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ANNEX 1

ANNEX

to the

REFLECTION PAPER

ON THE FUTURE OF EU FINANCES

Annex: Implications for the large EU spending areas according to the 5 scenarios

	Scenario 1: Carrying on	Scenario 2: Doing less together	Scenario 3: Some do more	Scenario 4: Radical redesign	Scenario 5: Doing much more together
Policy priorities	Taking forward current reform agenda	Mainly financing of functions needed for the single market	As in Scenario 1; additional budgets are made available by some Member States for the areas where they decide to do more	Financing of priorities with very high EU value added	Doing much more across policy areas
Volume	Broadly stable	Significantly lower	Somewhat higher	Lower	Significantly higher
Competitiveness	Slightly higher share	Same as in scenario 1 but significantly lower amount	Same as in scenario 1	Higher share	Higher share
Economic, social and territorial cohesion	Lower share	Lower amount	Same as in scenario 1	Lower share	Higher amount
Agriculture	Lower share	Lower amount	Same as in scenario 1	Lower share	Higher amount
Security , defence, migration	Higher share	No funding	Higher share partly covered by willing Member States	Significantly higher share	Significantly higher share
External action	Higher share	Lower amount	Higher share partly covered by willing Member States	Significantly higher share	Significantly higher share
Economic and Monetary Union Fiscal capacity			Macro-economic stabilisation function for euro-zone Member States		Macro-economic stabilisation function and a European Monetary Fund

Revenue	Current system without rebates; other sources of revenue or fees finance the EU budget	Current system without rebates	Same as scenario 1; plus new policies financed only by participating Member States	Scenario 1 further simplified; new own resources	In depth reform beyond scenario 4; new own resources finance significant share of the EU budget