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Document I

STATEMENT OF ESTIMATES OF THE COMMISSION FOR 2014

(Preparation of the 2014 Draft Budget)

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Political Presentation

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1. PRIORITIES FOR THE 2014 DRAFT BUDGET

1.1. Overall context for the draft budget

Article 314 of the Treaty lays down that each EU institution draws up, before 1 July, estimates of its expenditure for the following year. The Commission consolidates these estimates in the draft budget, which it submits to the European Parliament and the Council not later than 1 September. It may amend the draft budget until such time as the Conciliation Committee is convened.

The Commission usually presents the draft budget at the end of April, so as to allow the European Parliament and the Council sufficient time for in-depth analysis as part of their readings of the draft budget, in accordance with a pragmatic calendar which corresponds better to their respective internal procedures. This year, however, circumstances are very particular since the negotiations on the multiannual financial framework (MFF) for the years 2014-2020, with which the 2014 budget shall comply, have been running in parallel with the preparation of the draft budget. The proposed 2014 draft budget takes account of the very advanced stage of negotiations on the 2014-2020 MFF. With that in mind, the Commission presents its draft budget for 2014 in accordance with the Treaty timetable, in order to launch the annual budget procedure in time for the respective Council and Parliament readings.

The draft budget (DB) proposal is the indispensable starting point for the annual budget procedure. Possible further developments resulting from the MFF negotiations which would require adjustments to this proposal would be integrated later in the year through an amending letter to the DB.

1.2. Priorities for 2014

The EU budget is more than ever an investment tool: it is an instrument of key importance in the Union's toolbox to deliver on smart, sustainable and inclusive growth and for providing solidarity between Member States and regions. In this respect, the start of the new spending programmes in 2014 offers a particular opportunity to reinforce the EU budget contribution to growth and jobs, including through a new Youth Employment Initiative (YEI) targeting young people not in employment, education or training, as well as through a new joint initiative with the European Investment Bank (EIB) to support access to finance for small and medium-sized enterprises (SMEs). These new initiatives are outlined in section 1.2.1 below.

The European Parliament and the Council are expected to conclude in a timely manner the legislative decisions on the 2014-2020 MFF and the new legal bases for the accompanying spending programmes, so that the implementation of the new programmes can start without delay. At the same time, the current programmes need to be brought progressively to a successful closure, for which an adequate level of payment appropriations is necessary, notably to meet obligations vis-à-vis the beneficiaries of EU funding. Finally, the Commission proposals in relation to expenditure for the EU institutions and bodies reflect restraint, despite demands to intensify and/or extend their actions under the new financial period and the challenges that need to be met. It is in this light that the four key priorities for 2014 set out below have been established.

1.2.1. Enhancing the actions for Youth and SMEs

One of the key actions in 2014 will be a new ‘Youth Employment Initiative’ (YEI)¹ targeting young people not in employment, education or training (NEETs). The Commission has proposed to concentrate the support to NEETs aged between 15 and 24 in regions which experience unemployment rates above 25 %. To ensure that the YEI reaches its beneficiaries quickly, the Commission proposes, in accordance with Article 9f of the draft Council regulation laying down the MFF for the years 2014-2020, to frontload a total of EUR 6 billion in commitment appropriations (in 2011 prices) under the YEI within the first two years of the next MFF, as explained in more detail in section 1.2.2 below. This allows the Union to commit EUR 3,6 billion (in current prices, i.e. 56,2 % of the total YEI envelope) already in 2014. The allocation to the specific budget line created for this Initiative for 2014 amounts to EUR 1,8 billion (in current prices).

Furthermore, the Commission has launched a joint initiative with the European Investment Bank (EIB) to support access to finance for small and medium-sized enterprises (SMEs). Given the importance of SMEs to the economy, it is essential that public authorities make full use of the resources available to them to support private-sector lending, on which SMEs depend heavily for their financing needs. The EIB will have a crucial role to play in regard to restoring normal lending to the real economy, notably through the implementation of its recent EUR 10 billion capital increase, so as to provide additional financial support to SMEs. In this respect, joint risk-sharing instruments aimed at supporting SME access to financing will be used more extensively under the new MFF, in particular through the risk-sharing instruments in the new programmes ‘Competitiveness of enterprises and small and medium-sized enterprises’ (COSME) and ‘Framework Programme for Research and Innovation (2014-2020)’ (Horizon 2020) in heading 1a (‘Competitiveness for growth and jobs’) and the financial instruments under the structural funds in heading 1b (‘Economic, social and territorial cohesion’), in order to create leverage effects beyond what is possible at Member State level by achieving economies of scale at EU level.

1.2.2. Putting in place the new programmes under the 2014-2020 MFF

The start of the new programming period 2014-2020 provides the occasion to launch new programmes that respond better to the current challenges and focus on stimulating growth, employment and competitiveness.

On 27 March 2013, the Commission provided an indicative breakdown by programme for the period. The Commission proposes an adjustment to that technical breakdown to take account of the proposed frontloading to 2014 and 2015 of the YEI by shifting commitments to later years from the Cohesion Fund (CF) contribution to the Connecting Europe Facility (CEF) – Transport and the European Territorial Cooperation (ETC) under heading 1b and the CEF – Energy under heading 1a. This adjustment reflects a more pragmatic implementation profile of the CEF and ETC programmes and is in line with Article 9f of the draft Council regulation laying down the MFF for the years 2014-2020. The total allocation over the period remains unchanged and continues to respect the national allocations transferred from the CF to the CEF until 31 December 2016, as foreseen in point 17 of the European Council conclusions of 7-8 February 2013.

Parliament and Council will need to take swift decisions to adopt the new generation of spending programmes, so that all programmes are in place for a timely start of the new programming period. In this regard, the Commission stresses the importance to safeguard the result-oriented focus and simplified legislation as proposed by the Commission, so that the new programmes remain focused on key objectives and that the expected results of the programmes can be obtained, as quickly as possible. More information on the content of the new programmes by MFF heading is given in section 3.

¹ COM(2013) 447, 19.6.2013.

In order to highlight the performance aspects of the new programmes, the 2014 DB provides detailed information on the objectives of each programme, as well as the timeframe for their achievement. This information is presented in ‘programme statements’, which provide key data and text. These programme statements will be updated in the context of the annual draft budgets to come. In turn, this will allow the budgetary authority to keep track of progress made in the implementation of programmes, and thus better inform its decisions. Furthermore, the 2014 DB contains an indicative financial programming for the period 2014-2020. This will be updated at a later stage to reflect the outcome of the MFF negotiations and of the annual budget procedure.

1.2.3. Fulfilling the EU’s obligations

In recent annual budget procedures it has been difficult for the European Parliament and the Council to reach agreement on the overall level of payment appropriations, and to secure the required level of payments, despite the clear evidence of consistently high budget implementation rates and of outstanding needs. In this regard, the Commission stresses again that the EU budget is mostly an investment budget, and the required level of payment appropriations is largely the consequence of commitments agreed by Parliament and Council in previous years’ budgets. Furthermore, Article 310(5) of the Treaty lays down that ‘the budget shall be implemented in accordance with the principle of sound financial management’.

Reflecting the transitional character of the 2014 budget between two programming periods, payment needs for 2014 will consist on the one hand of payments on new commitments, notably pre-financing payments and non-differentiated expenditure (such as agriculture and administration) and on the other hand of interim and final payments on outstanding commitments from the 2007-2013 period. As regards the level of outstanding commitments at year-end 2013, the 2014 DB assumes that the additional EUR 11,2 billion payment appropriations requested in draft amending budget No 2/2013² (DAB 2/2013) will be authorised in full in 2013. On that basis, the level of payments for 2014 is set at EUR 136,1 billion. This leaves no margin below the payment ceiling for 2014.

This level of payments represents the Commission’s very conservative estimate of the overall payment needs, in particular as regards the timing of submission of payment claims from Member States, automatic decommitments by the end of 2013 and the start-up of new programmes. In this context, there are clear indications that the level of payments proposed in the 2014 DB may prove insufficient to cover all needs: more than 90 % of the requested payment appropriations will be used to cover outstanding commitments from the 2007-2013 programmes and for non-differentiated expenditure, with less than 10 % left to cover payments related to 2014 commitments. The Commission notes, in this regard, that the payment ceiling for 2014 resulting from the very advanced stage of the MFF negotiations brings the ceiling back at the level of payments made in the 2012 budget, and EUR 8,4 billion below the payment needs resulting from DAB 2/2013, whereas the payment profile resulting from past budgets would have required a ceiling that is more in continuity with the 2013 ceiling. This confirms the need for specific and maximum flexibility within the 2014-2020 MFF. Throughout 2013 and 2014 the Commission will continue to monitor budget implementation closely, and it will propose correcting measures, using if necessary the tools offered by the 2014-2020 MFF, so as to allow the EU to continue to meet its obligations.

² COM(2013) 183, 27.3.2013.

1.2.4. Restraint on administrative expenditure

Heading 5

When excluding the impact of the accession of Croatia, the **Commission** proposes for the second year a 1 % reduction in its staff numbers in the 2014 DB, as part of its proposal to reduce the staff of all EU institutions and bodies by 5 % over five years. Moreover, the Commission has reduced its own administrative expenditure under heading 5 by - 1,1 % in comparison with 2013, when excluding salary related expenditure, limiting the overall increase of its administrative expenditure to 0,8 % (+ 0,1 % when excluding administrative expenditure related to Croatia's accession, i.e. nearly frozen in nominal terms). This implies both immediate and longer term savings.

Likewise, the **other institutions** (with the exception of the European Parliament) either applied a 1 % staff reduction or have expressed their intention to do so until 2017, and they have also followed a restrictive approach when preparing their respective statement of estimates. Consequently, the proposed increase in the administrative expenditure of the other institutions combined amounts to 1,7 %.

Following progress and evolution of discussions in the Trilogue of 25 June 2013 on the Staff Regulations, the Commission has not included the salary adjustment at the end of 2013 and for 2014, for any of the institutions. As a result, the administrative expenditure of all institutions combined amounts to EUR 6 936,3 million (+ 1,3 %). This leaves a margin of EUR 119,7 million below the sub-ceiling for the functioning of institutions under heading 5.

Expenditure for **Pensions** and **European schools** shows a more substantial increase (+ 5,8 % to EUR 1 658,8 million), which is due to the evolution of pension expenditure, in particular to the increased number of retiring staff (+ 4,3 %) ahead of the entry into force of the new Staff Regulations. The global margin under the ceiling of heading 5 amounts to EUR 125,9 million.

Executive agencies

In its MFF proposals of June 2011, the Commission announced its intention to make more use of executive agencies in the management of the new spending programmes in view of achieving higher efficiency and effectiveness. The preparatory work for this delegation of tasks is underway, in particular as regards the cost-benefit analysis of 'delegation' versus 'in-house' management of programmes, which will take account of the outcome of the MFF negotiations. Awaiting the results of such an analysis, the 2014 DB is based on a 'steady state' approach whereby the current staffing levels of each executive agency in 2013 are kept constant at the 2013 level, and inflation correction has been used as an upper limit for the adjustment of the EU subsidy for the running costs of the agencies. As soon as the assessment is completed, including as regards the MFF negotiations, and in time for the start of the Conciliation, the Commission will propose an amending letter to take account of the impact of the possible further delegation of implementation of programmes on the staffing and subsidy levels of each executive agency concerned.

Decentralised agencies

The DB request for decentralised agency staffing and appropriations is guided by two overall constraints: on the one hand, the new MFF lays down indicative envelopes for agency expenditure by heading, and on the other hand, the objective of reducing staffing levels in agencies by 5 % over five years. With this in mind, the 2014 DB has been prepared in parallel with a broader Commission exercise to establish a programming of human and financial resources for decentralised agencies for the years 2014-2020, with the aim to arrive with Parliament and Council at a common understanding of medium-term agency resources needs. In so doing, new tasks are to be matched with corresponding resources, within the two constraints set by the MFF. The Commission intends to present the results of this exercise in July 2013, as a starting point for the procedure foreseen under point 47 of the Interinstitutional Agreement on budgetary discipline and on sound financial

management (point 25 of the draft IIA for 2014-2020)³. The financial programming for each individual agency within each MFF expenditure heading will be provided once the exercise is completed.

Within these constraints for the new MFF period as a whole, the proposed overall EU contribution (fresh appropriations and surplus carried-over) to the agencies in 2014 increases by 3,8 %. The increase in appropriations requested in the DB (+ EUR 29,4 million) is largely due to the smaller size of agencies' combined surplus (EUR 14,7 million compared to EUR 24,4 million the previous year) and to the large increase (+ EUR 18,4 million) in expenditure for eu.LISA⁴, the agency for the management of large-scale IT systems in the area of freedom, security and justice, which has become operational in late 2012.

The overall number of posts in the combined establishment plans of agencies is reduced by 54 posts⁵ in comparison with 2013. The overall 1 % reduction in agency posts has been applied by the Commission through a differentiated approach with regard to 'cruising speed', 'new tasks', and 'start-up phase' agencies (see section 4.3.1 below). The efforts expected from the agencies in 2014 should be seen in a broader context of rationalisation that is marked notably by the Common Approach endorsed by the European Parliament, the Council and the Commission in July 2012 and the Roadmap on its implementation presented by the Commission in December 2012. Key consideration of the Commission is to secure efficient and responsible use of resources in the agencies. The initiatives to be pursued in this respect are to seek synergies between agencies, such as the possibility of sharing services based on proximity of locations or policy area, or that of merging agencies whose tasks overlap and which would be more efficient if inserted in a bigger structure⁶. Already existing models of pooling resources (for example common internal auditors) can be further extended (e.g. shared accounting services). The Commission is in the process of revising the current Framework Financial Regulation with a view to streamlining the rules, in line with the simplification and modernisation efforts introduced recently in the general Financial Regulation and the positions agreed in the Common Approach.

* * *

The proposed draft budget for 2014 provides a basis for the transition from one financial framework to the next at this stage of the negotiations on the 2014-2020 MFF. This is also the case for payment needs, which relate to the new as well as to the current period.

In this respect, a sound and flexible MFF 2014-2020 and a timely agreement on the 2014 budget, allowing for the efficient implementation of the new programmes designed for addressing the current challenges, is what matters for the European economy, the welfare of the EU citizens and beneficiaries of EU funding.

³ OJ C 139, 14.6.2006 and COM(2011) 403, 29.6.2011.

⁴ 'European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice' (eu.LISA).

⁵ Including the two self-financed agencies: 'Office for Harmonisation in the Internal Market' (OHIM) and 'Community Plant Variety Office' (CPVO).

⁶ As an example, the Commission proposed to merge the 'European Police College' (CEPOL) and the 'European Police Office' (EUROPOL) as from 2015 (COM(2013) 173) of 27.03.2013). The expected savings for 2015-2020 are estimated at EUR 17 million.

2. THE MULTIANNUAL FINANCIAL FRAMEWORK AND THE 2014 DRAFT BUDGET

2.1. Ceilings of the multiannual financial framework for the 2014 budget

The ceilings for commitment and payment appropriations in the multiannual financial framework (MFF) taken as a reference point⁷ for the establishment of the 2014 draft budget are presented in the table below:

Heading	2014 commitment appropriations in million EUR, at current prices
Commitment appropriations	
1. Smart and inclusive growth	63 973,0
1a Competitiveness for growth and jobs	16 390,0
1b Economic, social and territorial cohesion	47 583,0
2. Sustainable growth: natural resources	59 303,0
of which: European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments	44 130,0
3. Security and citizenship	2 179,0
4. Global Europe	8 335,0
5. Administration	8 721,0
of which: Administrative expenditure of the institutions	7 056,0
6. Compensations	29,0
TOTAL COMMITMENT APPROPRIATIONS	142 540,0
TOTAL PAYMENT APPROPRIATIONS	135 866,0

At this very advanced stage of the negotiations on the 2014-2020 MFF, the overall ceiling for commitment appropriations (CA) is regarded as being set at EUR 142 540 million, which represents 1,06 % of EU gross national income (GNI). The ceiling for payment appropriations (PA) is EUR 135 866 million, or 1,01 % of GNI.

⁷ These amounts reflect the very advanced stage of the MFF negotiations, adjusted to take account of the impact (EUR 160 million at 2011 prices or EUR 170 million at current prices) on the subceilings of headings 1a and 1b of the Commission proposal to frontload the ‘Youth Employment Initiative’ (YEI) in 2014, in accordance with Article 9f of the draft Council regulation laying down the MFF for the years 2014-2020, which has a net zero impact at the level of the overall ceiling of heading 1.

2.2. Overview on the 2014 draft budget

(Commitment (CA) and payment (PA) appropriations in million EUR, rounded figures at current prices)

Heading	Budget 2013 ⁽¹⁾		Draft budget (DB) 2014		Share in DB 2014		Difference 2014 – 2013		Difference 2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
1. Smart and inclusive growth	70 707,6	69 246,6	63 824,7	62 788,7	44,8%	46,1%	-6 882,8	-6 457,9	-9,7%	-9,3%
<i>Ceiling</i>	70 644,0		63 973,0							
<i>Margin</i>			148,3							
1a Competitiveness for growth and jobs	15 749,5	12 897,0	16 264,2	11 694,9	11,4%	8,6%	514,6	-1 202,1	3,3%	-9,3%
<i>Ceiling</i>	15 670,0		16 390,0							
<i>Margin</i>			125,8							
1b Economic, social and territorial cohesion	54 958,0	56 349,5	47 560,6	51 093,7	33,4%	37,6%	-7 397,5	-5 255,8	-13,5%	-9,3%
<i>Ceiling</i>	54 974,0		47 583,0							
<i>Margin</i>			22,4							
2. Sustainable growth: natural resources	59 885,1	57 848,8	59 247,7	56 532,5	41,6%	41,5%	-637,4	-1 316,3	-1,1%	-2,3%
<i>Ceiling</i>	61 310,0		59 303,0							
<i>Margin</i>			55,3							
Of which: European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments	43 654,9	43 660,2	43 778,1	43 777,0	30,7%	32,2%	123,2	116,7	0,3%	0,3%
<i>Sub-ceiling</i>	48 583,0		44 130,0							
<i>Net transfer between EAGF and EAFRD</i>			351,9							
<i>Margin</i>										
3. Security and citizenship	2 362,2	1 894,2	2 139,5	1 668,0	1,5%	1,2%	-222,7	-226,1	-9,4%	-11,9%
<i>Ceiling</i>	2 449,0		2 179,0							
<i>Margin</i>			39,5							
4. Global Europe	9 341,3	6 811,0	8 175,8	6 251,3	5,7%	4,6%	-1 165,5	-559,7	-12,5%	-8,2%
<i>Ceiling</i>	9 595,0		8 335,0							
<i>Margin</i>			159,2							
5. Administration	8 418,1	8 417,8	8 595,1	8 596,7	6,0%	6,3%	177,0	178,9	2,1%	2,1%
<i>Ceiling</i> ⁽²⁾	9 181,0		8 721,0							
<i>Margin</i>			125,9							
Of which: Administrative expenditure of the institutions	6 849,9	6 849,6	6 936,3	6 937,9	4,9%	5,1%	86,4	88,3	1,3%	1,3%
<i>Sub-ceiling</i>			7 056,0							
<i>Margin</i>			119,7							
6. Compensations	75,0	75,0	28,6	28,6	0,0%	0,0%	-46,4	-46,4	-61,9%	-61,9%
<i>Ceiling</i>	75,0		29,0							
<i>Margin</i>			0,4							
Total	150 789,3	144 293,2	142 011,4	135 865,8	99,7%	99,9%	-8 777,9	-8 427,4	-5,8%	-5,8%
<i>Ceiling</i> ⁽²⁾	153 254,0	144 308,0	142 540,0	135 866,0						
<i>Margin</i>			528,6	0,2						
Appropriations as % of GNI ⁽³⁾	1,15%	1,10%	1,05%	1,01%						
Outside the multiannual financial framework (MFF) ⁽⁴⁾	778,7	157,6	456,2	200,0	0,3%	0,1%	-322,5	42,4	-41,4%	26,9%
Appropriations as % of GNI ⁽³⁾	0,01%	0,00%	0,00%	0,00%						
Grand Total	151 568,0	144 450,8	142 467,6	136 065,8	100,0%	100,0%	-9 100,4	-8 385,0	-6,0%	-5,8%
Appropriations as % of GNI ⁽³⁾	1,15%	1,10%	1,06%	1,01%						

(1) Budget 2013 includes draft amending budgets 1 to 5.

(2) The ceiling for 2013 includes the staff contributions to the pensions scheme (EUR 86 million).

(3) The draft budget is based on the forecast of GNI issued after the Advisory Committee on Own Resources (ACOR) meeting held on 16 May 2013.

(4) 'Outside the multiannual financial framework (MFF)' includes the 'Emergency Aid Reserve (EAR)', the 'European Globalisation Adjustment Fund (EGF)' and the 'European Union Solidarity Fund (EUSF)'. The corresponding payment appropriations are considered outside the MFF for the purpose of the calculation of the margin under the ceiling for payment appropriations.

Overall, the proposed level of expenditure reflects the expenditure ceilings under the new multiannual financial framework set by the European Council in February 2013, while the amounts for the individual programmes reflect the breakdown of the 2014-2020 MFF according to the list of programmes adjusted technically following the European Council conclusions and transmitted to the Budgetary Authority on 27 March 2013. In broad terms, they entail a year-on-year reduction of commitment appropriations in all headings compared to the 2013 budget, with the exception of heading 1a ‘Competitiveness for growth and jobs’.

In terms of *commitment* appropriations, **the total expenditure of the draft budget (DB) 2014** is EUR 142 467,6 million, corresponding to 1,06 % of GNI⁸, that is EUR -9 100,4 million less than in 2013 (-6,0 %). The resulting total margin under the MFF expenditure ceilings stands at EUR 528,6 million.

The *payment* appropriations amount to EUR 136 065,8 million, corresponding to 1,01 % of GNI. Practically no margin (EUR 0,2 million) is left under the payment ceiling of the MFF which, for 2014 is EUR -8 385,0 million lower than the level of payment appropriations in the 2013 budget as modified by draft amending budgets (-5,8 %). The proposal of the Commission reflects the payment needs assuming that the full amount of the additional payment appropriations requested with the DAB No 2/2013 has been approved. Of the overall amount foreseen for 2014, EUR 54 670,2 million will be used to pay non-differentiated expenditure (whereby commitments are equal to payments) such as direct aids for agriculture and administration, EUR 70 710,7 million for payments on outstanding commitments of previous years (the so-called ‘reste à liquider’ or ‘RAL’) and EUR 10 684,8 million to implement new programmes starting in 2014.

Commitment appropriations for **Competitiveness for growth and jobs (heading 1a)** are set at EUR 16 264,2 million. This is an increase of 3,3 % compared to the 2013 budget, which is mostly due to the Connecting Europe Facility (CEF) and the large infrastructure projects (‘EGNOS and Galileo’, ‘ITER’ and ‘Copernicus’) under this heading. This leaves a margin of EUR 125,8 million. Payment appropriations decrease by -9,3 % to EUR 11 694,9 million.

For **Economic, social and territorial cohesion (heading 1b)** commitment appropriations decrease by -13,5 % to EUR 47 560,6 million, leaving a margin of EUR 22,4 million. Payment appropriations decrease by -9,3 %, to EUR 51 093,7 million. Within this heading commitment and payment appropriations are foreseen for the Youth Employment Initiative (YEI, specific top-up allocation), amounting to EUR 1,8 billion and EUR 450 million, respectively.

Commitment appropriations of EUR 59 247,7 million are proposed for **Sustainable growth: natural resources (heading 2)**. This level of funding represents a decrease of -1,1 % compared to 2013 and leaves a margin of EUR 55,3 million under the ceiling. Payment appropriations amount to EUR 56 532,5 million, with a decrease of -2,3 % compared to 2013. Expenditure for market related expenditure and direct aids reaches EUR 43 778,1 million in commitment appropriations, and EUR 43 777,0 million in payment appropriations. No margin under the sub-ceiling for market measures and direct aids is left as the Commission requested the activation of the financial discipline mechanism⁹.

Security and citizenship (heading 3) sees a decrease in commitment appropriations of -9,4 % to EUR 2 139,5 million, leaving a margin of EUR 39,5 million. Payment appropriations decrease by -11,9 % to EUR 1 668,0 million.

⁸ The draft budget is based on the forecast of GNI issued after the Advisory Committee on Own Resources (ACOR) meeting held on 16 May 2013.

⁹ COM(2013) 159, 25.3.2013.

Heading 4, Global Europe sees a decrease in commitment appropriations of -12,5 % to EUR 8 175,8 million, leaving an unallocated margin of EUR 159,2 million available under the ceiling. Payment appropriations decrease by -8,2 % to EUR 6 251,3 million.

Commitment and payment appropriations for **Administration (heading 5)** for all institutions combined increase by 2,1 % (of which + 1,3 % for the administrative expenditure of the institutions), with commitments set at EUR 8 595,1 million and payments at EUR 8 596,7 million. This increase includes additional administrative expenditure related to Croatia's accession, amounting to EUR 54,0 million for all institutions. As regards heading 5, the new MFF introduces a sub-ceiling for administrative expenditure of the institutions (excluding pensions and European schools). The requested expenditure for the institutions leaves a margin of EUR 119,7 million under such a sub-ceiling. Taking into account the estimated expenditure for pensions, the global margin under the ceiling of heading 5 amounts to EUR 125,9 million.

The margin under the sub-ceiling for administrative expenditure of the institutions is due to the continued efforts of the Commission and the other institutions to limit their own administrative expenditure through the reduction in staffing levels and other savings, in line with the Commission commitment to reduce staff levels in all EU institutions and bodies by 5 % over five years.

For pensions, the 7,2 % increase results from the annual adjustments for 2011 and 2012, as well as the growth (by 4,3 %) in the number of staff expected to retire in 2014. The decrease in the appropriations for European schools (-5,6 %) corresponds for 'Type I'¹⁰ schools to the amounts adopted by the budget committee of the European schools. This decrease is due to tight control of expenses and a revision of the salary grid for teachers which allows for a reduction of the EU contribution. The decrease in the appropriations for 'Type II' schools results from a revised method to calculate the EU contribution, a lower than foreseen number of pupils in some of the schools, as well as by charging to agencies' budgets the schooling cost of children of agency staff in 'Type II' schools. Further reductions in heading 5 expenditure for 'Type I' schools, estimated at EUR 26 million, could be made if institutions and agencies¹¹ that are not financed by the EU budget were to contribute from their own budget to the financing of the 'Type I' schools offering a service to them, in the same way as the Commission proposes for 'Type II' schools.

Finally, both commitments and payments for **Compensations (heading 6)** are set at EUR 28,6 million, which is a decrease of -61,9 % compared to 2013, in accordance with the Treaty concerning the Accession of the Republic of Croatia¹² (hereafter 'Croatia'). This leaves a margin of EUR 0,4 million.

More details on the main programmes and actions financed within each of the headings are presented in section 3 below. In addition, cross-cutting issues are presented in section 4 ('horizontal issues') and in the annexes. This concerns, for instance, the request for payment appropriations (Annex III, broken down by programming period and main programmes), as well as the contribution that the EU budget makes to the financing of the Europe 2020 strategy (Annex IV, presented by flagship initiatives) and to the financing of the mainstreaming of climate action and biodiversity (Annex V, presented in two separate tables). Finally, Annex VI provides an overview of human and financial resources requested for the various types of agencies.

¹⁰ European schools 'Type I' are schools established under the intergovernmental Convention on 'Defining the Statute of European schools', whereas 'Type II' schools are accredited European Schools under national law, offering a curriculum equivalent to European schools 'Type I' and granting free of charge priority access to children of staff of the European institutions.

¹¹ This concerns notably the 'European Investment Bank' (EIB), 'European Central Bank' (ECB) and 'Office for Harmonisation in the Internal Market' (OHIM).

¹² OJ L 112, 24.4.2012, p. 10.

3. KEY ASPECTS OF 2014 DRAFT BUDGET BY FINANCIAL FRAMEWORK HEADINGS

3.1. Heading 1a — Competitiveness for growth and jobs

3.1.1. Summary Table for commitment (CA) and payment (PA) appropriations

(in million EUR, rounded figures at current prices)

	Budget 2013 ⁽¹⁾		Draft budget (DB) 2014		Share		Difference 2014 – 2013		Difference 2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Large infrastructure projects	969,0	966,2	2 629,4	1 987,1	16,2%	17,0%	1 660,4	1 020,9	171,4%	105,7%
— Nuclear Safety and Decommissioning	267,3	182,1	130,4	180,0	0,8%	1,5%	-136,9	-2,1	-51,2%	-1,2%
— Common Strategic Framework (CSF) Research and Innovation	10 481,0	8 305,7	9 113,7	6 328,5	56,0%	54,1%	-1 367,3	-1 977,2	-13,0%	-23,8%
— Horizon 2020	10 217,8	8 036,6	8 826,5	6 077,1	54,3%	52,0%	-1 391,4	-1 959,5	-13,6%	-24,4%
— Euratom Research and Training Programme	263,1	269,1	287,2	251,4	1,8%	2,1%	24,1	-17,7	9,2%	-6,6%
— Competitiveness of enterprises and small and medium-sized enterprises (COSME)	307,2	242,6	243,8	236,7	1,5%	2,0%	-63,4	-6,0	-20,6%	-2,5%
— Education, Training, Youth and Sport (Erasmus for all)	1 430,2	1 396,1	1 418,3	1 219,4	8,7%	10,4%	-11,9	-176,7	-0,8%	-12,7%
— Social change and Innovation (PSCI)	110,0	87,7	119,4	109,6	0,7%	0,9%	9,4	21,9	8,6%	25,0%
— Customs, Fiscalis and Anti-Fraud	105,8	83,1	118,3	86,0	0,7%	0,7%	12,5	2,8	11,8%	3,4%
— Connecting Europe Facility (CEF)	1 510,8	784,7	1 966,2	885,9	12,1%	7,6%	455,3	101,2	30,1%	12,9%
— Energy projects to aid economic recovery (EERP)	—	285,5	—	100,0	0,0%	0,9%		-185,5	0,0%	-65,0%
— Other actions and programmes	179,9	209,9	161,1	192,2	1,0%	1,6%	-18,7	-17,7	-10,4%	-8,4%
— Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	144,2	111,5	130,5	116,8	0,8%	1,0%	-13,7	5,4	-9,5%	4,8%
— Pilot projects and preparatory actions	26,2	27,4	p.m.	19,3	0,0%	0,2%	-26,2	-8,1	-100,0%	-29,5%
— Decentralised agencies	218,1	214,5	233,2	233,4	1,4%	2,0%	15,1	19,0	6,9%	8,9%
Total	15 749,5	12 897,0	16 264,2	11 694,9	100%	100%	514,6	-1 202,1	3,3%	-9,3%
<i>Ceiling</i>	<i>15 670,0</i>		<i>16 390,0</i>							
<i>Margin</i>			<i>125,8</i>							

(1) Budget 2013 includes draft amending budgets 1 to 5.

3.1.2. Key aspects of heading 1a

Heading 1a comprises programmes and actions which are at the heart of the ‘Europe 2020 strategy’. Their considerable added value at European level will be fully exploited through the rationalisation and mainstreaming of activities and the implementation of more consistent and innovative instruments.

Three large scale projects will be implemented within this heading from 2014 onwards: ‘EGNOS and Galileo’, ‘ITER’ and ‘Copernicus’. The resources allocated to these projects will have to be sufficient to guarantee the appropriate level of investment in high technological and strategically important sectors of the European industry, laying the foundations for future economic development, prosperity and employment. The ‘Galileo’ programme will enter into its exploitation phase: the launching of new satellites will gradually complete the constellation and allow for the provision of initial services. The ‘Copernicus’ programme will also switch to a larger range of operational services. Finally, the EU participation in the ‘ITER’ project will provide the Union the ability to stay at the forefront in the promising field of nuclear fusion.

The ‘common strategic framework’ (CSF) implemented through the ‘Horizon 2020’ programme will absorb more than half of the total budget appropriations under heading 1a, reflecting the important contribution of

research, technological development and innovation in delivering jobs, prosperity and quality of life. The CSF pools research efforts and can thus deliver results that individual Member States cannot deliver on their own.

The single ‘Erasmus for all’ programme will build upon and further develop the successful and essential actions in the field of education, training and youth that were thus far implemented through the ‘Lifelong learning’, ‘Youth in Action’ and ‘Erasmus Mundus’ programmes. It will also cover actions in the field of sport.

The ‘Connecting Europe Facility’ (CEF) will support the implementation of projects aiming at developing, constructing or upgrading of new and existing infrastructure in the field of transport, energy and telecommunications. The programme will contribute towards achieving smart, sustainable and inclusive growth by developing modern and high performing trans-European networks.

The new ‘COSME’ programme (‘Competitiveness of enterprises and small and medium-sized enterprises’) will support European SMEs in their efforts to grow and compete in the global market. The programme will integrate financial instruments designed to address market failures and boost SME access to credit and risk capital.

3.1.3. Priorities for 2014

The 2014 budget will take a further step in modernising EU activity by allocating resources to priority areas such as pan-European infrastructure (notably transport, energy and ICT projects), research, technological development and innovation, and investment in education and human skills.

3.1.4. Large infrastructure projects

(in million EUR, rounded figures at current prices)

Summary of ‘Large infrastructure projects’ by programmes	Budget 2013		Draft budget (DB) 2014		Share		Difference 2014 – 2013		Difference 2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— European satellite navigation systems (EGNOS and Galileo)	1,0	376,8	1 326,2	1 197,9	50,4%	60,3%	1 325,2	821,1	132518,0 %	217,9%
— International Thermonuclear Experimental Reactor (ITER)	912,0	541,3	940,3	588,0	35,8%	29,6%	28,3	46,7	3,1%	8,6%
— European Earth Observation Programme (Copernicus)	56,0	48,1	362,9	201,2	13,8%	10,1%	306,9	153,1	548,1%	318,5%
Total	969,0	966,2	2 629,4	1 987,1	100%	100%	1 660,4	1 020,9	171,4%	105,7%

3.1.4.1. European satellite navigation systems (‘EGNOS’ and ‘Galileo’)

The EU satellite navigation programmes (‘EGNOS’ and ‘Galileo’) will provide an important contribution to the ‘Europe 2020 strategy’ and, in particular, to the flagship initiative ‘An industrial policy for the globalisation era’ in continuing to deliver an effective space policy.

‘EGNOS’ is a European system developed to improve the performance of the American ‘Global Positioning System’ (GPS) across Europe. It makes existing satellite navigation services suitable for safety-critical applications such as air or maritime transport. The ‘EGNOS’ system has entered its operational phase, with a first declaration of services for the ‘Open Service’ (OS) in October 2009, followed by service declaration for ‘Safety of Life’ (SOL) service in March 2011 and ‘EGNOS Data Access server’ (EDAS) service in July 2012.

The ‘Galileo’ programme aims to establish Europe’s global navigation satellite system specifically designed for civil purposes. It will provide positioning, timing and navigation services to users worldwide for a wide range of applications, in different activities such as transport, financial securities clearance, electricity provision, weather forecasting or road tolling. The ‘Galileo’ deployment phase will extend beyond 2013 and a new phase of the programme will start in 2014 with the provision of initial services.

Today nearly 7 % of the EU's gross domestic product (GDP) relies on satellite navigation systems. The Union programmes in this fast growing sector will alleviate Europe's dependency on third countries and is forecasted to render benefits of up to EUR 130 billion over the next 20 years. The programmes will contribute to stimulating economic activity in a broad range of sectors, driving technological innovation and enhancing competitiveness in the European economy and providing a source of job creation, commercial revenue and socio-economic benefits. The services offered through these systems contribute to the development of trans-European networks in the areas of transport, telecommunications and energy infrastructure. The combined use of GPS and 'Galileo' signals will allow for better precision and for the development of new applications which are not possible by using one single system.

3.1.4.2. International Thermonuclear Experimental Reactor (ITER)

The proposed Research Programme for 'ITER'¹³ under Article 7 of the Euratom Treaty defines the funding arrangement for the EU contribution to the 'ITER' project for the period 2014-2018. The 'ITER' project aims to demonstrate fusion as a viable and sustainable source of energy by building and operating an experimental fusion reactor as a major step towards the creation of prototype reactors for fusion power stations that are safe, sustainable, environmentally responsible and economically viable. 'ITER' is part of the 'Strategic Energy Technology' (SET) Plan, contributing to the long-term EU energy strategy. It also contributes to the 'Europe 2020 strategy' and, in particular, to its 'Innovation Union' flagship initiative, as the mobilisation of European high-tech industries, which are involved in the construction of 'ITER', should provide the EU with a global competitive advantage in this promising sector.

The Research programme covers the EU contribution to the construction of the 'ITER' facility, procurement of equipment and installations, general technical and administrative support for the project during construction, and participation in commissioning and initial operation, as well as other 'ITER' related activities such as those under the 'Broader Approach Activities', for which 'Euratom' and Japan concluded a bilateral agreement setting out complementary joint fusion research activities.

3.1.4.3. European Earth Observation Programme (Copernicus)

'**Copernicus**' is the new name of the 'European Earth Observation Programme' (GMES). It aims at providing Europe with a continuous, independent and reliable access to observation data and information with the final objective to allow better management of the environment and to ensure enhanced security. The EU investment aims at filling the observation gaps, providing access to existing assets and developing operational services. 'Copernicus' contributes to economic stability and growth by boosting commercial applications, the so-called downstream services, in many different sectors through a full and open access to 'Copernicus' observation data and information products. The programme is included in the industrial policy initiative of Europe 2020, given its benefits for a wide range of Union policies.

¹³ COM(2011) 931, 21.12.2011.

3.1.5. Common Strategic Framework (CSF) Research and Innovation

The table below gives an overview of the Common Strategic Framework for Research and Innovation. It presents the breakdown by programmes and objectives of the appropriations for Research and Innovation in the 2014 draft budget. The comparison with the 2013 budget is made by grouping the ‘completion’ lines (prior to 2014) and the corresponding support expenditure, both for commitment and payment appropriations. This method for the presentation of the main new programmes is used throughout this document.

