

# EUROPEAN CITIZENS' PANELS ON A NEW EUROPEAN BUDGET FIT FOR OUR AMBITIONS

Information Kit

# About this Kit

### Welcome to the European Citizens' Panel on a new EU budget fit for our ambitions.

Thank you for agreeing to participate in this process. We hope you will find it enriching, interesting and enjoyable! By accepting the European Commission's invitation, you agreed to embark on a very special journey. Before you, 1650 European citizens have agreed to join this democratic adventure: The European Citizens' Panels. Since 2021, they have advised the European Commission on several topics. Now, it is your turn!

You are one of 150 participants randomly selected citizens from all 27 Member States of the European Union (EU) reflecting the diversity of the EU. In the coming months, you are invited to discuss the new long-term EU budget starting in 2028, and to formulate recommendations on how to use it in the best possible way. You and your fellow members of the Panel will have time to make up your mind, share ideas and questions, and finally, present your recommendations to the European Commission.

We will do our best to make sure that you will have an enjoyable experience. This 'Information Kit' serves to guide you through the process. It is structured in four sections:

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# **ANNEX- PRACTICAL INFORMATION:** WHAT HELP WILL I GET TO ORGANISE AND PAY FOR MY TRAVELS AND ACCOMMODATION?

### THE PEOPLE BEHIND THE EVENT:

### WHO IS ORGANISING THIS PANEL?

The European Citizens' Panel on the next EU budget is organised by the European Commission. The European Commission is the executive branch of the EU responsible for proposing legislation, implementing policies, and managing the day-to-day operations of the EU. It ensures that EU laws are applied correctly across Member States, represents the EU internationally, and oversees the budget and finances. The Commission works to promote the EU's interests and policies in areas such as trade, environment, and competition.

The Commission is also in charge of proposing a new long-term EU budget in July 2025. The Commission is engaging in broad consultations to gather views on this future budget.





# 1 / Process: What are European Citizens' Panels

### WHAT IS THE BACKGROUND OF EUROPEAN CITIZENS' PANELS?

In the Citizens' Panels of the European Commission, randomly selected participants from all 27 Member States come together to discuss key upcoming laws and other initiatives at European level. As a panellist, you will be taking the baton from a long line of fellow Europeans citizens – this time – focusing on the topic of a new long-term EU budget fit for our ambition starting in 2028. Based on your discussions, you will develop recommendations that the European Commission will take into consideration in the preparation of the next longterm EU budget. This process has just started. You can find some more information here:

https://citizens.ec.europa.eu/new-european-budget\_en.

The Panels came about following the Conference on the Future of Europe that took place in 2021-2022. The 800 randomly selected citizens of the Panels during the Conference called for similar, more frequent opportunities for future citizen participation in European policymaking. In response, the President of the European Commission, Ursula von der Leyen, decided that the European Citizens' Panels would become a regular feature of European democratic life, involving citizens in the policy-making process.

The subsequent Panels dealt with more specific policy topics: what to do with <u>food waste</u>, how to <u>shape virtual</u> <u>worlds</u>, how to <u>foster learning mobility</u>, how to improve <u>energy efficiency</u>, and how to <u>tackle hatred in society</u>.

### HOW WILL THIS EUROPEAN CITIZENS' PANEL WORK?

You will join 149 other randomly selected citizens, from all Member States and representative of EU diversity, of which one-third are younger than 29 years old, to ensure good discussions between generations. All together you will form the Citizens' Panel on a new EU budget. You, as a European citizen, will enrich the institutional process with the intention to lead to better decisions. Those decisions will be made by the bodies that represent the 450 million European citizens: the European Commission, the European Parliament and the Council of the EU.

In the Panel, you and the other citizens will be working in small groups (each of around 12 people) and all together (in plenaries). In the smaller working groups, you will have the opportunity to go deeper into the topic. You will discuss different views and ideas, and work on recommendations for what should be the next long-term budget's priorities. In addition, you will regularly come together in 'plenary' sessions to share, listen to the other panellists and experts, and provide feedback to the ideas of the other small groups. In the end, the recommendations you work on will be adopted by the Panel as a whole.

An incredible team of **professional interpreters** will make your work possible. Simultaneously, they will interpret your discussion in all 24 official languages of the European Union. You will be able to speak in the language you are most comfortable with.

