



Brussels, 11.6.2014  
SEC(2014) 357 final

**STATEMENT OF ESTIMATES OF THE COMMISSION FOR 2015**

**(Preparation of the 2015 Draft Budget)**

**Document I**

**Political Presentation**

**STATEMENT OF ESTIMATES OF THE COMMISSION FOR 2015**

**(Preparation of the 2015 Draft Budget)**

**Document I**

**Political Presentation**

# TABLE OF CONTENTS

|           |  |           |
|-----------|--|-----------|
| <b>1.</b> | <b>PRIORITIES FOR THE 2015 DRAFT BUDGET .....</b>  | <b>2</b>  |
| 1.1.      | SUPPORTING THE RECOVERY, GROWTH AND JOBS .....   | 2         |
| 1.2.      | STRENGTHENING THE EU'S RESPONSIVENESS .....  | 2         |
| 1.3.      | FULFILLING THE EU'S OBLIGATIONS .....  | 3         |
| 1.4.      | SHOWING ADMINISTRATIVE RESTRAINT .....   | 4         |
| <b>2.</b> | <b>THE MULTIANNUAL FINANCIAL FRAMEWORK AND THE 2015 DRAFT BUDGET .....</b>                   | <b>7</b>  |
| 2.1.      | CEILINGS OF THE MULTIANNUAL FINANCIAL FRAMEWORK FOR THE 2015 BUDGET .....                    | 7         |
| 2.2.      | OVERVIEW ON THE 2015 DRAFT BUDGET .....  | 7         |
| <b>3.</b> | <b>KEY ASPECTS OF 2015 DRAFT BUDGET BY FINANCIAL FRAMEWORK HEADINGS .....</b>                | <b>11</b> |
| 3.1.      | HEADING 1A — COMPETITIVENESS FOR GROWTH AND JOBS .....                                       | 11        |
| 3.2.      | HEADING 1B — ECONOMIC, SOCIAL AND TERRITORIAL COHESION .....                                 | 22        |
| 3.3.      | HEADING 2 — SUSTAINABLE GROWTH: NATURAL RESOURCES .....                                      | 30        |
| 3.4.      | HEADING 3 — SECURITY AND CITIZENSHIP .....   | 41        |
| 3.5.      | HEADING 4 — GLOBAL EUROPE .....  | 50        |
| 3.6.      | HEADING 5 — ADMINISTRATION .....   | 61        |
| 3.7.      | HEADING 6 — COMPENSATIONS .....  | 69        |
| 3.8.      | SPECIAL INSTRUMENTS .....  | 70        |
| <b>4.</b> | <b>HORIZONTAL ISSUES .....</b>   | <b>72</b> |
| 4.1.      | HUMAN RESOURCES .....  | 73        |
| 4.2.      | COMMISSION ADMINISTRATIVE EXPENDITURE OUTSIDE HEADING 5 .....                                | 79        |
| 4.3.      | BODIES SET UP BY THE EUROPEAN UNION AND HAVING LEGAL PERSONALITY .....                       | 82        |
| 4.4.      | ACTIONS WITHOUT A SPECIFIC LEGAL BASE .....  | 87        |
| <b>5.</b> | <b>ANNEX — DETAILED FIGURES .....</b>  | <b>88</b> |
| 5.1.      | ANNEX I — MULTIANNUAL FINANCIAL FRAMEWORK 2014-2020, AT CURRENT PRICES .....                 | 88        |
| 5.2.      | ANNEX II — 2015 DRAFT BUDGET BY POLICY AREA AND FINANCIAL FRAMEWORK HEADINGS .....           | 89        |
| 5.3.      | ANNEX III — PAYMENT REQUEST OVERVIEW AND ANALYSIS OF THE OUTSTANDING COMMITMENTS (RAL) ..... | 92        |
| 5.4.      | ANNEX IV — FINANCING THE EUROPE 2020 STRATEGY .....  | 98        |
| 5.5.      | ANNEX V — CLIMATE TRACKING AND BIODIVERSITY .....  | 100       |
| 5.6.      | ANNEX VI — BODIES SET UP BY THE EUROPEAN UNION AND HAVING LEGAL PERSONALITY .....            | 107       |

## **1. PRIORITIES FOR THE 2015 DRAFT BUDGET**

The draft budget (DB) 2015 is the first one to be prepared with the full budgetary framework as foreseen by the Lisbon Treaty. Now that the Regulation laying down the multiannual financial framework (MFF) for the years 2014-2020<sup>1</sup> and the legal acts for the new generation of spending programmes have been adopted by the legislator, all preconditions are met for a proper implementation of the new programmes and actions. However, the financial programming 2014-2020 and the management of the annual budgets have to face the reality of scarce resources as reflected in low annual ceilings under the MFF. The key priority for 2015 will be to ensure that the EU budget is provided with the required means so that it can fully deliver its reinforced contribution to growth and jobs and to providing solidarity between Member States and regions – all that under clear constraints.

The draft budget 2015 will focus on those measures that make a tangible difference to European citizens' lives by targeting support to employment, businesses, education and research, while proposing the ways to contain the increasing amounts of unpaid payment claims due to insufficient financial resources in recent years.

### **1.1. Supporting the recovery, growth and jobs**

Economic recovery across Europe is expected to gain ground in 2015. The growth forecasts remain based on the assumption that the structural reforms and policy measures that are currently underway are implemented as agreed, whereas continued emphasis on innovation and reform is necessary to create more jobs for Europeans and strengthen growth potential. The role of the EU budget as an investment tool to stimulate growth, employment and competitiveness has been recognised and further strengthened under the new MFF. This includes the 'Youth Employment Initiative' (YEI) targeting young people not in employment, education or training as well as increased access to financing for small and medium-sized enterprises (SMEs), boosting skills and training, employability and reinforcing research and innovation, with the aim of creating leverage effects beyond what is possible at Member State level and by achieving economies of scale at EU level.

In line with the agreement reached in the framework of the negotiations of the MFF and the 2014 budget, the 2015 DB needs to address the specific situation of Cyprus by providing the second equal tranche of additional structural funds in 2015 (amounting to EUR 100,0 million in commitment appropriations and EUR 11,3 million in payment appropriations), for which the Commission proposes to mobilise the Flexibility Instrument<sup>2</sup> in the same way as in 2014<sup>3</sup>.

### **1.2. Strengthening the EU's responsiveness**

While the Europe 2020 strategy constitutes the major priorities for delivering growth in the mid-term, the Commission also needs to adjust to the most recent developments. In this context it has recently presented measures in relation to the Ukrainian crisis<sup>4</sup>. This proposal includes a financial package for a 'state building contract' in the form of budget support, amounting altogether to EUR 355 million in payment appropriations, with a rapid disbursement schedule over 2014 (for which EUR 250 million has been proposed in DAB 3/2014) and 2015, for which EUR 105 million is being proposed in the draft budget.

---

<sup>1</sup> OJ L 347, 20.12.2013.

<sup>2</sup> COM(2014) 349, 11.6.2014.

<sup>3</sup> COM(2013) 644, 18.9.2013.

<sup>4</sup> IP 14/219, 5.3.2014.

In the light of recent international developments and the ensuing discussions in the EU, it is clear that strengthening the EU's energy security<sup>5</sup> also requires special attention. Relevant means and actions to put in place projects of common interest and measures to develop interconnections are included in this budget proposal. Given the medium term character of these investments and the overall constraints on the level of payments as set out in section 1.3 below, the support is focussed on commitment appropriations amounting to EUR 487,2 million under the financial envelope of the CEF-Energy programme. The corresponding level of payments proposed in the draft budget is conservative, and might need to be adjusted in the course of 2015 according to the progress made with the implementation of the priority projects mentioned in the Commission Communication on the European Energy Security Strategy. Furthermore, additional allocations for energy infrastructure will be programmed under Cohesion policy within respective national envelopes, depending on the Member States' operational programmes.

To allow rapid responsiveness and strengthen solidarity among Member States and candidate countries, the EU Solidarity Fund (EUSF) foresees the possibility to pre-finance measures when disasters occur, in line with the recently adopted legal basis. For Humanitarian Aid the ability to deliver within a short timeframe is reinforced in the 2015 draft budget by matching the level of payment appropriations to the level of commitments.

### **1.3. Fulfilling the EU's obligations**

As the Commission has stated on numerous occasions, the 2014-2020 MFF payment ceilings are particularly tight, which confirms the need for specific and maximum flexibility within the 2014-2020 MFF. Against the backdrop of high, and steadily growing, implementation levels and payment shortages in recent years, culminating in a EUR 11,2 billion reinforcement of payments in the course of 2013, in late May 2014 the Commission proposed to make use of the flexibility provided for in the MFF Regulation, by requesting the full mobilisation of the Contingency Margin for payments (EUR 4 billion) in 2014, on top of the use of the unallocated margin still available under the payment ceiling for the year (EUR 711 million).

The request for additional payments in Draft Amending Budget 3/2014<sup>6</sup> of EUR 4,7 billion is essential to allow the Union to at least address a dangerously increasing snowball effect of unpaid payment claims that constitute legal obligations of the EU, at a time when demands for payments remain high. Overall, payment requirements and implementation in 2014 are more in line with the level of the executed budget 2013 (EUR 144,5 billion), whereas the 2014 payment ceiling is EUR 8,6 billion lower, at EUR 135,9 billion. The additional needs in 2014 largely stem from the high level of payment claims for Cohesion policy received from Member States that remained outstanding (EUR 23,4 billion) at the end of 2013.

Payment needs in 2015 will remain at a similarly high level due to the frontloading of some key programmes in support of growth and jobs, the decision to extend the 10 % top-up of co-financing rates for Cohesion policy, Rural Development and the European Fisheries Fund until 2016 for Member States with temporary budgetary difficulties and the continuous effort to bring the level of outstanding commitments to an orderly level. Payment demands related to the implementation of the new programmes on the ground increase in the second year of the 2014-2020 framework, while substantial requirements relating to the closure of the 2007-2013 programmes still need to be met for several important policy areas, as a result of tight but fully implemented payment ceilings in the last years. That is why the Commission in its 2015 draft budget requests the full use of the 2015 payment ceiling (EUR 141,9 billion, + 1,4 % over the 2014 budget as modified by draft amending budgets).

---

<sup>5</sup> COM(2014) 330, 28.5.2014.

<sup>6</sup> COM(2014) 329, 28.5.2014.

Even if the 2015 draft budget brings the level of payments in 2015 EUR 2 billion above the corresponding level in 2014 (including the mobilisation of the Contingency Margin), this still is EUR 2 billion below the level of the executed budget in 2013, whereas payment demands are expected to continue at a sustained level in 2015. The sustained inflow of payment claims means that also the monthly cash-flow constraints will restrict the Commission's ability to swiftly reimburse payment claims for the five European Structural and Investment Funds under shared management with Member States, in particular in the first months of 2015. The programmes under direct Commission management, for instance for research, are less directly concerned by cash-flow constraints in the beginning of the year, but the general tight situation for payments impacts on these programmes in particular through the need to secure the availability of the related pre-financing payments before signing new contracts, as well as the importance to avoid having to pay interest on late payments for ongoing contracts.

At this stage of the procedure, the Commission does not propose to mobilise the Contingency Margin for payments in 2015, awaiting confirmation of expected execution trends in the course of 2015. In the knowledge that the 2015 draft budget represents a conservative estimate of payment demands for the year, the Commission will continue to monitor the implementation of payments closely, and it will propose correcting measures as necessary to ensure it can deliver and implement in full the policies it has been entrusted with: further action in this respect may be required in the course of 2015.

#### **1.4. Showing administrative restraint**

##### *1.4.1 Heading 5*

The administrative expenditure of the **Commission** in 2015 will go down in real terms.

The **Commission** proposes for the third consecutive year a 1 % reduction of its staff levels in the 2015 DB, in order to implement the 5 % staff reduction over five years which was agreed in the framework of the Staff Regulations Reform and which applies to all EU institutions and bodies as laid down in point 27 of the Interinstitutional Agreement on budgetary discipline, on cooperation in budgetary matters and on sound financial management of 2 December 2013<sup>7</sup>. In addition to its own 1 % staff reduction and a further reduction of Commission staff related to the delegation of certain implementing tasks to executive agencies, the Commission responds to new tasks such as the Support Group for Ukraine or developing a European Energy Security Strategy through a substantial number of internal redeployments (548 posts in 2014 and 2015) between and within Directorates-General.

As regards its own administrative expenditure, the Commission has kept the increase at + 1,1 % (+ 0,7 % when excluding administrative expenditure related to Croatia's accession), i.e. below the forecast inflation of 1,5 % for Brussels and 1,7 % for Luxembourg. This results from the application of the - 1,0 % reduction for administrative expenditure other than for staff remuneration as well as from slowing down the evolution of staff remuneration through the Staff Regulations Reform, notably the restrictions on career progression in the establishment plan functions groups for Administrators (AD) and Assistants (AST) and the creation of the new function group for Secretaries and Clerks (AST/SC). This reflects also the annual adjustments related to 2011 (0 %) and 2012 (+ 0,8 %), the freeze of salaries and pensions in 2013 and 2014 and the estimation for 2015 based on the new sample of salary evolution in 11 reference Member States (estimated at + 1,7 %, on a six months basis).

---

<sup>7</sup> OJ C 373, 20.12.2013.

For all **institutions**, administrative expenditure will on average be kept stable in real terms.

As regards staff, like the Commission the **other institutions** (with the exception of the European Parliament which will address the issue after the formation of the new Parliament) either applied a 1 % staff reduction or have expressed their intention to do so until 2017. However, the draft budget does include an increase in the number of posts of the Court of Justice and the European Data Protection Supervisor, to reflect the structural changes in these institutions. The administrative expenditure of the other institutions increases on average by 2,1 %, and ranges between + 1,5 % for the European Economic and Social Committee and + 8,1 % for the European Data Protection Supervisor, which is due to the creation of a taskforce to prepare the new European Data Protection Board. The upwards divergence in some institutions could put at risk reaching the objective that has been set. With this in mind, the Commission in its draft budget has included a downward revision of the draft statements of estimates of the Council, the Court of Justice and the Committee of the Regions, to respect the staff reduction target and to better align their expenditure levels with the expected rate of inflation in 2015.

As a result, the administrative expenditure of all institutions combined amounts to EUR 6 893,1 million (+ 1,6 %), which represents a stabilisation of administrative expenditure in real terms. The measures outlined above, combined with the effect of the cut of the salary adjustments for 2011 and 2012, leave a margin of EUR 457,9 million below the MFF sub-ceiling for the functioning of institutions under heading 5.

Due to the expected increase of the number of pensioners (+3,9 %), expenditure for **Pensions** and **European schools** shows a more substantial increase (+ 5,9 % to EUR 1 719,1 million). In addition, the expenditure for pensions takes account of the transfer to the Commission's Section of the budget of pension expenditure for the former Members of the European Parliament (as from 2014), the Court of Justice, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor (as from 2015). The resulting global margin under the ceiling of heading 5 amounts to EUR 463,8 million. Consequently, the share of heading 5 in the budget as a whole remains stable at the level of 2014 (5,9 % in commitment appropriations and 6,1 % in payment appropriations).

#### *1.4.2 Executive agencies*

In 2015, the Commission will make increased use of executive agencies in the management of the new spending programmes, by delegating implementing tasks to executive agencies when they can bring higher efficiency and effectiveness as compared to 'in-house' management in the Commission. The staffing and subsidy levels foreseen for the agencies in the 2015 DB are in line with the Commission's 'delegation package'<sup>8</sup> for the 2014-2020 period. The growing staffing levels in the agencies lead to a EUR 17,5 million increase in the EU contribution to cover their running costs. This is compensated, however, by a further reduction of 166 'heads' in the Commission establishment plans and contract agents in the Commission, on top of its own 5 % staff reduction target, leading to a EUR 18,0 million reduction of the corresponding Commission administrative expenditure, thus more than achieving budgetary neutrality with the delegation of tasks to executive agencies.

---

<sup>8</sup> The Commission described the proposed scenario for the delegation of certain parts of 2014-2020 spending programmes to the executive agencies, and the corresponding budgetary and human resources impact (including to take into account the application of the 5 % staff reduction target in the executive agencies), in an information note which was sent to the European Parliament and the Council on 4 October 2013.

### *1.4.3 Decentralised agencies*

The DB 2015 request for decentralised agency staffing and appropriations is based on the Commission Communication on the programming of human and financial resources for decentralised agencies 2014-2020<sup>9</sup>. This achieves the aim of reducing total staffing levels in agencies by 5 % over five years, while still allowing certain agencies to increase their staffing numbers in order to carry out their new tasks. In preparing the 2015 DB, the Commission has taken account of the outcome of the Conciliation on the 2014 budget, which led to an overall increase of 27 posts compared to the Commission's 2014 DB, notably for the three financial supervision authorities (EBA, EIOPA and ESMA). During the Conciliation, the European Parliament, the Council and the Commission also agreed on the creation of a specific interinstitutional working group on decentralised agencies' resources, with a view to jointly defining a clear development path for agencies, based on objective criteria.

The draft budget contains one new body, the Single Resolution Board. Further to the adoption of the Single Resolution Mechanism in June 2014, the Commission proposes to create a new budget line and a corresponding establishment plan to allow for a temporary contribution from the EU budget to cover the running costs of the Board during the start-up period. The new body will become fully self-financed from fees from the banking sector on a structural basis, as from the second quarter of 2015. Taking into account the lead time required to actually set up the Board and to create the structure for the fee financing, a bridging contribution from the EU budget amounting to EUR 3,3 million in 2015 is requested. This is mainly to cover salary and building expenditure on the basis of the projected pace of staff recruitment, requiring 122 establishment plan posts in 2015. Depending on progress made in the immediate set-up of the Board, the Commission may propose to create the corresponding budget structure in the 2014 budget in a forthcoming draft amending budget. In the course of 2015, the bridging contribution will be returned to the EU budget, thus offsetting the temporary expenditure requirements for this self-financed body.

\* \* \*

The proposed draft budget for 2015 reflects the political priorities that have been set in the new programmes under the 2014-2020 MFF and provides the means required to initiate their implementation. At the same time, the 2007-2013 programmes need to be brought progressively to a successful closure, for which an adequate level of payment appropriations is necessary, to meet obligations vis-à-vis the beneficiaries of EU funding at a time when demands for payments remain high. 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 framework.

---

<sup>9</sup> COM(2013) 519, 10.7.2013.



## 2. THE MULTIANNUAL FINANCIAL FRAMEWORK AND THE 2015 DRAFT BUDGET

### 2.1. Ceilings of the multiannual financial framework for the 2015 budget

The ceilings for commitment and payment appropriations in the multiannual financial framework (MFF)<sup>10</sup> for the establishment of the 2015 draft budget are presented in the table below:

| Heading  | 2015 commitment appropriations in million EUR, at current prices |
|--|--|
| <b>Commitment appropriations</b>   |  |
| <b>1. Smart and inclusive growth</b>   | <b>66 813,0</b>  |
| 1a Competitiveness for growth and jobs   | 17 666,0   |
| 1b Economic, social and territorial cohesion   | 49 147,0   |
| <b>2. Sustainable growth: natural resources</b>  | <b>59 599,0</b>  |
| of which: European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments | 44 313,0   |
| <b>3. Security and citizenship</b>   | <b>2 246,0</b>   |
| <b>4. Global Europe</b>  | <b>8 749,0</b>   |
| <b>5. Administration</b>   | <b>9 076,0</b>   |
| of which: Administrative expenditure of the institutions   | 7 351,0  |
| <b>6. Compensations</b>  | <b>0,0</b>   |
| <b>TOTAL COMMITMENT APPROPRIATIONS</b>   | <b>146 483,0</b>   |
| <b>TOTAL PAYMENT APPROPRIATIONS</b>  | <b>141 901,0</b>   |

In the MFF, the overall ceiling for commitment appropriations (CA) is set at EUR 146 483 million, which represents 1,05 % of EU gross national income (GNI). The ceiling for payment appropriations (PA) is EUR 141 901 million, or 1,02 % of GNI.

### 2.2. Overview on the 2015 draft budget

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

| Heading   | Budget 2014 <sup>(1)</sup> |                 | Draft budget (DB) 2015 |                 | Share in DB 2015 |              | Difference 2015 – 2014 |              | Difference 2015 / 2014 |             |
|---|----------------------------|-----------------|------------------------|-----------------|------------------|--------------|------------------------|--------------|------------------------|-------------|
|   | (1)                        |                 | (2)                    |                 |                  |              | (2 – 1)                |              | (2 / 1)                |             |
|   | CA                         | PA              | CA                     | PA              | CA               | PA           | CA                     | PA           | CA                     | PA          |
| <b>1. Smart and inclusive growth</b>            | <b>63 986,3</b>            | <b>66 374,5</b> | <b>66 674,2</b>        | <b>67 184,5</b> | <b>45,8%</b>     | <b>47,3%</b> | <b>2 687,8</b>         | <b>810,0</b> | <b>4,2%</b>            | <b>1,2%</b> |
| <i>Of which under Flexibility Instrument</i>    | 89,3                       |                 | 79,8                   |                 |                  |              |                        |              |                        |             |
| <i>Ceiling</i>                                  | 63 973,0                   |                 | 66 813,0               |                 |                  |              |                        |              |                        |             |
| <i>Margin</i>                                   | 76,0                       |                 | 218,6                  |                 |                  |              |                        |              |                        |             |
| 1a Competitiveness for growth and jobs          | 16 484,0                   | 12 028,3        | 17 447,4               | 15 582,6        | 12,0%            | 11,0%        | 963,4                  | 3 554,3      | 5,8%                   | 29,5%       |
| <i>Ceiling</i>                                  | 16 560,0                   |                 | 17 666,0               |                 |                  |              |                        |              |                        |             |
| <i>Margin</i>                                   | 76,0                       |                 | 218,6                  |                 |                  |              |                        |              |                        |             |
| 1b Economic, social and territorial cohesion    | 47 502,3                   | 54 346,2        | 49 226,8               | 51 601,9        | 33,8%            | 36,3%        | 1 724,5                | -2 744,2     | 3,6%                   | -5,0%       |
| <i>Of which under Flexibility Instrument</i>    | 89,3                       |                 | 79,8                   |                 |                  |              |                        |              |                        |             |
| <i>Ceiling</i>                                  | 47 413,0                   |                 | 49 147,0               |                 |                  |              |                        |              |                        |             |
| <i>Margin</i>                                   | 0,0                        |                 | 0,0                    |                 |                  |              |                        |              |                        |             |
| <b>2. Sustainable growth: natural resources</b> | <b>59 267,2</b>            | <b>56 564,9</b> | <b>59 253,7</b>        | <b>56 907,3</b> | <b>40,7%</b>     | <b>40,0%</b> | <b>-13,5</b>           | <b>342,3</b> | <b>0,0%</b>            | <b>0,6%</b> |
| <i>Ceiling</i>                                  | 59 303,0                   |                 | 59 599,0               |                 |                  |              |                        |              |                        |             |
| <i>Margin</i>                                   | 35,8                       |                 | 345,3                  |                 |                  |              |                        |              |                        |             |
| Of which: European Agricultural Guarantee       | 43 778,1                   | 43 777,0        | 43 903,8               | 43 897,0        | 30,2%            | 30,9%        | 125,7                  | 120,0        | 0,3%                   | 0,3%        |

<sup>10</sup> OJ L 347, 20.12.2013. The figures are based on the technical adjustment of the financial framework for 2015 in line with movements in GNI, adopted by the Commission on 28 May 2014 (COM(2014) 307).

| Heading   | Budget<br>2014 <sup>(1)</sup> |                  | Draft budget (DB)<br>2015 |                  | Share in DB<br>2015 |               | Difference<br>2015 – 2014 |                | Difference<br>2015 / 2014 |                |
|---|-------------------------------|------------------|---------------------------|------------------|---------------------|---------------|---------------------------|----------------|---------------------------|----------------|
|   | (1)                           |                  | (2)                       |                  |                     |               | (2 – 1)                   |                | (2 / 1)                   |                |
|   | CA                            | PA               | CA                        | PA               | CA                  | PA            | CA                        | PA             | CA                        | PA             |
| Fund (EAGF) — Market related expenditure and direct payments <sup>(2)</sup> |                               |                  |                           |                  |                     |               |                           |                |                           |                |
| <i>Sub-ceiling</i>  | 43 779,0                      |                  | 44 313,0                  |                  |                     |               |                           |                |                           |                |
| <i>Net transfer between EAGF and EAFRD</i>                                  | 0,0                           |                  | 123,0                     |                  |                     |               |                           |                |                           |                |
| <i>Sub-margin</i>   | 0,0                           |                  | 286,0                     |                  |                     |               |                           |                |                           |                |
| <b>3. Security and citizenship</b>  | <b>2 172,0</b>                | <b>1 677,0</b>   | <b>2 130,7</b>            | <b>1 881,2</b>   | <b>1,5%</b>         | <b>1,3%</b>   | <b>-41,3</b>              | <b>204,1</b>   | <b>-1,9%</b>              | <b>12,2%</b>   |
| <i>Ceiling</i>  | 2 179,0                       |                  | 2 246,0                   |                  |                     |               |                           |                |                           |                |
| <i>Margin</i>   | 7,0                           |                  | 115,3                     |                  |                     |               |                           |                |                           |                |
| <b>4. Global Europe</b>   | <b>8 325,0</b>                | <b>6 842,0</b>   | <b>8 413,1</b>            | <b>7 327,0</b>   | <b>5,8%</b>         | <b>5,2%</b>   | <b>88,1</b>               | <b>485,0</b>   | <b>1,1%</b>               | <b>7,1%</b>    |
| <i>Ceiling</i>  | 8 335,0                       |                  | 8 749,0                   |                  |                     |               |                           |                |                           |                |
| <i>Margin</i>   | 10,0                          |                  | 335,9                     |                  |                     |               |                           |                |                           |                |
| <b>5. Administration</b>  | <b>8 404,8</b>                | <b>8 405,6</b>   | <b>8 612,2</b>            | <b>8 612,4</b>   | <b>5,9%</b>         | <b>6,1%</b>   | <b>207,5</b>              | <b>206,7</b>   | <b>2,5%</b>               | <b>2,5%</b>    |
| <i>Ceiling</i>  | 8 721,0                       |                  | 9 076,0                   |                  |                     |               |                           |                |                           |                |
| <i>Margin</i>   | 316,2                         |                  | 463,8                     |                  |                     |               |                           |                |                           |                |
| Of which: Administrative expenditure of the institutions                    | <b>6 792,4</b>                | <b>6 793,3</b>   | <b>6 893,1</b>            | <b>6 893,3</b>   | <b>4,7%</b>         | <b>4,8%</b>   | <b>100,7</b>              | <b>100,0</b>   | <b>1,5%</b>               | <b>1,5%</b>    |
| <i>Sub-ceiling</i>  | 7 056,0                       |                  | 7 351,0                   |                  |                     |               |                           |                |                           |                |
| <i>Sub-margin</i>   | 263,6                         |                  | 457,9                     |                  |                     |               |                           |                |                           |                |
| <b>6. Compensations</b>   | <b>28,6</b>                   | <b>28,6</b>      | <b>0,0</b>                | <b>0,0</b>       | <b>0,0%</b>         | <b>0,0%</b>   | <b>-28,6</b>              | <b>-28,6</b>   | <b>-100,0%</b>            | <b>-100,0%</b> |
| <i>Ceiling</i>  | 29,0                          |                  | 0,0                       |                  |                     |               |                           |                |                           |                |
| <i>Margin</i>   | 0,4                           |                  | 0,0                       |                  |                     |               |                           |                |                           |                |
| <b>Appropriations for headings 1 to 6</b>                                   | <b>142 183,9</b>              | <b>139 892,7</b> | <b>145 083,9</b>          | <b>141 912,3</b> | <b>99,6%</b>        | <b>99,8%</b>  | <b>2 900,0</b>            | <b>2 019,6</b> | <b>2,0%</b>               | <b>1,4%</b>    |
| <i>Of which under Flexibility Instrument</i>                                | 89,3                          | 0,0              | 79,8                      | 11,3             |                     |               |                           |                |                           |                |
| <i>Of which under Contingency Margin</i>                                    | 0,0                           | 4 026,7          | 0,0                       | 0,0              |                     |               |                           |                |                           |                |
| <i>Ceiling</i>  | 142 540,0                     | 135 866,0        | 146 483,0                 | 141 901,0        |                     |               |                           |                |                           |                |
| <i>Margin</i>   | 445,4                         | 0,0              | 1 478,9                   | 0,0              |                     |               |                           |                |                           |                |
| <b>Appropriations as % of GNI <sup>(3)</sup></b>                            | <b>1,05%</b>                  | <b>1,04%</b>     | <b>1,04%</b>              | <b>1,02%</b>     |                     |               |                           |                |                           |                |
| <b>Other Special instruments<sup>(4)</sup></b>                              | <b>456,2</b>                  | <b>350,0</b>     | <b>515,4</b>              | <b>225,0</b>     | <b>0,4%</b>         | <b>0,2%</b>   | <b>59,2</b>               | <b>-125,0</b>  | <b>13,0%</b>              | <b>-35,7%</b>  |
| <b>Total appropriations</b>   | <b>142 640,1</b>              | <b>140 242,7</b> | <b>145 599,3</b>          | <b>142 137,3</b> | <b>100,0%</b>       | <b>100,0%</b> | <b>2 959,2</b>            | <b>1 894,6</b> | <b>2,1%</b>               | <b>1,4%</b>    |
| <b>Appropriations as % of GNI <sup>(3)</sup></b>                            | <b>1,06%</b>                  | <b>1,04%</b>     | <b>1,04%</b>              | <b>1,02%</b>     |                     |               |                           |                |                           |                |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

(2) The related amounts are rounded up in EUR million for the calculation of the sub-margin.

(3) The draft budget is based on the forecast of GNI issued after the Advisory Committee on Own Resources (ACOR) meeting held on 19 May 2014.

(4) 'Other Special instruments' includes the 'Emergency Aid Reserve (EAR)', the 'European Globalisation Adjustment Fund (EGF)' and the 'European Union Solidarity Fund (EUSF)'. The corresponding appropriations are considered outside the MFF for the purpose of the calculation of the margins under the ceilings for appropriations. This is also the case for the appropriations related to the Flexibility Instrument.

Overall, the proposed level of expenditure reflects the expenditure ceilings under the multiannual financial framework, while the amounts for the individual programmes reflect the financial programming for 2015, as technically updated in January 2014 following the adoption of the 2014 budget.

In terms of *commitment* appropriations, **the total expenditure in the draft budget (DB) 2015** (including for the special instruments) is EUR 145 599,3 million, corresponding to 1,04 % of GNI<sup>11</sup>, that is EUR 2 959,2 million more than in 2014 (+ 2,1 %). The resulting total margin under the MFF expenditure ceilings stands at EUR 1 478,9 million.

<sup>11</sup> The draft budget is based on the forecast of GNI issued after the Advisory Committee on Own Resources (ACOR) meeting held on 19 May 2014.

The *payment* appropriations (including for the special instruments) amount to EUR 142 137,3 million, corresponding to 1,02 % of GNI. This represents an increase of 1,4 % over the level of payment appropriations in the 2014 budget as modified by draft amending budgets. No margin is left under the payment ceiling of the MFF for 2015. The proposal of the Commission reflects the payment needs in 2015 assuming that the full amount of the additional payment appropriations requested with the DAB No 3/2014 has been approved.

Commitment appropriations for **Competitiveness for growth and jobs (heading 1a)** are set at EUR 17 447,4 million. This is an increase of 5,8 % compared to the 2014 budget, which is mostly due to Horizon 2020, the Connecting Europe Facility (CEF) and the large infrastructure projects 'ITER' and 'Copernicus' under this heading. This leaves a margin of EUR 218,6 million. Payment appropriations increase by 29,5 % to EUR 15 582,6 million, in order to address the growing level of outstanding commitments and to allow the implementation of the new programmes, notably as regards pre-financing payments on calls for proposals.

For **Economic, social and territorial cohesion (heading 1b)** commitment appropriations increase by 3,6 % to EUR 49 226,8 million, leaving a margin of EUR 0,0 million. This is due to the additional structural funds foreseen for Cyprus, for which the Commission proposes the mobilisation of the Flexibility Instrument<sup>12</sup>. Within this heading, the frontloading of commitment and payment appropriations are foreseen to be continued for the Youth Employment Initiative (YEI, specific top-up allocation), amounting to EUR 1 407,2 million and EUR 600,0 million, respectively. Payment appropriations decrease by -5,0 % compared to the 2014 budget as modified by draft amending budgets, to EUR 51 601,9 million. This may stabilise the high level of outstanding commitments for Cohesion Policy, with substantial parts of 2015 payment appropriations to be used to satisfy claims accumulated at the end of 2014, but will in all likelihood not be sufficient for a notable reduction of this backlog of unpaid payment claims at year-end. This has negative consequences in terms of the Commission's ability to keep the 60-day payment deadline on payment requests arriving in later months of the calendar year. In turn, this will result in cash-flow problems for Member States and make national pre-financing of new operations more difficult.

Commitment appropriations of EUR 59 253,7 million are proposed for **Sustainable growth: natural resources (heading 2)**. This level of expenditure represents a stabilisation at the level of the 2014 budget (0,0 %) and leaves a margin of EUR 345,3 million under the ceiling. Payment appropriations amount to EUR 56 907,3 million, with an increase of 0,6 % compared to 2014. The funding for market related expenditure and direct aids reaches EUR 43 903,8 million in commitment appropriations, and EUR 43 897,0 million in payment appropriations. A margin under the sub-ceiling for market measures and direct aids amounting to EUR 286,0 million is left, even if the Commission requested the activation of the financial discipline mechanism to establish the reserve for crises in the agricultural sector<sup>13</sup>. For rural development, payment appropriations decrease by -0,5 % compared to the 2014 budget as modified by Draft Amending Budget No 3/2014. Whereas a substantial part of the payment appropriations in 2015 is foreseen to be used to reimburse expenditure related to the 2007-2013 programmes, the level of payment appropriations is unlikely to be sufficient to reduce the expected backlog of unpaid payment claims at the end of 2014. This could limit the Commission's ability to keep the 45-day payment deadline on payment requests arriving in later months of the calendar year. In turn, this would result in cash-flow problems for Member States and make national financing for rural development more difficult.

---

<sup>12</sup> COM(2014) 349, 11.6.2014.

<sup>13</sup> COM(2014) 175, 21.3.2014.

**Security and citizenship (heading 3)** sees a decrease in commitment appropriations of -1,9 % to EUR 2 130,7 million, leaving a margin of EUR 115,3 million. Payment appropriations increase by 12,2 % to EUR 1 881,2 million, which is due to the start-up of the Asylum, Migration and Integration Fund and the Internal Security Fund.

**Global Europe (heading 4)** sees a decrease in commitment appropriations of 1,1 % to EUR 8 413,1 million, leaving an unallocated margin of EUR 335,9 million available under the ceiling. Payment appropriations increase by 7,1 % to EUR 7 327,0 million, mostly to take account of the rapidly growing level of outstanding commitments under this heading.

Commitment and payment appropriations for **Administration (heading 5)** for all institutions combined including pensions and European schools increase by 2,5 %, with commitments set at EUR 8 612,2 million. Administrative expenditure of all institutions is kept at the forecast inflation for Brussels (+ 1,5 %) and Luxembourg (+ 1,7 %). The corresponding increase (+ 1,5 %) includes additional administrative expenditure related to Croatia's accession, amounting to EUR 13,2 million for the Commission. Taking into account the changes made by the Commission to better align the draft estimates of expenditure for the Council, the Court of Justice and the Committee of the Regions to the expected level of inflation in 2015, the requested expenditure for the institutions leaves a margin of EUR 457,9 million under the sub-ceiling for administrative expenditure of the institutions (excluding pensions and European schools). This reflects 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 reduction of staff levels in all EU institutions and bodies by 5 % over five years as laid down in the Interinstitutional Agreement of 2 December 2013 as part of the Reform of the Staff Regulations. The state of play for the implementation of the staff reduction is presented in section 4 ('horizontal issues') below.

For **pensions**, the 7,0 % increase results from the reduced annual adjustments for 2011 (0 %) and 2012 (+ 0,8 %), the estimate for 2015 (+ 1,7 %, on a six month basis) and the expected growth (by 3,9 %) in the number of staff expected to retire in 2015. In addition, the expenditure for pensions is increased by the transfer to the Commission's Section of the budget of pension expenditure for the former Members of the European Parliament (as from 2014), the Court of Justice, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor (as from 2015). Taking into account the estimated expenditure for pensions and European schools, the global margin under the ceiling of heading 5 amounts to EUR 463,8 million. Consequently, the share of heading 5 in the budget as a whole remains stable at the level of 2014.

Finally, in accordance with Croatia's Accession Treaty, commitments and payments for **Compensations (heading 6)** are no longer foreseen in 2015.

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 groups of operational 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). Annex VI provides an overview of human and financial resources requested for decentralised and executive agencies.

### 3. KEY ASPECTS OF 2015 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<br>2014 <sup>(1)</sup> |                 | Draft budget (DB)<br>2015 |                 | Share       |             | Difference<br>2015 – 2014 |                | Difference<br>2015 / 2014 |              |
|---|-------------------------------|-----------------|---------------------------|-----------------|-------------|-------------|---------------------------|----------------|---------------------------|--------------|
|   | (1)                           |                 | (2)                       |                 |             |             | (2 – 1)                   |                | (2 / 1)                   |              |
|   | CA                            | PA              | CA                        | PA              | CA          | PA          | CA                        | PA             | CA                        | PA           |
| — Large infrastructure projects   | 2 417,1                       | 1 944,5         | 2 508,9                   | 1 965,7         | 14,4%       | 12,6%       | 91,8                      | 21,2           | 3,8%                      | 1,1%         |
| — Nuclear Safety and Decommissioning  | 130,4                         | 180,0           | 133,0                     | 157,5           | 0,8%        | 1,0%        | 2,6                       | -22,5          | 2,0%                      | -12,5%       |
| — Common Strategic Framework (CSF)<br>Research and Innovation   | 9 309,7                       | 6 488,4         | 9 862,1                   | 9 312,3         | 56,5%       | 59,8%       | 552,4                     | 2 823,8        | 5,9%                      | 43,5%        |
| — Horizon 2020  | 9 022,4                       | 6 240,1         | 9 560,0                   | 8 969,8         | 54,8%       | 57,6%       | 537,6                     | 2 729,7        | 6,0%                      | 43,7%        |
| — Euratom Research and Training<br>Programme  | 287,2                         | 248,3           | 302,1                     | 342,4           | 1,7%        | 2,2%        | 14,8                      | 94,1           | 5,2%                      | 37,9%        |
| — Competitiveness of enterprises and<br>small and medium-sized enterprises<br>(COSME)                                     | 254,1                         | 221,4           | 281,3                     | 315,9           | 1,6%        | 2,0%        | 27,2                      | 94,5           | 10,7%                     | 42,7%        |
| — Education, Training, Youth and Sport<br>(Erasmus+)  | 1 558,8                       | 1 424,4         | 1 592,1                   | 1 390,2         | 9,1%        | 8,9%        | 33,4                      | -34,2          | 2,1%                      | -2,4%        |
| — Employment and Social Innovation<br>(EaSI)  | 122,8                         | 102,4           | 123,1                     | 90,0            | 0,7%        | 0,6%        | 0,4                       | -12,4          | 0,3%                      | -12,1%       |
| — Customs, Fiscalis and Anti-Fraud  | 118,3                         | 90,4            | 122,0                     | 84,5            | 0,7%        | 0,5%        | 3,7                       | -5,9           | 3,2%                      | -6,5%        |
| — Connecting Europe Facility (CEF)  | 1 976,2                       | 821,8           | 2 225,0                   | 1 452,0         | 12,8%       | 9,3%        | 248,8                     | 630,2          | 12,6%                     | 76,7%        |
| — Energy projects to aid economic<br>recovery (EERP)  | —                             | 140,3           | p.m.                      | 262,6           | 0,0%        | 1,7%        | p.m.                      | 122,3          | 0,0%                      | 87,2%        |
| — Other actions and programmes  | 203,8                         | 236,8           | 216,6                     | 183,6           | 1,2%        | 1,2%        | 12,8                      | -53,2          | 6,3%                      | -22,5%       |
| — Actions financed under the prerogatives<br>of the Commission and specific<br>competences conferred to the<br>Commission | 135,8                         | 110,8           | 132,4                     | 103,7           | 0,8%        | 0,7%        | -3,3                      | -7,1           | -2,5%                     | -6,4%        |
| — Pilot projects and preparatory actions  | 18,6                          | 28,4            | p.m.                      | 15,5            | 0,0%        | 0,1%        | -18,6                     | -12,8          | -100,0%                   | -45,3%       |
| — Decentralised agencies  | 238,5                         | 238,8           | 250,8                     | 249,2           | 1,4%        | 1,6%        | 12,3                      | 10,4           | 5,1%                      | 4,4%         |
| <b>Total</b>  | <b>16 484,0</b>               | <b>12 028,3</b> | <b>17 447,4</b>           | <b>15 582,6</b> | <b>100%</b> | <b>100%</b> | <b>963,4</b>              | <b>3 554,3</b> | <b>5,8%</b>               | <b>29,5%</b> |
| <b>Ceiling</b>  | <b>16 560,0</b>               |                 | <b>17 666,0</b>           |                 |             |             |                           |                |                           |              |
| <b>Margin</b>   | <b>76,0</b>                   |                 | <b>218,6</b>              |                 |             |             |                           |                |                           |              |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

##### 3.1.2. Key aspects of heading 1a

Heading 1a comprises programmes and actions which are at the heart of the ‘Europe 2020 strategy’. More than half of the budget for the heading is allocated to ‘Horizon 2020’ reflecting the important contribution of research, technological development and innovation in delivering jobs, prosperity and quality of life. The considerable added value of the ‘common strategic framework’ (CSF) is achieved because it pools research efforts and can thus deliver results that individual Member States cannot deliver on their own.

The ‘Erasmus+’ programme further develops the successful and essential actions in the field of education, training and youth that until 2013 were implemented through the ‘Lifelong learning’, ‘Youth in Action’ and ‘Erasmus Mundus’ programmes. It also covers actions in the field of sport.

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

The ‘Connecting Europe Facility’ (CEF) supports 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 contributes towards achieving smart, sustainable and inclusive growth by developing modern and high performing trans-European networks.

The ‘Galileo’ programme enters 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 also switches to a larger range of operational services. Finally, the EU participation in the ‘ITER’ project provides the Union with the ability to stay at the forefront in the field of nuclear fusion.

### 3.1.3. Priorities for 2015

The 2015 budget will have the capacity to launch significant investment in the new programmes for research, technological development and innovation and in education and human skills and to also to allocate resources to pan-European infrastructure for transport, energy and ICT.

### 3.1.4. Large infrastructure projects

(in million EUR, rounded figures at current prices)

| ‘Large infrastructure projects’ by programmes               | Budget 2014    |                | Draft budget (DB) 2015 |                | Share       |             | Difference 2015 – 2014 |             | Difference 2015 / 2014 |             |
|---|----------------|----------------|------------------------|----------------|-------------|-------------|------------------------|-------------|------------------------|-------------|
|   | (1)            |                | (2)                    |                |             |             | (2 – 1)                |             | (2 / 1)                |             |
|   | CA             | PA             | CA                     | PA             | CA          | PA          | CA                     | PA          | CA                     | PA          |
| — European satellite navigation systems (EGNOS and Galileo) | 1 326,2        | 1 193,2        | 1 060,6                | 934,5          | 42,3%       | 47,5%       | -265,6                 | -258,6      | -20,0%                 | -21,7%      |
| — International Thermonuclear Experimental Reactor (ITER)   | 728,0          | 563,2          | 891,9                  | 517,6          | 35,6%       | 26,3%       | 163,9                  | -45,6       | 22,5%                  | -8,1%       |
| — European Earth Observation Programme (Copernicus)         | 362,9          | 188,1          | 556,4                  | 513,5          | 22,2%       | 26,1%       | 193,4                  | 325,4       | 53,3%                  | 173,0%      |
| <b>Total</b>  | <b>2 417,1</b> | <b>1 944,5</b> | <b>2 508,9</b>         | <b>1 965,7</b> | <b>100%</b> | <b>100%</b> | <b>91,8</b>            | <b>21,2</b> | <b>3,8%</b>            | <b>1,1%</b> |

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

The EU satellite navigation programmes (‘EGNOS’ and ‘Galileo’) 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 is in 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. A new phase of the programme has started 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 provide many advantages for the economy and citizens, whose cumulative value has been estimated at approximately EUR 130 billion over the next 20 years. 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 European Joint Undertaking for ITER and the Development of Fusion for Energy ('Fusion for Energy') provides the contribution of the European Atomic Energy Community ('EURATOM') to the ITER International Organisation. The activities for the period 2014-2020 are financed from the general budget of the European Union and not through the Euratom research and training programmes. 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' Plan, contributing to the long-term EU energy strategy. It also contributes to the 'Europe 2020 strategy', in particular its 'Innovation Union' and 'An industrial policy for the globalisation era' flagship initiatives, 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 Joint Undertaking 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)

The European Earth Observation Programme '**Copernicus**' aims at gathering and structuring multiple sources of information, such as satellite and in-situ data, in order to provide 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.