(in million EUR, rounded figures at current prices)

Summary of CSF for Research and Innovation by programmes and objectives	Budget 2013		Draft budget (DB) 2014		Share		Difference 2014 – 2013		Difference 2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Horizon 2020	10 217,8	8 036,6	8 826,5	6 077,1	96,8%	96,0%	-1 391,4	-1 959,5	-13,6%	-24,4%
— Excellent science			2 670,7	89,5	29,3%	1,4%	2 670,7	89,5		
— European Research Council (ERC)			1 535,7	19,8	16,8%	0,3%	1 535,7	19,8		
— Future and Emerging Technologies (FET)			241,0	10,3	2,6%	0,2%	241,0	10,3		
— Marie Skłodowska-Curie actions			625,5	57,0	6,9%	0,9%	625,5	57,0		
— Research infrastructures			268,6	2,4	2,9%	0,0	268,6	2,4		
— Industrial leadership			1 936,0	468,1	21,2%	7,4%	1 936,0	468,1		
— Leadership in enabling and industrial technologies			1 485,0	135,3	16,3%	2,1%	1 485,0	135,3		
— Access to risk finance			384,8	326,8	4,2%	5,2%	384,8	326,8		
— Innovation in SMEs			66,2	6,0	0,7%	0,1%	66,2	6,0		
— Societal challenges			3 305,4	229,0	36,3%	3,6%	3 305,4	229,0		
— Health, demographic change and wellbeing			884,3	68,7	9,7%	1,1%	884,3	68,7		
— Food security, sustainable agriculture and the bio-economy			298,7	24,8	3,3%	0,4%	298,7	24,8		
— Secure, clean and efficient energy			631,4	57,5	6,9%	0,9%	631,4	57,5		
— Smart, green and integrated transport			740,0	40,5	8,1%	0,6%	740,0	40,5		
— Climate action and resource efficiency, including raw materials			341,2	8,5	3,7%	0,1%	341,2	8,5		
— Inclusive, innovative and secure societies			409,7	29,0	4,5%	0,5%	409,7	29,0		
— European Institute of Innovation and Technology			235,1	121,4	2,6%	1,9%	235,1	121,4		
— Non-nuclear actions of JRC			33,6	10,8	0,4%	0,2%	33,6	10,8		
— Support expenditure	649,1	649,1	645,8	645,8	7,1%	10,2%	-3,3	-3,3	-0,5%	-0,5%
— Completion (prior to 2014)	9 568,8	7 387,5	0,0	4 512,5	0,0%	71,3%	-9 568,8	-2 875,0	-100,0%	-38,9%
— Euratom Research and Training Programme	263,1	269,1	287,2	251,4	3,2%	4,0%	24,1	-17,7	9,2%	-6,6%
— Euratom			151,0	67,6	1,7%	1,1%	151,0	67,6		
— Support expenditure	124,6	124,6	136,3	136,3	1,5%	2,2%	11,7	11,7	9,4%	9,4%
— Completion (prior to 2014)	138,5	144,5	0,0	47,5	0,0%	0,8%	-138,5	-97,0	-100,0%	-67,1%
Total	10 481,0	8 305,7	9 113,7	6 328,5	100,0%	100,0%	-1 367,3	-1 977,2	-13,0%	-23,8%
Of which indirect research	10 087,5	7 915,6	8 715,8	5 935,8	95,6%	93,8%	-1 371,7	-1 979,8	-13,6%	-25,0%
Of which direct research	393,4	390,1	397,9	392,7	4,4%	6,2%	4,4	2,6	1,1%	0,7%

3.1.5.1. 'Horizon 2020' — The Framework Programme for Research and Innovation (2014-2020)

'**Horizon 2020**'¹⁴, the EU's new funding programme for research and innovation, will stimulate the economy and secure the science and technology base and industrial competitiveness for the future, contributing towards a smarter, more sustainable and more inclusive society. It will play a central role in the implementation of the Europe 2020 flagship initiative 'Innovation Union' and other flagship initiatives, notably 'Resource efficient Europe', 'An industrial policy for the globalisation era' and 'A digital agenda for Europe', as well as in the development and functioning of the European Research Area (ERA). Running from 2014 to 2020, 'Horizon 2020' is part of the drive to deliver ideas, growth and jobs for the future.

With 'Horizon 2020', it is the first time that a single programme brings together all existing Union research and innovation funding, including the Framework Programme for Research, the innovation-related activities of the 'Competitiveness and Innovation Framework Programme' (CIP) and the 'European Institute of Innovation and Technology' (EIT). Furthermore, the 'Euratom Research and Training Programme' (2014-2018)¹⁵ based on the Euratom Treaty complements 'Horizon 2020'. This demonstrates the firm intention to bridge the gap between research and the market and coupling research to innovation, while at the same time focusing on societal challenges.

'Horizon 2020' will be the vehicle for leveraging private investment in the Research and Development sector and attaining 3 % of the EU's GDP in 'Research and Development' (R&D) by 2020. Emphasis will be placed in those areas where the EU intervention will provide added value and increased effectiveness when compared to Member States' individual efforts. The promotion of excellent science in key areas will make it possible for over 60 000 researchers to circulate thus generating new skills and innovation in the EU. Boosting Europe's industrial leadership in key areas will give rise to 3 new patent applications per EUR 10 million of funding and will leverage EUR 100 million per EUR 10 million EU funding in risk finance for research and innovation. 'Horizon 2020' will also address major societal challenges and generate on average 20 publications in peer-reviewed high impact journals per EUR 10 million funding.

'Horizon 2020' will focus resources on three distinct, yet mutually reinforcing priorities, with clear Union added value:

1. Generating excellent science in order to strengthen the Union's world-class excellence in science (*Part I, 'Excellent Science'*). This part aims to reinforce and extend the excellence of the Union's science base and to consolidate the European Research Area in order to make the Union's research and innovation system more competitive on a global scale. In this context, the programme will support the best ideas, develop talent within Europe, provide researchers with access to priority research infrastructures, and make Europe an attractive location for the world's best researchers;
2. Fostering industrial leadership to support business, including small and medium-sized enterprises (SME) and innovation (*Part II, 'Industrial leadership'*). Emphasis will be placed on funding of research and development in selected enabling and industrial technologies, enhanced access to risk finance for investing in research and innovation, as well as stimulation of innovation in SMEs; and;
3. Tackling societal challenges, in order to respond directly to the challenges identified in the 'Europe 2020 strategy' by supporting activities covering the entire spectrum from research to market (*Part III, 'Societal challenges'*). This part addresses major concerns shared by citizens in Europe and elsewhere. A challenge-based approach will bring together resources and knowledge across different

¹⁴ COM(2011) 809, 30.11.2011 and COM(2011) 811, 30.11.2011.

¹⁵ COM(2011) 812, 30.11.2011.

fields, technologies and disciplines, including social sciences and the humanities. This will cover activities from research to market with a new focus on innovation-related activities, such as piloting, demonstration, test-beds, and support for public procurement and market uptake.

‘Horizon 2020’ will also support the non-nuclear direct actions of the JRC, so that the JRC will be able to provide independent and sound scientific input to evidence-based policy making and thus underpin Europe’s development towards smart, sustainable and inclusive growth.

Within ‘Horizon 2020’ the EIT will bring together excellent higher education institutions, research centres and businesses to create the entrepreneurs of tomorrow and to ensure that the European ‘knowledge triangle’ is a match for the world’s best. The EIT is based on a pioneering concept of cross-border public-private partnership hubs known as ‘Knowledge and Innovation Communities’ (KICs). Its three existing KICs, focused on sustainable energy (KIC InnoEnergy), climate change (Climate KIC) and information and communication society (EIT ICT Labs), will be expanded with six new ones in 2014-2020. In 2014, the amended EIT Regulation and the ‘Strategic Innovation Agenda’ (SIA), which defines the framework for the EIT’s operations for the period of 2014 to 2020, will enter into force.

‘Horizon 2020’ includes Public-Public as well as Public-Private Partnerships in accordance with Article 185 and Article 187 of the TFEU, respectively. By pooling investments, these Partnerships enable major technological breakthroughs that cannot be achieved by individual countries or companies, thus maximising the impact of EU spending.

Four existing Public-Public Partnerships under the 7th Research Framework Programme are expected to be renewed in the fields of: poverty-related diseases in developing countries; innovative ICT based solutions for the elderly; Research and Development performing SMEs; and cutting edge metrology.

The existing Public-Private Partnerships under the 7th Research Framework Programme are expected to be renewed under ‘Industrial Leadership’ and ‘Societal Challenges’ in the following key sectors: pharmaceuticals, energy, transport, aeronautics, electronics and air traffic management. In addition, a new Public-Private Partnership is expected to be created on Bio-Based Industries, which will aim to implement the action plan for a sustainable bio-economy in Europe. It will seek to foster the development of sustainable and competitive bio-based industries.

3.1.5.2. Euratom Research and Training Programme (EURATOM)

The ‘**Euratom** Research and Training Programme’ (2014-2018)¹⁶ concerns research activities in nuclear energy (fusion and fission) and radiation protection. The ‘Euratom’ programme, which complements ‘Horizon 2020’, intends to strengthen the research and innovation framework in the nuclear field and coordinate Member States’ research efforts, thereby avoiding duplication, retaining critical mass in key areas and ensuring that public funding is used in an optimal way. The programme aims at improving nuclear safety, security and radiation protection and contributing to the long-term decarbonisation of the energy system in a safe, efficient and secure way. It will cover the fusion energy research and development programme, the fission and radiation protection research activities, and the JRC direct actions in nuclear security and safety.

The programme contributes to the ‘Innovation Union’ flagship initiative by supporting pre-commercial and policy-relevant research and facilitating technology transfer between academia and industry. By putting emphasis on training in all its activities, boosting competitiveness in the existing nuclear industry and creating a

¹⁶ COM(2011) 812, 30.11.2011. In accordance with Article 7 of the Euratom Treaty, which provides the legal basis for this Framework Programme, the duration of research programmes in the nuclear field is limited to five years. As a consequence, the new programme will run from 2014 to 2018.

new sector of high-tech industry for fusion energy in particular, the ‘Euratom’ programme will lead to growth and new jobs in a wide range of disciplines.

The ‘Euratom’ programme direct actions will contribute to the development of tools and methods to achieve high safety standards for nuclear installations, including fuel and reactor safety, waste management and decommissioning, and strengthening Union capacity to respond to nuclear accidents and incidents. It will also contribute to improving nuclear safety, including nuclear safeguards, and will also support the implementation of the Treaty on the Non-Proliferation of Nuclear Weapons and Union-related strategies.

In support to Union standardisation, the JRC will provide a scientific basis for nuclear safety and security. In addition, in order to maintain the Union at the forefront of nuclear safety and security, the JRC fosters knowledge management, education and training. Furthermore, the JRC will continue to provide the independent scientific and technical evidence necessary to support the policy of the Union on nuclear safety and security and the related evolving Union legislation.

3.1.6. Competitiveness of enterprises and small and medium-sized enterprises (COSME)

(in million EUR, rounded figures at current prices)

Summary of COSME by component	Budget 2013		Draft budget (DB) 2014		Share		Difference 2014 – 2013		Difference 2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Promoting entrepreneurship and improving the competitiveness and access to markets of Union enterprises			97,7	14,6	40,1%	6,2%	97,7	14,6		
— Improving access to finance for small and middle-sized enterprises (SMEs) in the form of equity and debt			135,2	87,9	55,5%	37,1%	135,2	87,9		
— Support expenditure	7,4	7,4	10,9	10,9	4,5%	4,6%	3,4	3,4	46,4%	46,4%
— Completion of former activities in the competitiveness and entrepreneurship domain	299,8	235,2	0,0	123,3	0,0%	52,1%	-299,8	-111,9	-100,0%	-47,6%
Total	307,2	242,6	243,8	236,7	100,0%	100,0%	-63,4	-6,0	-20,6%	-2,5%

The programme for the ‘Competitiveness of enterprises and small and medium-sized enterprises’ (COSME) is the successor to the ‘Competitiveness and Innovation Framework Programme’ (CIP) for actions aiming to foster competitiveness of European enterprises in the global market. The innovation actions implemented thus far under the ‘CIP’ will be covered by the ‘Horizon 2020’ programme.

‘COSME’ will focus mainly on measures to promote more dynamic and internationally-competitive SMEs. The programme is designed to create the conditions for European businesses to flourish and to ensure that SMEs are able to take full advantage of the Single Market’s enormous potential, as well as encouraging them to look beyond it. A special effort is needed to promote the development of SMEs, as a major source of economic growth and job creation in the Union, accounting for more than 67 % of private sector jobs and providing more than 58 % of total turnover in the EU. The programme will aim at improving industrial competitiveness in the EU by 5 % in 2015. In addition, it will promote the creation and growth of SMEs, targeting an increase of SMEs gross value added by 4 % per year.

Special attention will be given to improving access to finance for SMEs in the form of equity and debt. Financial instruments for growth, including new equity and debt platforms to provide equity facility and loan guarantees, will enable SMEs to access funding more easily. Firstly, an equity facility for growth-phase investment will provide SMEs with commercially-oriented reimbursable equity financing, primarily in the form of venture capital through financial intermediaries. Secondly, a loan facility will provide SMEs with direct or other risk-sharing arrangements with financial intermediaries to cover loans. Together, these activities will provide a significant boost to SMEs.

3.1.7. Education, Training, Youth and Sport ('Erasmus for all')

(in million EUR, rounded figures at current prices)

Summary of 'Erasmus for all' by component	Budget 2013		Draft budget (DB) 2014		Share		Difference 2014 – 2013		Difference 2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Promoting excellence and cooperation in the European education, training and youth area, its relevance to the labour market and the participation of young people in European democratic life			1 331,3	897,2	93,9%	73,6%	1 331,3	897,2		
— Developing excellence in teaching and research activities in European integration world-wide (Jean Monnet programme)			34,5	24,2	2,4%	2,0%	34,5	24,2		
— Developing the European dimension in sport			16,2	9,3	1,1%	0,8%	16,2	9,3		
— Support expenditure	31,9	31,9	36,3	36,3	2,6%	3,0%	4,4	4,4	13,7%	13,7%
— Completion (prior to 2014)	1 398,3	1 364,1	0,0	252,4	0,0%	20,7%	-1 398,3	-1 111,8	-100,0%	-81,5%
Total	1 430,2	1 396,1	1 418,3	1 219,4	100,0%	100,0%	-11,9	-176,7	-0,8%	-12,7%

The '*Erasmus for all*' programme is the new single programme covering Education, Training, Youth and Sport and replacing the 'Lifelong Learning', 'Youth in Action' and 'Erasmus Mundus' programmes. The programme aims at implementing the agreed policy objectives of the Union in these areas by boosting the skills and competencies of students, fostering quality improvements in education, training and youth institutions/organisations and promoting policy development.

'Erasmus for all' represents a strategic investment in people as a critical factor for growth and prosperity. The objective is to reduce the percentage of 18-24 years old who have at most only lower-secondary education and are not enrolled in education or training from 13,5 % in 2011 to less than 10 % in 2020. Furthermore, by 2020 at least 40 % of 30-34 years old should be higher education graduates, as compared to 34,6 % in 2011. The programme will contribute to achieving these targets for instance through increased strategic partnerships between organisations involved in education, training and/or youth activities, from 1 675 in 2014 to 4 046 in 2020. Moreover, it will give extended support to learning mobility opportunities for individuals, which will be raised from 442 446 in 2014 to 746 522 in 2020, totalling over 4 million learning mobility opportunities throughout the period 2014-2020¹⁷.

'Erasmus for all' will focus on three types of key actions: transnational and international learning mobility of students, young people, teachers and staff; co-operation for innovation and good practices, with a stronger focus on strengthening innovative partnerships between educational institutions and businesses; and support for policy reform, strengthening the tools and impact of the Open Methods of co-ordination in Education, Training and Youth. It will also cover specific Jean Monnet support activities stimulating teaching, research and debates on European integration, and EU-level cooperation in the field of sport.

¹⁷ This concerns students mobility, staff mobility, youth learners, joint degrees and masters (loan guarantees), without international students and staff mobility financed under heading 4.

3.1.8. Social Change and Innovation (PSCI)

(in million EUR, rounded figures at current prices)

Summary of PSCI by components	Budget 2013		Draft budget (DB) 2014		Share		Difference 2014 – 2013		Difference 2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— PROGRESS — Supporting the development, implementation, monitoring and evaluation of Union employment and social policy and legislation on working conditions			71,2	22,1	59,6%	20,1%	71,2	22,1		
— EURES — Promoting workers' geographical mobility and boosting employment opportunities			19,3	13,2	16,2%	12,1%	19,3	13,2		
— Microfinance and Social Entrepreneurship — Facilitating access to finance for entrepreneurs, especially those furthest from the labour market, and social enterprises			25,1	10,0	21,0%	9,1%	25,1	10,0		
— Support expenditure for the programme Social Change and Innovation (PSCI)	3,5	3,5	3,8	3,8	3,2%	3,5%	0,3	0,3	8,0%	8,0%
— Completion (prior to 2014)	106,4	84,2	0,0	60,5	0,0%	55,2%	-106,4	-23,7	-100,0%	-28,1%
Total	110,0	87,7	119,4	109,6	100,0%	100,0%	9,4	21,9	8,6%	25,0%

The EU **Programme for Social Change and Innovation (PSCI)** merges the three previous programmes 'PROGRESS', 'EURES' and the 'European Progress Microfinance Facility'. It will provide EU funding to coordinate the implementation of the 'Europe 2020 strategy' for inclusive growth. Under its 'PROGRESS' axis the programme will support the development, implementation, monitoring and evaluation of Union employment and social policy and legislation on working conditions and promote evidence-based policy-making and innovation, in partnership with the social partners, civil society organisations and other interested parties. The 'EURES' axis will aim at promoting workers' geographical mobility and boosting employment opportunities by developing Union labour markets that are open and accessible to all. Under the Microfinance axis EU funding will be allocated towards facilitating the access to finance for entrepreneurs, especially those furthest from the labour market, and to social enterprises.

3.1.9. Connecting Europe Facility (CEF)

(in million EUR, rounded figures at current prices)

Summary of CEF by components	Budget 2013		Draft budget (DB) 2014		Share		Difference 2014 – 2013		Difference 2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Energy	22,8	12,6	410,5	14,2	20,9%	1,6%	387,7	1,7	1700,2%	13,2%
— Transport	1 485,2	761,4	1 481,5	852,3	75,4%	96,2%	-3,6	90,8	-0,2%	11,9%
— Information and Communications Technology (ICT)	2,9	10,7	74,2	19,4	3,8%	2,2%	71,3	8,7	2502,6%	81,2%
Total	1 510,8	784,7	1 966,2	885,9	100,0%	100,0%	455,3	101,2	30,1%	12,9%

The '**Connecting Europe Facility**' (CEF) will support the implementation of projects aiming at developing, constructing or upgrading of new and existing infrastructure in the field of transport, energy and telecommunications. The programme is foreseen to generate some EUR 900 billion in public and private investment by 2020 in order to develop modern and high performing trans-European transport, energy and communication networks. In turn, more efficient networks will enable the Union to achieve its targets of a 20 % reduction of greenhouse gas emissions, a 20 % increase in energy efficiency and raising the share of renewable energy to 20 % up to 2020, while ensuring greater solidarity among Member States. In this context, the high-speed railway network is expected to be extended by some 12 000 km while the conventional railway network will be reduced by about 10 000 km. In addition, two new sources of natural gas will be available for the EU and 100 % of households will have fast broadband coverage in the EU by 2020.

3.1.9.1. Connecting Europe Facility — Energy

The ‘**CEF – Energy**’ programme will promote the further integration of the internal energy market and the interoperability of electricity and gas networks across borders, including by ensuring that no Member State is isolated from the European network. It will support enhancing the Union security of supply and will contribute to sustainable development and protection of the environment by fostering the integration of energy from renewable sources. Under the programme, support for studies, works, and innovative financial instruments, such as project bonds, will be available to energy infrastructure projects recognised as Projects of Common Interest to improve their viability and to reduce their cost of capital.

3.1.9.2. Connecting Europe Facility — Transport

The ‘**CEF – Transport**’ programme will support projects of common interest. It will pursue the objectives of removing bottlenecks and bridging missing links, ensuring long term sustainable and efficient transport and optimising the integration and interconnection of transport modes, thereby enhancing interoperability of transport services. Investments in key infrastructures with strong EU added value can contribute to boosting Europe’s competitiveness in a difficult economic context. CEF support will be targeted primarily to core network projects, identified as the part of the ‘Trans-European Transport Network’ (TEN-T) that carries the strategically most important European transport flows. In order to address specific needs of the Member States eligible for the Cohesion Fund related to project preparation and implementation, the budget for the CEF Transport programme will be topped up with funds to be transferred from the Cohesion Fund. However, these funds will be earmarked exclusively for ‘TEN-T’ infrastructure projects in the Member States eligible for the Cohesion Fund.

3.1.9.3. Connecting Europe Facility — Information and Communications Technology (ICT)

As part of the ‘Digital Agenda’ flagship initiative, in the ICT sector the CEF programme will accelerate deployment of fast and ultrafast broadband networks and their uptake, including by small and medium sized enterprises (SMEs). It will also promote the interconnection and interoperability of digital service infrastructures as well as access to such networks (such as ‘Safer internet for Children’, ‘eProcurement’, ‘Open Data’, ‘Multilingual’, ‘eHealth’ and ‘eID’).

3.1.10. *Other actions and programmes*

3.1.10.1. Customs 2020 and Fiscalis 2020

Many of the activities in the **customs** area are of a **cross-border nature**, involving and affecting all Member States, and therefore they cannot be effectively and efficiently delivered by individual Member States. This applies also to the **taxation** matters: without intense cooperation and coordination between Member States, unfair tax competition and tax shopping would increase, whereas fraudsters would be able to exploit the lack of cooperation between national authorities. The value added of these programmes has been recognised by the tax and customs administrations of the participating countries.

The ‘Customs 2020’ and ‘Fiscalis 2020’ programmes offer Member States a Union framework to develop these cooperation activities, which is more cost efficient than a situation in which each Member State would set up its individual cooperation framework on a bilateral or multilateral basis. The backbone of the customs cooperation is a highly secured dedicated communication network. It interconnects national customs and tax administrations in approximately 5 000 connection points. This common IT network ensures that every national administration only needs to connect to this common infrastructure once, to be able to exchange any kind of information. In the absence of such an infrastructure, Member States would have to connect to each of the national systems of the other Member States.

3.1.11. Payment appropriations for heading 1a

Taking account of the overall payment ceiling set by the European Council for 2014, the total level of payment appropriations requested for heading 1a in 2014 is set at EUR 11 694,9 million (of which EUR 1 083,4 million will be used to pay non-differentiated expenditure, whereby commitments are equal to payments). Overall, this is -9,3 % lower than in the 2013 budget. The section below summarises the request for payment appropriations by period.

3.1.11.1. Payments on new programmes

As regards payments on new programmes, the proposed appropriations (EUR 3 494,8 million) are intended to cover a conservative estimate of needs related to the start-up of new programmes. This concerns in particular the evaluation activities paving the way for future implementation of the calls for proposals and the resources necessary for the management of projects by the Commission and the executive agencies. Taking into account the likely adoption date of the new programmes and the related subsequent steps for their actual implementation, the Commission is factoring in the possibility of some delay for the pre-financing of selected projects.

3.1.11.2. Payments on outstanding commitments (prior to 2014)

The Commission estimates a level of payments on outstanding commitments of EUR 7 116,7 million, corresponding to 24 % of expected outstanding commitments at the end of 2013.

3.2. Heading 1b — Economic, social and territorial cohesion

3.2.1. Summary tables for commitment (CA) and payment (PA) appropriations

3.2.1.1. Summary table by objectives and programmes

(in million EUR, rounded figures at current prices)

	Budget 2013 ⁽¹⁾		Draft budget (DB) 2014		Share		Difference 2014 – 2013		Difference 2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Investment for growth and jobs	53 476,9	55 137,5	44 531,6	48 828,5	93,6%	95,6%	-8 945,3	-6 309,0	-16,7%	-11,4%
— Regional convergence (Less developed regions)	33 647,8	36 069,7	23 332,0	29 802,0	49,1%	58,3%	-10 315,8	-6 267,7	-30,7%	-17,4%
— Transition regions	p.m.	62,0	4 719,9	288,0	9,9%	0,6%	4 719,9	226,0	0,0%	364,3%
— Competitiveness (More developed regions)	7 329,3	7 503,8	7 348,2	7 615,0	15,5%	14,9%	18,9	111,2	0,3%	1,5%
— Outermost and sparsely populated regions			209,1	13,0	0,4%	0,0%	209,1	13,0	0,0%	0,0%
— Cohesion fund	12 499,8	11 501,9	8 922,4	11 110,5	18,8%	21,7%	-3 577,4	-391,4	-28,6%	-3,4%
— Of which part dedicated to Connecting Europe Facility (CEF)			983,0	p.m.	2,1%	0,0%	983,0	p.m.	0,0%	0,0%
— European territorial cooperation	1 380,3	1 131,4	674,9	1 369,0	1,4%	2,7%	-705,4	237,6	-51,1%	21,0%
— Technical assistance and innovative actions	93,7	73,8	184,9	133,4	0,4%	0,3%	91,2	59,6	97,3%	80,8%
— Youth Employment initiative (specific top-up allocation)			1 804,1	450,0	3,8%	0,9%	1 804,1	450,0		
— European Aid to the Most Deprived (FEAD)			365,1	306,0	0,8%	0,6%	365,1	306,0		
— Pilot projects and preparatory actions	7,2	6,9	p.m.	6,8	0,0%	0,0%	-7,2	-0,1	-100,0%	-1,2%
Total	54 958,0	56 349,5	47 560,6	51 093,7	100,0%	100,0%	-7 397,5	-5 255,8	-13,5%	-9,3%
Ceiling	54 974,0		47 583,0							
Margin			22,4							

(1) Budget 2013 includes draft amending budgets 1 to 5.

3.2.1.2. Summary table by period and Funds

(in million EUR, rounded figures at current prices)

Period	Fund	Budget 2013 ⁽¹⁾		Draft budget (DB) 2014		Share		Difference 2014 – 2013		Difference 2014 / 2013	
		(1)		(2)				(2 – 1)		(2 / 1)	
		CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
2000-2006	ERDF		1 281,0			0,0%	0,0%		-1 281,0		-100,0%
	CF		1 040,9		592,0	0,0%	1,2%		-448,9		-43,1%
	ESF		1 155,2			0,0%	0,0%		-1 155,2		-100,0%
	Total	0,0	3 477,1	0,0	592,0	0,0%	1,2%	0,0	-2 885,1		-83,0%
2007-2013	ERDF	30 580,2	29 953,5		26 899,0	0,0%	52,6%	-30 580,2	-3 054,5	-100,0%	-10,2%
	CF	12 499,8	10 461,0		10 002,5	0,0%	19,6%	-12 499,8	-458,5	-100,0%	-4,4%
	ESF	11 644,9	12 189,8		9 775,0	0,0%	19,1%	-11 644,9	-2 414,8	-100,0%	-19,8%
	Total	54 724,8	52 604,4	0,0	46 676,5	0,0%	91,4%	-54 724,8	-5 927,9	-100,0%	-11,3%
2014-2020	ERDF			24 958,8	1 587,0	52,5%	3,1%	24 958,8	1 587,0		
	CF			8 922,4	516,0	18,8%	1,0%	8 922,4	516,0		
	ESF			13 129,4	1 156,0	27,6%	2,3%	13 129,4	1 156,0		
	<i>Of which YEI specific top-up allocation</i>			<i>1 804,1</i>	<i>450,0</i>	<i>3,8%</i>	<i>0,9%</i>	<i>1 804,1</i>	<i>450,0</i>		
	FEAD			365,1	306,0	0,8%	0,6%	365,1	306,0		
	Total			47 375,7	3 565,0	99,6%	7,0%	47 375,7	3 565,0		
Total	ERDF	30 580,2	31 234,5	24 958,8	28 486,0	52,5%	55,8%	-5 621,4	-2 748,5	-18,4%	-8,8%
	CF	12 499,8	11 501,9	8 922,4	11 110,5	18,8%	21,7%	-3 577,4	-391,4	-28,6%	-3,4%
	ESF	11 644,9	13 345,1	13 129,4	10 931,0	27,6%	21,4%	4 784,6	730,9	12,7%	-18,1%
	<i>Of which YEI specific top-up allocation</i>			<i>1 804,1</i>	<i>450,0</i>	<i>3,8%</i>	<i>0,9%</i>	<i>1 804,1</i>	<i>450,0</i>		
	FEAD			365,1	306,0	0,8%	0,6%	365,1	306,0		
	Total	54 724,8	56 081,5	47 375,7	50 833,5	99,6%	99,5%	-7 349,1	-5 248,0	-13,4%	
— Technical assistance and innovative actions	93,7	73,8	184,9	133,4	0,4%	0,3%	91,2	59,6	97,3%	80,8%	
— Other	139,5	194,3	0,0	126,8	0,0%	0,2%	-139,5	-67,4	-100,0%	-34,7%	
Total	54 958,0	56 349,5	47 560,6	51 093,7	100,0%	100,0%	-7 397,5	-5 255,8	-13,5%	-9,3%	

(1) Budget 2013 includes draft amending budgets 1 to 5.

The proposed total level of commitment appropriations of EUR 47 560,6 million (-13,5 %) for heading 1b is in line with the annual ceiling for 2014 foreseen in the 2014-2020 MFF as set by the European Council in February 2013, adjusted to take account of the impact on the subceilings of headings 1a and 1b of the Commission proposal to frontload the Youth Employment Initiative (YEI) in 2014, which has a net zero impact at the level of the overall ceiling of heading 1.

The proposed total level of payment appropriations of EUR 51 093,7 million (-9,3 %) for this heading mainly follows the expected evolution of 2007-2013 period interim payments, for which EUR 46 676,5 million (-11,3 %) are foreseen, representing 91,4 % of overall payments for heading 1b. Payment appropriations for the closure of the period 2000-2006 will decrease by -83,0 % to EUR 592,0 million and will relate to the completion of the pre-2007 projects for the Cohesion Fund. For the new period 2014-2020 limited payment appropriations are proposed, which reflect mainly the new initial pre-financing amount in 2014 of 1 % of the support from the ERDF, the ESF (including the YEI specific top-up allocation) and the CF for the entire programming period to the operational programmes and 1,5 % when a Member State has been receiving financial assistance. Higher pre-financing of 11 % applies to the ‘Fund for European Aid to the most Deprived’ (FEAD). Interim payments for the new programmes will concern the frontloaded YEI only, since the Commission proposed that its implementation should be allowed to start before the submission of the partnership agreement.

3.2.2. Key aspects of heading 1b

Heading 1b of the financial framework covers the the **‘European Regional Development Fund’ (ERDF)**, the **‘European Social Fund’ (ESF)** – including the **‘Youth Employment Initiative (YEI) specific top-up allocation’**, the **‘Cohesion Fund’ (CF)** and the **‘Fund for European Aid to Most Deprived’ (FEAD)**.

The principal objective of the Structural Funds (ERDF and ESF) and the Cohesion Fund is to strengthen economic, social and territorial cohesion between regions and Member States of the EU, by concentrating resources on less developed regions and Member States. Cohesion policy is also a major tool for investment, growth and job creation at EU level and for structural reforms at national level. It accounts for an important share of public investment in the EU, contributes to deepening of the internal market and thus plays an important role in boosting economic growth, employment and competitiveness.

Furthermore Cohesion policy contributes to the ‘Europe 2020 strategy’ for smart, sustainable and inclusive growth throughout the European Union. Through the ERDF, the ESF and the CF, the Cohesion Policy pursues the ‘Investment for growth and jobs’ goal, and additionally the ‘European territorial cooperation’ goal (through part of the ERDF), by providing a framework for exchanges of experience between national, regional and local actors from different Member States. The Cohesion Fund supports projects in the field of environment and to trans-European networks in the area of transport infrastructure. Support for human capital development is ensured through an adequate share of the ESF in the Cohesion policy equal at least to a legally set minimum share. Minimum allocations are fixed for a number of priority areas to deliver Europe 2020 objectives such as energy efficiency and renewables, innovation and the improvement of the competitiveness of SMEs for ERDF and investments combating social exclusion and poverty for the ESF. Structural Fund resources for the Investment for growth and jobs goal are also allocated to innovative actions in the area of sustainable urban development. The Cohesion Policy will contribute to the achievement of the target that climate action objectives represent at least 20 % of total EU spending in the period 2014-2020. In addition to the European Social Fund’s major contribution to creating employment, the Commission has proposed that at least 20 % of the total resources of the fund in each Member State under the new MFF will be allocated to the thematic objective of promoting social inclusion and combating poverty.

The Commission has proposed a number of important changes to the way cohesion policy is designed and implemented, namely: concentration on the priorities of the ‘Europe 2020 strategy’; focusing on results by monitoring progress towards agreed objectives and rewarding performance by holding back 7 % of the funds in a so-called ‘performance reserve’, to be allocated after a performance review in 2019; supporting integrated programming; reinforcing territorial cohesion and simplifying delivery. The support from the ERDF, ESF and CF is expected to lead to the following selection of results:

- 4,9 million young people (15-24 years old) benefiting from ESF investments in promoting employment and supporting labour mobility in 2018. This number is expected to reach 7,2 million in 2023. Furthermore, the number of young people benefiting from ESF investments in education, skills and life-long learning is foreseen to amount to 5,3 million in 2018 and 7,9 million in 2023¹⁸;
- The new Youth Employment Initiative (YEI) will target around 1,2 million NEETs (young persons not in employment, education or training) out of the 3,2 million in the regions eligible for support;
- Some 20 % of beneficiaries considered as part of vulnerable groups reached by the ESF by 2023;
- 56 000 new researchers in supported entities by 2015, compared to 12 600 in 2011;

¹⁸ Preliminary estimates based on ESF 2007-2013 performance trends and on the hypothesis that the ESF would represent at least 25 % of cohesion policy allocations.

- 200 000 SMEs receiving support by 2015, compared to some 132 000 in 2011;
- 3,7 million MW additional capacity of renewable energy produced with contributions from ERDF and Cohesion Fund (CF) by 2015, compared to 491 000 MW in 2011.

The legislative architecture for cohesion policy comprises an overarching regulation setting out common rules for the Funds (CPR); three specific regulations for ERDF, the ESF and the Cohesion Fund; two regulations on the ‘European territorial cooperation’ goal (ETC) and the ‘European Grouping of Territorial Cooperation’ (EGTC). There is also a specific regulation on the ‘Fund for European Aid to the most Deprived’ (FEAD) and specific provisions on the ‘Youth Employment Initiative’ (YEI) in the ESF and CPR regulations. A transfer from the Cohesion Fund will co-finance pre-identified transport infrastructure projects listed in the Connecting Europe Facility regulation. The precise allocation of funding to different priorities and projects depends on the actual programming that is undertaken by Member States, in co-operation with the Commission.

3.2.3. *Priorities for 2014*

In the first year of the new programming period, the focus will be on the timely adoption and launch of the new generation of Cohesion Policy programmes for the period 2014-2020. In order to maximise the impact of the policy in delivering EU priorities and ensure European added value and quality of spending – delivering on the better spending agenda by ensuring high value of each euro spent – the Commission has proposed to reinforce the strategic programming process. This involves the introduction of the Common Strategic Framework (CSF), a menu of thematic objectives in line with the ‘Europe 2020 strategy’ and its integrated guidelines, translated at national level into Partnership Agreement.

The CSF will set out key actions to address EU priorities, provide guidance on programming applicable to all Funds, including the ‘European Agricultural Fund for Rural Development’ (EAFRD) and the ‘European Maritime and Fisheries Fund’ (EMFF) under heading 2, and will promote a better coordination of the various EU structural instruments. Partnership Agreements, agreed between the Commission and Member States before the start, will set out the overall contribution, at national level, to the thematic objectives and the commitments to concrete actions to deliver Europe 2020 objectives. Clear and measurable targets will be defined in a performance framework.

Cohesion Policy will continue to be used as an effective instrument for fighting the crisis. In this context, by making use of frontloading the Commission proposes to allocate to the Youth Employment Initiative in 2014 a level of commitment appropriations of EUR 3,6 billion, half of which will be financed from the ESF. Furthermore, Member States receiving financial assistance may at least until 2016 continue to benefit from a top-up of ten percentage points to the co-financing rates¹⁹.

The ERDF, the ESF and the Cohesion Fund contribute to the following two objectives during the 2014-2020 period, as set out below.

3.2.4. *Investment for growth and jobs*

The ‘**Investment for growth and jobs**’ goal aims at delivering results towards achieving the Europe 2020 strategy’s priorities of smart, sustainable and inclusive growth. With funding from the ERDF and the ESF, this objective covers less developed regions, whose gross domestic product (GDP) per capita is less than 75 % of the average GDP of the EU-27; transition regions, whose GDP per capita is between 75 % and 90 % of the average GDP of the EU-27; and more developed regions, whose GDP per capita is above 90 % of the average

¹⁹ OJ L 337, 20.12.2011, p. 5.

GDP of the EU-27. With funding from the Cohesion Fund, the objective also covers those Member States with a Gross National Income (GNI) per capita below 90 % of the average GNI per capita of EU-27.

3.2.5. European territorial cooperation (ETC)

Funding under the ‘European Territorial Co-operation’ goal supports cross-border, trans-national and interregional cooperation on a range of actions linked to the ‘Europe 2020 strategy’. This objective also provides support for the development of co-operation networks and exchange of experience between regions. It is funded solely by the ERDF.

3.2.6. Youth employment initiative

Recognising the particularly difficult situation of young people in certain regions and in line with the European Council conclusions of February 2013, the Commission has proposed to create a ‘Youth Employment Initiative’ (YEI)²⁰ targeting young people not in employment, education or training (NEETs), to add to and reinforce the very considerable support already provided through the EU structural funds. This initiative is open to all regions (NUTS²¹ level 2) with levels of youth unemployment above 25 % in 2012. Half of the support for the initiative is financed by a specific budget line (YEI specific top-up allocation), while at least a corresponding amount should be financed from targeted investment from the ESF. To ensure that the YEI reaches its beneficiaries quickly, the Commission proposes to frontload a total of EUR 6 billion in commitment appropriations (in 2011 prices) under the YEI within the first two years of the next MFF. This allows the Union to commit EUR 3,6 billion (in current prices, i.e. 56,2 % of the total YEI envelope) already in 2014, of which EUR 1,8 billion for the additional allocation to the specific budget line created for this Initiative.

(in million EUR, at 2011 prices)

Youth Employment Initiative (YEI), Initial and revised programming	2014	2015	2016	2017	2018	2019	2020	Total 2014-2020
Youth Employment Initiative (YEI), specific top-up allocation								
Initial programming	428,6	428,6	428,6	428,6	428,6	428,6	428,6	3 000,0
Revised programming	1 700,0	1 300,0						3 000,0
Difference	+ 1 271,0	+ 871,4	-428,6	-428,6	-428,6	-428,6	-428,6	0,0
Frontloading (Article 9f of the draft Council regulation laying down the MFF for the years 2014-2020)	+2 143,0		-2 143,0					0,0
Youth Employment Initiative (YEI), European Social Fund (ESF) matching amount								
Initial programming	428,6	428,6	428,6	428,6	428,6	428,6	428,6	3 000,0
Revised programming	1 700,0	1 300,0						3 000,0
Difference	+ 1 271,0	+ 871,4	-428,6	-428,6	-428,6	-428,6	-428,6	0,0
Total Youth Employment Initiative (YEI)								
Total Youth Employment Initiative (YEI)	+3 400,0	+ 2 600,0						6 000,0

3.2.7. Fund for European Aid to the most Deprived (FEAD)

The general objective of the ‘Fund for European Aid to the most Deprived’ (FEAD) is to promote social cohesion in the Union by contributing to the achievement of the Europe 2020 strategy’s objective of reducing by at least 20 million the number of people at risk of poverty and social exclusion. The Fund addresses food deprivation, homelessness and material deprivation of children. Each Member State may choose to address one or more of these forms of deprivation.

²⁰ COM(2013) 447, 19.6.2013.

²¹ Nomenclature of territorial units for statistics (NUTS).

3.2.8. *Commitment appropriations for heading 1b*

For 2014, total commitment appropriations for **heading 1b** amount to EUR 47 560,6 million. Of these, EUR 38 088,2 million are requested for the **Structural Funds** (ERDF and ESF) of which EUR 1 804,1 million is the specific Youth Employment Initiative (YEI) top-up allocation, EUR 8 922,4 million for the **Cohesion Fund**, and EUR 365,1 million for the **Fund for European Aid to the Most Deprived**.

All figures for the Structural and Cohesion funds are in line with the envelopes foreseen in the adjusted legal bases and are consistent with the ceilings of the multi-annual financial framework resulting from the very advanced stage of the MFF negotiations, adjusted to take account of the impact on the subceilings of headings 1a and 1b of the Commission proposal to frontload the Youth Employment Initiative (YEI) in 2014 and 2015, in accordance with Article 9f of the draft Council regulation laying down the MFF for the years 2014-2020. While leaving the overall annual levels of commitment appropriations unchanged, an adjustment to the profile of the technical breakdown of 27 March 2013 is made in this regard to take account of the proposal to frontload the YEI by shifting commitments to later years from the Cohesion Fund (CF) contribution to the Connecting Europe Facility (CEF) – Transport and the European Territorial Cooperation (ETC) under heading 1b and the CEF – Energy under heading 1a.

The breakdown in the allocation between ERDF and ESF within each category of regions has been calculated in accordance with the minimum share for the ESF as proposed by the Commission. The final breakdown between the Funds, and even between the various categories of regions – if Member States ask for a duly justified transfer of resources between regions within the limits authorised by the draft regulation – will only be known when the Partnership Agreements and the operational programmes are approved. Accordingly, some transfers of commitment appropriations will be required in 2014. The Structural and Cohesion Funds continue to make full use of the resources made available for programming by the Member States within this heading. Consequently, no margin is left under heading 1b, except for some EUR 22,4 million from the technical assistance envelope which consists of 0,35 % of the funds.

