



First time ever revision of the EU long-term budget will help address the EU's main challenges

Brussels, 1 February 2024

The European Commission welcomes the historic agreement of the European Council to for the first ever revision of the Multiannual Financial Framework's ceilings. The Council's agreement confirms all priorities of the Commission's proposal and covers 80% of the requested financing. This reinforcement will allow the EU to continue delivering on our common priorities, benefiting the people in our Union and beyond.

The key elements addressed by the revision include:

- **Critical support for Ukraine:** A new Ukraine facility, based on grants, loans and guarantees, with an overall capacity of €50 billion in the period 2024-2027 will cater for Ukraine's immediate needs, recovery and modernisation on its path towards the EU.
- **Further action on migration and external challenges:** A reinforcement of €9.6 billion will support the internal and external dimensions of migration, and help partners in the Western Balkans, southern neighbourhood and beyond.
- **Strengthening sovereignty and competitiveness:** The Strategic Technologies for Europe Platform (STEP) will promote the EU's long-term competitiveness on critical technologies, in the fields of digital and deep tech, clean tech and biotech with new flexibilities and incentives for cohesion funding and the Recovery and Resilience Facility, and a top-up of €1.5 billion of the European Defence Fund.
- **Stronger response to unforeseen challenges:** the EU budget was mobilised to address repeated crises since 2021 – the energy crisis, food crises and the aftermath of Russia's war amid rising inflation and interest costs. To make sure that the EU budget can continue to respond to unforeseen circumstances the Flexibility Instrument will be reinforced by €2 billion while the maximum amount of the Solidarity and Emergency Aid Reserve will be increased by €1.5 billion and split in two separate instruments: the European Solidarity Reserve and the Emergency Aid Reserve.
- **A three-step mechanism to be used in case of emergency and a new instrument** will give clarity on the budgetary mechanisms for the financing of the NextGenerationEU related costs.

The financing of the revision will be provided through a combination of fresh resources and redeployments within the EU budget. This will allow the EU to continue acting on the most pressing priorities while minimizing the impact on national budgets.

President of the European Commission, Ursula **von der Leyen**, said: *"The European Council re-confirmed Europe's unwavering commitment to stand with Ukraine and agreed on the first-ever revision of our multi-annual budget confirming the priorities that the Commission presented in June. And I am very satisfied that we got 80% of the funding we asked for. We reaffirmed our commitment to fighting illegal migration, our commitment to supporting our partners in the Western Balkans and in the southern neighbourhood. We will also increase our ability to deal with natural disasters and humanitarian crises. Furthermore, we will support the much-needed development of critical technologies in Europe, including on defence, and increase our competitiveness. With this agreement, Europe stands united and is well equipped for the challenges ahead. In other words: Today, Europe got stronger."*

Background

In 2020, the EU agreed its 2021-2027 long-term budget. Together with the NextGenerationEU recovery instrument, it amounts to €2.018 trillion in current prices, making up the largest stimulus package ever financed by the EU. Since 2021, the budget has been instrumental to help repair the economic and social damage caused by the coronavirus pandemic and aid the transition towards a more resilient, modern and more sustainable Europe.

On 20 June 2023, the European Commission proposed a targeted revision of the Multiannual Financial Framework 2021-2027.

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Quotes:

"The European Council re-confirmed Europe's unwavering commitment to stand with Ukraine and agreed on the first-ever revision of our multi-annual budget confirming the priorities that the Commission presented in June. And I am very satisfied that we got 80% of the funding we asked for. We reaffirmed our commitment to fighting illegal migration, our commitment to supporting our partners in the Western Balkans and in the southern neighbourhood. We will also increase our ability to deal with natural disasters and humanitarian crises. Furthermore, we will support the much-needed development of critical technologies in Europe, including on defence, and increase our competitiveness. With this agreement, Europe stands united and is well equipped for the challenges ahead. In other words: Today, Europe got stronger."
Ursula von der Leyen, President of the European Commission - 01/02/2024

"The successful agreement on the revision of our Multiannual Financial Framework sends a powerful message of unity in supporting our shared EU priorities. This now paves the way for constructive negotiations with the European Parliament. Swiftly concluding this process is crucial to secure much-needed financing for Ukraine and address the many other pressing challenges ahead, ranging from migration, competitiveness as well as broader issues in the international arena such as high inflation rates and their impact on energy and food prices."
Johannes Hahn, Commissioner for Budget and Administration - 01/02/2024

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