### 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 2015 draft budget, as compared to the 2014 budget.

(in million EUR, rounded figures at current prices)

| CSF for Research and Innovation by programmes and objectives  | Budget 2014    |                | Draft budget (DB) 2015 |                | Share         |               | Difference 2015 – 2014 |                | Difference 2015 / 2014 |              |
|---|----------------|----------------|------------------------|----------------|---------------|---------------|------------------------|----------------|------------------------|--------------|
|   | (1)            |                | (2)                    |                |               |               | (2 – 1)                |                | (2 / 1)                |              |
|   | CA             | PA             | CA                     | PA             | CA            | PA            | CA                     | PA             | CA                     | PA           |
| — <b>Horizon 2020</b>   | <b>9 022,4</b> | <b>6 240,1</b> | <b>9 560,0</b>         | <b>8 969,8</b> | <b>96,9%</b>  | <b>96,3%</b>  | <b>537,6</b>           | <b>2 729,7</b> | <b>6,0%</b>            | <b>43,7%</b> |
| — Excellent science   | 2 881,1        | 234,5          | 2 892,0                | 1 194,3        | 29,3%         | 12,8%         | 10,9                   | 959,8          | 0,4%                   | 409,3%       |
| — European Research Council (ERC)   | 1 641,8        | 74,8           | 1 631,7                | 451,0          | 16,5%         | 4,8%          | -10,0                  | 376,2          | -0,6%                  | 503,0%       |
| — Future and Emerging Technologies (FET)  | 239,1          | 10,3           | 232,2                  | 109,5          | 2,4%          | 1,2%          | -6,9                   | 99,2           | -2,9%                  | 962,9%       |
| — Marie Skłodowska-Curie actions  | 731,6          | 147,0          | 734,7                  | 477,4          | 7,4%          | 5,1%          | 3,1                    | 330,4          | 0,4%                   | 224,7%       |
| — Research infrastructures  | 268,6          | 2,4            | 293,4                  | 156,4          | 3,0%          | 0,0           | 24,9                   | 154,0          | 9,3%                   | 6388,1%      |
| — Industrial leadership   | 1 772,2        | 423,1          | 1 904,6                | 1 095,3        | 19,3%         | 11,8%         | 132,4                  | 672,2          | 7,5%                   | 158,9%       |
| — Leadership in enabling and industrial technologies  | 1 342,5        | 101,6          | 1 494,6                | 761,6          | 15,2%         | 8,2%          | 152,1                  | 660,0          | 11,3%                  | 649,7%       |
| — Access to risk finance  | 363,6          | 315,5          | 337,5                  | 282,8          | 3,4%          | 3,0%          | -26,0                  | -32,7          | -7,2%                  | -10,4%       |
| — Innovation in SMEs  | 66,2           | 6,0            | 72,5                   | 51,0           | 0,7%          | 0,5%          | 6,3                    | 44,9           | 9,5%                   | 745,0%       |
| — Societal challenges   | 2 787,5        | 189,4          | 2 543,1                | 1 369,8        | 25,8%         | 14,7%         | -244,4                 | 1 180,4        | -8,8%                  | 623,3%       |
| — Health, demographic change and wellbeing  | 677,0          | 52,1           | 673,9                  | 324,5          | 6,8%          | 3,5%          | -3,1                   | 272,4          | -0,5%                  | 522,8%       |
| — Food security, sustainable agriculture and the bio-economy  | 253,9          | 24,8           | 195,6                  | 103,2          | 2,0%          | 1,1%          | -58,4                  | 78,4           | -23,0%                 | 316,9%       |
| — Secure, clean and efficient energy  | 571,4          | 57,5           | 651,2                  | 271,3          | 6,6%          | 2,9%          | 79,8                   | 213,8          | 14,0%                  | 371,6%       |
| — Smart, green and integrated transport   | 586,6          | 17,5           | 298,2                  | 341,6          | 3,0%          | 3,7%          | -288,4                 | 324,1          | -49,2%                 | 1851,8%      |
| — Climate action and resource efficiency, including raw materials   | 341,2          | 8,5            | 369,3                  | 162,1          | 3,7%          | 1,7%          | 28,1                   | 153,7          | 8,2%                   | 1815,4%      |
| — Inclusive, innovative and secure societies  | 357,3          | 29,0           | 354,9                  | 167,0          | 3,6%          | 1,8%          | -89,7                  | 138,0          | -0,7%                  | 475,8%       |
| — Spreading excellence and widening participation   | 66,9           | 5,3            | 148,0                  | 87,6           | 1,5%          | 0,9%          | 81,1                   | 82,3           | 121,3%                 | 1567,1%      |
| — Horizontal activities of Horizon 2020   | p.m.           | p.m.           | 47,5                   | 10,2           | 0,5%          | 0,1%          | 47,5                   | 10,2           | 0,0%                   | 0,0%         |
| — Joint Undertakings  | 609,7          | 77,4           | 1 076,7                | 345,9          | 10,9%         | 3,7%          | 467,1                  | 268,6          | 76,6%                  | 347,2%       |
| — European Institute of Innovation and Technology - integrating the knowledge triangle of higher education, research and innovation | 235,1          | 121,4          | 278,8                  | 228,5          | 2,8%          | 2,5%          | 43,7                   | 107,1          | 18,6%                  | 88,2%        |
| — Non-nuclear actions of JRC  | 33,6           | 10,3           | 35,1                   | 28,0           | 0,4%          | 0,3%          | 1,6                    | 17,7           | 4,7%                   | 172,7%       |
| — Support expenditure   | 636,5          | 636,5          | 634,2                  | 634,2          | 6,4%          | 6,8%          | -2,3                   | -2,3           | -0,4%                  | -0,4%        |
| — Completion (prior to 2014)  | 0,0            | 4 542,3        | 0,0                    | 3 976,1        | 0,0%          | 42,7%         | 0,0                    | -566,2         | 0,0%                   | -12,5%       |
| — <b>Euratom Research and Training Programme</b>  | <b>287,2</b>   | <b>248,3</b>   | <b>302,1</b>           | <b>342,4</b>   | <b>3,1%</b>   | <b>3,7%</b>   | <b>14,8</b>            | <b>94,1</b>    | <b>5,2%</b>            | <b>37,9%</b> |
| — Euratom   | 151,0          | 66,0           | 187,4                  | 187,0          | 1,9%          | 2,0%          | 36,4                   | 121,0          | 24,1%                  | 183,2%       |
| — Support expenditure   | 136,3          | 136,3          | 114,7                  | 114,7          | 1,2%          | 1,2%          | -21,6                  | -21,6          | -15,8%                 | -15,8%       |
| — Completion (prior to 2014)  | 0,0            | 46,0           | 0,0                    | 40,7           | 0,0%          | 0,4%          | 0,0                    | -5,3           | 0,0%                   | -11,6%       |
| <b>Total</b>  | <b>9 309,7</b> | <b>6 488,4</b> | <b>9 862,1</b>         | <b>9 312,3</b> | <b>100,0%</b> | <b>100,0%</b> | <b>552,4</b>           | <b>2 823,8</b> | <b>5,9%</b>            | <b>43,5%</b> |
| <b>Of which indirect research</b>   | <b>8 917,1</b> | <b>6 102,5</b> | <b>9 485,9</b>         | <b>8 940,1</b> | <b>96,2%</b>  | <b>96,0%</b>  | <b>568,8</b>           | <b>2 837,7</b> | <b>6,4%</b>            | <b>46,5%</b> |
| <b>Of which direct research</b>   | <b>392,6</b>   | <b>386,0</b>   | <b>376,2</b>           | <b>372,1</b>   | <b>3,8%</b>   | <b>4,0%</b>   | <b>-16,4</b>           | <b>-13,9</b>   | <b>-4,2%</b>           | <b>-3,6%</b> |



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

**'Horizon 2020'** is designed to address the challenges Europe is facing through funding excellent science, technology and innovation. It stimulates the economy and secures the science and technology base and industrial competitiveness for the future, contributing towards a smarter, more sustainable and more inclusive society. It plays a central role in the implementation of the Europe 2020 flagship initiative 'Innovation Union' and other flagship initiatives, notably 'A digital agenda for Europe', 'Resource efficient Europe' and 'An industrial policy for the globalisation era', 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.

'Horizon 2020' 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). The 'Euratom Research and Training Programme' (2014-2018) 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.

The general objective of 'Horizon 2020' is to contribute to building a society and an economy based on knowledge and innovation across the Union by leveraging additional research, development and innovation funding and by contributing to attaining research and development targets, including the target of 3 % of GDP for research and development across the Union by 2020. Emphasis is placed in those areas where the EU intervention will provide added value and increased effectiveness when compared to Member States' individual efforts. For instance, the promotion of excellent science in key areas will make it possible for some 65 000 researchers to circulate, thus generating new skills and innovation in the EU. Boosting Europe's industrial leadership in key areas will mobilise EUR 15 billion investments via debt financing and venture capital.

'Horizon 2020' focuses resources on three distinct, yet mutually reinforcing priorities, with clear Union added value. Each one of them includes a number of specific objectives, namely:

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 fields, technologies and disciplines. 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.

The specific objectives ‘Spreading excellence and widening participation’ and ‘Science with and for society’ are considered as additional parts with dedicated funding. They are building effective cooperation between science and society, recruiting new talent for science and pairing scientific excellence with social awareness and responsibility.

Given that SMEs have significant innovation potential and they can bring revolutionary technological breakthroughs and service innovation to the market, ‘Horizon 2020’ takes an integrated approach and actively supports them, by providing both direct financial support and indirect support to increase their innovation capacity. Through this approach, it is expected that a minimum of 20 % of the total combined budgets for the specific objective ‘Leadership in enabling and industrial technologies’ (within Part II, ‘Industrial Leadership’) and the priority ‘Societal challenges’ will be allocated to SMEs.

In addition, the Commission's Joint Research Centre (JRC) and the European Institute of Innovation and Technology (EIT) contribute to the Horizon 2020 objectives too. In particular, ‘Horizon 2020’ supports the non-nuclear direct actions of the JRC, to enable the JRC 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 brings 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).

With a view to maximising the impact of EU funding, ‘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. More specifically, continued funding is provided to the following four Public-Public Partnerships: ‘Research and Development Programme aimed at supporting research performing small and medium-sized enterprises’ (EUROSTARS), ‘European Metrology Programme for Innovation and Research’ (EMPIR), ‘European and Developing Countries Clinical Trials Partnership Programme’ (EDCTP2) and ‘Active and Assisted Living Research and Developing Programme’ (AAL). In addition, seven Public-Private Partnerships are being implemented in key sectors such as pharmaceuticals, energy, transport and electronics, namely: ‘Innovative Medicines Initiative 2’ (IMI2), ‘Clean Sky 2’, ‘ECSEL’ (electronic components and systems), ‘Bio-Based Industries’ (BBI), ‘Fuel Cells and Hydrogen 2’ (FCH2), ‘SESAR’ (Single European Sky – Air Traffic Management) and ‘Shift2Rail’.

#### 3.1.5.2. Euratom Research and Training Programme (EURATOM)

The ‘**Euratom** Research and Training Programme’ (2014-2018) complements ‘Horizon 2020’ in the field of nuclear research and training, putting emphasis on continually improving nuclear safety, security and radiation protection, notably by contributing to the long-term decarbonisation of the energy system in a safe, efficient and secure way. The programme is clearly linked to the objectives of the ‘Europe 2020’ and the ‘Energy 2020’ strategies. It contributes to the ‘Innovation Union’ by supporting pre-commercial and policy-relevant research and by facilitating technology transfers between academia and industry. By putting emphasis on training in all its activities, boosting safety and sustainability in the existing nuclear industry and creating a new sector of high-tech industry for fusion energy in particular, the programme will lead to growth and new jobs in a wide range of disciplines.

The indirect actions of the ‘Euratom’ programme are focused on two areas: 1) nuclear fission, safety and radiation protection, and 2) fusion research and development. In the area of nuclear fission and radiation protection, the programme supports the improvement of nuclear safety and contributes to the development of safe, longer term solutions for the management of nuclear waste. In addition, focus is given to researching the mechanisms involved in diagnostic and therapeutic applications of ionising radiation using a common approach for balancing benefits and risks of the tens of millions of nuclear medical procedures performed each year in Europe. As regards indirect actions for fusion research, the programme aims at supporting the successful construction and eventual exploitation of the ITER project while ensuring that Europe is in a position to benefit from this success and progress towards a timely exploitation of fusion as an energy source in the second half of the century.

The ‘Euratom’ programme for direct actions, implemented by the Joint Research Centre (JRC), contributes to the nuclear safety research required for safe, secure and peaceful use of nuclear energy and other non-fission applications. The JRC provides a scientific basis for the relevant Union policies, and where necessary, it will react within the limits of its mission and competence to nuclear events, incidents and accidents. To that effect, the JRC will carry out research and assessments, provide references and standards and deliver dedicated training and education.

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

(in million EUR, rounded figures at current prices)

| COSME by components  | Budget<br>2014 |              | Draft budget (DB)<br>2015 |              | Share         |               | Difference<br>2015 – 2014 |             | Difference<br>2015 / 2014 |              |
|--|----------------|--------------|---------------------------|--------------|---------------|---------------|---------------------------|-------------|---------------------------|--------------|
|  | (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  | 102,7          | 14,6         | 106,6                     | 72,4         | 37,9%         | 22,9%         | 3,9                       | 57,8        | 3,8%                      | 396,4%       |
| — Improving access to finance for small and middle-sized enterprises (SMEs) in the form of equity and debt | 140,7          | 76,7         | 162,8                     | 99,3         | 57,9%         | 31,4%         | 22,1                      | 22,6        | 15,7%                     | 29,5%        |
| — Support expenditure  | 10,7           | 10,7         | 11,9                      | 11,9         | 4,2%          | 3,8%          | 1,2                       | 1,2         | 11,2%                     | 11,2%        |
| — Completion of former activities in the competitiveness and entrepreneurship domain                       | 0,0            | 119,5        | 0,0                       | 132,4        | 0,0%          | 41,9%         | 0,0                       | 12,9        | 0,0%                      | 10,8%        |
| <b>Total</b>   | <b>254,1</b>   | <b>221,4</b> | <b>281,3</b>              | <b>315,9</b> | <b>100,0%</b> | <b>100,0%</b> | <b>27,2</b>               | <b>94,5</b> | <b>10,7%</b>              | <b>42,7%</b> |

The programme for the ‘Competitiveness of enterprises and small and medium-sized enterprises’ (COSME) focuses 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 aims 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 is 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+')

(in million EUR, rounded figures at current prices)

| 'Erasmus+'<br>by components   | Budget<br>2014 |                | Draft budget (DB)<br>2015 |                | Share         |               | Difference<br>2015 – 2014 |              | Difference<br>2015 / 2014 |              |
|---|----------------|----------------|---------------------------|----------------|---------------|---------------|---------------------------|--------------|---------------------------|--------------|
|   | (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 | 1 468,8        | 1 099,2        | 1 498,2                   | 1 231,9        | 94,1%         | 88,6%         | 29,5                      | 132,7        | 2,0%                      | 12,1%        |
| — Promoting excellence in teaching and research activities in European integration through the Jean Monnet activities worldwide   | 34,5           | 24,2           | 36,2                      | 29,1           | 2,3%          | 2,1%          | 1,6                       | 4,9          | 4,7%                      | 20,2%        |
| — Developing the European dimension in sport  | 19,2           | 12,3           | 20,4                      | 11,6           | 1,3%          | 0,8%          | 1,3                       | -0,7         | 6,6%                      | -5,6%        |
| — Support expenditure   | 36,3           | 36,3           | 37,3                      | 37,3           | 2,3%          | 2,7%          | 1,0                       | 1,0          | 2,8%                      | 2,8%         |
| — Completion (prior to 2014)  | 0,0            | 252,4          | 0,0                       | 80,2           | 0,0%          | 5,8%          | 0,0                       | -172,1       | 0,0%                      | -68,2%       |
| <b>Total</b>  | <b>1 558,8</b> | <b>1 424,4</b> | <b>1 592,1</b>            | <b>1 390,2</b> | <b>100,0%</b> | <b>100,0%</b> | <b>33,4</b>               | <b>-34,2</b> | <b>2,1%</b>               | <b>-2,4%</b> |

The 'Erasmus+' programme aims at implementing the agreed policy objectives of the Union in the education, training, youth and sport areas by boosting the skills and competencies of students, fostering quality improvements in education, training and youth institutions/organisations and promoting policy development.

'Erasmus+' 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 12,7 % in 2012 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 35,7 % in 2012. The programme will give extended opportunities for individuals to learn abroad, which will be raised from slightly below 500 000 in 2014 to above 800 000 in 2020, totalling over 4 million learning mobility opportunities throughout the period 2014-2020<sup>14</sup>.

'Erasmus+' focuses 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 also covers specific Jean Monnet support activities stimulating teaching, research and debates on European integration, and EU-level cooperation in the field of sport.

<sup>14</sup> This concerns students mobility, staff mobility, youth workers, participants in youth exchanges, participants in European Voluntary Service projects, joint degrees and masters (loan guarantees), without international students and staff mobility financed under heading 4.

### 3.1.8. Employment and Social Innovation (EaSI)

(in million EUR, rounded figures at current prices)

| EaSI by components  | Budget<br>2014 |              | Draft budget (DB)<br>2015 |             | Share         |               | Difference<br>2015 – 2014 |              | Difference<br>2015 / 2014 |               |
|---|----------------|--------------|---------------------------|-------------|---------------|---------------|---------------------------|--------------|---------------------------|---------------|
|   | (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 working conditions legislation   | 71,2           | 20,8         | 72,5                      | 22,7        | 58,9%         | 25,3%         | 1,3                       | 1,9          | 1,9%                      | 9,4%          |
| — EURES — Promoting workers' voluntary geographical mobility and boosting employment opportunities  | 21,3           | 12,1         | 21,4                      | 9,4         | 17,4%         | 10,5%         | 0,1                       | -2,6         | 0,4%                      | -21,8%        |
| — Microfinance and Social Entrepreneurship — Increasing access, and the availability of, financing for legal and physical persons, especially those furthest from the labour market, and social enterprises | 26,5           | 9,4          | 25,0                      | 11,8        | 20,3%         | 13,2%         | -1,5                      | 2,4          | -5,8%                     | 25,4%         |
| — Support expenditure for the programme Employment and Social Innovation  | 3,8            | 3,8          | 4,3                       | 4,3         | 3,5%          | 4,8%          | 0,5                       | 0,5          | 13,2%                     | 13,2%         |
| — Completion (prior to 2014)  | 0,0            | 56,3         | 0,0                       | 41,7        | 0,0%          | 46,3%         | 0,0                       | -14,6        | 0,0%                      | -26,0%        |
| <b>Total</b>  | <b>122,8</b>   | <b>102,4</b> | <b>123,1</b>              | <b>90,0</b> | <b>100,0%</b> | <b>100,0%</b> | <b>0,4</b>                | <b>-12,4</b> | <b>0,3%</b>               | <b>-12,1%</b> |

The **Employment and Social Innovation programme (EaSI)** provides EU funding to coordinate the implementation of the 'Europe 2020 strategy' for inclusive growth. Under its 'PROGRESS' axis the programme supports 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 aims at promoting workers' geographical mobility and boosting employment opportunities by developing Union labour markets that are open and accessible to all. EU funding under the Microfinance axis is allocated towards facilitating 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)

| CEF by components                                 | Budget<br>2014 |              | Draft budget (DB)<br>2015 |                | Share         |               | Difference<br>2015 – 2014 |              | Difference<br>2015 / 2014 |              |
|---|----------------|--------------|---------------------------|----------------|---------------|---------------|---------------------------|--------------|---------------------------|--------------|
|   | (1)            |              | (2)                       |                |               |               | (2 – 1)                   |              | (2 / 1)                   |              |
|   | CA             | PA           | CA                        | PA             | CA            | PA            | CA                        | PA           | CA                        | PA           |
| — Energy  | 409,6          | 12,5         | 487,2                     | 78,6           | 21,9%         | 5,4%          | 77,5                      | 66,1         | 18,9%                     | 529,6%       |
| — Transport                                       | 1 482,4        | 793,1        | 1 645,9                   | 1 300,5        | 74,0%         | 89,6%         | 163,4                     | 507,4        | 11,0%                     | 64,0%        |
| — Information and Communications Technology (ICT) | 84,1           | 16,3         | 92,0                      | 73,0           | 4,1%          | 5,0%          | 7,9                       | 56,7         | 9,3%                      | 348,4%       |
| <b>Total</b>                                      | <b>1 976,2</b> | <b>821,8</b> | <b>2 225,0</b>            | <b>1 452,0</b> | <b>100,0%</b> | <b>100,0%</b> | <b>248,8</b>              | <b>630,2</b> | <b>12,6%</b>              | <b>76,7%</b> |

The '**Connecting Europe Facility**' (CEF) supports the implementation of projects aiming at developing, constructing or upgrading infrastructure in the field of transport, energy and telecommunications. A single EU infrastructure fund and financial framework provides a coherent and transparent approach to EU funding that offers certainty and thus has a huge potential to attract more private sector financing. Financial instruments will be available in a centralised and coordinated manner, attracting and improving the effectiveness of the relationship with the private investors and the partner financial institutions. In addition, the progressively increasing interdependency between economic infrastructure projects, networks and sectors will create the conditions to realise economies of scale. 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 number of new or improved cross-border connections is expected to reach 14 in 2020 and to be raised to 36 by 2030, while the number of removed bottlenecks and sections of increased capacity for all modes on core network corridors is foreseen to total 13 by 2020. Moreover, the railway lines equipped with the ‘European Railway Traffic Management System’ (ERTMS) are expected to be extended up to 30 000 km by 2020 compared to 9 411 km in service and under construction in 2013. 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 promotes 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 supports enhancing the Union security of supply and contributes 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, is available to energy infrastructure projects recognised as Projects of Common Interest (PCIs) to improve their viability and to reduce their cost of capital. As set out in more detail in the Commission’s May 2014 Communication on a European Energy Security Strategy<sup>15</sup>, 27 PCIs in gas and 6 in electricity have been identified as critical for the Union’s energy security in the short and medium terms, because their implementation is expected to enhance diversification of supply possibilities and solidarity in the most vulnerable parts of Europe.

#### 3.1.9.2. Connecting Europe Facility — Transport

The ‘**CEF – Transport**’ programme supports projects of common interest. It pursues the objectives of removing bottlenecks, enhancing rail interoperability, bridging missing links and improving cross-border sections, thus 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 for an amount of EUR 1,2 billion in 2015. 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 accelerates deployment of fast and ultrafast broadband networks and their uptake, including by small and medium sized enterprises (SMEs). It also promotes 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’).

---

<sup>15</sup> COM(2014) 330, 28.5.2014.

### *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*

The total level of payment appropriations requested for heading 1a in 2015 is set at EUR 15 582,6 million. Even though this is 29,5 % above the level in the 2014 budget as modified by draft amending budgets, this level of payments will not allow to contain the increase of the outstanding commitments (RAL) under this heading. The section below summarises the request for payment appropriations by period.

##### *3.1.11.1. Payments on 2014-2020 programmes*

For each of the 2014-2020 programmes and actions, the Commission has made a thorough analysis of the delivery mechanism in the adopted legal bases. Based on a conservative scenario of this analysis and on past experience, the Commission determined when payments are likely to be made in 2015. Payments on 2014-2020 programmes (EUR 8 928,9 million) are intended to cover notably the pre-financing of projects selected in calls of proposals in 2014 and 2015, whereas EUR 247,5 million of this amount is foreseen to cover the EU contributions to decentralised agencies under this heading. A further EUR 841,2 million will be used to pay non-differentiated expenditure, whereby commitments are equal to payments.

##### *3.1.11.2. Payments on outstanding commitments (prior to 2014)*

The Commission estimates that a total level of intermediate and final payments on outstanding commitments of EUR 5 812,3 million will need to be made in 2015, corresponding to 17,0 % of expected outstanding commitments under heading 1a at the end of 2014.

### 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<br>2014 <sup>(1)</sup> |                 | Draft budget (DB)<br>2015 |                 | Share         |               | Difference<br>2015 – 2014 |                 | Difference<br>2015 / 2014 |              |
|--|-------------------------------|-----------------|---------------------------|-----------------|---------------|---------------|---------------------------|-----------------|---------------------------|--------------|
|  | (1)                           |                 | (2)                       |                 |               |               | (2 – 1)                   |                 | (2 / 1)                   |              |
|  | CA                            | PA              | CA                        | PA              | CA            | PA            | CA                        | PA              | CA                        | PA           |
| — Investment for growth and jobs                           | 43 513,7                      | 51 645,1        | 45 146,6                  | 48 823,1        | 91,7%         | 94,6%         | 1 632,9                   | -2 822,0        | 3,8%                      | -5,5%        |
| — Regional convergence (Less developed regions)            | 23 264,1                      | 32 202,7        | 24 203,3                  | 27 804,2        | 49,2%         | 53,9%         | 939,2                     | -4 398,5        | 4,0%                      | -13,7%       |
| — Transition regions                                       | 4 697,7                       | 276,2           | 4 854,2                   | 931,0           | 9,9%          | 1,8%          | 156,5                     | 654,8           | 3,3%                      | 237,1%       |
| — Competitiveness (More developed regions)                 | 7 403,4                       | 8 075,3         | 7 529,1                   | 7 052,7         | 15,3%         | 13,7%         | 125,7                     | -1 022,7        | 1,7%                      | -12,7%       |
| — Outermost and sparsely populated regions                 | 209,1                         | 13,0            | 213,4                     | 38,9            | 0,4%          | 0,1%          | 4,3                       | 25,9            | 2,1%                      | 199,2%       |
| — Cohesion fund  | 7 939,4                       | 11 077,8        | 8 346,5                   | 12 996,3        | 17,0%         | 25,2%         | 407,1                     | 1 918,5         | 5,1%                      | 17,3%        |
| — Connecting Europe Facility (CEF) – CF contribution       | 983,0                         | p.m.            | 1 217,0                   | 410,4           | 2,5%          | 0,8%          | 234,0                     | 410,4           | 23,8%                     | 100,0%       |
| — European territorial cooperation                         | 505,7                         | 1 701,5         | 738,4                     | 1 195,5         | 1,5%          | 2,3%          | 232,7                     | -506,0          | 46,0%                     | -29,7%       |
| — Technical assistance and innovative actions              | 188,6                         | 134,6           | 192,6                     | 185,3           | 0,4%          | 0,4%          | 4,0                       | 50,7            | 2,1%                      | 37,7%        |
| — Youth Employment initiative (specific top-up allocation) | 1 804,1                       | 450,0           | 1 407,2                   | 600,0           | 2,9%          | 1,2%          | -396,9                    | 150,0           | -22,0%                    | 33,3%        |
| — European Aid to the Most Deprived (FEAD)                 | 501,3                         | 406,3           | 525,1                     | 379,1           | 1,1%          | 0,7%          | 23,8                      | -27,2           | 4,7%                      | -6,7%        |
| — Pilot projects and preparatory actions                   | 6,0                           | 8,7             | p.m.                      | 8,5             | 0,0%          | 0,0%          | -6,0                      | -0,2            | -100,0%                   | -2,4%        |
| <b>Total</b>   | <b>47 502,3</b>               | <b>54 346,2</b> | <b>49 226,8</b>           | <b>51 601,9</b> | <b>100,0%</b> | <b>100,0%</b> | <b>1 724,5</b>            | <b>-2 744,2</b> | <b>3,6%</b>               | <b>-5,0%</b> |
| <i>Of which under Flexibility Instrument</i>               | <i>89,3</i>                   |                 | <i>79,8</i>               |                 |               |               |                           |                 |                           |              |
| <i>Ceiling</i>   | <i>47 413,0</i>               |                 | <i>49 147,0</i>           |                 |               |               |                           |                 |                           |              |
| <i>Margin</i>  | <i>0,0</i>                    |                 | <i>0,0</i>                |                 |               |               |                           |                 |                           |              |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.



### 3.2.1.2. Summary table by period and Funds

(in million EUR, rounded figures at current prices)

| Period       | Fund   | Budget<br>2014 <sup>(1)</sup> |                 | Draft budget (DB)<br>2015 |                 | Share         |               | Difference<br>2015 – 2014 |                 | Difference<br>2015 / 2014 |               |
|--------------|--|-------------------------------|-----------------|---------------------------|-----------------|---------------|---------------|---------------------------|-----------------|---------------------------|---------------|
|              |  | (1)                           |                 | (2)                       |                 |               |               | (2 – 1)                   |                 | (2 / 1)                   |               |
|              |  | CA                            | PA              | CA                        | PA              | CA            | PA            | CA                        | PA              | CA                        | PA            |
| 2000-2006    | ERDF   | 0,0                           | 0,0             | 0,0                       | 0,0             | 0,0%          | 0,0%          | 0,0                       | 0,0             | 0,0%                      | 0,0%          |
|              | CF   | p.m.                          | 570,2           | p.m.                      | 450,0           | 0,0%          | 0,9%          | 0,0                       | -120,2          | 0,0%                      | -21,1%        |
|              | ESF  | 0,0                           | 0,0             | 0,0                       | 0,0             | 0,0%          | 0,0%          | 0,0                       | 0,0             | 0,0%                      | 0,0%          |
|              | <b>Total</b>                                       | <b>0,0</b>                    | <b>570,2</b>    | <b>0,0</b>                | <b>450,0</b>    | <b>0,0%</b>   | <b>0,9%</b>   | <b>0,0</b>                | <b>-120,2</b>   | <b>0,0%</b>               | <b>-21,1%</b> |
| 2007-2013    | ERDF   | 0,0                           | 30 174,0        | 0,0                       | 22 004,9        | 0,0%          | 42,6%         | 0,0                       | -8 169,1        | 0,0%                      | -27,1%        |
|              | CF   | p.m.                          | 10 002,5        | p.m.                      | 10 834,4        | 0,0%          | 21,0%         | 0,0                       | 831,9           | 0,0%                      | 8,3%          |
|              | ESF  | 0,0                           | 9 766,2         | 0,0                       | 7 375,5         | 0,0%          | 14,3%         | 0,0                       | -2 390,7        | 0,0%                      | -24,5%        |
|              | <b>Total</b>                                       | <b>0,0</b>                    | <b>49 942,7</b> | <b>0,0</b>                | <b>40 214,8</b> | <b>0,0%</b>   | <b>77,9%</b>  | <b>0,0</b>                | <b>-9 727,8</b> | <b>0,0%</b>               | <b>-19,5%</b> |
| 2014-2020    | ERDF   | 24 858,9                      | 1 568,6         | 26 694,0                  | 5 656,0         | 54,2%         | 11,0%         | 1 835,1                   | 4 087,4         | 7,4%                      | 260,6%        |
|              | CF   | 7 939,4                       | 505,2           | 8 346,5                   | 1 711,9         | 17,0%         | 3,3%          | 407,1                     | 1 206,7         | 5,1%                      | 238,9%        |
|              | ESF  | 13 025,2                      | 1 142,0         | 12 251,6                  | 2 535,0         | 24,9%         | 4,9%          | -773,6                    | 1 393,0         | -5,9%                     | 122,0%        |
|              | <i>Of which YEI specific top-up allocation</i>     | <i>1 804,1</i>                | <i>450,0</i>    | <i>1 407,2</i>            | <i>600,0</i>    | <i>2,9%</i>   | <i>1,2%</i>   | <i>-396,9</i>             | <i>150,0</i>    | <i>-22,0%</i>             | <i>33,3%</i>  |
|              | FEAD   | 501,3                         | 406,3           | 525,1                     | 379,1           | 1,1%          | 0,7%          | 23,8                      | -27,2           | 4,7%                      | -6,7%         |
|              | CEF contribution H1b                               | 983,0                         | p.m.            | 1 217,0                   | 410,4           | 2,5%          | 0,8%          | 234,0                     | 410,4           | 23,8%                     | 100,0%        |
|              | <b>Total</b>                                       | <b>47 307,8</b>               | <b>3 622,0</b>  | <b>49 034,2</b>           | <b>10 692,4</b> | <b>99,6%</b>  | <b>20,7%</b>  | <b>1 726,4</b>            | <b>7 070,4</b>  | <b>3,6%</b>               | <b>195,2%</b> |
| <b>Total</b> | <b>ERDF</b>  | <b>24 858,9</b>               | <b>31 742,6</b> | <b>26 694,0</b>           | <b>27 660,9</b> | <b>54,2%</b>  | <b>53,6%</b>  | <b>1 835,1</b>            | <b>-4 081,7</b> | <b>7,4%</b>               | <b>-12,9%</b> |
|              | <b>CF</b>  | <b>7 939,4</b>                | <b>11 077,8</b> | <b>8 346,5</b>            | <b>12 996,3</b> | <b>17,0%</b>  | <b>25,2%</b>  | <b>407,1</b>              | <b>1 918,5</b>  | <b>5,1%</b>               | <b>17,3%</b>  |
|              | <b>ESF</b>   | <b>13 025,2</b>               | <b>10 908,2</b> | <b>12 251,6</b>           | <b>9 910,5</b>  | <b>24,9%</b>  | <b>19,2%</b>  | <b>-779,6</b>             | <b>-997,6</b>   | <b>-5,9%</b>              | <b>-9,1%</b>  |
|              | <i>Of which YEI specific top-up allocation</i>     | <i>1 804,1</i>                | <i>450,0</i>    | <i>1 407,2</i>            | <i>600,0</i>    | <i>2,9%</i>   | <i>1,2%</i>   | <i>-396,9</i>             | <i>150,0</i>    | <i>-22,0%</i>             | <i>33,3%</i>  |
|              | <b>FEAD</b>  | <b>501,3</b>                  | <b>406,3</b>    | <b>525,1</b>              | <b>379,1</b>    | <b>1,1%</b>   | <b>0,7%</b>   | <b>23,8</b>               | <b>-27,2</b>    | <b>4,7%</b>               | <b>-6,7%</b>  |
|              | <b>CEF contribution H1b</b>                        | <b>983,0</b>                  | <b>p.m.</b>     | <b>1 217,0</b>            | <b>410,4</b>    | <b>2,5%</b>   | <b>0,8%</b>   | <b>234,0</b>              | <b>410,4</b>    | <b>23,8%</b>              | <b>100,0%</b> |
|              | <b>Total</b>                                       | <b>47 307,8</b>               | <b>54 134,8</b> | <b>49 034,2</b>           | <b>51 357,2</b> | <b>99,6%</b>  | <b>99,5%</b>  | <b>1 726,4</b>            | <b>-2 777,6</b> | <b>3,6%</b>               | <b>-5,1%</b>  |
| —            | <b>Technical assistance and innovative actions</b> | <b>188,6</b>                  | <b>134,6</b>    | <b>192,6</b>              | <b>185,3</b>    | <b>0,4%</b>   | <b>0,4%</b>   | <b>4,0</b>                | <b>50,7</b>     | <b>2,1%</b>               | <b>37,7%</b>  |
| —            | <b>Other</b>                                       | <b>6,0</b>                    | <b>76,7</b>     | <b>0,0</b>                | <b>59,4</b>     | <b>0,0%</b>   | <b>0,1%</b>   | <b>-6,0</b>               | <b>-17,3</b>    | <b>-100,0%</b>            | <b>-22,6%</b> |
|              | <b>Total</b>                                       | <b>47 502,3</b>               | <b>54 346,2</b> | <b>49 226,8</b>           | <b>51 601,9</b> | <b>100,0%</b> | <b>100,0%</b> | <b>1 724,5</b>            | <b>-2 744,2</b> | <b>3,6%</b>               | <b>-5,0%</b>  |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

The proposed total level of commitment appropriations of EUR 49 226,8 million (+ 3,6 %) for heading 1b exceeds the 2015 ceiling for heading 1b by EUR 79,8 million. This amount on top of the ceiling corresponds to the proposed mobilisation of the Flexibility Instrument in 2015. The European Council conclusions of June 2013 invited the European Parliament and the Council to examine the opportunities provided by the flexibilities in the MFF, including the Flexibility Instrument, to address the particularly difficult situation of Cyprus<sup>16</sup>. In 2013 the Commission proposed to grant an additional allocation from the Structural Funds to Cyprus over two years, spread in two equal instalments in 2014 and 2015, for a total amount of EUR 200 million in current prices. In accordance with the ‘Common Provisions Regulation’ (CPR), the first EUR 100 million instalment has already been included in the 2014 budget. The Commission proposes to cover the second instalment by the use of the unallocated margin and the mobilisation of the Flexibility Instrument in 2015<sup>17</sup>.

<sup>16</sup> Point 18 of the European Council Conclusions (27-28 June 2013).

<sup>17</sup> COM(2014) 349, 11.6.2014.

### 3.2.2. *Key aspects of heading 1b*

Heading 1b of the financial framework covers 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 the 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 the 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, as well as the ‘European territorial cooperation’ goal (through part of the ERDF). The Cohesion Fund supports projects in the field of environment and trans-European networks in the area of transport infrastructure. To ensure that sufficient investment is targeted at youth employment, labour mobility, knowledge, social inclusion and combating poverty, the minimum share of Structural Funds resources available for the ESF in the Cohesion policy is set at 23,1 %. Minimum allocations are fixed for the following priority areas to deliver Europe 2020 objectives: ‘strengthening research, technological development and innovation’; ‘enhancing access to, and use of quality of, ICT’; ‘enhancing the competitiveness of SMEs’; and ‘supporting the shift towards a low-carbon economy’. 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, at least 20 % of the total resources of the Fund in each Member State shall be allocated to the thematic objective of ‘promoting social inclusion, combating poverty and any discrimination’.

For the programming period 2014-2020 the Cohesion policy is refocused to achieve maximum impact on growth and jobs. Furthermore, some new features are introduced, notably to focus the policy on performance (‘performance reserve’) and attainment of the objectives of the ‘Europe 2020 strategy’ as well as to create a closer link between cohesion policy and the economic governance of the Union (‘macro-economic conditionality’). The ‘performance reserve’ consists of 6 % of the resources allocated to the Funds and is to be allocated after a ‘performance review’ in 2019 only to programmes and priorities which have achieved their milestones. The support from the ERDF, ESF and CF is expected to lead to the following selection of results:

- 15,5 million young people (15-24 years old) benefiting from ESF investments cumulatively between 2014 and 2018. The cumulative number between 2014 and 2023 is expected to reach 23,1 million;
- The Youth Employment Initiative (YEI) will target around 1,2 million 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;
- 26 000 new researchers in supported entities in 2015, compared to 12 000 in 2012;
- 215 000 enterprises receiving support by 2015, compared to some 170 000 in 2012;
- 7 000 MW additional capacity of renewable energy produced with contributions from ERDF and Cohesion Fund (CF) in 2015, compared to 2 400 MW in 2012;

– 873 000 jobs created in supported enterprises in 2015, compared to 381 000 jobs in 2012.

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. Heading 1b also finances transport infrastructure projects listed in the Connecting Europe Facility Regulation in the Member States benefiting from the Cohesion Fund. 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 2015*

In the second year of the new programming period, the focus will be on the start-up and implementation of the new generation of Cohesion policy programmes for the period 2014-2020 following the foreseen adoption of the Partnership Agreements and the majority of operational programmes in 2014. 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 strategic programming process has been reinforced. 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 Agreements.

The CSF sets out key actions to address EU priorities, provides 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 promotes a better coordination of the various EU structural instruments. Partnership Agreements, agreed between the Commission and Member States, 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 are defined in a performance framework.

Cohesion policy continues to be used as an effective instrument for supporting the economic recovery. In this context, commitment appropriations amounting to EUR 2,8 billion, half of which will be financed from the ESF, are available for the frontloaded Youth Employment Initiative in 2015. Furthermore, Member States receiving financial assistance may at least until 30 June 2016 continue to benefit from a top-up of ten percentage points to the co-financing rates.

#### 3.2.3.1. 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 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 the EU-27.

### 3.2.3.2. European territorial cooperation (ETC)

Funding under the ‘**European Territorial Cooperation**’ 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.

### 3.2.3.3. Youth employment initiative

In order to support the European Council's Recommendation of 22 April 2013 on establishing a Youth Guarantee<sup>18</sup>, which provides that young persons should receive a good-quality offer of either employment, continued education, an apprenticeship or a traineeship within a period of four months of becoming unemployed or of leaving formal education, the Youth Employment Initiative (YEI) has been created for the most affected regions. In these regions the YEI should support young people not in employment, education or training, to add to and reinforce the very considerable support already provided through the EU structural funds. This initiative is open to all regions (NUTS<sup>19</sup> level 2) that have youth unemployment rates for young persons aged 15 to 24 of more than 25 % in 2012 with a lower 20 % threshold for Member States where the youth unemployment rate has increased by more than 30 % 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 total amount of EUR 6 billion in commitment appropriations (in 2011 prices) under the YEI has been frontloaded in 2014 and 2015.

### 3.2.3.4. 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, whilst complementing – without overlapping – the Structural Funds. The Fund aims to contribute to achieving the specific objective of alleviating the worst forms of poverty, by providing non-financial assistance to the most deprived persons by food and/or basic material assistance, and social inclusion activities aiming at the social integration of the most deprived persons. The Fund complements sustainable national poverty eradication and social inclusion policies, which remain the responsibility of Member States.

### 3.2.4. *Commitment appropriations for heading 1b*

For 2015, total commitment appropriations for **heading 1b** amount to EUR 49 226,8 million. Of these, EUR 38 928,0 million are requested for the **Structural Funds** (ERDF and ESF, of which EUR 1 407,2 million is the specific **Youth Employment Initiative** (YEI) top-up allocation), EUR 8 346,5 million for the **Cohesion Fund**, EUR 1 217,0 million for the **Connecting Europe Facility (CEF)** and EUR 525,1 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 relevant legal bases.

---

<sup>18</sup> OJ C 120, 26.4.2013, p. 1.

<sup>19</sup> Nomenclature of territorial units for statistics (NUTS).

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 provided for in Article 92 (4) of the CPR. 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 Regulation – will only be known when the Partnership Agreements and the operational programmes are approved. Accordingly, some transfers of commitment appropriations may be required in 2015. The Structural and Cohesion Funds continue to make full use of the resources made available for programming by the Member States within this heading. Although the amount proposed for technical assistance is lower than the ceiling of 0,35 % of the total allocation of the funds, there is no margin left under the expenditure ceiling for heading 1b in 2015, since the difference of EUR 20,2 million combined with the mobilisation of the Flexibility Instrument will be used to finance the additional EUR 100 million allocation to Cyprus, in accordance with Article 92 (2) of the CPR.

### *3.2.5. Payment appropriations for heading 1b*

The proposed total level of payment appropriations of EUR 51 601,9 million (-5,0 % compared to the 2014 budget as modified by draft amending budgets) for heading 1b mainly derives from the expected evolution of 2007-2013 period interim payments, for which EUR 40 176,9 million (-19,5 %) are foreseen, representing 77,9 % of overall payments for heading 1b. Payment appropriations for the closure of the 2000-2006 period will decrease by -21,1 % to EUR 450,0 million and will relate to the completion of the projects for the Cohesion Fund. Payment appropriations for the new period 2014-2020 (EUR 10 691,0 million) consist of the first interim payments and the second instalment of the initial pre-financing. The remaining payment appropriations requested (amounting to EUR 708,6 million) relate to the contribution of heading 1b to the Connecting Europe Facility (CEF), technical assistance, innovative actions, as well as pilot projects and preparatory actions.

#### *3.2.5.1. Payments on 2014-2020 programmes*

For the programmes of the 2014-2020 period, payment appropriations consist of interim payments of EUR 5 567 million and the initial pre-financing of EUR 4 767 million to be paid after the approval of the operational programmes. A total of EUR 10 311,9 million is foreseen, of which EUR 8 191,0 million for the Structural Funds, EUR 2 120,9 million for the Cohesion Fund and EUR 377,7 million for the FEAD.

Interim payments are calculated on the basis of the historical payment rates against the corresponding commitment tranches of the previous programming periods. The estimated payment needs also take into account that only 90 % of the payment claims submitted by Member States will be reimbursed under the new Regulation (the remaining 10 % will only be paid after the annual closure), as well as the slightly frontloaded increase in payments needs due to the SME initiative implemented through financial instruments and the YEI. The more annual character of the FEAD operations, in which annual payments are more closely linked to annual commitments, has also been taken into consideration.

Pre-financing payments relating to the ERDF, ESF and the Cohesion Fund have been calculated based on the provisions for initial pre-financing to be provided in 2015: 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. Since the 2014 budget was prepared assuming that only 80 % of the programmes would be adopted in 2014, the amount requested for 2015 also includes the initial pre-financing for 2014 for operational programmes which are only adopted in 2015 in accordance with the legal provisions. In addition, payment appropriations for the contribution of the Cohesion Fund to the Connecting Europe Facility (CEF) are required to cover the pre-financing for the amounts committed in 2014 and to be contracted out in 2015.

### 3.2.5.2. Payments on outstanding commitments (prior to 2014)

#### *2007-2013 programmes*

For the programmes of the 2007-2013 period, payment appropriations for the Structural Funds amount to EUR 29 342,4 million. This represents a decrease of -26,4 % relative to the 2014 budget, when including DAB No 3/2014. For the Cohesion Fund, payment appropriations increase by 8,3 % to EUR 10 834,4 million. The combined amount for the Structural and the Cohesion Funds reaches EUR 40 176,9 million. The corresponding figure in the 2014 budget for payments is EUR 49 890,7 million.

The payment needs for 2007-2013 programmes in 2015 have been estimated on the basis of a methodology which takes account of historical payment rates, as in previous years. Nonetheless, the results of this initial assessment have been adjusted to take account of overall constraints and uncertainty, as set out below.

As a first step, 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 2000-2006 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, the same percentage figures used for the ERDF are applied 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).

As a second step, this methodology has been adjusted in the 2015 draft budget, taking into account the overall payment constraints deriving from the payment ceilings combined with the accumulated backlog of unpaid payment claims of EUR 23,4 billion at the end of 2013. Through DAB No 3/2014, the Commission has already addressed the unforeseen increase in the backlog at year-end 2013 by proposing a reinforcement of the 2007-2013 programmes amounting to some EUR 3,4 billion. Nonetheless, based on an assessment of the April 2014 Member States' forecasts of payment claims for 2014, despite this reinforcement in 2014 the backlog is not expected to decrease at the end of 2014.