3.2.9. *Payment appropriations for heading 1b*

For heading 1b, overall payment appropriations are set at EUR 51 093,7 million. This figure comprises a main component, relating to interim payments for the 2007-2013 programmes, a second element corresponding to initial pre-financing for the 2014-2020 programmes and a limited amount for final payment reimbursements to clear outstanding commitments of 2000-2006 programmes and projects.

3.2.9.1. *Payments on new programmes*

For the programmes of the period 2014-2020, payment appropriations are limited to the initial pre-financing to be paid after the approval of the operational programmes. As an exception, interim payments are foreseen for the YEI, in view of its proposed accelerated implementation. A total of EUR 3 259,0 million is foreseen, of which EUR 2 293,0 million for the Structural Funds and EUR 516,0 million for the Cohesion Fund.

Payment appropriations for the 2014-2020 programmes, relating to the ERDF, ESF and the Cohesion Fund, have been calculated based on the provisions for initial pre-financing to be provided in 2014: 1 % of the amount of support from the Funds for the entire programming period to the operational programmes and 1,5 % to operational programmes in Member State receiving financial assistance, assuming that 80 % of the programmes are approved with advance payments paid in 2014. Specific provisions apply to the European Aid to the most Deprived programme, with a higher pre-financing rate of 11 %. Payment appropriations for the contribution of the Cohesion Fund to the Connecting Europe Facility (CEF) are expected to become necessary from 2015 onwards, taking into account the time needed for launching the call for proposals in 2014.

3.2.9.2. Payments on outstanding commitments (prior to 2014)

2007-2013 programmes

For the programmes of the period 2007-2013, payment appropriations for the Structural Funds amount to EUR 36 674,0 million. This represents a decrease of -13,0 % relative to the 2013 budget, when including DAB No 2/2013. For the Cohesion Fund, payment appropriations decrease by -4,4 % to EUR 10 002,5 million. The combined amount for the Structural and the Cohesion Funds reaches EUR 46 676,5 million. The corresponding figure in the 2013 budget for payments is EUR 52 604,4 million. The amount of outstanding commitments ('RAL') of 2007-2013 programmes at the beginning of 2014 is estimated at EUR 133,8 billion.

Payment appropriations relating to the Structural Funds (ERDF and ESF) have been calculated on the basis of the historical payment rates against the corresponding commitment tranches of the 2000-2006 programming period. This is based on the assumption that the share of an equivalent commitment tranche paid in a given year does not change significantly between two programming periods. For the ERDF and ESF, this involves examining the payment rates of the 2000-2006 commitment tranches for the EU-15 (as this gives the longest time series) and taking the percentage of interim payments on each commitment tranche as the basis for the calculation. For the Cohesion Fund (CF), there is no comparable data from the previous programming period, since the 'n+2' / 'n+3' rule was a new feature for the Cohesion Fund in 2007-2013 (previous Cohesion Fund projects were subject to separate rules and regulations). Therefore, for the new programming period, it is proposed to apply the same percentage figures used for the ERDF to the Cohesion Fund commitments. As with the ERDF and ESF, there is also a separation between 'n+2' and 'n+3' Member States (Spain being the only country eligible for the Cohesion Fund not in the 'n+3' group). For the CF, the resulting initial estimates have been adjusted to take into account the potential impact of large projects on implementation.

Experience from the previous period shows that payments made in 2007 for the 2000-2006 period were higher than payments made in 2006. Assuming a similar profile in 2014 of payments to be made for the 2007-2013 period would lead to a sustained high level of payments claims arriving in 2014. However, the profile could be different this time: the peak in the payment claims is expected to be reached in 2013, due to the end of the 'n+3' rule that gives incentive to Member States that previously benefitted from this rule to submit at the end of 2013 payment claims covering up to two annual tranches. Accordingly, the Commission proposes a lower amount of payment appropriations in 2014 compared to 2013. This payment level will only be sufficient if the pending obligations from 2013 are duly covered in 2013, as proposed by the Commission in its draft amending budget No 2/2013. The situation will however have to be monitored closely in 2014 and the Commission may possibly request full use of the flexibility and tools offered by the 2014-2020 MFF if needed.

2000-2006 programmes and projects

For the outstanding commitments of the period 2000-2006, total payment appropriations amount to EUR 592,0 million for the Cohesion Fund. Relative to the 2013 budget, this represents a decrease of -43,1 %. The closure of pre-2007 projects of the Cohesion Fund takes more time than for the Structural Funds, as they were not subject to the 'n+2' rule and were managed as projects and not as programmes. Furthermore, the final date of eligibility of a large number of projects was extended to the end of 2010, and in some limited cases, for projects adopted in 2004 or later, to the end of 2011 or to the end of 2012, for projects of at least EUR 100 million.

For the structural funds, as a general rule, programmes are supposed to be closed in 2013, and the Commission requested the corresponding appropriations in its draft amending budget No 2/2013. Accordingly, the Commission does not request any appropriations in 2014, since only certain minor cases might remain open and the situation could be managed through appropriate transfers.

3.3. Heading 2 — Sustainable growth: natural resources

3.3.1. Summary table for commitment (CA) and payment (PA) appropriations

(in million EUR, rounded figures at current prices)

	Budget 2013 ⁽¹⁾		Draft budget (DB) 2014		Share		Difference 2014 – 2013		Difference 2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments	43 654,9	43 660,2	43 778,1	43 777,0	73,9%	77,4%	123,2	116,7	0,3%	0,3%
— European Agricultural Fund for Rural Development (EAFRD)	14 808,5	13 060,2	13 991,0	11 655,1	23,6%	20,6%	-817,4	-1 405,1	-5,5%	-10,8%
— European Maritime and Fisheries Fund (EMFF), Regional Fisheries Management Organisations (RFMOs) and Sustainable Fisheries Agreements (SFAs)	986,9	788,3	1 017,3	765,7	1,7%	1,4%	30,4	-22,6	3,1%	-2,9%
— Environment and climate action (Life+)	366,9	265,9	404,6	263,0	0,7%	0,5%	37,7	-2,9	10,3%	-1,1%
— Other actions and measures					0,0%	0,0%				
— Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission			6,3	3,0	0,0%	0,0%	6,3	3,0	0,0%	0,0%
— Pilot projects and preparatory actions	15,6	21,7	p.m.	18,3	0,0%	0,0%	-15,6	-3,4	-100,0%	-15,7%
— Decentralised agencies	52,4	52,4	50,4	50,4	0,1%	0,1%	-2,0	-2,0	-3,8%	-3,8%
Total	59 885,1	57 848,8	59 247,7	56 532,5	100,0%	100,0%	-637,4	-1 316,3	-1,1%	-2,3%
Ceiling	61 310,0		59 303,0							
Margin			55,3							
<i>Of which EAGF</i>	43 654,9	43 660,2	43 778,1	43 777,0	73,9%	77,4%	123,2	116,7	0,3%	0,3%
<i>Sub-Ceiling</i>	48 583,0		44 130,0							
<i>Net transfer between EAGF and EAFRD</i>			351,9							
<i>Sub-Margin</i>										

(1) Budget 2013 includes draft amending budgets 1 to 5.

3.3.2. Key aspects of heading 2

Overall, on the basis of the very advanced stage of the MFF negotiations, the 2014 ceiling for heading 2 decreases by EUR -2 007 million compared to 2013. For the 2014 draft budget, this corresponds to EUR 59 247,7 million in commitment appropriations for heading 2. Compared to the 2013 budget, this is a decrease by EUR -637,4 million (-1,1 %), leaving a margin of EUR 55,3 million under the ceiling for 2014. The ‘European Agricultural Guarantee Fund’ (EAGF) is budgeted at its (net) sub-ceiling, after financial transfers to the ‘European Agricultural Fund for Rural Development’ (EAFRD), as forecasts for market related expenditure and direct aids exceed this net sub-ceiling²². Therefore, no margin is left for this type of expenditure.

As set out in more detail in section 3.3.9 below, payment appropriations for heading 2 decrease by EUR -1 316,3 million (-2,3 %) compared to the 2013 budget.

²² The EAGF safety margin of EUR 300 million is not applicable in 2014 according to Article 11 (1), second sub-paragraph of Council Regulation (EC) No 73/2009, as amended by Regulation (EC) No 671/2012.

3.3.3. *Priorities for 2014*

Food security and promotion of smart, sustainable and inclusive growth for EU agriculture and rural areas will be the main objectives of the Common Agricultural Policy (CAP) in the new financial framework. Measures under the 'European Agricultural Guarantee Fund' (EAGF) will be focused in particular on further improving the situation of primary producers in the food chain, bringing EU commodity prices closer to world prices and increasing the percentage of total direct payments which is decoupled from production to some 94 % as from budget year 2014. The Commission will also strive to maintain the high percentage of CAP payments which are covered by cross-compliance to ensure compliance with standards of environmental care and public/animal/plant health (some 80 % of payments in 2012).

Under the second pillar of the CAP, the European Agricultural Fund for Rural Development (EAFRD) will continue to be targeted at making a vital contribution to the economic, social and environmental well-being of rural areas, and the sustainability of the rural environment. As for all the funds under the new Common Strategic Framework, the Commission and the Member States must agree ambitious targets for EAFRD at the beginning of the programming period. The Commission will regularly review progress towards targets and report to the Council and European Parliament. When there is evidence of significant failure to achieve the agreed targets, the Commission may apply financial corrections.

As 2014 is the first year of the new programming period, it is essential to have all conditions in place to guarantee the implementation of the programmes in accordance with their modified sector-specific legislation. This applies in particular to programmes under shared management, such as rural development and the 'European Maritime and Fisheries Fund' (EMFF). For these programmes, Member States have to establish a new generation of operational programmes on which payments from the EU budget will be made during the following years. This is why commitment appropriations in the 2014 draft budget reflect the needs for the new programme generation, whereas payment appropriations are still largely determined by previous commitments under the programming period 2007-2013.

The situation is, however, different for the first pillar of the CAP. The package of legislative proposals related to the MFF 2014-2020 consists of the horizontal Regulation on the financing, management and monitoring of the CAP (COM(2011) 628), as well as proposals for a new Single Common Market Organisation (CMO) Regulation (COM(2011) 626) and the Regulation with rules for direct payments to farmers (COM(2011) 625). While the changes in the horizontal and the Single CMO Regulations are rather gradual, profound modifications are proposed for the system of direct aids. However, this new system of direct aids does not yet influence the 2014 draft budget which is still established on the current system of direct aids on the basis of transitional provisions related to the direct aid ceilings for calendar year 2013²³. For the smooth functioning of direct payments in calendar year 2013, to be financed from the EU budget for 2014, it was necessary to extend the net ceilings set out for calendar year 2012 in Regulation (EC) No 73/2009 and adjust them where needed, in particular as regards the increases resulting from the phasing-in of direct payments in the new Member States. In addition, specific provisions were introduced to establish adjustment mechanisms for calendar year 2013, which had an effect equivalent to that of (compulsory and voluntary) modulation and transfers of certain unspent amounts under the national direct aid ceilings to rural development as applied until calendar year 2012. Furthermore, so as to respect the EAGF sub-ceiling for the financial year 2014 under the MFF 2014-2020, transitional rules to that effect and for the application of the financial discipline mechanism have been introduced into Regulation (EC) No 73/2009.

²³ Regulation (EU) No 671/2012 of the European Parliament and of the Council amending Council Regulation (EC) No 73/2009 as regards the application of direct payments to farmers in respect of the year 2013.

3.3.4. European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments

EAGF sub-ceiling, financial discipline and crisis reserve

Based on the very advanced stage of the MFF negotiations, the EAGF sub-ceiling for 2014 amounts to EUR 44 130 million. After taking into account an amount of EUR 351,9 million to be transferred to Rural Development (see section 3.3.5 below), the **net amount available for the EAGF (net ceiling) amounts to EUR 43 778,1 million**. It is against this net amount that the needs for the 2014 draft budget have to be assessed.

Taking account of an estimated amount of EUR 828 million for assigned revenue, the budget forecasts for EAGF expenditure in 2014 showed that the EAGF net ceiling was likely to be exceeded by EUR 1 046,9 million. As a consequence, the Commission proposed to reduce the level of direct payments accordingly through the financial discipline mechanism in order to comply with the EAGF net ceiling²⁴. The adjusted amounts of direct aids in the 2014 draft budget fully respect the EAGF sub-ceiling, taking also account of EUR 424,5 million to be made available for the reserve for crisis situations in the agricultural sector, as explained in more detail below. The percentage of the financial discipline adjustment rate necessary to respect the EAGF net ceiling, taking into account that it is applied only to amounts in excess of EUR 5 000 in the Member States that are no longer in phasing-in, is 4,981759 %.²⁵

The Commission proposes to enter the ‘**Reserve for crises in the agricultural sector**’ (EUR 424,5 million²⁶) in a new specific reserve article 05 03 10. The crisis reserve article is part of the EAGF and its appropriations are intended to finance measures necessary to address major crisis situations resulting from a food safety problem or sudden market developments, in case appropriations available on other operational lines, in particular those lines that finance interventions on the agricultural markets, are not sufficient. When the Commission considers that the reserve needs to be called on, in accordance with the relevant legislative act for the concrete measures to be taken, it will present to the budgetary authority a proposal for a transfer from the reserve to the corresponding budget items financing the measures deemed necessary. The amount of the crises reserve will be transferred back to the same direct aid schemes in case the reserve is not needed during the year. A new reserve will be generated each year by applying the financial discipline mechanism to direct aids.

Assigned revenue

Due to the existence of assigned revenue, it is important to distinguish between requested budget **appropriations** and **actual needs**. In accordance with the Financial Regulation²⁷ and the Council Regulation on the financing of the CAP²⁸, certain operations (namely conformity and accounting clearance corrections, irregularities and milk super levy) generate revenues assigned to the EAGF that are used to cover part of the needs of specific lines as required by the budget implementation.

Appropriations for the 2014 draft budget are lower than the estimated needs because an amount of EUR 828 million in **revenue** is **assigned to the EAGF**. The assigned revenue for 2014 is attributed to chapter

²⁴ More detailed rules on financial discipline are laid down in Article 11 of Council Regulation (EC) No 73/2009 as well as in Articles 12 and 18 of Council Regulation (EC) 1290/2005 on the financing of the common agricultural policy. The rules on budget discipline are laid down in Article 19 of the same Regulation.

²⁵ For more details see the Proposal for a Regulation of the European Parliament and of the Council on fixing an adjustment rate to direct payments provided for in Regulation (EC) No 73/2009 in respect of calendar year 2013 (COM(2013) 159).

²⁶ The amount is based on Point 75 of the European Council conclusions of 7-8 February 2013 assuming equal annual instalments of EUR 400 million in 2011 prices.

²⁷ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002.

²⁸ Article 34 of Council Regulation (EC) No 1290/2005 on the financing of the common agricultural policy and Article 45 of the Commission Proposal for a Regulation of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy (COM(2011) 628, 19.10.2011).

05 02 in the Operational Funds for Producer Organisations (EUR 228 million on item 05 02 08 03) and to chapter 05 03 for the Single Payment Scheme – SPS (EUR 600 million on item 05 03 01 01).

The large difference in assigned revenue compared to the 2013 budget (EUR 1 533 million) is mainly due to the one-off effect, estimated at EUR 675 million at the moment of establishing the 2013 budget, of the remaining balance of the ‘Temporary Sugar Restructuring Fund’ that was carried over from 2012 into the 2013 budget. Assigned revenue from clearance of accounts decisions (EUR 638 million in the 2014 draft budget) is expected to be higher than in 2013 (EUR 389 million). The level entered in the 2013 budget was lower than usual, due to the impact of the deferral of the deduction for financial corrections applied to Member States under financial assistance. The other sources and amounts of assigned revenue in the 2014 draft budget are EAGF irregularities (EUR 165 million) and milk super levy (EUR 25 million). At this time of the budget procedure, no assigned revenue from 2013 is expected to be carried over to 2014. This assumption will be reviewed in the amending letter (AL) to be presented in the autumn on the basis of provisional figures on execution of the EAGF in 2013.

EAGF needs and budget appropriations

Overall, **EAGF needs for 2014 before applying the ‘financial discipline mechanism’** are estimated at EUR 45 653 million compared to EUR 45 188 million last year²⁹. Taking into account the amount of assigned revenue expected to be available in 2014, budget appropriations amounting to EUR 44 825 million would be required to finance the EAGF needs for 2014. However, since this amount exceeds the EAGF net ceiling for 2014, the appropriations for direct aids have been reduced by application of the financial discipline mechanism. As a consequence, **commitment appropriations for EAGF expenditure in the 2014 draft budget are proposed at the level of the EAGF net sub-ceiling of EUR 43 778,1 million**, with no margin left, but including a reserve for crisis situations. Compared to the 2013 budget, that is an increase by EUR 123,2 million (+ 0,3 %) when excluding certain expenditure from the comparison with 2013³⁰.

Table: Overview on EAGF needs and budget requests

(in million EUR, rounded figures at current prices)

	2013 budget			DB 2014 before Financial Discipline			DB 2014 after Financial Discipline			Difference		
	(1)			(2)			(3)			(3 – 1)		
	Budget	Assigned revenue	Needs	Budget	Assigned revenue	Needs	Budget	Assigned revenue	Needs	Budget	Assigned revenue	Needs
Market support	2 771,4	500,0	3 271,4	2 496,3	228,0	2 724,3	2 496,3	228,0	2 724,3	-275,1	-272,0	-547,1
Decoupled direct aids, of which:	38 076,0	1 033,0	39 109,0	39 542,6	600,0	40 142,6	38 179,0	600,0	38 779,0	103,0	-433,0	-330,0
— SPS	30 635,0	1 033,0	31 668,0	31 279,7	600,0	31 879,7	30 107,0	600,0	30 707,0	-528,0	-433,0	-961,0
— SAPS	6 665,0		6 665,0	7 462,3		7 462,3	7 302,0		7 302,0	637,0	0,0	637,0
Other direct aids	2 855,9		2 855,9	2 745,1		2 745,1	2 637,3		2 637,3	-218,6	0,0	-218,6
Reserve for crises in the agricultural sector				p.m.			424,5		424,5	424,5	0,0	424,5
Total direct aids	40 931,9	1 033,0	41 964,9	42 287,7	600,0	42 887,7	41 240,8	600,0	41 840,8	308,9	-433,0	-124,1
Other EAGF expenditure	-48,4		- 48,4	41,0		41,0	41,0		41,0	89,4	0,0	89,4
TOTAL EAGF	43 654,9	1 533,0	45 187,9	44 825,0	828,0	45 653,0	43 778,1	828,0	44 606,1	123,2	- 705,0	- 581,8

²⁹ The EAGF figures for 2013 have been recalculated by excluding expenditure for veterinary and plant-health measures that have been transferred to heading 3 of the MFF 2014-2020. Furthermore, market interventions for fishery products have been excluded as they are now part of the ‘European Maritime and Fisheries Fund’ (EMFF).

³⁰ Including expenditure for veterinary/plant-health measures and market interventions for fishery products, the EAGF 2013 budget amounts to EUR 43 956,5 million, which leaves a margin under the EAGF net sub-ceiling (after transfer to Rural Development) of EUR 982,4 million. Furthermore, the EAGF budget amount for 2013 includes appropriations of EUR 500 million for the food programme for deprived persons.

Intervention on the agricultural markets

The 2014 draft budget shows a decrease in needs for **interventions on the agricultural markets** (Chapter 05 02) compared to the 2013 budget. These lower needs are mainly explained by the shift of expenditure to finance the programme for deprived persons from the EAGF to heading 1b (- EUR 500 million). Financial needs for market interventions remain rather limited: on the one hand, this is a consequence of continuing favourable market situations and prospects for most sectors and, on the other hand, due to the end of certain measures (flax and hemp) and shifts to rural development (cotton restructuring programme for Greece). However, budget appropriations for interventions in agricultural markets do not decrease by the same amount as lower assigned revenue is estimated to become available for Chapter 05 02 in 2014 compared to 2013.

Direct aids, adjustment (ex-modulation) and financial discipline

For the 2014 draft budget, the Commission estimate of **needs for direct aids**, before considering financial discipline, amounts to EUR 42 888 million (+ 2,2 % compared to 2013). These higher needs are mainly explained by continued phasing-in of direct aids in the new Member States and the accession of the Republic of Croatia (hereafter 'Croatia'). The level of direct aids increases from 90 % to 100 % in EU-10 and from 60 % to 70 % in EU-2, adding EUR 877 million to the needs. Direct aids in Croatia will be introduced at a phasing-in level of 25 %, representing a further increase of EUR 93 million.

The former modulation of direct aids is replaced by an **adjustment mechanism** in accordance with the transitional rules for direct aids in calendar year 2013. For compulsory modulation and unspent amounts according to Article 136 of Regulation (EC) No 73/2009, it is equivalent to the amounts applied in calendar 2012, so that there is no effect on the 2014 needs compared to 2013. However, a small variation results from the decision of the United Kingdom to apply voluntary adjustment in the same way as the voluntary modulation in calendar year 2012, but not in Northern Ireland (+ EUR 18 million in needs).

Taking into account assigned revenue available for direct aids in 2014, budget appropriations amounting to EUR 42 288 million would be required to cover the needs for chapter 05 03. However, as mentioned above, in order to respect the EAGF net ceiling, appropriations for direct aids need to be reduced through the **financial discipline mechanism**. As a result, the requested **budget appropriations for direct aids** amount to EUR 41 240,8 million (including the 'Reserve for crises in the agricultural sector'), which is EUR 308,9 million above the level in the 2013 budget.

The appropriations for **decoupled direct aids** increase by EUR 103 million compared to 2013. This reflects the net result of higher needs (+ EUR 1 033,6 million) and substantially lower assigned revenue (- EUR 433 million), which are largely offset by reductions of appropriations through financial discipline (- EUR 1 363,6 million). The additional needs for decoupled direct aids are mainly for the '**Single Area Payment Scheme**' (SAPS), which is applied by most of the new Member States benefitting from phasing-in of direct aids. The needs also increase for the most important direct support scheme, the '**Single Payment Scheme**' (SPS), albeit to a much lesser extent. This is mainly due to the phasing-in for Malta and Slovenia (+ EUR 12,2 million) and the accession of Croatia (+ EUR 88,6 million). Further changes for the SPS ceilings relate to the decoupling of transitional payments for certain fruit and vegetable crops (other than tomatoes) as well as the implementation of the decoupled support for specific measures under Article 68 of Council Regulation (EC) No 73/2009.

Since the budget year 2011, Member States are allowed to transfer amounts from their SPS and SAPS envelopes in order to finance **specific support measures under Article 68 of Council Regulation (EC) No 73/2009**. For 2014, Member States have allocated lower amounts for these measures, thus increasing the gross ceilings for the SPS and SAPS by a total of EUR 52 million. The needs (before financial discipline) related to specific support increase by EUR 24 million for decoupled measures and decrease by EUR 75 million for coupled measures.

Appropriations for **other direct aids** decrease by EUR 218 million compared to last year, with a reduction of the needs (- EUR 110 million) and an additional decrease due to the financial discipline mechanism (- EUR 108 million), including the coupled specific support measure mentioned above. As mentioned above, the reduction of needs is mainly due to the decoupling of the transitional payment for certain fruit and vegetable crops (- EUR 31 million) and the decision taken by certain Member States to reduce the amounts allocated to coupled specific support (- EUR 75 million).

3.3.5. Transfers from the EAGF to the EAFRD

For the 2014 draft budget, the amount additionally available to the European Agricultural Fund for Rural Development (EAFRD) totals EUR 351,9 million. These appropriations relate to the application of voluntary adjustment of direct payments in the UK for calendar year 2013 (EUR 296,3 million)³¹, the inclusion of the cotton national restructuring programme in Greece (EUR 4 million) to the new generation of rural development programmes³², as well as the transfer from unused direct aids of calendar year 2013 (EUR 42,6 million for Germany and EUR 9 million for Sweden)³³ from the EAGF to the EAFRD.

3.3.6. European Agricultural Fund for Rural Development (EAFRD)

Support provided through the European Agricultural Fund for Rural Development (EAFRD) makes a vital contribution to the sustainability of the rural environment and helps to maintain a balance between urban and rural areas in a competitive and knowledge-based economy.

The EAFRD will fit into the new Common Strategic Framework that also applies to the ERDF, ESF, CF and EMFF, so as to achieve the objectives of the Europe 2020 strategy. As in the other funds, in order to introduce a clearer link with performance, targets will have to be set for all Rural Development programmes for the following 6 priorities: fostering knowledge transfer and innovation; enhancing competitiveness; promoting food chain organisation and risk management; restoring, preserving and enhancing ecosystems; promoting resource efficiency and transition to a low carbon economy; and promoting social inclusion, poverty reduction and economic development in rural areas. Some 7 % of the funds are held back in a so-called ‘performance reserve’ and will only be made available when progress towards meeting these targets is being made.

For 2014 an amount of EUR 13 991,0 million in commitment appropriations is requested (including technical assistance).

3.3.7. Maritime Affairs and fisheries

(in million EUR, rounded figures at current prices)

	Budget		Draft budget (DB)		Share		Difference		Difference	
	2013		2014				2014 – 2013		2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— European Maritime and Fisheries Fund (EMFF)	837,7	641,1	866,3	616,3	84,4%	79,6%	28,6	-24,8	3,4%	-3,9%
— Regional Fisheries Management Organisations (RFMOs) and Sustainable Fisheries Agreements (SFAs)	149,2	147,2	151,0	149,4	14,7%	19,3%	1,8	2,2	1,2%	1,5%
— European Fisheries Control Agency (EFCA)	8,9	8,9	8,7	8,7	0,8%	1,1%	-0,2	-0,2	-2,4%	-2,4%
Total	995,8	797,3	1 026,0	774,4	100,0%	100,0%	30,2	-22,8	3,0%	-2,9%

³¹ Article 10b of Council Regulation (EC) No 73/2009.

³² Article 52 of the Proposal for a Regulation of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy (COM(2011) 625).

³³ Article 136 of Council Regulation (EC) No 73/2009.

The funding of the ‘Common Fisheries Policy’ (CFP) and the ‘Integrated Maritime Policy’ (IMP) has been reorganised under the new MFF 2014-2020. The new **‘European Maritime and Fisheries Fund’ (EMFF)** not only replaces the previous ‘European Fisheries Fund’ (EFF) but also integrates all other measures in the field of maritime affairs and fisheries, except **‘Sustainable Fisheries Agreements’ (SFAs) and compulsory contributions to international organisations** and **‘Regional Fisheries Management Organisations’ (RFMOs)**, which have their own specific legal basis.

Commitment appropriations of EUR 1 026,0 million are requested for the 2014 draft budget for maritime affairs and fisheries in heading 2, an increase of 3,0 %.

European Maritime and Fisheries Fund (EMFF)

The EMFF aims at achieving the objectives of the reformed CFP and of the IMP and is based on the following objectives: (i) promotion of sustainable and competitive fisheries and aquaculture; (ii) fostering the development and implementation of the Union's IMP, in a complementary manner to the cohesion policy and to the CFP; (iii) promotion of balanced and inclusive territorial development of fisheries areas (including aquaculture and inland fishing); (iv) contribution to the implementation of the CFP.

Supporting the transition to sustainable fishing, elimination of discards and increase of employment in fisheries dependent communities will be among the main priorities for the EMFF under the new financial framework. In this regard, the Commission will pursue the increase of the fuel efficiency of fish capture by reducing fuel consumption by some 30 % by 2023, fully eliminate discards of commercially exploited species by 2016 and create some 12 500 jobs by 2022.

The EMFF, which falls under the ‘Common Provisions Regulation’³⁴ laying down the rules for the shared-management funds, is structured around 4 pillars: (1) Smart, Green Fisheries; (2) Smart, Green Aquaculture; (3) Sustainable and Inclusive Territorial Development and (4) the Integrated Maritime Policy. In addition to these four pillars, the EMFF will include accompanying measures: data collection and scientific advice, control, governance, fisheries markets (including outermost regions), voluntary payments to RFMOs and technical assistance. Within the EMFF, the management mode of certain measures (especially for data collection, fisheries markets and control) has changed compared to the previous programming period, with a major shift from direct management to shared management. This shift explains the apparent reduction of appropriations for the respective direct management budget lines compared with the 2013 budget.

The overall level of commitment appropriations proposed for the EMFF is EUR 866,3 million.

Sustainable Fisheries Agreements (SFAs) and compulsory contributions to International Fisheries Organisations as well as to RFMOs

Under its exclusive competence of negotiating bilateral fisheries agreements, the European Commission negotiates, concludes and implements bilateral SFAs between the EU and third countries. This is with the objective of promoting sustainable development in third countries' waters and supporting the competitiveness of the Union's fishing fleet. Within the framework of the SFAs, the Commission maintains a political dialogue on fisheries related policies with third countries concerned, in coherence with the principles governing the CFP and the commitments under other relevant European policies.

³⁴ Proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006 (COM(2012) 496, 11.9.2012); as amended by COM(2013) 146, 12.3.2013.

The EU promotes better international fisheries governance and the sustainable management of international fish stocks, and it defends EU economic and social interests within a series of international organisations. This includes various RFMOs, in which the EU has an interest, as well as bodies set up by the ‘United Nations Convention on the Law of the Sea’ (UNCLOS), namely the ‘International Seabed Authority’ and the ‘International Tribunal for the Law of the Sea’. Compulsory contributions deriving from the EU membership in such international bodies and organisations are paid on the basis of various Council Decisions and Regulations³⁵.

The level of commitment appropriations for 2014 for these activities outside the EMFF increases compared with the 2013 budget by 1,2 % to EUR 151,0 million.

3.3.8. Environment and climate action

(in million EUR, rounded figures at current prices)

	Budget		Draft budget (DB)		Share		Difference		Difference	
	2013		2014				2014 – 2013		2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Environment and climate action (Life+)	366,9	265,9	404,6	263,0	90,7%	86,3%	37,7	-2,9	10,3%	-1,1%
— Environmental policy at Union and international level	343,8	244,4	303,4	243,9	68,0%	80,0%	-40,4	-0,5	-11,8%	-0,2%
— Climate action at Union and international level	23,1	21,5	101,3	19,1	22,7%	6,3%	78,2	-2,3	338,3%	-10,9%
— Decentralised agencies	43,4	43,4	41,7	41,7	9,3%	13,7%	-1,8	-1,8	-4,0%	-4,0%
Total	410,3	309,3	446,3	304,7	100,0%	100,0%	36,0	-4,6	8,8%	-1,5%

The MFF 2014-2020 addresses environment and climate action as an integral part of all the main instruments and interventions. This so-called ‘mainstreaming’ approach implies that environmental and climate objectives are reflected in the main instruments to ensure that they contribute to building a low-carbon, resource efficient and climate resilient economy that will enhance Europe's competitiveness, create more and greener jobs, strengthen energy security, and bring health benefits. In addition to mainstreaming, the LIFE programme, previously regulated by the LIFE+ Regulation, is continued to combine the mainstreaming approach with a specific instrument that will increase the coherence and the added-value of the Union intervention. The LIFE programme will allow the Commission to better shape priorities and ensure that resources are effectively used for environmental protection and climate action. Some of the Commission’s main targets for 2020 include ensuring that 100 % of EU bodies of water have achieved good ecological status, 10 % of the EU population benefits from improved air quality and 15 % of the Natura 2000 network is adequately managed.

Overall, commitment appropriations of EUR 446,3 million are requested for the 2014 draft budget for environment and climate action in heading 2, an increase of 8,8 %. The bulk (EUR 404,6 million) is for the new LIFE programme that comprises 2 specific sub-programmes: one for environment and the other one for climate action.

Environment

The amount of commitment appropriations for the environment sub-programme of LIFE will support measures related to three priority areas: (i) Environment and Resource Efficiency; (ii) Biodiversity; (iii) Environmental Governance and Information. At least 50 % of the budgetary resources allocated to projects supported by way of action grants under the sub-programme for Environment will be dedicated to projects supporting the

³⁵ Voluntary contributions to international organisations and preparatory work for new international fisheries organisations are financed from a separate budget item (11 06 62 03) that is part of the EMFF.

conservation of nature and biodiversity. For the 2014 draft budget, an amount of EUR 303,4 million is proposed. This is lower than in 2013 (-11,8 %), due to a shift to the climate action sub-programme (see below).

Climate action

Climate action is a key priority for the Commission, as set out in the 'Europe 2020 strategy'. A specific sub-programme under the new LIFE programme is created for climate action in order to support the Union's role and key legislation, including the development of the EU emissions trading scheme, and to pave the way for a move to a low carbon economy by 2050. Adaptation to climate change as a cross-sector Union priority will also need to be ensured by the commitment that at least 20 % of the Union budget will be climate related, with contributions from different policies. The climate action sub-programme of LIFE will support measures related to three priority areas: (i) Climate Change Mitigation; (ii) Climate Change Adaptation; (iii) Climate Governance and Information.

As far as the 2014 draft budget is concerned, for the climate action sub-programme of LIFE an amount of EUR 101,3 million is proposed. This represents a large increase (338,3 %) compared to 2013.

More details on the contribution that the EU budget makes to the financing of mainstreaming of climate action and biodiversity are presented in Annex V.

3.3.9. Payment appropriations for heading 2

The overall level of payment appropriations requested for heading 2 amounts to EUR 56 532,5 million (-2,3 % as compared to the 2013 budget). This amount results on the one hand from mostly non-differentiated expenditure under the EAGF (EUR 43 777,0 million, + 0,3 % as compared to the 2013 budget), as described in section 3.3.4 above, and on the other hand from payment appropriations for differentiated expenditure (EUR 12 654,1 million, - 10,8 % as compared to the 2013 budget), notably for the 'European Agricultural Fund for Rural Development' (EAFRD), the 'European Maritime and Fisheries Fund' (EMFF) and LIFE.

3.3.9.1. Payments on new programmes

The payment appropriations for the 2014 draft budget for the EAFRD and the EMFF, which both are implemented on the basis of operational programmes, are mainly based on the initial pre-financing to be paid after the approval of these programmes. The level of appropriations requested is based on the assumption that 80 % of the EMFF programmes and slightly more than 50 % of the rural development programmes will be approved and paid in 2014. The related pre-financing has been calculated on the provision of 1 % of the amount of support for each fund for the entire programming period to the operational programme and 1,5 % to operational programmes when a Member State has been receiving financial assistance. In the case of rural development, a small amount has also been included to reimburse measures that have an annual character. Excluding technical assistance, payment appropriations for new operational programmes amount to EUR 1 303,9 million for rural development and EUR 44,8 million for the EMFF. A further EUR 78,0 million is added for the EMFF for measures under direct management by the Commission and, therefore, outside operational programmes. For LIFE, only a very small amount in payment appropriations is foreseen for the new programming period while the most important part is related to outstanding commitments prior to 2014.

3.3.9.2. Payments on outstanding commitments (prior to 2014)

Most of the payment appropriations for differentiated expenditure in heading 2 in the 2014 draft budget are requested for payments on outstanding commitments prior to 2014. Out of an overall amount of around EUR 11 041,4 million, the most important part is for rural development (EUR 10 333,3 million). This is followed by appropriations for measures financed under the previous EFF and other fisheries measures (EUR 486,2 million), as well as LIFE+ (EUR 221,9 million). The payment needs remain very high in 2014 as

these programmes have reached their full cruising speed at the end of the period 2007-2013. Accordingly, many payment requests are still expected to be received in 2014, as reflected in the proposed payment appropriations.

3.4. Heading 3 — Security and citizenship

3.4.1. Summary table for commitment (CA) and payment (PA) appropriations

(in million EUR, rounded figures at current prices)

	Budget 2013 ⁽¹⁾		Draft budget (DB) 2014		Share		Difference 2014 – 2013		Difference 2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Asylum and Migration Fund (AMF)	495,4	314,9	403,3	146,4	18,8%	8,8%	-92,2	-168,5	-18,6%	-53,5%
— Internal Security Fund (ISF)	485,9	301,3	403,3	230,3	18,8%	13,8%	-82,6	-71,1	-17,0%	-23,6%
— IT systems	45,5	49,6	18,6	11,1	0,9%	0,7%	-26,9	-38,6	-59,2%	-77,7%
— Justice	47,7	29,7	47,0	35,7	2,2%	2,1%	-0,7	6,0	-1,4%	20,4%
— Rights and Citizenship	74,5	58,8	54,8	55,2	2,6%	3,3%	-19,7	-3,6	-26,5%	-6,1%
— Civil protection	23,5	18,4	28,2	30,0	1,3%	1,8%	4,7	11,6	20,1%	62,9%
— Europe for Citizens	30,0	31,4	23,4	27,9	1,1%	1,7%	-6,6	-3,5	-21,9%	-11,3%
— Food and feed	274,7	247,3	253,4	218,5	11,8%	13,1%	-21,3	-28,8	-7,7%	-11,7%
— Health for Growth	55,5	55,7	58,6	44,8	2,7%	2,7%	3,1	-11,0	5,5%	-19,7%
— Consumer protection	23,5	21,6	24,1	21,8	1,1%	1,3%	0,6	0,2	2,4%	1,1%
— Creative Europe	189,6	176,4	178,6	185,3	8,3%	11,1%	-11,0	8,9	-5,8%	5,0%
— Other actions and programmes	2,0	0,5	p.m.	0,6	0,0%	0,0%	-2,0	0,2	-100,0%	30,5%
— Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	140,5	128,9	159,9	164,5	7,5%	9,9%	19,4	35,6	13,8%	27,6%
— Of which ‘Communication actions’	99,5	88,0	78,8	83,5	3,7%	5,0%	-20,7	-4,5	-20,8%	-5,1%
— Pilot projects and preparatory actions	15,3	11,5	p.m.	9,5	0,0%	0,6%	-15,3	-2,0	-100,0%	-17,3%
— Decentralised agencies	458,7	448,2	486,5	486,5	22,7%	29,2%	27,8	38,3	6,1%	8,6%
Total	2 362,2	1 894,2	2 139,5	1 668,0	100%	100%	-222,7	-226,1	-9,4%	-11,9%
<i>Ceiling</i>	<i>2 449,0</i>		<i>2 179,0</i>							
<i>Margin</i>			<i>39,5</i>							

(1) Budget 2013 includes draft amending budgets 1 to 5.

3.4.2. Key aspects of heading 3

Heading 3 groups various policies whose common objective is to strengthen the concept of ‘**European citizenship**’ by creating an area of **freedom, justice, security** and improve access to basic public goods and services. Along the lines defined by the ‘Stockholm programme’ adopted by the Council in December 2009, the European citizen is placed at the heart of the EU action.

The ‘**Asylum and Migration Fund**’ (AMF) will help to achieve an effective management of migration flows in the Union in accordance with the common policy on asylum, subsidiary and temporary protection and the common immigration policy. Supported by dedicated **IT systems** ensuring a smooth implementation of internal security in Europe, the ‘**Internal Security Fund**’ (ISF) will give tangible shape to safer external borders and coordinated police cooperation and therefore ensure a high level of security in the EU. The ‘**Civil protection mechanism**’ will contribute to increasing the security of EU citizens and building resilience to natural and man-made disasters.

The ‘**Justice**’ and ‘**Rights and Citizenship**’ programmes will prepare the ground for the creation of a genuine area of law, rights and justice where the rights of persons are promoted and protected, offering practical solutions to cross-border problems for both citizens and business.

The ‘**Europe for Citizens**’ programme will strengthen remembrance and enhance capacity for civic participation at the Union level. The ‘**Creative Europe**’ programme for culture and media activities will support the common cultural heritage of European citizens and will aim at increasing the circulation of creative European works inside and outside the EU.

Food and feed safety is a strategic matter for the European Union and any nation, and a wide majority of the EU's citizens consider this a vital issue. The **'Food and Feed'** programme will contribute to the EU citizens' well-being and confidence in the functioning of the internal market, in combination with the **'Consumer protection'** programme, through improved information flow to consumers and better representation of their interests. Finally, the **'Health for Growth'** programme, whose major objective is to protect citizens from cross-border health threats, will promote good health as an integral part of the smart and inclusive growth objectives for the 'Europe 2020 strategy'.

