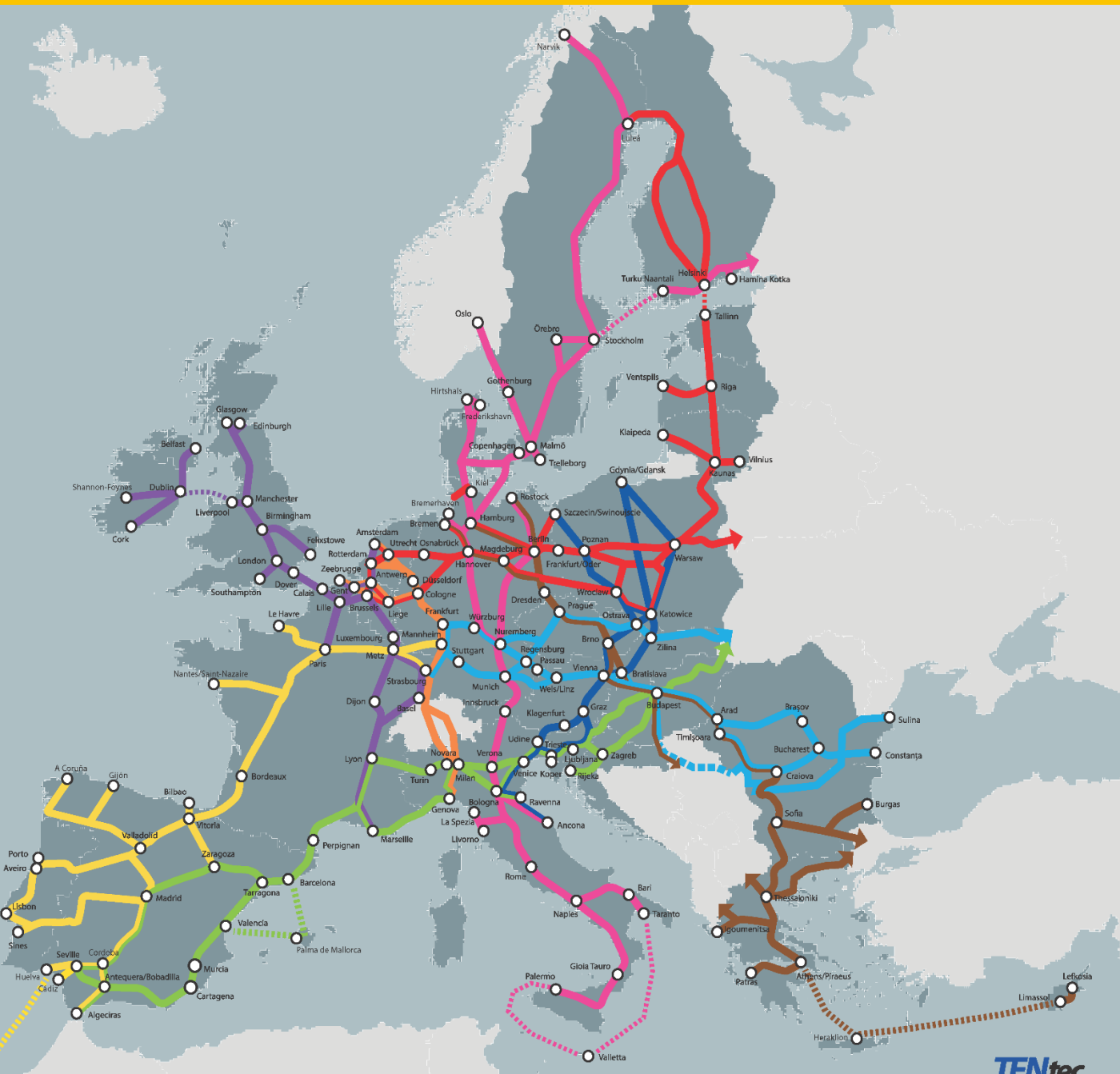
- Selection of projects shall be based on **award criteria** defined in the work programmes and calls, and taking into account key elements set out in the Regulation
- Where applicable, the **assessment of the award criteria will ensure that:**
 - proposed actions are **consistent with the corridor work plans and implementing acts** and
 - take into account **the opinion of the responsible European Coordinator**