The Commission's ambition underpinning the DB 2015 for the 2007-2013 programmes is to progressively phase out the backlog from this unsustainable high level, with a noticeable reduction of the backlog already in 2015. However, such an ambition cannot be realised in 2015 only, and the methodology used in previous years to assess the payment needs has been adapted to take into account this constraint. Based on the April 2014 Member States' forecasts, corrected to take account of the error rates experienced over the two years (11,8 % error rate applied to 2014 forecasts and 14,4 % error rate applied to 2015 forecasts), and taking into account that according to Regulation 1083/2006 the cumulative total of pre-financing and interim payments shall not exceed 95 % of the total contribution, the Commission expects that the proposed payment appropriations will lead to a backlog at year-end 2015 of around EUR 18 billion. The payment appropriations requested for 2015 will only be sufficient to achieve the foreseen gradual reduction in the backlog by the end of 2015 if the unexpected increase in the backlog in 2013 is duly covered in 2014, as proposed by the Commission in its draft amending budget No 3/2014. The degree of accuracy of these estimates has to be taken with some caution, since Member States' spring forecasts, despite some improvement, tend to show a certain forecasting error.

A further uncertainty in 2015 relates to the profile of the submission of payment claims during the year, in particular as regards those claims to be submitted before the legal payment deadline of 31 October 2015. While Member States in recent years tended to concentrate a large part of their payment claims in December, a different profile in 2015 would justify further action from the Commission. The situation will be monitored closely in 2015 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 2000-2006 period, total payment appropriations amount to EUR 450,0 million for the Cohesion Fund (-21,1 % compared to the 2014 budget). 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 individual 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.

### 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<br>2014 <sup>(1)</sup> |                 | Draft budget (DB)<br>2015 |                 | Share         |               | Difference<br>2015 – 2014 |              | Difference<br>2015 / 2014 |             |
|--|-------------------------------|-----------------|---------------------------|-----------------|---------------|---------------|---------------------------|--------------|---------------------------|-------------|
|  | (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   | 43 778,1                      | 43 777,0        | 43 903,8                  | 43 897,0        | 74,1%         | 77,1%         | 125,7                     | 120,0        | 0,3%                      | 0,3%        |
| — European Agricultural Fund for Rural Development (EAFRD)   | 13 991,0                      | 11 705,1        | 13 823,6                  | 11 646,7        | 23,3%         | 20,5%         | -167,4                    | -58,4        | -1,2%                     | -0,5%       |
| — European Maritime and Fisheries Fund (EMFF), Sustainable Fisheries Partnership Agreements (SFPAs) and compulsory contributions to Regional Fisheries Management Organisations (RFMOs) and to other international organisations | 1 017,3                       | 741,8           | 1 035,5                   | 960,1           | 1,7%          | 1,7%          | 18,2                      | 218,3        | 1,8%                      | 29,4%       |
| — Environment and climate action (LIFE)  | 404,6                         | 261,2           | 435,1                     | 330,1           | 0,7%          | 0,6%          | 30,5                      | 68,9         | 7,5%                      | 26,4%       |
| — Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission   | 7,3                           | 3,0             | 5,3                       | 5,3             | 0,0%          | 0,0%          | -2,0                      | 2,3          | -27,4%                    | 77,6%       |
| — Pilot projects and preparatory actions   | 18,5                          | 26,5            | p.m.                      | 17,7            | 0,0%          | 0,0%          | -18,5                     | -8,9         | -100,0%                   | -33,4%      |
| — Decentralised agencies   | 50,4                          | 50,4            | 50,4                      | 50,4            | 0,1%          | 0,1%          | 0,1                       | 0,1          | 0,1%                      | 0,1%        |
| <b>Total</b>   | <b>59 267,2</b>               | <b>56 564,9</b> | <b>59 253,7</b>           | <b>56 907,3</b> | <b>100,0%</b> | <b>100,0%</b> | <b>-13,5</b>              | <b>342,3</b> | <b>0,0%</b>               | <b>0,6%</b> |
| <b>Ceiling</b>   | <b>59 303,0</b>               |                 | <b>59 599,0</b>           |                 |               |               |                           |              |                           |             |
| <b>Margin</b>  | <b>35,8</b>                   |                 | <b>345,3</b>              |                 |               |               |                           |              |                           |             |
| <b>Of which EAGF<sup>(2)</sup></b>   | <b>43 778,1</b>               | <b>43 777,0</b> | <b>43 903,8</b>           | <b>43 897,0</b> | <b>74,1%</b>  | <b>77,1%</b>  | <b>125,7</b>              | <b>120,0</b> | <b>0,3%</b>               | <b>0,3%</b> |
| <b>Sub-ceiling</b>   | <b>43 779,0</b>               |                 | <b>44 313,0</b>           |                 |               |               |                           |              |                           |             |
| <b>Net transfer between EAGF and EAFRD</b>   | <b>0,0</b>                    |                 | <b>123,0</b>              |                 |               |               |                           |              |                           |             |
| <b>EAGF net sub-ceiling</b>  | <b>43 778,1</b>               |                 | <b>44 189,8</b>           |                 |               |               |                           |              |                           |             |
| <b>Sub-margin</b>  | <b>0,0</b>                    |                 | <b>286,0</b>              |                 |               |               |                           |              |                           |             |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

(2) The related amounts are rounded up in EUR million for the calculation of the sub-margin.

#### 3.3.2. Key aspects of heading 2

Commitment appropriations of EUR 59 253,7 million are requested for heading 2. This level of expenditure represents a stabilisation at the level of the 2014 budget (+ 0,0 %), which leaves a margin of EUR 345,3 million under the ceiling, mainly as a result of the increase of the ceiling. The funding for market related expenditure and direct aids reaches EUR 43 903,8 million in commitment appropriations. After financial transfers to the ‘European Agricultural Fund for Rural Development’ (EAFRD), a margin under the sub-ceiling for market measures and direct aids amounting to EUR 286,0 million is left. Nonetheless, the Commission proposed to activate the financial discipline mechanism to establish the reserve for crises in the agricultural sector.



### 3.3.3. *Priorities for 2015*

The general objectives of the ‘Common Agricultural Policy’ (CAP) for the period 2014-2020 are: (a) the promotion of a viable food production, (b) the sustainable management of natural resources and (c) the balanced territorial development of rural areas across the EU. The performance of the CAP in achieving these general objectives will be measured and assessed on the basis of a set of impact indicators assigned to each of these objectives. The two ‘pillars’ of the CAP contribute to these objectives by financing specific measures in each: Pillar 1, which is financed by the ‘European Agricultural Guarantee Fund’ (EAGF), relates to market measures and direct payments, whereas Pillar 2, which is financed by the ‘European Agricultural Fund for Rural Development’ (EAFRD), concerns rural development. Both pillars are interlinked, thus offering a holistic and integrated approach to support the agricultural policy.

The EAGF aims at improving the competitiveness of the agricultural sector and enhancing its value share in the food chain, fostering market stability as well as better reflecting consumer expectations. Direct payments support and stabilise the incomes of farmers and contribute to the provision of environmental public goods, while market measures allow for a safety-net in times of market disturbances or crisis. In addition, cross-compliance ensures applied minimum standards in the field of the environment, food safety, animal and plant health as well as animal welfare throughout the EU. The CAP reform package for the period 2014-2020 adapted the legal texts to the new policy objectives and budgetary ceilings under the 2014-2020 multiannual financial framework (MFF). While the new Common Market Organisation (CMO) Regulation presents rather gradual changes starting from the year 2014, the new Regulation for direct payments substantially modifies the system of direct aids to farmers. However, this will mostly become applicable as from the budget year 2016 onwards. Consequently, the legal framework for direct aids in the 2015 budget remains unchanged, adapted however to some of the elements decided under the new MFF period, in particular the adjustment of the direct aid ceilings to the new EAGF sub-ceiling, the integration of the reserve for crises in the agricultural sector, the possibility for Member States to redistribute direct aids and the new flexibility between the two pillars of the CAP<sup>20</sup>.

The rural development policy financed by the EAFRD integrates the major policy objectives of the Europe 2020 strategy for smart, sustainable and inclusive growth. It is focused on a limited number of core priorities to ensure sustainable development of rural areas. The EAFRD is one of the five European Structural and Investment (ESI) Funds. The Common Strategic Framework therefore also establishes guiding principles to facilitate the programming process of the EAFRD, which is implemented through programmes covering the programming period in accordance with Partnership Agreements with Member States. Following the adoption of the Partnership Agreements and the most advanced programmes in 2014, the priority in 2015 will be to adopt the remainder of the programmes and to put in place and implement the programmes already adopted in 2014.

---

<sup>20</sup> Regulation (EU) No 1310/2013 of the European Parliament and of the Council of 17 December 2013 laying down certain transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), amending Regulation (EU) No 1305/2013 of the European Parliament and of the Council as regards resources and their distribution in respect of the year 2014 and amending Council Regulation (EC) No 73/2009 and Regulations (EU) No 1307/2013, (EU) No 1306/2013 and (EU) No 1308/2013 of the European Parliament and of the Council as regards their application in the year 2014.

Following the delayed entry into force of the new legal base for the European Maritime and Fisheries Fund (EMFF), 2015 is a key year in the new programming period for the implementation of the programmes under shared management: further to the adoption of the new operational programmes, the first payments from the EU budget will be made towards the measures newly included in the EMFF (data collection, fisheries markets as well as control and enforcement), on top of the pre-financing for measures related to sustainable development of fisheries, aquaculture and fisheries areas. This is the main reason for the significant increase in payment appropriations for the new period compared to the 2014 budget.

As regards LIFE, the priority in 2015 will be to fully implement the first work programme, which started with the calls for proposals in 2014, as well as to launch the second one under the new legal base. Furthermore, a particular effort will be made to put in place all conditions for a first set of financial instruments for which the preparatory work is carried out during 2014.

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

#### **EAGF sub-ceiling, financial discipline and crises reserve**

The EAGF sub-ceiling for 2015 amounts to EUR 44 313,0 million. After taking into account an amount of EUR 123,0 million to be transferred to Rural Development (see section 3.3.5 below), the net balance available for the EAGF (net sub-ceiling) amounts to EUR 44 189,8 million. It is against this net amount that the needs for the 2015 draft budget have to be assessed.

Taking account of an estimated amount of EUR 1 030,0 million for assigned revenue, the budget forecasts for EAGF expenditure in 2015 remain EUR 286,0 million below the EAGF net sub-ceiling. Nonetheless, in March 2014 the Commission proposed to reduce the level of direct payments through the financial discipline mechanism<sup>21</sup> in order to establish the ‘Reserve for crises in the agricultural sector’<sup>22</sup> for 2015, for an amount of EUR 433,0 million to be entered into a separate budget article in budget chapter 05 03 (‘Direct Aids’). The financial discipline adjustment is applied only to amounts in excess of EUR 2 000 and not in Member States that are still in the process of phasing-in direct aids. The proposed rate of financial discipline necessary to establish the crises reserve, and which is to be applied to budget chapter 05 03 (‘Direct Aids’) as a whole, is 1,301951 %<sup>23</sup>.

The appropriations for the crises reserve are intended to finance measures necessary to address major crises affecting agricultural production or distribution, in case insufficient appropriations are available on other operational lines, in particular those lines that finance interventions on the agricultural markets. 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 unused appropriations of the crises reserve in the 2014 budget (EUR 424,5 million) will be carried over into the 2015 budget and used to reimburse the beneficiaries of direct aids. In the same way as for the draft budget 2015, a new reserve will be generated each year by applying the financial discipline mechanism to direct aids.

---

<sup>21</sup> The detailed rules on financial discipline are laid down in Article 26 of Regulation (EC) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy.

<sup>22</sup> See Article 25 of Regulation (EU) No 1306/2013.

<sup>23</sup> 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 2014 (COM(2014) 175).

## Assigned revenue

In accordance with the Financial Regulation<sup>24</sup> and the Regulation on the financing of the CAP<sup>25</sup>, certain operations (mainly conformity and accounting clearance corrections, irregularities and the 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. Due to the existence of such assigned revenue, a distinction has to be made between requested budget appropriations and estimated expenditure required ('needs').

Appropriations for the 2015 draft budget are lower than the estimated expenditure because an amount of EUR 1 030,0 million in revenue is assigned to the EAGF. The assigned revenue for 2015 is attributed to budget chapter 05 02 for the Operational Funds for Producer Organisations (EUR 250,0 million on budget item 05 02 08 03) and to budget chapter 05 03 for the Single Payment Scheme – SPS (EUR 780,0 million on budget item 05 03 01 01).

The difference in assigned revenue compared to the 2014 budget (EUR 1 464,0 million) is mainly due to the amount of assigned revenue carried over from 2013 to 2014, estimated at EUR 615,0 million at the moment of establishing the 2014 budget. No assigned revenue from 2014 is expected to be carried over to 2015<sup>26</sup>. Assigned revenue from clearance of accounts decisions (EUR 765,0 million in the 2015 draft budget) is expected to be higher than in 2014 (EUR 638,0 million). This is due to the impact of the deferral of the deduction for financial corrections applied to Member States under financial assistance, which has reduced the availability of assigned revenues in 2014. The other sources and amounts of assigned revenue in the 2015 draft budget are EAGF irregularities (EUR 155,0 million) and milk super levy (EUR 110,0 million).

## EAGF needs and budget appropriations

Overall, EAGF needs for 2015 are estimated at EUR 44 933,8 million. Taking into account the amount of assigned revenue expected to be available in 2015, the Commission requests EUR 43 903,8 million in commitment appropriations to finance the EAGF needs for 2015. This amount does not exceed the EAGF net sub-ceiling for 2015. Therefore, the appropriations for direct aids have been reduced by applying the financial discipline mechanism in order to establish the agricultural crises reserve only<sup>27</sup>. The commitment appropriations for EAGF expenditure in the 2015 draft budget are EUR 125,7 million (+ 0,3 %) higher than in the 2014 budget, leaving a margin of EUR 286,0 million under the EAGF net sub-ceiling.

---

<sup>24</sup> 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.

<sup>25</sup> Regulation (EU) No 1306/2013 of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy, in particular Article 43 thereof.

<sup>26</sup> A carry-over from 2014 into 2015 of unused EAGF appropriations is foreseen for the reimbursement of financial discipline applied in 2014 according to the provisions of Article 26(5) of Regulation (EU) No 1306/2013 and Article 169(3) of the Financial Regulation.

<sup>27</sup> Contrary to 2014, the financial discipline in the 2015 draft budget does not affect the overall needs for the EAGF: it only entails a shift within budget chapter 05 03 between the various direct aid schemes and the agricultural crises reserve for an amount of EUR 433,0 million.

**Table: Overview on EAGF needs and budget requests***(in million EUR, rounded figures at current prices)*

|   | 2014 budget     |                     |                    | DB 2015 before<br>Financial Discipline |                     |                    | DB 2015 after<br>Financial Discipline |                     |                    | Difference    |                     |                    |
|---|-----------------|---------------------|--------------------|--|---------------------|--------------------|---------------------------------------|---------------------|--------------------|---------------|---------------------|--------------------|
|   | (1)             |                     |                    | (2)                                    |                     |                    | (3)                                   |                     |                    | (3 – 1)       |                     |                    |
|   | Needs           | Assigned<br>revenue | Budget             | Needs                                  | Assigned<br>revenue | Budget             | Needs                                 | Assigned<br>revenue | Budget             | Needs         | Assigned<br>revenue | Budget             |
|   | (a)             | (b)                 | (c) = (a) -<br>(b) | (a)                                    | (b)                 | (c) = (a) -<br>(b) | (a)                                   | (b)                 | (c) = (a) -<br>(b) | (a)           | (b)                 | (c) = (a) -<br>(b) |
| <b>Market support</b>                         | <b>2 697,4</b>  | <b>464,0</b>        | <b>2 233,4</b>     | <b>2 654,4</b>                         | <b>250,0</b>        | <b>2 404,4</b>     | <b>2 654,4</b>                        | <b>250,0</b>        | <b>2 404,4</b>     | <b>-43,0</b>  | <b>-214,0</b>       | <b>171,0</b>       |
| Decoupled direct aids, of which:              | 39 252,0        | 1 000,0             | 38 252,0           | 39 045,6                               | 780,0               | 38 265,6           | 38 647,0                              | 780,0               | 37 867,0           | -605,0        | -220,0              | -385,0             |
| — SPS   | 31 083,0        | 1 000,0             | 30 083,0           | 30 264,6                               | 780,0               | 29 484,6           | 29 932,0                              | 780,0               | 29 152,0           | -1 151,0      | -220,0              | -931,0             |
| — SAPS  | 7 382,0         | 0,0                 | 7 382,0            | 7 954,7                                | 0,0                 | 7 954,7            | 7 898,0                               | 0,0                 | 7 898,0            | 516,0         | 0,0                 | 516,0              |
| Other direct aids                             | 2 770,8         | 0,0                 | 2 770,8            | 3 112,9                                | 0,0                 | 3 112,9            | 3 078,4                               | 0,0                 | 3 078,4            | 307,7         | 0,0                 | 307,7              |
| Reserve for crises in the agricultural sector | 424,5           | 0,0                 | 424,5              | 0,0                                    | 0,0                 | 0,0                | 433,0                                 | 0,0                 | 433,0              | 8,5           | 0,0                 | 8,5                |
| <b>Total direct aids</b>                      | <b>42 447,3</b> | <b>1 000,0</b>      | <b>41 447,3</b>    | <b>42 158,4</b>                        | <b>780,0</b>        | <b>41 378,5</b>    | <b>42 158,4</b>                       | <b>780,0</b>        | <b>41 378,4</b>    | <b>-288,8</b> | <b>-220,0</b>       | <b>-68,8</b>       |
| <b>Other EAGF expenditure</b>                 | <b>97,4</b>     | <b>0,0</b>          | <b>97,4</b>        | <b>120,9</b>                           | <b>0,0</b>          | <b>120,9</b>       | <b>120,9</b>                          | <b>0,0</b>          | <b>120,9</b>       | <b>23,5</b>   | <b>0,0</b>          | <b>23,5</b>        |
| <b>TOTAL EAGF</b>                             | <b>45 242,1</b> | <b>1 464,0</b>      | <b>43 778,1</b>    | <b>44 933,8</b>                        | <b>1 030,0</b>      | <b>43 903,8</b>    | <b>44 933,8</b>                       | <b>1 030,0</b>      | <b>43 903,8</b>    | <b>-308,3</b> | <b>-434,0</b>       | <b>125,7</b>       |
| <i>EAGF net sub-ceiling</i>                   |                 |                     | <i>43 778,1</i>    |  |                     |                    |                                       |                     | <i>44 189,8</i>    |               |                     |                    |
| <i>Sub-margin</i>                             |                 |                     | <i>0,0</i>         |  |                     |                    |                                       |                     | <i>286,0</i>       |               |                     |                    |

**Intervention on the agricultural markets**

The 2015 draft budget shows a slight decrease in needs for interventions on the agricultural markets (budget chapter 05 02) compared to the 2014 budget. Financial needs for market interventions remain rather limited as a consequence of continued favourable market conditions and prospects for most sectors. However, as shown in the table below, budget appropriations for interventions in agricultural markets increase by EUR 171,0 million, since a lower amount of assigned revenue is estimated to become available for Chapter 05 02 in 2015 as compared to 2014.

*(in million EUR, rounded figures at current prices)*

| Interventions in agricultural markets           | Budget<br>2014 | Draft Budget (DB)<br>2015 | Difference<br>2015 – 2014 |
|---|----------------|---------------------------|---------------------------|
| Needs (a)                                       | 2 697,4        | 2 654,4                   | -43,0                     |
| Assigned revenue (estimated) available (b)      | 464,0          | 250,0                     | -214,0                    |
| <b>Appropriations requested (c) = (a) - (b)</b> | <b>2 233,4</b> | <b>2 404,4</b>            | <b>171,0</b>              |

**Direct aids**

For the 2015 draft budget, the needs estimated by the Commission for direct aids, including the amount to establish the agricultural crises reserve, amount to EUR 42 158,4 million (-0,7 % or EUR -288,8 million compared to 2014). These lower needs are the net effect of several elements affecting the ceilings for direct aids, in particular the adaptation of the overall direct aid ceilings for calendar year 2014 to the level of the EAGF sub-ceiling under the new MFF 2014-2020, taking into account the continued phasing-in of direct aids in Bulgaria, Romania and Croatia as well as the inclusion of the de-mining reserve for Croatia and the impact of the new mechanism of flexibility between the two pillars of the CAP, which allows for transfers between direct aids and rural development (see section 3.3.5 below). Taking into account assigned revenue available for direct aids in 2015, budget appropriations amounting to EUR 41 378,4 million are required to cover the needs of budget chapter 05 03.

(in million EUR, rounded figures at current prices)

| Direct Aids  | Budget<br>2014  | Draft Budget (DB)<br>2015 | Difference<br>2015 – 2014 |
|--|-----------------|---------------------------|---------------------------|
| <i>Including the 'Reserve for crises in the agricultural sector'</i> |                 |                           |                           |
| Needs (a)  | 42 447,3        | 42 158,4                  | -288,8                    |
| Assigned revenue (estimated) available (b)                           | 1 000,0         | 780,0                     | -220,0                    |
| <b>Appropriations requested (c) = (a) - (b)</b>                      | <b>41 447,3</b> | <b>41 378,4</b>           | <b>-68,8</b>              |

The appropriations for decoupled direct aids decrease by EUR -385,0 million compared to 2014, which is the net result of lower needs (EUR -605,0 million) and less assigned revenue (EUR -220 million) estimated available. The difference of needs compared to 2014, which are increasing for the 'Single Area Payment Scheme' (SAPS) but decreasing for the 'Single Payment Scheme' (SPS), result from several factors: overall direct aid ceilings for all Member States adjusted to the EAGF sub-ceiling under the new MFF 2014-2020; introduction of the redistribution between Member States ('external convergence'); transfers between direct aids and rural development envelopes for some Member States; as well as a slight shift to coupled support for specific measures under Article 68 of Council Regulation (EC) No 73/2009.

(in million EUR, rounded figures at current prices)

|   | 2014 budget     |                     |                    | DB 2015 before<br>Financial Discipline |                     |                    | DB 2015 after<br>Financial Discipline |                     |                    | Difference    |                     |                    |
|---|-----------------|---------------------|--------------------|--|---------------------|--------------------|---------------------------------------|---------------------|--------------------|---------------|---------------------|--------------------|
|   | (1)             |                     |                    | (2)                                    |                     |                    | (3)                                   |                     |                    | (3 – 1)       |                     |                    |
|   | Needs           | Assigned<br>revenue | Budget             | Needs                                  | Assigned<br>revenue | Budget             | Needs                                 | Assigned<br>revenue | Budget             | Needs         | Assigned<br>revenue | Budget             |
|   | (a)             | (b)                 | (c) = (a) -<br>(b) | (a)                                    | (b)                 | (c) = (a) -<br>(b) | (a)                                   | (b)                 | (c) = (a) -<br>(b) | (a)           | (b)                 | (c) = (a) -<br>(b) |
| 05 03 01 01 SPS<br>(Single Payment<br>Scheme)       | 31 083,0        | 1 000,0             | 30 083,0           | 30 264,6                               | 780,0               | 29 484,6           | 29 932,0                              | 780,0               | 29 152,0           | -1 151,0      | -220,0              | -931,0             |
| 05 03 01 02 SAPS<br>(Single Area<br>Payment Scheme) | 7 382,0         | 0,0                 | 7 382,0            | 7 954,7                                | 0,0                 | 7 954,7            | 7 898,0                               | 0,0                 | 7 898,0            | 516,0         | 0,0                 | 516,0              |
| Other decoupled<br>aids                             | 787,0           | 0,0                 | 787,0              | 3 112,9                                | 0,0                 | 3 112,9            | 817,0                                 | 0,0                 | 817,0              | 30,0          | 0,0                 | 30,0               |
| <b>Total decoupled<br/>direct aids</b>              | <b>39 252,0</b> | <b>1 000,0</b>      | <b>38 252,0</b>    | <b>39 045,6</b>                        | <b>780,0</b>        | <b>38 265,6</b>    | <b>38 647,0</b>                       | <b>780,0</b>        | <b>37 867,0</b>    | <b>-605,0</b> | <b>-220,0</b>       | <b>-385,0</b>      |

As in previous years, Member States can transfer amounts from their SPS and SAPS envelopes to finance specific support measures under Article 68 of Council Regulation (EC) No 73/2009. Member States notified to the Commission the revised amounts for these so-called 'Article 68 measures'<sup>28</sup>, translating into additional needs compared to the 2014 budget of EUR 24,0 million for decoupled Article 68 measures and EUR 358,0 million for coupled Article 68 measures. This large increase for coupled Article 68 measures is partially compensated by reductions in the amounts for coupled animal premiums and the end of the additional payment for sugar beet and cane producers, thus limiting the overall increase of appropriations for other direct aids to EUR 307,7 million compared to 2014.

<sup>28</sup>

The specific ceiling for coupled support under Article 68 increases from up to 3,5 % for the 2014 budget to 6,5 % for the financial year 2015, in accordance with the transitional provisions laid down in Regulation (EU) No 1310/2013.

(in million EUR, rounded figures at current prices)

| Direct Aids                     | Budget<br>2014 | Draft Budget (DB)<br>2015<br>before Financial<br>Discipline | Draft Budget (DB)<br>2015<br>after Financial Discipline | Difference<br>2015 – 2014 |
|---------------------------------|----------------|---|---|---------------------------|
| 05 03 01 05 Decoupled support   | 487,0          | 517,2   | 511,0   | 24,0                      |
| 05 03 02 44 Coupled support     | 1 089,0        | 1 462,7   | 1 447,0   | 358,0                     |
| <b>Appropriations requested</b> | <b>1 576,0</b> | <b>1 979,9</b>  | <b>1 958,0</b>  | <b>382,0</b>              |

As mentioned in section 3.3.3 above, the only new direct aid scheme in draft budget 2015 is the ‘redistributive payment’, which is optional for Member States, and which is intended to allow for more targeted support to small and medium-sized farms. The modification in the distribution of appropriations for this scheme will be included in the Amending Letter to draft budget 2015.

### 3.3.5. Transfers from the EAGF to the EAFRD

For the 2015 draft budget, the amount additionally available to the European Agricultural Fund for Rural Development (EAFRD) totals EUR 178,2 million (or which EUR 55,2 million are included in the sub-ceiling further to the technical adjustment of the financial framework 2015 adopted by the Commission on 28 May 2014). These appropriations result, on the one hand, from transfers from the EAGF to the EAFRD of EUR 677,6 million; the inclusion of the cotton national restructuring programme in Greece into the new generation of rural development programmes in Greece (EUR 4,0 million)<sup>29</sup>; the transfer of unused amounts in direct aids of calendar year 2014 (EUR 42,6 million for Germany and EUR 9,0 million for Sweden)<sup>30</sup>; as well as the new flexibility between the two CAP pillars (a total of EUR 622,0 million for France, Latvia and the United Kingdom)<sup>31</sup>. On the other hand, a transfer from the EAFRD to the EAGF, amounting to EUR 499,4 million, results from the decision of Poland, Croatia, Malta and Slovakia to reinforce direct payments to farmers under the first pillar of the CAP<sup>32</sup>.

### 3.3.6. European Agricultural Fund for Rural Development (EAFRD)

(in million EUR, rounded figures at current prices)

| Rural development                         | Budget<br>2014 <sup>(1)</sup> |                 | Draft budget (DB)<br>2015 |                 | Share         |               | Difference<br>2015 – 2014 |              | Difference<br>2015 / 2014 |              |
|---|-------------------------------|-----------------|---------------------------|-----------------|---------------|---------------|---------------------------|--------------|---------------------------|--------------|
|   | (1)                           |                 | (2)                       |                 |               |               | (2 – 1)                   |              | (2 / 1)                   |              |
|   | CA                            | PA              | CA                        | PA              | CA            | PA            | CA                        | PA           | CA                        | PA           |
| EAFRD 2014-2020                           | 13 970,0                      | 1 267,3         | 13 796,9                  | 5 478,0         | 99,8%         | 47,0%         | -173,2                    | 4 210,7      | -1,2%                     | 332,3%       |
| Support expenditure for rural development | 21,0                          | 11,5            | 26,7                      | 25,1            | 0,2%          | 0,2%          | 5,8                       | 13,6         | 27,6%                     | 118,3%       |
| Completion of previous programmes         | 0,0                           | 10 426,3        | 0,0                       | 6 143,6         | 0,0%          | 52,7%         | 0,0                       | -4 282,7     | 0,0%                      | -41,1%       |
| <b>Total</b>                              | <b>13 991,0</b>               | <b>11 705,1</b> | <b>13 823,6</b>           | <b>11 646,7</b> | <b>100,0%</b> | <b>100,0%</b> | <b>-167,4</b>             | <b>-58,4</b> | <b>-1,2%</b>              | <b>-0,5%</b> |

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.

<sup>29</sup> Article 66 of Regulation (EU) No 1307/2013 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.

<sup>30</sup> Article 136 of Council Regulation (EC) No 73/2009.

<sup>31</sup> Article 14(1) of Regulation (EU) No 1307/2013.

<sup>32</sup> Article 14(2) of Regulation (EU) No 1307/2013.

The EAFRD is covered by the ‘Common Provisions Regulation’ laying down the common rules for the five European Structural and Investment (ESI) Funds (see section 3.2 above). As in the other funds, in order to introduce a clearer link with performance, targets have to be set for all Rural Development programmes for the following six priorities: fostering knowledge transfer and innovation; enhancing competitiveness; promoting food chain organisation, including processing and marketing of agricultural products; restoring, preserving and enhancing ecosystems; promoting resource efficiency; and promoting social inclusion, poverty reduction and economic development in rural areas. At least 30 % of the total EAFRD contribution will be reserved for certain measures related to environmental and climate change, including Natura 2000.

### 3.3.7. Maritime Affairs and fisheries

(in million EUR, rounded figures at current prices)

|   | Budget         |              | Draft budget (DB) |              | Share         |               | Difference  |              | Difference  |              |
|---|----------------|--------------|-------------------|--------------|---------------|---------------|-------------|--------------|-------------|--------------|
|   | 2014           |              | 2015              |              |               |               | 2015 – 2014 |              | 2015 / 2014 |              |
|   | (1)            |              | (2)               |              |               |               | (2 – 1)     |              | (2 / 1)     |              |
|   | CA             | PA           | CA                | PA           | CA            | PA            | CA          | PA           | CA          | PA           |
| — European Maritime and Fisheries Fund (EMFF)   | 866,3          | 658,1        | 884,5             | 810,3        | 84,7%         | 83,6%         | 18,2        | 152,1        | 2,1%        | 23,1%        |
| — Sustainable Fisheries Partnership Agreements (SFPAs) and compulsory contributions to Regional Fisheries Management Organisations (RFMOs) and to other international organisations | 151,0          | 83,7         | 151,0             | 149,8        | 14,5%         | 15,5%         | 0,0         | 66,1         | 0,0%        | 79,0%        |
| — European Fisheries Control Agency (EFCA)  | 8,7            | 8,7          | 9,0               | 9,0          | 0,9%          | 0,9%          | 0,2         | 0,2          | 2,8%        | 2,8%         |
| <b>Total</b>  | <b>1 026,0</b> | <b>750,5</b> | <b>1 044,5</b>    | <b>969,0</b> | <b>100,0%</b> | <b>100,0%</b> | <b>18,4</b> | <b>218,5</b> | <b>1,8%</b> | <b>29,1%</b> |

#### European Maritime and Fisheries Fund (EMFF)

The ‘European Maritime and Fisheries Fund’ (EMFF) replaces the previous ‘European Fisheries Fund’ (EFF), and integrates all other measures in the field of maritime affairs and fisheries, except ‘Sustainable Fisheries Partnership Agreements’ (SFPAs) and compulsory contributions to ‘Regional Fisheries Management Organisations’ (RFMOs) as well as to other international organisations, which have their own specific legal basis. The EMFF aims at supporting the achievement of the objectives of the reformed ‘Common Fisheries Policy’ (CFP) and the ‘Integrated Maritime Policy’ (IMP). The EMFF's objectives are: (i) promoting competitive, environmentally sustainable, economically viable and socially responsible fisheries and aquaculture; (ii) fostering the implementation of the CFP; (iii) promoting a balanced and inclusive territorial development of fisheries and aquaculture areas; (iv) fostering the development and implementation of the IMP in a complementary manner to Cohesion policy and to the CFP.

The EMFF covers actions under shared management and under direct management. The shared-management part is covered by the ‘Common Provisions Regulation’ laying down the common rules for the five European Structural and Investment (ESI) Funds (see section 3.2 above). The EMFF will pursue the following priorities: (1) Smart, Green Fisheries; (2) Smart, Green Aquaculture; (3) Sustainable and Inclusive Territorial Development and (4) the Integrated Maritime Policy. In addition, the EMFF includes accompanying measures: data collection and scientific advice, control, governance, fisheries markets (including outermost regions), voluntary payments to RFMOs and technical assistance.

## Sustainable Fisheries Partnership Agreements (SFPAs) and compulsory contributions to RFMOs and other International Fisheries Organisations

Under the EU's exclusive competence, the European Commission negotiates, concludes and implements bilateral SFPAs between the EU and third countries. This is with the objective of promoting sustainable fisheries in third countries' waters and supporting the competitiveness of the Union's fishing fleet. Within the framework of the SFPAs, 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.

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, of which the EU is a member, 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 Regulations<sup>33</sup>.

### 3.3.8. Environment and climate action

(in million EUR, rounded figures at current prices)

|   | Budget       |              | Draft budget (DB) |              | Share         |               | Difference  |             | Difference  |              |
|---|--------------|--------------|-------------------|--------------|---------------|---------------|-------------|-------------|-------------|--------------|
|   | 2014         |              | 2015              |              |               |               | 2015 – 2014 |             | 2015 / 2014 |              |
|   | (1)          |              | (2)               |              |               |               | (2 – 1)     |             | (2 / 1)     |              |
|   | CA           | PA           | CA                | PA           | CA            | PA            | CA          | PA          | CA          | PA           |
| — Environment and climate action (LIFE)                 | 404,6        | 261,2        | 435,1             | 330,1        | 91,3%         | 88,8%         | 30,5        | 68,9        | 7,5%        | 26,4%        |
| — Environmental policy at Union and international level | 303,9        | 30,7         | 327,2             | 94,7         | 68,7%         | 25,5%         | 23,3        | 64,0        | 7,7%        | 208,6%       |
| — Climate action at Union and international level       | 100,7        | 15,2         | 107,9             | 58,6         | 22,6%         | 15,8%         | 7,2         | 43,3        | 7,1%        | 284,2%       |
| — Completion line                                       | 0,0          | 215,2        | 0,0               | 176,8        | 0,0%          | 47,6%         | 0,0         | -38,4       | 0,0%        | -17,8%       |
| — European Environment Agency (EEA)                     | 35,4         | 35,4         | 34,9              | 34,9         | 7,3%          | 9,4%          | -0,5        | -0,5        | -1,4%       | -1,4%        |
| — European Chemicals Agency (ECHA)                      | 6,3          | 6,3          | 6,6               | 6,6          | 1,5%          | 2,0%          | 0,3         | 0,3         | 4,7%        | 4,7%         |
| <b>Total</b>  | <b>446,3</b> | <b>302,8</b> | <b>476,6</b>      | <b>371,6</b> | <b>100,0%</b> | <b>100,0%</b> | <b>30,3</b> | <b>68,8</b> | <b>6,8%</b> | <b>22,7%</b> |

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. The LIFE programme enables the Union to combine the mainstreaming approach with a specific instrument that increases the coherence and the added-value of the Union intervention. The new LIFE programme allows the Commission to better shape priorities and to ensure that resources are effectively used for environmental protection and climate action.

<sup>33</sup> 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.



The main part of the commitment appropriations requested in the 2015 draft budget for environment and climate action relates to the LIFE programme, which comprises two specific sub-programmes: one for environment and the other one for climate action. At least 81 % of the appropriations for the LIFE programme will be allocated to projects supported by action grants or, where appropriate, by financial instruments.

## **Environment**

The commitment appropriations for the environment sub-programme of LIFE will support measures related to three priority areas: (i) Environment and Resource Efficiency; (ii) Nature and Biodiversity; (iii) Environmental Governance and Information. At least 55 % of the budgetary resources allocated to projects supported using action grants under the sub-programme for Environment will be dedicated to projects supporting the conservation of nature and biodiversity.

## **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 has been 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. Addressing 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.

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*

Payment appropriations for heading 2 increase by EUR 342,3 million (+ 0,6 %) compared to the 2014 budget. The overall level of payment appropriations requested for heading 2 results on the one hand from mostly non-differentiated expenditure under the EAGF, as described in section 3.3.4 above, and on the other hand from payment appropriations for differentiated expenditure, notably for the ‘European Agricultural Fund for Rural Development’ (EAFRD), the ‘European Maritime and Fisheries Fund’ (EMFF) and LIFE. However, the level of payments for differentiated expenditure will not allow to contain the increase of the outstanding commitments (RAL) under this heading.

#### **3.3.9.1. Payments on new programmes**

The payment appropriations for the 2015 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. In line with the respective Regulations, 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 in 2015 and 1,5 % to operational programmes when a Member State has been receiving financial assistance. As the 2014 budget was prepared on the assumption that some of the programmes would not be adopted in 2014, the payment appropriations requested for 2015 also include initial pre-financing for 2014 related to operational programmes which will only be adopted in 2015.

Payment appropriations are also budgeted for the interim payments. As regards rural development, the interim payments mainly cover reimbursements for measures that have an annual character, as well as the first reimbursements on investment measures. In the case of the EMFF, they only include measures implemented regularly by Member States (data collection, outermost regions, etc.) with the exception of structural measures. Excluding technical assistance, payment appropriations for new operational programmes amount to EUR 5 478,0 million for rural development and EUR 144,2 million for the EMFF. A further EUR 100,3 million are added for the EMFF for measures under direct management by the Commission. Furthermore, payment appropriations amounting to EUR 149,8 million are requested for the Sustainable Fisheries Partnerships Agreements (SFPAs), Regional Fisheries Management Organisations (RFMOs) and other International Fisheries Organisations.

For LIFE, payment appropriations amounting to EUR 153,3 million are foreseen for the new programming period, mainly related to the disbursement to financial instruments and the pre-financing for the projects in the first call of proposals for the new programming period to be launched already in 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 2015 draft budget are requested for payments on outstanding commitments prior to 2014. Out of an overall amount of around EUR 6 877,7 million, the most important part is for rural development (EUR 6 143,6 million). This is followed by appropriations for measures financed under the previous EFF, for which a large backlog of payment claims for previous years is expected, and other fisheries measures (EUR 557,3 million), as well as LIFE+ (EUR 170,7 million). The payment needs remain very high in 2015, as these programmes have reached their full cruising speed at the end of the period 2007-2013, or in the case of the EAFRD, the transitional provisions allow Member States to optimise the use of available allocations of the previous period. Accordingly, many payment claims are still expected to be received in 2015, 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<br>2014 <sup>(1)</sup> |                | Draft budget (DB)<br>2015 |                | Share       |             | Difference<br>2015 – 2014 |              | Difference<br>2015 / 2014 |              |
|--|-------------------------------|----------------|---------------------------|----------------|-------------|-------------|---------------------------|--------------|---------------------------|--------------|
|  | (1)                           |                | (2)                       |                |             |             | (2 – 1)                   |              | (2 / 1)                   |              |
|  | CA                            | PA             | CA                        | PA             | CA          | PA          | CA                        | PA           | CA                        | PA           |
| — Asylum, Migration and Integration Fund   | 403,3                         | 146,4          | 416,7                     | 351,0          | 19,6%       | 18,7%       | 13,5                      | 204,6        | 3,3%                      | 139,8%       |
| — Internal Security Fund   | 403,3                         | 230,3          | 414,8                     | 282,2          | 19,5%       | 15,0%       | 11,5                      | 52,0         | 2,9%                      | 22,6%        |
| — IT systems   | 18,6                          | 9,9            | 18,9                      | 23,0           | 0,9%        | 1,2%        | 0,4                       | 13,1         | 2,0%                      | 132,5%       |
| — Justice  | 47,0                          | 35,7           | 49,3                      | 44,1           | 2,3%        | 2,3%        | 2,2                       | 8,4          | 4,8%                      | 23,7%        |
| — Rights, Equality and Citizenship   | 55,3                          | 55,2           | 57,4                      | 49,6           | 2,7%        | 2,6%        | 2,1                       | -5,6         | 3,8%                      | -10,1%       |
| — Union Civil protection Mechanism   | 28,2                          | 30,0           | 29,3                      | 28,5           | 1,4%        | 1,5%        | 1,0                       | -1,5         | 3,7%                      | -5,0%        |
| — Europe for Citizens  | 25,4                          | 27,9           | 24,3                      | 19,0           | 1,1%        | 1,0%        | -1,1                      | -8,8         | -4,5%                     | -31,7%       |
| — Food and feed  | 253,4                         | 218,5          | 258,5                     | 224,5          | 12,1%       | 11,9%       | 5,1                       | 6,0          | 2,0%                      | 2,7%         |
| — Health   | 58,6                          | 44,8           | 59,8                      | 59,3           | 2,8%        | 3,1%        | 1,2                       | 14,5         | 2,0%                      | 32,3%        |
| — Consumer   | 24,1                          | 21,8           | 24,7                      | 21,7           | 1,2%        | 1,2%        | 0,6                       | -0,1         | 2,5%                      | -0,5%        |
| — Creative Europe  | 180,6                         | 184,3          | 177,7                     | 166,2          | 8,3%        | 8,8%        | -2,9                      | -18,1        | -1,6%                     | -9,8%        |
| — Other actions and programmes   | p.m.                          | 0,6            | p.m.                      | p.m.           | 0,0%        | 0,0%        |                           | -0,6         | 0,0%                      | -100,0%      |
| — Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission | 166,7                         | 163,2          | 84,9                      | 89,2           | 4,0%        | 4,7%        | -81,8                     | -74,1        | -49,1%                    | -45,4%       |
| — Of which ‘Communication actions’   | 85,6                          | 82,2           | 83,9                      | 88,1           | 3,9%        | 4,7%        | -1,8                      | 5,8          | -2,1%                     | 7,1%         |
| — Pilot projects and preparatory actions   | 17,4                          | 18,2           | p.m.                      | 10,2           | 0,0%        | 0,5%        | -17,4                     | -8,0         | -100,0%                   | -43,9%       |
| — Decentralised agencies   | 490,4                         | 490,4          | 514,6                     | 512,8          | 24,2%       | 27,3%       | 24,2                      | 22,4         | 4,9%                      | 4,6%         |
| <b>Total</b>   | <b>2 172,0</b>                | <b>1 677,0</b> | <b>2 130,7</b>            | <b>1 881,2</b> | <b>100%</b> | <b>100%</b> | <b>-41,3</b>              | <b>204,1</b> | <b>-1,9%</b>              | <b>12,2%</b> |
| <i>Ceiling</i>   | <i>2 179,0</i>                |                | <i>2 246,0</i>            |                |             |             |                           |              |                           |              |
| <i>Margin</i>  | <i>7,0</i>                    |                | <i>115,3</i>              |                |             |             |                           |              |                           |              |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 to 3.

#### 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.

The **‘Asylum, Migration and Integration Fund’** (AMIF) helps 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) gives tangible shape to safer external borders and coordinated police cooperation and therefore ensures a high level of security in the EU. The **‘Civil protection mechanism’** contributes to increasing the security of EU citizens and building resilience to natural and man-made disasters.

The **‘Justice’** and **‘Rights, Equality and Citizenship’** programmes prepare the ground for the creation of a genuine area of law, rights and justice in which 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 strengthens remembrance and enhances capacity for civic participation at the Union level. The **‘Creative Europe’** programme for culture and media activities supports the common cultural heritage of European citizens and aims at increasing the circulation of creative European works inside and outside the EU.

Food and feed safety is a strategic matter for the Union, and a wide majority of the EU's citizens consider this a vital issue. The **‘Food and Feed’** programme contributes to the EU citizens' well-being and confidence in the functioning of the internal market, in combination with the **‘Consumer’** programme, through improved information flow to consumers and better representation of their interests. Finally, the **‘Health’** programme, whose major objective is to protect citizens from cross-border health threats, promotes 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 2015*

Europe is part of a globalised and interconnected world in which international mobility is expected to increase. Some of the main challenges include making better use of the opportunities offered by migration, not least in the context of an ageing population and declining labour force, while preventing and reducing irregular migration and fulfilling EU's asylum obligations. To continue building a Europe that protects after the completion of the ‘Stockholm programme’, there is a need to address emerging serious security challenges related to cybercrime, cross-border organised crime, trafficking in human beings, violent extremism and terrorism.

Other challenges are to help make Europe's citizens healthier, safer and more confident. Health is a precondition for economic prosperity. People's health influences economic outcomes in terms of productivity, labour supply, human capital and public spending. Good quality food is one of the means at Europe's disposal to ensure healthy citizens. By developing an integrated approach ‘from farm to table’, all sectors of the food chain are covered, including feed production, primary production, food processing, storage, transport and retail sale. Recognising the intrinsic and economic value of culture, the cultural and creative sectors are expected to contribute to creating jobs through transnational partnerships. In 2015 the focus will be, amongst others, on development of audiovisual projects.

### 3.4.4. Asylum, Migration and Integration Fund (AMIF)

(in million EUR, rounded figures at current prices)

| AMIF by components  | Budget       |              | Draft budget (DB) |              | Share         |               | Difference  |              | Difference  |               |
|---|--------------|--------------|-------------------|--------------|---------------|---------------|-------------|--------------|-------------|---------------|
|   | 2014         |              | 2015              |              |               |               | 2015 – 2014 |              | 2015 / 2014 |               |
|   | (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 solidarity and responsibility sharing between the Member States                  | 167,8        | 20,5         | 174,8             | 92,9         | 41,9%         | 26,5%         | 7,0         | 72,4         | 4,2%        | 353,1%        |
| — 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         | 239,8             | 133,7        | 57,5%         | 38,1%         | 6,5         | 106,0        | 2,8%        | 383,2%        |
| — Support expenditure for Asylum, Migration and Integration Fund  | 2,2          | 2,2          | 2,2               | 2,2          | 0,5%          | 0,6%          | 0,0         | 0,0          | 0,0%        | 0,0%          |
| — Completion of operations and programmes in the field of return, refugees and migration flows  | p.m.         | 96,1         | p.m.              | 122,2        | 0,0%          | 34,8%         | 0,0         | 26,1         | 0,0%        | 27,2%         |
| <b>Total</b>  | <b>403,3</b> | <b>146,4</b> | <b>416,7</b>      | <b>351,0</b> | <b>100,0%</b> | <b>100,0%</b> | <b>13,5</b> | <b>204,6</b> | <b>3,3%</b> | <b>139,8%</b> |

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 objective of the ‘**Asylum, Migration and Integration Fund**’ (AMIF) is to contribute to an effective management of migration flows and to the implementation, strengthening and development of the common policy on asylum, subsidiary protection and temporary protection and the common immigration policy. For instance, the AMIF is expected to provide assistance in the field of reception and asylum system to some 110 000 persons by 2020, through integration measures to some 200 000 third-country nationals and to finance the effective return of some 38 000 persons.