All these programmes aim at building an EU-wide area for citizens to feel at ease about living, travelling and working anywhere in the European Union and to trust their rights and their beliefs are protected no matter where they are in the EU.

3.4.3. Priorities for 2014

Having a secure environment where citizens and companies feel safe and where they trust their rights are protected provides for basic sound grounds on which Europeans can rely to face the current challenges of change towards a post-crisis strong, reformed European Union. For example, a comprehensive and well managed migration policy helps to have skills to match labour shortages. Similarly, the approach to active ageing promoted by the 'Health for Growth' programme can contribute to the creation of jobs in the health sector. The fight against organised crime and corruption gives sounder grounds to economic activity. These policies contribute to creating favourable conditions for economic growth, which remains the key priority to overcome the effects of the global economic crisis.

The simplification proposed by the Commission across all 2014-2020 programmes will help the early start of these new generation programmes at the service of European citizens. Priority will be given to a continued delivery on the basis of existing mechanisms, while, at the same time, integrating the necessary adjustments entailed by the new programmes as smoothly and as quickly as possible.

3.4.4. Asylum and Migration Fund (AMF)

(in million EUR, rounded figures at current prices)

Summary of AMF by components	Budget		Draft budget (DB)		Share		Difference		Difference	
	2013		2014				2014 – 2013		2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Strengthening and developing the Common European Asylum System and enhancing the solidarity and responsibility sharing between the Member States			167,8	20,5	41,6%	14,0%	167,8	20,5		
— Supporting legal migration to the Union and promoting the effective integration of third-country nationals and enhancing fair and effective return strategies			233,3	27,7	57,9%	18,9%	233,3	27,7		
— Support expenditure for Asylum and Migration Fund	1,7	1,7	2,2	2,2	0,5%	1,5%	0,5	0,5	26,5%	26,5%
— Completion of return, refugees and migration flows	493,7	313,2	p.m.	96,1	0,0%	65,6%	-493,7	-217,1	-100,0%	-69,3%
Total	495,4	314,9	403,3	146,4	100,0%	100,0%	-92,2	-168,5	-18,6%	-53,5%

The creation of an area of freedom, security and justice is a cornerstone of the European project. A comprehensive, coherent and effective response is needed to the challenge of migration. Citizens expect the Union to contribute to providing security by combating organised crime, terrorism and other threats.

The **'Asylum and Migration Fund'** (AMF) is the successor of the 'European Return Fund', the 'European Refugee Fund' and the 'European Fund for the integration of third-country nationals'. The objective of the Fund is to contribute to an effective management of migration flows in the Union as part of the area of freedom,

security and justice, in accordance with the common policy on asylum, subsidiary protection and temporary protection and the common immigration policy. For instance, the AMF is expected to create a capacity of 100 places in reception and accommodation infrastructures which are in compliance with the standards of the EU *acquis* in 2014. Furthermore, it is expected to provide assistance in the field of reception and asylum system to some 100 000 persons, through integration measures to some 200 000 third-country nationals and to finance the effective return of some 38 000 persons.

For most part, the EU support under this Fund will be allocated in shared management with Member States on the basis of multiannual national programmes, with a possible mid-term review. In addition to fixed amounts, top-up resources can be granted to those Member States that volunteer for earmarked specific actions and for resettlement and relocation. The Fund may also finance directly managed transnational actions within the Union or actions of particular interest to the Union, including in relation to or in third countries. The directly managed resources will also be used to provide financial assistance to address urgent needs in emergency situations and support the ‘European Migration Network’.

3.4.5. Internal Security Fund (ISF)

(in million EUR, rounded figures at current prices)

Summary of ISF by components	Budget		Draft budget (DB)		Share		Difference		Difference	
	2013		2014				2014 – 2013		2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Support of borders management and a common visa policy to facilitate legitimate travel			252,2	27,2	62,5%	11,8%	252,2	27,2		
— Prevention and fight against cross-border organised crime and better management of security related risks and crisis			149,0	16,2	36,9%	7,0%	149,0	16,2		
— Support expenditure for Internal Security Fund	1,4	1,4	2,2	2,2	0,5%	0,9%	0,8	0,8	53,6%	53,6%
— Completion of external borders, security and safeguarding liberties	484,5	299,9	p.m.	184,8	0,0%	80,2%	-484,5	-115,2	-100,0%	-38,4%
Total	485,9	301,3	403,3	230,3	100,0%	100,0%	-82,6	-71,1	-17,0%	-23,6%

The ‘Internal Security Fund’ (ISF) is the successor of the ‘External Borders Fund’, the ‘Prevention, preparedness and consequence management of terrorism’ programme and the ‘Prevention of and fight against crime’ programme. The objective of the Fund is to contribute to ensuring a high level of security in the European Union. It will provide for financial support for police cooperation, preventing and combating crime, and crisis management as well as for external borders and visa. In this regard, the ISF is expected to provide expertise on borders management to 6 150 staff through 205 training courses throughout the period 2014-2020, increase the crossings of Automated Border Control gates from 600 000 in 2014 to 25 million in 2020, and increase security through 1 085 cross-border-joint operations in the period 2014-2020.

The EU support under this Fund will be allocated in shared management with Member States on the basis of multiannual national programmes, with a possible mid-term review. This includes the necessary support to the national investments for the achievement of the objectives laid down in the ‘European Borders Surveillance System’ (EUROSUR) regulation. Resources can be granted for earmarked specific actions and will support the Special Transit Scheme in favour of Lithuania. The Fund may also finance Union transnational actions or actions of particular interest to the Union. It will also provide financial assistance to address urgent needs in emergency situations. Finally, its financial envelope includes resources to establish a programme on the development of new IT systems to manage the movement of third-country nationals across borders.

3.4.6. IT systems

(in million EUR, rounded figures at current prices)

Summary of 'IT systems' by components	Budget		Draft budget (DB)		Share		Difference		Difference	
	2013		2014				2014 – 2013		2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Setting up new IT systems to support the management of migration flows across the external borders of the Union			p.m.	p.m.	0,0%	0,0%	p.m.	p.m.		
— Schengen information system (SIS II)	36,8	22,6	9,2	5,5	49,7%	49,6%	-27,5	-17,1	-74,9%	-75,7%
— Visa Information System (VIS)	8,8	27,0	9,2	5,5	49,7%	49,6%	0,5	-21,6	5,5%	-79,7%
— European fingerprint database (EURODAC)	p.m.	p.m.	0,1	0,1	0,5%	0,8%	0,1	0,1	0,0%	0,0%
Total	45,5	49,6	18,6	11,1	100,0%	100,0%	-26,9	-38,6	-59,2%	-77,7%

The appropriations entered in the draft budget are intended to finance the operating expenditure for the continuation of the existing IT systems and, in particular, the cost of the network infrastructure at EU level and the related studies. This concerns the 'Schengen information system' (SIS), the analysis development, delivery and installation of a Europe-wide large-scale information system 'VIS' ('Visa Information System'), and the establishment and operation of the central unit of the 'Eurodac', the system enabling for the comparison of fingerprints for the effective application of the 'Dublin Convention'.

3.4.7. Justice

(in million EUR, rounded figures at current prices)

Summary of 'Justice' by components	Budget		Draft budget (DB)		Share		Difference		Difference	
	2013		2014				2014 – 2013		2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Facilitating access to justice and support judicial training			28,6	7,5	60,8%	21,0%	28,6	7,5		
— Improving judicial cooperation in civil and criminal matters			14,2	3,7	30,3%	10,4%	14,2	3,7		
— Preventing and reducing drug demand and supply			3,0	0,8	6,4%	2,2%	3,0	0,8		
— Support expenditure for Justice	0,7	0,7	1,2	1,2	2,6%	3,4%	0,6	0,6	84,6%	84,6%
— Completion of drugs prevention and information and justice	47,1	29,0	p.m.	22,5	0,0%	63,0%	-47,1	-6,5	-100,0%	-22,4%
Total	47,7	29,7	47,0	35,7	100,0%	100,0%	-0,7	6,0	-1,4%	20,4%

The 'Justice' programme will build on the experience of the three previous programmes: 'Civil Justice', 'Criminal Justice', and 'Drug Prevention and Information'. The general objective of the new programme is to contribute to the creation of a genuine area of justice through promoting judicial cooperation in civil and criminal matters. In particular, the supported actions will aim at promoting the application of the Union legislation in the areas of judicial cooperation in civil and criminal matters, facilitating the access to justice and reducing the drug demand and supply. The EU funding under this programme will be allocated to analytical and training activities, and to dissemination, mutual learning, cooperation, and awareness raising activities. For instance, the programme will increase trans-border cooperation in the judicial area, with the objective of raising the number of 'European Arrest Warrant' (EAW) executed from 4 293 in 2010 to 7 000 in 2020, and providing additional expertise to 700 000 legal professionals throughout the period 2014-2020.

3.4.8. Rights and Citizenship

(in million EUR, rounded figures at current prices)

Summary of 'Rights and Citizenship' by components	Budget		Draft budget (DB)		Share		Difference		Difference	
	2013		2014				2014 – 2013		2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Ensuring the protection of rights and empower citizens			23,0	5,5	42,0%	9,9%	23,0	5,5		
— Promoting non-discrimination and equality	—	—	30,7	7,3	56,0%	13,2%	30,7	7,3		
— Support expenditure for Rights and Citizenship	2,2	2,2	1,1	1,1	2,0%	2,0%	-1,1	-1,1	-50,7%	-50,7%
— Completion of Rights and Citizenship and Equality	72,2	56,5	p.m.	41,3	0,0%	74,9%	-72,2	-15,2	-100,0%	-26,9%
Total	74,5	58,8	54,8	55,2	100,0%	100,0%	-19,7	-3,6	-26,5%	-6,1%

The new 'Rights and Citizenship' programme is the successor of the three previous programmes 'Fundamental Rights and Citizenship', 'Daphne III', and the sections 'Antidiscrimination and Diversity' and 'Gender Equality' of the Programme for 'Employment and Social Solidarity' ('PROGRESS'). The objective of the Programme is to contribute to the creation of an area, in which the rights of persons are promoted and protected by enhancing the exercise of rights deriving from the citizenship of the Union, promoting the principles of non-discrimination, contributing to the protection of personal data, and enhancing the protection of the rights of the child and the rights deriving from the Union consumer legislation. The EU funding under this programme will be allocated to analytical and training activities, and to dissemination, mutual learning, cooperation, and awareness raising activities. For instance, the programme will aim at raising the number of Europeans that are aware of their rights if they fall victim of discrimination from 37 % in 2012 to 80 % in 2020.

3.4.9. Civil protection

(in million EUR, rounded figures at current prices)

Summary of 'Civil protection' by components	Budget		Draft budget (DB)		Share		Difference		Difference	
	2013		2014				2014 – 2013		2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Disaster prevention and preparedness within the Union			27,1	13,0	95,9%	43,4%	27,1	13,0		
— Rapid and efficient emergency response interventions in the event of major disasters within the Union			1,2	1,0	4,1%	3,2%	1,2	1,0		
— Support expenditure for the Union Civil Protection Mechanism within the Union	0,3	0,3	p.m.	p.m.	0,0%	0,0%	-0,3	-0,3	-100,0%	-100,0%
— Completion of programmes and actions in the field of civil protection within the Union (prior to 2014)	23,2	18,1	p.m.	16,0	0,0%	53,4%	-23,2	-2,1	-100,0%	-11,5%
Total	23,5	18,4	28,2	30,0	100,0%	100,0%	4,7	11,6	20,1%	62,9%

The 'Union Civil Protection' programme brings together the 'Civil Protection Mechanism', which facilitates reinforced cooperation between the Member States and the Union in the field of civil protection, and the 'Civil Protection Financial Instrument', which provides funding for the actions under the Mechanism to ensure protection against natural and man-made disasters.

The programme aims to support, coordinate and supplement the actions of the Member States in the field of civil protection in improving the effectiveness of systems for preventing, preparing for and responding to natural, technological and man-made disasters. Furthermore, by supporting and promoting measures to prevent disasters, EU Civil Protection policy would reduce the costs to the EU economy from disasters and therefore obstacles to growth. The higher level of protection of citizens, material assets and the environment would minimise the adverse social, economic and environmental impact of disasters likely to affect the most vulnerable regions and people and thus contribute to a more sustainable and inclusive growth. At the Union

level, the establishment of the ‘European Emergency Response Centre’ with strengthened planning and coordination functions will bring benefits to the EU as a whole, by generating savings at Member State level and benefits of fast and effective disaster response in terms of human lives saved.

3.4.10. Europe for Citizens

The ‘**Europe for Citizens**’ programme aims to strengthen remembrance of the Union’s history and its identity by stimulating debate, reflection and networking. It also aims to enhance capacity for civic participation at the Union level by developing citizens’ understanding of the Union policy making process and promoting opportunities for societal engagement and volunteering at Union level. The actions will be implemented on a transnational level or with a clear European dimension.

3.4.11. Food and feed

(in million EUR, rounded figures at current prices)

Summary of ‘Food and feed’ by components	Budget		Draft budget (DB)		Share		Difference		Difference	
	2013		2014				2014 – 2013		2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Ensuring a higher animal health status and high level of protection of animals in the Union			180,0	4,0	71,0%	1,8%	180,0	4,0		
— Ensuring timely detection of harmful organisms for plants and their eradication			5,0	3,0	2,0%	1,4%	5,0	3,0		
— Ensuring effective, efficient and reliable controls			45,7	15,0	18,0%	6,9%	45,7	15,0		
— Fund for emergency measures related to animal and plant health			20,0	7,5	7,9%	3,4%	20,0	7,5		
— Support expenditure in the field of Food and feed safety, animal health, animal welfare and Plant health	2,7	2,7	2,7	2,7	1,1%	1,2%			0,0%	0,0%
— Completion of previous measures in food and feed safety, animal health, animal welfare and plant health	272,0	244,6	p.m.	186,3	0,0%	85,3%	-272,0	-58,3	-100,0%	-23,8%
Total	274,7	247,3	253,4	218,5	100,0%	100,0%	-21,3	-28,8	-7,7%	-11,7%

The ‘**Food and feed**’ programme aims to ensure a high level of health for humans, animals and plants along the food chain and in related areas as well as a high level of protection of consumers and the environment while enabling the EU food industry to operate in an environment that favours competitiveness and the creation of jobs.

An EU contribution is made towards national programmes aimed at improving animal health or eradicating those diseases that affect people or whose presence can cause major social, economic and political impact. Eradication, surveillance and monitoring programmes are necessary to reduce this risk for public and/or animal health to an acceptable level. EU wide surveillance is also carried out for diseases such as avian influenza and transmissible spongiform encephalopathies (TSE).

3.4.12. Health for Growth

The general objectives of the ‘**Health for Growth**’ programme are to work with Member States to encourage innovation in healthcare and increase the sustainability of health systems, to improve the health of the EU citizens and protect them from cross-border health threats. The programme stresses that promoting good health is an integral part of the smart and inclusive growth objectives of the ‘Europe 2020 strategy’. Moreover, it strengthens and emphasises the links between economic growth and a healthy population to a greater extent than the previous programmes.

3.4.13. Consumer protection

The aim of the ‘**Consumer**’ programme is to support the policy objective of placing the empowered consumer at the centre of the ‘Single Market’. The programme will do so by contributing to protecting the health, safety and economic interests of consumers, as well as to promoting their right to information, education and to organise themselves in order to safeguard their interests. The programme will complement, support and monitor the policies of Member States.

3.4.14. Creative Europe

(in million EUR, rounded figures at current prices)

Summary of ‘Creative Europe’ by components	Budget		Draft budget (DB)		Share		Difference		Difference	
	2013		2014				2014 – 2013		2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Strengthening the financial capacity of the cultural and creative sectors, in particular for SMEs and organisations			9,0	6,5	5,0%	3,5%	9,0	6,5		
— Supporting the Cultural sector to operate in Europe and beyond and to promote transnational circulation and mobility	59,7	53,8	52,9	55,2	29,6%	29,8%	-6,7	1,4	-11,3%	2,6%
— Supporting the MEDIA sector to operate in Europe and beyond and to promote transnational circulation and mobility	112,6	105,3	102,3	109,3	57,3%	59,0%	-10,3	4,0	-9,1%	3,8%
— Support expenditure for Creative Europe	17,3	17,3	14,3	14,3	8,0%	7,7%	-3,0	-3,0	-17,4%	-17,4%
Total	189,6	176,4	178,6	185,3	100,0%	100,0%	-11,0	8,9	-5,8%	5,0%

‘**Creative Europe**’, the new framework programme for the cultural and creative sectors, will bring together the current ‘Culture’, ‘MEDIA’ and ‘MEDIA Mundus’ programmes under a common framework and create an entirely new Facility to improve access to finance. By specifically targeting the needs of the cultural and creative sectors that aim to operate beyond national borders, with a strong link to the promotion of cultural and linguistic diversity, the programme will complement other EU programmes such as structural fund support for investment in the cultural and creative sectors, heritage restoration, cultural infrastructure and services, digitisation funds for cultural heritage and the enlargement and external relations instruments. The new programme will provide a simple, easily recognisable and accessible gateway for European cultural and creative professionals, regardless of their artistic discipline, and it will offer scope for international activities within and outside of the EU.

Investing in the cultural and creative sectors directly contributes to the Europe 2020 strategy's aim to promote smart, sustainable, and inclusive growth. In 2008 the cultural and creative sectors contributed to an estimated 4,5 % of EU gross domestic product (GDP), and employed some 3,8 % of Europe's workforce. Creative Europe is expected to contribute to raising the sectors' share of EU GDP to 5 % by 2020, and to bring its share of employment to 5 %. Moreover, it will strengthen the financial capacity of the cultural and creative sectors, and in particular small and medium-sized enterprises, by increasing the volume of loans provided from EUR 20 million (MEDIA Production Guarantee Fund, end 2012) to EUR 500 million in 2020. Finally, Creative Europe is expected to promote internationalisation of cultural operators through the creation of some 8 000 transnational partnerships by 2020.

3.4.15. Communication actions

Through ‘**Communication actions**’, the Commission aims at increasing the interest, understanding and involvement of citizens in the EU integration and policy-making process.

The Commission intends to bring the EU closer to the citizens by providing them with clear information on the EU. The actions are implemented in partnership with the European Parliament, the Member States, and the 500 ‘Europe Direct’ Information Centres as well as through the 37 EC Representations and Regional Offices in

Member States. Through its audio-visual communication tools, the Commission offers citizens the possibility to inform themselves and find out about the political and legislative process of the EU, its results and how EU policy directly impacts on their daily life. Institutional communication on the key political messages and achievements of the EU is essential to disseminate information about the EU policy outcomes through multi-lingual online and written information and via a variety of communication tools.

3.4.16. Other actions and programmes

The Treaty concerning the Accession of the Republic of Croatia creates the ‘Schengen Facility’ for Croatia, as a temporary instrument to support Croatia between the date of accession and the end of 2014. It is intended to finance actions at the new external borders of the Union for the implementation of the ‘Schengen acquis’ and ‘external border control’.

3.4.17. Payment appropriations for heading 3

The overall level of payment appropriations remains more or less stable at EUR 1 668,0 million for the heading as a whole (of which EUR 603,2 million will be used to pay non-differentiated expenditure, whereby commitments are equal to payments), taking into account the various shifts from one heading to another deriving from the new financial framework (e.g. transfer of ‘Food and Feed’ from heading 2 and completion of the current ‘Youth’ programme). The breakdown between payments related to new 2014 commitments and those related to commitments from previous years has been made in a manner whereby outstanding commitments are gradually tackled without impacting either on the overall level of payment appropriations or jeopardising the start of the new programmes and funds.

3.4.17.1. Payments on new programmes

For each of the new programmes or funds, the Commission has made a thorough analysis of the delivery mechanism foreseen in its proposals. Based on this analysis and on past experience, the Commission determined when payments are likely to be made in 2014. Payments on 2014 commitments (EUR 370,4 million) are expected to relate mostly to first pre-financings taking into account of the necessary lead time needed in the first year of the new generation of programmes under this heading.

3.4.17.2. Payments on outstanding commitments (prior to 2014)

Given that most pre-financings relating to pre-2014 commitments have been paid out, intermediate and final payments remain to be made on commitments of previous years. The 2014 draft budget takes into account the level of payments (EUR 694,4 million) deemed necessary to honour obligations of the year 2014, corresponding to 21 % of expected outstanding commitments at the end of 2013.

3.5. Heading 4 — Global Europe

3.5.1. Summary table for commitment (CA) and payment (PA) appropriations

(in million EUR, rounded figures at current prices)

	Budget 2013 ⁽¹⁾		Draft budget (DB) 2014		Share		Difference 2014 – 2013		Difference 2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Instrument for Pre-accession assistance (IPA)	1 898,6	1 495,8	1 573,5	1 410,8	19,2%	22,6%	-325,2	-85,0	-17,1%	-5,7%
— European Neighbourhood Instrument (ENI)	2 470,8	1 403,3	2 113,0	1 355,7	25,8%	21,7%	-357,8	-47,6	-14,5%	-3,4%
— Development Cooperation Instrument (DCI)	2 641,6	1 952,3	2 309,5	1 744,1	28,2%	27,9%	-332,1	-208,2	-12,6%	-10,7%
— Partnership Instrument (PI)	71,9	26,3	113,3	47,8	1,4%	0,8%	41,4	21,6	57,5%	82,2%
— European Instrument for Democracy and Human Rights (EIDHR)	177,1	150,1	179,3	122,0	2,2%	2,0%	2,2	-28,1	1,3%	-18,7%
— Instrument for Stability (IfS)	325,4	216,0	314,5	215,6	3,8%	3,4%	-10,9	-0,4	-3,4%	-0,2%
— Humanitarian aid	865,3	827,2	905,3	791,0	11,1%	12,7%	40,0	-36,3	4,6%	-4,4%
— Common Foreign and Security Policy (CFSP)	396,3	316,8	314,5	234,8	3,8%	3,8%	-81,9	-82,0	-20,7%	-25,9%
— Instrument for Nuclear Safety Cooperation (INSC)	78,9	65,6	30,5	59,5	0,4%	1,0%	-48,3	-6,1	-61,3%	-9,3%
— Macro-financial Assistance (MFA)	94,6	56,3	76,3	63,2	0,9%	1,0%	-18,3	6,9	-19,3%	12,2%
— EU guarantees for lending operations	155,7	155,7	58,4	58,4	0,7%	0,9%	-97,2	-97,2	-62,5%	-62,5%
— Civil Protection Mechanism (CPM) and European Emergency Response Centre (ERC)			19,5	7,5	0,2%	0,1%	19,5	7,5		
— European Voluntary Humanitarian Aid Corps EU Aid Volunteers (EUAV)			12,7	4,8	0,2%	0,1%	12,7	4,8		
— Other actions and programmes	77,0	53,0	72,7	55,5	0,9%	0,9%	-4,3	2,4	-5,6%	4,6%
— Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	63,2	48,5	62,9	49,8	0,8%	0,8%	-0,3	1,3	-0,5%	2,7%
— Pilot projects and preparatory actions	5,0	23,5	p.m.	10,8	0,0%	0,2%	-5,0	-12,7	-100,0%	-54,1%
— Decentralised agencies	20,0	20,5	20,0	20,0	0,2%	0,3%	0,0	-0,5	0,0%	-2,5%
Total	9 341,3	6 811,0	8 175,8	6 251,3	100,0%	100,0%	-1 165,5	-559,7	-12,5%	-8,2%
<i>Ceiling</i>	<i>9 595,0</i>		<i>8 335,0</i>							
<i>Margin</i>			<i>159,2</i>							

(1) Budget 2013 includes draft amending budgets 1 to 5.

3.5.2. Key aspects of heading 4

In the new programmes for the 2014-2020 period, the Commission proposes to update the main geographic and thematic instruments, notably as regards the Instrument for Pre-accession Assistance (IPA II), the European Neighbourhood Instrument (ENI), the Development Cooperation Instrument (DCI), the European Instrument for Democracy and Human Rights (EIDHR), the Instrument for Stability (IfS) and the Instrument for Nuclear Safety Cooperation (INSC). On the one hand, the updated instruments provide continuity between the activities covered in the 2007-2013 MFF. On the other hand, they are much simplified and therefore more efficient than their predecessors. Due to their more flexible nature, they are better capable of adapting to the changing circumstances that prevail in the external actions environment.

In addition to the revised financial instruments, the Commission has proposed the creation of a new instrument – the Partnership Instrument (PI) – to complement the current array of instruments. The Partnership Instrument is the successor of the financial instrument for cooperation with industrialised and other high income countries (ICI/ICI+). It is a global instrument complementing other thematic and geographic financial instruments. Its overarching objective is to advance and promote EU and mutual interests. The EU will thus benefit from and

extend the external reach of the economic actors within its own internal market, promoting sustainable economic development and job creation also within the EU.

Moreover, the main geographic instruments of heading 4 – IPA, ENI, DCI and PI – will also contribute to the international dimension of the proposed new ‘Erasmus for all’ programme (see section 3.1.7 above).

In the course of 2013 the Commission completed the pilot projects to establish the European Voluntary Humanitarian Aid Corps EU Aid Volunteers (EUAV). As required by Article 214(5) of the TFEU, the Commission has proposed the new legal base for the EUAV, which will be funded as of 2014.

Heading 4 also contains a number of activities for which the legal bases do not have to be updated as they are Treaty-based or not time-bound. These include Humanitarian Aid and Common Foreign and Security Policy (CFSP), as well as those for economic stabilisation and the well-established instruments benefiting from the gearing effect of the financial markets: macro-financial assistance and the guarantee fund for external actions.

Finally, the Commission will continue to use its prerogatives in the area of trade and investment, as well as to undertake information activities to promote the actions undertaken for the final beneficiaries.

3.5.3. Priorities for 2014

Taking into account the expenditure ceiling in the European Council conclusions, the overall financial envelope for the three largest policy-driven financial instruments (IPA, ENI and DCI) is -14,5 % lower than in 2013. Nevertheless, these instruments have been streamlined and made more flexible and, on the whole, they maintain their share of external action funding at around almost three quarters.

The next largest instrument is Humanitarian Aid. The amount foreseen in 2014 (EUR 905,3 million) represents a 4,6 % increase over the 2013 budget. The increased amount within a reduced expenditure ceiling reflects the EU’s wish to continue to support the most vulnerable sections of global society affected by natural and/or man-made disasters, and the past track record with frequent recourse to the ‘Emergency Aid Reserve’ (EAR).

The funding for the EIDHR maintains its central importance in projecting European values in the areas of democracy and human rights and remains at just above the 2013 level. The expenditure under this instrument also covers Election Observation Missions undertaken in cooperation with the European Parliament and Member States. As regards the IfS and the CFSP, each of these instruments is allocated EUR 314,5 million, which compared to 2013 represents a reduction of -3,4 % and -20,7 %, respectively. The new Partnership Instrument, which replaces and greatly expands on the ICI/ICI+, is given a high priority, with commitment appropriations amounting to EUR 113,3 million (+ 57,5 %).

3.5.4. Instrument for Pre-Accession assistance (IPA)

The tables below present the 2014 breakdown of the IPA programme by main objectives and countries, respectively:

(in million EUR, rounded figures at current prices)

Summary of IPA by components	Budget 2013		Draft budget (DB) 2014		Share		Difference 2014 – 2013		Difference 2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Support for political reforms and progressive alignment with and adoption, implementation and enforcement of the ‘acquis communautaire’			547,5	38,3	34,8%	2,7%	547,5	38,3		
— Support for economic, social and territorial development			637,5	57,2	40,5%	4,1%	637,5	57,2		
— Regional integration and territorial cooperation and support to groups of countries (horizontal programmes)			336,4	61,8	21,4%	4,4%	336,4	61,8		
— Support expenditure	53,3	53,3	52,1	52,1	3,3%	3,7%	-1,2	-1,2	-2,3%	-2,3%
— Completion lines (prior to 2014)	1 845,3	1 442,5	0,0	1 201,4	0,0%	85,2%	-1 845,3	-241,1	-100,0%	-16,7%
Total	1 898,6	1 495,8	1 573,5	1 410,8	100,0%	100,0%	-325,2	-85,0	-17,1%	-5,7%

(in million EUR, rounded figures at current prices)

Summary of IPA by components	Budget 2013		Draft budget (DB) 2014		Share		Difference 2014 – 2013		Difference 2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Support to Albania, Bosnia and Herzegovina, Kosovo, Montenegro, Serbia and the former Yugoslav Republic of Macedonia			517,1	39,0	32,9%	2,8%	517,1	39,0		
— Support to Iceland			12,0	0,8	0,8%	0,1%	12,0	0,8		
— Support to Turkey			655,9	55,7	41,7%	3,9%	655,9	55,7		
— Regional integration and territorial cooperation and support to groups of countries (horizontal programmes)			307,1	57,7	19,5%	4,1%	307,1	57,7		
— Contribution to Erasmus for All			29,2	4,0	1,9%	0,3%	29,2	4,0		
— Support expenditure	53,3	53,3	52,1	52,1	3,3%	3,7%	-1,2	-1,2	-2,3%	-2,3%
— Completion lines (prior to 2014)	1 845,3	1 442,5	0,0	1 201,4	0,0%	85,2%	-1 845,3	-241,1	-100,0%	-16,7%
Total	1 898,6	1 495,8	1 573,5	1 410,8	100,0%	100,0%	-325,2	-85,0	-17,1%	-5,7%

The EU continues to prepare future enlargements. Further to the accession of Croatia to the European Union on 1 July 2013, accession negotiations are ongoing with Turkey, Iceland and Montenegro. The Former Yugoslav Republic of Macedonia as well as Serbia have been granted candidate status. The remaining Western Balkans partners continue to be potential candidates, with the perspective of moving closer to EU membership once they are ready. The Commission will continue to regularly assess the level of preparations of each country concerned.

As from 2014, pre-accession assistance will be provided on the basis of the new **Instrument for Pre-accession Assistance (IPA II)**. The general objective of pre-accession assistance is to support the Enlargement policy of the Union, i.e. to prepare candidate countries and potential candidates with a European perspective for joining the Union. In this context, the assistance pursues four specific objectives which are equally valid for all beneficiary countries. However, the assistance will be tailored to the specific situation of the individual beneficiary country and there will therefore be a different mix of measures to provide the assistance and some of the specific objectives of the instrument will be more relevant for one country than for another.

The assistance will be provided on the basis of a thorough analysis of the needs and capacities of the individual beneficiary country. This will be described in the ‘Country Strategy Paper’, a high level planning document

valid for the years 2014-2020 that will outline the support in the five policy areas identified in the basic act. In line with the coordinated and comprehensive approach to managing pre-accession assistance under IPA II, all appropriations will initially be brought under the same budget Title 22, except for the policy area ‘Agriculture and rural development’, which will continue to be managed in Title 5, and cross-border co-operation with Member States which will continue to be managed in Title 13.

IPA will provide support for economic development, with the aim to contribute to a rise of gross domestic product (GDP) per capita as compared to the EU average level from 13,5 % in 2011 to 24 % in 2020 in the Western Balkans and from 31,6 % (2011) of the EU average level to 40 % (2020) in Turkey. Furthermore, the target is to increase exports per capita by 130 % in the Western Balkans, by 50 % in Iceland and 60 % in Turkey by 2020.

3.5.5. Support to the Turkish Cypriot community (TCC)

The Commission proposes to continue the support to the ‘Turkish Cypriot community’ under the Council Regulation No 389/2006 (the ‘Aid Regulation’) to facilitate the reunification of Cyprus through various measures. The appropriations proposed (EUR 30,0 million) will continue to finance, for example, actions for rural development, restructuring of infrastructure (primarily for wastewater treatment), reconciliation and confidence building measures such as the support to the Committee on Missing Persons and scholarships in EU Member States for Turkish Cypriot students. The TAIEX facility (‘Technical Assistance and Information Exchange’) is also used for the preparations for the application of the EU acquis immediately following any political settlement for reunification.

3.5.6. European Neighbourhood Instrument (ENI)

(in million EUR, rounded figures at current prices)

Summary of ENI by components	Budget 2013		Draft budget (DB) 2014		Share		Difference 2014 – 2013		Difference 2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Supporting cooperation with Mediterranean countries			961,7	133,3	45,5%	9,8%	961,7	133,3		
— Support to peace process and financial assistance to Palestine and to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA)			250,0	167,6	11,8%	12,4%	250,0	167,6		
— Supporting cooperation with Eastern Partnership countries			588,5	60,4	27,9%	4,5%	588,5	60,4		
— Ensuring efficient cross-border cooperation (CBC) and support to other multi-country co-operations			169,8	13,7	8,0%	1,0%	169,8	13,7		
— Erasmus for All — Contribution from European Neighbourhood Instrument (ENI)			80,5	8,7	3,8%	0,6%	80,5	8,7		
— Support expenditure for European Neighbourhood Instrument (ENI)	60,3	60,3	62,5	62,5	3,0%	4,6%	2,1	2,1	3,5%	3,5%
— Completion of the programme European Neighbourhood Policy and relations with Russia (prior to 2014)	2 410,5	1 343,0	—	909,5	0,0%	67,1%	-2 410,5	-433,5	-100,0%	-32,3%
Total	2 470,8	1 403,3	2 113,0	1 355,7	100,0%	100,0%	-357,8	-47,6	-14,5%	-3,4%

The ‘European Neighbourhood Policy’ (ENP) is the basis for the EU’s engagement with its neighbours. The policy offers the neighbouring countries a privileged relationship with the EU, building upon mutual commitments to the values and principles of democracy and the respect for human rights, rule of law, good governance, market economy principles, and sustainable development, including action to fight climate change. The policy also provides for political association and deeper economic integration, increased mobility and enhanced people-to-people contacts.

The partner countries within the scope of the ENP are those in the southern and eastern Mediterranean, including Palestine, and six Eastern partners: Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine. The relationship with Russia is not covered by the ENP, but Russia may benefit from – and is also expected to co-finance – cross-border and multi-country programmes. The Commission expects an increase in trade flows between the EU and beneficiary countries. EU imports from the Eastern Neighbourhood are projected to grow by 27 % from 2010 to 2020 and EU exports to these countries are expected to grow by 28 %. Over the same period, EU imports from the Southern Neighbourhood are expected to increase by 62 %, and exports by 63 %.

Daunting political and economic challenges affect many of these countries, especially those undergoing transition from repressive regimes in the south. The progress of reforms has been very uneven, but analysis shows that the ENP works where there is willingness to reform and strong ownership by society. The new ‘European Neighbourhood Instrument’ (ENI) brings a number of adaptations which strengthen the EU’s ability to respond to the expectations and needs of its neighbours. It enshrines the key principle of differentiation, so that support provided may be differentiated in form and amounts according to the partner country’s commitment to reforms and its progress in implementing these reforms. This principle was a cornerstone of the conclusions of the ‘ENP strategic review’ of 2011. Two incentive-based programmes, the SPRING programme (‘Support for Partnership, Reform and Inclusive Growth’) for the Southern partners, and the EaPIC (‘Eastern Partnership Integration and Cooperation programme’), will continue in 2014 to provide incentives to partners engaged in building deep democracy. The enhanced ‘Eastern Partnership’ (EaP) will continue to provide the wider framework for financial assistance to the six eastern partner countries. The long-term objective is to have Association Agreements or similarly comprehensive Agreements in force and Action Plans or similar documents adopted by 2020 with as many of the 16 ENI countries as possible.

It is expected that the ENI, together with other EU foreign policy instruments, will continue to be deployed to mitigate the strain being put on neighbouring countries due to the crisis in Syria. The EU has clearly-defined positions as regards the ‘Middle East Peace Process’ (MEPP) and will continue to contribute to the goal of a resolution of the conflict with significant financial resources. Financial assistance to the Palestinian people will be closely aligned with the key policy objectives of the Action Plan agreed in 2012 between the EU and the ‘Palestinian Authority’. On-going programmes focus on institution building, delivery of public services, and support to Palestine refugees through the UNRWA (‘United Nations Relief and Works Agency’).

3.5.7. Development Cooperation Instrument (DCI)

(in million EUR, rounded figures at current prices)

Summary of DCI by components	Budget 2013		Draft budget (DB) 2014		Share		Difference 2014 – 2013		Difference 2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Supporting cooperation with the developing countries, territories and regions in Latin America			254,0	8,2	11,0%	0,5%	254,0	8,2		
— Supporting cooperation with the developing countries, territories and regions in Asia			736,7	25,7	31,9%	1,5%	736,7	25,7		
— Supporting cooperation with the developing countries, territories and regions in Central Asia			70,2	4,1	3,0%	0,2%	70,2	4,1		
— Supporting cooperation with the developing countries, territories and regions in Middle East			50,4	3,9	2,2%	0,2%	50,4	3,9		
— Supporting cooperation with South Africa			25,3	0,2	1,1%	0,0%	25,3	0,2		
— A Pan-Africa programme to support the Joint Africa-European Union Strategy			94,7	36,3	4,1%	2,1%	94,7	36,3		
— Global public goods and challenges and poverty reduction, sustainable development and democracy			640,0	87,5	27,7%	5,0%	640,0	87,5		
— Financing initiatives in the area of development by or for civil society organisations and local authorities			244,6	3,7	10,6%	0,2%	244,6	3,7		
— Erasmus for All — Contribution from Development Cooperation Instruments (DCI)			93,9	3,3	4,1%	0,2%	93,9	3,3		
— Support expenditure for Development Cooperation Instruments (DCI)	105,4	105,4	99,8	99,8	4,3%	5,7%	-5,6	-5,6	-5,3%	-5,3%
— Completion of the Development cooperation instrument (prior to 2014)	2 536,3	1 847,0	—	1 471,6	0,0%	84,4%	-2 536,3	-375,4	-100,0%	-20,3%
Total	2 641,6	1 952,3	2 309,5	1 744,1	100,0%	100,0%	-332,1	-208,2	-12,6%	-10,7%

The primary and overarching objective of the Development Cooperation Instrument (DCI) is the reduction and in the longer term, the eradication of poverty. In this context, the EU and its Member States have reaffirmed their commitment to help achieve the ‘**Millennium Development Goals**’ (MDGs) by 2015. In 2008, 46,7 % of the world’s population were living on less than 1 dollar per day, and the target for 2015 is to reduce this number to 23,3 %. The DCI will also contribute to the achievement of other objectives of EU external action, in particular: (i) Fostering sustainable economic, social and environmental development, and (ii) Promoting democracy, the rule of law, good governance and respect for human rights. It is expected that, by 2020, the number of the DCI beneficiary countries to have improved their overall governance performance annually will have increased from 20 to 30, as measured by the average of the World Bank’s ‘Worldwide Governance Indicators’.

The Instrument is divided into Geographic and Thematic Programmes. The geographical programmes will support actions in Latin America, Asia, Central Asia, the Middle East (Iran, Iraq and Yemen) and South Africa. The programmes distinguish between regional and bilateral cooperation, the latter focusing on those partner countries which need the assistance the most.

The thematic programmes, which have worldwide reach, include programmes on global public goods and challenges that should strengthen cooperation in the areas of environment and climate change, sustainable energy, human development, food security and sustainable agriculture as well as for migration and asylum. Fighting climate change and protecting biodiversity are key priorities within the global public goods and challenges programme. In addition, a thematic programme on ‘Civil Society Organisations’ and ‘Local Authorities’ in development will finance initiatives in the area of development by or for such organisations.

Finally, a Pan-African programme will provide support for the objectives, initiatives and activities agreed in the Joint Africa-EU Strategy in the areas of: peace and security, democratic governance and human rights, trade, regional integration and infrastructure (including transport), MDGs, energy, climate change and environment, migration, mobility and employment, science, information society and space, as well as cross-cutting issues. It should apply the principle of ‘treating Africa as one’, and promote coherence between regional and continental levels, focusing in particular on activities of a cross-regional, continental or global nature, and support joint Africa-EU initiatives in the global arena. The Pan-African programme will further promote complementarity and consistency with other financial instruments of the Union's external action, notably the European Development Fund (EDF) and the European Neighbourhood Instrument (ENI).