To carry out your work, you will be supported by a **facilitation team**. This team's job is to ensure that each participant feels comfortable in the process. It will have an eye on the timing and progression of each session. It will help to make the group work more dynamic, to get the best out of each individual contribution and of the group. It will also provide you with a range of tools for collaborative work and collective decision-making. In addition, there will be helpers onsite to help you navigate through the weekends providing practical information.

Throughout the process, you will also be supported by a team of renowned experts on the topic of the EU budget. The so-called **'Knowledge Committee'** will provide knowledge not only on different aspects of the EU budget but also on how the European Union works. During your discussions, they will answer your questions, provide feedback and give inputs. You will also get the

# <image>

chance to exchange with other representatives from civil society, EU institutions and academia. We will do our best to provide all information that you need in an understandable and interactive manner. Don't worry,

you do not have to become an expert!

The Commission officers who are preparing the future proposal on a new EU budget will also be present during all sessions to listen to your recommendations and statements

There will also be a **group of observers**, most of them researchers, who are interested in following the process of the panel. They will not interfere with your discussions and make no personal reference to you and other members of the panels. **Media** will also be invited, and only if you accept, they might ask for interviewing some of the panel's members.

### THE CITIZENS' PANEL ON A NEW EUROPEAN BUDGET FIT FOR OUR AMBITION

Along with the other participants, you will meet for three sessions. Two sessions will take place in person in Brussels and one session will be online:

- Session 1
  28-30 March 2025 (onsite in Brussels, Belgium)
- Session 2

25-27 April 2025 (online via a video conference tool)

Session 3

16-18 May 2025 (onsite in Brussels, Belgium)

### **DELIBERATING ABOUT A SENSITIVE TOPIC**

We ask you to respect the timing of the meetings and to be present for each part of the programme. If you have a practical issue to solve, you can seek the help of our support team. If you have a medical condition, please let us know immediately, a person on site, or your hotel reception will provide you with immediate support.

The participation in the Panel is limited to the people that have been randomly selected. The people providing support to some of the participants with special needs will not take part in the discussions but will have the possibility to attend as listeners. They will also have access to social meetings.

In the evenings, you will be invited to **social events** (Thursday, Friday, Saturday). Please join us, and take the time to meet other participants, and share this rare moment of being in one room with citizens from all 27 Member States.

If you have any difficulties with the way things are going, or if you see any misconduct that is against the law, please contact the person who will be the **'inclusion officer'** during the Panel sessions or send an email between sessions.

The Panel is supplemented by an <u>online debate</u> on the Citizens' Engagement Platform, which is open to any European citizen that would like to share her or his view on the next long term EU budget. You are invited to inform your family, friends and colleagues, who have not been selected for the panel, so that they can contribute.

You will be invited, if you agree, to communicate on the social networks about your presence in this Panel. We just ask you not to share any personal information and contributions of other participants.

# 2 / Remit: What will I be working on?

In July 2025, the Commission will present a proposal for a new long-term EU budget starting in 2028, which will then be decided by the European Parliament and Member States in the Council of the EU. This is an opportunity to agree on a strong and modern EU budget fit for our ambitions.

As the EU looks ahead, profound changes are taking place – for our society, our security, our economy and our planet. The objective of a free, democratic, strong, secure, prosperous and competitive Europe outlined in the <u>political guidelines</u> of this Commission and in the <u>Strategic Agenda of the European Council for</u> 2024-2029 needs to be achieved in a very challenging geopolitical context. The EU budget should continue improving the quality of life and the livelihoods of citizens, and supporting jobs, businesses, students, farmer, research, regions and local communities across Europe and beyond. At the same time, there is a need to address pressing priorities such as defence and security.

And while the need for EU action grows, the EU budget has limited financial resources.

Shaping the next long-term EU budget requires a shared analysis of the underlying challenges – a broad agreement on 'what' to finance, that is, on the investment needs for the coming years and 'how' to finance it. The European Commission looks to engage in a debate with the panel members about the next EU budget. Hence, you and the other members of this Citizens' Panel will be asked to answer the following overarching question:

### 'What priorities and actions funded by the EU bring the most added value to Europeans?'

There are two main dimensions to this question:

- On what priorities should the EU budget be spent in the future?

- Which types of activities should the EU budget support to help deliver on those priorities?