The EU support under this Fund is mostly allocated in shared management with Member States on the basis of multiannual national programmes. 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 are also used to support the ‘European Migration Network’.

### 3.4.5. Internal Security Fund (ISF)

(in million EUR, rounded figures at current prices)

| ISF by components  | Budget       |              | Draft budget (DB) |              | Share         |               | Difference  |             | Difference  |              |
|--|--------------|--------------|-------------------|--------------|---------------|---------------|-------------|-------------|-------------|--------------|
|  | 2014         |              | 2015              |              |               |               | 2015 – 2014 |             | 2015 / 2014 |              |
|  | (1)          |              | (2)               |              |               |               | (2 – 1)     |             | (2 / 1)     |              |
|  | CA           | PA           | CA                | PA           | CA            | PA            | CA          | PA          | CA          | PA           |
| — Support of border management and a common visa policy to facilitate legitimate travel                                | 252,2        | 27,2         | 273,0             | 125,1        | 65,8%         | 44,3%         | 20,8        | 98,0        | 8,3%        | 360,7%       |
| — Prevention and fight against cross-border organised crime and better management of security related risks and crisis | 149,0        | 16,2         | 139,6             | 78,3         | 33,7%         | 27,7%         | -9,3        | 62,1        | -6,3%       | 383,7%       |
| — Support expenditure for Internal Security Fund   | 2,2          | 2,2          | 2,2               | 2,2          | 0,5%          | 0,8%          | 0,0         | 0,0         | 0,0%        | 0,0%         |
| — Completion of operations and programmes in the field of external borders, security and safeguarding liberties        | p.m.         | 184,8        | p.m.              | 76,6         | 0,0%          | 27,2%         | 0,0         | -108,1      | 0,0%        | -58,5%       |
| <b>Total</b>   | <b>403,3</b> | <b>230,3</b> | <b>414,8</b>      | <b>282,2</b> | <b>100,0%</b> | <b>100,0%</b> | <b>11,5</b> | <b>52,0</b> | <b>2,9%</b> | <b>22,6%</b> |

The objective of the ‘**Internal Security Fund**’ (ISF) is to contribute to ensuring a high level of security in the Union. It provides 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 1 500 staff through 50 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 1 285 joint investigation teams (JITs) and European Multidisciplinary Platform against Crime Threats (EMPACT) operational projects in the period 2014-2020.

The EU support under this Fund is allocated in shared management with Member States on the basis of multiannual national programmes. 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, including support to the Special Transit Scheme in favour of Lithuania. The Fund may also finance Union transnational actions or actions of particular interest to the Union. 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.

Both the Asylum, Migration and Integration Fund and the Internal Security Fund have a **sizeable external dimension** to ensure that the EU has the means to pursue its Home Affairs policy priorities and uphold its interests in relations with non-EU countries. Financial support will be made available to ensure the territorial continuity of financing, starting in the EU and continuing in non-EU countries. These instruments will also provide for a **rapid response in cases of emergency**. The Funds are designed to allow the EU to react appropriately in rapidly-evolving situations.

### 3.4.6. IT systems

(in million EUR, rounded figures at current prices)

| 'IT systems' by components                | Budget      |            | Draft budget (DB) |             | Share         |               | Difference  |             | Difference  |               |
|---|-------------|------------|-------------------|-------------|---------------|---------------|-------------|-------------|-------------|---------------|
|   | 2014        |            | 2015              |             |               |               | 2015 – 2014 |             | 2015 / 2014 |               |
|   | (1)         |            | (2)               |             |               |               | (2 – 1)     |             | (2 / 1)     |               |
|   | CA          | PA         | CA                | PA          | CA            | PA            | CA          | PA          | CA          | PA            |
| — Schengen Information System (SIS II)    | 9,2         | 4,9        | 9,4               | 9,8         | 49,7%         | 42,7%         | 0,2         | 4,9         | 2,0%        | 100,3%        |
| — Visa Information System (VIS)           | 9,2         | 4,9        | 9,4               | 13,1        | 49,7%         | 56,9%         | 0,2         | 8,2         | 2,0%        | 167,2%        |
| — European fingerprint database (Eurodac) | 0,1         | 0,1        | 0,1               | 0,1         | 0,5%          | 0,4%          | 0,0         | 0,0         | 0,0%        | 0,0%          |
| <b>Total</b>                              | <b>18,6</b> | <b>9,9</b> | <b>18,9</b>       | <b>23,0</b> | <b>100,0%</b> | <b>100,0%</b> | <b>0,4</b>  | <b>13,1</b> | <b>2,0%</b> | <b>132,5%</b> |

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)

| 'Justice' by components  | Budget      |             | Draft budget (DB) |             | Share         |               | Difference  |            | Difference  |              |
|--|-------------|-------------|-------------------|-------------|---------------|---------------|-------------|------------|-------------|--------------|
|  | 2014        |             | 2015              |             |               |               | 2015 – 2014 |            | 2015 / 2014 |              |
|  | (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         | 30,6              | 15,6        | 62,2%         | 35,4%         | 2,1         | 8,2        | 7,2%        | 108,9%       |
| — Improving judicial cooperation in civil and criminal matters                       | 14,2        | 3,7         | 14,4              | 8,0         | 29,3%         | 18,2%         | 0,2         | 4,3        | 1,3%        | 115,6%       |
| — Supporting initiatives in the field of drugs policy                                | 3,0         | 0,8         | 3,0               | 1,8         | 6,1%          | 4,0%          | 0,0         | 1,0        | -0,1%       | 125,1%       |
| — Support expenditure for the Justice Programme                                      | 1,2         | 1,2         | 1,2               | 1,2         | 2,4%          | 2,7%          | 0,0         | 0,0        | 0,0%        | 0,0%         |
| — Completion of actions in the field of drugs prevention and information and justice | p.m.        | 22,5        | p.m.              | 17,5        | 0,0%          | 39,6%         | 0,0         | -5,0       | 0,0%        | -22,2%       |
| <b>Total</b>   | <b>47,0</b> | <b>35,7</b> | <b>49,3</b>       | <b>44,1</b> | <b>100,0%</b> | <b>100,0%</b> | <b>2,2</b>  | <b>8,4</b> | <b>4,8%</b> | <b>23,7%</b> |

The general objective of the 'Justice' programme is to contribute to the further development of a European area of justice based on mutual recognition and mutual trust. In particular, the actions to be financed 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 supporting initiatives in the field of drugs policy as regards judicial cooperation and crime prevention aspects. The EU funding under this programme is allocated to analytical and training activities, and to dissemination, mutual learning, cooperation, and awareness raising activities, with the aim of increasing the share of citizens that consider it easy to access civil justice in another Member State from 14 % in 2010 to 30 % in 2017 and 50 % in 2020, and contributing to the growth of legal professionals receiving training from 87 000 in 2011 to 700 000 throughout the period 2014-2020.

### 3.4.8. Rights, Equality and Citizenship

(in million EUR, rounded figures at current prices)

| 'Rights, Equality and Citizenship' by components                            | Budget      |             | Draft budget (DB) |             | Share         |               | Difference  |             | Difference  |               |
|---|-------------|-------------|-------------------|-------------|---------------|---------------|-------------|-------------|-------------|---------------|
|   | 2014        |             | 2015              |             |               |               | 2015 – 2014 |             | 2015 / 2014 |               |
|   | (1)         |             | (2)               |             |               |               | (2 – 1)     |             | (2 / 1)     |               |
|   | CA          | PA          | CA                | PA          | CA            | PA            | CA          | PA          | CA          | PA            |
| — Ensuring the protection of rights and empowering citizens                 | 23,0        | 5,5         | 24,2              | 11,5        | 42,2%         | 23,2%         | 1,2         | 6,0         | 5,2%        | 110,5%        |
| — Promoting non-discrimination and equality                                 | 31,2        | 7,3         | 32,1              | 17,0        | 55,9%         | 34,3%         | 0,9         | 9,7         | 3,0%        | 133,7%        |
| — Support expenditure for the Rights, Equality and Citizenship Programme    | 1,1         | 1,1         | 1,1               | 1,1         | 1,9%          | 2,2%          | 0,0         | 0,0         | 0,0%        | 0,0%          |
| — Completion of actions in the field of rights and citizenship and equality | p.m.        | 41,3        | p.m.              | 20,0        | 0,0%          | 40,3%         | 0,0         | -21,3       | 0,0%        | -51,6%        |
| <b>Total</b>  | <b>55,3</b> | <b>55,2</b> | <b>57,4</b>       | <b>49,6</b> | <b>100,0%</b> | <b>100,0%</b> | <b>2,1</b>  | <b>-5,6</b> | <b>3,8%</b> | <b>-10,1%</b> |

The objective of the **'Rights, Equality and Citizenship'** programme is to contribute to the further development 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 is allocated to analytical and training activities, and to dissemination, mutual learning, cooperation, and awareness raising activities. For instance, the programme aims at raising the number of Europeans that are aware of their rights if they fall victim of discrimination from 37 % in 2012 to 55 % in 2020.

### 3.4.9. Union Civil Protection Mechanism

(in million EUR, rounded figures at current prices)

| Summary of 'Union Civil Protection Mechanism' by components  | Budget      |             | Draft budget (DB) |             | Share         |               | Difference  |             | Difference  |              |
|--|-------------|-------------|-------------------|-------------|---------------|---------------|-------------|-------------|-------------|--------------|
|  | 2014        |             | 2015              |             |               |               | 2015 – 2014 |             | 2015 / 2014 |              |
|  | (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        | 28,1              | 18,3        | 95,9%         | 64,2%         | 1,0         | 5,3         | 3,8%        | 40,5%        |
| — Rapid and efficient emergency response interventions in the event of major disasters within the Union  | 1,2         | 1,0         | 1,2               | 1,0         | 4,1%          | 3,5%          | 0,0         | 0,1         | 2,0%        | 5,3%         |
| — Completion of programmes and actions in the field of civil protection within the Union (prior to 2014) | p.m.        | 16,0        | p.m.              | 9,2         | 0,0%          | 32,3%         | 0,0         | -6,8        | 0,0%        | -42,5%       |
| <b>Total</b>   | <b>28,2</b> | <b>30,0</b> | <b>29,3</b>       | <b>28,5</b> | <b>100,0%</b> | <b>100,0%</b> | <b>1,0</b>  | <b>-1,5</b> | <b>3,7%</b> | <b>-5,0%</b> |

The **'Union Civil Protection Mechanism'** supports, coordinates and supplements the actions of the Member States in the field of civil protection by improving the effectiveness of systems for preventing, preparing for and responding to natural, technological and man-made disasters. By supporting and promoting measures to prevent disasters, EU Civil Protection policy reduces the costs of disasters to the EU economy and therefore obstacles to growth. The higher level of protection of citizens, the environment and property, including cultural heritage, minimises the adverse social, economic and environmental impact of disasters likely to affect the most vulnerable regions and people and thus contributes to a more sustainable and inclusive growth. The establishment of the 'European Emergency Response Centre' with strengthened planning and coordination functions brings benefits to the EU as a whole, by enabling fast and effective disaster response in terms of human lives saved and by generating savings at Member State level. It is expected that the average speed of interventions under the Union Mechanism (from the acceptance of the offer to deployment) will decrease from 36 hours on average in 2013 to less than 12 hours in 2020.



### 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 are 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)

| ‘Food and feed’ by components  | Budget       |              | Draft budget (DB) |              | Share         |               | Difference  |            | Difference  |             |
|--|--------------|--------------|-------------------|--------------|---------------|---------------|-------------|------------|-------------|-------------|
|  | 2014         |              | 2015              |              |               |               | 2015 – 2014 |            | 2015 / 2014 |             |
|  | (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          | 178,5             | 144,3        | 69,0%         | 64,3%         | -1,5        | 140,3      | -0,8%       | 3507,5%     |
| — Ensuring timely detection of harmful organisms for plants and their eradication                          | 5,0          | 3,0          | 10,0              | 7,5          | 3,9%          | 3,3%          | 5,0         | 4,5        | 100,0%      | 150,0%      |
| — Ensuring effective, efficient and reliable controls  | 45,7         | 15,0         | 47,4              | 30,0         | 18,3%         | 13,4%         | 1,6         | 15,0       | 3,6%        | 100,0%      |
| — Fund for emergency measures related to animal and plant health   | 20,0         | 7,5          | 20,0              | 10,0         | 7,7%          | 4,5%          | 0,0         | 2,5        | 0,0%        | 33,3%       |
| — 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          | 1,0%          | 1,2%          | 0,0         | 0,0        | 0,0%        | 0,0%        |
| — Completion of previous measures in food and feed safety, animal health, animal welfare and plant health  | p.m.         | 186,3        | p.m.              | 30,0         | 0,0%          | 13,4%         | 0,0         | -156,3     | 0,0%        | -83,9%      |
| <b>Total</b>   | <b>253,4</b> | <b>218,5</b> | <b>258,5</b>      | <b>224,5</b> | <b>100,0%</b> | <b>100,0%</b> | <b>5,1</b>  | <b>6,0</b> | <b>2,0%</b> | <b>2,7%</b> |

The **‘Food and feed’** programme aims at ensuring a high level of health for humans, animals and plants along the food chain and in related areas, a high level of protection for consumers and the environment while enhancing the Union food and feed industry competitiveness and 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 Programme

The general objectives of the **‘Health’** programme are to complement, support and add value to the policies of Member States to improve the health of the EU citizens and reduce health inequalities by promoting health, encouraging innovation in healthcare and increasing the sustainability of health systems and protecting citizens from serious 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’, in view of its positive impact on productivity and competitiveness.

### 3.4.13. Consumer Programme

The aim of the ‘**Consumer**’ programme is to ensure a high level of consumer protection, to empower consumers and to place the consumer at the heart of the internal market. The programme will do so by contributing to protecting the health, safety and the legal 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 complements, supports and monitors the policies of the Member States.

### 3.4.14. Creative Europe

(in million EUR, rounded figures at current prices)

| ‘Creative Europe’ by components  | Budget       |              | Draft budget (DB) |              | Share         |               | Difference  |              | Difference   |              |
|--|--------------|--------------|-------------------|--------------|---------------|---------------|-------------|--------------|--------------|--------------|
|  | 2014         |              | 2015              |              |               |               | 2015 – 2014 |              | 2015 / 2014  |              |
|  | (1)          |              | (2)               |              |               |               | (2 – 1)     |              | (2 / 1)      |              |
|  | CA           | PA           | CA                | PA           | CA            | PA            | CA          | PA           | CA           | PA           |
| — Strengthening the financial capacity of SMEs and organisations, and fostering policy development and new business models | 9,0          | 6,5          | 9,0               | 7,8          | 5,1%          | 4,7%          | 0,0         | 1,3          | 0,0%         | 19,5%        |
| — Culture sub-programme — Supporting cross-border actions and promoting transnational circulation and mobility             | 53,9         | 28,6         | 52,8              | 38,2         | 29,7%         | 23,0%         | -1,2        | 9,6          | -2,2%        | 33,5%        |
| — MEDIA sub-programme — Operating transnationally and internationally and promoting transnational circulation and mobility | 103,3        | 55,3         | 101,6             | 67,1         | 57,2%         | 40,4%         | -1,8        | 11,9         | -1,7%        | 21,4%        |
| — Support expenditure for Creative Europe  | 14,3         | 14,3         | 14,3              | 14,3         | 8,1%          | 8,6%          | 0,0         | 0,0          | 0,1%         | 0,1%         |
| — Completion of the programme  | 0,0          | 79,6         | 0,0               | 38,8         | 0,0%          | 23,3%         | 0,0         | -40,9        | -100,0%      | -51,3%       |
| <b>Total</b>   | <b>180,6</b> | <b>184,3</b> | <b>177,7</b>      | <b>166,2</b> | <b>100,0%</b> | <b>100,0%</b> | <b>-2,9</b> | <b>-18,1</b> | <b>-1,6%</b> | <b>-9,8%</b> |

‘**Creative Europe**’ is the framework programme for the cultural and creative sectors. 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 complements 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 programme provides a simple, easily recognisable and accessible gateway for European cultural and creative professionals, regardless of their artistic discipline, and it offers 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 4,8 % 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 4 %. 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 guaranteed 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 512 '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. Payment appropriations for heading 3*

The total level of payment appropriations requested for heading 3 in 2015 is set at EUR 1 881,2 million. Even though this is 12,2 % above the level in the 2014 budget, this level of payments will not allow to contain the increase of the outstanding commitments (RAL) under this heading. The section below summarises the request for payment appropriations by period.

##### *3.4.16.1. Payments on 2014-2020 programmes*

For each of the 2014-2020 programmes, funds and actions, the Commission has made a thorough analysis of the delivery mechanism in the adopted legal bases. Based on a conservative scenario of this analysis and on past experience, the Commission determined when payments are likely to be made in 2015. Payments on 2014-2020 programmes (EUR 1 494,3 million) relate mostly to pre-financings, whereas EUR 512,8 million of this amount is foreseen to cover the EU contributions to decentralised agencies under this heading. A further EUR 35,7 million will be used to pay non-differentiated expenditure, whereby commitments are equal to payments.

##### *3.4.16.2. Payments on outstanding commitments (prior to 2014)*

The Commission estimates that a total level of intermediate and final payments on outstanding commitments of EUR 351,1 million will need to be made in 2015, corresponding to 9,8 % of expected outstanding commitments at the end of 2014.

### 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<br>2014 <sup>(1)</sup> |                | Draft budget (DB)<br>2015 |                | Share         |               | Difference<br>2015 – 2014 |              | Difference<br>2015 / 2014 |             |
|--|-------------------------------|----------------|---------------------------|----------------|---------------|---------------|---------------------------|--------------|---------------------------|-------------|
|  | (1)                           |                | (2)                       |                |               |               | (2 – 1)                   |              | (2 / 1)                   |             |
|  | CA                            | PA             | CA                        | PA             | CA            | PA            | CA                        | PA           | CA                        | PA          |
| — Instrument for Pre-accession assistance (IPA II)   | 1 578,4                       | 1 436,7        | 1 580,1                   | 1 566,8        | 18,8%         | 21,4%         | 1,7                       | 130,1        | 0,1%                      | 9,1%        |
| — European Neighbourhood Instrument (ENI)  | 2 192,2                       | 1 630,2        | 2 027,3                   | 1 546,3        | 24,1%         | 21,1%         | -164,9                    | -83,9        | -7,5%                     | -5,1%       |
| — Development Cooperation Instrument (DCI)   | 2 341,0                       | 1 776,2        | 2 467,7                   | 2 081,9        | 29,3%         | 28,4%         | 126,7                     | 305,6        | 5,4%                      | 17,2%       |
| — Partnership instrument for cooperation with third countries (PI)   | 118,9                         | 37,5           | 119,2                     | 95,2           | 1,4%          | 1,3%          | 0,3                       | 57,7         | 0,3%                      | 153,7%      |
| — European Instrument for Democracy and Human Rights (EIDHR)   | 184,2                         | 120,3          | 182,9                     | 150,7          | 2,2%          | 2,1%          | -1,3                      | 30,3         | -0,7%                     | 25,2%       |
| — Instrument contributing to Stability and Peace   | 318,2                         | 258,4          | 320,8                     | 225,2          | 3,8%          | 3,1%          | 2,6                       | -33,2        | 0,8%                      | -12,9%      |
| — Humanitarian aid   | 920,3                         | 1 035,4        | 918,8                     | 918,8          | 10,9%         | 12,5%         | -1,4                      | -116,6       | -0,2%                     | -11,3%      |
| — Common Foreign and Security Policy (CFSP)  | 314,5                         | 234,8          | 320,8                     | 268,5          | 3,8%          | 3,7%          | 6,3                       | 33,7         | 2,0%                      | 14,4%       |
| — Instrument for Nuclear Safety Cooperation (INSC)   | 30,5                          | 55,8           | 61,2                      | 60,3           | 0,7%          | 0,8%          | 30,6                      | 4,6          | 100,2%                    | 8,2%        |
| — Macro-financial Assistance (MFA)   | 60,0                          | 52,2           | 78,0                      | 74,4           | 0,9%          | 1,0%          | 18,0                      | 22,2         | 29,9%                     | 42,7%       |
| — Guarantee Fund for External Actions  | 58,4                          | 58,4           | 144,4                     | 144,4          | 1,7%          | 2,0%          | 86,0                      | 86,0         | 147,1%                    | 147,1%      |
| — Union Civil Protection Mechanism   | 19,5                          | 6,0            | 16,9                      | 13,1           | 0,2%          | 0,2%          | -2,6                      | 7,1          | -13,4%                    | 119,0%      |
| — EU Aid Volunteers initiative (EUAV)  | 12,7                          | 3,3            | 14,8                      | 11,0           | 0,2%          | 0,2%          | 2,1                       | 7,7          | 16,5%                     | 234,5%      |
| — Other actions and programmes   | 74,2                          | 51,8           | 76,4                      | 66,1           | 0,9%          | 0,9%          | 2,2                       | 14,3         | 3,0%                      | 27,7%       |
| — Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission | 64,5                          | 45,4           | 63,9                      | 71,8           | 0,8%          | 1,0%          | -0,5                      | 26,4         | -0,8%                     | 58,1%       |
| — Pilot projects and preparatory actions   | 17,4                          | 19,5           | p.m.                      | 12,5           | 0,0%          | 0,2%          | -17,4                     | -7,0         | -100,0%                   | -35,8%      |
| — Decentralised agencies   | 20,0                          | 20,0           | 19,9                      | 19,9           | 0,2%          | 0,3%          | -0,1                      | -0,1         | -0,4%                     | -0,4%       |
| <b>Total</b>   | <b>8 325,0</b>                | <b>6 842,0</b> | <b>8 413,1</b>            | <b>7 327,0</b> | <b>100,0%</b> | <b>100,0%</b> | <b>88,1</b>               | <b>485,0</b> | <b>1,1%</b>               | <b>7,1%</b> |
| <b>Ceiling</b>   | <b>8 335,0</b>                |                | <b>8 749,0</b>            |                |               |               |                           |              |                           |             |
| <b>Margin</b>  | <b>10,0</b>                   |                | <b>335,9</b>              |                |               |               |                           |              |                           |             |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

#### 3.5.2. Priorities for 2015

The overall purpose of external action, defined in the Lisbon Treaty, is to ensure that the EU lives up to its ambition in promoting democracy, peace, solidarity, stability, poverty reduction, investing in its neighbourhood, supporting countries preparing for EU membership and promoting EU core interests worldwide. The financial envelope for heading 4 seeks to enable the Union to further its role on the global stage and promote its interests and core values. The financial envelope for the three largest policy-driven financial instruments (IPA, ENI and DCI) is broadly stable at the level of 2014 (-0,6 %). These instruments have been streamlined and made more flexible. Taken together, they maintain their share of external action funding at almost three quarters.

The next largest instrument is Humanitarian Aid. The amount foreseen in 2015 (EUR 918,8 million) is also broadly stable at the 2014 level (-0,2 %). The EU will continue to provide support to the most vulnerable sections of global society affected by natural and/or man-made disasters. The possibility to have recourse to the ‘Emergency Aid Reserve’ (EAR) provides additional flexibility for covering humanitarian aid needs.

The funding for the European Instrument for Democracy and Human Rights (EIDHR) maintains its central importance in projecting European values in the areas of democracy and human rights and remains broadly stable at the 2014 level. The expenditure under this instrument also covers Election Observation Missions undertaken in cooperation with the European Parliament and Member States. EUR 320,8 million is allocated to the Instrument contributing to Stability and Peace (IcSP) and the Common Foreign and Security Policy (CFSP), which compared to 2014 represents an increase of 0,8 % and 2,0 %, respectively. The new Partnership Instrument remains broadly stable, with commitment appropriations amounting to EUR 119,2 million (+ 0,3 %).

### 3.5.3. Instrument for Pre-Accession assistance (IPA)

The tables below present the 2015 breakdown of the IPA programme by main objectives and countries, respectively:

(in million EUR, rounded figures at current prices)

| IPA by main objectives  | Budget<br>2014 |                | Draft budget (DB)<br>2015 |                | Share         |               | Difference<br>2015 – 2014 |              | Difference<br>2015 / 2014 |             |
|---|----------------|----------------|---------------------------|----------------|---------------|---------------|---------------------------|--------------|---------------------------|-------------|
|   | (1)            |                | (2)                       |                |               |               | (2 – 1)                   |              | (2 / 1)                   |             |
|   | CA             | PA             | CA                        | PA             | CA            | PA            | CA                        | PA           | CA                        | PA          |
| — Support for political reforms and related progressive alignment with the Union <i>acquis</i>                            | 550,0          | 35,9           | 416,0                     | 129,6          | 26,3%         | 8,3%          | -134,0                    | 93,8         | -24,4%                    | 261,4%      |
| — Support for economic, social and territorial development and related progressive alignment with the Union <i>acquis</i> | 640,0          | 53,8           | 763,0                     | 148,6          | 48,3%         | 9,5%          | 123,0                     | 94,8         | 19,2%                     | 176,2%      |
| — Regional integration and territorial cooperation and support to groups of countries (horizontal programmes)             | 333,9          | 58,2           | 347,1                     | 76,9           | 22,0%         | 4,9%          | 13,2                      | 18,7         | 4,0%                      | 32,1%       |
| — Support expenditure   | 52,1           | 52,1           | 50,4                      | 50,4           | 3,2%          | 3,2%          | -1,7                      | -1,7         | -3,3%                     | -3,3%       |
| — Completion lines (prior to 2014)  | 0,0            | 1 236,7        | 0,0                       | 1 161,2        | 0,0%          | 74,1%         | 0,0                       | -75,5        | 0,0%                      | -6,1%       |
| <b>Total</b>  | <b>1 578,4</b> | <b>1 436,7</b> | <b>1 580,1</b>            | <b>1 566,8</b> | <b>100,0%</b> | <b>100,0%</b> | <b>1,7</b>                | <b>130,1</b> | <b>0,1%</b>               | <b>9,1%</b> |

(in million EUR, rounded figures at current prices)

| IPA by countries   | Budget<br>2014 |                | Draft budget (DB)<br>2015 |                | Share         |               | Difference<br>2015 – 2014 |              | Difference<br>2015 / 2014 |             |
|--|----------------|----------------|---------------------------|----------------|---------------|---------------|---------------------------|--------------|---------------------------|-------------|
|  | (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 | 519,6          | 36,7           | 544,0                     | 68,0           | 34,4%         | 4,3%          | 24,4                      | 31,3         | 4,7%                      | 85,1%       |
| — Support to Iceland   | 12,0           | 0,8            | p.m.                      | p.m.           | 0,0%          | 0,0%          | -12,0                     | -0,8         | -100,0%                   | -100,0%     |
| — Support to Turkey  | 658,3          | 52,1           | 635,0                     | 210,3          | 40,2%         | 13,4%         | -23,3                     | 158,2        | -3,5%                     | 303,6%      |
| — Regional integration and territorial cooperation and support to groups of countries (horizontal programmes)          | 307,1          | 54,2           | 319,6                     | 55,1           | 20,2%         | 3,5%          | 12,5                      | 0,9          | 4,1%                      | 1,7%        |
| — Contribution to Erasmus+   | 29,2           | 4,0            | 31,1                      | 21,8           | 2,0%          | 1,4%          | 1,9                       | 17,8         | 6,4%                      | 440,9%      |
| — Support expenditure  | 52,1           | 52,1           | 50,4                      | 50,4           | 3,2%          | 3,2%          | -1,7                      | -1,7         | -3,3%                     | -3,3%       |
| — Completion lines (prior to 2014)   | 0,0            | 1 236,7        | 0,0                       | 1 161,2        | 0,0%          | 74,1%         | 0,0                       | -75,5        | 0,0%                      | -6,1%       |
| <b>Total</b>   | <b>1 578,4</b> | <b>1 436,7</b> | <b>1 580,1</b>            | <b>1 566,8</b> | <b>100,0%</b> | <b>100,0%</b> | <b>1,7</b>                | <b>130,1</b> | <b>0,1%</b>               | <b>9,1%</b> |

The EU continues to prepare future enlargements. Accession negotiations are ongoing with Turkey, Montenegro and Serbia, while the Former Yugoslav Republic of Macedonia has 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. Following the general elections in Iceland of 27 April 2013 and the subsequent coalition government formation on 22 May 2013, the new government decided to put the EU accession negotiations on hold. The coalition's government platform notes that the accession negotiations will not be continued unless so approved in a referendum.

Pre-accession assistance is provided on the basis of the **Instrument for Pre-accession Assistance (IPA II)**. The general objective of pre-accession assistance is to support the beneficiary countries listed in the IPA II Regulation in adopting and implementing the political, institutional, legal, administrative, social and economic reforms required to comply with Union values and to progressively align to Union rules, standards, policies and practices with a view to Union membership. The assistance will be tailored to the specific situation of each 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 is 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 are initially brought under the same budget Title 22, except for assistance such as the rural development programmes under the policy area 'Agriculture and rural development', which will continue to be included in Title 5, and cross-border co-operation with Member States which will continue to be included in Title 13 ('Regional and urban policy').

#### *3.5.4. 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 30,6 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, Cultural Heritage Protection 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.

### 3.5.5. European Neighbourhood Instrument (ENI)

(in million EUR, rounded figures at current prices)

| ENI by components   | Budget<br>2014 |                | Draft budget (DB)<br>2015 |                | Share         |               | Difference<br>2015 – 2014 |              | Difference<br>2015 / 2014 |              |
|---|----------------|----------------|---------------------------|----------------|---------------|---------------|---------------------------|--------------|---------------------------|--------------|
|   | (1)            |                | (2)                       |                |               |               | (2 – 1)                   |              | (2 / 1)                   |              |
|   | CA             | PA             | CA                        | PA             | CA            | PA            | CA                        | PA           | CA                        | PA           |
| — Supporting cooperation with Mediterranean countries   | 979,1          | 130,0          | 791,0                     | 138,3          | 39,0%         | 8,9%          | -188,1                    | 8,3          | -19,2%                    | 6,4%         |
| — Support to peace process and financial assistance to Palestine and to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) | 300,0          | 200,0          | 264,5                     | 218,6          | 13,0%         | 14,1%         | -35,5                     | 18,6         | -11,8%                    | 9,3%         |
| — Supporting cooperation with Eastern Partnership countries   | 599,9          | 268,7          | 517,6                     | 90,6           | 25,5%         | 5,9%          | -82,3                     | -178,1       | -13,7%                    | -66,3%       |
| — Ensuring efficient cross-border cooperation (CBC) and support to other multi-country cooperation  | 170,3          | 50,8           | 302,6                     | 57,6           | 14,9%         | 3,7%          | 132,3                     | 6,8          | 77,7%                     | 13,5%        |
| — Erasmus+ — Contribution from the European Neighbourhood Instrument (ENI)  | 80,5           | 8,7            | 90,7                      | 62,0           | 4,5%          | 4,0%          | 10,2                      | 53,2         | 12,6%                     | 609,5%       |
| — Support expenditure for the European Neighbourhood Instrument (ENI)   | 62,5           | 62,5           | 60,9                      | 60,9           | 3,0%          | 3,9%          | -1,6                      | -1,6         | -2,5%                     | -2,5%        |
| — Completion of actions in the area of European Neighbourhood Policy and relations with Russia (prior to 2014)                                    | —              | 909,5          | —                         | 918,2          | 0,0%          | 59,4%         | 0,0                       | 8,7          | 0,0%                      | 1,0%         |
| <b>Total</b>  | <b>2 192,2</b> | <b>1 630,2</b> | <b>2 027,3</b>            | <b>1 546,3</b> | <b>100,0%</b> | <b>100,0%</b> | <b>-164,9</b>             | <b>-83,9</b> | <b>-7,5%</b>              | <b>-5,1%</b> |

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. Daunting political and economic challenges affect many of these countries, exacerbated by the political upheavals of recent years. 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 ‘European Neighbourhood Instrument’ (ENI) has brought 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. An incentive-based programme will continue in 2015 to provide incentives to partners engaged in building deep democracy. 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.

The allocation of the appropriations requested for the ENI across components reflects the legal basis as adopted by the legislative authority; the Commission has adapted the financial programming for 2015 accordingly. The Commission has committed itself to a strong level of support to Ukraine during the 2014-2020 period, and although a specific effort is being made in 2014, assistance needs will remain high in order to maintain the bilateral annual average of EUR 130 million announced by the Commission for 2015 and beyond. Moreover, the amounts foreseen for the provisioning of the Guarantee Fund for External Actions (see section 3.5.12.3 below) have been adjusted upwards for 2016 and 2017 to cover the additional support to Ukraine in the form of macro-financial assistance loans and foreseen additional EIB lending guaranteed by the EU budget.

It is expected that the ENI, together with other EU foreign policy instruments, will continue to be deployed to mitigate the strain 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’).

### 3.5.6. Development Cooperation Instrument (DCI)

(in million EUR, rounded figures at current prices)

| DCI by components  | Budget<br>2014 |                | Draft budget (DB)<br>2015 |                | Share         |               | Difference<br>2015 – 2014 |              | Difference<br>2015 / 2014 |              |
|--|----------------|----------------|---------------------------|----------------|---------------|---------------|---------------------------|--------------|---------------------------|--------------|
|  | (1)            |                | (2)                       |                |               |               | (2 – 1)                   |              | (2 / 1)                   |              |
|  | CA             | PA             | CA                        | PA             | CA            | PA            | CA                        | PA           | CA                        | PA           |
| — Cooperation with Latin America   | 259,3          | 7,1            | 294,3                     | 80,5           | 11,9%         | 3,9%          | 35,0                      | 73,4         | 13,5%                     | 1037,5%      |
| — Cooperation with Asia  | 537,1          | 16,7           | 633,1                     | 136,5          | 25,7%         | 6,6%          | 96,0                      | 119,9        | 17,9%                     | 717,9%       |
| — Cooperation with Central Asia  | 71,6           | 3,5            | 125,0                     | 19,4           | 5,1%          | 0,9%          | 53,4                      | 15,9         | 74,6%                     | 449,0%       |
| — Cooperation with Middle East   | 51,2           | 3,3            | 66,7                      | 13,0           | 2,7%          | 0,6%          | 15,5                      | 9,6          | 30,3%                     | 287,1%       |
| — Cooperation with Afghanistan   | 203,5          | 5,6            | 199,4                     | 48,9           | 8,1%          | 2,3%          | -4,1                      | 43,3         | -2,0%                     | 778,3%       |
| — Cooperation with South Africa  | 26,0           | 0,1            | 26,7                      | 4,4            | 1,1%          | 0,2%          | 0,7                       | 4,3          | 2,9%                      | 2920,9%      |
| — Global public goods and challenges and poverty reduction, sustainable development and democracy              | 652,4          | 75,6           | 603,7                     | 193,5          | 24,5%         | 9,3%          | -48,7                     | 117,9        | -7,5%                     | 155,8%       |
| — Financing initiatives in the area of development by or for civil society organisations and local authorities | 248,8          | 3,2            | 225,2                     | 54,4           | 9,1%          | 2,6%          | -23,6                     | 51,3         | -9,5%                     | 1612,7%      |
| — Pan Africa programme to support the joint Africa-European Union Strategy                                     | 97,6           | 31,4           | 101,4                     | 53,8           | 4,1%          | 2,6%          | 3,8                       | 22,4         | 3,9%                      | 71,5%        |
| — Erasmus+ — Contribution from the development cooperation instrument (DCI)                                    | 93,9           | 3,3            | 90,0                      | 48,0           | 3,6%          | 2,3%          | -3,9                      | 44,7         | -4,1%                     | 1362,5%      |
| — Support expenditure for the Development Cooperation Instrument (DCI)   | 99,8           | 99,8           | 102,1                     | 102,1          | 4,1%          | 4,9%          | 2,3                       | 2,3          | 0,5%                      | 0,5%         |
| — Completion of actions in the area of development cooperation (prior to 2014)                                 | —              | 1 526,6        | —                         | 1 327,2        | 0,0%          | 63,7%         | 0,0                       | -199,4       | 0,0%                      | -13,1%       |
| <b>Total</b>   | <b>2 341,0</b> | <b>1 776,2</b> | <b>2 467,7</b>            | <b>2 081,9</b> | <b>100,0%</b> | <b>100,0%</b> | <b>126,7</b>              | <b>305,6</b> | <b>5,4%</b>               | <b>17,2%</b> |



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 also contributes 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 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, with the latter based on the principle of differentiation focusing on fragile states, states of high vulnerability and partner countries having limited capacity to support their own development.

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 finances initiatives in the area of development by or for such organisations.

Finally, a Pan-African programme provides 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 applies the principle of ‘treating Africa as one’, and promotes 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 further promotes 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).

### *3.5.7. Partnership Instrument (PI)*

The Partnership Instrument has global reach. Its main objective is to advance and promote Union and mutual interests. It addresses global challenges such as climate change and energy security and supports partnerships strategies by promoting policy dialogues. The external projection of the ‘Europe 2020 strategy’ represents a major strategic component of this Instrument. It also has the aim to address specific aspects of the EU’s economic diplomacy, trade and investment opportunities and to support public diplomacy, people-to-people contacts, education/academic co-operation and outreach activities to promote the Union’s values and interests.

### 3.5.8. European Instrument for Democracy and Human Rights (EIDHR)

(in million EUR, rounded figures at current prices)

| EIDHR by components   | Budget<br>2014 |              | Draft budget (DB)<br>2015 |              | Share         |               | Difference<br>2015 – 2014 |             | Difference<br>2015 / 2014 |              |
|---|----------------|--------------|---------------------------|--------------|---------------|---------------|---------------------------|-------------|---------------------------|--------------|
|   | (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           | 41,1           | 22,8         | 41,9                      | 30,8         | 22,9%         | 20,5%         | 0,8                       | 8,0         | 1,9%                      | 35,0%        |
| — Enhancing the respect for and observance of human rights and fundamental freedoms and supporting democratic reforms | 143,2          | 97,5         | 141,0                     | 119,8        | 77,1%         | 79,5%         | -2,1                      | 22,3        | -1,5%                     | 22,9%        |
| <b>Total</b>  | <b>184,2</b>   | <b>120,3</b> | <b>182,9</b>              | <b>150,7</b> | <b>100,0%</b> | <b>100,0%</b> | <b>-1,3</b>               | <b>30,3</b> | <b>-0,7%</b>              | <b>25,2%</b> |

This instrument reflects the specific Treaty mandates relating to the development and consolidation of democracy and the rule of law, and the 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 2011<sup>34</sup>, and they reaffirm the determination of the Union to promote human rights in all areas of EU external action. The EIDHR supports, inter alia, 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 2015 and 140 experts will be trained to act as experts or observers.

### 3.5.9. Instrument contributing to Stability and Peace (IcSP)

(in million EUR, rounded figures at current prices)

| IcSP by components  | Budget<br>2014 |              | Draft budget (DB)<br>2015 |              | Share         |               | Difference<br>2015 – 2014 |              | Difference<br>2015 / 2014 |               |
|---|----------------|--------------|---------------------------|--------------|---------------|---------------|---------------------------|--------------|---------------------------|---------------|
|   | (1)            |              | (2)                       |              |               |               | (2 – 1)                   |              | (2 / 1)                   |               |
|   | CA             | PA           | CA                        | PA           | CA            | PA            | CA                        | PA           | CA                        | PA            |
| — Instrument contributing to Stability and Peace — Crisis response, conflict prevention, peace-building and crisis preparedness | 233,8          | 209,5        | 254,7                     | 175,2        | 79,4%         | 77,8%         | 20,8                      | -34,3        | 8,9%                      | -16,4%        |
| — Instrument contributing to Stability and Peace (IcSP) — Global and trans-regional and emerging threats                        | 84,3           | 48,9         | 66,1                      | 50,0         | 20,6%         | 22,2%         | -18,2                     | 1,1          | -21,6%                    | 2,2%          |
| <b>Total</b>  | <b>318,2</b>   | <b>258,4</b> | <b>320,8</b>              | <b>225,2</b> | <b>100,0%</b> | <b>100,0%</b> | <b>2,6</b>                | <b>-33,2</b> | <b>0,8%</b>               | <b>-12,9%</b> |

34

COM(2011) 886, 12.12.2011.

The Instrument contributing to Stability and Peace (IcSP) consists of three major components: ‘Crisis response’, ‘Conflict prevention’ and ‘Global, trans-regional and emerging threats’. The crisis response aims at increasing the ability of the EU to 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 around the world, the actions will include the East Mediterranean countries, including Syria where the IcSP intervenes since 2012, the Middle East, major conflict areas in Africa (Sudan/South Sudan, the Central African Republic, etc.), Ukraine and the rest of the world. It is estimated that 32 response actions in situations of crisis or emerging crisis will be launched in 2015. The actions in the area of conflict prevention, peace-building and crisis preparedness will continue through the development of a partnership with peace-building stakeholders including civil society.

Actions addressing global, trans-regional and emerging threats to peace, international security and stability will concentrate on main areas such as organised crime (including the drugs trafficking routes and illegal trafficking of human beings) and countering terrorism. 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. Other new focus areas will be climate change and aviation security. The actions on Chemical, Biological, Radiological or Nuclear (CBRN) risk mitigation will continue through the CBRN Centres of Excellence.

### 3.5.10. Humanitarian Aid

(in million EUR, rounded figures at current prices)

| Humanitarian Aid by components   | Budget<br>2014 |                | Draft budget (DB)<br>2015 |              | Share         |               | Difference<br>2015 – 2014 |               | Difference<br>2015 / 2014 |               |
|--|----------------|----------------|---------------------------|--------------|---------------|---------------|---------------------------|---------------|---------------------------|---------------|
|  | (1)            |                | (2)                       |              |               |               | (2 – 1)                   |               | (2 / 1)                   |               |
|  | CA             | PA             | CA                        | PA           | CA            | PA            | CA                        | PA            | CA                        | PA            |
| — Delivery of rapid, effective and needs-based humanitarian aid and food aid   | 874,5          | 997,6          | 872,4                     | 872,4        | 95,0%         | 95,0%         | -2,1                      | -125,1        | -0,2%                     | -12,5%        |
| — Disaster prevention, disaster risk reduction and preparedness                | 36,7           | 28,8           | 37,3                      | 37,3         | 4,1%          | 4,1%          | 0,5                       | 8,5           | 1,5%                      | 29,3%         |
| — Support expenditure for humanitarian aid, food aid and disaster preparedness | 9,0            | 9,0            | 9,1                       | 9,1          | 1,0%          | 1,0%          | 0,1                       | 0,1           | 1,1%                      | 1,1%          |
| <b>Total</b>   | <b>920,3</b>   | <b>1 035,4</b> | <b>918,8</b>              | <b>918,8</b> | <b>100,0%</b> | <b>100,0%</b> | <b>-1,4</b>               | <b>-116,6</b> | <b>-0,2%</b>              | <b>-11,3%</b> |

In 2015, 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 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. Assistance to persons affected by ‘forgotten crises’ is also catered for. The programme aims at covering EU involvement in all major emergencies and at ensuring that on average 83 000 beneficiaries can be reached per EUR million spent during the whole programming period (humanitarian and food aid).

### 3.5.11. Common Foreign and Security Policy (CFSP)

(in million EUR, rounded figures at current prices)

| CFSP by components  | Budget<br>2014 |              | Draft budget (DB)<br>2015 |              | Share         |               | Difference<br>2015 – 2014 |             | Difference<br>2015 / 2014 |              |
|---|----------------|--------------|---------------------------|--------------|---------------|---------------|---------------------------|-------------|---------------------------|--------------|
|   | (1)            |              | (2)                       |              |               |               | (2 – 1)                   |             | (2 / 1)                   |              |
|   | CA             | PA           | CA                        | PA           | CA            | PA            | CA                        | PA          | CA                        | PA           |
| — Monitoring mission in Georgia   | 23,0           | 15,0         | 23,0                      | 19,3         | 7,2%          | 7,2%          |                           | 4,3         | 0,0%                      | 28,5%        |
| — EULEX Kosovo  | 100,0          | 72,8         | 85,0                      | 85,8         | 26,5%         | 32,0%         | -15,0                     | 13,1        | -15,0%                    | 18,0%        |
| — EUPOL Afghanistan   | 40,5           | 30,0         | 65,0                      | 61,3         | 20,3%         | 22,8%         | 24,5                      | 31,3        | 60,5%                     | 104,4%       |
| — Other crisis management measures and operations                       | 65,6           | 75,8         | 85,3                      | 66,5         | 26,6%         | 24,8%         | 19,6                      | -9,2        | 29,9%                     | -12,2%       |
| — Emergency measures  | 35,0           | 9,1          | 20,0                      | 1,8          | 6,2%          | 0,7%          | -15,0                     | -7,3        | -42,9%                    | -80,7%       |
| — Preparatory and follow-up measures                                    | 7,0            | 2,6          | 5,3                       | 0,3          | 1,6%          | 0,1%          | -1,7                      | -2,3        | -24,8%                    | -89,5%       |
| — European Union Special Representatives                                | 25,0           | 15,8         | 20,0                      | 9,2          | 6,2%          | 3,4%          | -5,0                      | -6,6        | -20,0%                    | -41,9%       |
| — Support to non-proliferation and disarmament                          | 18,0           | 13,5         | 17,0                      | 24,1         | 5,3%          | 9,0%          | -1,0                      | 10,6        | -5,6%                     | 78,8%        |
| — Support expenditure for the Common Foreign and Security Policy (CFSP) | 0,4            | 0,4          | 0,3                       | 0,3          | 0,1%          | 0,1%          | -0,1                      | -0,1        | -28,6%                    | -28,6%       |
| <b>Total</b>  | <b>314,5</b>   | <b>234,8</b> | <b>320,8</b>              | <b>268,5</b> | <b>100,0%</b> | <b>100,0%</b> | <b>6,3</b>                | <b>33,7</b> | <b>2,0%</b>               | <b>14,4%</b> |

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 cooperates with the Council and the European External Action Service and implements the CFSP budget. This includes the identification, design and support to the operations of the EU crisis management missions. The 2015 estimates have been established assuming that most of the on-going missions and EU Special Representatives (EUSRs) will continue through 2015. Should existing situations deteriorate or new crises appear suddenly, existing missions might need to be expanded or merged and/or new missions launched.