3.5.8. Partnership Instrument (PI)

The Partnership Instrument is a new instrument which replaces the Financing Instrument for Cooperation with Industrialised and other high income countries and territories (ICI/ICI+), which has been the EU's main vehicle for collaboration with developed countries. Although the ICI was extended (ICI+) in December 2011 to cover non-official development assistance measures in developing countries, it was limited in scope.

The Partnership instrument has a global reach and its overarching objective is to advance and promote EU and mutual interests. The external projection of the ‘Europe 2020 strategy’ through the support of the Union's cooperation partnership strategies is its major component. The other objectives are to improve market access and developing trade, investment and business opportunities for European companies and to support public diplomacy, education/academic co-operation and outreach activities to promote the Union's values and interests.

3.5.9. European Instrument for Democracy and Human Rights (EIDHR)

(in million EUR, rounded figures at current prices)

Summary of EIDHR by components	Budget 2013		Draft budget (DB) 2014		Share		Difference 2014 – 2013		Difference 2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Improving the reliability of electoral processes, in particular by means of election observation missions	38,4	30,2	41,1	24,3	22,9%	19,9%	2,6	-5,9	6,8%	-19,5%
— Enhancing the respect for and observance of human rights and fundamental freedoms and supporting democratic reforms	138,6	119,9	138,2	97,7	77,1%	80,1%	-0,4	-22,2	-0,3%	-18,5%
Total	177,1	150,1	179,3	122,0	100,0%	100,0%	2,2	-28,1	1,3%	-18,7%

This instrument reflects the specific Treaty mandates relating to the development and consolidation of democracy and the rule of law, and respect for human rights and fundamental freedoms. It addresses these issues mainly in partnership with civil society and independently from the consent of third country governments and other public authorities. This independence facilitates cooperation with civil society and allows for interventions at international level which are neither geographically linked nor crisis-related, and which require a transnational approach.

In June 2012 the EU adopted its Strategic Framework on Human Rights and Democracy, and an EU Special Representative for Human Rights was appointed. These events marked the culmination of a process which began with the Joint Communication of 12 December 2011³⁶, and they reaffirm the determination of the Union to promote human rights in all areas of EU external action.

³⁶ COM(2011) 886, 12.12.2011.

The EIDHR will support, inter alia, actions encouraging the ratification of international human rights conventions, aiming for an additional 10 such ratifications per year. The Commission strives to support around 300 Human Rights Defender cases a year. The instrument also supports and consolidates democratic reforms in third countries, by enhancing participatory and representative democracy and strengthening the overall democratic cycle. To that effect up to 22 missions may be deployed to support and assess democratic and electoral processes in 2014 and 130 experts will be trained to act as experts or observers.

3.5.10. Instrument for Stability (IfS)

(in million EUR, rounded figures at current prices)

Summary of IfS by components	Budget 2013		Draft budget (DB) 2014		Share		Difference 2014 – 2013		Difference 2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Instrument for Stability (IfS) — Crisis response and crisis prevention	248,9	167,3	230,9	164,8	73,4%	76,4%	-18,0	-2,4	-7,2%	-1,5%
— Instrument for Stability (IfS) — Global and trans-regional threats	76,6	48,8	83,6	50,8	26,6%	23,6%	7,0	2,0	9,2%	4,1%
Total	325,4	216,0	314,5	215,6	100,0%	100,0%	-10,9	-0,4	-3,4%	-0,2%

The Instrument for Stability (IfS) consists of three major components: ‘Crisis response’, ‘Crisis prevention’ and ‘Global and trans-regional threats’.

The crisis response aims at increasing the ability of the EU to preserve peace and strengthen international security through interventions in crisis situations at all stages of the conflict cycle. Based on past experience and depending on the development of the security situation, the actions will include the Arab Mediterranean countries, including Syria where the IfS has intervened since 2012, the Middle East, but also conflict areas in Africa (Mali, Niger, etc.), Asia (Myanmar), and the rest of the world. The actions in the area of conflict prevention, preparedness and peace building will continue through the development of a partnership with peace-building stakeholders including civil society, for which EUR 22,0 million in 2014 is proposed.

Actions addressing global and trans-regional threats will concentrate on main areas such as: organised crime (including the drugs trafficking routes and illegal trafficking of human beings), countering terrorism, and actions against the spread of Weapons of Mass Destruction. Increased priority will be given to the security of critical infrastructure - maritime routes, airport security and energy security. Cybercrime constitutes a high security challenge, for which projects have been developed since 2013. The actions on Chemical, Biological, Radiological or Nuclear (CBRN) risk mitigation will continue through the CBRN Centres of Excellence in 8 regions, as well as creation of CBRN teams in all countries involved.

3.5.11. Humanitarian Aid

In 2014, humanitarian aid activities will continue to fund assistance, relief and protection in complex and possibly long standing crisis situations in the most vulnerable countries (especially in Africa), as well as to provide aid to regions affected by the consequences of natural disasters such as cyclones/hurricanes, droughts, earthquakes and floods. Much effort will be directed to building resilience amongst communities recurrently affected by natural and man-made disasters. The programme aims to cover EU involvement in all major emergencies and to ensure that 85 000 beneficiaries can be reached per EUR million spent during the whole programming period (humanitarian and food aid).

3.5.12. Common Foreign and Security Policy (CFSP)

(in million EUR, rounded figures at current prices)

Summary of CFSP by components	Budget 2013		Draft budget (DB) 2014		Share		Difference 2014 – 2013		Difference 2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Monitoring mission in Georgia	23,0	22,7	23,0	15,0	7,3%	6,4%		-7,7	0,0%	-34,0%
— EULEX Kosovo	140,0	108,7	100,0	72,8	31,8%	31,0%	-40,0	-36,0	-28,6%	-33,1%
— EUPOL Afghanistan	61,0	57,3	40,5	30,0	12,9%	12,8%	-20,5	-27,3	-33,6%	-47,7%
— Other crisis management measures and operations	90,0	64,2	65,6	75,8	20,9%	32,3%	-24,4	11,5	-27,1%	17,9%
— Emergency measures	34,0	24,7	35,0	9,1	11,1%	3,9%	1,0	-15,6	2,9%	-63,2%
— Preparatory and follow-up measures	8,3	4,9	7,0	2,6	2,2%	1,1%	-1,3	-2,3	-16,0%	-46,9%
— European Union Special Representatives	20,0	15,8	25,0	15,8	7,9%	6,7%	5,0	-0,1	25,0%	-0,4%
— Support to non-proliferation and disarmament	19,5	17,8	18,0	13,5	5,7%	5,7%	-1,5	-4,3	-7,7%	-24,1%
— Support expenditure for Common foreign and security policy (CFSP)	0,5	0,5	0,4	0,4	0,1%	0,1%	-0,2	-0,2	-30,0%	-30,0%
Total	396,3	316,8	314,5	234,8	100,0%	100,0%	-81,9	-82,0	-20,7%	-25,9%

The Common foreign and security policy (CFSP) is intended to safeguard the common values of the Union, strengthen its security, preserve peace and strengthen international security, promote international cooperation and develop democracy and the rule of law, respect for human rights and fundamental freedoms. The Commission assists the Council and the European External Action Service in implementing the CFSP budget. This includes the identification, design and support to the operations of the EU crisis management missions.

The 2014 estimates have been established on the assumption that the basis most of the on-going missions and EU Special Representatives (EUSRs) will continue through 2014. Should existing situations deteriorate or new crises appear suddenly, existing missions might need to be expanded or merged and/or new missions launched.

3.5.13. Other Instruments

(in million EUR, rounded figures at current prices)

Summary of other instruments	Budget 2013		Draft budget (DB) 2014		Share		Difference 2014 – 2013		Difference 2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Instrument for Nuclear Safety Cooperation (INSC)	78,9	65,6	30,5	59,5	8,7%	18,0%	-48,3	-6,1	-61,3%	-9,3%
— Macro-financial Assistance (MFA)	94,6	56,3	76,3	63,2	21,6%	19,2%	-18,3	6,9	-19,3%	12,2%
— EU guarantees for lending operations	155,7	155,7	58,4	58,4	16,6%	17,7%	-97,2	-97,2	-62,5%	-62,5%
— Civil Protection Mechanism (CPM) and European Emergency Response Centre (ERC)			19,5	7,5	5,5%	2,3%	19,5	7,5	0,0%	0,0%
— European Voluntary Humanitarian Aid Corps EU Aid Volunteers (EUAV)			12,7	4,8	3,6%	1,4%	12,7	4,8	0,0%	0,0%
— Other	165,2	145,6	155,6	136,1	44,1%	41,3%	-9,6	-9,5	-5,8%	-6,5%
Total	494,3	423,1	353,0	329,4	100,0%	100,0%	-141,3	-93,7	-28,6%	-22,1%

3.5.13.1. Instrument for Nuclear Safety Cooperation (INSC)

Through the Instrument for Nuclear Safety Cooperation (INSC) the EU will continue pursuing the promotion of an effective nuclear safety culture. In 2014 appropriations are foreseen to support the development and implementation of strategies for decommissioning of existing installations and the remediation of former nuclear sites, to help specialised regulatory bodies in ensuring that new nuclear plants comply with the highest EU safety standards, and to encourage the safe treatment and disposal of spent nuclear fuel and radioactive waste. Actions will ensure that countries are prepared in case of a severe nuclear accident. The instrument will

also provide support to nuclear regulators and operators in new countries and regions (e.g. South East Asia), and to international authorities in the area of nuclear safety. Following the accident at the Fukushima-Daichii nuclear power plant in Japan, the INSC supports the organisation of the comprehensive risk and safety assessments of nuclear installations ('stress tests') in partner countries outside the EU.

The discontinuation of the EU contribution to the Chernobyl Shelter Fund allows the EU to tackle new challenges. The northern part of the EU is confronted with sunken radioactive objects from the Soviet period endangering the environmental quality and the living conditions, as well as the EU fishing industry. There are increasing cases of uncontrolled movement of radioactive or nuclear materials, as well as increasing concerns about the radiological situation in Central Asia due to the legacy of former uranium mining and milling activities. The EU has also committed itself to contribute to internationally developed remediation projects.

3.5.13.2. Macro-financial assistance

Macro-financial Assistance (MFA) is an instrument for economic stabilisation, exceptional in nature and mobilised on a case-by-case basis, to help the recipient country deal with short-term balance-of-payments difficulties. It is also a driver for structural reforms in the beneficiary neighbouring countries, in line with the European Union's pre-accession and neighbourhood policies. The amount proposed will cover the current pipeline of MFA operations and will provide a starting point for possible additional operations, to be put in place either as a follow-up to current programmes or in response to the new developments in the European Union's neighbourhood (notably the Arab Spring).

3.5.13.3. Guarantee fund for external actions

The amount requested for the provisioning of the Guarantee Fund for External Actions is a legal requirement, which is calculated on the basis of the provisions of Council Regulation No 480/2009 establishing a Guarantee Fund for external actions.

The lending operations covered by the Guarantee Fund for External Actions relate to three different instruments which benefit from a guarantee from the EU budget: guarantees to the European Investment Bank (EIB) external loans and loan guarantees, Euratom external lending and EU macro-financial assistance loans to third countries. More than 95 % of the total outstanding amount covered by the Guarantee Fund concerns guarantees issued with respect to loans and loan guarantees granted for projects in third countries by the EIB.

3.5.13.4. The Union Civil Protection Mechanism (CPM)

The Mechanism aims at helping Member States to ensure a rapid, cost-effective and efficient mobilisation of European civil protection assistance in case of major emergency in third countries. The proposal for a new legal base contains important new elements to strengthen the overall approach to disaster management within the EU, but also in third countries, including a stronger focus on disaster preparedness and prevention and the creation of a voluntary pool of pre-committed response assets that Member States declare available in principle for EU operations. The Emergency Response Centre (ERC), which was launched in 2013, builds upon the existing 'Monitoring and Information Centre' (MIC) and ensures 24/7 operational capacity.

3.5.13.5. European Voluntary Humanitarian Aid Corps EU Aid Volunteers (EUAV)

2014 will be the starting year of the EUAV. The objective of the programme will be to express the Union's humanitarian values and solidarity with people in need. The initiative will contribute to strengthening the Union's capacity to respond to humanitarian crises and to building the capacity and resilience of vulnerable or disaster-affected communities in third countries.

The EUAV is intended as a framework, which will comprise: the development of standards for volunteers and for their management and deployment; certification of sending and hosting organisations; identification and

selection of volunteers and their training; and maintaining a register of EU aid volunteers. Activities will also include actual deployment of EU aid volunteers in third countries and capacity building of the hosting organisations.

3.5.13.6. Partnership with Greenland

The partnership programme with Greenland has as its main objective to assist Greenland in addressing its major challenges. It focuses in particular on reinforcing the capacity of the Greenlandic administration to better formulate and implement national policies especially in new areas of mutual interest.

3.5.14. *Payment appropriations for heading 4*

Taking account of the overall payment ceiling set by the European Council for 2014, the total level of payment appropriations requested for heading 4 in 2014 is set at EUR 6 251,3 million (of which EUR 344,8 million will be used to pay non-differentiated expenditure, whereby commitments are equal to payments). This is -8,2 % lower than in the 2013 budget.

3.5.14.1. Payments on new programmes

The proposed level of payments related to new programmes stands at EUR 1 563,2 million, corresponding to 25 % of the total payment appropriations requested under heading 4. This will allow for payments of programmes and actions which have a more annual cycle, such as humanitarian aid and financial assistance to Palestine, as well as certain pre-financing payments on new programmes with a more multiannual character, which will in particular depend on progress made with the adoption of the new legal bases and the subsequent indicative programming.

3.5.14.2. Payments on outstanding commitments (prior to 2014)

The total level of payments on outstanding commitments (prior to 2014) amounts to EUR 4 343,3 million, corresponding to 69 % of the total payment appropriations requested under heading 4, and to 18 % of expected outstanding commitments at the end of 2013.

3.6. Heading 5 — Administration

3.6.1. Summary table for appropriations

The table below shows the estimated administrative expenditure by institution, as well as expenditure for Pensions and the European schools, which – although included in the Commission Section of the general budget (Section III) – concerns all institutions and EU bodies.

(in million EUR, rounded figures at current prices)

	Budget 2013 ⁽¹⁾	DB 2014	Share	Difference 2014 – 2013		Excl. additional admin. expenditure related to Croatia's accession		
						DB 2014	Diff. 2014 – 2013	
— Pensions and European Schools	1 568,204	1 658,822	19,3%	90,618	5,8%	1 658,822	90,618	5,8%
— Pensions	1 389,802	1 490,330	17,3%	100,528	7,2%	1 490,330	100,528	7,2%
— European schools	178,402	168,492	2,0%	-9,910	-5,6%	168,492	-9,910	-5,6%
— Administrative expenditure of the institutions	6 849,913	6 936,294	80,7%	86,381	1,3%	6 882,315	32,402	0,5%
— Commission	3 322,663	3 348,548	39,0%	25,885	0,8%	3 327,100	4,437	0,1%
— Other institutions	3 527,249	3 587,746	41,7%	60,497	1,7%	3 555,215	27,966	0,8%
— European Parliament	1 750,464	1 793,634	20,9%	43,170	2,5%	1 780,034	29,570	1,7%
— European Council and Council	535,511	536,800	6,2%	1,289	0,2%	529,356	-6,155	-1,1%
— Court of Justice of the European Union	354,880	355,433	4,1%	0,553	0,2%	348,172	-6,709	-1,9%
— Court of Auditors	142,761	138,161	1,6%	-4,600	-3,2%	136,786	-5,975	-4,2%
— European Economic and Social Committee	130,104	130,987	1,5%	0,882	0,7%	129,899	-0,206	-0,2%
— Committee of the Regions	87,374	89,279	1,0%	1,905	2,2%	87,654	0,280	0,3%
— European Ombudsman	9,731	10,104	0,1%	0,373	3,8%	9,966	0,235	2,4%
— European data-protection Supervisor	7,661	8,432	0,1%	0,771	10,1%	8,432	0,771	10,1%
— European External Action Service	508,762	524,916	6,1%	16,153	3,2%	524,916	16,153	3,2%
Total	8 418,117	8 595,115	100,0%	176,999	2,1%	8 541,136	123,020	1,5%
<i>Ceiling</i> ⁽²⁾	<i>9 181,000</i>	<i>8 721,000</i>						
<i>Margin</i>		<i>125,885</i>						
<i>Of which Administrative expenditure of the institutions</i>	<i>6 849,913</i>	<i>6 936,294</i>		<i>86,381</i>	<i>1,3%</i>	<i>6 882,315</i>	<i>32,402</i>	<i>0,5%</i>
<i>Sub-Ceiling</i>		<i>7 056,000</i>						
<i>Sub-Margin</i>		<i>119,706</i>						

(1) Budget 2013 includes draft amending budgets 1 to 5.

(2) The ceiling for 2013 includes the staff contributions to the pensions scheme (EUR 86 million).

Heading 5 covers the administrative expenditure of all institutions. Total expenditure in 2014 is estimated at EUR 8 541,1 million (+ 1,5 % compared to the 2013 budget) without the additional expenditure linked to the accession of Croatia and at EUR 8 595,1 million with Croatia (+ 2,1 % compared with the 2013 budget). This leaves a margin of EUR 125,9 million under the ceiling of heading 5 resulting from the very advanced stage of the MFF negotiations. The margin under the subceiling for administrative expenditure of the institutions (excluding Pensions and European schools) amounts to EUR 119,7 million.

This overall estimate of expenditure under heading 5 includes a global amount of EUR 54,0 million (0,6 % of the overall increase) to cover the needs relating to the accession of Croatia for all institutions, and also takes into account the savings generated by the Commission's proposal amending the 'Staff Regulations'³⁷, which are estimated at EUR 23,8 million for the Commission's estimates of expenditure. In addition, following the progress and evolution of discussions in the Trilogue of 25 June 2013 on the Staff Regulations, savings of EUR 102,5 million for all institutions (of which EUR 39,6 million for the Commission) related to the suspension of the 'method' for the years 2013 and 2014 have also been incorporated.

³⁷ COM(2011) 890, 13.12.2011.

As regards the adjustment of salaries and pensions, the 2014 draft budget is built on the increase as proposed by the Commission³⁸ for the 2011 adjustment (1,7 %) and the 2012 adjustment (1,7 %), except for the Council and the Court of Justice, and without incorporating for any of the institutions the estimated salary adjustments of 1,1 % at the end of 2013, and 1,4 % for 2014.

It is worth recalling that the 2013 budget does not include the budgetary impact of a possible positive ruling by the Court of Justice on the 2011 (+1,7 %) salary adjustments on the expenditure of all institutions (with the exception of the European Parliament). The table below compares the 2014 draft budget with a 2013 budget which incorporates the impact of this adjustment. This allows for a more consistent comparison of the evolution of the expenditure under heading 5 in 2014.

(in million EUR, rounded figures at current prices)

	Budget 2013	Draft budget	Difference	
	Incl. impact 1,7 % salary adjustment 2011	2014	2014–2013	
— Pensions and European Schools	1 593,787	1 658,822	65,035	4,1%
— Pensions	1 413,057	1 490,330	77,273	5,5%
— European schools	180,730	168,492	-12,238	-6,8%
— Administrative expenditure of the institutions	6 906,830	6 936,294	29,464	0,4%
— Commission	3 361,005	3 348,548	-12,457	-0,4%
— Other institutions	3 545,825	3 587,746	41,921	1,2%
— European Parliament	1 750,464	1 793,634	43,170	2,5%
— European Council and Council	541,835	536,800	-5,035	-0,9%
— Court of Justice of the European Union	358,958	355,433	-3,525	-1,0%
— Court of Auditors	144,692	138,161	-6,531	-4,5%
— European Economic and Social Committee	131,264	130,987	-0,277	-0,2%
— Committee of the Regions	88,149	89,279	1,131	1,3%
— European Ombudsman	9,849	10,104	0,255	2,6%
— European data-protection Supervisor	7,768	8,432	0,664	8,5%
— European External Action Service	512,847	524,916	12,069	2,4%
Total	8 500,617	8 595,115	94,499	1,1%

Had the budgetary impact of the 2011 salary adjustment been included in the 2013 budget for all institutions, the requested appropriations under heading 5 in 2014 (including Croatia's impact) would show a global increase 2014/2013 of +1,1 %, with +4,1 % for Pensions and European schools and +0,4 % for the administrative expenditure of all institutions. The corresponding evolution for administrative expenditure would amount to -0,4 % for the Commission and to +1,2 % for the other institutions.

3.6.2. Overview administrative expenditure by institution

The 2014 draft budget maintains a rigorous approach towards administrative expenditure under heading 5 at a time of austerity measures in Member States. The administrative expenditure of all institutions combined amounts to EUR 6 936,3 million (+1,3 % including additional administrative expenditure related to Croatia's accession).

Concerning its own Section of the budget, the Commission has made a particular effort in containing all non-salary related expenditure below the level of the 2013 budget (-1,7 % excluding additional administrative expenditure related to Croatia's accession), by significantly reducing other administrative expenditure related to non-contractual obligations. As a result, the total Commission administrative expenditure is nearly frozen in nominal terms at the level of 2013 (+0,8 % including additional administrative expenditure related to Croatia's accession, which is well below the forecast level of inflation). The Commission has reduced the number of its establishment plan posts by 1 % in line with the objective of reducing staffing levels by 5 % over five years,

³⁸ COM(2011) 820, 24.11.2011; COM(2012) 754, 5.12.2012.

and has contained appropriations for its external personnel (contract agents, local agents, agency staff and seconded national experts) financed under all headings, leading to a total staff reduction of 1 %.

The Commission has encouraged all institutions and agencies of the Union to follow the same restrictive approach when preparing their estimates. This restraint effort has been followed by most of the other institutions. As a consequence, expenditure for the other institutions shows a global increase of +0,8 % excluding the impact of Croatia. This has allowed the Commission to integrate the draft statements of estimates of the other institutions without specific modifications. Excluding the administrative expenditure requirements related to Croatia, many institutions have presented a statement of estimates around or below inflation, with the exception of the European External Action Service (+ 3,2 %), the European Ombudsman (+ 2,4 %) and the European Data Protection Supervisor (+ 10,1 %). The increase requested by the EEAS is to a large extent linked to the end of the rent-free period of the EEAS headquarters building. The increase for the European Parliament³⁹ (+ 1,7 %) is mainly linked to expenditure relating to the end of mandate of its Members in 2014. Moreover, in the case of the European Data Protection Supervisor, an increase in its building expenditure is imposed on the institution.

It is also worth recalling that the Council and the Court of Justice, unlike all the other institutions, did not include in their 2014 statements of estimates the impact of the salary adjustments for 2011 and 2012, for which a decision is pending before the Court of Justice.

Finally, as regards human resources, all the other institutions with the exception of the European Parliament either applied a reduction in their respective statement of estimates for 2014 or express their intention to do so until 2017⁴⁰, thus following the Commission's approach. An overview of the requested number of establishment plan posts by institution is given in section 4.1.1 below.

The section below analyses the expenditure request in the Commission section of the general budget (Commission, Offices, Pensions and European schools). Explanations for the requests of the other institutions are provided directly by the institutions concerned, in their respective statements of estimates.

3.6.3. *Commission administrative expenditure*

After a budget request for 2012 representing a freeze in nominal terms, and a request for 2013 well below forecasted inflation, the Commission has again thoroughly assessed its budget request for administrative appropriations for 2014. As a result, the Commission's own administrative expenditure (excluding Pensions and European schools) is nearly frozen at the level of 2013 in nominal terms (+0,8 % including additional administrative expenditure related to Croatia's accession, which is well below the forecast level of inflation (+1,6 % in Brussels and +1,8 % in Luxembourg).

Given that the expenditure for remuneration of staff accounts for more than two thirds of the Commission administrative expenditure, this limited increase was reached by offsetting the increases in expenditure from statutory and contractual obligations by reducing by 1 % the number of authorised posts in its establishment plan, limiting to less than 1 % the increase in appropriations for external staff and by significant nominal reductions in the appropriations concerning other types of expenditure. As a result the Commission has kept all non-salary related expenditure well below the level of the 2013 budget (-1,7 % excluding additional administrative expenditure related to Croatia's accession).

³⁹ The European Parliament is the only institution for which the appropriations corresponding to the 1,7 % salary adjustment of 2011 have been included in its 2013 budget.

⁴⁰ For the European Ombudsman, the 5 % staff reduction by 2017 translates into 3 posts, and for European Data Protection Supervisor into 2 posts.

In relation to Croatia's accession to the EU, the Commission request for heading 5 includes EUR 21,4 million to cover in particular the cost related to 194 new posts (on a six months basis) and 9 additional full time equivalents ('FTE') contract agents. These additional posts are mostly requested for linguistic, legal and programme management tasks directly linked to the accession of Croatia, such as monitoring and enforcement to create a real 'community of law', as well as policy making, including for the surveillance of economic and fiscal risks and economic criteria for accession.

The following table shows the evolution by nature of the administrative expenditure for the Commission:

(in EUR, at current prices)

Type of expenditure		Budget 2013	DB 2014	Difference 2014 – 2013		Excl. additional admin. expenditure related to Croatia's accession		
						DB 2014	Diff. 2014 – 2013	
Staff remunerations	Remuneration and normal entitlement	2 127 320 000	2 163 873 000	1,7%	36 553 000	2 148 759 000	1,0%	21 439 000
	External staff (CEOS, SNE, Agency staff, Social)	207 820 991	208 417 000	0,3%	596 009	207 542 000	-0,1%	-278 991
Sub-total		2 335 140 991	2 372 290 000	1,6%	37 149 009	2 356 301 000	0,9%	21 160 009
Members	Members (excluding pensions)	13 937 000	17 037 000	22,2%	3 100 000	16 711 000	19,9%	2 774 000
	Members (pensions)	5 526 000	5 369 000	-2,8%	-157 000	5 369 000	-2,8%	-157 000
		19 463 000	22 406 000	15,1%	2 943 000	22 080 000	13,4%	2 617 000
Other Staff expenditure	Recruitment costs	32 489 000	32 292 000	-0,6%	-197 000	29 701 000	-8,6%	-2 788 000
	Termination of service ('dégagement')	4 143 000	2 717 000	-34,4%	-1 426 000	2 717 000	-34,4%	-1 426 000
	Training costs	25 064 500	23 957 000	-4,4%	-1 107 500	23 957 000	-4,4%	-1 107 500
	Social	14 709 000	14 454 000	-1,7%	-255 000	14 452 000	-1,7%	-257 000
	76 405 500	73 420 000	-3,9%	-2 985 500	70 827 000	-7,3%	-5 578 500	
External	IT services	66 468 000	66 602 000	0,2%	134 000	66 550 000	0,1%	82 000
	Linguistic external services	35 946 000	33 678 000	-6,3%	-2 268 000	32 136 000	-10,6%	-3 810 000
	102 414 000	100 280 000	-2,1%	-2 134 000	98 686 000	-3,6%	-3 728 000	
Rent, purchase and linked to buildings	Rent and purchases linked to buildings	316 762 000	321 491 000	1,5%	4 729 000	321 218 000	1,4%	4 456 000
	Security	103 824 000	102 819 000	-1,0%	-1 005 000	102 727 000	-1,1%	-1 097 000
		65 441 000	63 583 000	-2,8%	-1 858 000	63 513 000	-2,9%	-1 928 000
	486 027 000	487 893 000	0,4%	1 866 000	487 458 000	0,3 %	1 431 000	
Meeting people	Mission and representation	66 096 000	65 330 000	-1,2 %	-766 000	65 330 000	-1,2 %	-766 000
	Meetings, committees, conferences	41 528 000	39 850 000	-4,0 %	-1 678 000	39 848 000	-4,0 %	-1 680 000
	107 624 000	105 180 000	-2,3 %	-2 444 000	105 178 000	-2,3%	-2 446 000	
Information	Official Journal	11 805 000	10 672 000	-9,6%	-1 133 000	10 322 000	-12,6%	-1 483 000
	Publications	14 593 000	13 832 000	-5,2%	-761 000	13 832 000	-5,2%	-761 000
	Acquisition of information	5 580 000	5 413 000	-3,0%	-167 000	5 403 000	-3,2%	-177 000
	Studies & investigations	7 676 000	7 875 000	2,6%	199 000	7 875 000	2,6%	199 000
	39 654 000	37 792 000	-4,7%	-1 862 000	37 432 000	-5,6%	-2 222 000	
General administrative expenditure	General equipment, vehicle, furniture	19 592 000	18 476 000	-5,7%	-1 116 000	18 451 000	-5,8%	-1 141 000
	IT hardware and information systems	85 890 000	87 843 000	2,3%	1 953 000	87 793 000	2,6%	1 903 000
	Other administrative expenditure	48 353 000	41 068 000	-15,1%	-7 285 000	40 994 000	-15,2%	-7 359 000
	Mobility	2 100 000	1 900 000	-9,5%	-200 000	1 900 000	-9,5%	-200 000
	155 935 000	149 287 000	-4,3 %	-6 648 000	149 138 000	-4,4%	-6 797 000	
Sub-total		987 522 500	976 258 000	-1,1%	-11 264 500	970 799 000	-1,7%	-16 723 500
Commission		3 322 663 491	3 348 548 000	0,8%	25 884 509	3 327 100 000	0,1%	32 402 024
Common to all institutions	European schools	178 402 083	168 491 635	-5,6%	-9 910 448	168 491 635	-5,6%	-9 910 448
	Staff Pensions	1 389 802 000	1 490 330 000	7,2%	100 528 000	1 490 330 000	7,2%	100 528 000
Total Section III		4 890 867 574	5 007 369 635	2,4%	116 502 061	4 985 921 635	1,9%	95 054 061

The increase in total appropriations for the Commission, Pensions and European schools is + **1,9 %** (+ **2,4 %** including the impact of Croatia's accession), of which:

- **Commission's administrative appropriations: + 0,1 % (+ 0,8 % including Croatia).**
- **Appropriations for staff remunerations increase by 0,9 % (+ 1,6 % including Croatia).**

As already explained, the 2014 draft budget takes into account the 2011 and 2012 adjustments as proposed by the Commission (1,7 % and 1,7 %), as well as career progression, but does not include the estimated effect of the salary adjustments of 1,1 % at the end of 2013, and 1,4 % for 2014. The rate of increase is however artificially overestimated as the budget 2013 does not include the salary adjustment for 2011, which is instead included in the present draft budget 2014.

- **Appropriations relating to external staff** (Conditions of employment of other servants, Seconded National Experts, Agency staff and related social expenditure) **decrease by - 0,1 %** (+ 0,3 % including Croatia).
- **Other administrative appropriations decrease overall by - 1,7 %** (- 1,1 % including Croatia), with different evolutions depending on the particular needs and savings capacity.

Considerable savings were made for meetings, committees and conferences, mission and representation costs, studies, social expenditure, linguistic external services, building charges, security, general equipment, training, acquisition of information, publications and expenditure for mobility.

The only significant increase relates to the end of the Commission and the resulting change in Members in November 2014.

– **Pensions: + 7,2 %**

For pensions, the + 7,2 % increase in appropriations results from the annual adjustments and the growing number of pensioners (+ 4,3 %). When including in the 2013 budget level the impact of the 2011 salary adjustment, the increase would be limited to + 5,5 %, which is below the increase in the 2013 budget (+ 6,8 %).

– **European schools: -5,6 %**

The appropriations for the EU contribution to the European schools ('Type I'⁴¹, EUR 167,3 million) show a decrease as compared to 2013 (EUR 171,6 million), and correspond to the amounts adopted by the governing board of the European schools, diminished by the impact of the salary adjustments at the end of 2013 and 2014. The overall decrease by -2,5 % compared to 2013 is explained by a tight control of expenses in the schools' budgets and a revision of the teachers' salary grid, allowing for savings in the level of the EU contribution. Further savings on 'Type I' schools, estimated at EUR 26 million, could be made if institutions and agencies⁴² that are not financed by the EU budget were to contribute from their own budget to the financing of the 'Type I' schools offering a service to them, in the same way as the Commission proposes for 'Type II' schools.

The appropriations for the EU contribution to the 'Type II' European schools (covering the contribution to national schools in Member States which offer EU curriculum sections equivalent to European schools) amounts to EUR 1,1 million. The decrease by -83,2 % as compared to 2013 (EUR 6,8 million) results from a revised method to calculate the EU contribution, a lower than foreseen number of pupils in some of the schools, as well as by charging on the budgets of the agencies concerned the schooling costs related to their staff's children enrolled in 'Type II' schools.

⁴¹ European schools 'Type I' are dedicated European schools, whereas 'Type II' European schools are national schools which offer a curriculum equivalent to European schools.

⁴² This concerns notably 'European Investment Bank' (EIB), 'European Central Bank' (ECB) and 'Office for Harmonisation in the Internal Market' (OHIM).

There are various **European offices** included in the budget of the Commission which provide services to all institutions. The evolution of the budget for each office is the following:

(in EUR, at current prices)

Offices	Budget	DB	Difference		Excl. additional admin. expenditure related to Croatia's accession		
	2013	2014	2014 – 2013		DB 2014	Diff. 2014 – 2013	
Publications Office (OP)	84 274 000	82 646 000	-1,9%	-1 628 000	81 850 000	-2,9%	-2 424 000
European Anti-fraud Office (OLAF)	57 657 000	58 523 000	1,5%	866 000	58 064 000	0,7%	407 000
European Personnel Selection Office (EPSO), including the EUSA ⁴³	28 535 000	28 231 000	-1,1%	-304 000	28 058 000	-1,7%	-477 000
Office for the Administration and Payment of Individual Entitlements (PMO)	36 721 000	36 817 000	0,3%	96 000	36 389 000	-0,9%	-332 000
Office for Infrastructure and Logistics in Brussels (OIB)	69 455 000	70 013 000	0,8%	558 000	69 589 000	0,2%	134 000
Office for Infrastructure and Logistics in Luxembourg (OIL)	25 191 000	25 041 000	-0,6%	-150 000	24 920 000	-1,1%	-271 000
Total	301 833 000	301 271 000	-0,2%	-562 000	298 870 000	-1,0%	-2 963 000

The same cost-containment objectives as in the Commission's central administration are applied to all the administrative offices. This has led to a global reduction of in their expenditure by -0,2 % compared to the 2013 budget (-1,0 % excluding additional administrative expenditure related to Croatia's accession).

The overall reduction in the statement of estimates of the Office of Publications (OP) and the European Personnel Selection Office (EPSO) results in particular from a reduction of expenditure related to their operational activities. Regarding OLAF, the 1,5 % increase compared to the 2013 budget is partly due to the transfer of 6 posts from the Commission's administration establishment plan to OLAF in the context of the 2013 redeployment of posts to serve Commission's priorities.

The evolution of expenditure for **Delegations** and **Representation Offices** is the following:

(in EUR, at current prices)

	Budget	DB	Difference		Excl. additional admin. expenditure related to Croatia's accession		
	2013	2014	2014 – 2013		DB 2014	Diff. 2014 – 2013	
Delegations (Commission's part, non EEAS)	192 310 000	189 131 000	-1,7%	-3 179 000	189 131 000	-1,7%	-3 179 000
Representation offices (external + infrastructure)	42 795 200	43 674 000	2,1%	878 800	42 463 000	-0,8%	-332 200
Total	235 105 200	232 805 000	-1,0%	-2 300 200	231 603 000	-1,5%	-3 502 200

The reduction of the Commission's establishment plan posts by 1 % has not been applied to Delegations in third countries. However, the same cost-containment objectives as in the Commission's Headquarters administration are applied to Delegations, which leads to an overall decrease of -1,7 %. The overall amount of appropriations for buildings and related expenditure (i.e. purchase of buildings and security) has been reduced, while appropriations for equipment, furniture, supplies and services decrease significantly.

The overall increase of 2,1 % for Representation offices in Member States mostly results from the impact of the new office in Croatia (EUR 1,2 million). The same cost reduction objectives as in the Commission's central administration are applied to the Representations, as well as a continued rationalisation effort. This leads to a decrease of -0,8 % in expenditure excluding the impact of enlargement.

⁴³ 'European School of Administration' (EUSA)

3.7. Heading 6 — Compensations

3.7.1. Summary table for commitment (CA) and payment (PA) appropriations

(in million EUR, rounded figures at current prices)

	Budget		Draft budget (DB)		Share		Difference		Difference	
	2013 ⁽¹⁾		2014				2014 – 2013		2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
Total	75,0	75,0	28,6	28,6	100,0%	100,0%	-46,4	-46,4	-61,9%	-61,9%
<i>Ceiling</i>	75,0		29,0							
<i>Margin</i>			0,4							

(1) Budget 2013 includes draft amending budgets 1 to 5.

This heading covers the cash-flow facility agreed during the accession negotiations with Croatia. This facility is intended to help improve the cash-flow in the national budget of Croatia, taking account of the lead time usually required for commitments to translate into payments.

3.8. Instruments outside the Multiannual Financial Framework

A number of instruments are foreseen to respond to exceptional circumstances, whether internal or external, and are mobilised only in case of need. The related appropriations are placed outside the expenditure ceilings of the multiannual financial framework. The level of commitment appropriations reflect the amounts included in the very advanced stage of the MFF negotiations.

3.8.1. Summary table for commitment (CA) and payment (PA) appropriations

(in million EUR, rounded figures at current prices)

	Budget		Draft budget (DB)		Share		Difference		Difference	
	2013 ⁽¹⁾		2014				2014 – 2013		2014 / 2013	
	(1)		(2)				(2 – 1)		(2 / 1)	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
— Emergency Aid Reserve (EAR)	264,1	80,0	297,0	150,0	65,1%	75,0%	32,9	70,0	12,5%	87,5%
— European Globalisation Adjustment Fund (EGF)	500,0	63,0	159,2	50,0	34,9%	25,0%	-340,8	-13,0	-68,2%	-20,6%
— European Union Solidarity Fund (EUSF)	14,6	14,6	p.m.	p.m.	0,0%	0,0%	-14,6	-14,6	-100,0%	-100,0%
Total	778,7	157,6	456,2	200,0	100,0%	100,0%	-322,5	42,4	-41,4%	26,9%

(1) Budget 2013 includes draft amending budgets 1 to 5.

3.8.2. Emergency Aid Reserve (EAR)

The Emergency Aid Reserve will be called on to allow for a rapid response to specific aid requirements of third countries following events which could not be foreseen when the budget was established. It is to be used first and foremost for humanitarian operations, but also for civil crisis management and protection. As of 2014, it is proposed to also cover situations of particular pressure resulting from migratory flows at the Union's external borders where circumstances so require.

The level of EAR commitment appropriations for 2014 amounts to EUR 297,0 million. Taking into account the unpredictability of the crises and at the same time to ensure the Commission's capacity to respond rapidly to any urgent crisis, the Commission proposes to set the level of EAR payment appropriations at EUR 150,0 million.

3.8.3. European Globalisation Adjustment Fund (EGF)

The EGF is set at EUR 159,2 million. In order to be able to respond more rapidly to new cases, the Commission proposes to enter a conservative amount of EUR 50,0 million in payment appropriations in the draft budget.

3.8.4. European Union Solidarity Fund (EUSF)

No appropriations for the EUSF are proposed at this stage, as its mobilisation will take place, if needed, through an amending budget.

4. HORIZONTAL ISSUES

This section presents the following four horizontal issues for the 2014 draft budget:

- Human resources by institution, notably as regards the implementation of the 1 % staff reduction as proposed by the Commission;
- Administrative expenditure outside heading 5: budget lines for technical and administrative assistance, including expenditure for administrative management under the Research budget and other expenditure headings;
- Bodies set up by the European Union and having legal personality: decentralised agencies, joint undertakings, the European institute of innovation and technology (EIT) and executive agencies;
- Actions without a specific legal base: this concerns notably programmes, activities and decentralised agencies for which the legal base is currently outstanding, pilot projects and preparatory actions, and actions financed under the prerogatives of the Commission.