Different sub-questions will help you navigate this topic. For instance, how can we make the most of every euro of the EU budget? How can it reflect the different needs Europeans have? Do you have ideas on how the EU budget could make a direct and positive difference in your life? How can it best address common European challenges?

With the support and insights from experienced facilitators, experts, and external speakers you and your fellow citizens will explore answers to these questions in three sessions:

**IN SESSION 1**, you will develop a common understanding of the EU budget and the scope of the Citizens' Panel. An introductory part will explain the nature of the EU budget, including its evolution, what it funds, where the money comes from, and how it is decided. Together with other citizens, you will also examine the common priorities and different financing needs that require support from the EU budget. You will discuss visions for a common future, identify key challenges as well as opportunities. You will also reflect about which principles should guide the next EU budget.

**IN SESSION 2**, which will take place online, you will agree on political priorities and will draft first recommendations. You will develop ideas on how to best support those common priorities and tackle the identified common challenges. In particular, you will identify and discuss which types of actions could have the greatest impact in improving the lives of citizens across Europe.

**IN SESSION 3**, you will refine your ideas. Eventually, these ideas become the final recommendations on how to create an EU budget fit for our ambitions. Your results will be voted on and adopted in the last plenary session.

**THE OUTCOME** of the Panel will be a list of recommendations that will feed into the European Commission's future work on the EU budget.



# 3 / Topic: What do I need to know about the EU budget?

### WHY DO WE NEED AN EU BUDGET?

As you probably know, a budget is a plan to show how much money a person or organisation will earn and how much they will need or be able to spend. Every country in the world has a budget, which is the calculation of its potential income (how much money it makes) and expenditure (how much money it spends).

The EU budget comes into play when it is more effective to spend money at EU level than at local, regional or national level. This is what can be called the 'added value' of the EU budget. It is complementary to Members States' budgets. Some of the areas where the EU budget shows a strong added value, compared to national budgets, are as follows: • **First**, it supports European policies in which the EU plays a significant role, as outlined in the Treaties of the European Union, which are binding agreements between Member States. These policies include areas such as agriculture and cohesion. In the agricultural sector, the focus is on ensuring food security, supporting farmers' livelihoods, and promoting sustainable agriculture across the EU. Meanwhile, cohesion policies aim to promote a high quality of life across all EU regions by fostering economic, social, and territorial unity, based on the principle of solidarity.

• **Second,** the EU budget supports projects with a true European dimension, such as cross-border infrastructure (e.g. the 'Rail Baltica' train network linking Estonia, Latvia and Lithuania with the rest of Europe), or multi-country projects (e.g. judicial cooperation amongst several Member States).

 Third, it allows to address European challenges that are common to all Member States, such as the need to strengthen our competitiveness, guarantee our security, as well as to complete our green and digital transition.

• Fourth, it helps to address common crises and emergencies, such as the COVID-19 pandemic and the impacts of Russia's war of aggression against Ukraine.

• **Fifth,** it supports the EU's global actions, for instance through the development of international partnerships, development cooperation and humanitarian aid.



By pooling resources, standing together against common challenges and helping all Member States, their citizens and beyond, the EU budget creates added value, strengthens Europe's economy and geopolitical standing.

It must also be considered that investments are not only financed by the public sector, through national budgets or the EU budget, but also from private sector funds (that is, private savings in Europe and beyond). Public funding can be used to leverage private capital, for instance by funding part of innovative projects which are perceived as too risky for private companies to invest in or by de-risking private investments through the provision of guarantees.

### WHAT IS THE EU BUDGET?

When people talk about the EU budget, they often refer to the long-term plan called the Multiannual Financial Framework (MFF). This plan sets the total amount of money available and decides how it will be spent over several years. It also sets spending limits for each main area, such as Security and Defense or Natural Resources and Environment. The Multiannual Financial Framework is based on a proposal by the European Commission, that is adopted by unanimity by the 27 Member States in the Council, after obtaining the consent of the European Parliament, as explained in more detail below. Based on the Multiannual Financial Framework, an annual EU budget is drawn up and agreed every year. It sets out the spending and revenue for that year, while respecting the total amounts agreed under the long-term EU budget.