ADAPTATION OF THE CORE NETWORK CORRIDORS (CEF ANNEX)

The **Core Network Corridors** have been adapted to reflect growing transport flows and the evolution of the network:

- Extension capped at 15%
- Better connectivity of core ports
- Increased focus on inland waterway network
- Focus on cross-border dimension
- Alignment with Rail Freight Corridors
- Simplified list of pre-identified sections

CEF TRANSPORT

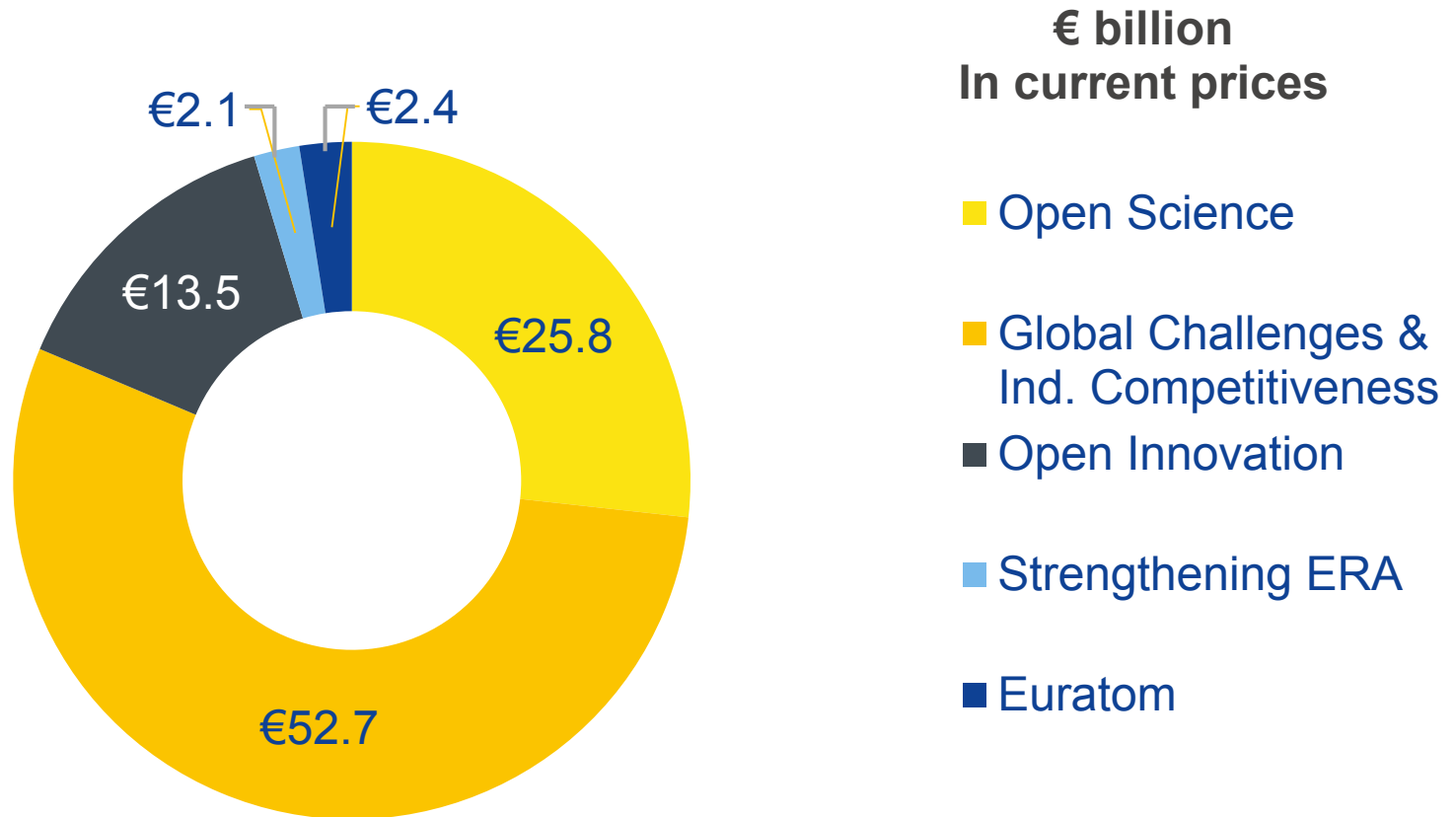


European
Commission

TENtec

Horizon Europe

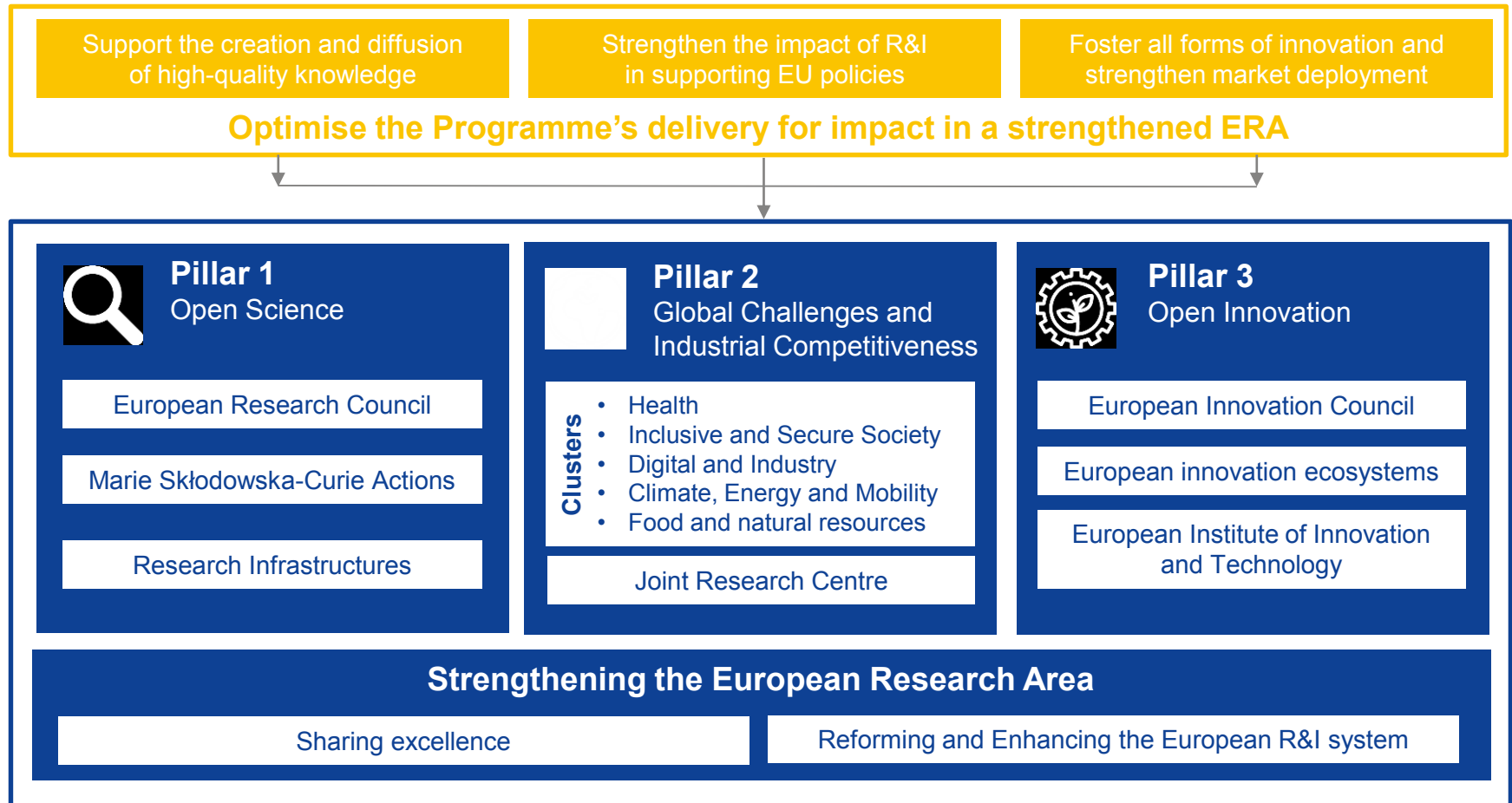
Budget: €100 billion*



* This envelope includes EUR 3.5 billion allocated under the InvestEU Fund.