4.1. Human resources

4.1.1. Human resources by institution

The overview table below presents, for each institution, the number of establishment plan posts authorised in the 2013 budget and the number of posts requested in the 2014 draft budget. In particular, the table shows the additional number of posts requested by the Commission in order to respond to the accession of Croatia, as foreseen on 1 July 2013, as well as the extent to which each institution has taken into account the Commission recommendation to reduce by 1 % the number of posts of all Institutions, as part of an overall reduction of 5 % by 2017. As shown in the table below, with the exception of the European Parliament, all the other institutions have followed the Commission's approach in this regard. The European Ombudsman and the European Data-Protection Supervisor have committed to the approach, but their small size makes it difficult for them to apply the reduction on a yearly basis.

(Number of posts in the establishment plans of the institutions)

Institution	2013 budget(a)	2014 -1 % target (b)		2014 DB (excl. Croatia)	Evolution 2014 / 2013		Difference with - 1 % target	2014 Croatia request	2014 DB (incl. Croatia)	Evolution 2014 / 2013	
European Parliament	6 743	-67	6 676	6 773	30	0,4%	97		6 773	30	0,4%
European Council and Council	3 153	-32	3 121	3 111	-42	-1,3%	0 (c)		3 111	-42	-1,3%
Commission	24 942	-255	24 687	24 686	-256	-1,0%	-1 (d)	215 (e)	24 901	-41	-0,1%
Court of Justice of the European Union	2 002	-20	1 982	1 991	-11	-0,5%	0 (f)		1 991	-11	-0,5%
Court of Auditors	891	-9	882	882	-9	-1,0%	0		882	-9	-1,0%
European Economic and Social Committee	727	-7	720	720	-7	-1,0%	0		720	-7	-1,0%
Committee of the Regions	537	-5	532	532	-5	-0,9%	0		532	-5	-0,9%
European Ombudsman	67	-1	66 (g)	67	0	0,0%	1		67	0	0,0%
European Data Protection Supervisor	45	0	45 (g)	45	0	0,0%	0		45	0	0,0%
European External Action Service	1 670	-17	1 653	1 661	-9	-0,4%	0 (c),(d)		1 661	-9	-0,4%
Total institutions	40 777	-413	40 364	40 468	-309	-0,8%	97	215	40 683	-94	-0,2%

(a) Budget 2013 includes draft amending budgets 1 to 5, i.e. including the additional posts requested for the Court of Justice (+ 7 posts).

(b) For the Commission: 1 % reduction (-250 posts) as well as a reduction of 5 posts to compensate for the 2014 reinforcement of the European GNSS agency (GSA) in line with Commission proposal COM(2013) 40 of 6.2.2013.

(c) 10 posts transferred from the 'European Council and Council' to the 'European External Action Service'.

(d) Due to the transformation of posts into appropriation (see next table) and the transfer of 2 posts from the 'European External Action Service' to the Commission.

(e) including 11 transformation into posts of enlargement related appropriations for contract agents frontloaded in 2012 or granted in 2013.

(f) excluding the request related to an extension of the Court of Justice by 12 new Judges (9 law clerks, one for each Chamber of the General Court).

(g) by the end of 2017, the European Ombudsman and the European Data Protection Supervisor should reduce their posts by 2 and 3 respectively.

The section below presents in more detail the Commission request for human resources. Details on the requests for human resources for the other institutions can be found in their respective statements of estimates for 2014. Section 4.3.1 below presents an overview of the Commission request as regards the establishment plan posts for the decentralised agencies, whereas the staffing levels of the executive agencies are described in section 4.3.4.

4.1.2. Commission human resources

In a context where rigorous cost savings and maximum efficiency are demanded on all public administrations, the Commission is firmly committed to acting responsibly. The Commission's statement of estimates for 2014 **includes the second consecutive 1 % staff reduction in line with its proposal to reduce staff by 5 % over five years**⁴⁴, without prejudice to the last instalment of additional staff in order to cope with the Croatia's accession to the EU as of 1 July 2013. All new activities not linked to enlargement will be covered through efficiency gains and redeployment.

This results in a **1 % reduction of all Commission staff, i.e. a reduction of 340 full-time equivalent units (FTE)** financed across all headings of the multiannual financial framework, as illustrated in the table below.

In September 2011, the Commission presented to the budgetary authority its estimate of additional resources required for **Croatia's accession**⁴⁵, namely a net reinforcement of 384 FTE over 3 years: 46 FTE frontloaded in 2012, followed by a first instalment of 125 FTE in 2013, and a last instalment of 213 FTE in 2014. Accordingly, the Commission requests **213 FTE for 2014** (204 establishment plan posts and appropriations for 9 contract agents) and the conversion of appropriations into posts in its establishment plan for 11 of the **62** contract agents frontloaded in 2012 and 2013.

Notwithstanding the additional human resources requested for Croatia's accession, the Commission presents a 2014 statement of estimates that **reduces its overall number of human resources for the fourth year in a row**⁴⁶, with a **net reduction of 127 FTE** as summarised in the table below.

The breakdown of human resources by policy area is further detailed in Annex III.1 to this document.

Moreover, the staffing of the six executive agencies to which the Commission has delegated programme implementation tasks, has been stabilised at its 2013 level (see point 4.3.4 below), awaiting decisions to be taken on their exact future mandate. The result of an ongoing cost-benefit analysis based on 2014-2020 programmes will inform Commission proposals concerning the scope of the delegation process, which are expected to be presented through an amending letter in due time in view of the Conciliation in November. The adjustment of the staffing levels in the Commission and the executive agencies to be proposed to the budgetary authority will aim at ensuring budget neutrality over the period.

⁴⁴ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: 'A budget for Europe 2020' (COM(2011) 500 of 29.6.2011); Draft Interinstitutional Agreement (IIA) between the European Parliament, the Council and the Commission on cooperation in budgetary matters and on sound financial management, point 23 (COM(2011) 403 of 29.6.2011).

⁴⁵ Amending Letter No 2/2012, COM(2011) 576, 16.9.2011.

⁴⁶ - 232 FTE in the 2013 draft budget, - 17 FTE in the 2012 draft budget, - 100 FTE in the 2011 draft budget.

Commission Human Resources (HR) excluding impact of Croatia's accession in 2014

2013 budget ⁽¹⁾ Authorisation (Posts & estimated FTE of ext. pers.)	2014 evolution ⁽²⁾	Transformation of establishment plan posts into appropriations	Transformation of approp. into establishment plan posts	Transfer between establishment plans	2014 staff request without enlargement	2014 combined result
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Establishment Plan Posts

Commission ⁽²⁾	19 268	-178	-29	31	-21	19 071	-1,02%	-197
Research - Direct Actions	1 916	-39				1 877	-2,04%	-39
Research - Indirect Actions ⁽³⁾	1 857	-19			32	1 870	0,70%	13
OP	669	-7			-7	655	-2,09%	-14
OLAF	378	-4			2	376	-0,53%	-2
EPSO	125	-1			-1	123	-1,60%	-2
OIB	403	-4			-2	397	-1,49%	-6
OIL	144	-1			-1	142	-1,39%	-2
PMO	182	-2	-5			175	-3,85%	-7
Total Commission Posts	29 942	-255	-34	31	2	24 686	-1,03%	-256

External Personnel

Under heading 5 ⁽⁴⁾	4 115	17	34	-31		4 135	0,49%	20
Outside heading 5	4 308	-104				4 204	-2,42%	-104
Total Commission Ext. Pers.	8 423	-87	34	-31	0	8 339	-1,00%	-84

Total Commission HR

33 365	-342	0	0	2	33 014	-1,02%	-340
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Total Exec Agencies staff

EACI	159					159	0,00%	
EACEA	431					431	0,00%	
EAHC	50					50	0,00%	
TENTEA	100					100	0,00%	
ERCEA	389					389	0,00%	
REA	558					558	0,00%	
Total Exec Agencies staff	1 687	0	0	0	0	1 687	0,00%	0

Commission HR including 2014 enlargement related request

2014 staff request <i>without enlargement</i>	2014 enlargement related request		Total 2014 DB request	Evolution 2014/2013
	Reinforcement request	Transformation of approp. into establishment plan posts		

19 071	179	11	19 261	-7
1 877	1		1 878	-38
1 870	9		1 879	22
655			655	-14
376	5		381	3
123	1		124	-1
397	3		400	-3
142	1		143	-1
175	5		180	-2
24 686	204	11	24 901	-41

4 135	9	-11	4 133	18
4 204			4 204	-104
8 339	9	-11	8 337	-86

33 025	213	0	33 238	-127
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159			159	
431			431	
50			50	
100			100	
389			389	
558			558	
1 687	0	0	1 687	0

(1) Source: Budget 2013 as revised by draft amending budget No 4/2013 reducing, following the transfer of tasks to EACEA, the Commission establishment plan by 2 posts and Commission external personnel by an estimate of 13 FTE, and accordingly increasing the staff of EACEA by 15 FTE.

(2) 1 % reduction (-250 posts) as well as a reduction of 5 posts to compensate for the 2014 reinforcement of the European GNSS agency (GSA) in line with Commission proposal COM(2013) 40 of 6.2.2013.

(3) Innovation activities previously financed from the operating budget are integrated in Horizon 2020, the 2014-2020 framework programme for Research and Innovation (32 posts).

(4) As free-lance service providers do not have a contract of employment with the Commission, the corresponding FTE are not accounted for and have been deducted from the 2013 basis (305 FTE for translation and 148 for interpretation).

The net result reflected in the table above integrates the following request to adjust the structure of the Commission's establishment plans:

- The **transformation of posts into appropriations**: former D-category posts becoming vacant will be converted into appropriations for contract agents, as agreed in the framework of the reform of the Staff Regulations. This also concerns the gradual return of posts agreed at the creation of the administrative offices, to be converted into contract agents.
- This transformation of posts into appropriations is **partially offset by the transformation of a limited number of appropriations for external personnel into posts** to ensure the required stability of staff.

The 2007 screening exercise revealed a potential mismatch between the existing structure of staff and future needs, pointing in particular to the desirable gradual reduction of assistant versus administrators posts. The 2014 statement of estimates follows up on the trend, and requests an upgrading of the existing establishment plans resulting in immediate savings and budget neutrality over time in order to allow the Commission to adapt its human resources to the political priorities:

- The transformation of 284 AST 6 into 284 AD 5 posts on the Commission establishment plan,
- The transformation of 12 AST 6 posts into 12 AD 5 posts on the research establishment plan (indirect actions), and
- A limited transformation in the establishment plan of one of the Offices: 3 AST 6 posts into 3 AD 5 posts for OIB.

In light of the **overall Commission staff reduction (- 127 FTE)**, huge efforts are imposed on Commission services to **achieve their objectives with fewer human resources**:

- Without prejudice to further redeployment efforts in the course of 2014, the Commission is currently **redeploying 1 % of its 2013 posts across Directorates-General (256 posts)**, identifying all possible efficiency gains, notably by moving staff away from administrative support and coordination functions to concentrate on political priorities and frontline activities. The reallocated posts will mainly be used: (1) to strengthen the Commission's capacity to defend its competition and trade rules, (2) to investigate on fraud and irregularities affecting the EU financial interests, (3) to implement measures against tax fraud and tax evasion, (4) to progress towards the implementation of a banking union and the structural reform of the EU banking sector, and (5) to carry out international trade negotiations, in particular with the United States. Other priority area which will be reinforced is the Common Foreign and Security Policy (CFSP).
- In addition individual Directorates-General intend to **redeploy internally a substantial number of posts (563)** to operational activities, concentrating reinforcement on policy making as illustrated by the table below.

2014 Establishment Plan Posts internal redeployment effort within individual DGs/Services			
Work profile description	Reduction	Reinforcement	Net result
Administrative support	-93	25	-68
General coordination	-53	20	-33
Budgetary management & antifraud	-55	42	-13
Law making, monitoring and enforcement	-89	86	-3
Linguistic		5	5
Programme management	-101	107	6
Policy making	-142	252	110
Communication	-30	26	-4
Total DGs/Services	-563	563	0

The Commission will continue to allocate staff temporarily to serve time-limited activities. This mechanism has proved a dynamic and flexible way to face peaks in workload and to return posts when the peak is over, contributing to dynamic human resources management.

Moreover, the Commission continues to explore and encourage all flexible arrangements. The mechanism of pooling expertise for specific time-bound tasks is still being used to allow temporary posting of officials within services facing a sustained increased workload. The ongoing Task Force for Greece set up in July 2011 and the Support Group for Cyprus created in March 2013 are amongst the most telling examples.

The above drastic constraints lead Commission services to constantly reprioritise activities and adjust resources allocation to priorities, as illustrated by the various programme countries teams set up throughout the DGs. This also involves scaling down activities which are today less relevant or important than they may have been in the past.

The Commission also remains committed to exploring possible economies of scale through *enhanced inter-institutional cooperation*. The set-up of the Computer Emergency Response Team (CERT-EU Task Force) in September 2012, which aims to reinforce the IT security of all the institutions, shows the trend in this direction.

Finally, regarding *geographical balance*, the Commission had set itself the objective of recruiting an overall number of nationals from the new Member States at least similar to the overall number of new posts granted for enlargement. It has been successful in meeting this target. The Commission proceeds with a close and regular monitoring of recruitment of nationals from all Member States to ensure a balanced representation of all nationalities in each function group.

4.2. Commission administrative expenditure outside heading 5

4.2.1. Summary table

The table below presents a summary overview of administrative expenditure outside heading 5.

(in EUR, at current prices)

Summary overview of administrative expenditure outside heading 5	Budget 2013 ⁽¹⁾	Draft budget 2014	Difference 2014 – 2013	Difference 2014 / 2013
	(1)	(2)	(2 – 1)	(2 / 1)
— Support expenditure outside research and heading 5	429 520 935	431 623 030	2 102 095	0,5%
— Support expenditure for operations and programmes	358 078 935	360 643 758	2 564 823	0,7%
— Executive agencies (outside research agencies)	71 442 000	70 979 272	-462 728	-0,6%
— Support expenditure for direct and indirect research	780 747 550	789 166 357	8 418 807	1,1%
— Officials and temporary staff	405 317 000	397 071 170	-8 245 830	-2,0%
— External personnel	90 262 000	90 562 000	300 000	0,3%
— Other management expenditure	187 743 550	185 565 405	-2 178 145	-1,2%
— Other expenditure for new major research infrastructures	0	16 986 000	16 986 000	
— Executive agencies for Research	97 425 000	98 981 782	1 556 782	1,6%
Total	1 210 268 485	1 220 789 387	10 520 902	0,9%

(1) Budget 2013 includes draft amending budgets 1 to 5.

The sections below explain the purpose of technical and administrative support expenditure which is directly linked to non-research programmes (section 4.2.2) and the research programmes (section 4.2.3).

4.2.2. Support expenditure for operations and programmes

Many EU multiannual programmes foresee amounts for technical and administrative support expenditure, directly linked to the implementation of the operational programmes and financed from the financial envelope

of the programme. This technical and administrative support expenditure is clearly identified in the EU budget, on dedicated budget lines (XX 01 04 lines).

The appropriations for technical and administrative support are used to carry out activities such as evaluation of calls for proposals, studies, information systems, expert meetings and audits, which are necessary to achieving value for money and ensuring sound financial management. Furthermore, in delegations in third countries and on a limited number of pre-identified budget lines, support staff can be financed within the limits of a ceiling defined in the budget.

The Commission has used the appropriations for administrative support in the 2013 budget as a benchmark for the 2014 draft budget. On the basis of budget execution in 2012, as well as the expected level of operational appropriations to be managed in 2014, the Commission has carried out a rigorous needs assessment. This has enabled the Commission to propose a level of appropriations which remains constant in nominal terms (0,7 %). The requested EUR 360,6 million is necessary to ensure proper implementation of operational programmes in 2014, as set out below.

For a large number of administrative support lines, the Commission requests a level of appropriations which remains constant in nominal terms, reflecting the rigour applied to administrative resources in general (see section 3.6 above). Overall, the requested amounts by heading show:

- An increase for heading 1a (+ EUR 8,2 million), which is mostly due to the Galileo and EGNOS programmes (+ EUR 2,35 million) having reached their exploitation phase, as well as to the Copernicus programme (+ EUR 1,5 million);
- This increase for heading 1a is fully offset by reductions for the other headings (heading 1b: EUR -0,3 million; heading 2: EUR -1,8 million, heading 3: EUR -1,8 million and heading 4: EUR -1,7 million).

Appropriations for external personnel financed under operational budget lines are part of the effort to reduce Commission staff by 5 % over 5 years (see section 4.1 above). For the 2014 DB, the reduction of staff financed from programme financial envelopes other than research results in a decrease of 85 FTE compared to the 2013 budget. The additional external personnel required for the implementation of new priorities has been covered by redeployment. The evolution of external personnel other than the expected evolution of average costs concerns in particular:

- With regard to the management of external aid programmes in Delegations, the decrease of an estimate of 76 FTE mainly results from the following movements:
 - A decrease of 99 estimated FTE in the Development Cooperation Instrument (DCI) following a workload assessment in Delegations and the evolution of appropriations to be managed according to the MFF 2014-2020;
 - An estimate of 20 additional FTE to cope with the phasing in of the new Partnership Instrument.
- With regard to the Pre-accession Instrument, the translation of the accession of Croatia to the European Union, and in particular the phasing out of pre-accession activities during the transition period foreseen under Article 44 of the Accession Treaty, as well as new priorities under the 2014-2020 MFF entail a decrease of 7 FTE in the sub-ceilings financing external personnel of budget lines for the Instrument for Pre-accession Assistance under the policy areas Employment (budget item 04 01 04 13: -3 FTE), Regional policy (13 01 04 02: -4 FTE) and an increase of 3 additional FTE under policy area Agriculture (05 01 04 03: +3 FTE).

More details on technical and administrative support expenditure which is directly linked to the management of EU programmes are provided as part of Working Document II ('Commission Human Resources') accompanying the 2014 draft budget.

4.2.3. *Administrative expenditure under the Research budget*

As shown in the summary table 4.2.1 above, administrative expenditure financed under the Research budget includes:

- Research expenditure related to staff (XX 01 05 X1);
- Research expenditure related to external personnel (XX 01 05 X2);
- Research other management expenditure (XX 01 05 X3);
- Direct research other expenditure for new major research infrastructures (10 01 05 X4);
- Research executive agencies (ERCEA and REA).

Detailed information on research establishment plan posts financed from the research budget is provided as part of Working Document II ('Commission Human Resources') accompanying the 2014 draft budget.

As explained in section 4.1 above, the overall reduction of establishment plan posts in the 2014 draft budget is applied to the research establishment plan (direct and indirect actions) as well. At the same time, the Commission requests a budgetary neutral upgrading of 12 posts of the research indirect actions establishment plan. Finally, 32 posts are proposed to be transferred from the operating to the research indirect actions establishment plan, since parts of the new 'Horizon 2020' programme will cover innovation related activities which are currently financed under the administration budget.

The number of posts and the level of appropriations for research administrative support expenditure are expected to be reviewed in the context of the delegation of implementing tasks to executive agencies, as set out in section 4.3.4 below. Awaiting the outcome of this process, the expected evolution of research support expenditure can be summarised as follows:

- Overall, as compared to the 2013 budget, taking into account the impact of the 1 % staff reduction, the requested appropriations for research expenditure related to staff decrease by -2,0 %. This is in particular due to a 5 % reduction in staff expenditure for direct research, which reflects the profile of the new research programme. Expenditure for indirect research staff increases by 1 % in nominal terms, which reflects the 1 % staff reduction;
- Appropriations for research expenditure related to external personnel in 2014 are nearly frozen at the level of the 2013 budget (+ 0,3 %). Again, a distinction is made between indirect research and direct research⁴⁷: the appropriations for external personnel for indirect research are frozen in nominal terms at the level of 2013, whereas the appropriations for external personnel for direct research show a 1 % increase in nominal terms;
- Appropriations for other management expenditure for research decrease by (-1,2 %) as compared to the 2013 budget. These appropriations are used to finance actions which are key to proper

⁴⁷ The lines concerned are to be found under policy areas: 02, 05, 06, 08, 09, 15, 32 (indirect research) and 10 (direct research).

implementation, such as IT systems directly related with the submission, evaluation and monitoring of proposals, external audits, workshops and communication activities, across the Framework Programmes;

- Appropriations for other expenditure for new major research infrastructures (direct research, EUR 17,0 million) are presented separately, to identify this type of expenditure more clearly;
- Appropriations for the research executive agencies (REA and ERCEA) are set at the level of the 2013 budget adjusted for inflation, awaiting the outcome of the cost-benefit analysis on the possible delegation of tasks to the executive agencies in the new programming period (see section 4.3.4 below).

4.3. Bodies set up by the European Union and having legal personality

Key budgetary information for all EU bodies (decentralised agencies, executive agencies, joint undertakings and EIT) is provided in Annex VI. Furthermore, a dedicated Working Document III accompanying the 2014 DB presents very detailed and exhaustive information on ‘agencies’, with a transparent presentation with regard to revenue, expenditure and staff levels of various Union bodies which actually receive a contribution charged to the EU budget.

4.3.1. Decentralised agencies

The DB request for decentralised agency staffing and appropriations is guided by two overall constraints: on the one hand, the new MFF lays down indicative envelopes for agency expenditure by heading, and on the other hand, the objective of reducing staffing levels in agencies by 5 % over five years. With this in mind, the 2014 DB has been prepared in parallel with a broader Commission exercise to establish a programming of human and financial resources for decentralised agencies for the years 2014-2020, with the aim to arrive with Parliament and Council at a common understanding of agency resources needs for the next financial period. In so doing, new tasks are to be matched with corresponding resources, within the two constraints set by the MFF. The Commission intends to present the results of this exercise in July 2013, as a starting point for the procedure foreseen under point 47 of the Interinstitutional Agreement on budgetary discipline and on sound financial management (point 25 of the draft IIA for 2014-2020)⁴⁸. The financial programming for each individual agency within each MFF expenditure heading will be provided once the exercise is completed.

Moreover, the draft budget takes account of the Commission proposal to revise the mechanisms for funding the so-called ‘Type II’⁴⁹ European schools, by charging to agencies’ budgets the schooling cost of children of agency staff in ‘Type II’ schools, so as to treat all agencies in a consistent manner. At present, if there is no Type II school, the school allowances for children of agency staff are charged on the agency’s budget. However, whenever a Type II school is created the expenditure is charged on heading 5, which leads to inconsistent budgetary treatment among agencies. The Commission proposes to offset the additional expenditure for agencies’ budgets which results from the revised funding of ‘Type II’ schools (estimated at some EUR 3,2 million in 2014) by increasing the EU contribution to the 10 agencies concerned⁵⁰ accordingly.

As part of the preparation of the 2014 DB, the Commission has made a thorough assessment of the needs for each of the decentralised agencies. Overall, this exercise has allowed the Commission to arrive at a 3,8 % increase of expenditure for all decentralised agencies as compared to the 2013 budget. This result is to be seen in the context of the extension to new tasks or the ongoing start-up phase for a number of agencies, such as the

⁴⁸ OJ C 139, 14.6.2006 and COM(2011) 403, 29.6.2011.

⁴⁹ ‘Type II’ European schools are national schools which offer a curriculum equivalent to European schools.

⁵⁰ ECHA, EASA, ENISA, EEA, ECDC, EFSA, CEPOL, EUROPOL, EUROJUST and eu.LISA.

new eu.LISA agency for the management of large-scale IT systems in the area of freedom, security and justice, which has become operational only in late 2012.

The proposed level of the EU contribution to and the staffing level of individual agencies reflect their stage of development. The classification of agencies as ‘*cruising speed*’, ‘*new tasks*’ and ‘*start-up phase*’ agencies impacts on the growth of their EU contributions and staffing levels: typically, agencies which have been recently created or have recently been assigned new tasks require additional appropriations and additional staff, to carry out tasks related to their new or recently extended mandates, whereas cruising speed agencies have stable structures and budgets, and are therefore able to pursue rationalisation efforts. The consequences of the updated classification of individual agencies on human and financial resources as proposed in the 2014 draft budget are set out in more detail below.

In the 2014 draft budget, the Commission continues its policy to deduct assigned revenues stemming from the recovery of decentralised agency surpluses for the year 2012 from the 2014 EU contribution to the agencies in question, so as to adjust the need for ‘fresh appropriations’ entered in the 2014 DB accordingly.

Moreover, when assessing the decentralised agency’s needs for the financial year 2014, the Commission has taken into account the cancellation of commitments and payments (including on payment appropriations carried over from 2011) in 2012. In doing so, the Commission responds to the requirements of the Framework Financial Regulation, Regulation (EC, Euratom) No 2343/2002⁵¹, as revised in July 2008⁵².

As shown in the decentralised agency overview table (annex VI.1), the total requested EU contribution to decentralised agencies in 2014 amounts to EUR 804,8 million. This overall amount is composed of the amounts entered in the 2014 DB (EUR 790,1 million) and the assigned revenues stemming from the recovery of the 2012 surplus (EUR 14,7 million), which will be carried over to 2014.

This represents an increase of the total EU contribution as compared to the 2013 budget (including draft amending budget 4/2013) of EUR 29,4 million, or + 3,8 %. This increase results to a large extent from the additional needs related to the financing of the ‘*start-up phase*’⁵³ agencies (+ EUR 20,9 million), of which EUR 18,4 million is due to the new eu.LISA agency for the management of large-scale IT systems in the area of freedom, security and justice, which has become operational in late 2012. The EU contribution to the ‘*new tasks*’⁵⁴ agencies, on the other hand, is foreseen to increase by EUR 8,9 million compared to the 2013 budget. This is due to the new tasks to be assigned as from 2014 to the European GNSS Agency (GSA) in the exploitation of the EGNOS and Galileo systems, as well as to the new extension of the tasks of FRONTEX with regard to the European Borders Surveillance System (EUROSUR). As a rule, the EU contribution to the ‘*cruising speed*’ agencies is at most frozen at the level of the 2013 budget. Taking into account a thorough assessment of 2014 needs and budget execution in 2012, the proposed EU contribution to the ‘*cruising speed*’ agencies is foreseen to decrease by EUR 0,5 million compared to the 2013 budget. The allocations above

⁵¹ OJ L 357, 31.12.2002, p. 72.

⁵² OJ L 181, 10.7.2008, p. 23.

⁵³ ‘European Banking Authority’ (EBA), ‘European Insurance and Occupational Pensions Authority’ (EIOPA), ‘European Securities and Markets Authority’ (ESMA), ‘European Chemicals Agency’ (ECHA) – Biocides activities, ‘European Chemicals Agency’ (ECHA) – ‘Prior Informed Consent’ (PIC) activities, ‘European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice’ (eu.LISA) and ‘European Asylum Support Office’ (EASO).

⁵⁴ ‘European GNSS Agency’ (GSA), ‘European Aviation Safety Agency’ (EASA), ‘European Maritime Safety Agency’ (EMSA), ‘European Network and Information Security Agency’ (ENISA), ‘Agency for the Cooperation of Energy Regulators’ (ACER), ‘European Medicines Agency’ (EMA) and ‘European Agency for the Management of Operational Cooperation at the External Borders’ (FRONTEX).

include the proposed funding in 2014 of ‘Type 2’ European schools for all agencies concerned through the budget of these agencies.

As regards staffing of the decentralised agencies, the Commission has applied an overall 1 % staff reduction to the number of posts across the establishment plans of agencies in the 2013 budget (including draft amending budget No 4/2013)⁵⁵, including for the two fully self-financed agencies OHIM and CPVO⁵⁶.

To arrive at this overall 1 % reduction in agency posts and to respond, at the same time, to the needs in the establishment plans for the ‘start-up phase’ and the ‘new tasks’ agencies, the Commission has created a ‘redeployment pool’ by applying a 1 % levy on the posts of all agencies. The posts resulting from this exercise are proposed to be allocated in particular to the ‘start-up phase’ agencies, notably in the field of financial supervision (EBA, EIOPA and ESMA), as well as to the ‘new tasks’ agencies, which concerns in particular the GSA. The allocation of posts for each individual ‘start-up phase’ or ‘new tasks’ agency, as compared to their number of posts authorised in the 2013 budget, is shown in the tables in Annex VI.1. This Annex also shows that the total number of establishment plan posts across all agencies foreseen for 2014 amounts to 5 996.

4.3.2. Joint undertakings

Annex VI.2 presents an overview table for the existing 7 joint undertakings.

Compared to the 2013 budget, the total EU contribution to the joint undertakings decreases by 43,6 % to EUR 933,2 million. This decrease in the overall EU contribution to the joint undertakings should be seen in light of the upcoming Commission proposals for the future generation of joint technology initiatives, to be funded from ‘Horizon 2020’, which the Commission intends to adopt by mid-2013. Awaiting these proposals, no new commitment appropriations are requested at this stage in the draft budget for the six current Joint Technology Initiatives (JTIs). Subject to final decisions to be taken on these proposals, the Commission intends to adopt, in time for the start of the Conciliation, an amending letter to reflect the budgetary consequences of the new generation of JTIs. As a consequence, all commitment appropriations requested in the draft budget 2014 relate to the EU contribution to the ITER joint undertaking, which is proposed to increase from EUR 904,9 million in 2013 to EUR 933,2 million (operational expenditure) in 2014.

The staffing of the joint undertakings is foreseen to remain stable in 2014, including for the JTIs. This was foreseen at the time of their creation, in view of the important level of outstanding commitments to be managed. For that reason, the funding for the ‘phasing out’ period of the JTIs has already been included in the 2013 budget.

4.3.3. European institute of innovation and technology (EIT)

Annex VI.3 presents an overview table for EIT. Reflecting its start-up phase, the foreseen EU contribution to EIT increases from EUR 123,1 million to EUR 233,9 million. Furthermore, five additional posts are requested, over and above the 34 posts authorised under the 2013 budget.

The increase of the EU contribution to the EIT relates by and large to the planned reinforcement of operational expenditure (Title 3), principally through the Knowledge and Innovation Communities (KICs), which are meant to promote and integrate higher education, research and innovation of the highest standards. Under

⁵⁵ The 1 % staff reduction target for the overall number of establishment plan posts in 2014 for the decentralised agencies included in the EU budget takes account of the transfer of 5 posts from the Commission establishment plan to the ‘European GNSS Agency (GSA), in line with Commission proposal COM(2013) 40 of 6.2.2013.

⁵⁶ ‘Office for Harmonisation in the Internal Market’ (OHIM) and ‘Community Plant Variety Office’ (CPVO).

Horizon 2020, the three existing KICs, focused on sustainable energy (KIC InnoEnergy), climate change (Climate KIC) and information and communication society (EIT ICT Labs), will be expanded with six new ones in 2014-2020.

4.3.4. *Executive agencies*

In order to focus on its core tasks, such as policy-making and strategic management, the Commission has delegated responsibility for the implementation of certain programmes to executive agencies. As confirmed by the Court of Auditors⁵⁷, agencies have proved to be successful in terms of cost savings, the provision of better service delivery and simplification of processes. They have also ensured effective external communication and dissemination of results, which has contributed to enhancing the visibility of the EU.

In its proposal for the 2014-2020 multiannual financial framework (MFF)⁵⁸, the Commission announced its intention to use the option of more extensive recourse to existing executive agencies. In this regard, the Commission intended to propose an extension of the mandate of the current six executive agencies, subject to a cost-benefit analysis based on the 2014-2020 programmes to be adopted by the Council and the European Parliament.

The cost-benefit analysis is currently underway. As soon as this preparatory work is completed, taking into account the outcome of the MFF negotiations, the Commission will present the file to the Committee for Executive Agencies and the European Parliament. Pending decisions to be taken on the agencies' future mandate, in the 2014 draft budget the Commission proposes to stabilise the staffing of each of the six executive agencies at its 2013 level (including draft amending budget No 4/2013), and to freeze the EU contribution to the running costs of the agencies. As a consequence, the proposed number of staff in the executive agencies remains at 1 687 FTE, and the total EU contribution amounts to EUR 170,0 million (+ 0,6 %).

In light of the delegation process, and in time for the start of the Conciliation, the Commission intends to present an amending letter to take account of the impact of the delegation of operational programmes on the staffing and subsidy levels of each executive agency individually. The adjustment of the staffing levels in the Commission and the executive agencies to be proposed to the budgetary authority will aim at ensuring budget neutrality over the period.

Annex VI.4 presents an overview for the executive agencies, both for the EU contribution to the agencies from operational programmes managed, and for the establishment plans and external personnel.

4.4. Actions without a specific legal base

Article 54 of the Financial Regulation⁵⁹ states that, ‘...a basic act shall first be adopted before the appropriations entered in the budget for any action by the Union may be used.’ However, the Financial Regulation also provides for five exceptions to this rule: 1) pilot projects; 2) preparatory actions; 3) preparatory measures in the field of Title V of the Treaty on European Union (concerning CFSP); 4) actions undertaken on the basis of the institutional prerogatives and specific powers conferred on the Commission by the Treaties; and 5) operations of each institution under its administrative autonomy.

⁵⁷ Special Report No 13/2009, Delegating implementing tasks to executive agencies: a successful option?

⁵⁸ COM(2011) 500, 29.6.2011, point 6.1.3 and policy fiches.

⁵⁹ OJ L 298, 26.10.2012, p. 1.

4.4.1. Programmes, activities and decentralised agencies for which the legal base is outstanding

As set out above, appropriations are to be entered into the reserve until such time as the legal base is adopted by the legislative authority. However, many legal bases for the new spending programmes are still outstanding, awaiting agreement on the new MFF. That is why the Commission, as a general rule, has placed the appropriations on the relevant budget lines. It is proposed to review the situation during the Conciliation, at which point the appropriations for all legal bases that are still outstanding may be entered into the reserve.

More detailed information on the new spending programmes is given under the corresponding headings of the financial framework (see section 3 above – key aspects of DB 2014 by financial framework headings).

4.4.2. Pilot projects and preparatory actions

In the 2014 DB, the Commission has not included any commitment appropriations for pilot projects and preparatory actions, in the first year of a new financial framework.

Detailed information on pilot projects and preparatory actions is presented in Working Document IV accompanying the 2014 DB.

4.4.3. Actions financed under the prerogatives of the Commission

In the 2014 draft budget, the actions financed under the institutional prerogatives of the Commission amount to EUR 368,3 million. This overall amount represents an increase of 3,2 % compared to the 2013 budget (EUR 357,0 million), which is primarily due to (1) the ‘Schengen Facility for Croatia’, which increases from EUR 40,0 million in the 2013 budget (including draft amending budget No 1/2013) to EUR 80,0 million in 2014, in line with the financial package agreed for the accession of Croatia, and (2) the ‘Union participation at the World Exposition 2015 ‘Feeding the Planet – Energy for Life’ in Milan’ (+ EUR 6,3 million), as a new initiative to prepare the 2015 Expo. Moreover, the Commission proposes to make an amount of EUR 0,8 million available under heading 3 as a contribution to the financing of the ‘House of European History’. These targeted increases are to a large extent offset by reductions elsewhere, notably for Support activities to the European transport policy and passenger rights (EUR -10,1 million), as well as for Communication activities.

More details on the actions financed under the Commission’s prerogatives can be found in Document II (financial programming 2014-2020).

5. ANNEX — DETAILED FIGURES

5.1. Annex I — Multiannual financial framework 2014-2020, at current prices

(in million EUR, at current prices)

APPROPRIATIONS FOR COMMITMENTS (1)	2014	2015	2016	2017	2018	2019	2020	Total 2014-2020
1. SMART AND INCLUSIVE GROWTH	63 973	66 813	69 304	72 342	75 271	78 752	82 466	508 921
Competitiveness for growth and jobs	16 390	17 406	18 467	20 038	21 354	23 199	25 311	142 165
Economic, social and territorial cohesion	47 583	49 407	50 837	52 304	53 917	55 553	57 155	366 756
2. SUSTAINABLE GROWTH: NATURAL RESOURCES	59 303	59 599	59 909	60 191	60 267	60 344	60 421	420 034
Of which: Market related expenditure and direct payments (2)	44 130	44 368	44 628	44 863	44 889	44 916	44 941	312 735
3. SECURITY AND CITIZENSHIP	2 179	2 246	2 378	2 514	2 656	2 801	2 951	17 725
4. GLOBAL EUROPE	8 335	8 749	9 143	9 432	9 825	10 268	10 510	66 262
5. ADMINISTRATION	8 721	9 076	9 483	9 918	10 346	10 786	11 254	69 584
Of which: Administrative expenditure of the institutions	7 056	7 351	7 679	8 007	8 360	8 700	9 071	56 224
6. COMPENSATIONS	29							29
TOTAL COMMITMENTS APPROPRIATIONS	142 540	146 483	150 217	154 397	158 365	162 951	167 602	1 082 555
as a percentage of GNI (3)	1,03 %	1,02 %	1,00 %	1,00 %	0,99 %	0,98 %	0,98 %	1,00 %
TOTAL PAYMENTS APPROPRIATIONS	135 866	142 448	144 265	142 285	148 704	155 310	156 801	1 025 679
as a percentage of GNI (3)	0,98 %	0,99 %	0,96 %	0,92 %	0,93 %	0,94 %	0,91 %	0,95 %
OUTSIDE THE MFF	4 619	5 703	5 865	6 041	6 232	6 438	6 663	41 561
as a percentage of GNI (3)	0,03 %	0,04 %	0,04 %	0,04 %	0,04 %	0,04 %	0,04 %	0,04 %
GRAND TOTAL COMMITMENTS APPROPRIATIONS	147 159	152 186	156 082	160 438	164 597	169 389	174 265	1 124 116
as a percentage of GNI (3)	1,06 %	1,06 %	1,04 %	1,04 %	1,03 %	1,02 %	1,02 %	1,04 %
GRAND TOTAL PAYMENTS APPROPRIATIONS								
as a percentage of GNI (3)								

(1) The ceilings for commitment and payment appropriations in the multiannual financial framework (MFF), taken as a reference point for the establishment of the 2014 draft budget, result from the very advanced stage of the MFF negotiations, adjusted to take account of the impact on the subceilings of headings 1a and 1b of the Commission proposal to frontload the 'Youth Employment Initiative' (YEI) in 2014-2015, in accordance with Article 9f of the draft Council regulation laying down the MFF for the years 2014-2020, which has a net zero impact at the level of the overall ceiling of heading 1. The corresponding revision is presented below at 2011 prices

(2) This amount is before taking account of transfers to rural development.

(3) This is based on the forecast of GNI issued after the Advisory Committee on Own Resources (ACOR) meeting held on 16 May 2013.