### 3.5.12. Other Instruments

(in million EUR, rounded figures at current prices)

| Other instruments                                  | Budget<br>2014 |              | Draft budget (DB)<br>2015 |              | Share         |               | Difference<br>2015 – 2014 |              | Difference<br>2015 / 2014 |              |
|--|----------------|--------------|---------------------------|--------------|---------------|---------------|---------------------------|--------------|---------------------------|--------------|
|  | (1)            |              | (2)                       |              |               |               | (2 – 1)                   |              | (2 / 1)                   |              |
|  | CA             | PA           | CA                        | PA           | CA            | PA            | CA                        | PA           | CA                        | PA           |
| — Instrument for Nuclear Safety Cooperation (INSC) | 30,5           | 55,8         | 61,2                      | 60,3         | 13,7%         | 13,3%         | 30,6                      | 4,6          | 100,2%                    | 8,2%         |
| — Macro-financial Assistance (MFA)                 | 60,0           | 52,2         | 78,0                      | 74,4         | 17,5%         | 16,4%         | 18,0                      | 22,2         | 29,9%                     | 42,7%        |
| — Guarantee Fund for External Actions              | 58,4           | 58,4         | 144,4                     | 144,4        | 32,5%         | 31,7%         | 86,0                      | 86,0         | 147,1%                    | 147,1%       |
| — Union Civil Protection Mechanism                 | 19,5           | 6,0          | 16,9                      | 13,1         | 3,8%          | 2,9%          | -2,6                      | 7,1          | -13,4%                    | 119,0%       |
| — EU Aid Volunteers initiative (EUAV)              | 12,7           | 3,3          | 14,8                      | 11,0         | 3,3%          | 2,4%          | 2,1                       | 7,7          | 16,5%                     | 234,5%       |
| — Partnership with Greenland                       | 24,8           | 19,2         | 30,9                      | 34,0         | 7,0%          | 7,5%          | 6,1                       | 14,8         | 24,7%                     | 77,1%        |
| — Other  | 119,8          | 99,4         | 98,7                      | 117,6        | 22,2%         | 25,9%         | -21,1                     | 18,3         | -17,6%                    | 18,4%        |
| <b>Total</b>                                       | <b>325,8</b>   | <b>294,2</b> | <b>444,9</b>              | <b>454,9</b> | <b>100,0%</b> | <b>100,0%</b> | <b>119,1</b>              | <b>160,7</b> | <b>36,5%</b>              | <b>54,6%</b> |

#### 3.5.12.1. 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 third countries. In 2015 appropriations are foreseen for support to nuclear regulators and to international authorities in the area of nuclear safety, for the development of radiation protection standards, as well as 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.

Additional appropriations amounting to EUR 30 million are requested to continue the EU contribution to the Chernobyl Shelter Fund. This request relates to the funding gap of around EUR 400 million identified for the Chernobyl Shelter Implementation Plan, which is managed by the European Bank for Reconstruction and Development (EBRD) and seeks to mitigate the nuclear radiation risks for the population of Ukraine and the neighbouring countries. As the EU in the past used to provide an average contribution to the Fund of 23-25 % of total costs, an additional pledge in the range of EUR 100 million is expected to be made, to be spread in three yearly instalments.

#### 3.5.12.2. 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 EU'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 Union's Eastern and Southern neighbourhood.

#### 3.5.12.3. 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.

#### 3.5.12.4. Union Civil Protection Mechanism (CPM)

The Mechanism aims at ensuring a rapid, cost-effective and efficient mobilisation of European civil protection assistance in case of major emergency in third countries. The new Decision on a Union Civil Protection Mechanism 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), launched in 2013, ensures 24/7 operational capacity.

#### 3.5.12.5. EU Aid Volunteers Initiative (EUAV)

The objective of the EUAV is 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 capacity and resilience of vulnerable or disaster-affected communities in third countries. The EUAV is intended as a framework, which will comprise of: 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 the actual deployment of EU aid volunteers in third countries and capacity building of the hosting organisations.

#### 3.5.12.6.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.

#### 3.5.13. *Payment appropriations for heading 4*

The total level of payment appropriations requested for heading 4 in 2015 is set at EUR 7 327,0 million. Even though this is 7,1 % above the level in the 2014 budget as modified by draft amending budgets, this level of payments will not allow to contain the increase of the outstanding commitments (RAL) under this heading.

##### 3.5.13.1.Payments on 2014-2020 programmes

For each of the 2014-2020 programmes, instruments and actions, the Commission has made a thorough analysis of the delivery mechanism in the adopted legal bases. Based on a conservative scenario of this analysis and on past experience, the Commission determined when payments are likely to be made in 2015. Payments on 2014-2020 programmes (EUR 3 315,0 million) will allow for pre-financing payments on programmes with a more multiannual character, as well as payments of programmes and actions which have a more annual cycle, such as humanitarian aid and financial assistance to Palestine. A further EUR 395,2 million will be used to pay non-differentiated expenditure, whereby commitments are equal to payments.

##### 3.5.13.2.Payments on outstanding commitments (prior to 2014)

The Commission estimates that a total level of intermediate and final payments on outstanding commitments of EUR 3 616,8 million will need to be made in 2015, corresponding to 14,5 % of expected outstanding commitments under heading 4 at the end of 2014.

### 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. The table takes account of the transfer into the Commission's section of the budget, as from 2015, of the appropriations related to the pension expenditure for the former Members of the Court of Justice, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor. A similar transfer of pension expenditure for former Members of the European Parliament was already included in the 2014 budget. For former Member(s) of the European Council a corresponding transfer to the Commission's section of the budget will follow as of 2017, which will be the first year in which such expenditure is expected to be incurred. In order to allow for a more consistent comparison of the evolution of the expenditure for each institution, the table below compares the 2015 draft budget with a 2014 budget which incorporates the corresponding appropriations in the Commission's section and excludes them for the other sections.

(in million EUR, rounded figures at current prices)

|  | Budget<br>2014 <sup>(1)</sup> | Budget<br>2014<br>Adjusted /<br>Member<br>pensions | DB<br>2015     | Share         | Difference<br>2015 – 2014<br>with pensions adjusted |             |
|--|-------------------------------|--|----------------|---------------|---|-------------|
| — Pensions and European Schools                                | 1 612,3                       | 1 622,7  | 1 719,1        | 20,0%         | 96,3  | 5,9%        |
| — Pensions   | 1 446,9                       | 1 457,3  | 1 559,4        | 18,1%         | 102,1   | 7,0%        |
| — Staff pensions   | 1 441,3                       | 1 441,3  | 1 540,0        | 17,9%         | 98,7  | 6,8%        |
| — Pensions of former Members                                   | 5,6                           | 16,0   | 19,4           | 0,2%          | 3,4   | 21,1%       |
| — European Schools <sup>(2)</sup>                              | 165,4                         | 165,4  | 159,7          | 1,9%          | -5,7  | -3,5%       |
| — Administrative expenditure of the institutions               | 6 792,4                       | 6 782,0  | 6 893,1        | 80,0%         | 111,1   | 1,6%        |
| — Commission (with Croatia)                                    | 3 260,8                       | 3 260,8  | 3 297,2        | 38,3%         | 36,4  | 1,1%        |
| — Commission (without Croatia)                                 | 3 260,8                       | 3 260,8  | 3 284,0        | 38,2%         | 23,2  | 0,7%        |
| — Other institutions   | 3 531,6                       | 3 521,2  | 3 595,9        | 41,8%         | 74,7  | 2,1%        |
| — European Parliament  | 1 755,6                       | 1 755,6  | 1 794,9        | 20,8%         | 39,3  | 2,2%        |
| — European Council and Council                                 | 534,2                         | 534,2  | 542,3          | 6,3%          | 8,1   | 1,5%        |
| — Court of Justice of the European Union                       | 355,4                         | 348,7  | 354,4          | 4,1%          | 5,8   | 1,7%        |
| — Court of Auditors  | 133,5                         | 129,9  | 134,3          | 1,6%          | 4,4   | 3,4%        |
| — European Economic and Social Committee                       | 128,6                         | 128,6  | 130,5          | 1,5%          | 1,9   | 1,5%        |
| — Committee of the Regions                                     | 87,6                          | 87,6   | 89,2           | 1,0%          | 1,6   | 1,8%        |
| — European Ombudsman <sup>(3)</sup>                            | 9,9                           | 9,8  | 10,1           | 0,1%          | 0,3   | 3,4%        |
| — European data-protection Supervisor                          | 8,3                           | 8,2  | 8,9            | 0,1%          | 0,7   | 8,1%        |
| — European External Action Service                             | 518,6                         | 518,6  | 531,3          | 6,2%          | 12,7  | 2,4%        |
| <b>Total</b>   | <b>8 404,8</b>                | <b>8 404,8</b>                                     | <b>8 612,2</b> | <b>100,0%</b> | <b>207,5</b>  | <b>2,5%</b> |
| <b>Ceiling</b>   | <b>8 721,0</b>                |  | <b>9 076,0</b> |               |   |             |
| <b>Margin</b>  | <b>316,2</b>                  |  | <b>463,8</b>   |               |   |             |
| <i>Of which Administrative expenditure of the institutions</i> | <i>6 792,4</i>                |  | <i>6 893,1</i> |               | <i>111,1</i>  | <i>1,6%</i> |
| <i>Sub-ceiling</i>   | <i>7 056,0</i>                |  | <i>7 351,0</i> |               |   |             |
| <i>Sub-margin</i>  | <i>263,6</i>                  |  | <i>457,9</i>   |               |   |             |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

(2) Including contributions to Type II European Schools from all institutions (DB 2015: Commission and Ombudsman).

(3) Excluding contribution to Type II European Schools.

Heading 5 covers the administrative expenditure of all institutions, pensions and European Schools. As explained in more detail below, strict measures have been taken to ensure that the administrative expenditure of all institutions (excluding pensions and European Schools) is kept at the expected inflation for Brussels (1,5 %) and Luxembourg (1,7 %), and therefore remains stable in real terms. Consequently, the share of heading 5 in the budget remains stable at the 2014 level (+ 5,9 %) in commitment appropriations and 6,1 % in payment appropriations). This reflects the effects of the Staff Regulations Reform including the continuing staff reduction and the effects of the reduction of the salary and pension adjustments for 2011 (0 %) and 2012 (0,8 % as of 1 July 2012<sup>35</sup>) followed by the freeze of the annual adjustments in 2013 and 2014. The 2015 adjustment (currently estimated at 1,7 %, on a six months basis) will be based on the evolution of salaries in the enlarged sample of eleven reference Member States as decided in the framework of the Staff Regulations Reform<sup>36</sup>.

Total expenditure in 2015 is estimated at EUR 8 612,2 million (+ 2,5 % compared to the 2014 budget), of which 0,2 % (EUR 13,2 million) relates to the additional expenditure for the Commission linked to the accession of Croatia<sup>37</sup>. This leaves a margin of EUR 463,8 million under the ceiling of heading 5. The margin under the sub-ceiling for administrative expenditure of the institutions (excluding Pensions and European schools) amounts to EUR 457,9 million. This overall estimate of expenditure under heading 5 takes into account the savings generated by the review of the ‘Staff Regulations’.

The 2015 draft budget takes into account the impact of draft amending budget No 3/2014, which contains the necessary changes to the establishment plans of the Commission, the Committee of the Regions and the European Data Protection Supervisor related to the creation of the function group for Secretaries and Clerks (AST/SC) in the new Staff Regulations with lower salary levels.

### *3.6.2. Overview administrative expenditure by institution*

As in previous years, the 2015 draft budget maintains a rigorous approach towards administrative expenditure. The administrative expenditure of all institutions combined increases by 1,6 % (excluding pensions and European schools). The proposed increase is + 1,1 % for the Commission and + 2,1 % for the other institutions. This remains at the expected inflation in Brussels (1,5 %) and Luxembourg (1,7 %) and translates into an overall stabilisation in real terms.

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 2014 budget (- 1,0 %), by significantly reducing other administrative expenditure related to non-contractual obligations. As a result, the total Commission administrative expenditure (+ 1,1 % including additional administrative expenditure related to Croatia’s accession) is well below the forecast level of inflation. Overall, in line with the objective of reducing staffing levels by 5 % over five years and taking into account the delegation of certain implementing tasks to executive agencies, the Commission has reduced the number of its establishment plan posts by 1,45 %, 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 in the Commission of 1,54 %. In addition, the Commission redeploys a significant number of posts internally to meet new priorities (548 posts).

---

<sup>35</sup> OJ L 127, 30.4.2014.

<sup>36</sup> OJ L 287, 29.10.2013.

<sup>37</sup> The Croatia-related expenditure stems from the full-year budgeting of the 194 additional posts granted in the 2014 budget, which were budgeted for six months only in 2014.



The Commission has encouraged all EU institutions and bodies to follow the same rigorous approach when preparing their estimates, both as regards staffing numbers and administrative expenditure. As regards human resources all the other institutions were expected to apply a 1 % reduction in their respective statement of estimates for 2015, in accordance with the new IIA<sup>38</sup>. An overview of the requested number of establishment plan posts by institution is presented in section 4.1.1 below. As regards administrative expenditure, the other institutions were expected to follow a nominal freeze for all non-salary related expenditure, with the level of inflation in 2015 as a benchmark for the overall increase in appropriations. The Commission's approach has been followed to different degrees. The section below describes to what extent the Commission has been able to integrate the respective 2015 requests of the other institutions in the draft budget without changes<sup>39</sup>.

Using the staff reduction target and the expected level of inflation in 2015 as benchmark, taking into account special circumstances which may justify certain exceptions, the Commission has made the following changes in the draft budget to the original draft estimates of expenditure received from three other institutions:

- Council: the Council's expenditure request has been revised downwards (- EUR 7,4 million) from the original request of + 2,9 % to the expected inflation rate of + 1,5 % in Brussels. This is the net impact of reducing expenditure for travel expenses of delegations (- EUR 5,5 million) and interpreting costs (- EUR 5 million), while including the impact of the + 0,8 % salary adjustment for 2012 (+ EUR 3,1 million);
- Court of Justice: the Court of Justice requested a total of 14 additional posts in order to take account of the creation of two additional Advocates General, which the Commission has integrated in the draft budget. However, the Commission has not integrated the Court's request for 12 additional posts (- EUR 0,6 million on a six month basis) in its establishment plan, requested by the Court to meet increased workload related to jurisdictional activities. This leads a total increase of the Court's 2015 budget request of + 1,7 % compared to 2014, down from the 1,8 % increase originally requested by the Court;
- Committee of the Regions: the Committee's request has been revised downwards from the original increase requested by the Committee (+ 2,5 %) to + 1,8 %, by applying a nominal freeze to non-salary related expenditure (- EUR 0,6 million). The cooperation agreement between the European Parliament and the Committee of the Regions of 5 February 2014 foresees the transfer of 32 posts from the establishment plan of the Committee to the European Parliament's establishment plan by the end of 2015, while at the same time strengthening the Committee's impact on EU legislation and policy. Based on updated estimates of the pace of the transfer, in the coming months the Committee is expected to be able to estimate more precisely the number of posts to be transferred to the European Parliament. On that basis, the 2015 budget of the Committee can be adjusted at a later stage of the budgetary procedure to integrate the corresponding savings.

---

<sup>38</sup> OJ C 373, 20.12.2013.

<sup>39</sup> Article 314 (1) of the Treaty on the Functioning of the European Union states that: "... each Institution shall ... draw up estimates of its expenditure for the following financial year. The Commission shall consolidate these estimates in a draft budget, which may contain different estimates."

The European Economic and Social Committee presented a statement of estimates in line with the budgetary guidelines established by the Commission. For the European Data Protection Supervisor (+ EUR 0,7 million), the increase is of a structural nature, since it is almost entirely due to the establishment of a task force to prepare the new European Data Protection Board, entailing two additional posts. The increases in the budget requests of the Court of Auditors (+ EUR 4,4 million) and the Ombudsman (+ EUR 0,3 million) mainly result from increases in salary-related expenditure. The increase of expenditure for the European External Action Service (+ 2,4 % compared to 2014) mainly reflects the need to step up security in Delegations and Information and Communication Technology (+ EUR 10,0 million) in order to counter potential threats.

At this stage, the increase for the European Parliament (+ EUR 39,3 million) does not yet include any reduction in staffing levels towards achieving the 5 % reduction target over five years, since the related decision to implement its commitment has been left to the incoming European Parliament; the increase in non-salary related expenditure (+ 2,1 %) is mainly linked to expenditure for external linguistic services, IT and expenditure relating to buildings.

The section below analyses the expenditure request in the Commission section of the general budget (Commission, Offices, Pensions and European schools). Detailed justifications 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, a request for 2013 well below forecasted inflation and a request for 2014 nearly frozen in nominal terms, the Commission has again thoroughly assessed its budget request for administrative appropriations for 2015. As a result, the Commission's own administrative expenditure (excluding Pensions and European schools) shows an increase of + 1,1 % (including additional administrative expenditure related to Croatia's accession), i.e. a reduction in real terms compared to 2014, taking into account the forecast level of inflation (+ 1,5 % in Brussels and + 1,7 % in Luxembourg).

Given that the expenditure for staff remuneration 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 1,1 % the number of authorised posts in its establishment plan, limiting to 0,3 % the increase in appropriations for external staff and by significant nominal reductions in the appropriations concerning other types of expenditure. As a result, even after incorporating the impact of the Commission renewal (+ EUR 1,5 million), the Commission has kept all non-salary related expenditure well below the level of the 2014 budget (- 1,0 %). In relation to Croatia's EU accession, the Commission request for heading 5 includes EUR 13,2 million to cover in particular the full-year cost related to the new posts granted in the 2014 budget.

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

(in EUR, at current prices)

| Type of expenditure                    |  | Budget<br>2014       | DB<br>2015           | Difference<br>2015 – 2014 |                   |
|--|--|----------------------|----------------------|---------------------------|-------------------|
| Staff remunerations                    | Remuneration and normal entitlement (with Croatia)                             | 2 086 265 000        | 2 132 182 000        | 2,2%                      | 45 917 000        |
|  | <i>Remuneration and normal entitlement (without Croatia)</i>                   | <i>2 086 265 000</i> | <i>2 118 964 000</i> | <i>1,6%</i>               | <i>32 699 000</i> |
|  | External staff (CEOS, SNE, Agency staff, Social)                               | 204 003 343          | 204 530 000          | 0,3%                      | 526 657           |
| Sub-total                              |  | 2 290 268 343        | 2 336 712 000        | 2,0%                      | 46 443 657        |
| Members                                | Members (salaries and allowances, including for the renewal of the Commission) | 16 650 000           | 18 194 000           | 9,3%                      | 1 544 000         |
|  |  | 16 650 000           | 18 194 000           | 9,3%                      | 1 544 000         |
| Other Staff expenditure                | Recruitment costs, Termination of service                                      | 34 439 000           | 30 512 000           | -11,4%                    | -3 927 000        |
|  | Training costs   | 23 926 983           | 22 317 000           | -6,7%                     | -1 609 983        |
|  | Social   | 14 433 000           | 13 647 000           | -5,4%                     | -786 000          |
|  |  | 72 798 983           | 66 476 000           | -8,7%                     | -6 322 983        |
| External                               | IT services  | 66 521 000           | 66 305 000           | -0,3%                     | -216 000          |
|  | Linguistic external services   | 33 678 000           | 33 642 000           | -0,1%                     | -36 000           |
|  |  | 100 199 000          | 99 947 000           | -0,3%                     | -252 000          |
| Rent, purchase and linked to buildings | Rent and purchases   | 321 106 000          | 319 049 000          | -0,6%                     | -2 057 000        |
|  | linked to buildings  | 102 676 000          | 103 584 140          | 0,9%                      | 908 140           |
|  | Security   | 63 510 000           | 63 327 320           | -0,3%                     | -182 680          |
|  |  | 487 292 000          | 485 970 460          | -0,3%                     | 1 321 540         |
| Meeting people                         | Mission and representation   | 65 319 546           | 64 922 500           | -0,6 %                    | -397 046          |
|  | Meetings, committees, conferences  | 39 831 309           | 39 615 500           | -0,5 %                    | -215 809          |
|  |  | 105 150 855          | 104 538 000          | -0,6%                     | -612 855          |
| Information                            | Official Journal   | 10 672 000           | 6 688 000            | -37,3%                    | -3 984 000        |
|  | Publications   | 13 832 000           | 14 155 000           | 2,3%                      | 323 000           |
|  | Acquisition of information   | 5 413 000            | 5 323 000            | -1,7%                     | -90 000           |
|  | Studies & investigations   | 7 869 145            | 8 119 000            | 3,2%                      | 249 855           |
|  |  | 37 786 145           | 34 285 000           | -9,3%                     | -3 501 145        |
| General administrative expenditure     | General equipment, vehicle, furniture  | 18 465 000           | 18 470 000           | 0,0%                      | 5 000             |
|  | IT hardware and information systems  | 87 784 674           | 91 623 500           | 4,4%                      | 3 838 826         |
|  | Other administrative expenditure   | 42 526 000           | 39 082 040           | -8,1%                     | -3 443 960        |
|  | Mobility   | 1 897 000            | 1 902 000            | 0,3%                      | 5 000             |
|  |  | 150 672 674          | 151 577 540          | 0,3 %                     | -404 866          |
| Sub-total                              |  | 970 549 657          | 960 488 000          | -1,0%                     | -10 061 657       |
| Commission (with Croatia)              |  | 3 260 818 000        | 3 297 200 000        | 1,1%                      | 36 382 000        |
| Commission (without Croatia)           |  | 3 260 818 000        | 3 283 982 000        | 0,7%                      | 23 164 000        |
| European schools                       |  | 165 413 643          | 159 447 965          | -3,6%                     | -5 965 678        |
| Pensions                               |  | 1 457 326 817        | 1 559 377 435        | 7,0%                      | 102 050 618       |
| Staff Pensions                         |  | 1 441 328 000        | 1 539 997 000        | 6,8%                      | 98 669 000        |
| Pensions of former Members             |  | 15 998 817           | 19 380 435           | 21,1%                     | 3 381 618         |
| Sub-total                              |  | 1 622 740 460        | 1 718 825 400        | 5,9%                      | 96 084 940        |
| Total Section III                      |  | 4 883 558 460        | 5 016 025 400        | 2,7%                      | 132 466 940       |

The increase in total appropriations for the Commission, Pensions and European schools (Section III) is **+ 2,7 % (+ 2,4 % excluding the impact of Croatia's accession)**, of which:

- **Commission's administrative appropriations: + 1,1 % (+ 0,7 % excluding Croatia).**
- **Appropriations for staff remunerations increase by + 2,0 % (+ 1,5 % excluding Croatia).** The 2015 draft budget takes into account the reduced salary adjustments for 2011 (0 %) and 2012 (+ 0,8 %) agreed in 2014 as well as the freeze (0 %) in 2013 and 2014. It also includes the estimated adjustment at the end of 2015 (+ 1,7 % on a six months basis), as well as the career progression slowed down by the effects of the Staff Regulation Reform, notably the restrictions on career progression for Administrators (AD) and Assistants (AST) and the new function group for Secretaries and Clerks (AST/SC) with lower salary levels.
- **Appropriations relating to external staff** (Conditions of employment of other servants, Seconded National Experts, Agency staff and related social expenditure) **increase by + 0,3 %.** **Other administrative appropriations decrease overall by - 1,0 %**, with different evolutions depending on the particular needs. Considerable savings were made for meetings, committees and conferences, mission and representation costs, social expenditure, linguistic external services, building charges, security, training and acquisition of information and other administrative expenditure (office supplies, telecommunication charges, etc.).
- **Pensions: + 7,0 %**

The increase in **pension expenditure** reflects the integration into the Commission's section of the budget of **pension expenditure for the former Members** of the European Parliament (as of the 2014 budget) and for the former Members of the Court of Justice, the Court of Auditors, the European Ombudsman and the European Data Protection Supervisor as from 2015. The related expenditure increases globally by + 21,1 % in 2015, mainly due to the change of Members of the Parliament and the Commission following the European Parliament elections and the inclusion of the pensions of Members of other Institutions within the Commission's budget.

For **staff pensions**, the + 6,8 % increase in appropriations results from the expected growing number of pensioners (+ 3,9 %) and the annual adjustments (2012 and 2015).

- **European schools: -3,6 %**

The appropriations for the contribution to the European schools ('Type I'<sup>40</sup>, EUR 158,9 million) show a decrease of -3,3 % as compared to 2014 (EUR 164,3 million). This reduction is explained by a tight control of expenses in the schools' budgets, as well as by the funding of the 'Type I' European school in Alicante from the budget of the 'Office for Harmonisation in the Internal Market' (OHIM, EUR 3,8 million), in the same way as other agencies since 2014 contribute from their own budget to the financing of 'Type II' schools. Negotiations are currently ongoing with the European Central Bank (ECB), the European Investment Bank (EIB), the European Investment Fund (EIF), the European Stability Mechanism (ESM) and the European Insurance and Occupational Pensions Authority (EIOPA) in order to conclude similar agreements for the schools in Luxembourg (Luxembourg I and II) and the school in Frankfurt offering a service to their staff. In anticipation of the agreement, the

---

<sup>40</sup> European schools 'Type I' are dedicated European schools, whereas 'Type II' European schools are national schools which offer a curriculum equivalent to European schools.

Commission proposes to gradually phase out its contribution to the budget of the three schools serving the above institutions and bodies as from 2015. The corresponding impact in 2015 is estimated at EUR 3,1 million.

The contribution to the 'Type II' European schools amounts to EUR 0,6 million. The decrease by - 50,8 % as compared to 2014 (EUR 1,1 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 the participation of the other institutions and agencies concerned in the burden-sharing of the schooling costs related to their staff's children enrolled in 'Type II' schools.

Six **European offices** are 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   |                   |
|---|--------------------|--------------------|--------------|-------------------|
|   | 2014               | 2015               | 2015 – 2014  |                   |
| Publications Office   | 80 733 000         | 79 839 000         | -1,1%        | -894 000          |
| European Anti-fraud Office (OLAF)   | 57 196 000         | 57 769 000         | 1,0%         | 573 000           |
| European Personnel Selection Office, including the European School of Administration (EUSA) | 27 883 000         | 26 648 000         | -4,4%        | -1 235 000        |
| Office for the Administration and Payment of Individual Entitlements                        | 36 260 000         | 36 521 000         | 0,7%         | 261 000           |
| Office for Infrastructure and Logistics in Brussels   | 68 833 000         | 68 528 000         | -0,4%        | -305 000          |
| Office for Infrastructure and Logistics in Luxembourg                                       | 24 526 000         | 24 083 000         | -1,8%        | -443 000          |
| <b>Total</b>  | <b>295 431 000</b> | <b>293 388 000</b> | <b>-0,7%</b> | <b>-2 043 000</b> |
| <i>Total (without Croatia)</i>  | <b>295 431 000</b> | <b>292 490 000</b> | <b>-1,0%</b> | <b>-2 941 000</b> |

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 in their expenditure by -0,7 % compared to the 2014 budget (-1,0 % excluding additional administrative expenditure related to Croatia's accession).

The overall reduction in the statement of estimates of the Publications Office (OP) and the European Personnel Selection Office (EPSO) is mainly explained by the transfer of posts between services or redeployments to serve the Commission's priorities. The statement of estimates of the European Anti-fraud Office (OLAF) includes a significant increase in expenditure relating to investigations. The statements of estimates of the three administrative offices (PMO, OIB and OIL) include the impact of the transformation of a number of posts in appropriations for contract agents.

The evolution of expenditure related to Commission staff in **Delegations** in third countries and **Representation Offices** in Member States is the following:

*(in EUR, at current prices)*

|  | Budget             | DB                 | Difference   |                   |
|--|--------------------|--------------------|--------------|-------------------|
|  | 2014               | 2015               | 2015 – 2014  |                   |
| Delegations (Commission's part, non EEAS)          | 185 407 000        | 181 879 000        | -1,9%        | -3 528 000        |
| Representation offices (external + infrastructure) | 43 227 000         | 43 763 000         | 1,2%         | 536 000           |
| <b>Total</b>                                       | <b>228 634 000</b> | <b>225 642 000</b> | <b>-1,3%</b> | <b>-2 992 000</b> |

The reduction of the Commission's establishment plan posts by 1 % has also been applied to Delegations in third countries. Furthermore, the same cost-containment objectives as in the Commission's Headquarters administration are applied to Delegations, which means that appropriations for buildings and related expenditure, telecommunication charges, etc. are reduced, accordingly. In addition, further savings result from the new conditions laid down in the Staff Regulations related to the annual travel allowances, and the new housing policy for staff adopted by the Commission. All these elements lead to an overall decrease in Delegations' expenditure by -1,9 %.

The same cost reduction objectives as in the Commission's central administration are applied to the Representation offices in Member States, as well as a continued rationalisation effort. Overall, this leads to a slight increase in expenditure of 1,2 %, which results from a general nominal freeze of expenditure, with the exception of a necessary increase of appropriations for the fitting out of buildings.

### 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  |         |
|----------------|---------------------|------|-------------------|------|-------|------|-------------|-------|-------------|---------|
|                | 2014 <sup>(1)</sup> |      | 2015              |      |       |      | 2015 – 2014 |       | 2015 / 2014 |         |
|                | (1)                 |      | (2)               |      |       |      | (2 – 1)     |       | (2 / 1)     |         |
|                | CA                  | PA   | CA                | PA   | CA    | PA   | CA          | PA    | CA          | PA      |
| <b>Total</b>   | 28,6                | 28,6 | p.m.              | p.m. | 0,0%  | 0,0% | -28,6       | -28,6 | -100,0%     | -100,0% |
| <b>Ceiling</b> | 29,0                |      | 0,0               |      |       |      |             |       |             |         |
| <b>Margin</b>  | 0,4                 |      | 0,0               |      |       |      |             |       |             |         |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

In the 2014 budget, this heading covered the cash-flow facility agreed during the accession negotiations with Croatia. This facility was 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. In accordance with the financial package agreed as part of the Accession Treaty, however, such a facility is no longer foreseen in the 2015 budget.

### 3.8. Special instruments

A number of special instruments are foreseen in the MFF Regulation to respond to exceptional circumstances, whether internal or external, and are typically mobilised in case of need. The related appropriations are placed outside the expenditure ceilings of the multiannual financial framework, both in commitments and payments.

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

(in million EUR, rounded figures at current prices)

| Instruments providing commitment and payment appropriations | Budget              |              | Draft budget (DB) |              | Share         |               | Difference  |               | Difference   |               |
|---|---------------------|--------------|-------------------|--------------|---------------|---------------|-------------|---------------|--------------|---------------|
|   | 2014 <sup>(1)</sup> |              | 2015              |              |               |               | 2015 – 2014 |               | 2015 / 2014  |               |
|   | (1)                 |              | (2)               |              |               |               | (2 – 1)     |               | (2 / 1)      |               |
|   | CA                  | PA           | CA                | PA           | CA            | PA            | CA          | PA            | CA           | PA            |
| — Emergency Aid Reserve (EAR)                               | 297,0               | 150,0        | 303,0             | 150,0        | 58,8%         | 66,7%         | 6,0         | 0,0           | 2,0%         | 0,0%          |
| — European Globalisation Adjustment Fund (EGF)              | 159,2               | 50,0         | 162,4             | 25,0         | 31,5%         | 11,1%         | 3,2         | -25,0         | 2,0%         | -50,0%        |
| — European Union Solidarity Fund (EUSF)                     | p.m.                | 150,0        | 50,0              | 50,0         | 9,7%          | 22,2%         | 50,0        | -100,0        | 100,0%       | -66,7%        |
| <b>Total</b>  | <b>456,2</b>        | <b>350,0</b> | <b>515,4</b>      | <b>225,0</b> | <b>100,0%</b> | <b>100,0%</b> | <b>59,2</b> | <b>-125,0</b> | <b>13,0%</b> | <b>-35,7%</b> |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

(in million EUR, rounded figures at current prices)

| Instruments offering flexibility in comparison with ceilings | Budget              |                | Draft budget (DB) |             | Share         |               | Difference  |                 | Difference    |               |
|--|---------------------|----------------|-------------------|-------------|---------------|---------------|-------------|-----------------|---------------|---------------|
|  | 2014 <sup>(1)</sup> |                | 2015              |             |               |               | 2015 – 2014 |                 | 2015 / 2014   |               |
|  | (1)                 |                | (2)               |             |               |               | (2 – 1)     |                 | (2 / 1)       |               |
|  | CA                  | PA             | CA                | PA          | CA            | PA            | CA          | PA              | CA            | PA            |
| — Flexibility Instrument                                     | 89,3                | 0,0            | 79,8              | 11,3        | 100,0%        | 100,0%        | -9,5        | 11,3            | -10,7%        | 100,0%        |
| — Contingency Margin   | 0,0                 | 4 026,7        | 0,0               | 0,0         | 0,0%          | 100,0%        | 0,0         | -4 026,7        | 0,0%          | -100,0%       |
| <b>Total</b>   | <b>89,3</b>         | <b>4 026,7</b> | <b>79,8</b>       | <b>11,3</b> | <b>100,0%</b> | <b>100,0%</b> | <b>-9,5</b> | <b>-4 015,4</b> | <b>-10,7%</b> | <b>-99,7%</b> |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

#### 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 covers 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 2015 amounts to EUR 303,0 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 European Globalisation Adjustment Fund (EGF) provides support to people losing their jobs as a result of major structural changes in world trade patterns due to globalisation, e.g. when a large company shuts down or production is moved outside the EU, or as a result of the global economic and financial crisis.

The EGF is set at EUR 162,4 million in commitment appropriations. In order to be able to respond more rapidly to new cases, the Commission proposes to enter a conservative amount of EUR 25,0 million in payment appropriations in the draft budget.



#### 3.8.4. *European Union Solidarity Fund (EUSF)*

The European Union Solidarity Fund (EUSF) was set up to respond to major natural disasters and to express European solidarity to disaster-stricken regions within Europe. Financial assistance can be provided both to Member States and countries engaged in accession negotiations.

In accordance with the conditions of eligibility to the EU Solidarity Fund as detailed in Regulation (EU) No XXX/2014<sup>41</sup>, an amount of EUR 50 million in both commitment and payment appropriations for the EUSF is proposed to be entered in the draft budget as a source of pre-financing<sup>42</sup>.

#### 3.8.5. *Flexibility Instrument*

The Flexibility Instrument is intended to allow the financing of clearly identified expenditure which could not be financed within the limits available for one or more other headings. In view of the additional structural funds foreseen for Cyprus, the Commission proposes an amount of EUR 79,8 million in commitment appropriations and EUR 11,3 million in payment appropriations in the draft budget<sup>43</sup>.

#### 3.8.6. *Contingency Margin*

The Contingency Margin is a last-resort instrument to react to unforeseen circumstances. In draft amending budget No 3/2014, the Commission has proposed to mobilise the full Contingency Margin for payment appropriations in 2014, amounting to EUR 4 026,7 million. At this stage, the Commission does not propose to mobilise the Contingency Margin in the draft budget for 2015.

---

<sup>41</sup> OJ L XXX, XX.XX.2014.

<sup>42</sup> COM(2014) 348, 11.6.2014.

<sup>43</sup> COM(2014) 349, 11.6.2014.

#### **4. HORIZONTAL ISSUES**

This section presents the following four horizontal issues for the 2015 draft budget:

- Human resources by institution, notably as regards the implementation of the 5 % staff reduction over 5 years laid down in point 27 of the Interinstitutional Agreement (IIA) of 2 December 2013;
- 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 and joint technology initiatives, 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 2014 budget and the number of posts requested in the 2015 draft budget. In particular, the table shows the extent to which each institution has applied a 1 % reduction of its number of posts, as part of the overall reduction of 5 % over five years applicable to all Institutions, agencies and bodies, as agreed in the Interinstitutional Agreement on budgetary discipline, on cooperation in budgetary matters and on sound financial management of 2 December 2013 (IIA)<sup>44</sup>. As shown in the table below, with the exception of the European Parliament, all the other institutions have followed the IIA in this regard. The European Ombudsman and the European Data-Protection Supervisor have committed to the approach over the period, 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   | 2014 budget (a) | 2015 -1 % target (b) |               | 2015 DB (excluding other requests) | Change 2015 / 2014 |                | Difference with - 1 % target | 2015 other reductions | 2015 other requests |     | 2015 DB total | Change 2015 / 2014 |                |
|---|-----------------|----------------------|---------------|------------------------------------|--------------------|----------------|------------------------------|-----------------------|---------------------|-----|---------------|--------------------|----------------|
| European Parliament   | 6 786           | -67                  | 6 719         | 6 786                              | 0                  | 0 %            | 67 (b)                       |                       |                     |     | 6 786         | 0                  | 0 %            |
| European Council and Council  | 3 101           | -32                  | 3 069         | 3 070                              | -31                | -1 %           | 1                            | -10                   | 19                  | (c) | 3 079         | -22                | -0,71 %        |
| Commission  | 24 781          | -250                 | 24 531        | 24 518                             | -263               | -1,1 %         | -13 (d)                      | -96 (e)               |                     |     | 24 422        | -359               | -1,45 %        |
| Court of Justice of the European Union  | 1 991           | -20                  | 1 971         | 1 972                              | -19                | -0,95 %        | 1                            |                       | 14                  | (f) | 1 986         | -5                 | +0,25 %        |
| Court of Auditors   | 882             | -9                   | 873           | 873                                | -9                 | -1,02 %        | 0                            | -1                    |                     | (i) | 872           | -10                | -1,13 %        |
| European Economic and Social Committee  | 720             | -7                   | 713           | 713                                | -7                 | -0,97 %        | 0                            |                       |                     |     | 713           | -7                 | -0,97 %        |
| Committee of the Regions  | 532             | -5                   | 527           | 527                                | -5                 | -0,94 %        | 0                            |                       |                     |     | 527           | -5                 | -0,94 %        |
| European Ombudsman  | 67              | -1                   | 66 (g)        | 66                                 | -1                 | -1,49 %        | 0                            |                       |                     |     | 66            | -1                 | -1,49 %        |
| European Data Protection Supervisor   | 45              | 0                    | 45 (g)        | 44                                 | -1                 | -2,22 %        | 0                            |                       | 2                   | (h) | 46            | 1                  | +2,22 %        |
| European External Action Service  | 1 661           | -17                  | 1 644         | 1 644                              | -17                | -1,02 %        | 0                            |                       |                     |     | 1 644         | -17                | -1,02 %        |
| <b>Total institutions</b>   | <b>40 566</b>   | <b>-408</b>          | <b>40 158</b> | <b>40 213</b>                      | <b>-353</b>        | <b>-0,87 %</b> | <b>55</b>                    | <b>-107</b>           | <b>35</b>           |     | <b>40 141</b> | <b>-425</b>        | <b>-1,05 %</b> |
| (a) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.  |                 |                      |               |                                    |                    |                |                              |                       |                     |     |               |                    |                |
| (b) The 1 % staff reduction for the European Parliament will be implemented by the new Parliament before its reading of the 2015 draft budget.  |                 |                      |               |                                    |                    |                |                              |                       |                     |     |               |                    |                |
| (c) Including 10 transformations of posts into appropriations for contract agents.  |                 |                      |               |                                    |                    |                |                              |                       |                     |     |               |                    |                |
| (d) The reduction of posts in 2015 linked to the 5 % staff reduction since 2013 is 263, i.e. 13 posts more than the indicative yearly target for 2015.  |                 |                      |               |                                    |                    |                |                              |                       |                     |     |               |                    |                |
| (e) Including a reduction of 77 posts following the delegation of tasks for programme implementation to executive agencies, a reduction of 3 posts to compensate the 2015 reinforcement in the European GNSS agency (GSA, Commission proposal COM(2013) 40 of 6.2.2013), the transformation of 37 posts into appropriations, the transformation of appropriations into 20 posts (see next table) and the transfer of 1 post from the Court of Auditors to the Commission. |                 |                      |               |                                    |                    |                |                              |                       |                     |     |               |                    |                |
| (f) Request for 14 additional posts for the 2 new advocates general and their Cabinets, as per Council decision 2013/336/EU of 25 June 2013.  |                 |                      |               |                                    |                    |                |                              |                       |                     |     |               |                    |                |
| (g) By the end of 2017, the European Ombudsman and the European Data Protection Supervisor are expected to reduce their posts by 2 and 3 respectively.  |                 |                      |               |                                    |                    |                |                              |                       |                     |     |               |                    |                |
| (h) This concerns the request for 2 additional posts for the creation of the European Data Protection Board.  |                 |                      |               |                                    |                    |                |                              |                       |                     |     |               |                    |                |
| (i) Including the transfer of 1 post from the Court of Auditors to the Commission.  |                 |                      |               |                                    |                    |                |                              |                       |                     |     |               |                    |                |

<sup>44</sup>

OJ C 373, 20.12.2013, point 27.

The following table presents the evolution to date of the 5 % staff reduction by institution, as well as the remaining reduction to be achieved until the end of the five year period 2013-2017.

| Establishment Plan Posts - All Institutions<br>- Evolution to date vis-à-vis the -5 % reduction target over 5 years 2013-2017   |                       |                                  |                                   |                                    |             |             |             |                                       |              |
|---|-----------------------|----------------------------------|-----------------------------------|------------------------------------|-------------|-------------|-------------|---------------------------------------|--------------|
| Institution   | 2012<br>Budget<br>(a) | 2013-2017<br>reduction<br>target | Annual<br>reference<br>target (b) | Posts reduction implementation (c) |             |             |             | Remaining distance to -<br>5 % target |              |
|   |                       | -5 %                             | -1 %                              | 2013                               | 2014        | 2015        | Total       | Posts (d)                             | % points     |
| European Parliament   | 6 560                 | -328                             | -66                               | 29                                 | 30          |             | 59          | 387                                   | 5,9 %        |
| European Council and Council  | 3 153                 | -158                             | -32                               | -46                                | -42         | -22         | -110        | 48                                    | 1,5 %        |
| Commission  | 25 063                | -1 253                           | -251                              | -250                               | -250        | -263        | -763        | 490                                   | 2,0 %        |
| Court of Justice of the European Union  | 1 952                 | -98                              | -20                               | -20                                | -20         | -19         | -59         | 39                                    | 2,0 %        |
| Court of Auditors   | 887                   | -44                              | -9                                | -9                                 | -9          | -9          | -27         | 17                                    | 1,9 %        |
| European Economic and Social Committee  | 721                   | -36                              | -7                                | -7                                 | -7          | -7          | -21         | 15                                    | 2,1 %        |
| Committee of the Regions  | 524                   | -26                              | -5                                |                                    | -5          | -5          | -10         | 16                                    | 3,1 %        |
| European Ombudsman  | 64                    | -3 (e)                           | -1                                | 1                                  |             | -1          | 0           | 2                                     | 4,7 %        |
| European Data-Protection Supervisor   | 43                    | -2 (e)                           | 0                                 | 2                                  |             | -1          | 1           | 1                                     | 7,0 %        |
| European External Action Service  | 1 670                 | -84                              | -17                               |                                    | -17         | -17         | -34         | 50                                    | 3,0 %        |
| <b>Total institutions</b>   | <b>40 637</b>         | <b>-2 032</b>                    | <b>-408</b>                       | <b>-300</b>                        | <b>-320</b> | <b>-344</b> | <b>-964</b> | <b>1 068</b>                          | <b>2,6 %</b> |
| (a) Authorised 2012 posts excluding Croatia enlargement.  |                       |                                  |                                   |                                    |             |             |             |                                       |              |
| (b) Linear projection over 5 years at 1 % per year, rounded figures.  |                       |                                  |                                   |                                    |             |             |             |                                       |              |
| (c) Sources:<br>- 2013 Budget, including amending budget 1/2013, excluding Croatia enlargement.<br>- 2014 Draft Budget (SEC(2013) 370 of 26.6.2013), Document I page 65, adjusted for transformations of posts into appropriations / transformations of appropriations into posts and transfers between institutions.<br>- 2015 Draft Budget. |                       |                                  |                                   |                                    |             |             |             |                                       |              |
| (d) Including additional posts granted by the budgetary authority in 2013, as follows: 29 for the European Parliament, 1 for the European Ombudsman, 2 for the European Data Protection Supervisor; including 30 posts requested in 2014 for the European Parliament.   |                       |                                  |                                   |                                    |             |             |             |                                       |              |
| (e) By the end of 2017, the European Ombudsman and the European Data Protection Supervisor should reduce their posts by 2 and 3 respectively.   |                       |                                  |                                   |                                    |             |             |             |                                       |              |

The Commission started implementing the -5 % staff reduction over 5 years in 2013, based on the 2012 posts excluding Croatia enlargement, in line with its proposal COM(2011) 500 of 29.6.2011.

The 2012 baseline for the staff reduction target highlighted in the table:

- Includes the reduction of 2 posts at the Commission through amending budget 4/2013;
- Excludes 7 additional posts for the Court of Justice through amending budget 4/2013;
- Excludes Croatia enlargement posts, as follows: 4 posts for the Commission frontloaded in 2012; 62 posts for the European Parliament frontloaded in 2011 and 62 frontloaded in 2012; 3 posts for the European Economic and Social Committee frontloaded in 2012; 7 posts for the Committee of the Regions frontloaded in 2012; and 2 posts for the European Ombudsman frontloaded in 2012.