Horizon Europe: evolution not revolution

Specific objectives of the Programme



Pillar 2

Global Challenges & Industrial Competitiveness:

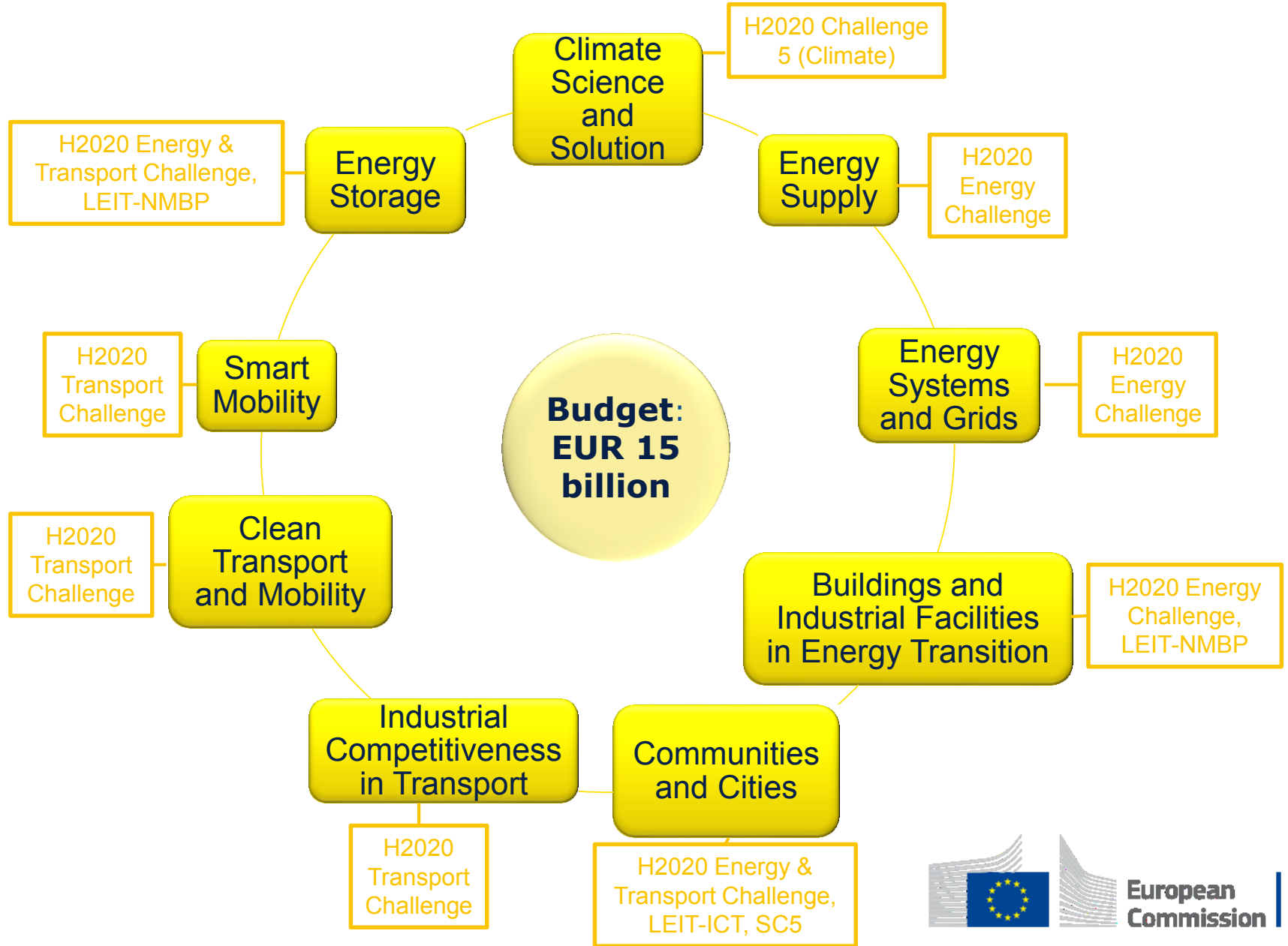
boosting key technologies and solutions underpinning EU policies & Sustainable Development Goals