Impact on the subceilings of headings 1a and 1b of the Commission proposal to frontload the 'Youth Employment Initiative' (YEI) in 2014-2015, in accordance with Article 9f of the draft Council regulation laying down the MFF for the years 2014-2020, which has a net zero impact at the level of the overall ceiling of heading 1:

(in million EUR, at 2011 prices)

APPROPRIATIONS FOR COMMITMENTS, REVISION RELATED TO THE FRONTLOADING OF YEI	2014	2015	2016	2017	2018	2019	2020	Total 2014-2020
1. SMART AND INCLUSIVE GROWTH	0	0	0	0	0	0	0	0
Competitiveness for growth and jobs	-160	-240	0	+100	+100	+100	+100	0
Economic, social and territorial cohesion	+160	+240	0	-100	-100	-100	-100	0

5.2. Annex II — 2014 draft budget by policy area and financial framework headings

5.2.1. 2014 draft budget by policy area (including Human Resources)

(Commitment appropriations in EUR million, rounded figures at current price, post and/or person/years)

Title	Budget 2013 ⁽¹⁾		Draft budget 2014		Difference 2014-2013	
	Commitment appropriations	Human resources ⁽²⁾	Commitment appropriations	Human resources ⁽²⁾	Commitment appropriations	Human resources ⁽²⁾
	1	2	3	4	3/1	4-2
01 Economic and financial affairs	555,7	785	233,3	771	-58,0%	-14
02 Enterprise and Industry ⁽³⁾	1 154,7	962	2 504,4	938	116,9%	-24
03 Competition	92,2	877	97,4	870	5,6%	-7
04 Employment, Social Affairs and Inclusion	12 064,2	777	13 798,0	760	14,4%	-17
05 Agriculture and rural development	58 851,9	1 104	58 045,7	1 103	-1,4%	-1
06 Mobility and transport	1 738,1	562	2 872,9	565	65,3%	3
07 Environment	448,4	541	407,1	539	-9,2%	-2
08 Research and Innovation ^{(3),(4)}	6 939,9	1 787	6 283,4	1 766	-9,5%	-21
09 Communications networks, content and technology ⁽³⁾	1 812,2	1 112	1 621,0	1 090	-10,6%	-22
10 Direct research	424,3	2 691	424,9	2 645	0,1%	-46
11 Maritime affairs and fisheries	1 034,5	362	1 063,5	361	2,8%	-1
12 Internal market and Services	106,3	625	110,6	623	4,0%	-2
13 Regional and Urban policy	43 792,8	746	33 164,4	705	-24,3%	-41
14 Taxation and customs union	144,6	531	158,7	529	9,8%	-2
15 Education and culture ⁽³⁾	2 829,6	628	2 570,4	615	-9,2%	-13
16 Communication	265,2	1 089	236,1	1 098	-11,0%	9
17 Health and consumer protection	634,4	925	612,9	924	-3,4%	-1
18 Home affairs	1 338,4	325	1 193,5	291	-10,8%	-34
19 Foreign Policy Instruments ⁽⁵⁾	741,7	147	723,5	181	-2,5%	34
20 Trade ⁽⁵⁾	107,5	805	123,7	808	15,1%	3
21 Development and Cooperation ⁽⁵⁾	5 830,7	3 126	4 954,9	2 973	-15,0%	-153
22 Enlargement ⁽⁵⁾	1 094,4	870	1 514,6	901	38,4%	31
23 Humanitarian aid and Civil Protection	917,3	284	992,3	280	8,2%	-4
24 Fight against fraud	79,4	438	79,5	441	0,2%	3
25 Commission's policy coordination and legal advice	193,3	1 553	199,8	1 548	3,3%	-5
26 Commission's administration	1 030,0	3 720	1 013,6	3 686	-1,6%	-34
27 Budget ⁽⁶⁾	142,5	517	97,5	826	-31,6%	309
28 Audit	11,9	112	12,0	111	1,1%	-1
29 Statistics	134,0	789	134,3	778	0,2%	-11
30 Pensions and related expenditure	1 399,5	0	1 498,4	0	7,1%	
31 Language services	396,8	3 426	399,4	3 382	0,7%	-44
32 Energy ⁽³⁾	702,4	582	959,0	566	36,5%	-16
33 Justice	218,0	393	201,6	390	-7,5%	-3
34 Climate action	50,0	174	121,5	174	142,8%	
40 Reserves	764,1	0	456,2	0	-40,3%	
Total	148 040,8	33 365	138 879,9	33 238	-6,2%	-127
Other institutions	3 527,2		3 587,7			
Grand total	151 568,0	33 365	142 467,6	33 238	-6,0%	-127

(1) Budget 2013 includes draft amending budgets 1 to 5.

(2) This covers both establishment plan posts and all appropriations of external personnel expressed in estimated full time equivalent units.

(3) Human resources data for policy areas 02 'Enterprise and Industry', 08 'Research and Innovation', 09 'Communications networks, content and technology', 15 'Education and culture' and 32 'Energy' include 32 posts transferred from the operating to the research (indirect action) establishment plan as of 1 January 2013 in line with the Common Framework programme for Research and Innovation (Horizon 2020).

(4) Human resources data for policy area 08 'Research and Innovation' include 30 posts which are to be deducted from the Commission budget to compensate in a budget neutral manner any increase in executive agency staff when their mandates are extended to manage parts of 2014-2020 programmes.

(5) This includes Commission staff working in the Union delegations covered by the policy area concerned. Policy area 20 'Trade' also includes postings in delegations of non-external action services.

(6) Human resources data for policy area 27 'Budget' include staff (some 250 posts and an estimate of some 100 full time equivalent units of external personnel) to be redeployed in the course of 2014 to a specific policy area, notably to ensure appropriate staffing of the recently created Support Group for Cyprus and of Commission services which are impacted most by actions related to Member States under financial assistance, or which are to be deducted from the Commission budget to compensate in a budget neutral manner any increase in executive agency staff when their mandates are extended to manage parts of 2014-2020 programmes.

5.2.2. 2014 draft budget by policy area and financial framework headings

(Commitment appropriations in EUR million, rounded figures at current prices)

Policy area	Total	1. Smart and inclusive growth		2. Natural resources	3. Security and Citizenship	4. Global Europe	5. Administration	6. Compensations	Outside the MFF
		1a. Competitiveness	1b. Cohesion						
01 Economic and financial affairs	233,3	13,0				134,7	85,6		
02 Enterprise and Industry	2 504,4	2 422,0		p.m.			82,4		
03 Competition	97,4						97,4		
04 Employment, Social Affairs and Inclusion	13 798,0	202,2	13 521,3			p.m.	74,5		p.m.
05 Agriculture and rural development	58 045,7	54,6		57 775,4		97,2	118,4		p.m.
06 Mobility and transport	2 872,9	1 840,1	983,0				49,8		
07 Environment	407,1			345,0		3,5	58,6		
08 Research and Innovation	6 283,4	6 273,5		p.m.		—	9,9		
09 Communications networks, content and technology	1 621,0	1 574,0					46,0		
10 Direct research	424,9	424,9					p.m.		
11 Maritime affairs and fisheries	1 063,5			1 026,0			37,5		
12 Internal market and Services	110,6	45,1					65,5		
13 Regional and Urban policy	33 164,4	p.m.	33 056,3			39,0	69,1		p.m.
14 Taxation and customs union	158,7	100,3				1,2	57,3		
15 Education and culture	2 570,4	2 300,1				20,0	71,7		
16 Communication	236,1						133,9		
17 Health and consumer protection	612,9	p.m.		p.m.		0,5	105,7		
18 Home affairs	1 193,5						31,6		
19 Foreign Policy Instruments	723,5					711,7	11,8		
20 Trade	123,7					15,5	108,3		
21 Development and Cooperation	4 954,9		p.m.			4 740,2	214,7		
22 Enlargement	1 514,6					1 473,9	40,6		
23 Humanitarian aid and Civil Protection	992,3			—		937,5	26,6		
24 Fight against fraud	79,5	21,0					58,5		
25 Commission's policy coordination and legal advice	199,8						199,8		
26 Commission's administration	1 013,6	35,0					978,6		
27 Budget	97,5	p.m.					68,9	28,6	
28 Audit	12,0						12,0		
29 Statistics	134,3	56,3					78,0		
30 Pensions and related expenditure	1 498,4						1 498,4		
31 Language services	399,4						399,4		
32 Energy	959,0	902,1		—			56,9		
33 Justice	201,6						40,7		
34 Climate action	121,5			101,3		0,9	19,4		
40 Reserves	456,2								456,2
Total	138 879,9	16 264,2	47 560,6	59 247,7		8 175,8	5 007,4	28,6	456,2
Other institutions	3 587,7						3 587,7		
Grand Total	142 467,6	16 264,2	47 560,6	59 247,7		8 175,8	8 595,1	28,6	456,2
Ceilings	142 540,0	16 390,0	47 583,0	59 303,0		8 335,0	8 721,0	29,0	
Margin	72,4	125,8	22,4	55,3		159,2	125,9		

5.3. Annex III — Payment request overview

Payments to be made in 2014 can be grouped into three main categories:

- Payments **on non-differentiated appropriations** (NDA) or quasi non-differentiated appropriations. These are payments to be set at the same level as commitments. Administrative expenditure and the agricultural market expenditure and the direct aid of the Common Agricultural Policy (CAP) are the major items in this category. In addition, this also includes the EU contribution to the decentralised agencies and certain expenditure for which payments immediately follow commitments, such as the financing of guarantees funds. As the table below shows, payments related to non-differentiated appropriations represent 40,2 % of the overall level of payment appropriations requested by the Commission in its draft budget 2014 (DB 2014).
- Payments on **outstanding commitments** (the so-called ‘reste à liquider’ or ‘RAL’). These are mainly completion lines from the 2007-2013 period (or earlier periods) which are clearly identified in the budget nomenclature. Completion lines have no commitment appropriations in 2014. Payments on these lines have to be compared with the RAL at the end of 2013, which can be estimated taking into account the RAL at the end of 2012 and the level of commitments and payments authorised in the 2013 budget (including draft amending budgets 1 to 5).
- Payments on **2014-2020 programmes**. These payments are related to the start-up of the new programmes. In 2014, payments for most of these programmes consist of mandatory pre-financing linked to the approval of the operational programmes, such as for the cohesion policy, rural development, part of the fisheries policy as well as the internal security and migration funds, or to the signature of new contracts (‘Horizon 2020’). In certain cases, however, the payments related to new programmes are interim payments (‘Erasmus for all’, ‘Youth Employment Initiative’ (specific top-up allocation)). These payments represent 7,9 % of total requested payments in DB 2014.

(in million EUR, rounded figures at current prices)

Heading	Expected RAL end of 2013	Draft budget (DB)		2014 Draft Budget — Breakdown for PA				
		2014		NDA ⁽¹⁾	Completion		New programmes	
		CA	PA	CA = PA	PA	% of RAL	PA	% CA
1. Smart and inclusive growth	167 769,5	63 824,7	62 788,7	1 125,4	54 547,3	32,5%	7 116,0	11,1%
— Competitiveness for growth and jobs	29 445,6	16 264,2	11 694,9	1 093,3	7 118,7	24,2%	3 483,0	21,4%
— Economic, social and territorial cohesion	138 324,0	47 560,6	51 093,7	32,2	47 428,5	34,3%	3 633,0	7,6%
2. Sustainable growth: natural resources	28 452,8	59 247,7	56 532,5	43 985,1	11 066,1	38,9%	1 481,3	2,5%
— Of which European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments	46,3	43 778,1	43 777,0	43 760,0			17,0	0,0%
— Of which other expenditure	28 406,6	15 469,6	12 755,5	225,1	11 066,1	39,0%	1 464,3	9,5%
3. Security and citizenship	3 244,9	2 139,5	1 668,0	603,2	694,4	21,4%	370,4	17,3%
4. Global Europe	23 939,9	8 175,8	6 251,3	344,8	4 326,8	18,1%	1 579,7	19,3%
5. Administration	651,1	8 595,1	8 596,7	8 592,9	1,7	0,3%	2,1	0,0%
6. Compensations		28,6	28,6	28,6				
Outside the multiannual financial framework (MFF)	621,7	456,2	200,0				200,0	43,8%
Total	224 680,0	142 467,6	136 065,8	54 680,1	70 636,2	31,4%	10 749,5	7,5%
% of total payment appropriations (PA)			100,0%	40,2%	51,9%		7,9%	

(1) NDA = non-differentiated expenditure (whereby commitments are equal to payments).

The estimate of payment appropriations requested by the Commission is rather conservative as it complies with the 2014 ceiling resulting from the very advanced stage of the MFF negotiations, which is EUR 8,5 billion lower than the 2013 ceiling. Most of the payment appropriations will be used to cover non-differentiated appropriations and payments on completion lines, leaving less than 8 % to cover payments related to commitment appropriations for 2014. This confirms the need for specific and maximum flexibility. In any case, throughout 2013 and 2014, the Commission will continue to monitor budget implementation closely and propose correcting measures, using if necessary the tools eventually offered by the 2014-2020 MFF, so as to allow the EU to continue to meet its obligations.

Payments on outstanding commitments in 2014 cover only one third of the RAL as at end-2013, with the implication that payments on RAL will still have a significant impact in 2015 and the following years. On the other hand, payments on commitments for the new programmes managed under the differentiated appropriations regime will only cover 12 % of the total amount to be committed in 2014 for these new programmes (EUR 87 billion in commitment appropriations). To avoid a rapid build-up of RAL for the new programmes, the level of payments for these programmes will have to increase significantly in 2015 and the following years. However, the annual payment ceilings resulting from the very advanced stage of the MFF negotiations are likely to constrain the possibility to meet payment needs stemming from the combination of a sustained level of payments on RAL and an increasing level of payments for new programmes.

The following sections provide an analysis by main programmes.

5.3.1. *Payments on outstanding commitments (RAL at the end of 2013)*

Payment appropriations on outstanding commitments (completion lines) represent 51,9 % of the overall request for payment appropriations in 2014. The bulk of the request is for heading 1b, but significant payment appropriations will also be needed for heading 2 ('rural development' and the 'European Fisheries Fund', as well as for 'Life+'), heading 1a (for which nearly two thirds of the payment appropriations are needed for the '7th research framework programme', with the remainder mostly for 'TEN-T', 'EGNOS and Galileo' and 'ITER') and for heading 4 (mostly for the 'Development Cooperation Instrument', the 'European Neighbourhood Instrument' and the 'Instrument for Pre-Accession assistance').

The expected RAL at the end of 2013 (EUR 224,7 billion) is calculated on the basis of the voted budget 2013 as amended by draft amending budgets (DAB) 1 to 5. In particular, the estimated RAL at end-2013 assumes that the European Parliament and the Council will authorise in 2013 the full amount of additional payment appropriations requested by the Commission in DAB No 2/2013 (EUR 11,2 billion). The RAL identified in the table below is the RAL associated with completion lines (EUR 221,2 billion). The percentage of the RAL at the end of 2013 which will be paid in 2014 provides an indication of the expected number of years needed to clear the RAL, assuming that the level of payments of 2014 is maintained and in the absence of decommitments.

The following table shows the relationship between the RAL and the expected level of payments:

(in million EUR, rounded figures at current prices)

Heading	Expected RAL end of 2013	PA in DB 2014	% of RAL paid in 2014	Share in PA 2014
Programmes for which most of the RAL will be paid in 2014 ($\geq 70\%$ RAL paid in 2014)	850,9	714,7	84,0%	1,0%
Programmes for which most of the RAL will be paid in 2 years ($\geq 40\%$ - $<70\%$ RAL paid in 2014)	25 895,6	10 862,2	41,9%	15,4%
Programmes for which most of the RAL will be paid in 3 years ($\geq 30\%$ - $<40\%$ RAL paid in 2014)	138 763,1	47 708,5	34,4%	67,5%
Programmes for which most of the RAL will be paid in 4 years ($\geq 20\%$ - $<30\%$ RAL paid in 2014)	27 038,4	6 888,3	25,5%	9,8%
Programmes for which most of the RAL will be paid in 5 years or more ($\geq 0\%$ - $<20\%$ RAL paid in 2014)	28 639,6	4 462,6	15,6%	6,3%
Total	221 187,5	70 636,2	31,9%	100,0%

As shown in the table, overall, the level of payments requested in 2014 to pay the outstanding commitments at the end of 2013 will allow for paying 31,9 % of the RAL. This means that maintaining this level of payment appropriations in the following years would allow for paying the outstanding commitments in three years. In turn, this means that paying the pre-2014 RAL at the rhythm proposed for 2014 would require some EUR 70 billion in payment appropriations for RAL in 2015 and 2016 as well.

Programmes for which payments in 2014 will cover 70 % or more of the RAL at end-2013

Payments in 2014 will cover most of the outstanding commitments at end-2013 for a limited number of programmes only. These programmes include '**European satellite navigation systems**' (EGNOS and Galileo), for which final payments have to be made on contracts signed prior to 2014 for the GNSS constellation (satellites, launcher, ground segments, etc), '**Humanitarian aid**', for which payments are usually made in the

year of the commitment (pre-financing) or the following year (closure), as well as the ‘**Common Foreign and Security Policy**’ (CFSP).

Programmes for which payments in 2014 correspond to 40 % to 70 % of the RAL at end-2013

The level of payments for ‘**Education, Training, Youth and Sport**’ (‘Erasmus for all’) will cover 50% of the RAL in 2014, mostly on the second pre-financing of national agencies and on closure payments. This is also the case for ‘**Customs, Fiscalis and Anti-Fraud**’, for which the payments are linked to procurement contracts, in vast majority IT specific contracts signed under multiannual framework contracts. Other programmes under heading 3, such as the completion lines for the ‘**Civil protection**’, ‘**Europe for Citizens**’, ‘**Consumer protection**’ and ‘**Creative Europe**’ programmes, will cover between 40 % and 60 % of their RAL.

The level of payments for the ‘**European Agricultural Fund for Rural Development**’ (EAFRD), amounting to EUR 10,3 billion, will allow to pay about 42 % of the RAL at end-2013. The EAFRD is subject to an ‘N+2’ rule and it also has an important component which leads to yearly payments, directly in line with the level of commitments of that year. For that reason, the level of payments is calibrated to allow paying the RAL in slightly more than two years.

Programmes for which payments in 2014 correspond to 30 % to 40 % of the RAL at end-2013

Nearly 68 % of the overall amount for payments on outstanding commitments will be allocated to budget lines for which between 30 % and 40 % of the RAL at end-2013 will be covered by payments in 2014.

Most of the payments under this category are allocated to the ‘**Cohesion policy**’: the European Regional Development Fund, the European Social Fund, the Cohesion Fund and European Territorial Cooperation. With about 35 % of the RAL covered in 2014, the outstanding commitments can be paid in three years. However, even if 5 % of the envelope is reserved for closure payments, this is not fully consistent with the ‘N+2’ rule. That demonstrates the extent to which the level of payment appropriations in 2014 is constrained by the payment ceiling in the European Council conclusions. With the exception of the Cohesion Fund 2000-2006, for which payment appropriations are still needed for closure payments in 2014, the request for payment appropriations related to outstanding commitments concerns interim payments on 2007-2013 programmes.

The payments on the completion lines for the ‘**Programme for Social change and Innovation**’ (PROGRESS and EURES) will allow paying the first and second pre-financing for pre-2014 actions, as well as interim payments and closure payments. Both the interim payments and closure payments will correspond to 25 % of the level of appropriations requested.

For ‘**Food and feed**’, the payments will mostly correspond to final payments for the eradication programmes, with the remainder for the European laboratories and other phyto-sanitary and veterinary measures.

The ‘**Rights and Citizenship**’ programme in heading 3 will also cover approximately one third of its RAL at end-2013 in 2014.

Programmes for which payments in 2014 correspond to 20 % to 30 % of the RAL at end-2013

Most of the payment appropriations covering between 20 % and 30 % of the outstanding commitments in 2014 are requested for programmes in heading 1a and heading 2.

Two thirds of the overall amount foreseen for this category is allocated to programmes under ‘**Horizon 2020**’, for which the payment appropriations requested in 2014 represent 26 % of the RAL for the completion of the 7th research framework programme as well as for the completion of the innovation part of the Competitiveness and Innovation framework programmes (CIP). The estimates of payments are based on a historical model, which assumes a level of interim payments that is roughly half of the requested appropriations. Although on average only 26 % of the RAL of ‘**Horizon 2020**’ will be paid in 2014, payments on certain budget lines such

as direct actions of the JRC or the European Institute of Innovation and Technology will cover a large percentage of the RAL in 2014.

The payment appropriations for the '**International Thermonuclear Experimental Reactor**' (ITER) are mainly for procurement. The payment appropriations related to the transport part of the Trans-European Networks (integrated in the Connecting Europe Facility — Transport) represent 23 % of the RAL. These payments will be mostly related to pre-financing, in particular for the call for proposals of previous years as well as for financial instruments.

Although 5 % of the envelope is left unpaid until the closure, the level of payment appropriations requested for the '**European Fisheries Fund**' (22 % of the RAL at end-2013) is on the low side, taking into account that this Fund is submitted to the 'N+2' rule. Most of the payments are for interim payments, but there are also some payments related to closure of the 2000-2006 FIG programmes and in the area of data collection and fisheries control. For '**LIFE**', a large part of the payment appropriations in 2014 will be used to pay the first pre-financing on grants which were part of a global commitment in 2013. In addition, there will also be a significant second pre-financing for projects which are sufficiently advanced and an equivalent level of closure payments.

Payments for '**Justice**' and '**Health for Growth**' in heading 3, as well as for the '**European Instrument for Democracy and Human Rights**' (EIDHR) in heading 4, will allow paying slightly more than 25 % of their RAL in 2014. Half of the payments for the '**Instrument for Stability**' (IfS) are mostly requested for the completion of 'Crisis response and preparedness' actions, with approximately the same amount for interim payments and closure payments. The other payments for this instrument are mostly for pre-financing.

Programmes for which payments in 2014 correspond to less than 20 % of the RAL at end-2013

More than 80 % of the overall amount of payments for the programmes for which payments in 2014 will cover less than 20 % of the RAL are for programmes in heading 4.

Payments for the '**Instrument for Pre-Accession assistance**' (IPA) in 2014 will cover approximately 20 % of the RAL and will mainly concern interim payments for 2007-2013 operational programmes (IPA regional component, human resources, rural development, and cross-border component). The amount requested is based on the execution in previous years. In addition, there will be some payments for the closure of 2000-2006 programmes and for the part of the programme that is managed under policy area 'Enlargement', which will cover a larger percentage of the RAL.

The level of payments for the '**Development Cooperation Instrument**' (DCI), will correspond to approximately 17 % of the RAL at end-2013. The level of payments in 2014 has been estimated on the basis of historical trends. However, certain parts of the Instrument, such as the completion lines for 'Non-State actors in development' and 'Geographical cooperation with Africa, Caribbean and Pacific States', will clear their RAL at a faster pace. The '**European Neighbourhood Instrument**' (ENI) and the '**Instrument for Nuclear Safety Cooperation**' (INSC) will cover 13-14 % of their RAL, whereas the '**Partnership Instrument**' (PI) will cover nearly 20 % of its RAL.

In heading 1a, the low level of payments requested for the '**Energy projects to aid economic recovery**' (EERP) takes into account the past implementation pattern. The '**Competitiveness of enterprises and small and medium-sized enterprises**' (COSME) programme will cover 14 % of its RAL and '**Nuclear Safety and Decommissioning**' nearly 20 %.

For the main Funds under heading 3, the '**Asylum and Migration Fund**' (AMF) and the '**Internal Security Fund**' (ISF), completion will mainly concern the closure of the national programmes of 2008 and closure of part of the 2009, 2010 and 2011 national programmes. In addition, there will also be a small amount for final

pre-financing of the 2013 work programmes on Union actions and for the second pre-financing of the 2012 national programmes.

5.3.2. *Payments on new programmes 2014-2020*

Payments on the new programmes represent only 7,9 % of the overall request for payments in 2014, or slightly more than EUR 10 billion. This results from the constraints on the overall payment level as well as from conservative assumptions as regards the start of the new programmes, given the delayed calendar of the 2014-2020 MFF and the legislative process for the adoption of the new legal bases.

The following table shows the relation between the payment appropriations foreseen in the draft budget 2014 and the corresponding commitment appropriations⁶⁰. As shown in the table, the payment request for most of the 2014-2020 programmes will cover less than 10 % of the level of commitments. These payments represent about 50 % of the payment appropriations requested for the 2014-2020 programmes. The corresponding level of payment appropriations will have to increase considerably in the following years, to avoid building up a large amount of RAL for the 2014-2020 period.

(in million EUR, rounded figures at current prices)

Heading	CA in DB 2014	PA in DB 2014	% PA / CA 2014	Share in PA 2014
Programmes for which 2014 commitments will be mostly paid in 2014 ($\geq 70\%$)	1 653,1	1 401,6	84,8%	13,1%
Programmes for which a large share of 2014 commitments will be paid in 2014 ($\geq 50\% - <70\%$)	3 265,1	2 120,3	64,9%	19,8%
Programmes for which a small proportion of 2014 commitments will be paid in 2014 ($\geq 10\% - <50\%$)	16 938,8	2 736,2	16,2%	25,6%
Programmes for which a very small proportion of 2014 commitments will be paid in 2014 ($\geq 0\% - <10\%$)	65 466,5	4 441,4	6,8%	41,5%
Total	87 323,4	10 699,5	12,2%	100,0%

Programmes for which the level of payments is above 70 % of the level of commitments in 2014

In heading 1b, the ‘**Fund for European Aid to the Most Deprived**’ (FEAD) has a yearly management mode and its payments relate to the higher pre-financing (11 % of the overall allocation), deriving from the expected annual requirements for a scheme that was previously managed as non-differentiated appropriations.

Besides this particular programme, this category of programmes is mostly limited to certain programmes under heading 4, such as the pre-financing payments for ‘**Humanitarian aid**’ which are automatically linked with commitments, payments for ‘**Macro-financial assistance**’ where payments are directly linked to commitments and the ‘**Instrument for Nuclear Safety Cooperation**’ (INSC). The management of the ‘**Common Foreign and Security Policy**’ (CFSP) has a level of payments representing three quarter of the level of commitments. Its management is very similar to non-differentiated appropriations where payments rapidly follow commitments.

It should be highlighted that guarantee funds under many other programmes, such as the fund covered by the line ‘Enhancing access to risk finance for investing in research and innovation’ or the budget line ‘Creating an environment more conducive to private investment for telecommunications infrastructure projects’, also have a high level of payments in relation to commitments.

Programmes for which the level of payments is between 50 % and 70 % of the level of commitments

Some programmes have their level of payment appropriations between 50 % and 70 % of the commitment appropriations. For example, for the ‘**European satellite navigation systems**’ (EGNOS and Galileo), payments are made for to launch services and service contracts.

⁶⁰ The table does not include EUR 50 million for ‘European Globalisation Adjustment Fund’ (EGF).

The management mode of the '**Education, Training, Youth and Sport**' ('Erasmus for all') programme imposes to pay significant pre-financing to the National Agencies in the same year as the commitments are made. In particular, the payment of a first pre-financing of 70 % of the decentralised funds has to be made to all National Agencies after signature of the agreements and 100 % of their operating expenditure has to be covered. Moreover, a payment of a second pre-financing for the remaining 30 % of the decentralised funds can be made upon request, based on specific conditions. Finally, there are also pre-financing and intermediate payments for the actions managed directly by the Commission or EACEA.

Certain lines under heading 3 also require a significant level of payments in the year in which the commitment is made. As an example, the '**Creative Europe**' programme will need payment appropriations for pre-financing for the trans-sectorial actions, the 'Culture' aspect and the 'MEDIA' aspect. The level of payments has been estimated on the basis of past experience. This is also the case for the '**Europe for Citizens**' programme.

Programmes for which the level of payments is between 10 % and 50 % of the level of commitments in 2014

Payment for the '**Youth Employment Initiative**' (specific top-up allocation) will reach 25 % mostly for interim payments reflecting the priority in implementation for this important initiative.

As regards the '**European Earth Observation Programme**' (Copernicus), a level of payments close to 50 % of the level of commitments is requested to pay for the services aspect, which concerns for instance land monitoring, marine environment, atmosphere monitoring as well as security, and for the space aspects, which concerns amongst others operations, data purchase and launches.

The level of payment appropriations for '**Horizon 2020**' (11 %) in 2014 is directly linked to the level of commitment appropriations for each programme and the calendar of each call for proposals and corresponding pre-financing payments. However, some parts of the programmes will lead to higher payments, such as payments linked to procurement, experts and financial instruments, or the payments foreseen to cover the delegation Agreement with ESA on the component 'Leadership in space'. Furthermore, payment appropriations for the '**European Institute of Innovation and Technology**' represent about 50 % of the commitments.

The level of payments for the '**Euratom Research and Training Programme**' is about 45 % of the commitments. This will also be the case for '**Competitiveness of enterprises and small and medium-sized enterprises**' (COSME). However, the level of payments for the guarantee instruments corresponding to the budget line 'Improving access to finance for small and middle-sized enterprises (SMEs) in the form of equity and debt' of the COSME programme is close to 65 %.

For '**Customs**' and '**Fiscalis**', pre-financing payments will be made which are linked to the grant agreements to be signed with all 28 Member States and certain candidate countries, as well as some intermediate payments linked to procurement.

In heading 2, the level of payments for the '**European Maritime and Fisheries Fund**' (EMFF), '**Regional Fisheries Management Organisations**' (RFMOs) and '**Sustainable Fisheries Agreements**' (SFAs) is 15 % of the level of commitments. It reflects the proposed pre-financing and the expected rhythm of approval of the new programmes, as well as the inclusion in the programmes of components which have a more annual management mode.

In heading 3, payments for '**Justice**' will cover 80 % pre-financing payments for approximately 60 % of the grant agreements and 10 % pre-financing payments of certain procurement contracts. For the '**Health for Growth**' programme, payments will be made for pre-financing and intermediate payments. Payment appropriations for the '**Asylum and Migration Fund**' (AMF) are slightly higher than 10 % of the commitment level, in order to pay pre-financing. Many other programmes under heading 3, such as '**Rights and Citizenship**', '**Civil protection**' and '**Consumer protection**', will have a level of payments above 20 % of the level of commitments. '**Food and feed**', on the other hand, will be below this range.

The payment level for the ‘**European Neighbourhood Instrument**’ (ENI) is at 19 % of the commitment level, mostly with a view to pre-financing. For this instrument, the part dedicated to the ‘**Support to peace process and financial assistance to Palestine and to the United Nations Relief and Works Agency for Palestine Refugees**’ (UNRWA), requires a level of payment appropriations of about 60 % of the level of commitments.

For the ‘**Instrument for Pre-Accession assistance**’ (IPA), the appropriations will be needed to pay the pre-financing payments to the Western Balkans, Turkey and Iceland, as well as for the Multi-beneficiary programmes. Payment appropriations represent 11 % of the commitment appropriations. The payments related to ‘Financial support for encouraging the economic development of the Turkish Cypriot community’ will represent 60 % of the commitments.

Programmes for which the level of payments is lower than 10 % of the level of commitments in 2014

Most of the main 2014-2020 programmes have a level of payment appropriations below 10 % of the level of commitment appropriations.

The payment appropriations for ‘**Investment for growth and jobs**’ and ‘**European territorial cooperation**’ under the Cohesion policy (heading 1b) reflect the level of pre-financing agreed at the European Council of February 2013 and a conservative assumption with regard to the start of the new programmes. This also applies to the ‘**European Agricultural Fund for Rural Development**’ (EAFRD), although the proportion of payment appropriations is higher than for the Cohesion policy to take into account the annual component of the EAFRD.

In heading 1a, the level of payments for the ‘**International Thermonuclear Experimental Reactor**’ (ITER) will be limited to payments linked mainly to procurement.

In heading 2, apart from the EAFRD as set out above, the part of ‘**Environment and climate action**’ (LIFE) related to governance and information will have a level of payments at about 5 % the level of commitments. As is the case for programmes of heading 4, the level of payments is influenced by the global nature of the commitments to be made in the first year of the programme.

In heading 4, for the ‘**Development Cooperation Instrument**’ (DCI), the ‘Global Public goods — Poverty reduction and sustainable development’ component will have a payment level close to 15 % of the commitment level. However, the remaining part of DCI will have a payment level close to 3 % of the commitment level in 2014, mainly for pre-financing. The pre-financing for the ‘**Partnership Instrument**’ (PI) will be very limited in 2014, since this concerns a new programme for which the legal base is likely to be adopted at a late stage in 2013 and this will have an impact on the adoption of the programming. For the ‘**European Instrument for Democracy and Human Rights**’ (EIDHR), payments will be used for pre-financing. The level of payments for the ‘Global and trans-regional security threats’ component of the ‘**Instrument for Stability**’ (IfS) is set at 5 % of the commitment level.

Finally, no payments are foreseen to be made in 2014 for certain programmes with significant commitment appropriations, which mostly concerns mostly ‘**Connecting Europe Facility**’ (CEF) for transport and energy, including its component included under heading 1b. This is explained by the fact that the evaluation of the calls for proposals is unlikely to be achieved by end 2014. Moreover, no payments linked to the commitment appropriations for the 2014-2020 programmes are foreseen in 2014 for the budget lines under ‘**Nuclear Safety and Decommissioning**’, since important investments are planned for 2013.

5.4. Annex IV — Financing the Europe 2020 strategy

(Commitment appropriations in EUR million, rounded figures at current prices)

Flagship	Programme/Action	Draft budget 2014
1	International Thermonuclear Experimental Reactor (ITER)	933,2
	The Framework Programme for Research and Innovation (Horizon 2020)	3 968,4
	Euratom Research and Training Programme	151,0
	The Union Programme for Education, Training, Youth and Sport (Erasmus for all)	10,4
	European Regional Development Fund (ERDF)	6 531,7
	European Agricultural Fund for Rural Development (after transfers between EAGF and EAFRD)	214,0
	European Maritime and Fisheries Fund (EMFF)	11,7
	Creative Europe Programme	19,0
	Flagship 1 — Innovation Union	11 839,3
2	The Framework Programme for Research and Innovation (Horizon 2020)	170,0
	The Union Programme for Education, Training, Youth and Sport (Erasmus for all)	953,8
	European Union Programme for Social Change and Innovation (PSCI)	18,5
	European Social Fund (ESF)	2 888,5
	Instrument of financial support for encouraging the economic development of the Turkish Cypriot community (TCC)	3,0
	Partnership instrument for cooperation with third countries (PI)	8,2
	European Voluntary Humanitarian Aid Corps EU Aid Volunteers (EUAV)	2,2
	Flagship 2 — Youth on the move	4 044,3
3	The Framework Programme for Research and Innovation (Horizon 2020)	1 657,4
	Connecting Europe Facility (CEF)	73,9
	Interoperability Solutions for European Public Administrations (ISA)	17,4
	European Regional Development Fund (ERDF)	1 387,7
	European Agricultural Fund for Rural Development (after transfers between EAGF and EAFRD)	214,0
	Justice Programme	8,3
	Rights and Citizenship programme	0,2
	Health for Growth Programme	26,1
	Consumer Programme	0,6
	Flagship 3 — A digital agenda for Europe	3 385,6
4	The Framework Programme for Research and Innovation (Horizon 2020)	1 015,4
	Connecting Europe Facility (CEF)	2 858,0
	European Regional Development Fund (ERDF)	10 500,2
	Cohesion Fund (CF)	5 319,4
	European Agricultural Guarantee Fund (EAGF)	3 299,3
	European Agricultural Fund for Rural Development (after transfers between EAGF and EAFRD)	6 515,0
	European Maritime and Fisheries Fund (EMFF)	99,3
	Regional Fisheries Management Organisations (RFMOs) and Sustainable Fisheries Agreements (SFAs)	6,0
	Programme for the Environment and Climate Action (LIFE)	382,9
	Instrument of financial support for encouraging the economic development of the Turkish Cypriot community (TCC)	7,0
	Flagship 4 — Resources efficient Europe	30 002,5
5	Implementation and exploitation of European satellite navigation systems (EGNOS and Galileo)	1 322,8
	European Earth Observation Programme (Copernicus)	360,4
	The Framework Programme for Research and Innovation (Horizon 2020)	997,3
	Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME)	232,9
	European Regional Development Fund (ERDF)	4 767,1
	Cohesion Fund (CF)	2 620,0
	European Agricultural Fund for Rural Development (after transfers between EAGF and EAFRD)	4 490,0
	Consumer Programme	3,2
	Instrument of financial support for encouraging the economic development of the Turkish Cypriot community (TCC)	3,0
	European Globalisation Adjustment Fund (EGF)(*)	159,2
	Flagship 5 — An industrial policy for the globalisation era	14 956,0

Flagship	Programme/Action	Draft budget 2014
6	The Framework Programme for Research and Innovation (Horizon 2020)	282,4
	The Union Programme for Education, Training, Youth and Sport (Erasmus for all)	372,3
	European Union Programme for Social Change and Innovation (PSCI)	41,7
	European Social Fund (ESF)	7 615,1
	European Regional Development Fund (ERDF)	1 709,7
	European Maritime and Fisheries Fund (EMFF)	31,5
	Asylum and Migration Fund (AMF)	22,1
	Rights and Citizenship programme	0,2
	Instrument for Pre-accession Assistance (IPA II)	29,2
	Instrument of financial support for encouraging the economic development of the Turkish Cypriot community (TCC)	2,0
	European Voluntary Humanitarian Aid Corps EU Aid Volunteers (EUAV)	4,2
		Flagship 6 — An agenda for new skills and jobs
7	The Framework Programme for Research and Innovation (Horizon 2020)	89,8
	European Union Programme for Social Change and Innovation (PSCI)	36,7
	European Social Fund (ESF)	2 625,9
	Fund for European Aid to the Most Deprived (FEAD)	365,1
	European Agricultural Fund for Rural Development (after transfers between EAGF and EAFRD)	2 537,0
	Asylum and Migration Fund (AMF)	22,1
	Rights and Citizenship programme	0,9
	Instrument of financial support for encouraging the economic development of the Turkish Cypriot community (TCC)	3,0
		Flagship 7 — European Platform against Poverty
	Total Europe 2020	80 018,4
	Total EU budget (Commission – Section III)	138 879,9
	Europe 2020 / EU Budget	57,6%
(*) Entered under reserve on budget line 40 02 43		

5.5. Annex V — Climate tracking and biodiversity

5.5.1. Climate action

Climate action is a key priority for the Commission, as set out in the ‘Europe 2020 strategy’. With a view to responding to the challenges and investment needs related to climate action, the European Commission has proposed to implement a mainstreaming methodology during the 2014-2020 multiannual financial framework (MFF) so that at least 20 % of EU expenditure is climate related.⁶¹ This approach was endorsed by the European Council on 8 February 2013 and confirmed by the European Parliament in its resolution on the next MFF of 13 March 2013. Through this mainstreaming into different policies, at least 20 % of the EU budget in the next MFF should be climate related expenditure. These expenditures will be tracked in accordance with the methodology developed by the Commission to ensure visible and solid mainstreaming and the progress towards reaching the 20 % objective will be monitored on an annual basis by measuring the performance of the EU programmes in the framework of the budgetary procedures.

In order to contribute to building a low-carbon, resource efficient and climate resilient economy, climate action objectives and relevant performance measures have been included in the Commission’s relevant legislative proposals. Building upon these provisions, a common tracking methodology for climate related expenditure has been integrated in the existing methodology for measuring performance used for EU programmes. The climate tracking methodology has been largely based on an existing OECD methodology (‘Rio markers’), adapted to provide for quantified financial data. Expenditures have been thus marked in one of the three categories: climate related only (100 %); significantly climate related (40 %); and not climate related (0 %). At the same time, the tracking methodology has also reflected the specificities of each policy area and the assessment of previous years’ spending related to climate.

It should be noted that the climate-related spending in the 2014 draft budget, as set out in the table below, has been determined against the background of still ongoing inter-institutional negotiations on the legal bases for the new MFF and the pending adoption of Member States’ Operational Programmes for shared management instruments which are among the major contributors to the mainstreaming of climate action.

The Commission will work further to fine-tune the climate tracking methodology, including its ex-ante and ex-post aspects, in the course of 2013 and 2014, when all the necessary legal provisions will have entered into force. A significant upward revision of the overall climate-related share of the EU budget is expected as from the draft budgets 2015 and 2016, when the bottom-up research development and innovation projects financed by Horizon 2020 are selected and included in the tracking exercise and the CAP’s new direct payment scheme is fully implemented and then brings its contribution to the climate objective.

Table 1: Financing mainstreaming of climate action

(Commitment appropriations in EUR million, rounded figures at current prices)

Programme	Objectives [Outputs]	DB 2014
HEADING 1a — COMPETITIVENESS FOR GROWTH AND JOBS		
Horizon 2020 – The Framework Programme for Research and Innovation	Excellent science – Future and Emerging Technologies – to foster radically new technologies by exploring novel and high-risk ideas building on scientific foundations	96,4
	Excellent science – Research infrastructures – to endow Europe with world-class research infrastructures which are accessible to all researchers in Europe and beyond and fully exploit their potential for scientific advance and innovation	107,4
	Industrial leadership – To boost Europe’s industrial leadership through research, technological development, demonstration and innovation in the following enabling and industrial technologies: information and communication technologies; nanotechnologies; advanced materials; biotechnology; advanced manufacturing and processing; and, space	594,0
	Societal challenges – to secure sufficient supplies of safe and high quality food and other bio-based products, by developing productive and resource-efficient primary production systems, fostering related	119,5

⁶¹ Communication ‘A Budget for Europe 2020’ COM(2011) 500, 29.6.2011.