The number of posts indicated includes 15 transformations of posts into appropriations (TEC) in 2013, 10 in 2014 and 10 in 2015 for the Council. The number of posts for 2013 and 2014 are adjusted to take account of:

- 2013: -13 transformations of posts into appropriations (TEC) for the Commission.
- 2014: 10 posts transferred from the Council to the EEAS; -3 transformations of posts into appropriations (TEC) for the Commission, -3 additional posts reduced at the Commission to compensate the reinforcement in the European GNSS agency (GSA); 2 transfers from the Commission to the EEAS; and 9 new law clerks for the Court of Justice requested in the 2014 draft budget.

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 2015. 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 continuous efforts to achieve efficiency gains are demanded on all public administrations, the Commission is firmly committed to acting responsibly. The Commission's statement of estimates for 2015 includes the third consecutive staff reduction in line with the IIA<sup>45</sup> on the 2014-2020 MFF. All new activities will be covered through efficiency gains and redeployment. Fully in line with the overall commitment to a 5 % staff reduction over 5 years, in 2015 the Commission commits to a staff reduction of 13 additional establishment plan posts above the reference reduction target of 1 % per year (equivalent to 250 posts), thus accelerating the achievement of the 5 % reduction target, and requiring correspondingly lower reductions in the following two years.

The 1 % reduction of all Commission staff translates into a reduction of **368** full-time equivalent units (FTE), broken down into 263 posts and 105 estimated external staff FTE, financed across all headings of the multiannual financial framework, as illustrated in the table below.

Furthermore, the 2015 DB includes the impact of the delegation of certain tasks of the 2014-2020 programming period to executive agencies. Given the Commission's commitment to the overall reduction in staff, and with a view to ensuring budget neutrality with regard to administrative expenditure, the human resources 'freed' in the Commission as a result of the delegation of programme management to executive agencies translate into a further reduction in the number of posts in the Commission's establishment plans (on top of the general 5 % staff reduction in the Commission over the period 2013-2017) and related expenditure, to offset the administrative expenditure related to the additional FTEs in the executive agencies. The 2015 DB thus includes a reduction of 138 FTEs (77 posts and 61 external staff) to ensure a budgetary neutral transfer of resources to executive agencies. In addition, a further 28 posts have been 'frozen' in the Commission establishment plans, in order to allow for the secondment of officials to the executive agencies. The expenditure related to these 'frozen' posts has also been deducted from the 2015 DB. The resulting combined savings in the Commission staff expenditure are estimated at EUR 18,0 million. In terms of staff mix, the staff increase in the executive agencies mostly consists of contract agents, whereas the staff reduction in the Commission is mostly composed of establishment plan posts. As a result, the delegation exercise leads to a net reduction of establishment plan posts in the Commission and the executive agencies combined.

As a result, the Commission presents a 2015 statement of estimates that reduces its overall number of human resources for the **third year** in a row<sup>46</sup>, with a **net reduction in the Commission of 359 establishment plan posts (-1,45 %)**, which increases to **508 FTE (-1,54 %) including external staff**, and a net increase of 197 FTE in the executive agencies, as set out in the table below.

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

---

<sup>45</sup> OJ C 373, 20.12.2013.

<sup>46</sup> -271 FTE in the 2014 draft budget and -232 FTE in the 2013 draft budget.

| Commission Human Resources (HR) in 2015   |   |  |  |   |  |  |                             |                         |             |
|---|---|--|--|---|--|--|-----------------------------|-------------------------|-------------|
|   | 2014 budget <sup>(1)</sup><br>Authorisation<br>(Posts & estimated<br>FTE of ext. pers.) | 2015 staff<br>reduction <sup>(2)</sup> | Impact of<br>delegation of<br>tasks to<br>(executive)<br>agencies <sup>(3)</sup> | Transformation<br>of establishment<br>plan posts into<br>appropriations | Transformation<br>of approp. into<br>establishment<br>plan posts | Transfer between<br>establishment<br>plans | Total<br>2015 DB<br>request | 2015<br>combined result |             |
| <b>Establishment Plan Posts</b>   |   |  |  |   |  |  |                             |                         |             |
| Commission <sup>(2)</sup>   | 19 221  | -196                                   | -20  | -12   | 19   | 27   | 19 039                      | -0,95 %                 | -182        |
| Research - Direct Actions   | 1 878   | -29                                    |  |   |  |  | 1 849                       | -1,54 %                 | -29         |
| Research - Indirect Actions <sup>(3)</sup>  | 1 799   | -18                                    | -60  |   |  |  | 1 721                       | -4,34 %                 | -78         |
| OP  | 655   | -7                                     |  |   |  | -15  | 633                         | -3,36 %                 | -22         |
| OLAF  | 381   | -4                                     |  |   |  |  | 377                         | -1,05 %                 | -4          |
| EPSO  | 124   | -1                                     |  |   | 1  | -12  | 112                         | -9,68 %                 | -12         |
| OIB   | 400   | -4                                     |  | -15   |  | -3   | 378                         | -5,50 %                 | -22         |
| OIL   | 143   | -2                                     |  | -5  |  | 4  | 140                         | -2,10 %                 | -3          |
| PMO   | 180   | -2                                     |  | -5  |  |  | 173                         | -3,89 %                 | -7          |
| <b>Total Commission Posts</b>   | <b>24 781</b>   | <b>-263</b>                            | <b>-80</b>   | <b>-37</b>  | <b>20</b>  | <b>1</b>                                   | <b>24 422</b>               | <b>-1,45 %</b>          | <b>-359</b> |
| 1 post will be transferred from the European Court of Auditors to PMO in 2015 following the transfer of the tasks related to the management of the social allowance.        |   |  |  |   |  |  |                             |                         |             |
| <b>External Personnel</b>   |   |  |  |   |  |  |                             |                         |             |
| Under heading 5   | 4 127   | -45                                    | -1   | 37  | -20  |  | 4 098                       | -0,69 %                 | -29         |
| Outside heading 5   | 4 186   | -61                                    | -60  |   |  |  | 4 066                       | -2,88 %                 | -120        |
| <b>Total Commission External Personnel</b>  | <b>8 313</b>  | <b>-105</b>                            | <b>-61</b>   | <b>37</b>   | <b>-20</b>   | <b>0</b>                                   | <b>8 164</b>                | <b>-1,79 %</b>          | <b>-149</b> |
| <b>Total Commission HR</b>  | <b>33 094</b>   | <b>-368</b>                            | <b>-141</b>  | <b>0</b>  | <b>0</b>   | <b>1</b>                                   | <b>32 586</b>               | <b>-1,54 %</b>          | <b>-508</b> |
| <b>Total Executive Agencies staff</b>   |   |  |  |   |  |  |                             |                         |             |
| EASME (former EACI)   | 308   |  | 81   |   |  |  | 389                         | 26,30 %                 | 81          |
| EACEA   | 436   |  | 5  |   |  |  | 441                         | 1,15 %                  | 5           |
| CHAFEA (former EAHC)  | 50  |  | 0  |   |  |  | 50                          | 0,00 %                  | 0           |
| INEA (former TENTEA)  | 162   |  | 37   |   |  |  | 199                         | 22,84 %                 | 37          |
| ERCEA   | 389   |  | 24   |   |  |  | 413                         | 6,17 %                  | 24          |
| REA   | 580   |  | 50   |   |  |  | 630                         | 8,62 %                  | 50          |
| <b>Total Executive Agencies staff</b>   | <b>1 925</b>  | <b>0</b>                               | <b>197</b>   | <b>0</b>  | <b>0</b>   | <b>0</b>                                   | <b>2 122</b>                | <b>10,23 %</b>          | <b>197</b>  |
| <b>Of which temporary agents in the Executive Agencies establishment plans</b>  |   |  | <b>51</b>  |   |  |  |                             |                         |             |
| (1) Source: Budget 2014, including Amending Letter 2/2014 on the impact of the delegation of certain tasks of the 2014-2020 programming period to executive agencies.       |   |  |  |   |  |  |                             |                         |             |
| (2) 1 % reduction (-250 posts) as well as a further reduction of 13 posts in advance on future reductions.  |   |  |  |   |  |  |                             |                         |             |
| (3) Including a reduction of 3 posts to compensate for the 2015 reinforcement of the European GNSS agency (GSA) in line with Commission proposal COM(2013) 40 of 6.2.2013). |   |  |  |   |  |  |                             |                         |             |

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 2004 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 transfer of 1 post from the Court of Auditors to PMO following the transfer of tasks related to the management of the social allowance.

The 2015 statement of estimates includes some changes in the function group structure of the existing establishment plans in order to allow the Commission to adapt its human resources to the political priorities, at no extra cost:

- The transformation of 6 AST 6 into 6 AD 5 posts on the Commission establishment plan (indirect actions);
- A limited transformation in the establishment plans of one of the Offices: 1 AST 6 posts into 1 AD 5 posts for OIB, 7 AST 6 posts into 7 AD 5 posts for the Publication Office, 3 AST 6 posts into 3 AD 5 posts for OLAF, 1 AST 6 posts into 1 AD 5 posts for PMO;
- Following the creation of the new function group for Secretaries and Clerks (AST/SC) as provided for by the 2013 reform of the Staff Regulations, the 2015 statement of estimates requests the conversion of 182 AST posts into AST/SC posts, according to the needs of each service. The statement of estimates includes the impact of Draft Amending Budget 3/2014, which modifies the split between AST and AST/SC posts for 2014. Given the phasing-in character of the new AST/SC function group, the implementation of these conversions will take place progressively during 2015.

In light of the overall Commission staff reduction (-508 FTE), huge efforts are imposed on Commission services to achieve their objectives with fewer human resources:

- Without prejudice to any further redeployment efforts, the Commission is currently redeploying 0,5 % of its 2014 posts across Directorates-General (132 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. This redeployment focuses on new and urgent Commission priorities that go beyond previously agreed policies and activities. In particular, several posts will be used for the newly created Support Group for Ukraine and for developing a European Energy Security Strategy aimed at accelerating the reduction of EU energy dependence. The redeployment also aims at maintaining the Commission's ability to defend its competition and trade rules, to enhance country analysis and surveillance capacity, and to implement measures related to direct taxation and taxation of the digital economy.
- In addition, individual Directorates-General intend to redeploy internally a substantial number of posts (416) to operational activities in 2015, concentrating reinforcement on policy making as illustrated by the table below.

| 2015 Establishment Plan Posts internal redeployment effort within individual Directorates-General/Services |             |               |            |
|--|-------------|---------------|------------|
| Work profile description   | Reduction   | Reinforcement | Net result |
| Administrative support   | -58         | 10            | -48        |
| General coordination   | -36         | 24            | -12        |
| Budgetary management & antifraud   | -37         | 42            | 5          |
| Law making, monitoring and enforcement   | -103        | 103           | 0          |
| Linguistic   | -1          | 5             | 4          |
| Programme management   | -81         | 90            | 9          |
| <b>Policy making</b>   | <b>-66</b>  | <b>125</b>    | <b>59</b>  |
| Communication  | -34         | 17            | -17        |
| <b>Total DGs/Services</b>  | <b>-416</b> | <b>416</b>    | <b>0</b>   |

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 country teams set up throughout the Directorates-General. This also involves scaling down activities which are today less relevant or important than they were in the past.

Finally, regarding *geographical balance*, targets have also been set for the recent accession of Croatia and recruitment of Croatian nationals is proceeding according to the projected pace. The Commission regularly monitors 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 2014 <sup>(1)</sup> | Draft budget 2015    | Difference 2015 – 2014 | Difference 2015 / 2014 |
|--|----------------------------|----------------------|------------------------|------------------------|
|  | (1)                        | (2)                  | (2 – 1)                | (2 / 1)                |
| — Support expenditure outside research and heading 5             | 434 369 530                | 430 774 745          | -3 594 785             | -0,8%                  |
| — Support expenditure for operations and programmes              | 355 404 033                | 344 519 443          | -10 884 590            | -3,1%                  |
| — Executive agencies (outside research agencies)                 | 78 965 497                 | 86 255 302           | 7 289 805              | 9,2%                   |
| — Support expenditure for direct and indirect research           | 779 907 827                | 758 654 832          | -21 252 995            | -2,7%                  |
| — Officials and temporary staff                                  | 388 290 426                | 376 115 437          | -12 174 989            | -3,1%                  |
| — External personnel   | 89 701 468                 | 89 877 135           | 175 667                | 0,2%                   |
| — Other management expenditure                                   | 169 513 972                | 168 755 379          | -758 593               | -0,4%                  |
| — Other expenditure for new major research infrastructures       | 15 647 000                 | 4 000 000            | -11 647 000            | -74,4%                 |
| — Executive agencies for Research                                | 116 754 961                | 119 906 881          | 3 151 920              | 2,7%                   |
| <b>Total</b>   | <b>1 212 156 357</b>       | <b>1 185 138 302</b> | <b>-27 018 055</b>     | <b>-2,2%</b>           |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

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 2014 budget as a benchmark for the 2015 draft budget. On the basis of budget execution in 2013, as well as the expected level of operational appropriations to be managed in 2015, the Commission has carried out a rigorous needs assessment. This has enabled the Commission to propose a level of appropriations which is below the corresponding level in 2014 (- 3,1 %). The requested EUR 344,5 million is necessary to ensure proper implementation of operational programmes in 2015, 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:

- A substantial reduction for the environment sub-programme of the LIFE programme under heading 2 (- EUR 13,2 million), which is mostly due to changes in the legal basis. Furthermore, this partly results from the delegation of management tasks to the executive agency EASME (see section 4.3.4 below);

- A rebalancing of support expenditure under heading 4 is foreseen, from the European Neighbourhood Instrument (ENI) and the Instrument for Pre-accession Assistance (IPA) towards the Development Cooperation Instrument (DCI), to take into account the evolution of the level of operational appropriations to be managed in 2015.

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 2015 DB, the reduction of staff financed from programme financial envelopes other than research results in a decrease of 45 FTE compared to the 2014 budget. Any 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 the management of external aid programmes in Delegations:

- With regard to the Instrument for Pre-accession Assistance (IPA), the translation of the accession of Croatia to the Union, and in particular the end of the transition period foreseen under Article 44 of the Accession Treaty, entails a decrease of 25 FTE in the sub-ceiling financing external personnel;
- On the other hand, 7 additional FTE are required to continue with the phasing in of the new Partnership Instrument (PI).

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 2015 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, REA and part of EASME and INEA).

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 2015 draft budget.

As explained in section 4.1 above, the overall reduction of establishment plan posts in the 2015 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 6 AST 6 posts of the research indirect actions establishment plan into 6 AD 5 posts, as well as the conversion of 12 AST 1 posts into 12 AST/SC 1 posts, so as to adapt the work profile.

The number of posts and the level of appropriations for research administrative support expenditure should be seen in connection with the ongoing delegation of implementing tasks to executive agencies. With that in mind, the evolution of research support expenditure can be summarised as follows:

- Overall, as compared to the 2014 budget, taking into account the impact of the 1 % staff reduction, the requested appropriations for research expenditure related to staff decrease by -3,1 %;
- Appropriations for research expenditure related to external personnel in 2015 remain broadly at 2014 level (+ 0,2 %);
- Appropriations for other management expenditure for research decrease by -0,4 % as compared to the 2014 budget. These appropriations are used to finance actions such as IT systems directly related with the submission, evaluation and monitoring of proposals, external audits, workshops and communication activities, across Horizon 2020;
- Appropriations for other expenditure for new major research infrastructures (direct research, EUR 4,0 million) are presented separately, to identify this type of expenditure more clearly. The substantial decrease of 74 % compared to 2014 of the amount requested for 2015 results from changes in the legal bases, which led to a different split between direct research and indirect research. The appropriations currently available in the 2014 budget will be adapted accordingly. Subsequently, the resulting appropriations in 2014 will be equal to the 2015 draft budget request;
- Appropriations for the executive agencies implementing parts of Horizon 2020 (REA, ERCEA, EASME and INEA) increase by 2,7 %. This reflects the further delegation of implementing tasks to these agencies (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, joint technology initiatives and EIT) is provided in Annex VI. Furthermore, a dedicated Working Document III accompanying the 2015 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.

#### 4.3.1. Decentralised agencies

The DB 2015 request for decentralised agency staffing and appropriations is based on the Commission Communication on the programming of human and financial resources for decentralised agencies 2014-2020<sup>47</sup>. This is with the aim of reducing total staffing levels in agencies by 5 % over five years, as laid down in point 27 of the Interinstitutional Agreement of 2 December 2013<sup>48</sup>, while still allowing certain agencies to increase their staffing numbers in order to carry out their new tasks. In preparing the 2015 DB, the Commission has taken account of the outcome of the Conciliation on the 2014 budget, which led to an overall increase of 27 posts compared to the initial Commission request in its 2014 DB, notably for the three financial supervision authorities (EBA, EIOPA and ESMA).

As shown in the decentralised agency overview table (annex VI.1), the total number of establishment plan posts across all agencies<sup>49</sup> foreseen for 2015 amounts to 5 949. This represents a reduction of 74 posts compared to 2014. The total requested EU contribution available to decentralised agencies in 2015 amounts to EUR 847,5 million. This overall amount is composed of the amounts entered in the 2015 DB (EUR 831,0 million) and the assigned revenues stemming from the recovery of the 2013 surplus (EUR 16,5 million), which will be carried over to 2015.

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.

As part of the preparation of the 2015 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 4,1 % (+ EUR 33,5 million) increase of expenditure for all decentralised agencies as compared to the 2014 budget. The overall request is EUR 89,7 million below the total level of the EU contributions programmed for 2015 in the July 2013 Communication on the programming of human and budgetary resources of agencies<sup>50</sup>; to a large extent, this is due to the lower than expected level of the balancing contribution required for the chemicals activities of the European Chemicals Agency (ECHA) and the more gradual phasing-in of the EU contribution to the agency for the management of large-scale IT systems in the area of freedom, security and justice (eu.LISA), as set out below.

In the 2015 draft budget, the Commission continues its policy to deduct assigned revenues stemming from the recovery of decentralised agency surpluses for the year 2013 from the 2015 EU contribution to the agencies in

---

<sup>47</sup> COM(2013) 519, 10.7.2013.

<sup>48</sup> OJ C 373, 20.12.2013.

<sup>49</sup> Including the two fully self-financed agencies ‘Office for Harmonisation in the Internal Market’ (OHIM) and ‘Community Plant Variety Office’ (CPVO).

<sup>50</sup> COM(2013) 519, 10.7.2013.

question, so as to adjust the need for ‘fresh appropriations’ entered in the 2015 DB accordingly. Moreover, when assessing the decentralised agency’s needs for the financial year 2015, the Commission has taken into account the cancellation of commitments and payments (including on payment appropriations carried over from 2012) in 2013. In doing so, the Commission responds to the requirements of the Framework Financial Regulation as revised in 2013<sup>51</sup>.

The increase in the EU contributions compared to the 2014 budget results in large part from the additional needs for the financing of the ‘*start-up phase*’<sup>52</sup> agencies (+ EUR 14,2 million), of which EUR 13,4 million relates to the more gradual phasing in of the contribution to eu.LISA, mainly to take account of its expected absorption capacity. The EU contribution to the ‘*new tasks*’<sup>53</sup> agencies is foreseen to increase by EUR 11,8 million compared to the 2014 budget. This is the net result of increasing needs for certain agencies, mostly related to EUROPOL’s IT development for data collection and treatment and for cybercrime related ICT tools, and the reduced needs for the balancing contribution to the European Medicines Agency (EMA), due to higher than foreseen fees from industry. Finally, the EU contribution to the ‘*cruising speed*’ agencies is foreseen to increase by EUR 7,6 million compared to the 2014 budget, as a result of the need to include a balancing contribution for the chemicals activities of the European Chemicals Agency (ECHA), amounting to EUR 7,8 million. The much lower level than foreseen originally in the July 2013 Communication (EUR 67,9 million) is mostly due to the higher amount of fees received in 2013.

The allocations above include the continued funding of ‘Type 2’ European schools for all agencies concerned through the budget of these agencies. Similarly, funding of the ‘Type 1’ European school in Frankfurt will be introduced in 2015 for the European Insurance and Occupational Pensions Authority (EIOPA), to be phased in over a three year period. The first instalment foreseen for 2015 amounts to EUR 21 151.

The allocation of posts for each individual ‘*cruising speed*’, ‘*start-up phase*’ or ‘*new tasks*’ agency, as compared to their number of posts authorised in the 2014 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 2015 amounts to 5 949. This represents a reduction of 74 posts compared to 2014.

During the Conciliation on the 2014 budget, the European Parliament, the Council and the Commission agreed on the creation of an interinstitutional working group on decentralised agencies’ resources, with a view to defining a clear development path for agencies, based on objective criteria. Thus far the working group has met twice, in March and April 2014. The next meeting is foreseen in September 2014, in particular with a view to preparing the 2015 Conciliation as far as the resources of agencies are concerned.

---

<sup>51</sup> OJ L 328, 7.12.2013, p. 42.

<sup>52</sup> ‘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).

<sup>53</sup> ‘European GNSS Agency’ (GSA), ‘European Aviation Safety Agency’ (EASA), ‘European Maritime Safety Agency’ (EMSA), ‘European Railway Agency’ (ERA), ‘European Network and Information Security Agency’ (ENISA), ‘European Banking Authority’ (EBA), ‘European Insurance and Occupational Pensions Authority’ (EIOPA), ‘European Securities and Markets Authority’ (ESMA), ‘Agency for the Cooperation of Energy Regulators’ (ACER), ‘European Medicines Agency’ (EMA), ‘European Agency for the Management of Operational Cooperation at the External Borders’ (FRONTEX), ‘European Police Office’ (EUROPOL) and ‘European Police College’ (CEPOL),

The draft budget contains one new body, the Single Resolution Board. Further to the adoption of the Single Resolution Mechanism in June 2014, the Commission proposes to create a new budget line and a corresponding establishment plan to allow for a temporary contribution from the EU budget to cover the running costs of the Board during the start-up period. The new body will become fully self-financed from fees from the banking sector, as from the second quarter of 2015. Taking into account the lead time required to actually set up the Board and to create the structure for the fee financing, a bridging contribution from the EU budget amounting to EUR 3,3 million in 2015 is requested. This is mainly to cover salary and building expenditure on the basis of the projected pace of staff recruitment, requiring 122 establishment plan posts in 2015. Depending on progress made in the set-up of the Board, the Commission may propose to create the corresponding budget structure in the 2014 budget in a forthcoming draft amending budget. In the course of 2015, the bridging contribution will be returned to the EU budget, thus offsetting the temporary expenditure requirements for this self-financed body. Given the temporary character of the EU funding of its start-up phase, which will be recovered later on, neither the EU contribution nor the number of establishment plan posts of the Single Resolution Board have been included in the totals as shown above.

#### *4.3.2. Joint undertakings and joint technology initiatives*

Annex VI.2 presents an overview table for the two joint undertakings and six joint technology initiatives (JTIs).

Compared to the 2014 budget (as modified by amending budget 1/2014), the total EU contribution to the joint undertakings and JTIs requested in the 2015 draft budget increases by 47,2 % to EUR 1 958,9 million. The substantial increase in the overall EU contribution to the joint undertakings should be seen in light of the adoption of the new generation of JTIs, which are funded from ‘Horizon 2020’: in 2015, the JTIs will manage a growing level of operational appropriations under Horizon 2020, including through newly created JTIs such as ‘Bio-Based Industries’ (BBI) and ‘Shift2Rail’ (S2R). Similarly, the EU contribution to the ITER joint undertaking is proposed to increase from EUR 679,8 million in 2014 to EUR 838,4 million (operational expenditure) in 2015.

The staffing of the joint undertakings (ITER-F4E and SESAR2) is foreseen to be kept stable at the level authorised in 2014. All staffing levels requested for the JTIs in 2015 are in line with the legislative financial statements accompanying the Commission proposals for the new generation of JTIs of July and December 2013. However, the staff mix of ‘Bio-Based Industries’ is foreseen to be aligned with other comparable JTIs. As in the 2014 budget, the administrative expenditure linked to the requested additional staff in the JTIs to manage part of the operational appropriations under Horizon 2020 in 2015 (which is matched by contributions from industry and participating Member States) has been offset by a corresponding reduction of administrative support expenditure in other Horizon 2020 actions managed by the Commission, so as to keep total administrative expenditure under Horizon 2020 unchanged. However, to reflect the changes made in the regulatory framework for the new generation of JTIs, as from the 2015 draft budget their establishment plans are no longer annexed to the EU budget.

#### *4.3.3. European institute of innovation and technology (EIT)*

Annex VI.3 presents an overview table for EIT. Reflecting its growing role under the 2014-2020 MFF, the foreseen EU contribution to EIT increases from EUR 226,4 million in 2014 to EUR 278,8 million in the 2015 draft budget. No additional posts are requested, however, keeping the staffing level of EIT stable at the 39 posts authorised under the 2014 budget.

The increase of the EU contribution to the EIT relates by and large to the 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 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 five new ones in 2014-2020.

#### 4.3.4. Executive agencies

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

In 2015, the Commission will make increased use of executive agencies in the management of the new spending programmes, by delegating implementing tasks to executive agencies when they can bring higher efficiency and effectiveness as compared to ‘in-house’ management in the Commission. The staffing and subsidy levels foreseen for the agencies in the 2015 DB are in line with the Commission’s ‘delegation package’<sup>54</sup> for the 2014-2020 period. As a consequence, the proposed number of staff in the executive agencies increases to 2 122 FTE in 2015 (+ 197 FTE, of which 51 temporary agents, 141 contract agents and 5 seconded national experts), and the total EU contribution amounts to EUR 206,2 million (+ EUR 10,5 million, or + 5,3 %). However, the total EU contribution proposed in the 2015 draft budget is EUR 8,9 million below the total EU contribution initially foreseen for 2015. This is due to the decision to keep certain tasks related to IT tools within the Commission, as well as to the abatement used to calculate the staff related costs in function of the projected pace of recruitment of the additional staff during 2015.

The increase in the staffing levels and related administrative expenditure in the executive agencies in 2015 linked to the delegation of tasks is compensated by a further reduction of 166 ‘heads’ in the Commission (of which 77 freed and 28 frozen posts in the establishment plans, 56 contract agents and 5 seconded national experts), on top of its own 5 % staff reduction target. The total number of ‘freed’ and ‘frozen’ posts is shown in the table below:

| ‘Freed’ and ‘frozen’ posts:<br>ensuring budgetary<br>neutrality | Total number of freed and frozen<br>posts in 2014 |                          | Total number of freed and frozen<br>posts in 2015 |                          |
|---|---|--------------------------|---|--------------------------|
|   | Establishment<br>plan posts                       | Contract agents<br>(FTE) | Establishment<br>plan posts                       | Contract agents<br>(FTE) |
| Total ‘freed’   | 120   | 24                       | 77  | 61                       |
| Total ‘frozen’  | 28  | -                        | 28  | -                        |
| <b>Total</b>  | <b>148</b>  | <b>24</b>                | <b>105</b>  | <b>61</b>                |

<sup>54</sup> The Commission described the proposed scenario for the delegation of certain parts of 2014-2020 spending programmes to the executive agencies, and the corresponding budgetary and human resources impact (including to take into account the application of the 5 % staff reduction target in the executive agencies), in an information note which was sent to the European Parliament and the Council on 4 October 2013. Further to the agreement on the delegation reached in November 2013, the six executive agencies have been re-established through Commission implementing Decisions in December 2013, as follows: EASME (OJ L 341, 18.12.2013); CHAFEA (OJ L 341, 18.12.2013); EACEA (OJ L 343, 19.12.2013); REA (OJ L 346, 20.12.2013); ERCEA (OJ L 346, 20.12.2013); and INEA (OJ L 352, 24.12.2013). As compared to the delegation scenario contained in the information note of October 2013, the 2015 draft budget does not yet include the foreseen delegation of agricultural promotion measures.

The reduction of the corresponding Commission administrative expenditure (EUR 18,0 million, calculated on a full year basis) not only ensures budgetary neutrality; it rather leads to net savings with the delegation of tasks to executive agencies. The table below shows the way in which the increases in expenditure to cover the running costs of the executive agencies will be offset through a compensating reduction in staffing expenditure at the Commission:

| Offsetting of expenditure related to delegation to executive agencies             | Number of FTE | Value (in EUR million) |
|---|---------------|------------------------|
| <b>Additional staff in executive agencies in the 2015 draft budget</b>            |               |                        |
| Additional establishment plan posts   | + 51          | + 6,68                 |
| Additional contract agents and seconded national experts                          | + 146         | + 10,85                |
| <b>Total additional full-time equivalents (FTE)</b>                               | <b>+ 197</b>  | <b>+ 17,53</b>         |
| <b>Compensating reduction of staff expenditure in the Commission</b>              |               |                        |
| Compensating reduction of establishment plan posts ('freed' and 'frozen')         | - 105         | - 13,75                |
| Compensating reduction of contract agents and seconded national experts ('freed') | - 61          | - 4,27                 |
| <b>Total compensating reduction of full-time equivalents (FTE)</b>                | <b>- 166</b>  | <b>- 18,02</b>         |
|   |               |                        |
| <b>Difference: net savings due to delegation to executive agencies</b>            |               | <b>- 0,49</b>          |



#### **4.4. Actions without a specific legal base**

Article 54 of the Financial Regulation<sup>55</sup> 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.

##### *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 legislator. Following the adoption of the legal bases for the new spending programmes, no legal bases are currently outstanding. As a consequence, the only amounts entered into the reserve correspond to the traditional reserve instruments, such as the Emergency Aid Reserve and the Reserve for Sustainable Fisheries Partnerships Agreements.

##### *4.4.2. Pilot projects and preparatory actions*

In the 2015 DB, the Commission has not included any commitment appropriations for pilot projects and preparatory actions, now that the new legal bases under the new financial framework have just been adopted.

Detailed information on pilot projects and preparatory actions for which payment appropriations are requested in the 2015 DB is presented in Working Document IV accompanying the 2015 DB.

##### *4.4.3. Actions financed under the prerogatives of the Commission*

In the 2015 draft budget, the actions financed under the institutional prerogatives of the Commission amount to EUR 295,6 million. This overall amount represents a decrease of -22,8 % compared to the 2014 budget (EUR 383,0 million). This is primarily due to the ‘Schengen Facility for Croatia’ (EUR 80,0 million in the 2014 budget) which is no longer included in the 2015 draft budget, in line with the financial package agreed for the accession of Croatia. Furthermore, a reduction is foreseen for the ‘Union participation at the ‘Feeding the Planet — Energy for Life’ World Exposition 2015 in Milan’ (EUR -2,0 million), which is meant to prepare the 2015 Expo. These specific reductions are accompanied by reductions elsewhere, notably for Support activities to the European transport policy and passenger rights (EUR -7,7 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 2016-2020).





---

<sup>55</sup> OJ L 298, 26.10.2012, p. 1.

## 5. ANNEX — DETAILED FIGURES

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

(in million EUR, at current prices)

| CEILINGS FOR COMMITMENT APPROPRIATIONS (1)   | 2014           | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           | Total<br>2014-2020 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------|
|  <b>1. SMART AND INCLUSIVE GROWTH</b>            | 63 973         | 66 813         | 69 304         | 72 342         | 75 271         | 78 752         | 82 466         | 508 921            |
| Competitiveness for growth and jobs  | 16 560         | 17 666         | 18 467         | 19 925         | 21 239         | 23 082         | 25 191         | 142 130            |
| Economic, social and territorial cohesion  | 47 413         | 49 147         | 50 837         | 52 417         | 54 032         | 55 670         | 57 275         | 366 791            |
|  <b>2. SUSTAINABLE GROWTH: NATURAL RESOURCES</b> | 59 303         | 59 599         | 59 909         | 60 191         | 60 267         | 60 344         | 60 421         | 420 034            |
| Of which: Market related expenditure and direct payments   | 43 779         | 44 313         | 44 624         | 44 859         | 44 885         | 44 912         | 44 937         | 312 309            |
|  <b>3. SECURITY AND CITIZENSHIP</b>              | 2 179          | 2 246          | 2 378          | 2 514          | 2 656          | 2 801          | 2 951          | 17 725             |
|  <b>4. GLOBAL EUROPE</b>                         | 8 335          | 8 749          | 9 143          | 9 432          | 9 825          | 10 268         | 10 510         | 66 262             |
|  <b>5. ADMINISTRATION</b>                        | 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             |
|  <b>6. COMPENSATIONS</b>                         | 29             | 0              | 0              | 0              | 0              | 0              | 0              | 29                 |
| <b>TOTAL</b>   | <b>142 540</b> | <b>146 483</b> | <b>150 217</b> | <b>154 397</b> | <b>158 365</b> | <b>162 951</b> | <b>167 602</b> | <b>1 082 555</b>   |
| as a percentage of GNI (2)   | 1,06 %         | 1,05 %         | 1,05 %         | 1,04 %         | 1,03 %         | 1,03 %         | 1,03 %         | 1,04 %             |
|  |                |                |                |                |                |                |                |                    |
| CEILINGS FOR PAYMENT APPROPRIATIONS (1)  | 2014           | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           | Total<br>2014-2020 |
| <b>TOTAL</b>   | <b>135 866</b> | <b>141 901</b> | <b>144 685</b> | <b>142 771</b> | <b>149 074</b> | <b>153 362</b> | <b>156 295</b> | <b>1 023 954</b>   |
| as a percentage of GNI (2)   | 1,01 %         | 1,02 %         | 1,01 %         | 0,96 %         | 0,97 %         | 0,97 %         | 0,96 %         | 0,99 %             |
|  |                |                |                |                |                |                |                |                    |
| SPECIAL INSTRUMENTS (3)  | 2014           | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           | Total<br>2014-2020 |
| Emergency Aid Reserve (EAR)  | 297            | 303            | 309            | 315            | 322            | 328            | 335            | 2 209              |
| European Union Solidarity Fund (EUSF)  | 531            | 541            | 552            | 563            | 574            | 586            | 598            | 3 945              |
| European Globalisation Adjustment Fund (EGF)   | 159            | 162            | 166            | 169            | 172            | 176            | 179            | 1 183              |
| Flexibility Instrument   | 500            | 510            | 520            | 530            | 541            | 552            | 563            | 3 716              |

(1) The figures are based on the technical adjustment of the financial framework for 2015 in line with movements in GNI (Article 6 of Council Regulation No 1311/2013 laying down the multiannual financial framework for the years 2014-2020), adopted by the Commission on 28 May 2014 (COM(2014) 307).

(2) This is based on the forecast of GNI issued after the Advisory Committee on Own Resources (ACOR) meeting held on 19 May 2014.

(3) Amounts not used in year N under the Emergency Aid Reserve and the European Union Solidarity Fund may be used up to year N+1. The unused portion of the annual amount of the Flexibility Instrument may be used up to year N+3.

## 5.2. Annex II — 2015 draft budget by policy area and financial framework headings

### 5.2.1. 2015 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<br>2014 <sup>(1)</sup> |                                   | Draft budget<br>2015         |                                   | Difference<br>2015-2014      |                                   |
|--|-------------------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|-----------------------------------|
|  | Commitment<br>appropriations  | Human<br>resources <sup>(2)</sup> | Commitment<br>appropriations | Human<br>resources <sup>(2)</sup> | Commitment<br>appropriations | Human<br>resources <sup>(2)</sup> |
|  | 1                             | 2                                 | 3                            | 4                                 | 3/1                          | 4-2                               |
| 01 Economic and financial affairs                    | 255,0                         | 789                               | 370,5                        | 779                               | 45,3%                        | -10                               |
| 02 Enterprise and industry                           | 2 515,1                       | 931                               | 2 509,3                      | 900                               | -0,2%                        | -31                               |
| 03 Competition                                       | 94,4                          | 877                               | 97,7                         | 868                               | 3,4%                         | -9                                |
| 04 Employment, social affairs and inclusion          | 13 839,0                      | 762                               | 13 091,3                     | 748                               | -5,4%                        | -14                               |
| 05 Agriculture and rural development                 | 58 046,8                      | 1 100                             | 58 051,5                     | 1 083                             | 0,0%                         | -17                               |
| 06 Mobility and transport                            | 2 867,2                       | 562                               | 3 279,5                      | 540                               | 14,4%                        | -22                               |
| 07 Environment                                       | 407,3                         | 541                               | 430,0                        | 533                               | 5,6%                         | -8                                |
| 08 Research and innovation                           | 6 198,7                       | 1 695                             | 6 663,0                      | 1 654                             | 7,5%                         | -41                               |
| 09 Communications networks, content and technology   | 1 637,4                       | 1 069                             | 1 716,7                      | 992                               | 4,8%                         | -77                               |
| 10 Direct research                                   | 419,6                         | 2 645                             | 404,0                        | 2 608                             | -3,7%                        | -37                               |
| 11 Maritime affairs and fisheries                    | 1 066,1                       | 357                               | 1 080,7                      | 348                               | 1,4%                         | -9                                |
| 12 Internal market and services                      | 116,9                         | 627                               | 114,4                        | 623                               | -2,1%                        | -4                                |
| 13 Regional and urban policy                         | 33 073,2                      | 717                               | 35 343,3                     | 707                               | 6,9%                         | -10                               |
| 14 Taxation and customs union                        | 157,0                         | 532                               | 161,2                        | 526                               | 2,7%                         | -6                                |
| 15 Education and culture                             | 2 820,0                       | 613                               | 2 893,9                      | 598                               | 2,6%                         | -15                               |
| 16 Communication                                     | 246,3                         | 1 126                             | 243,0                        | 1 105                             | -1,4%                        | -21                               |
| 17 Health and consumer protection                    | 618,2                         | 922                               | 611,7                        | 906                               | -1,0%                        | -16                               |
| 18 Home affairs                                      | 1 201,4                       | 303                               | 1 171,4                      | 297                               | -2,5%                        | -6                                |
| 19 Foreign policy instruments <sup>(3)</sup>         | 732,7                         | 182                               | 760,7                        | 187                               | 3,8%                         | 5                                 |
| 20 Trade <sup>(3)</sup>                              | 121,1                         | 810                               | 123,0                        | 801                               | 1,5%                         | -9                                |
| 21 Development and cooperation <sup>(3)</sup>        | 5 083,8                       | 2 970                             | 5 043,7                      | 2 962                             | -0,8%                        | -8                                |
| 22 Enlargement <sup>(3)</sup>                        | 1 519,9                       | 900                               | 1 534,1                      | 862                               | 0,9%                         | -38                               |
| 23 Humanitarian aid and civil protection             | 1 006,5                       | 286                               | 1 006,5                      | 282                               | 0,0%                         | -4                                |
| 24 Fight against fraud                               | 78,2                          | 441                               | 79,8                         | 437                               | 2,0%                         | -4                                |
| 25 Commission's policy coordination and legal advice | 194,1                         | 1 557                             | 192,0                        | 1 514                             | -1,1%                        | -43                               |
| 26 Commission's administration                       | 1 001,4                       | 3 713                             | 993,6                        | 3 673                             | -0,8%                        | -40                               |
| 27 Budget <sup>(4)</sup>                             | 95,8                          | 681                               | 70,5                         | 757                               | -26,4%                       | 76                                |
| 28 Audit   | 11,6                          | 110                               | 11,9                         | 110                               | 2,6%                         |                                   |
| 29 Statistics  | 131,9                         | 776                               | 134,4                        | 767                               | 1,9%                         | -9                                |
| 30 Pensions and related expenditure                  | 1 449,5                       | 0                                 | 1 567,1                      | 0                                 | 8,1%                         |                                   |
| 31 Language services                                 | 387,6                         | 3 364                             | 389,6                        | 3 296                             | 0,5%                         | -68                               |
| 32 Energy  | 933,4                         | 572                               | 1 062,7                      | 567                               | 13,9%                        | -5                                |
| 33 Justice   | 203,4                         | 391                               | 207,7                        | 385                               | 2,1%                         | -6                                |
| 34 Climate action                                    | 121,5                         | 173                               | 127,5                        | 171                               | 4,9%                         | -2                                |
| 40 Reserves  | 456,2                         | 0                                 | 465,4                        | 0                                 | 2,0%                         |                                   |
| <b>Total</b>   | <b>139 108,5</b>              | <b>33 094</b>                     | <b>142 003,1</b>             | <b>32 586</b>                     | <b>2,1%</b>                  | <b>-508</b>                       |
| <b>Other institutions</b>                            | <b>3 531,6</b>                |                                   | <b>3 596,2</b>               |                                   |                              |                                   |
| <b>Grand total</b>                                   | <b>142 640,1</b>              | <b>33 094</b>                     | <b>145 599,3</b>             | <b>32 586</b>                     | <b>2,1%</b>                  | <b>-508</b>                       |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

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

(3) 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.

(4) Human resources data for policy area 27 'Budget' includes staff (some 180 posts and an estimate of some 100 full time equivalent units of external staff) to be redeployed in course of 2015 to allow the Commission to meet its new and urgent priorities, notably in view of the establishment of the new Commission.

### 5.2.2. 2015 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 | Special Instruments |
|--|----------|-------------------------------|--------------|----------------------|-----------------------------|------------------|-------------------|------------------|---------------------|
|  |          | 1a. Competitiveness           | 1b. Cohesion |                      |                             |                  |                   |                  |                     |
| 01 Economic and financial affairs                    | 370,5    | 62,0                          |              |                      |                             | 222,4            | 86,2              |                  |                     |
| 02 Enterprise and industry                           | 2 509,3  | 2 429,7                       |              | p.m.                 | p.m.                        |                  | 79,6              |                  |                     |
| 03 Competition                                       | 97,7     |                               |              |                      |                             |                  | 97,7              |                  |                     |
| 04 Employment, social affairs and inclusion          | 13 091,3 | 211,5                         | 12 806,7     |                      |                             | p.m.             | 73,1              |                  | p.m.                |
| 05 Agriculture and rural development                 | 58 051,5 | 103,9                         |              | 57 732,7             |                             | 99,2             | 115,8             |                  |                     |
| 06 Mobility and transport                            | 3 279,5  | 2 014,1                       | 1 217,0      |                      |                             |                  | 48,4              |                  |                     |
| 07 Environment                                       | 430,0    |                               |              | 368,7                |                             | 3,6              | 57,7              |                  |                     |
| 08 Research and innovation                           | 6 663,0  | 6 653,2                       |              | p.m.                 |                             | p.m.             | 9,8               |                  |                     |
| 09 Communications networks, content and technology   | 1 716,7  | 1 671,0                       |              |                      | 1,0                         |                  | 44,7              |                  |                     |
| 10 Direct research                                   | 404,0    | 404,0                         |              |                      |                             |                  | p.m.              |                  |                     |
| 11 Maritime affairs and fisheries                    | 1 080,7  |                               |              | 1 044,5              |                             |                  | 36,2              |                  |                     |
| 12 Internal market and services                      | 114,4    | 49,2                          |              |                      |                             |                  | 65,1              |                  |                     |
| 13 Regional and urban policy                         | 35 343,3 | p.m.                          | 35 203,1     |                      |                             | 21,2             | 69,1              |                  | 50,0                |
| 14 Taxation and customs union                        | 161,2    | 103,1                         |              |                      |                             | 1,2              | 56,9              |                  |                     |
| 15 Education and culture                             | 2 893,9  | 2 626,7                       |              |                      | 177,7                       | 19,9             | 69,6              |                  |                     |
| 16 Communication                                     | 243,0    |                               |              |                      | 108,1                       |                  | 134,8             |                  |                     |
| 17 Health and consumer protection                    | 611,7    | p.m.                          |              | p.m.                 | 507,6                       | 0,5              | 103,6             |                  |                     |
| 18 Home affairs                                      | 1 171,4  |                               |              |                      | 1 139,2                     | p.m.             | 32,2              |                  |                     |
| 19 Foreign policy instruments                        | 760,7    |                               |              |                      |                             | 749,0            | 11,6              |                  |                     |
| 20 Trade   | 123,0    |                               |              |                      |                             | 15,8             | 107,2             |                  |                     |
| 21 Development and cooperation                       | 5 043,7  |                               | p.m.         |                      |                             | 4 833,9          | 209,8             |                  |                     |
| 22 Enlargement                                       | 1 534,1  |                               |              |                      |                             | 1 495,1          | 39,1              |                  |                     |
| 23 Humanitarian aid and civil protection             | 1 006,5  |                               |              | p.m.                 | 29,3                        | 950,5            | 26,7              |                  |                     |
| 24 Fight against fraud                               | 79,8     | 22,0                          |              |                      |                             |                  | 57,8              |                  |                     |
| 25 Commission's policy coordination and legal advice | 192,0    |                               |              |                      |                             |                  | 192,0             |                  |                     |
| 26 Commission's administration                       | 993,6    | 34,2                          |              |                      |                             |                  | 959,4             |                  |                     |
| 27 Budget  | 70,5     |                               |              |                      |                             |                  | 70,5              | p.m.             |                     |
| 28 Audit   | 11,9     |                               |              |                      |                             |                  | 11,9              |                  |                     |
| 29 Statistics  | 134,4    | 57,8                          |              |                      |                             |                  | 76,6              |                  |                     |
| 30 Pensions and related expenditure                  | 1 567,1  |                               |              |                      |                             |                  | 1 567,1           |                  |                     |
| 31 Language services                                 | 389,6    |                               |              |                      |                             |                  | 389,6             |                  |                     |
| 32 Energy  | 1 062,7  | 1 005,0                       |              | p.m.                 |                             |                  | 57,8              |                  |                     |
| 33 Justice   | 207,7    |                               |              |                      | 167,8                       |                  | 39,8              |                  |                     |
| 34 Climate action                                    | 127,5    |                               |              | 107,9                |                             | 0,9              | 18,7              |                  |                     |
| 40 Reserves  | 465,4    |                               |              |                      |                             |                  |                   |                  | 465,4               |

| Policy area        | Total            | 1. Smart and inclusive growth |                 | 2. Natural resources | 3. Security and Citizenship | 4. Global Europe | 5. Administration | 6. Compensations | Special Instruments |
|--------------------|------------------|-------------------------------|-----------------|----------------------|-----------------------------|------------------|-------------------|------------------|---------------------|
|                    |                  | 1a. Competitiveness           | 1b. Cohesion    |                      |                             |                  |                   |                  |                     |
| <b>Total</b>       | <b>142 003,1</b> | <b>17 447,4</b>               | <b>49 226,8</b> | <b>59 253,7</b>      | <b>2 130,7</b>              | <b>8 413,1</b>   | <b>5 016,0</b>    | <b>p.m.</b>      | <b>515,4</b>        |
| Other institutions | <b>3 596,2</b>   |                               |                 |                      |                             |                  | <b>3 596,2</b>    |                  |                     |
| <b>Grand Total</b> | <b>145 599,3</b> | <b>17 447,4</b>               | <b>49 226,8</b> | <b>59 253,7</b>      | <b>2 130,7</b>              | <b>8 413,1</b>   | <b>8 612,2</b>    | <b>p.m.</b>      | <b>515,4</b>        |
| Ceilings           | 146 483,0        | 17 666,0                      | 49 147,0        | 59 599,0             | 2 246,0                     | 8 749,0          | 9 076,0           | 0,0              |                     |
| <i>Margin</i>      | <i>1 478,9</i>   | <i>218,6</i>                  | <i>0,0</i>      | <i>345,3</i>         | <i>115,3</i>                | <i>335,9</i>     | <i>463,8</i>      |                  |                     |

### 5.3. Annex III — Payment request overview and analysis of the outstanding commitments (RAL)

#### *Three groups of operational programmes*

For the purpose of analysing the Commission's request for payment appropriations in the 2015 draft budget (DB), the operational programmes under the operational headings 1a, 1b, 2, 3 and 4 can be grouped into three main categories:

1. *Programmes whose level of RAL at the end of 2014 is below the level of commitments in 2015.* This group also includes programmes with non-differentiated appropriations such as the European Agricultural Guarantee Fund (EAGF), as well as the EU contributions to the decentralised agencies, the financing of guarantee funds or financial instruments and capital increase of financial institutions (European Investment Fund) for which the payment appropriations are usually at the same level as commitment appropriations. All the programmes of this category are characterised by no or very limited outstanding commitments ('Reste à liquider: RAL') at the end of 2014, and in any case lower than the level of commitment appropriations to be entered in the 2015 draft budget.
2. *Programmes whose level of RAL at the end of 2014 is between two and three times the level of commitments in 2015.* These are the programmes for which commitments (which are in some cases made in two steps, starting with a so-called 'global' commitment, which is afterwards broken down into specific commitments) are immediately followed upon the signature of the contract by a certain level of pre-financing, then by interim payments and a final payment at closure. This group of programmes also includes shared management programmes with a maximum time limit between the commitments and related payments (such as the so-called 'n+2'/'n+3' rule for automatic decommitments applicable for instance to structural funds).
3. *Programmes whose level of RAL at the end of 2014 is three times higher than the level of commitments.* This mainly concerns programmes of heading 4 which, after the initial global commitment, may require the signing of financing agreements with the beneficiary countries before specific contracts can be signed.