Clusters implemented through usual calls, missions & partnerships	Budget (€ billion)
Health	€ 7.7
Inclusive and Secure Societies	€ 2.8
Digital and Industry	€ 15
Climate, Energy and Mobility	€ 15
Food and Natural Resources	€ 10
Joint Research Centre supports European policies with independent scientific evidence & technical support throughout the policy cycle	€ 2.2

Clusters in 'Global Challenges and Industrial Competitiveness'

Clusters	Areas of intervention	
Health	<ul style="list-style-type: none"> * Health throughout the life course * Non-communicable and rare diseases * Tools, technologies and digital solutions for health and care 	<ul style="list-style-type: none"> * Environmental and social health determinants * Infectious diseases * Health care systems
Inclusive and Secure Societies	<ul style="list-style-type: none"> * Democracy * Social and economic transformations * Protection and Security 	<ul style="list-style-type: none"> * Cultural heritage * Disaster-resilient societies * Cybersecurity
Digital and Industry	<ul style="list-style-type: none"> * Manufacturing technologies * Advanced materials * Next generation internet * Circular industries * Space 	<ul style="list-style-type: none"> * Key digital technologies * Artificial intelligence and robotics * Advanced computing and Big Data * Low carbon and clean industry
Climate, Energy and Mobility	<ul style="list-style-type: none"> * Climate science and solutions * Energy systems and grids * Communities and cities * Industrial competitiveness in transport * Smart mobility 	<ul style="list-style-type: none"> * Energy supply * Buildings and industrial facilities in energy transition * Clean transport and mobility * Energy storage
Food and Natural Resources	<ul style="list-style-type: none"> * Environmental observation * Agriculture, forestry and rural areas * Food systems * Circular systems 	<ul style="list-style-type: none"> * Biodiversity and natural capital * Sea and oceans * Bio-based innovation systems

Cluster 'Climate, Energy and Mobility' - Scope





New approach to European Partnerships

New generation of objective-driven and more ambitious partnerships in support of agreed EU policy objectives

Key features

- **Simple architecture and toolbox**
- **Coherent life-cycle approach**
- **Strategic orientation**

Co-programmed

Based on Memoranda of Understanding / contractual arrangements; implemented independently by the partners and by Horizon Europe

Co-funded

Based on a joint programme agreed by partners; commitment of partners for financial and in-kind contributions & financial contribution by Horizon Europe

Institutionalised

Based on long-term dimension and need for high integration; partnerships based on Articles 185 / 187 of TFEU and the EIT-Regulation supported by Horizon Europe



Strategic planning to define multiannual work programmes and calls for proposals

- Transparency and stakeholder involvement
- Prioritisation and flexibility to align to political priorities
- Internal programme coherence & synergies with other programmes

Multiannual Strategic R&I Plan

- * Multiannual orientations and priorities in one document
- * Areas for partnerships and missions

Strategic discussions with Member States and European Parliament

Consultation with stakeholders

Work Programmes

Thank you!