Programme	Objectives [Outputs]	DB 2014
	ecosystem services, alongside competitive and low carbon supply chains	
	Societal challenges – to make the transition to a reliable, sustainable and competitive energy system, in the face of increasingly scarce resources, increasing energy needs and climate change	631,4
	Societal challenges – to achieve a European transport system that is resource-efficient, environmentally-friendly, safe and seamless for the benefit of citizens, the economy and society	296,0
	Societal challenges – to achieve a resource efficient and climate change resilient economy and a sustainable supply of raw materials	299,7
	Non-Nuclear Direct Actions of the Joint Research Centre – to provide customer-driven scientific and technical support to Union policies, while flexibly responding to new policy demands	13,4
	The European Institute of Innovation and Technology – to integrate the knowledge triangle of research, innovation and education and thus to reinforce the Union's innovation capacity and address societal challenges	94,0
	Total	2 292,3
Connecting Europe Facility (CEF)	Ensuring sustainable and efficient transport in the long run	
	Optimise the integration and interconnection of transport modes and enhancing interoperability of transport services	
	Contributing to sustainable development and protection of the environment, notably by fostering the integration of energy from renewable sources into the transmission network and developing carbon dioxide networks	1 216,7
	Total	1 216,7
Programme for Competitiveness of Enterprises and Small and Medium-Sized Enterprises (COSME)	Enterprise Europe Network	15,4
	Financial instruments (venture capital)	3,0
	Total	18,4
HEADING 1b — COHESION POLICY		
European Regional Development Fund (ERDF)	Supporting the shift towards a low-carbon economy in all sectors	643,9
	Promoting climate change adaptation, risk prevention and management	464,2
	Protecting the environment and promoting resource efficiency	965,9
	Promoting sustainable transport and removing bottlenecks in key network infrastructures	1 140,6
	Total	3 214,6
European Cohesion Fund (CF)	Supporting the shift towards a low-carbon economy in all sectors	230,2
	Promoting climate change adaptation, risk prevention and management	166,0
	Protecting the environment and promoting resource efficiency	345,3
	Promoting sustainable transport and removing bottlenecks in key network infrastructures	407,8
	Total	1 149,3
HEADING 2 — SUSTAINABLE GROWTH: NATURAL RESOURCES		
European Agricultural Guarantee Fund (EAGF)	To contribute to the development of sustainable agriculture through cross compliance	3 299,3
	Total	3 299,3
European Agricultural Fund for Rural Development (EAFRD)	Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry	
	Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors	5 594,9
	Total	5 594,9
European Maritime and Fisheries Fund (EMFF)	Promoting sustainable and competitive fisheries and aquaculture	
	Fostering the development and implementation of the Union's Integrated Maritime Policy in a complementary manner to Cohesion policy and to the Common Fisheries Policy	67,5
	Promoting a balanced and inclusive territorial development of fisheries areas	
	Fostering the implementation of the Common Fisheries Policy	
	Total	67,5
Programme for the Environment and Climate Action (LIFE)	Contribute to a greener and more resource-efficient economy and to the development and implementation of EU environmental policy and legislation	114,3
	Reduction of EU greenhouse gas emissions	43,8
	Increased resilience of the EU to climate change	43,8
	Total	201,9
HEADING 3 — SECURITY AND CITIZENSHIP		
Civil Protection Mechanism	To achieve a high level of protection against disasters by preventing or reducing their effects and by fostering a culture of prevention	9,0
	Total	9,0
Health for Growth	To develop common approaches and demonstrate their value for better preparedness and coordination in health emergencies in order to protect citizens from cross-border health threats	0,1
	Total	0,1

Programme	Objectives [Outputs]	DB 2014
Food and feed safety, animal health, animal welfare, plant health	To contribute to a high level of safety of food and food production systems and of other products which may affect the safety of food while improving the sustainability of food production	1,5
	Total	1,5
HEADING 4 — GLOBAL EUROPE		
Programme	Objectives [Outputs]	DB 2014
Civil Protection Mechanism	To achieve a high level of protection against disasters by preventing or reducing their effects and by fostering a culture of prevention	2,0
	Total	2,0
Instrument for Pre-accession Assistance (IPA II)	Support for economic, social and territorial development, with a view to a smart, sustainable and inclusive growth	78,7
	Strengthening the ability of beneficiary countries to fulfil the obligations stemming from membership by supporting progressive alignment with and adoption, implementation and enforcement of the acquis communautaire, structural, cohesion, agricultural and rural development funds and policies of the Union)	
	Regional integration and territorial cooperation involving beneficiary countries, Member States and, where appropriate, third countries within the scope of Regulation (EU) No [...] establishing a European Neighbourhood Instrument	
	Total	78,7
EU Aid Volunteers	Express the Union's humanitarian values and solidarity with people in need, through the promotion of an effective and visible European Voluntary Humanitarian Aid Corps, which contributes to strengthening the Union's capacity to respond to humanitarian crises and to building the capacity and resilience of vulnerable or disaster-affected communities in third countries	2,5
	Total	2,5
Financial support for encouraging the economic development of the Turkish Cypriot community	Waste water re-use (Mia Milia wastewater treatment plant)	7,0
	Support to environment protection	3,5
	Solid waste recycling	1,5
	Total	12,0
European Neighbourhood Instrument (ENI)	Sustainable and inclusive development in all aspects, poverty reduction, including through private-sector development; promotion of internal economic, social and territorial cohesion, rural development, climate action and disaster resilience	170,0
	Promoting confidence building and other measures contributing to security and the prevention and settlement of conflicts	10,0
	Enhancing sub-regional, regional and Neighbourhood wide collaboration as well as Cross-Border Cooperation	25,0
	Total	205,0
European Instrument for Democracy and Human Rights (EIDHR)	Support to environmental Human Rights Defenders	5,0
	Total	5,0
Development Cooperation Instrument (DCI)	Poverty reduction and fostering sustainable economic, social and environmental development	231,0
	Total	231,0
EU/Greenland Partnership	To reinforce the capacity of the Greenlandic administration to better formulate and implement national policies in particular in new areas of mutual interest as identified in the Programming Document for the Sustainable Development of Greenland (PDSG)	6,0
	Total	6,0
Instrument for Stability	To address specific global and trans-regional threats having a destabilising effect, including climate change	3,8
	Total	3,8
Cooperation with third countries under the Partnership Instrument	Implementing the international dimension of the 'Europe 2020' strategy by supporting Union's bilateral, regional and inter-regional cooperation partnership strategies, by promoting policy dialogues and by developing collective approaches and responses to challenges of global concern	23,9
	Total	23,9
Humanitarian Aid	Develop and promote disaster prevention strategies, disaster risk reduction and preparedness	36,7
	Total	36,7
Total Climate Change		17 672,1
Total EU Budget (Commission – Section III)		138 879,9
Climate Change / EU Budget		12,7 %

5.5.2. Biodiversity

Protecting biodiversity and strengthening the resilience of ecosystems will make an important contribution to our sustainable growth objectives. As foreseen in the Commission Communication ‘A budget for Europe 2020’, financing the EU Biodiversity Strategy to 2020⁶² and its objective to halt and reverse the decline of biodiversity in the EU requires mainstreaming biodiversity throughout the EU budget, both within the EU via the main funding instruments and through external action funding.

On the external front, the EU committed itself, along with other participating parties, at the 11th meeting of the Conference of the Parties to the ‘United Nations Convention on Biological Diversity’ (CBD COP10) in October 2012 in Hyderabad, to an overall substantial increase of total biodiversity-related funding from a variety of sources, and in particular to double total biodiversity-related international financial flows to developing countries by 2015 and at least maintain this level until 2020⁶³. Parties also committed to report on and monitor the resources mobilised for biodiversity at a national and global level.

To maximise synergies between different policy objectives, a tracking procedure for biodiversity-related expenditure similar to that proposed for climate-related spending has been integrated in the existing methodology for measuring performance used for EU programmes. The biodiversity tracking methodology has been largely based on the ‘Rio markers’ established by the OECD (see section 5.5.1 above). At the same time, the tracking methodology has also taken into account the specificities of each policy area and historical biodiversity-related allocations.

Similarly to the climate-related expenditure, the biodiversity-related spending in the 2014 draft budget presented in the table below has been determined against the background of still ongoing inter-institutional negotiations on the legal bases for the new MFF and the pending adoption of Member States’ Operational Programmes for shared management instruments. The biodiversity tracking methodology for this first year of the new programming period has focused on the instruments that are likely to have the biggest impact on biodiversity.

The Commission will work further to extend and refine the biodiversity tracking methodology, including its ex-ante and ex-post aspects, in the course of 2013 and 2014, when all the necessary legal provisions will have entered into force.

Table 2: Financing biodiversity

(Commitment appropriations in EUR million, rounded figures at current prices)

Programme	Objectives [Outputs]	DB 2014
HEADING 1a — COMPETITIVENESS FOR GROWTH AND JOBS		
Horizon 2020 – The Framework Programme for Research and Innovation (2014-2020)	Societal challenges – to secure sufficient supplies of safe and high quality food and other bio-based products, by developing productive and resource-efficient primary production systems, fostering related ecosystem services, alongside competitive and low carbon supply chains	119,5
	Societal challenges – to achieve a resource efficient and climate change resilient economy and a sustainable supply of raw materials	137,0
	Non-Nuclear Direct Actions of the Joint Research Centre – to provide customer-driven scientific and technical support to Union policies, while flexibly responding to new policy demands	13,4
	Total	269,9
HEADING 1b — COHESION POLICY		
European Regional Development Fund (ERDF) and European Cohesion Fund (CF)	Supporting the shift towards a low-carbon economy in all sectors	1 694,1
	Promoting climate change adaptation, risk prevention and management	
	Protecting the environment and promoting resource efficiency	
	Promoting sustainable transport and removing bottlenecks in key network infrastructures	
	Total	1 694,1

⁶² ‘Our life insurance, our natural capital: an EU biodiversity strategy to 2020’, COM(2011) 244, 3.5.2011.

⁶³ See full text of the target in the CBD COP10 decision XI/4, article 7.

Programme	Objectives [Outputs]	DB 2014
HEADING 2 — SUSTAINABLE GROWTH: NATURAL RESOURCES		
European Agricultural Fund for Rural Development (EAFRD)	Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry	5 594,9
	Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors	
	Total	5 594,9
European Agriculture Guarantee Fund (EAGF)	Through the good agricultural and environmental condition, to contribute preventing soil erosion, maintaining soil organic matter and soil structure, ensuring a minimum level of maintenance and avoiding the deterioration of habitats, and protecting and managing water.	3 299,3
	Through the maintenance of land under permanent pasture, to contribute avoiding a massive conversion into arable land.	
	Total	3 299,3
European Maritime and Fisheries Fund (EMFF)	Promoting sustainable and competitive fisheries and aquaculture	105,5
	Fostering the development and implementation of the Union's Integrated Maritime Policy in a complementary manner to Cohesion policy and to the Common Fisheries Policy	
	Promoting a balanced and inclusive territorial development of fisheries areas	
	Fostering the implementation of the Common Fisheries Policy	
	Total	105,5
Programme for the Environment and Climate Action (LIFE)	Contribute to a greener and more resource-efficient economy and to the development and implementation of EU environmental policy and legislation	3,8
	Halting and reversing the biodiversity loss	121,2
	Support better environmental governance and information at all levels	3,1
	Total	128,1
HEADING 4 — GLOBAL EUROPE		
European Neighbourhood Instrument (ENI)	Sustainable and inclusive development in all aspects, poverty reduction, including through private-sector development; promotion of internal economic, social and territorial cohesion, rural development, climate action and disaster resilience	31,7
	Total	31,7
Development Cooperation Instrument (DCI)	Poverty reduction and fostering sustainable economic, social and environmental development	80,8
	Total	80,8
Total Biodiversity		11 204,3
Total EU budget (Commission — Section III)		138 879,9
Biodiversity / EU budget		8,1 %

5.6. Annex VI — Bodies set up by the European Union and having legal personality

5.6.1. Decentralised agencies

5.6.1.1. Decentralised agencies of heading 1a — Competitiveness for growth and jobs

(in million EUR)

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2013 ⁽¹⁾				Draft budget (DB) 2014					Variation 2014 / 2013		Classification DB 2014	
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution	DB / Budget		
					Total EU contribution	Of which budget	Of which assigned revenues			Total EU contribution	Of which DB	Of which assigned revenues				
European Chemicals Agency (ECHA) — Chemicals legislation	02 03 03	Helsinki	2006	206,569				116,992								Cruising speed
<i>Authorised establishment plan</i>				451	451			442	442	441				-10		
European GNSS Agency (GSA)	02 05 11	Prague	2004	14,484	14,159	13,450	0,709	25,182	25,182	24,651	24,587	0,064	74,1%	82,8%		New tasks
<i>Authorised establishment plan</i>				77	77			97	97	96				19		
European Foundation for the Improvement of Living and Working Conditions (EUROFOUND)	04 03 11	Dublin	1975													Cruising speed
				20,731	20,371	20,115	0,256	21,250	20,871	20,371	19,854	0,517	0,0%	-1,3%		
<i>Authorised establishment plan</i>				101	101			99	99	99				-2		
European Agency for Safety and Health at Work (EU-OSHA)	04 03 12	Bilbao	1994	15,232	14,678	14,035	0,643	15,248	14,597	14,095	14,014	0,081	-4,0%	-0,2%		Cruising speed
<i>Authorised establishment plan</i>				44	44			43	43	43				-1		
European Aviation Safety Agency (EASA)	06 02 02	Köln	2002	163,218	34,862	34,556	0,306	160,763	36,469	34,174	34,174	0,000	-2,0%	-1,1%		Cruising speed
<i>Authorised establishment plan</i>				692	692			735	735	678				-14		
European Maritime Safety Agency (EMSA)	06 02 03 01	Lisbon	2002	57,600	55,892	53,872	2,020	53,610	51,781	50,453	50,379	0,074	-9,7%	-6,5%		New tasks
<i>Of which anti-pollution measures</i>	06 02 03 02			22,663	22,663	22,663				19,675	19,675		-13,2%	-13,2%		
<i>Authorised establishment plan</i>				213	213			211	211	210				-3		
European Railway Agency (ERA)	06 02 04	Lille Valenciennes	2004	25,859	25,007	24,871	0,136	26,100	25,407	25,007	23,573	1,434	0,0%	-5,2%		Cruising speed
<i>Authorised establishment plan</i>				143	143			143	143	140				-3		

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2013 ⁽¹⁾				Draft budget (DB) 2014						Variation 2014 / 2013		Classification DB 2014
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution	DB / Budget		
					Total EU contribution	Of which budget	Of which assigned revenues			Total EU contribution	Of which DB	Of which assigned revenues				
European Network and Information Security Agency (ENISA)	09 02 03	Heraklion	2004	8,550	8,335	8,206	0,129	11,690	11,379	8,822	8,739	0,083	5,8%	6,5%	New tasks	
<i>Authorised establishment plan</i>				47	47			49	49	48			1			
Body of European Regulators for Electronic Communications (BEREC) — Office	09 02 04	Riga	2009	4,496	4,191	3,769	0,422	4,619	4,314	4,163	3,618	0,545	-0,7%	-4,0%	Cruising speed	
<i>Authorised establishment plan</i>				16	16			18	18	16			0			
European Banking Authority (EBA)	12 03 02	London	2011	25,967	10,387	8,955	1,432	32,450	12,999	11,304	10,864	0,440	8,8%	21,3%	Start-up phase	
<i>Authorised establishment plan</i>				93	93			120	120	103			10			
European Insurance and Occupational Pensions Authority (EIOPA)	12 03 03	Frankfurt	2011	18,767	7,507	6,385	1,122	21,472	8,589	7,514	7,403	0,111	0,1%	15,9%	Start-up phase	
<i>Authorised establishment plan</i>				80	80			105	105	84			4			
European Securities and Markets Authority (ESMA)	12 03 04	Paris	2011	28,235	8,697	6,914	1,783	33,455	10,570	9,077	8,373	0,704	4,4%	21,1%	Start-up phase	
<i>Authorised establishment plan</i>				121	121			148	148	128			7			
European Centre for the Development of Vocational Training (CEDEFOP)	15 02 11	Thessaloniki	1975	17,909	17,434	17,385	0,049	17,944	17,434	17,434	17,429	0,005	0,0%	0,3%	Cruising speed	
<i>Authorised establishment plan</i>				100	100			98	98	98			-2			
Agency for the Cooperation of Energy Regulators (ACER)	32 02 10	Ljubljana	2009	8,941	8,941	7,370	1,571	15,525	15,525	10,880	10,188	0,692	21,7%	38,2%	New tasks	
<i>Authorised establishment plan</i>				49	49			98	98	54			5			
Total decentralised agencies - heading 1a				616,558	230,462	219,883	10,579	556,300	255,117	237,944	233,194	4,750	3,2%	6,1%		
Of which anti-pollution measures				22,663	22,663	22,663				19,675	19,675	0,000	-13,2%	-13,2%		
<i>Authorised establishment plan</i>				2 227	2 227			2 406	2 406	2 238			11			

(1) Budget 2013 includes draft amending budgets 1 to 5.

5.6.1.2. Decentralised agencies of heading 2 — Sustainable growth: natural resources

(in million EUR)

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2013 ⁽¹⁾				Draft budget (DB) 2014					Variation 2014 / 2013		Classification DB 2014
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution	DB / Budget	
					Total EU contribution	Of which budget	Of which assigned revenues			Total EU contribution	Of which DB	Of which assigned revenues			
European Chemicals Agency (ECHA) — Biocides activities	07 02 05 01	Helsinki	2012	6,221	6,071	6,071		9,365	5,064	5,064	5,023	0,041	-16,6%	-17,3%	Start-up phase
<i>Authorised establishment plan</i>				47	47			48	48	48			1		
European Chemicals Agency (ECHA) — PIC activities	07 02 05 02	Helsinki	2012	1,562	1,562	1,562		1,330	1,297	1,297	1,286	0,011	-16,9%	-17,7%	Start-up phase
<i>Authorised establishment plan</i>				5	5			6	6	6			1		
European Environment Agency (EEA)	07 02 06	Copenhagen	1990	41,669	36,309	35,797	0,512	42,007	36,634	36,309	35,366	0,943	0,0%	-1,2%	Cruising speed
<i>Authorised establishment plan</i>				138	138			138	138	135			-3		
European Fisheries Control Agency (EFCA)	11 06 64	Vigo	2005	9,217	9,217	8,934	0,283	9,217	9,217	9,217	8,717	0,500	0,0%	-2,4%	Cruising speed
<i>Authorised establishment plan</i>				54	54			54	54	53			-1		
Total decentralised agencies - heading 2				58,668	53,159	52,364	0,795	61,919	52,213	51,888	50,392	1,496	-2,4%	-3,8%	
<i>Authorised establishment plan</i>				244	244			246	246	242			-2		

(1) Budget 2013 includes draft amending budgets 1 to 5.

5.6.1.3. Decentralised agencies of heading 3 — Security and citizenship

(in million EUR)

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2013 ⁽¹⁾				Draft budget (DB) 2014					Variation 2014 / 2013		Classification DB 2014
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution	DB / Budget	
					Total EU contribution	Of which budget	Of which assigned revenues			Total EU contribution	Of which DB	Of which assigned revenues			
European Centre for Disease Prevention and Control (ECDC)	17 03 10	Stockholm	2004	58,090	56,727	56,727		58,354	56,766	56,766	56,766	0,000	0,1%	0,1%	Cruising speed
<i>Authorised establishment plan</i>				198	198			194	194	194			-4		

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2013 ⁽¹⁾				Draft budget (DB) 2014						Variation 2014 / 2013		Classification DB 2014
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution	DB / Budget		
					Total EU contribution	Of which budget	Of which assigned revenues			Total EU contribution	Of which DB	Of which assigned revenues				
European Food Safety Authority (EFSA)	17 03 11	Parma	2002	78,131	76,000	74,334	1,666	79,128	77,048	77,333	76,545	0,788	1,8%	3,0%	Cruising speed	
<i>Authorised establishment plan</i>				351	351			344	344	344			-7			
European Medicines Agency (EMA)	17 03 12 01	London	1993	239,065	39,230	39,230		238,883	39,230	39,230	37,333	1,897	0,0%	-4,8%	New tasks	
<i>Of which special contribution for orphan medicinal products</i>	17 03 12 02			6,000	6,000	6,000		6,000	6,000	6,000	6,000	0,000	0,0%	0,0%		
<i>Authorised establishment plan</i>				611	611			611	611	599			-12			
European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX)	18 02 03	Warsaw	2004												New tasks	
				87,389	79,500	78,959	0,541	85,690	79,500	80,910	80,910	0,000	1,8%	2,5%		
<i>Authorised establishment plan</i>				153	153			153	153	152			-1			
European Police Office (EUROPOL)	18 02 04	The Hague	1995	85,833	82,121	75,183	6,938	90,183	90,183	82,562	79,930	2,632	0,5%	6,3%	Cruising speed	
<i>Authorised establishment plan</i>				457	457			464	464	448			-9			
European Police College (CEPOL)	18 02 05	Bramshill	2005	8,924	8,450	8,450		8,736	8,736	8,305	7,436	0,869	-1,7%	-12,0%	Cruising speed	
<i>Authorised establishment plan</i>				28	28			28	28	27			-1			
European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)	18 02 06	Lisbon	1993	16,540	15,550	15,447	0,103	16,868	16,062	14,794	14,751	0,043	-4,9%	-4,5%	Cruising speed	
<i>Authorised establishment plan</i>				84	84			84	84	82			-2			
European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu.LISA)	18 02 07	Tallinn – Strasbourg	2011												Start-up phase	
				54,400	41,000	41,000		83,188	83,188	59,380	59,380	0,000	44,8%	44,8%		
<i>Authorised establishment plan</i>				120	120			130	130	120			0			
European Asylum Support Office (EASO)	18 03 02	Valletta	2010	15,000	12,000	12,000		15,000	14,862	14,526	14,388	0,138	21,1%	19,9%	Start-up phase	
<i>Authorised establishment plan</i>				45	45			62	62	49			4			
European Union Agency for Fundamental Rights (FRA)	33 02 06	Vienna	2007	21,349	21,246	21,024	0,222	22,000	22,000	21,229	21,109	0,120	-0,1%	0,4%	Cruising speed	
<i>Authorised establishment plan</i>				78	78			78	78	75			-3			

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2013 ⁽¹⁾				Draft budget (DB) 2014						Variation 2014 / 2013		Classification DB 2014
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution	DB / Budget		
					Total EU contribution	Of which budget	Of which assigned revenues			Total EU contribution	Of which DB	Of which assigned revenues				
European Institute for Gender Equality (EIGE)	33 02 07	Vilnius	2006	7,578	7,478	6,322	1,156	7,478	6,914	7,340	6,776	0,564	-1,8%	7,2%	Cruising speed	
<i>Authorised establishment plan</i>				30	30			30	30	29			-1			
European Body for the Enhancement of Judicial Cooperation (EUROJUST)	33 03 04	The Hague	2002	32,359	32,359	30,054	2,305	35,156	33,914	32,450	31,207	1,243	0,3%	3,8%	Cruising speed	
<i>Authorised establishment plan</i>				213	213			213	213	209			-4			
Total decentralised agencies - heading 3				704,658	471,661	458,730	12,931	740,664	528,403	494,825	486,531	8,294	4,9%	6,1%		
<i>Of which special contribution for orphan medicinal products</i>				6,000	6,000	6,000		6,000	6,000	6,000	6,000	0,000	0,0%	0,0%		
<i>Authorised establishment plan</i>				2 368	2 368			2 391	2 391	2 328			-40			

(1) Budget 2013 includes draft amending budgets 1 to 5.

5.6.1.4. Decentralised agency of heading 4 — Global Europe

(in million EUR)

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2013 ⁽¹⁾				Draft budget (DB) 2014						Variation 2014 / 2013		Classification DB 2014
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution	DB / Budget		
					Total EU contribution	Of which budget	Of which assigned revenues			Total EU contribution	Of which DB	Of which assigned revenues				
European Training Foundation (ETF)	15 02 12	Turin	1990	20,145	20,144	20,027	0,117	20,144	20,144	20,144	20,019	0,125	0,0%	0,0%	Cruising speed	
<i>Authorised establishment plan</i>				96	96			94	94	94			-2			
Total decentralised agencies - heading 4				20,145	20,144	20,027	0,117	20,144	20,144	20,144	20,019	0,125	0,0%	0,0%		
<i>Authorised establishment plan</i>				96	96			94	94	94			-2			

(1) Budget 2013 includes draft amending budgets 1 to 5.

5.6.1.5. Decentralised agency of heading 5 — Administration

(in million EUR)

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2013 ⁽¹⁾			Draft budget (DB) 2014					Variation 2014 / 2013		Classification DB 2014				
				Total revenues of the Agency	EU contribution		Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution	DB / Budget					
					Total EU contribution	Of which budget			Of which assigned revenues	Total EU contribution	Of which DB				Of which assigned revenues			
Translation Centre for the Bodies of the European Union	31 01 10	Luxembourg	1994	46,763				48,346										
<i>Authorised establishment plan</i>				206	206			206	206	203								
Total decentralised agencies - heading 5				46,763				48,346										
<i>Authorised establishment plan</i>				206	206			206	206	203								

(1) Budget 2013 includes draft amending budgets 1 to 5.

5.6.1.6. Fully self-financed decentralised agencies

(in million EUR)

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2013 ⁽¹⁾			Draft budget (DB) 2014					Variation 2014 / 2013		Classification DB 2014					
				Total revenues of the Agency	EU contribution		Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution	DB / Budget						
					Total EU contribution ⁽²⁾	Of which budget			Of which assigned revenues	Total EU contribution ⁽²⁾	Of which DB				Of which assigned revenues				
Office for Harmonisation in the Internal Market (OHIM)		Alicante	1993	418,364				399,558											
<i>Authorised establishment plan</i>				861	861			861		844									
Community Plant Variety Office (CPVO)		Angers	1994	13,634				14,172											
<i>Authorised establishment plan</i>				48	48			47		47									
Total self-financed decentralised agencies				431,998				413,730											
<i>Authorised establishment plan</i>				909	909			908		891									

(1) Budget 2013 includes draft amending budgets 1 to 5.

(2) The Commission does not include the establishment plans of the fully self-financed agencies OHIM and CPVO in the official volumes of the draft budget. However, the Commission is of the opinion that the 5 % staff reduction applicable to EU institutions and bodies should be applied to all decentralised agencies, irrespective of their funding structure. This is why a reduction in the number of posts for OHIM and CPVO is shown in the column 'Foreseen EU contribution' for 2014. For CPVO, the number of posts shown for 2014 (47) corresponds to the agency's own draft estimates.

5.6.1.7. Total of decentralised agencies

(in million EUR)

Name of the decentralised agency	Budget line	Location	Year of creation	Budget 2013 ⁽¹⁾				Draft budget (DB) 2014					Variation 2014 / 2013		Classification DB 2014
				Total revenues of the Agency	EU contribution			Revenues estimated by the Agency	Of which Agency contribution request	Foreseen EU contribution			EU contribution	DB / Budget	
					Total EU contribution	Of which budget	Of which assigned revenues			Total EU contribution	Of which DB	Of which assigned revenues			
Total decentralised agencies				1878,790	775,426	751,004	24,422	1841,104	855,877	804,800	790,136	14,664	3,8%	5,2%	
<i>Authorised establishment plan</i>				6 050	6 050			6 234	5 343	5 996			-54		
Total decentralised agencies (excl. fully self-financed agencies)				1446,792	775,426	751,004	24,422	1427,374	855,877	804,800	790,136	14,664	3,8%	5,2%	
<i>Authorised establishment plan</i>				5 141	5 141			5 343	5 343	5 105			-36		
– Of which ‘cruising speed’ decentralised agencies				880,612	482,144	467,030	15,114	800,534	496,710	481,693	471,283	10,409	-0,1%	0,9%	
<i>Authorised establishment plan</i>				3 480	3 480			3 505	3 505	3 408			-72		
– Of which ‘new tasks’ decentralised agencies				416,029	206,058	201,087	4,971	430,580	222,597	214,946	212,136	2,810	4,3%	5,5%	
<i>Authorised establishment plan</i>				1 150	1 150			1 219	1 219	1 159			9		
– Of which ‘start-up phase’ decentralised agencies				150,151	87,224	82,887	4,337	196,260	136,569	108,162	106,717	1,445	24,0%	28,7%	
<i>Authorised establishment plan</i>				511	511			619	619	538			27		
Total decentralised agencies (excl. fully self-financed agencies and eu.LISA)				1392,392	734,426	710,004	24,422	1344,186	772,689	745,420	730,756	14,664	1,5%	2,9%	
<i>Authorised establishment plan</i>				5 021	5 021			5 213	5 213	4 985			-36		

(1) Budget 2013 includes draft amending budgets 1 to 5.

5.6.2. Joint undertakings

(in million EUR)

Name of the joint undertaking	Budget line	Location	Year of creation	Budget 2013 ⁽¹⁾		Draft budget 2014			Variation EU contribution 2014 / 2013
				Total revenues of the Joint Undertaking	Of which EU contribution	Revenues ⁽²⁾ estimated by the Joint Undertaking	Of which Joint Undertaking contribution request	EU contribution (DB 2014)	
European Joint Undertaking for ITER - Fusion for Energy (F4E)		Barcelona	2007						
European Joint Undertaking for ITER — Fusion for Energy (F4E) — Expenditure on administrative management									
Euratom — European Joint Undertaking for ITER — Fusion for Energy (F4E)	08 04 01								
Total European Joint Undertaking for ITER – Fusion for Energy (F4E)				1 016,655	904,900	1 231,630	933,123	933,159	
<i>Authorised establishment plan</i>				262	262	282	282	262	
Innovative Medicines Initiative Joint Undertaking (IMI)		Brussels	2007						
Cooperation — Health — Innovative Medicines Initiative (IMI) Joint Undertaking					207,068				
Cooperation — Health — Support expenditure for Innovative Medicines Initiative (IMI) Joint Undertaking					4,240				
Total Innovative Medicines Initiative Joint Undertaking (IMI)				229,299	211,308	3,950			
<i>Authorised establishment plan</i>				29	29	29	29	29	
Clean Sky Joint Undertaking		Brussels	2007						
Cooperation — Transport — Clean Sky Joint Undertaking					226,514				
Cooperation — Transport — Support expenditure for Clean Sky Joint Undertaking					2,889				
Total Clean Sky Joint Undertaking				258,593	229,403	3,608			
<i>Authorised establishment plan</i>				18	18	18	18	18	
ARTEMIS Joint Undertaking		Brussels	2007						
Cooperation — Information and communication technologies — ARTEMIS Joint Undertaking					65,000				
Cooperation — Information and communication technologies — Support expenditure for ARTEMIS Joint Undertaking					0,912				
Total ARTEMIS Joint Undertaking				69,357	65,912	1,600			
<i>Authorised establishment plan</i>				8	8	8	8	8	
ENIAC Joint Undertaking		Brussels	2007						
Cooperation — Information and communication technologies — ENIAC Joint Undertaking	09 04 01 04				110,000				

Name of the joint undertaking	Budget line	Location	Year of creation	Budget 2013 ⁽¹⁾		Draft budget 2014			Variation EU contribution 2014 / 2013
				Total revenues of the Joint Undertaking	Of which EU contribution	Revenues ⁽²⁾ estimated by the Joint Undertaking	Of which Joint Undertaking contribution request	EU contribution (DB 2014)	
Cooperation — Information and communication technologies — Support expenditure for ENIAC Joint Undertaking	09 04 01 05				0,429				
Total ENIAC Joint Undertaking				115,771	110,429	2,356			
<i>Authorised establishment plan</i>				8	8	7	7	7	-1
Fuel Cells and Hydrogen Joint Undertaking (FCH)		Brussels	2008						
Research related to transport (including Aeronautics) — Fuel Cells and Hydrogen (FCH) Joint Undertaking	06 06 02 02				2,656				
Support expenditure for Fuel Cells and Hydrogen (FCH) Joint Undertaking	08 05 03				1,239				
Cooperation — Nanosciences, nanotechnologies, materials and new production technologies — Fuel Cells and Hydrogen (FCH) Joint Undertaking	08 04 02				8,792				
Cooperation — Energy — Fuels Cells and Hydrogen (FCH) Joint Undertaking	08 05 02				15,006				
Cooperation — Environment — Fuel Cells and Hydrogen (FCH) Joint Undertaking	08 06 02				3,951				
Cooperation — Transport — Fuel Cells and Hydrogen (FCH) Joint Undertaking	08 07 04				17,526				
Research related to energy — Fuel Cells and Hydrogen (FCH) Joint Undertaking	32 06 02				26,249				
Total Fuel Cells and Hydrogen (FCH) Joint Undertaking				87,150	75,419	2,543			
<i>Authorised establishment plan</i>				18	18	18	18	18	
SESAR Joint Undertaking		Brussels	2007						
SESAR Joint Undertaking – Financial support from projects of common interest from the Trans-European Transport Network - TEN	06 03 05								
SESAR Joint Undertaking – Financial support from Research related to Transport (including Aeronautics) – FP7	06 06 02 03				58,325				
Total SESAR Joint Undertaking				95,954	58,325	22,598			
<i>Authorised establishment plan</i>				39	39	39	39	39	0
Total joint undertakings				1 872,779	1 655,696	1 268,285	933,123	933,159	-43,6%
<i>Authorised establishment plan</i>				382	382	401	401	381	-1

(1) Budget 2013 includes draft amending budgets 1 to 5.

(2) This amount includes the appropriations foreseen in the 2014 DB, the estimated EFTA contribution and contributions from the participating Member States and from the private sector. The EU contribution frontloaded in 2013 to cover the 2014-2017 running costs is excluded.

5.6.3. European institute of innovation and technology

(in million EUR)

European Institute of Innovation and Technology (EIT)	Budget line	Location	Year of creation	Budget		2014			Variation
				2013 ⁽¹⁾					EU contribution
				Total revenues of the EIT	Of which EU contribution	Revenues estimated by the EIT	Of which EIT contribution request	EU contribution (DB 2014)	EU contribution 2014 / 2013
European Institute of Innovation and Technology	15 03 05	Budapest	2008	140,023	123,065			233,936	90,1%
<i>Authorised establishment plan</i>					34			39	5

(1) Budget 2013 includes draft amending budgets 1 to 5.

5.6.4. Executive agencies

(in million EUR)

Name of the executive agency	Operating budget line	Location	Year of creation	EU contribution to the Agency's operating budget		Variation in % DB 2014 / 2013	Staffing of the executive agency								
				Budget 2013 ⁽¹⁾	DB 2014		Authorised establishment plan		Contract agents ⁽²⁾		Seconded national experts ⁽²⁾		Total staff ⁽²⁾		
				Budget 2013 ⁽¹⁾	DB 2014	Budget 2013 ⁽¹⁾	DB 2014	Budget 2013 ⁽¹⁾	DB 2014	Budget 2013 ⁽¹⁾	DB 2014	Budget 2013 ⁽¹⁾	DB 2014		
Executive Agency for Competitiveness and Innovation (EACI)		Brussels	2004												
Executive Agency for Competitiveness and Innovation – Contribution from Competitiveness of Enterprises and small and medium enterprises (COSME)	02 01 06 01 (32 01 04 30 in part)			5,000	5,000	0,0%									
Executive Agency for Competitiveness and Innovation – Contribution from Connecting Europe Facility (CEF)	06 01 06 02 (06 01 04 32)			1,555	1,558	0,2%									
Executive Agency for Competitiveness and Innovation – Contribution from Horizon 2020	08 01 06 03 (32 01 04 30 in part)			9,125	9,269	1,6%									
Total EACI				15,680	15,827	0,9%	37	37	122	122			159	159	
Executive Agency for Education, Audiovisual and Culture (EACEA)		Brussels	2005												
Education, Audiovisual and Culture Executive Agency – Contribution from Erasmus for All	15 01 06 01 (15 01 04 30, 15 01 04 32)			21,658	25,311	16,9%									
Education, Audiovisual and Culture Executive Agency – Contribution from Creative Europe	15 01 06 02 (15 01 04 31)			16,030	12,980	-19,0%									

Name of the executive agency	Operating budget line	Location	Year of creation	EU contribution to the Agency's operating budget		Variation in % DB 2014 / 2013	Staffing of the executive agency							
				Budget 2013 ⁽¹⁾	DB 2014		Authorised establishment plan		Contract agents ⁽²⁾		Seconded national experts ⁽²⁾		Total staff ⁽²⁾	
						Budget 2013 ⁽¹⁾	DB 2014	Budget 2013 ⁽¹⁾	DB 2014	Budget 2013 ⁽¹⁾	DB 2014	Budget 2013 ⁽¹⁾	DB 2014	
Education, Audiovisual and Culture Executive Agency – Contribution from Europe for Citizens	16 01 06 01 (16 01 04 30)			3,370	2,190	-35,0%								
Education, Audiovisual and Culture Executive Agency – Contribution from the Partnership Instrument (PI)	19 01 06 01 (19 01 04 30)			0,514	0,522	1,6%								
Education, Audiovisual and Culture Executive Agency – Contribution from Development Cooperation Instruments (DCI)	21 01 06 01 (21 01 04 30)			1,544	1,264	-18,1%								
Education, Audiovisual and Culture Executive Agency – Contribution from European Neighbourhood Instrument (ENI)	21 01 06 02 (19 01 04 30)			3,767	4,132	9,7%								
Education, Audiovisual and Culture Executive Agency – Contribution from Pre-accession Assistance programme	22 01 06 01 (22 01 04 30)			1,129	1,147	1,6%								
Total EACEA				48,012	47,546	-1,0%	105	105	326	326	0	0	431	431
Executive Agency for Health and Consumers (EAHC)		Luxemburg	2005											
Executive Agency for Health and Consumers – Contribution from Consumer programme	17 01 06 01 (17 01 04 30)			1,691	1,691	0,0%								
Executive Agency for Health and Consumers – Contribution from Health for Growth programme	17 01 06 02 (17 01 04 30)			4,209	4,209	0,0%								
Executive Agency for Health and Consumers – Contribution in the field of Food and feed safety, animal health, animal welfare and Plant health	17 01 06 03 (17 01 04 30, 17 01 04 31)			1,170	1,170	0,0%								
Total EAHC				7,070	7,070	0,0%	12	12	38	38	0	0	50	50
Trans-European Transport Network Executive Agency (TEN-T EA)		Brussels	2006											
Trans-European Transport Network Executive Agency – Contribution from Connecting Europe Facility (CEF)	06 01 06 01 (06 01 04 31)			9,805	9,805	0,0%								
Total TEN-T EA				9,805	9,805	0,0%	33	33	67	67	0	0	100	100
European Research Council Executive Agency (ERCEA)		Brussels	2007											

Name of the executive agency	Operating budget line	Location	Year of creation	EU contribution to the Agency's operating budget		Variation in % DB 2014 / 2013	Staffing of the executive agency							
				Budget 2013 ⁽¹⁾	DB 2014		Authorised establishment plan		Contract agents ⁽²⁾		Seconded national experts ⁽²⁾		Total staff ⁽²⁾	
						Budget 2013 ⁽¹⁾	DB 2014	Budget 2013 ⁽¹⁾	DB 2014	Budget 2013 ⁽¹⁾	DB 2014	Budget 2013 ⁽¹⁾	DB 2014	
European Research Council Executive Agency – Contribution from Horizon 2020	08 01 06 01 (08 01 04 30)			39,000	39,415	1,1%								
Total ERCEA				39,000	39,415	1,1%	100	100	281	280	8	9	389	389
Research Executive Agency (REA)		Brussels	2007											
Research Executive Agency (REA) – Contribution from Horizon 2020	08 01 06 02 (08 01 04 31)			49,300	50,298	2,0%								
Total REA				49,300	50,298	2,0%	140	140	418	418			558	558
Total executive agencies				168,867	169,961	0,6%	427	427	1252	1251	8	9	1687	1687

(1) Budget 2013 includes draft amending budgets 1 to 5.

(2) Estimate (full-time equivalents), on the basis of average costs.