The following table shows the classification of major programmes/actions into these 3 categories, for programmes for which the Commission's DB 2015 requests more than EUR 500 million in payment appropriations. All decentralised agencies have been grouped together, as well as heading 3 (excluding the agencies), since the individual agencies/programmes would all fall below the threshold of EUR 500 million.

Within each category, the programmes have been ranked according to the ratio between the RAL at the end of 2014 and the commitment appropriations requested for 2015. In particular, the table shows:

- The evolution of the RAL per programmes;
- The payment appropriations allocated in 2013, 2014 (including draft amending budget 3/2014) and requested for 2015;
- The expected evolution (increase/decrease) of the RAL at the end of 2015;
- The ratio between the RAL at the end of 2014 and the commitments of 2015;
- The share of the payment request which will cover payments of the RAL for the period 2007-2013 (or earlier); as well as

- The percentage reduction of the RAL 2007-2013 that will result from the proposed allocation of payments.

| Programme  | RAL end of 2012  | PA Budget 2013   | RAL end of 2013  | PA Budget 2014 (including DAB 3) | Expected RAL end of 2014 | CA DB 2015       | PA DB 2015       | Expected variation of RAL in 2015 | Ratio RAL end of 2014 / CA 2015 | Part of PA DB 2015 used to pay pre-2014 RAL | % of RAL 2007- 2013 covered by DB 2015 |
|--|------------------|------------------|------------------|----------------------------------|--------------------------|------------------|------------------|-----------------------------------|---------------------------------|---|--|
| European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments | 51,6             | 43 660,2         | 39,8             | 43 777,0                         | 41,0                     | 43 903,8         | 43 897,0         | 6,8                               | <b>0,00</b>                     | 0,0%  | 0,0%                                   |
| Decentralised agencies   | 93,3             | 735,5            | 138,5            | 799,6                            | 138,3                    | 835,8            | 832,3            | 3,5                               | <b>0,17</b>                     | 0,0%  | 0,0%                                   |
| European Earth Observation Programme (Copernicus)  | 12,6             | 48,1             | 20,5             | 188,1                            | 195,3                    | 556,4            | 513,5            | 42,8                              | <b>0,35</b>                     | 0,0%  | 0,0%                                   |
| Education, Training, Youth and Sport (Erasmus+)  | 471,6            | 1 402,9          | 467,0            | 1 424,4                          | 601,3                    | 1 592,1          | 1 390,2          | 202,0                             | <b>0,38</b>                     | 5,8%  | 0,0%                                   |
| European satellite navigation systems (EGNOS and Galileo)                                    | 767,2            | 376,8            | 380,0            | 1 193,2                          | 513,0                    | 1 060,6          | 934,5            | 126,1                             | <b>0,48</b>                     | 8,3%  | 79,4%                                  |
| Youth Employment initiative (specific top-up allocation)                                     | 0,0              | 0,0              | 0,0              | 450,0                            | 1 354,1                  | 1 407,2          | 600,0            | 807,2                             | <b>0,96</b>                     | 0,0%  | 0,0%                                   |
| Humanitarian aid   | 787,1            | 932,0            | 867,7            | 1 035,4                          | 752,6                    | 918,8            | 918,8            | 0,0                               | <b>0,82</b>                     | 0,0%  | 0,0%                                   |
| European Agricultural Fund for Rural Development (EAFRD)                                     | 23 063,7         | 13 026,1         | 24 478,5         | 11 705,1                         | 26 764,4                 | 13 823,6         | 11 646,7         | 2 177,0                           | <b>1,94</b>                     | 52,7%                                       | 43,7%                                  |
| Horizon 2020   | 15 066,3         | 8 210,1          | 17 431,7         | 6 240,1                          | 20 214,0                 | 9 560,0          | 8 969,8          | 590,2                             | <b>2,11</b>                     | 44,3%                                       | 30,8%                                  |
| Security and citizenship (heading 3 without agencies)  | 2 722,9          | 1 445,9          | 2 998,3          | 1 186,7                          | 3 493,3                  | 1 616,1          | 1 368,4          | 247,7                             | <b>2,16</b>                     | 25,7%                                       | 15,2%                                  |
| International Thermonuclear Experimental Reactor (ITER)                                      | 1 416,3          | 252,1            | 2 076,2          | 563,2                            | 2 241,0                  | 891,9            | 517,6            | 374,3                             | <b>2,51</b>                     | 65,2%                                       | 21,2%                                  |
| European Maritime and Fisheries Fund (EMFF)  | 2 283,7          | 785,0            | 2 354,5          | 741,8                            | 2 630,0                  | 1 035,5          | 960,1            | 75,4                              | <b>2,54</b>                     | 58,0%                                       | 30,7%                                  |
| Transport  | 2 968,9          | 761,4            | 3 655,8          | 793,1                            | 4 345,2                  | 1 645,9          | 1 300,5          | 345,4                             | <b>2,64</b>                     | 50,1%                                       | 22,7%                                  |
| Investment for growth and jobs   | 135 642,3        | 54 901,1         | 133 277,5        | 51 645,1                         | 125 146,2                | 45 146,6         | 48 823,1         | -3 676,5                          | <b>2,77</b>                     | 81,5%                                       | 47,2%                                  |
| European Neighbourhood Instrument (ENI)  | 5 242,8          | 1 403,3          | 6 177,7          | 1 630,2                          | 6 739,7                  | 2 027,3          | 1 546,3          | 481,0                             | <b>3,32</b>                     | 59,4%                                       | 17,4%                                  |
| Development Cooperation Instrument (DCI)   | 7 778,3          | 1 948,8          | 8 284,5          | 1 776,2                          | 8 849,3                  | 2 467,7          | 2 081,9          | 385,8                             | <b>3,59</b>                     | 63,7%                                       | 19,6%                                  |
| Instrument for Pre-accession assistance (IPA II)   | 5 893,9          | 1 340,1          | 6 079,9          | 1 436,7                          | 6 221,6                  | 1 580,1          | 1 566,8          | 13,3                              | <b>3,94</b>                     | 74,1%                                       | 24,0%                                  |
| <i>Other programmes/actions (headings 1a, 1b, 2, 3 and 4)</i>                                | <i>12 661,5</i>  | <i>4 412,9</i>   | <i>12 388,4</i>  | <i>4 872,7</i>                   | <i>13 168,4</i>          | <i>6 402,3</i>   | <i>5 432,5</i>   | <i>969,8</i>                      | <i>2,06</i>                     | <i>35,8%</i>                                | <i>20,4%</i>                           |
| <b>Total (headings 1a, 1b, 2, 3 and 4)</b>   | <b>216 924,1</b> | <b>135 642,6</b> | <b>221 116,6</b> | <b>131 458,5</b>                 | <b>223 408,7</b>         | <b>136 471,7</b> | <b>133 299,9</b> | <b>3 171,8</b>                    | <b>1,64</b>                     | <b>43,0%</b>                                | <b>19,8%</b>                           |

### General overview

With the exception of the Cohesion policy, all programmes have seen their RAL increasing since 2012. Based on the Commission's draft budget 2015 request, this trend will continue in 2015, since commitments grow faster than the level of payments for most programmes given the constraints in terms of payment appropriations set in the 2014-2020 multiannual financial framework (MFF).

Large programmes/actions, for which the Commission requests more than EUR 500 million in payment appropriations, can be regrouped according to the ratio between the RAL and the commitments as follows:

- Seven programmes/actions<sup>56</sup> have a level of RAL at the end of 2014 below the level of commitments in 2015;

<sup>56</sup> All decentralised agencies are treated as a bloc, since the EU contributions are treated in a similar manner, independent from the activities of the agency concerned.

- Seven programmes/actions<sup>57</sup> have a level of RAL at the end of 2014 between 1,94 times the level of commitments and 2,76 times the level of commitments in 2015; and
- Three programmes, all in heading 4, have a level of RAL at the end of 2014 between 3,32 and 3,94 times the level of commitments in 2015.

The average RAL of all the programmes/actions for which the Commission requests less than EUR 500 million in payment appropriations is close to two times the level of the related commitments in 2015.

The level of RAL at the end of 2014 depends heavily on the level of expenditure of the 2007-2013 programmes, whereas the level of commitments in 2015 is defined by the 2014-2020 financial framework. Moreover, the management mode of the programmes is a key element underlying the Commission's request for payment appropriations, as set out below.

1. *Programmes whose level of RAL at the end of 2014 is below the level of commitments in 2015*

For the programmes in this category, the level of payments is close to the level of commitments, except for the Youth Employment Initiative (YEI), for which the low level of RAL at the end of 2014 is explained by the fact that the programme did not exist in the period 2007-2013. For the other six programmes in this category, the level of commitments for the current year has a direct influence on the needs for payments for the current and following year.

Although it is formally a Fund with non-differentiated appropriations (whereby the level of payments equals the level of commitment)<sup>58</sup>, the **European Agricultural Guarantee Fund (EAGF)** is included in the table because of its size in terms of payment appropriations. Most of the appropriations finance direct aids allocated to the farmers for which the right of a farmer to a payment in year N is committed and paid in the budget year N+1. Because it represents an annual right and not a contract, appropriations are non-differentiated. Likewise, for the market intervention the decision to intervene on the market has to be followed by the payments supporting the intervention.

Although formally defined as differentiated appropriations, the budget lines financing the EU contributions allocated to **decentralised agencies** are treated as non-differentiated expenditure. Even if the payment of the annual contribution may be made in instalments, payments are usually set at the level of commitments, since both payments and commitments are linked to the budget outturn of the agencies. Unused appropriations within the budget of the agencies (surplus) will be returned to the EU budget the following year as assigned revenue, and then be made available again to agencies, thus reducing the fresh appropriations to be requested in the following draft budget accordingly.

The RAL of the European satellite navigation systems (**EGNOS and Galileo**) is low, for two reasons. First, a large part of the budget is used to finance the delegation agreement with the European Space Agency (ESA), which supervises the implementation of the project and in particular the building and the launching of the satellites. The agreement with ESA involves regular payments which are closely related to the level of the commitments for the year. Second, the overall level of expenditure for the programme was lower in the 2007-2013 programming period and no commitment was made in 2013.

The situation for the **European Earth Observation Programme (Copernicus)** is very similar to the Galileo case, as most payments are closely related to the level of the commitments, since it also involves agreement

---

<sup>57</sup> Heading 3, excluding the decentralised agencies, is treated as one programme.

<sup>58</sup> With the exception of minor amounts that are not under shared management.



with ESA and EUMETSAT. Furthermore, the financing of Copernicus was 10 times lower in the previous period, which explains why the level of RAL at the end of 2013 is negligible in comparison with the level of commitments in 2015.

The payment needs for **Erasmus+**, which allocates yearly grants to students, are closely related to the level of commitments, determining the number of students receiving a grant and the amounts concerned. The 'normal' RAL corresponds to about one third of the level of commitments and reflects the regular time required to allocate the grants through the network of national agencies, taking into account the timeframe of the academic year.

As mentioned above, the low level of RAL for the **Youth Employment Initiative** (specific top-up allocation of the **YEI**) mostly results from its recent creation. However, the strong pressure to rapidly implement the YEI means that the payment appropriations requested are closely related to the level of commitments.

Finally, the management mode of **Humanitarian aid** implies that the payments tend to follow closely the commitments, as most of the actions lead to pre-financing of 50 % to 80 % and involve short term contracts to rapidly deliver aid on the ground, in a very dynamic environment. Since 2011, the level of payments has been budgeted below the level of commitments, which together with the mobilisation of the Emergency Aid Reserve led to difficulties in meeting contractual obligations. For this reason, the Commission proposes to set payments at the same level of commitments.

2. *Programmes whose level of RAL at the end of 2014 is between two and three times the level of commitments in 2015*

Two types of programmes fall into this category:

- Programmes under shared management such as the EAFRD (rural development), the Cohesion policy and the EMFF (fisheries), for which the commitments are made in annual tranches and for which the pace of payments is determined mainly by rules such as the 'n+2' / 'n+3' rules, which oblige Member States to cover the commitments by payments within a fixed timeframe in order to avoid the cancellation of the commitment appropriations ('automatic decommitment').
- Programmes in direct management (sometimes implemented through an executive agency), for which commitments in certain cases may be made in two steps (global commitments followed by specific ones), usually with significant pre-financing at the time of the signature of the contract, followed by interim payments and final (closure) payments at the completion of the action. The size of the RAL in comparison with the level of commitments is determined by the number of steps, the importance of the pre-financing, and the deadline for the closure.

The specificities of the **European Agricultural Fund for Rural Development (EAFRD)** explain its relatively low level of RAL in comparison with the level of commitments. First, the EAFRD is submitted to a strict 'n+2' rule, which limits the timeframe between the commitments and the related payments. However, the impact of the 'n+2' rule is mitigated by the share of annual actions (around 40-45 %) where payments follow immediately commitments. This explains why the level of payment is closer to the level of commitments for nearly half of the Fund. Some delays in implementation can nonetheless occur, especially during the transition between two financial frameworks. This explains the level of payment appropriations proposed by the Commission in its DB 2015, where about 50 % of the payment request will cover 44 % of the RAL of the period 2007-2013 which will remain to be paid at the beginning of 2015.

**Horizon 2020** has a cycle varying from 18 months to 7 years, in which each year calls for proposals are made for each "strand" of the programme. The signature of the contracts leads to a pre-financing ranging between 20

and 80 % (on average 45 %), which is mandatory to allow the running of consortia including small and medium-sized enterprises (SMEs) or universities with low financing capabilities. Each contract lasts about two or three years, and leads to interim payments and a final payment at closure. In recent years, due to payment constraints, there has been a tendency to lower the amount of pre-financing and to sign the contract at the end of the year, in order to be able to pay the pre-financing in the following year. As shown in the table above, since 2012 the RAL of the research programmes increased by about 15 % (EUR 2,5 billion) per year, an indication of how the constraints on payments are biting. The appropriations foreseen in 2015 will not reverse this trend, with the increase of RAL limited to about EUR 600 million.

**Heading 3 ‘Security and citizenship’** consists of a mix of programmes managed in shared management, such as the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF), which taken together represent together about EUR 633 million in payment appropriations in the 2015 DB, or slightly less than half the payment appropriations of the heading (excluding the decentralised agencies). The other programmes are managed by the Commission (directly or via an executive agency). For the shared management programmes, the RAL represents about 2,7 times the level of commitments, a ratio similar to the one of the Cohesion policy. Payments on the RAL pre-2014 are low at about 30 %, in sharp contrast with the Cohesion policy, for which more than 82 % of the payment appropriations requested in the 2015 DB is intended to cover the RAL pre-2014. This is due to the weight of the shared management funds for which, in 2015, priority will be given to the payment of the pre-financings in order to assist the Member States in reducing the risk of application of the automatic de-commitment rule for the new programmes.

For **ITER**, two thirds of the payment appropriations in 2015 are planned to be used to pay the ITER construction projects, which were started in the previous financial period, i.e. to avoid delays of interim and final payments for the ongoing projects and to ensure smooth implementation of ITER projects vis-à-vis ITER international partners. The remaining payments will ensure the running costs of the Fusion for Energy (F4E) Joint Undertaking as well as the pre-financing of 2014 commitment. Due to the frontloading of Horizon 2020 in 2014 from the ITER programme and the corresponding compensation in 2015, related payments appropriations are required to cover the needs of increased commitments in 2015.

About 60 % of the appropriations for the **European Maritime and Fisheries Fund (EMFF)** will be used to cover the payments stemming from the 2007-2013 programmes in order to reduce the RAL by some 30 %, which implies that a backlog of unpaid payment applications will also remain on the former European Fisheries Fund (EFF) at the end of 2015. This programme also encompasses actions for the control and the inspection for the fisheries which are closely related to the commitment appropriations of the year (or the previous one), and require sufficient payment appropriations to cover commitments of the new period. The same is true for the international fisheries agreements included in the amounts mentioned in the table (even if they are not formally part of the EMFF).

For the **Connecting Europe Facility (CEF)** strand related to transport, the RAL increased significantly in recent years. Based on the payment appropriations proposed by the Commission, the RAL will still increase in 2015, at a slower pace.

- 50 % of the appropriations will be used to make payments on the 2007-2013 programmes. This will continue the action of 2014 where 100 % of the payments appropriations are allocated to the completion of the 2007-2013 programmes and as a consequence only cover the RAL. Because there is no payment appropriation foreseen for the new projects in 2014, the payments' level of that year is exceptionally low.
- In 2015, the new CEF projects will be launched. As a consequence, the 50 % allocated to the 2014-2020 programmes will be used for the first pre-financing on projects under the 2014 call and for the

first instalment to the CEF financial instruments. A potential delay in covering the pre-financing due for these first CEF projects may put the success of the whole programme at risk.

The situation of the **Cohesion Policy (2007-2013 programmes)** has been followed closely during recent years and the Commission has presented regularly the evolution of the RAL and the backlog of unpaid payment claims. At the end of 2013, the backlog amounted to EUR 23,4 billion (to be paid with appropriations from the budget 2014); given the authorised level of payment appropriations in budget 2014, the backlog at the end of 2014 is not expected to decrease. This backlog will need to be paid in 2015 which explains why more than 80 % of the requested payment appropriations will be used for paying the RAL of 2007-2013 programmes, reducing this RAL by nearly 50 %. The remaining RAL will correspond to around 12 % of the total envelope of the programmes, including the 5 % which will have to be paid at closure. Payments on the 2014-2020 programmes will still be limited in 2015 and correspond to the advance payments for the programmes and the first interim payments representing less than 1.4 % of the overall envelope of the Funds, including the SME initiative and the ESF-component of the YEI.

3. *Programmes whose level of RAL at the end of 2014 is three times higher than the level of commitments*

The three programmes in this category are all under heading 4. The size of the RAL in comparison with the level of commitments illustrates the length of the process between the commitments and the related payments. commitments in the area of external actions are usually made in two steps, with sometimes more than one year between the initial commitment and the signature of the financing agreement with the beneficiary country, a prerequisite before signing specific contracts). Limited administrative capacity in many third countries further complicates implementation, which then requires a large number of checks before any payments can be made.

The payment appropriations for the **European Neighbourhood Instrument (ENI)** will be used for 60 % to cover the payment needs of the 2007-2013 period. The RAL has been growing steadily in recent years, partly as a result of the constraints on payments. Even with this foreseen allocation, the RAL of the previous period will only be reduced by 17 % at the end of 2015. Payment appropriations will be used to implement the new programmes, as well as for measures in emergency areas such as Ukraine and Syria.

Two thirds of the payment appropriations requested for the **Development Cooperation Instrument (DCI)** will be used to pay the RAL of the 2007-2013 programmes. The remainder will be used to implement the 2014-2020 programmes, taking into account that budget support with conditionality will be used more frequently than in the past, leading to a relatively faster disbursement pattern.

Finally, nearly 75 % of the payment appropriations requested for the **Instrument for Pre-accession Assistance (IPA)** are foreseen for payments related to the 2007-2013 programmes, the highest ratio after the Cohesion policy. This will allow reducing the related RAL by slightly less than 25 %. The rest will be used for pre-financing on 2014-2020 programmes, covering both 2014 and part of 2015 commitments.

## 5.4. Annex IV — Financing the Europe 2020 strategy

This Annex presents the contribution that the EU budget makes to the Europe 2020 strategy, broken down by flagship initiative. The tracking of the financing of the Europe 2020 strategy provides for a comprehensive view on how the Commission proposes to allocate resources to actions and programmes, with a view to achieving the Europe 2020 goals.

The updated estimates for the 2014 budget and the estimates for the 2015 draft budget as shown in the table below take into account the adopted legal bases for the new spending programmes, and are based on the currently available information, broken down to the level of the relevant budget lines. However, the estimates for 2014 and 2015 should be seen against the background of the pending adoption of the Member States' operational programmes for the European Structural and Investment Funds and other funds under shared management such as the Asylum, Migration and Integration Fund, which are among the major contributors to the flagship initiatives.

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

| Flagship | Programme/Action  | Budget<br>2014 (1) | Draft budget<br>2015 |
|----------|---|--------------------|----------------------|
| <b>1</b> | International Thermonuclear Experimental Reactor (ITER)   | 360,5              | 441,1                |
|          | The Framework Programme for Research and Innovation (Horizon 2020)  | 4 104,2            | 4 286,1              |
|          | Euratom Research and Training Programme   | 151,0              | 187,4                |
|          | The Union Programme for Education, Training, Youth and Sport (Erasmus+)   | 11,8               | 13,2                 |
|          | European Regional Development Fund (ERDF)   | 6 505,6            | 6 981,2              |
|          | European Agricultural Fund for Rural Development (after transfers between EAGF and EAFRD)   | 214,0              | 211,4                |
|          | European Maritime and Fisheries Fund (EMFF)   | 16,0               | 16,0                 |
|          | Creative Europe Programme   | 0,0                | 0,0                  |
|          | <b>Flagship 1 — Innovation Union</b>  | <b>11 362,9</b>    | <b>12 136,4</b>      |
| <b>2</b> | The Framework Programme for Research and Innovation (Horizon 2020)  | 195,0              | 200,2                |
|          | The Union Programme for Education, Training, Youth and Sport (Erasmus+)   | 1 050,1            | 1 060,1              |
|          | European Union Programme for Employment and Social Innovation (EaSI)  | 19,5               | 19,7                 |
|          | European Social Fund (ESF)  | 2 865,5            | 2 695,3              |
|          | Instrument of financial support for encouraging the economic development of the Turkish Cypriot community (TCC)   | 0,0                | 5,0                  |
|          | Partnership instrument for cooperation with third countries (PI)  | 8,2                | 11,7                 |
|          | EU Aid Volunteers initiative (EUAV)   | 2,1                | 1,9                  |
|          | <b>Flagship 2 — Youth on the move</b>   | <b>4 140,5</b>     | <b>3 993,9</b>       |
| <b>3</b> | The Framework Programme for Research and Innovation (Horizon 2020)  | 1 663,2            | 1 765,2              |
|          | Connecting Europe Facility (CEF)  | 83,9               | 91,6                 |
|          | Interoperability Solutions for European Public Administrations (ISA)  | 18,4               | 18,0                 |
|          | European Regional Development Fund (ERDF)   | 1 382,2            | 1 483,2              |
|          | European Agricultural Fund for Rural Development (after transfers between EAGF and EAFRD)   | 214,0              | 211,4                |
|          | Justice Programme   | 8,3                | 8,9                  |
|          | Rights, Equality and Citizenship programme  | 0,2                | 0,2                  |
|          | Union's action in the field of health (Health Programme)  | 26,1               | 24,6                 |
|          | Consumer Programme  | 0,6                | 0,6                  |
|          | <b>Flagship 3 — A digital agenda for Europe</b>   | <b>3 396,8</b>     | <b>3 603,7</b>       |
| <b>4</b> | The Framework Programme for Research and Innovation (Horizon 2020)  | 995,0              | 1 116,0              |
|          | Connecting Europe Facility (CEF)  | 2 857,2            | 3 329,3              |
|          | European Regional Development Fund (ERDF)   | 10 458,1           | 11 222,8             |
|          | Cohesion Fund (CF)  | 5 319,4            | 5 592,2              |
|          | European Agricultural Guarantee Fund (EAGF)   | 3 315,8            | 3 310,3              |
|          | European Agricultural Fund for Rural Development (after transfers between EAGF and EAFRD)   | 6 515,0            | 6 436,7              |
|          | European Maritime and Fisheries Fund (EMFF)   | 201,2              | 201,2                |
|          | Sustainable Fisheries Partnership Agreements (SFPAs) and compulsory contributions to Regional Fisheries Management Organisations (RFMOs) and to other international organisations | 2,4                | 2,4                  |
|          |   |                    |                      |

| Flagship   | Programme/Action  | Budget<br>2014 (1) | Draft budget<br>2015 |
|--|---|--------------------|----------------------|
|  | Programme for the Environment and Climate Action (LIFE)   | 382,9              | 424,5                |
|  | Instrument of financial support for encouraging the economic development of the Turkish Cypriot community (TCC) | 3,0                | 1,0                  |
|  | <b>Flagship 4 — Resources efficient Europe</b>  | <b>30 050,0</b>    | <b>31 636,3</b>      |
| 5  | International Thermonuclear Experimental Reactor (ITER)   | 360,5              | 441,1                |
|  | Implementation and exploitation of European satellite navigation systems (EGNOS and Galileo)                    | 1 322,8            | 1 057,2              |
|  | European Earth Observation Programme (Copernicus)   | 360,4              | 553,9                |
|  | The Framework Programme for Research and Innovation (Horizon 2020)  | 1 013,4            | 1 096,6              |
|  | Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME)                 | 243,4              | 269,4                |
|  | European Regional Development Fund (ERDF)   | 4 748,0            | 5 095,2              |
|  | Cohesion Fund (CF)  | 2 620,0            | 2 754,4              |
|  | European Agricultural Fund for Rural Development (after transfers between EAGF and EAFRD)                       | 4 490,0            | 4 436,0              |
|  | Consumer Programme  | 3,2                | 3,6                  |
|  | Instrument of financial support for encouraging the economic development of the Turkish Cypriot community (TCC) | 6,0                | 10,0                 |
|  | European Globalisation Adjustment Fund (EGF)(2)   | 159,2              | 162,4                |
|  | <b>Flagship 5 — An industrial policy for the globalisation era</b>  | <b>15 326,9</b>    | <b>15 879,7</b>      |
| 6  | The Framework Programme for Research and Innovation (Horizon 2020)  | 319,8              | 321,9                |
|  | The Union Programme for Education, Training, Youth and Sport (Erasmus+)   | 411,3              | 421,5                |
|  | European Union Programme for Employment and Social Innovation (EaSI)  | 42,6               | 42,5                 |
|  | European Social Fund (ESF)  | 7 554,6            | 7 105,9              |
|  | European Regional Development Fund (ERDF)   | 1 702,8            | 1 827,3              |
|  | European Maritime and Fisheries Fund (EMFF)   | 44,8               | 44,8                 |
|  | Asylum, Migration and Integration Fund (AMF)  | 22,1               | 19,5                 |
|  | Rights, Equality and Citizenship programme  | 0,2                | 0,2                  |
|  | Instrument for Pre-accession Assistance (IPA II)  | 29,2               | 31,1                 |
|  | Instrument of financial support for encouraging the economic development of the Turkish Cypriot community (TCC) | 0,0                | 2,0                  |
|  | EU Aid Volunteers initiative (EUAV)   | 4,0                | 2,5                  |
|  | <b>Flagship 6 — An agenda for new skills and jobs</b>   | <b>10 131,5</b>    | <b>9 819,2</b>       |
| 7  | The Framework Programme for Research and Innovation (Horizon 2020)  | 95,4               | 92,4                 |
|  | European Union Programme for Employment and Social Innovation (EaSI)  | 37,4               | 37,1                 |
|  | European Social Fund (ESF)  | 2 605,0            | 2 450,3              |
|  | Fund for European Aid to the Most Deprived (FEAD)   | 500,0              | 523,2                |
|  | European Agricultural Fund for Rural Development (after transfers between EAGF and EAFRD)                       | 2 537,0            | 2 506,5              |
|  | Asylum, Migration and Integration Fund (AMF)  | 22,1               | 19,5                 |
|  | Rights, Equality and Citizenship programme  | 0,9                | 0,9                  |
|  | Instrument of financial support for encouraging the economic development of the Turkish Cypriot community (TCC) | 10,0               | 3,0                  |
|  | <b>Flagship 7 — European Platform against Poverty</b>   | <b>5 807,9</b>     | <b>5 633,0</b>       |
| <b>Total Europe 2020</b>   |   | <b>80 216,6</b>    | <b>82 702,3</b>      |
| <b>Total EU budget (Commission – Section III)</b>                              |   | <b>139 108,5</b>   | <b>142 003,1</b>     |
| <b>Europe 2020 / EU Budget</b>   |   | <b>57,7%</b>       | <b>58,2%</b>         |
| (1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3. |   |                    |                      |
| (2) Entered under reserve on budget article 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.<sup>59</sup> This approach was endorsed by the European Council on 8 February 2013 and confirmed by the European Parliament in its resolution on the new MFF of 13 March 2013. Through this mainstreaming into different policies, at least 20 % of the EU budget in the 2014-2020 MFF should be climate related expenditure. Starting from the 2014 draft budget, these expenditures have been tracked in accordance with the methodology developed by the Commission to ensure visible and solid mainstreaming. The progress towards reaching the 20 % objective is being 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 legal bases for the new MFF. 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.

The table below incorporates updated estimates for the budget 2014 which take into account the finally adopted legal bases for the new MFF and the adopted Work Programmes for some of the programmes as well as forecasts for the 2015 draft budget. It should be noted that the climate-related spending in the 2015 draft budget, as set out in the table below, has been determined, as for 2014, against the background of the pending adoption of Member States’ Operational Programmes for shared management instruments which are among the major contributors to the mainstreaming of climate action.

A significant upward revision of the overall climate-related share of the EU budget is expected as from the draft budget 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, including the greening measures, is fully implemented and then brings its contribution to the climate objectives.

---

<sup>59</sup> Communication ‘A Budget for Europe 2020’ COM(2011) 500, 29.6.2011.

**Table 1: Financing mainstreaming of climate action**
*(Commitment appropriations in EUR million, rounded figures at current prices)*

| Programme  | Objectives [Outputs]   | Budget<br>2014 | Draft budget<br>2015 |
|--|--|----------------|----------------------|
| <b>HEADING 1a — COMPETITIVENESS FOR GROWTH AND JOBS</b>  |  |                |                      |
| <b>European Earth Observation Programme (Copernicus)</b>   | Delivering accurate and reliable data and information to Copernicus users (Copernicus Climate Change Service)  | 2,0            | 22,8                 |
|  | Delivering accurate and reliable data and information to Copernicus users (Copernicus services on Land monitoring, Atmosphere Monitoring and Marine Environment Monitoring)  | 15,2           | 29,8                 |
|  | <b>Total</b>   | <b>17,2</b>    | <b>52,6</b>          |
| <b>The Framework Programme for Research and Innovation (Horizon 2020)</b>                          | Excellent science – Future and Emerging Technologies – strengthening research in future and emerging technologies  | 95,6           | 0,0                  |
|  | Excellent science – Research infrastructures – strengthening European research infrastructures, including e-infrastructures  | 107,5          | 75,2                 |
|  | Industrial leadership – boosting 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  | 594,3          | 282,2                |
|  | Societal challenges – securing sufficient supplies of safe, healthy and high quality food and other bio-based products, by developing productive, sustainable and resource-efficient primary production systems, fostering related ecosystem services and the recovery of biological diversity, alongside competitive and low carbon supply, processing and marketing chains               | 118,9          | 147,0                |
|  | Societal challenges – making the transition to a reliable, affordable, publicly accepted, sustainable and competitive energy system, aiming at reducing fossil fuel dependency, in the face of increasingly scarce resources, increasing energy needs and climate change   | 571,4          | 721,7                |
|  | Societal challenges – achieving a European transport system that is resource-efficient, climate- and environmentally-friendly, safe and seamless for the benefit of all citizens, the economy and society  | 296,7          | 309,9                |
|  | Societal challenges – achieving a resource – and water – efficient and climate change resilient economy and society, protection and sustainable management of natural resources and ecosystems and a sustainable supply and use of raw materials, in order to meet the needs of a growing global population within the sustainable limits of the planet's natural resources and ecosystems | 299,7          | 291,7                |
|  | Societal challenges – fostering secure European societies in a context of unprecedented transformations and growing global interdependencies and threats, while strengthening the European culture of freedom and justice  | 55,3           | 59,3                 |
|  | Non-Nuclear Direct Actions of the Joint Research Centre – providing customer-driven scientific and technical support to Union policies, while flexibly responding to new policy demands  | 13,4           | 14,0                 |
|  | The European Institute of Innovation and Technology – integrating the knowledge triangle of higher education, research and innovation and thus to reinforce the Union's innovation capacity and address societal challenges  | 94,0           | 111,5                |
|  | <b>Total</b>   | <b>2 246,8</b> | <b>2 012,5</b>       |
| <b>Connecting Europe Facility (CEF)</b>  | Contributing to sustainable development and protection of the environment, by the integration of energy from renewable sources into the transmission network and the development of smart energy networks and carbon dioxide networks  | 1 332,2        | 1 331,6              |
|  | <b>Total</b>   | <b>1 332,2</b> | <b>1 331,6</b>       |
| <b>Programme for Competitiveness of Enterprises and Small and Medium-Sized Enterprises (COSME)</b> | To improve access to markets inside the Union and globally (Enterprise Europe Network)   | 15,4           | 13,6                 |
|  | To improve access to finance for SMEs in the form of equity and debt [Financial instruments (venture capital)]   | 5,8            | 6,7                  |
|  | <b>Total</b>   | <b>21,2</b>    | <b>20,3</b>          |
| <b>HEADING 1b — COHESION POLICY</b>  |  |                |                      |
| <b>European Regional Development Fund (ERDF)</b>   | Supporting the shift towards a low-carbon economy in all sectors   | 643,9          | 691,5                |
|  | Promoting climate change adaptation, risk prevention and management  | 464,2          | 498,5                |
|  | Preserving and protecting the environment and promoting resource efficiency  | 965,9          | 1 037,3              |
|  | Promoting sustainable transport and removing bottlenecks in key network infrastructures  | 1 140,6        | 1 224,9              |
|  | <b>Total</b>   | <b>3 214,6</b> | <b>3 452,2</b>       |

| Programme   | Objectives [Outputs]  | Budget<br>2014 | Draft budget<br>2015 |
|---|---|----------------|----------------------|
| European Cohesion Fund (CF)   | Supporting the shift towards a low-carbon economy in all sectors  | 205,4          | 215,9                |
|   | Promoting climate change adaptation, risk prevention and management   | 148,1          | 155,7                |
|   | Preserving and protecting the environment and promoting resource efficiency   | 308,2          | 323,9                |
|   | Promoting sustainable transport and removing bottlenecks in key network infrastructures   | 363,9          | 382,5                |
|   | <b>Total</b>  | <b>1 025,6</b> | <b>1 078,0</b>       |
| <b>HEADING 2 — SUSTAINABLE GROWTH: NATURAL RESOURCES</b>                                |   |                |                      |
| European Agricultural Guarantee Fund (EAGF)   | To contribute to the development of sustainable agriculture through cross compliance  | 3 315,8        | 3 310,3              |
|   | <b>Total</b>  | <b>3 315,8</b> | <b>3 310,3</b>       |
| European Agricultural Fund for Rural Development (EAFRD)                                | Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry  | 5 594,9        | 5 527,7              |
|   | Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors   |                |                      |
|   | <b>Total</b>  | <b>5 594,9</b> | <b>5 527,7</b>       |
| European Maritime and Fisheries Fund (EMFF)   | Promoting competitive, environmentally sustainable, economically viable and socially responsible fisheries and aquaculture  | 68,1           | 68,4                 |
|   | 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 and aquaculture areas   |                |                      |
|   | Fostering the implementation of the Common Fisheries Policy   |                |                      |
|   | <b>Total</b>  | <b>68,1</b>    | <b>68,4</b>          |
| 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          | 128,0                |
|   | Reduction of EU greenhouse gas emissions and development and implementation of EU climate policy and legislation  | 43,8           | 47,0                 |
|   | Increased resilience of the EU to climate change  | 43,8           | 46,0                 |
|   | Support better climate governance and information   | 9,6            | 11,5                 |
|   | <b>Total</b>  | <b>211,5</b>   | <b>232,5</b>         |
| <b>HEADING 3 — SECURITY AND CITIZENSHIP</b>   |   |                |                      |
| Union 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  | 8,9            | 9,3                  |
|   | <b>Total</b>  | <b>8,9</b>     | <b>9,3</b>           |
| Union action in the field of health (Health Programme)                                  | 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       | 0,5            | 0,5                  |
|   | <b>Total</b>  | <b>0,5</b>     | <b>0,5</b>           |
| Food and feed   | 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            | 1,5                  |
|   | <b>Total</b>  | <b>1,5</b>     | <b>1,5</b>           |
| <b>HEADING 4 — GLOBAL EUROPE</b>  |   |                |                      |
| Union 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  | 8,9            | 9,3                  |
|   | <b>Total</b>  | <b>8,9</b>     | <b>9,3</b>           |
| Instrument for Pre-accession Assistance (IPA II)  | Support for economic, social and territorial development  | 69,9           | 70,7                 |
|   | Strengthening the ability of beneficiary countries to fulfil the obligations stemming from membership   |                |                      |
|   | Strengthening regional integration and territorial cooperation  |                |                      |
|   | <b>Total</b>  | <b>69,9</b>    | <b>70,7</b>          |
| EU Aid Volunteers initiative (EUAV)   | Training, capacity building and deployments to focus amongst other on disaster risk reduction and prevention of climate related disasters   | 2,4            | 2,8                  |
|   | <b>Total</b>  | <b>2,4</b>     | <b>2,8</b>           |
| Instrument of financial support for encouraging the economic development of the Turkish | Waste water re-use  | 3,0            | 1,0                  |
|   | Renewable energy  | 1,5            | 0,3                  |
|   | Solid waste recycling   | 0,7            | 0,0                  |



| Programme   | Objectives [Outputs]   | Budget<br>2014   | Draft budget<br>2015 |
|---|--|------------------|----------------------|
| Cypriot community   | <b>Total</b>   | <b>5,2</b>       | <b>1,3</b>           |
| 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              | 185,0            | 167,4                |
|   | Enhancing sub-regional, regional and Neighbourhood wide collaboration as well as Cross-Border Cooperation  | 21,9             | 20,1                 |
|   | <b>Total</b>   | <b>206,9</b>     | <b>187,5</b>         |
| European Instrument for Democracy and Human Rights (EIDHR)        | Support to Human Rights and Human Rights Defenders in situations where they are most at risk   | 5,3              | 5,0                  |
|   | <b>Total</b>   | <b>5,3</b>       | <b>5,0</b>           |
| Development Cooperation Instrument (DCI)                          | Poverty reduction and fostering sustainable economic, social and environmental development   | 226,0            | 331,7                |
|   | <b>Total</b>   | <b>226,0</b>     | <b>331,7</b>         |
| EU/Greenland Partnership  | To contribute to the capacity of the Greenlandic administration to formulating and implementing national policies in particular in particular in new areas of mutual interest  | 5,9              | 7,4                  |
|   | <b>Total</b>   | <b>5,9</b>       | <b>7,4</b>           |
| Instrument contributing to Stability and Peace (IcSP)             | Addressing global and trans-regional effects of climate change having a potentially destabilising impact   | 2,7              | 2,9                  |
|   | <b>Total</b>   | <b>2,7</b>       | <b>2,9</b>           |
| Cooperation with third countries under the Partnership Instrument | To support the 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             | 23,0                 |
|   | Implementing the international dimension of the "Europe 2020 – A strategy for smart, sustainable and inclusive growth"   |                  |                      |
|   | Improving access to third country markets and boosting trade, investment and business opportunities for European companies, while eliminating barriers to market access and investment, by means of economic partnerships, business and regulatory cooperation |                  |                      |
|   | <b>Total</b>   | <b>23,9</b>      | <b>23,0</b>          |
| Humanitarian Aid  | Disaster preparedness activities aiming to increase the resilience of local communities to withstand climate related disasters   | 36,7             | 37,3                 |
|   | <b>Total</b>   | <b>36,7</b>      | <b>37,3</b>          |
| <b>Total Climate Change</b>                                       |  | <b>17 652,6</b>  | <b>17 776,3</b>      |
| <b>Total EU Budget (Commission – Section III)</b>                 |  | <b>139 108,5</b> | <b>142 003,1</b>     |
| <b>Climate Change / EU Budget</b>                                 |  | <b>12,7%</b>     | <b>12,5%</b>         |

### 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 2020<sup>60</sup> 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 COP11) 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 2020<sup>61</sup>. 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.

The table below incorporates updated estimates for the budget 2014 which take into account the finally adopted legal bases for the new MFF and the adopted Work Programmes for some of the programmes as well as forecasts for the draft budget 2015. Similarly to the climate-related expenditure, the biodiversity-related spending in the 2015 draft budget presented in the table below has been determined against the background of the pending adoption of Member States’ Operational Programmes for shared management instruments. The biodiversity tracking methodology for this second year of the new programming period has focused on the instruments that are likely to have the biggest impact on biodiversity.

---

<sup>60</sup> ‘Our life insurance, our natural capital: an EU biodiversity strategy to 2020’, COM(2011) 244, 3.5.2011.

<sup>61</sup> See full text of the target in the CBD COP11 decision XI/4, article 7.