The current long-term EU budget runs from 2021 to 2027. It amounts to EUR 1.2 trillion, representing approximately 1% of the EU GDP (Gross domestic product = value of goods and services produced in a country in a given period of time). The EU serves 27 Member States with a total population of 450 million. With these figures in mind, the annual EU budget is actually quite small – around EUR 160-180 billion annually in 2021-27. This is comparable to the national budget of Denmark, which serves 5.6 million people, and is about 30% smaller than the budget of Poland, which serves 38 million people.

It is exceptionally topped up by approximately EUR 800 billion from NextGenerationEU, a temporary instrument to power the recovery from the COVID-19 pandemic. The long-term EU budget, together with NextGenerationEU, therefore amounts to about EUR 2 trillion.

**HextGenerationEU** is the EU's temporary recovery instrument designed to help member states recover from the economic and social impacts of the COVID-19 pandemic. It provides EUR 800 billion in funding through grants and loans to support reforms and investments, with a focus on green and digital transitions, economic resilience, and social cohesion. To finance NextGenerationEU, the European Commission, on behalf of the EU, is borrowing on capital markets.

### WHAT DOES THE EU FINANCE AND WHAT HAS IT ACHIEVED SO FAR?

The long-term EU budget is divided into categories of spending, for example:

### • Single Market, Innovation and Digital:

It supports research, helps digitise businesses and government services, and invests in physical (like railways), digital (like 5G and high-speed internet) and space infrastructure. It also boosts competitiveness, for instance by funding key technologies in digital, climate, and biotechnology areas.

### • Cohesion, Resilience and Values:

It works to reduce regional differences and drive sustainable development in the EU. This funding supports green and digital transitions, helps youth and health initiatives, and promotes EU values. For example, it helps develop smart cities, green transport, and projects that connect remote areas. It also supports regions most affected by the shift from fossil fuels to clean energies, offers training to help workers gain new skills. It funds projects and organisations for cross-border education mobility, social inclusion, better healthcare, justice, human rights, and cultural initiatives. ensuring food security. This includes supporting farmers and fisheries, investing in rural development, protecting biodiversity, conserving forests and wildlife, and reducing carbon emissions.

### • Migration and Border Management:

It enhances border security and supports effective migration management. This means for instance investing in border surveillance, counterterrorism measures, and projects that help integrate migrants while safeguarding the asylum system.

### • Security and Defence:

It aims at enhancing strategic autonomy and strengthening the EU defence industry. For instance, by financing joint military research, cybersecurity and next generation defence technology, and European satellite navigation systems.

### Neighbourhood and the World:

It funds EU actions abroad to promote stability, development, and humanitarian aid and fosters EU values in the world. For instance, this support helps build infrastructure, improve healthcare and education in developing countries, and provides emergency relief in conflict zones or areas affected by natural disasters.

### • European Public Administration:

It also finances EU administration to ensure the EU is managed effectively.

149.9 (+11.5 from NGEU) Cohesion, Resilience et Values 429.8 (+776.5 from NGEU) Natural Resources and Environment 400.3 (+18.9 from NGEU) Migration and Border Management 28.3 Security and Defence 16.4 Neighbourhood and the World 113.7 European Public Administration 82.5

### Total **€2 027.9 billion**

NextGenerationEU 806.9 billion Total €2 027.9 billion

> Long-term budget 1 221 billion



## • Natural Resources and Environment:

It focuses on making EU agriculture and maritime sectors more sustainable, as well as fighting climate change, and

Single Market, Innovation and Digital



The EU budget has a direct and concrete impact on the lives of European citizens, businesses, researchers, farmers, and local communities. Here are some examples of achievements the EU budget has made possible:

• **CLIMATE:** 87 million tonnes of carbon dioxide equivalent avoided per year.

• **LEARNING MOBILITY:** 16 million people have participated in the Erasmus programme since its creation in 1987.

• **JOBS:** 6.8 million people found a job through initiatives financed from the European Social Fund in the last years.

 DIGITALISATION: EU funding stands behind the European satellite navigation system Galileo, whose signals are used by more than 2.3 billion devices worldwide, from smartphones to emergency beacons. Thanks to EU financing, Galileo provides freely accessible satellite data enabling positioning, navigation and timing determination.

• **SUPPORTING BUSINESSES:** 2.5 million businesses received EU financial support from cohesion policy between 2014 and 2022.

• SCIENCE: 35 Nobel Prize winners have received EU research support between 1985 and 2023.

