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INSTRUMENTS OF UE BUDGET TO COUNTERACT THE IMPACT OF THE COVID-19 PANDEMIC

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Abstract: The purpose of this article is to analyse the EU budget agenda, assumptions, and challenges of EU public policy for the period 2021-2027. The comparative method used in the study is the analysis of differences in the revenue and expenditure of the EU budget. In contrast, phenomena and events that affect the formulation of the EU budget to a greater or lesser degree, at different times, have had a different impact on the budget adoption process. The period for the analysis presented, including the main factors that make up the "two flows", took place in 2017-2020.

• Introduction

- The budget of the European Union is the act which provides and authorizes annually the support and financing of all Community activities and interventions, as well as their necessary resources, priority activities and objectives set for the proper functioning of the European Union.
- The EU budget is not just about numbers but is primarily a tool for carrying out a political project. Therefore, its growth based on permanent own resources is needed to meet the scale of the new challenges that require a common response. A major priority for the European budget is to strengthen policies belonging to the magic triangle "research, innovation, education", which is at the heart of the challenge of globalization.
- Through it, the Union provides itself with the means necessary to achieve its objectives and carry through its policies.
- To improve flexibility in drawing up the EU budget for 2021-2027, the Commission has proposed a set of special instruments outside the ceilings, such as the temporary Next Generation EU (NGEU) recovery tool, which help the EU economy recover in following the crisis caused by COVID-19.

• Material and method

- In this paper, the authors used as a methodology statistical research, observation, analysis and interpretation of data, information obtained from various bibliographic sources, from the Treaty on the Functioning of the European Union, Treaty of the European Union, UE Budget.

• Results and discussions

- This section presents the reform process on the Multiannual Financial Framework and the budget of the European Union.
- On 2 May 2018, the Commission presented legislative proposals on a new MFF for the period 2021-2027, consisting of commitment appropriations of EUR 1,135 billion (expressed in 2018 prices), equivalent to 1.11% of the gross national income of EU27 (GNI) and in payment appropriations (in 2018 prices) amounting to EUR 1,105 billion (or 1.08% of GNI).
- In Figure 1, the national contributions, calculated in relation to Member States' wealth, will gradually converge by the end of the multiannual financial framework, and as a result of the elimination of reductions by 2027, a more balanced distribution will be reached, the EU-28 average in 2020 reaching 0.85 while the average forecast for 2027 at EU-27 is 0.9.



Figure 1 National contributions % of GNI

- Following the analysis of the data from table no. 1 it can be observed that the total revenues in the period 2017-2020 fluctuate from year to year, registering the value of approximately EUR 155.6 billion in 2017 followed by a significant increase for 2018, and until 2020 it remains relatively constant with a slight decrease, reaching the value of total revenues of EUR 153.5 billion.

Table 1.

European Union revenues in the period 2017-2020

Categories	Budget 2017	Budget 2018	Budget 2019	Budget 2020
Own resources	140.877,72	142.329,64	144.795,11	151.638,5
Surpluses, balances, and adjustments	427,95	581,25	1.802,98	3.218,373
Revenue from persons working in the institutions of the Union and in other bodies of the Union	1.489,9	1.541,84	1.606,51	1.651,32
Revenues from the administrative functioning of the institutions	487,363	563,311	25,050	15,050
Contributions and refunds under Union agreements and programs	7.368,65	12.776,5	13,000	13,000
Late interest and fines	123,658	147,339	115,000	115,000
Loan and credit operations	18,236	39,035	2,823	2,076
Various incomes	10,103	13,148	15,000	15,001
TOTAL	155631,9	159318,1	148492,4	153567,2

-mil euro-

- The main sources of revenue of the European Union Budget are represented by own resources, and in this category the most important and largest amounts come from own resources based on GNI, own resources from Value Added Tax, but also customs duties or taxes on import.

• Conclusions

- The pandemic crisis of COVID-19, which has become a multidimensional crisis, has changed the perspective on a consolidated MFF with the tools needed for this pandemic crisis, giving it a new motivation and a new role in the evolution of the European community [1]. The most direct impact of Brexit on EU is a real reduction in UK net contribution to the budget and the UK will have an expensive export to EU.
- Starting in 2021, there will be a new long-term budget - a modern budget that protects, empowers, and defends.
- The budget of the European Union can be considered an appropriate instrument for assuming the responsibilities of the European Union because it finances all Community activities and interventions, highlighting each year the priorities and political guidelines of the Community at EU level.