• **ENERGY INFRASTRUCTURE:** 3 613 kilometres of electricity cables were added to the EU's energy system for the interconnection between Member States, during the 2014–2020 period.

• **CULTURE:** In 2024, five of the films nominated for the Oscars have been supported by the EU budget.

### HOW IS THE EU BUDGET FINANCED?

The 2021-2027 EU budget is financed from the following sources, calculated year-to-year:

**1.** Contributions from national budgets (64 % for 2025) depending on Member States' level of national income (GNI). They constitute the largest revenue source for the EU budget and ensure that there is always enough revenue to cover all agreed spending, and that the EU budget is always balanced.

**2.** Customs duties (14 % for 2025) applied on goods coming into the EU from non-EU countries.

**3.** A value added tax (VAT)-based contribution from national budgets (16 % for 2025).

**4.** Plastic packaging waste (5 % for 2025): A contribution from Member States based on the amount of non-recycled plastic packaging waste in each Member State.

**5.** Other revenue, such as contributions from non-EU countries and fines on businesses for anti-competitive behaviour.

In addition, the European Commission is empowered by the <u>EU Treaties</u> to borrow from the international capital markets on behalf of the EU. Since 2021, the Commission has been <u>raising</u> <u>funds on the capital markets</u> to finance its post-COVID recovery plan, NextGenerationEU, in addition to borrowing for other priorities, such as supporting Ukraine.

To help repay the borrowing for the grants part of the NextGenerationEU among other things, the Commission has proposed three additional new sources of revenue:

• A part of the revenues from the EU Emissions Trading System, which is an EU-wide system that sets a limit on greenhouse gas emissions from energy-intensive industries, allowing companies to buy and sell emission allowances to incentivise the reduction of their emissions.

 A Carbon border adjustment mechanism (CBAM), which imposes a carbon price on goods imported to the EU to ensure that foreign producers meet the same climate standards as EU industries; and

• A limited temporary contribution from each Member State based on the level of **company profits**.



### HOW IS THE EU BUDGET NEGOTIATED AND AGREED?

While this will not be the focus of the Panel, it is important that you are familiar with the process by which the EU budget is agreed.

The EU long-term budget is negotiated and adopted between the European Parliament and the Council of the EU, based on proposals from the European Commission. The Council of the EU is made up of representatives of the national governments of the Member States, whereas the European Parliament is elected by European citizens. The decision-making process can be broken down into three phases:

### PHASE 1: PRESENTING 1

### PRESENTING THE EU LONG-TERM BUDGET

Negotiations on the long-term EU budget begin years before its adoption. The Commission launches the process by presenting proposals. To draft these proposals, the Commission consults broadly with institutions, stakeholders and citizens. This is the stage in which this Panel happens: your recommendations will be a contribution to the preparation of these proposals.

### PHASE 2:

### **NEGOTIATING THE EU LONG-TERM BUDGET**

The Council of the EU, consisting of all Member States, prepares its position based on the Commission's proposals. The European Parliament also adopts its position on the proposals. Once all parties have set their positions, negotiations between Parliament and the Council begin, with the aim of reaching a common agreement.

### PHASE 3:

### ADOPTING THE EU LONG-TERM BUDGET

Once an agreement is reached, the long-term EU budget is adopted through a 'special legislative procedure'. The Council of the EU must agree unanimously to the different elements. The European Parliament must then give its consent.

If necessary, the long-term EU budget can be revised during its lifetime if unprecedented and unexpected new challenges occur. This happened in February 2024, when the EU budget was revised to cover financing for priorities such as support to Ukraine, strategic technologies and migration.

### HOW IS THE EU BUDGET IMPLEMENTED?

EU funding can be managed directly by the Commission (direct management), jointly by the Commission and Member States (shared management), or by implementing partners such as the European Investment Bank (indirect management). The management mode determines the procedure for funding applications and how they are evaluated.

While the EU provides the funding for a specific programme or project or participates in a project through the provision of a guarantee, it is not always directly involved in the dayto-day management. While Member States are in charge of the implementation of the majority of the EU budget, it is the Commission that has the ultimate responsibility for its execution.

The Commission is committed to protecting taxpayers' money and making sure that every euro from the EU budget is spent in a transparent and correct way. The Commission works closely with the authorities in Member States and with the other EU institutions towards this goal.