**Table 2: Financing biodiversity**
*(Commitment appropriations in EUR million, rounded figures at current prices)*

| Programme   | Objectives [Outputs]  | Budget 2014    | Draft budget 2015 |
|---|---|----------------|-------------------|
| <b>HEADING 1a — COMPETITIVENESS FOR GROWTH AND JOBS</b>                   |   |                |                   |
| <b>European Earth Observation Programme (Copernicus)</b>                  | Deliver accurate and reliable data and information to Copernicus users (The Copernicus Land monitoring service will provide information including on the dynamics of monitoring of biodiversity)  | 0,0            | 5,7               |
|   | <b>Total</b>  | <b>0,0</b>     | <b>5,7</b>        |
| <b>The Framework Programme for Research and Innovation (Horizon 2020)</b> | Societal challenges – securing sufficient supplies of safe, healthy and high quality food and other bio-based products, by developing productive, sustainable and resource-efficient primary production systems, fostering related ecosystem services and the recovery of biological diversity, alongside competitive and low carbon supply, processing and marketing chains  | 118,9          | 147,0             |
|   | Societal challenges – achieving a resource – and water – efficient and climate change resilient economy and society, protection and sustainable management of natural resources and ecosystems and a sustainable supply and use of raw materials, in order to meet the needs of a growing global population within the sustainable limits of the planet's natural resources and ecosystems  | 136,5          | 116,7             |
|   | Non-Nuclear Direct Actions of the Joint Research Centre – providing customer-driven scientific and technical support to Union policies, while flexibly responding to new policy demands   | 13,4           | 14,0              |
|   | <b>Total</b>  | <b>268,8</b>   | <b>277,7</b>      |
| <b>HEADING 1b — COHESION POLICY</b>                                       |   |                |                   |
| <b>European Regional Development Fund (ERDF)</b>                          | Promoting climate change adaptation, risk prevention and management   | 362,5          | 386,9             |
|   | Preserving and protecting the environment and promoting resource efficiency   | 659,0          | 703,5             |
|   | <b>Total</b>  | <b>1 021,5</b> | <b>1 090,4</b>    |
| <b>European Cohesion Fund (CF)</b>  | Preserving and protecting the environment and promoting resource efficiency   | 988,6          | 1 055,2           |
|   | <b>Total</b>  | <b>988,6</b>   | <b>1 055,2</b>    |
| <b>HEADING 2 — SUSTAINABLE GROWTH: NATURAL RESOURCES</b>                  |   |                |                   |
| <b>European Agriculture Guarantee Fund (EAGF)</b>                         | Contribute to the development of sustainable agriculture and to making the Common Agricultural Policy more compatible with the expectations of the society through cross-compliance. 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. Contribute avoiding a massive conversion into arable land | 3 315,8        | 3 310,3           |
|   | <b>Total</b>  | <b>3 315,8</b> | <b>3 310,3</b>    |
| <b>European Agricultural Fund for Rural Development (EAFRD)</b>           | Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry  | 5 594,9        | 5 527,7           |
|   | Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors   |                |                   |
|   | <b>Total</b>  | <b>5 594,9</b> | <b>5 527,7</b>    |
| <b>European Maritime and Fisheries Fund (EMFF)</b>                        | Promoting sustainable and competitive fisheries and aquaculture   | 199,0          | 199,0             |
|   | 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   |                |                   |
|   | <b>Total</b>  | <b>199,0</b>   | <b>199,0</b>      |
| <b>Programme for the Environment and Climate Action (LIFE)</b>            | Contribute to a greener and more resource-efficient economy and to the development and implementation of EU environmental policy and legislation  | 3,8            | 3,6               |
|   | Halting and reversing the biodiversity loss   | 121,2          | 147,8             |
|   | Support better environmental governance and information at all levels   | 3,1            | 4,1               |
|   | <b>Total</b>  | <b>128,1</b>   | <b>155,5</b>      |
| <b>HEADING 4 — GLOBAL EUROPE</b>  |   |                |                   |
| <b>European Neighbourhood Instrument (ENI)</b>                            | 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   | 32,0           | 29,0              |
|   | <b>Total</b>  | <b>32,0</b>    | <b>29,0</b>       |
| <b>Development Instrument (DCI)</b>                                       | Poverty reduction and fostering sustainable economic, social and environmental development  | 79,1           | 82,9              |

| Programme  | Objectives [Outputs]  | Budget 2014      | Draft budget 2015 |
|--|---|------------------|-------------------|
|  | <b>Total</b>  | <b>79,1</b>      | <b>82,9</b>       |
| <b>Cooperation with third countries under the Partnership Instrument</b> | To support the 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 | 0,0              | 4,0               |
|  | <b>Total</b>  | <b>0,0</b>       | <b>4,0</b>        |
| <b>Total Biodiversity</b>  |   | <b>11 627,8</b>  | <b>11 733,4</b>   |
| <b>Total EU budget (Commission — Section III)</b>                        |   | <b>139 108,5</b> | <b>142 003,1</b>  |
| <b>Biodiversity / EU budget</b>  |   | <b>8,4%</b>      | <b>8,3%</b>       |

**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)

(in million EUR)

| Name of the decentralised agency   | Budget line | Location              | Year of creation | Budget<br>2014 <sup>(1)</sup>         |                          |                    |                                  | Draft budget (DB)<br>2015                 |   |                          |                |                                  | Variation<br>2015 / 2014 |             | Classification<br>DB 2015 |
|--|-------------|-----------------------|------------------|---------------------------------------|--------------------------|--------------------|----------------------------------|---|---|--------------------------|----------------|----------------------------------|--------------------------|-------------|---------------------------|
|  |             |                       |                  | Total<br>revenues<br>of the<br>Agency | EU contribution          |                    |                                  | Revenues<br>estimated<br>by the<br>Agency | Of which<br>Agency<br>contribution<br>request | Foreseen EU contribution |                |                                  | EU<br>contribution       | DB / Budget |                           |
|  |             |                       |                  |                                       | Total EU<br>contribution | Of which<br>budget | Of which<br>assigned<br>revenues |   |   | Total EU<br>contribution | Of which<br>DB | Of which<br>assigned<br>revenues |                          |             |                           |
| European Chemicals Agency (ECHA) — Chemicals legislation                             | 02 03 03    | Helsinki              | 2006             | 184,540                               |                          |                    |                                  | 102,210                                   | 10,042  | 7,800                    | 7,800          |                                  | 100,0%                   | 100,0%      | Cruising speed            |
| Authorised establishment plan  |             |                       |                  | 441                                   | 441                      |                    |                                  | 437                                       | 437   | 431                      |                |                                  | -10                      |             |                           |
| European GNSS Agency (GSA)   | 02 05 11    | Prague                | 2004             |                                       | 24,651                   | 24,587             | 0,064                            | 27,647                                    | 26,840  | 26,840                   | 26,791         | 0,049                            | 8,9%                     | 9,0%        | New tasks                 |
| Authorised establishment plan  |             |                       |                  | 96                                    | 96                       |                    |                                  | 102                                       | 102   | 102                      |                |                                  | 6                        |             |                           |
| European Foundation for the Improvement of Living and Working Conditions (EUROFOUND) | 04 03 11    | Dublin                | 1975             | 20,557                                | 20,371                   | 19,854             | 0,517                            | 20,560                                    | 20,371  | 20,371                   | 20,371         | 0,000                            | 0,0%                     | 2,6%        | Cruising speed            |
| Authorised establishment plan  |             |                       |                  | 99                                    | 99                       |                    |                                  | 98  | 98  | 97                       |                |                                  | -2                       |             |                           |
| European Agency for Safety and Health at Work (EU-OSHA)                              | 04 03 12    | Bilbao                | 1994             | 17,316                                | 14,095                   | 14,014             | 0,081                            | 15,279                                    | 14,679  | 14,679                   | 14,534         | 0,145                            | 4,1%                     | 3,7%        | Cruising speed            |
| Authorised establishment plan  |             |                       |                  | 43                                    | 43                       |                    |                                  | 42  | 42  | 42                       |                |                                  | -1                       |             |                           |
| European Aviation Safety Agency (EASA)   | 06 02 02    | Köln                  | 2002             | 149,059                               | 34,236                   | 34,174             | 0,062                            | 149,532                                   | 36,370  | 36,370                   | 35,635         | 0,735                            | 6,2%                     | 4,3%        | New tasks                 |
| Authorised establishment plan  |             |                       |                  | 685                                   | 685                      |                    |                                  | 693                                       | 693   | 679                      |                |                                  | -6                       |             |                           |
| European Maritime Safety Agency (EMSA)   | 06 02 03 01 | Lisbon                | 2002             | 52,410                                | 50,453                   | 50,379             | 0,074                            | 54,612                                    | 52,656  | 52,656                   | 50,882         | 1,774                            | 4,4%                     | 1,0%        | New tasks                 |
| Of which anti-pollution measures   | 06 02 03 02 |                       |                  |                                       | 19,675                   | 19,675             |                                  |   |   | 20,600                   |                |                                  | 4,7%                     | -100,0%     |                           |
| Authorised establishment plan  |             |                       |                  | 210                                   | 210                      |                    |                                  | 207                                       | 207   | 207                      |                |                                  | -3                       |             |                           |
| European Railway Agency (ERA)  | 06 02 04    | Lille<br>Valenciennes | 2004             | 25,716                                | 25,007                   | 23,573             | 1,434                            | 26,512                                    | 25,745  | 25,613                   | 24,659         | 0,954                            | 2,4%                     | 4,6%        | New tasks                 |
| Authorised establishment plan  |             |                       |                  | 140                                   | 140                      |                    |                                  | 144                                       | 144   | 137                      |                |                                  | -3                       |             |                           |
| European Network and Information Security Agency (ENISA)                             | 09 02 03    | Heraklion             | 2004             |                                       |                          |                    |                                  |   |   |                          |                |                                  |                          |             | New tasks                 |
|  |             |                       |                  | 9,755                                 | 8,821                    | 8,739              | 0,082                            | 10,381                                    | 9,427   | 9,156                    | 9,101          | 0,055                            | 3,8%                     | 4,1%        |                           |
| Authorised establishment plan  |             |                       |                  | 48                                    | 48                       |                    |                                  | 48  | 48  | 48                       |                |                                  | 0                        |             |                           |
| Body of European Regulators for Electronic Communications (BEREC) — Office           | 09 02 04    | Riga                  | 2009             |                                       |                          |                    |                                  |   |   |                          |                |                                  |                          |             | Cruising speed            |
|  |             |                       |                  | 4,472                                 | 4,163                    | 3,618              | 0,545                            | 4,275                                     | 4,163   | 4,017                    | 3,498          | 0,519                            | -3,5%                    | -3,3%       |                           |

| Name of the decentralised agency   | Budget line | Location     | Year of creation | Budget<br>2014 <sup>(1)</sup>         |                          |                    |                                  | Draft budget (DB)<br>2015                 |   |                          |                |                                  | Variation<br>2015 / 2014 |             | Classification<br>DB 2015 |
|--|-------------|--------------|------------------|---------------------------------------|--------------------------|--------------------|----------------------------------|---|---|--------------------------|----------------|----------------------------------|--------------------------|-------------|---------------------------|
|  |             |              |                  | Total<br>revenues<br>of the<br>Agency | EU contribution          |                    |                                  | Revenues<br>estimated<br>by the<br>Agency | Of which<br>Agency<br>contribution<br>request | Foreseen EU contribution |                |                                  | EU<br>contribution       | DB / Budget |                           |
|  |             |              |                  |                                       | Total EU<br>contribution | Of which<br>budget | Of which<br>assigned<br>revenues |   |   | Total EU<br>contribution | Of which<br>DB | Of which<br>assigned<br>revenues |                          |             |                           |
| <i>Authorised establishment plan</i>                                       |             |              |                  | 16                                    | 16                       |                    |                                  | 15  | 15  | 15                       |                |                                  | -1                       |             |                           |
| European Banking Authority<br>(EBA)  | 12 03 02    | London       | 2010             | 33,600                                | 13,440                   | 13,000             | 0,440                            | 33,504                                    | 14,202  | 12,021                   | 10,578         | 1,443                            | -10,6%                   | -18,6%      | New tasks                 |
| <i>Authorised establishment plan</i>                                       |             |              |                  | 111                                   | 111                      |                    |                                  | 125                                       | 125   | 111                      |                |                                  | 0                        |             |                           |
| European Insurance and<br>Occupational Pensions Authority<br>(EIOPA)       | 12 03 03    | Frankfurt    | 2010             | 21,583                                | 8,700                    | 8,589              | 0,111                            | 21,204                                    | 8,481   | 7,784                    | 7,694          | 0,090                            | -10,5%                   | -10,4%      | New tasks                 |
| <i>Authorised establishment plan</i>                                       |             |              |                  | 87                                    | 87                       |                    |                                  | 92  | 92  | 87                       |                |                                  | 0                        |             |                           |
| European Securities and Markets<br>Authority (ESMA)                        | 12 03 04    | Paris        | 2010             | 33,204                                | 11,072                   | 10,368             | 0,704                            | 37,942                                    | 11,194  | 9,443                    | 7,860          | 1,583                            | -14,7%                   | -24,2%      | New tasks                 |
| <i>Authorised establishment plan</i>                                       |             |              |                  | 133                                   | 133                      |                    |                                  | 138                                       | 138   | 133                      |                |                                  | 0                        |             |                           |
| European Centre for the<br>Development of Vocational<br>Training (CEDEFOP) | 15 02 11    | Thessaloniki | 1975             | 17,972                                | 17,434                   | 17,429             | 0,005                            | 18,399                                    | 17,434  | 17,434                   | 17,224         | 0,210                            | 0,0%                     | -1,2%       | Cruising speed            |
| <i>Authorised establishment plan</i>                                       |             |              |                  | 98                                    | 98                       |                    |                                  | 97  | 97  | 96                       |                |                                  | -2                       |             |                           |
| Agency for the Cooperation of<br>Energy Regulators (ACER)                  | 32 02 10    | Ljubljana    | 2009             | 10,880                                | 10,880                   | 10,188             | 0,692                            | 16,559                                    | 16,559  | 11,266                   | 10,851         | 0,415                            | 3,5%                     | 6,5%        | New tasks                 |
| <i>Authorised establishment plan</i>                                       |             |              |                  | 54                                    | 54                       |                    |                                  | 95  | 95  | 54                       |                |                                  | 0                        |             |                           |
| Total decentralised agencies -<br>heading 1a                               |             |              |                  | 581,064                               | 243,322                  | 238,511            | 4,810                            | 538,615                                   | 268,163                                       | 255,450                  | 247,478        | 7,972                            | 5,0%                     | 3,8%        |                           |
| <i>Of which anti-pollution measures</i>                                    |             |              |                  | 0,000                                 | 19,675                   | 19,675             | 0,000                            | 0,000                                     | 0,000   | 20,600                   | 0,000          | 0,000                            | 4,7%                     | -100,0%     |                           |
| <i>Authorised establishment plan</i>                                       |             |              |                  | 2 261                                 | 2 261                    |                    |                                  | 2 333                                     | 2 333   | 2 239                    |                |                                  | -22                      |             |                           |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

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

(in million EUR)

(in million EUR)

| Name of the decentralised agency |             |          | Budget line | Location | Year of creation | Budget 2014 <sup>(1)</sup>   |                       |                 |                            | Draft budget (DB) 2015           |                                      |                          |             |                            | Variation 2015 / 2014 |             | Classification DB 2015 |
|----------------------------------|-------------|----------|-------------|----------|------------------|------------------------------|-----------------------|-----------------|----------------------------|----------------------------------|--------------------------------------|--------------------------|-------------|----------------------------|-----------------------|-------------|------------------------|
|                                  |             |          |             |          |                  | 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        | 07 02 05 01 | Helsinki | 2012        | 9,392    | 5,064            | 5,023                        | 0,041                 | 9,529           | 6,104                      | 5,789                            | 5,474                                | 0,315                    | 14,3%       | 9,0%                       | Start-up phase        |             |                        |

| Name of the decentralised agency   | Budget line | Location   | Year of creation | Budget<br>2014 <sup>(1)</sup>         |                          |                    |                                  | Draft budget (DB)<br>2015                 |   |                          |                |                                  | Variation<br>2015 / 2014 |             | Classification<br>DB 2015 |
|--|-------------|------------|------------------|---------------------------------------|--------------------------|--------------------|----------------------------------|---|---|--------------------------|----------------|----------------------------------|--------------------------|-------------|---------------------------|
|  |             |            |                  | Total<br>revenues<br>of the<br>Agency | EU contribution          |                    |                                  | Revenues<br>estimated<br>by the<br>Agency | Of which<br>Agency<br>contribution<br>request | Foreseen EU contribution |                |                                  | EU<br>contribution       | DB / Budget |                           |
|  |             |            |                  |                                       | Total EU<br>contribution | Of which<br>budget | Of which<br>assigned<br>revenues |   |   | Total EU<br>contribution | Of which<br>DB | Of which<br>assigned<br>revenues |                          |             |                           |
| (ECHA) — Biocides activities   |             |            |                  |                                       |                          |                    |                                  |   |   |                          |                |                                  |                          |             |                           |
| Authorised establishment plan  |             |            |                  | 48                                    | 48                       |                    |                                  | 48  | 48  | 47                       |                |                                  | -1                       |             |                           |
| European Chemicals Agency<br>(ECHA) — PIC activities                           | 07 02 05 02 | Helsinki   | 2012             | 1,297                                 | 1,297                    | 1,286              | 0,011                            | 1,244                                     | 1,244   | 1,222                    | 1,130          | 0,092                            | -5,8%                    | -12,1%      | Start-up phase            |
| Authorised establishment plan  |             |            |                  | 6                                     | 6                        |                    |                                  | 6   | 6   | 6                        |                |                                  | 0                        |             |                           |
| European Environment Agency<br>(EEA)   | 07 02 06    | Copenhagen | 1990             | 42,223                                | 36,309                   | 35,366             | 0,943                            | 41,682                                    | 36,309  | 36,309                   | 34,886         | 1,423                            | 0,0%                     | -1,4%       | Cruising speed            |
| Authorised establishment plan  |             |            |                  | 135                                   | 135                      |                    |                                  | 133                                       | 133   | 133                      |                |                                  | -2                       |             |                           |
| European Fisheries Control<br>Agency (EFCA)                                    | 11 06 64    | Vigo       | 2005             | 9,217                                 | 9,217                    | 8,717              | 0,500                            | 9,217                                     | 9,217   | 9,217                    | 8,957          | 0,260                            | 0,0%                     | 2,8%        | Cruising speed            |
| Authorised establishment plan  |             |            |                  | 53                                    | 53                       |                    |                                  | 52  | 52  | 52                       |                |                                  | -1                       |             |                           |
| Total decentralised agencies -<br>heading 2                                    |             |            |                  | 62,129                                | 51,888                   | 50,392             | 1,496                            | 61,672                                    | 52,874  | 52,537                   | 50,447         | 2,090                            | 1,3%                     | 0,1%        |                           |
| Authorised establishment plan  |             |            |                  | 242                                   | 242                      |                    |                                  | 239                                       | 239   | 238                      |                |                                  | -4                       |             |                           |
| (1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3. |             |            |                  |                                       |                          |                    |                                  |   |   |                          |                |                                  |                          |             |                           |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

### 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<br>2014 <sup>(1)</sup>         |                          |                    |                                  | Draft budget (DB)<br>2015                 |   |                          |                |                                  | Variation<br>2015 / 2014 |             | Classification<br>DB 2015 |
|--|-------------|-----------|------------------|---------------------------------------|--------------------------|--------------------|----------------------------------|---|---|--------------------------|----------------|----------------------------------|--------------------------|-------------|---------------------------|
|  |             |           |                  | Total<br>revenues<br>of the<br>Agency | EU contribution          |                    |                                  | Revenues<br>estimated<br>by the<br>Agency | Of which<br>Agency<br>contribution<br>request | Foreseen EU contribution |                |                                  | EU<br>contribution       | DB / Budget |                           |
|  |             |           |                  |                                       | Total EU<br>contribution | Of which<br>budget | Of which<br>assigned<br>revenues |   |   | Total EU<br>contribution | Of which<br>DB | Of which<br>assigned<br>revenues |                          |             |                           |
| European Centre for Disease<br>Prevention and Control (ECDC) | 17 03 10    | Stockholm | 2004             | 58,486                                | 56,766                   | 56,766             | 0,000                            | 58,420                                    | 56,766  | 56,766                   | 56,766         | 0,000                            | 0,0%                     | 0,0%        | Cruising speed            |
| Authorised establishment plan                                |             |           |                  | 194                                   | 194                      |                    |                                  | 190                                       | 190   | 190                      |                |                                  | -4                       |             |                           |
| European Food Safety Authority<br>(EFSA)                     | 17 03 11    | Parma     | 2002             | 79,630                                | 77,333                   | 76,545             | 0,788                            | 78,077                                    | 75,830  | 75,830                   | 74,912         | 0,918                            | -1,9%                    | -2,1%       | Cruising speed            |
| Authorised establishment plan                                |             |           |                  | 344                                   | 344                      |                    |                                  | 337                                       | 337   | 337                      |                |                                  | -7                       |             |                           |
| European Medicines Agency<br>(EMA)                           | 17 03 12    | London    | 1993             | 297,169                               | 39,230                   | 37,333             | 1,897                            | 295,419                                   | 33,015  | 33,015                   | 31,516         | 1,499                            | -15,8%                   | -15,6%      | New tasks                 |



| Name of the decentralised agency   | Budget line     | Location             | Year of creation | Budget<br>2014 <sup>(1)</sup>         |                          |                    |                                  | Draft budget (DB)<br>2015                 |   |                          |                |                                  | Variation<br>2015 / 2014 |             | Classification<br>DB 2015 |
|--|-----------------|----------------------|------------------|---------------------------------------|--------------------------|--------------------|----------------------------------|---|---|--------------------------|----------------|----------------------------------|--------------------------|-------------|---------------------------|
|  |                 |                      |                  | Total<br>revenues<br>of the<br>Agency | EU contribution          |                    |                                  | Revenues<br>estimated<br>by the<br>Agency | Of which<br>Agency<br>contribution<br>request | Foreseen EU contribution |                |                                  | EU<br>contribution       | DB / Budget |                           |
|  |                 |                      |                  |                                       | Total EU<br>contribution | Of which<br>budget | Of which<br>assigned<br>revenues |   |   | Total EU<br>contribution | Of which<br>DB | Of which<br>assigned<br>revenues |                          |             |                           |
| <i>Of which special contribution for orphan medicinal products</i>   | 17 03 12 02     |                      |                  | 6,000                                 | 6,000                    | 6,000              | 0,000                            |   | 6,800   | 6,800                    | 6,800          |                                  | 13,3%                    | 13,3%       |                           |
| <i>Authorised establishment plan</i>   |                 |                      |                  | 599                                   | 599                      |                    |                                  | 599                                       | 599   | 599                      |                |                                  | 0                        |             |                           |
| <b>European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX)</b>                                 | <b>18 02 03</b> | Warsaw               | 2004             | 89,197                                | 82,910                   | 82,910             | 0,000                            | 92,627                                    | 86,100  | 86,100                   | 86,100         | 0,000                            | 3,8%                     | 3,8%        | New tasks                 |
| <i>Authorised establishment plan</i>   |                 |                      |                  | 152                                   | 152                      |                    |                                  | 151                                       | 151   | 151                      |                |                                  | -1                       |             |                           |
| <b>European Police Office (EUROPOL)</b>  | <b>18 02 04</b> | The Hague            | 1995             | 84,250                                | 84,290                   | 81,658             | 2,632                            | 95,036                                    | 95,036  | 95,036                   | 92,774         | 2,262                            | 12,7%                    | 13,6%       | New tasks                 |
| <i>Authorised establishment plan</i>   |                 |                      |                  | 450                                   | 450                      |                    |                                  | 445                                       | 445   | 445                      |                |                                  | -5                       |             |                           |
| <b>European Police College (CEPOL)</b>   | <b>18 02 05</b> | Bramshill            | 2005             | 8,305                                 | 8,305                    | 7,436              | 0,869                            | 8,471                                     | 8,471   | 8,471                    | 7,678          | 0,793                            | 2,0%                     | 3,3%        | New tasks                 |
| <i>Authorised establishment plan</i>   |                 |                      |                  | 27                                    | 27                       |                    |                                  | 27  | 27  | 27                       |                |                                  | 0                        |             |                           |
| <b>European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)</b>  | <b>18 02 06</b> | Lisbon               | 1993             | 15,834                                | 14,794                   | 14,751             | 0,043                            | 15,184                                    | 14,794  | 14,794                   | 14,643         | 0,151                            | 0,0%                     | -0,7%       | Cruising speed            |
| <i>Authorised establishment plan</i>   |                 |                      |                  | 82                                    | 82                       |                    |                                  | 82  | 82  | 80                       |                |                                  | -2                       |             |                           |
| <b>European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu.LISA)</b> | <b>18 02 07</b> | Tallinn – Strasbourg | 2011             | 59,380                                | 59,380                   | 59,380             | 0,000                            | 83,000                                    | 83,000  | 72,809                   | 72,809         | 0,000                            | 22,6%                    | 22,6%       | Start-up phase            |
| <i>Authorised establishment plan</i>   |                 |                      |                  | 120                                   | 120                      |                    |                                  | 133                                       | 133   | 120                      |                |                                  | 0                        |             |                           |
| <b>European Asylum Support Office (EASO)</b>   | <b>18 03 02</b> | Valletta             | 2010             | 14,660                                | 14,656                   | 14,518             | 0,138                            | 15,036                                    | 15,032  | 14,731                   | 14,731         | 0,000                            | 0,5%                     | 1,5%        | Start-up phase            |
| <i>Authorised establishment plan</i>   |                 |                      |                  | 51                                    | 51                       |                    |                                  | 53  | 53  | 51                       |                |                                  | 0                        |             |                           |
| <b>European Union Agency for Fundamental Rights (FRA)</b>  | <b>33 02 06</b> | Vienna               | 2007             | 21,229                                | 21,229                   | 21,109             | 0,120                            | 21,229                                    | 21,229  | 21,229                   | 21,155         | 0,074                            | 0,0%                     | 0,2%        | Cruising speed            |
| <i>Authorised establishment plan</i>   |                 |                      |                  | 75                                    | 75                       |                    |                                  | 75  | 75  | 73                       |                |                                  | -2                       |             |                           |
| <b>European Institute for Gender Equality (EIGE)</b>   | <b>33 02 07</b> | Vilnius              | 2006             | 7,340                                 | 7,340                    | 6,776              | 0,564                            | 7,628                                     | 7,628   | 7,628                    | 7,464          | 0,164                            | 3,9%                     | 10,2%       | Cruising speed            |
| <i>Authorised establishment plan</i>   |                 |                      |                  | 29                                    | 29                       |                    |                                  | 29  | 29  | 29                       |                |                                  | 0                        |             |                           |
| <b>European Body for the Enhancement of Judicial</b>   | <b>33 03 04</b> | The Hague            | 2002             | 32,450                                | 32,450                   | 31,207             | 1,243                            | 33,085                                    | 33,085  | 32,994                   | 32,584         | 0,410                            | 1,7%                     | 4,4%        | Cruising speed            |

| Name of the decentralised agency                                   | Budget line | Location | Year of creation | Budget<br>2014 <sup>(1)</sup>         |                          |                    |                                  | Draft budget (DB)<br>2015                 |   |                          |                |                                  | Variation<br>2015 / 2014 |             | Classification<br>DB 2015 |
|--|-------------|----------|------------------|---------------------------------------|--------------------------|--------------------|----------------------------------|---|---|--------------------------|----------------|----------------------------------|--------------------------|-------------|---------------------------|
|  |             |          |                  | Total<br>revenues<br>of the<br>Agency | EU contribution          |                    |                                  | Revenues<br>estimated<br>by the<br>Agency | Of which<br>Agency<br>contribution<br>request | Foreseen EU contribution |                |                                  | EU<br>contribution       | DB / Budget |                           |
|  |             |          |                  |                                       | Total EU<br>contribution | Of which<br>budget | Of which<br>assigned<br>revenues |   |   | Total EU<br>contribution | Of which<br>DB | Of which<br>assigned<br>revenues |                          |             |                           |
| Cooperation (EUROJUST)   |             |          |                  |                                       |                          |                    |                                  |   |   |                          |                |                                  |                          |             |                           |
| <i>Authorised establishment plan</i>                               |             |          |                  | 209                                   | 209                      |                    |                                  | 205                                       | 205   | 205                      |                |                                  | -4                       |             |                           |
| Total decentralised agencies - heading 3                           |             |          |                  | 767,930                               | 498,683                  | 490,389            | 8,294                            | 803,212                                   | 529,986                                       | 519,403                  | 513,132        | 6,271                            | 4,2%                     | 4,6%        |                           |
| <i>Of which special contribution for orphan medicinal products</i> |             |          |                  | 6,000                                 | 6,000                    | 6,000              | 0,000                            | 0,000                                     | 6,800   | 6,800                    | 6,800          | 0,000                            | 13,3%                    | 13,3%       |                           |
| <i>Authorised establishment plan</i>                               |             |          |                  | 2 332                                 | 2 332                    |                    |                                  | 2 326                                     | 2 326   | 2 307                    |                |                                  | -25                      |             |                           |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

#### 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<br>2014 <sup>(1)</sup>         |                          |                    |                                  | Draft budget (DB)<br>2015                 |   |                          |                |                                  | Variation<br>2015 / 2014 |             | Classification<br>DB 2015 |
|---|-------------|----------|------------------|---------------------------------------|--------------------------|--------------------|----------------------------------|---|---|--------------------------|----------------|----------------------------------|--------------------------|-------------|---------------------------|
|   |             |          |                  | Total<br>revenues<br>of the<br>Agency | EU contribution          |                    |                                  | Revenues<br>estimated<br>by the<br>Agency | Of which<br>Agency<br>contribution<br>request | Foreseen EU contribution |                |                                  | EU<br>contribution       | DB / Budget |                           |
|   |             |          |                  |                                       | Total EU<br>contribution | Of which<br>budget | Of which<br>assigned<br>revenues |   |   | Total EU<br>contribution | Of which<br>DB | Of which<br>assigned<br>revenues |                          |             |                           |
| European Training Foundation<br>(ETF)       | 15 02 12    | Turin    | 1990             |                                       | 20,144                   | 20,019             | 0,125                            | 20,144                                    | 20,144  | 20,144                   | 19,945         | 0,199                            | 0,0%                     | -0,4%       | Cruising speed            |
| Authorised establishment plan               |             |          |                  | 94                                    | 94                       |                    |                                  | 92  | 92  | 92                       |                |                                  | -2                       |             |                           |
| Total decentralised agencies -<br>heading 4 |             |          |                  | 0,000                                 | 20,144                   | 20,019             | 0,125                            | 20,144                                    | 20,144  | 20,144                   | 19,945         | 0,199                            | 0,0%                     | -0,4%       |                           |
| Authorised establishment plan               |             |          |                  | 94                                    | 94                       |                    |                                  | 92  | 92  | 92                       |                |                                  | -2                       |             |                           |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

#### 5.6.1.5. Decentralised agency of heading 5 — Administration

(in million EUR)

(in million EUR)

| Name of the decentralised agency   | Budget line | Location   | Year of creation | Budget<br>2014 <sup>(1)</sup>         |                          |                    |                                  | Draft budget (DB)<br>2015                 |   |                          |                |                                  | Variation<br>2015 / 2014 |             | Classification<br>DB 2015 |
|--|-------------|------------|------------------|---------------------------------------|--------------------------|--------------------|----------------------------------|---|---|--------------------------|----------------|----------------------------------|--------------------------|-------------|---------------------------|
|  |             |            |                  | Total<br>revenues<br>of the<br>Agency | EU contribution          |                    |                                  | Revenues<br>estimated<br>by the<br>Agency | Of which<br>Agency<br>contribution<br>request | Foreseen EU contribution |                |                                  | EU<br>contribution       | DB / Budget |                           |
|  |             |            |                  |                                       | Total EU<br>contribution | Of which<br>budget | Of which<br>assigned<br>revenues |   |   | Total EU<br>contribution | Of which<br>DB | Of which<br>assigned<br>revenues |                          |             |                           |
| Translation Centre for the Bodies of the European Union                        | 31 01 10    | Luxembourg | 1994             | 48,303                                | 0,000                    | 0,000              | 0,000                            | 45,720                                    |   | 0,000                    | 0,000          | 0,000                            | 0,0%                     | 0,0%        | Cruising speed            |
| Authorised establishment plan  |             |            |                  | 203                                   | 203                      |                    |                                  | 200                                       | 200   | 200                      |                |                                  | -3                       |             |                           |
| Total decentralised agencies - heading 5                                       |             |            |                  | 48,303                                | 0,000                    | 0,000              | 0,000                            | 45,720                                    | 0,000   | 0,000                    | 0,000          | 0,000                            | 0,0%                     | 0,0%        |                           |
| Authorised establishment plan  |             |            |                  | 203                                   | 203                      |                    |                                  | 200                                       | 200   | 200                      |                |                                  | -3                       |             |                           |
| (1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3. |             |            |                  |                                       |                          |                    |                                  |   |   |                          |                |                                  |                          |             |                           |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

#### 5.6.1.6. Fully self-financed decentralised agencies

(in million EUR)

(in million EUR)

| Name of the decentralised agency                       | Budget line | Location | Year of creation | Budget<br>2014 <sup>(1)</sup>         |  |                    |                                  | Draft budget (DB)<br>2015                 |   |  |                |                                  | Variation<br>2015 / 2014 |             | Classification<br>DB 2015 |
|--|-------------|----------|------------------|---------------------------------------|--|--------------------|----------------------------------|---|---|--|----------------|----------------------------------|--------------------------|-------------|---------------------------|
|  |             |          |                  | Total<br>revenues<br>of the<br>Agency | EU contribution                            |                    |                                  | Revenues<br>estimated<br>by the<br>Agency | Of which<br>Agency<br>contribution<br>request | Foreseen EU contribution                   |                |                                  | EU<br>contribution       | DB / Budget |                           |
|  |             |          |                  |                                       | Total EU<br>contribution<br><sup>(2)</sup> | Of which<br>budget | Of which<br>assigned<br>revenues |   |   | Total EU<br>contribution<br><sup>(2)</sup> | Of which<br>DB | Of which<br>assigned<br>revenues |                          |             |                           |
| Single Resolution Board (SRB)                          | 12 03 05    | Brussels | 2014             |                                       |  |                    |                                  |   | 3,300   | 3,300                                      | 3,300          | 0,000                            | 100,0%                   | 100,0%      | To be created             |
| Authorised establishment plan                          |             |          |                  |                                       |  |                    |                                  | 122                                       | 122   | 122  |                |                                  | 122                      |             |                           |
| Office for Harmonisation in the Internal Market (OHIM) |             | Alicante | 1993             | 419,575                               | 0,000                                      | 0,000              | 0,000                            | 386,672                                   |   | 0,000                                      | 0,000          | 0,000                            | 0,0%                     | 0,0%        | Cruising speed            |
| Authorised establishment plan                          |             |          |                  | 844                                   | 844  |                    |                                  | 861                                       | 861   | 827  |                |                                  | -17                      |             |                           |
| Community Plant Variety Office (CPVO)                  |             | Angers   | 1994             | 14,172                                | 0,000                                      | 0,000              | 0,000                            | 14,865                                    |   | 0,000                                      | 0,000          | 0,000                            | 0,0%                     | 0,0%        | Cruising speed            |
| Authorised establishment plan                          |             |          |                  | 47                                    | 47   |                    |                                  | 46  | 46  | 46   |                |                                  | -1                       |             |                           |
| Total self-financed decentralised agencies             |             |          |                  | 433,747                               | 0,000                                      | 0,000              | 0,000                            | 401,537                                   | 3,300   | 3,300                                      | 3,300          | 0,000                            | 100,0%                   | 100,0%      |                           |
| Authorised establishment plan                          |             |          |                  | 891                                   | 891  |                    |                                  | 1 029                                     | 1 029   | 995  |                |                                  | 104                      |             |                           |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

(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 2015.

| Name of the decentralised agency | Budget line | Location | Year of creation | Budget 2014 <sup>(1)</sup>   |                                      |                 |                            | Draft budget (DB) 2015           |                                      |                                      |             |                            | Variation 2015 / 2014 |             | Classification DB 2015 |
|----------------------------------|-------------|----------|------------------|------------------------------|--------------------------------------|-----------------|----------------------------|----------------------------------|--------------------------------------|--------------------------------------|-------------|----------------------------|-----------------------|-------------|------------------------|
|                                  |             |          |                  | 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 <sup>(2)</sup> | Of which budget | Of which assigned revenues |                                  |                                      | Total EU contribution <sup>(2)</sup> | Of which DB | Of which assigned revenues |                       |             |                        |

For CPVO, the number of posts shown for 2015 (46) 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 2014 <sup>(1)</sup>   |                       |                 |                            | Draft budget (DB) 2015           |                                      |                          |             |                            | Variation 2015 / 2014 |             | Classification DB 2015 |
|---|-------------|----------|------------------|------------------------------|-----------------------|-----------------|----------------------------|----------------------------------|--------------------------------------|--------------------------|-------------|----------------------------|-----------------------|-------------|------------------------|
|   |             |          |                  | 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                                      |             |          |                  | 1893,173                     | 814,036               | 799,310         | 14,725                     | 1870,900                         | 874,467                              | 850,835                  | 834,302     | 16,532                     | 4,5%                  | 4,4%        |                        |
| <i>Authorised establishment plan</i>                              |             |          |                  | 6 023                        | 6 023                 |                 |                            | 6 219                            | 6 219                                | 6 071                    |             |                            | 48                    |             |                        |
|   |             |          |                  |                              |                       |                 |                            |                                  |                                      |                          |             |                            |                       |             |                        |
| Total decentralised agencies (excl. Single Resolution Board)      |             |          |                  | 1893,173                     | 814,036               | 799,310         | 14,725                     | 1870,900                         | 871,167                              | 847,535                  | 831,002     | 16,532                     | 4,1%                  | 4,0%        |                        |
| <i>Authorised establishment plan</i>                              |             |          |                  | 6 023                        | 6 023                 |                 |                            | 6 097                            | 6 097                                | 5 949                    |             |                            | -74                   |             |                        |
|   |             |          |                  |                              |                       |                 |                            |                                  |                                      |                          |             |                            |                       |             |                        |
| Total decentralised agencies (excl. fully self-financed agencies) |             |          |                  | 1459,426                     | 814,036               | 799,310         | 14,725                     | 1469,363                         | 871,167                              | 847,549                  | 831,016     | 16,532                     | 4,1%                  | 4,0%        |                        |
| <i>Authorised establishment plan</i>                              |             |          |                  | 5 132                        | 5 132                 |                 |                            | 5 190                            | 5 190                                | 5 076                    |             |                            | -56                   |             |                        |
|   |             |          |                  |                              |                       |                 |                            |                                  |                                      |                          |             |                            |                       |             |                        |
| – Of which ‘cruising speed’ decentralised agencies                |             |          |                  | 559,569                      | 331,644               | 326,170         | 5,475                      | 491,109                          | 341,691                              | 339,212                  | 334,739     | 4,473                      | 2,3%                  | 2,6%        |                        |
| <i>Authorised establishment plan</i>                              |             |          |                  | 2 115                        | 2 115                 |                 |                            | 2 084                            | 2 084                                | 2 072                    |             |                            | -43                   |             |                        |
|   |             |          |                  |                              |                       |                 |                            |                                  |                                      |                          |             |                            |                       |             |                        |
| – Of which ‘new tasks’ decentralised agencies                     |             |          |                  | 815,128                      | 401,994               | 392,934         | 9,060                      | 869,445                          | 424,096                              | 413,771                  | 402,119     | 11,652                     | 2,9%                  | 2,3%        |                        |
| <i>Authorised establishment plan</i>                              |             |          |                  | 2 792                        | 2 792                 |                 |                            | 2 866                            | 2 866                                | 2 780                    |             |                            | -12                   |             |                        |
|   |             |          |                  |                              |                       |                 |                            |                                  |                                      |                          |             |                            |                       |             |                        |
| – Of which ‘start-up phase’ decentralised                         |             |          |                  | 84,729                       | 80,397                | 80,207          | 0,190                      | 108,809                          | 105,380                              | 94,551                   | 94,144      | 0,407                      | 17,6%                 | 17,4%       |                        |

| Name of the decentralised agency  | Budget line | Location | Year of creation | Budget<br>2014 <sup>(1)</sup>         |                          |                    |                                  | Draft budget (DB)<br>2015                 |   |                          |                |                                  | Variation<br>2015 / 2014 |             | Classification<br>DB 2015 |
|---|-------------|----------|------------------|---------------------------------------|--------------------------|--------------------|----------------------------------|---|---|--------------------------|----------------|----------------------------------|--------------------------|-------------|---------------------------|
|   |             |          |                  | Total<br>revenues<br>of the<br>Agency | EU contribution          |                    |                                  | Revenues<br>estimated<br>by the<br>Agency | Of which<br>Agency<br>contribution<br>request | Foreseen EU contribution |                |                                  | EU<br>contribution       | DB / Budget |                           |
|   |             |          |                  |                                       | Total EU<br>contribution | Of which<br>budget | Of which<br>assigned<br>revenues |   |   | Total EU<br>contribution | Of which<br>DB | Of which<br>assigned<br>revenues |                          |             |                           |
| agencies  |             |          |                  |                                       |                          |                    |                                  |   |   |                          |                |                                  |                          |             |                           |
| <i>Authorised establishment plan</i>  |             |          |                  | 225                                   | 225                      |                    |                                  | 240                                       | 240   | 224                      |                |                                  | -1                       |             |                           |
|   |             |          |                  |                                       |                          |                    |                                  |   |   |                          |                |                                  |                          |             |                           |
| Total decentralised agencies (excl.<br>fully self-financed agencies and<br>eu.LISA) |             |          |                  | 1400,046                              | 754,656                  | 739,930            | 14,725                           | 1386,363                                  | 788,167                                       | 774,725                  | 758,193        | 16,532                           | 2,7%                     | 2,5%        |                           |
| <i>Authorised establishment plan</i>  |             |          |                  | 5 012                                 | 5 012                    |                    |                                  | 5 057                                     | 5 057   | 4 956                    |                |                                  | -56                      |             |                           |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

### 5.6.2. *Joint undertakings and joint technology initiatives*

### 5.6.2.1. Joint undertakings under Article 208 of the Financial Regulation

(in million EUR)

| Name of the Joint Undertaking   | Budget line | Location  | Year of creation | Budget 2014 <sup>(1)</sup>              |                          | Draft budget (DB) 2015                                     |   |                           | Variation EU contribution 2015 / 2014 |
|---|-------------|-----------|------------------|---|--------------------------|--|---|---------------------------|---------------------------------------|
|   |             |           |                  | Total revenues of the Joint Undertaking | Of which EU contribution | Revenues <sup>(2)</sup> estimated by the Joint Undertaking | Of which Joint Undertaking contribution request | EU contribution (DB 2015) |                                       |
| <b>Construction, operation and exploitation of the ITER facilities - European Joint Undertaking for ITER - Fusion for Energy (F4E)</b>                |             | Barcelona | 2007             |   |                          |  |   |                           |                                       |
| Construction, operation and exploitation of the ITER facilities — European Joint Undertaking for ITER — Fusion for Energy (F4E) — Support expenditure | 08 04 01 01 |           |                  |   | 41,127                   |  | 45,100  | 43,860                    | 6,6%                                  |
| Construction, operation and exploitation of the ITER facilities — European Joint Undertaking for ITER — Fusion for Energy (F4E)                       | 08 04 01 02 |           |                  |   | 679,790                  |  | 836,758   | 838,355                   | 23,3%                                 |
| <b>Total F4E</b>  |             |           |                  | <b>897,212</b>                          | <b>720,918</b>           | <b>1 010,248</b>   | <b>881,858</b>                                  | <b>882,215</b>            | <b>22,4%</b>                          |
| <i>Authorised establishment plan</i>  |             |           |                  |   | 262                      |  | 287   | 262                       | 0                                     |
| <b>Single European Sky Air Traffic Management Research 2 Joint Undertaking (SESAR2)</b>   |             | Brussels  | 2014             |   |                          |  |   |                           |                                       |
| Single European Sky Air Traffic Management Research 2 Joint Undertaking (SESAR2) — Support expenditure  | 06 03 07 31 |           |                  |   | 0,000                    |  | 0,000   | 0,000                     | 0,0%                                  |
| Single European Sky Air Traffic Management Research 2 Joint Undertaking (SESAR2)  | 06 03 07 32 |           |                  |   | 20,000                   |  | 50,000  | 50,000                    | 150,0%                                |
| <b>Total SESAR2</b>   |             |           |                  | <b>116,420</b>                          | <b>20,000</b>            | <b>51,515</b>  | <b>50,000</b>                                   | <b>50,000</b>             | <b>150,0%</b>                         |
| <i>Authorised establishment plan</i>  |             |           |                  |   | 39                       |  | 39  | 39                        | 0                                     |
| <b>Total Joint Undertakings</b>   |             |           |                  | <b>1 013,632</b>                        | <b>740,918</b>           | <b>1 061,763</b>   | <b>931,858</b>                                  | <b>932,215</b>            | <b>25,8%</b>                          |
| <i>Authorised establishment plan</i>  |             |           |                  |   | 301                      |  | 326   | 301                       | 0                                     |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

(2) This amount includes the appropriations foreseen in the 2015 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 of SESAR is excluded.

### 5.6.2.2. Joint technology initiatives under Article 209 of the Financial Regulation

| Name of the Joint Technology Initiative (JTI)                     | Budget line | Location | Year of creation | Budget 2014 <sup>(1)</sup> |                          | Draft budget (DB) 2015                       |                                   |  | Variation EU contribution 2015 / 2014 |
|---|-------------|----------|------------------|----------------------------|--------------------------|--|-----------------------------------|--|---------------------------------------|
|   |             |          |                  | Total revenues of the JTI  | Of which EU contribution | Revenues <sup>(2)</sup> estimated by the JTI | Of which JTI contribution request | EU contribution (DB 2015) <sup>(3)</sup> |                                       |
| <b>Innovative Medicines Initiative 2 Joint Undertaking (IMI2)</b> |             | Brussels | 2014             |                            |                          |  |                                   |  |                                       |

| Name of the Joint Technology Initiative (JTI)   | Budget line | Location | Year of creation | Budget 2014 <sup>(1)</sup> |                          | Draft budget (DB) 2015                       |                                   |  | Variation EU contribution 2015 / 2014 |
|---|-------------|----------|------------------|----------------------------|--------------------------|--|-----------------------------------|--|---------------------------------------|
|   |             |          |                  | Total revenues of the JTI  | Of which EU contribution | Revenues <sup>(2)</sup> estimated by the JTI | Of which JTI contribution request | EU contribution (DB 2015) <sup>(3)</sup> |                                       |
| Innovative Medicines Initiative 2 Joint Undertaking (IMI2) — Support expenditure                          | 08 02 07 31 |          |                  |                            | 0,490                    |  | 1,050                             | 0,671                                    | 36,9%                                 |
| Innovative Medicines Initiative 2 Joint Undertaking (IMI2)  | 08 02 07 32 |          |                  |                            | 207,300                  |  | 211,000                           | 211,379                                  | 2,0%                                  |
| <b>Total IMI2</b>   |             |          |                  | <b>219,344</b>             | <b>207,790</b>           | <b>222,832</b>                               | <b>212,050</b>                    | <b>212,050</b>                           | <b>2,1%</b>                           |
| <i>Establishment plan</i>   |             |          |                  |                            | 33                       |  | 35                                | 35                                       | 2                                     |
| <b>Clean Sky 2 Joint Undertaking (Clean Sky 2)</b>  |             | Brussels | 2014             |                            |                          |  |                                   |  |                                       |
| Clean Sky 2 Joint Undertaking (Clean Sky 2) — Support expenditure   | 08 02 07 35 |          |                  |                            | 1,225                    |  | 2,097                             | 1,864                                    | 52,1%                                 |
| Clean Sky 2 Joint Undertaking (Clean Sky 2)   | 08 02 07 36 |          |                  |                            | 100,000                  |  | 350,000                           | 339,978                                  | 240,0%                                |
| <b>Total Clean Sky 2</b>  |             |          |                  | <b>231,001</b>             | <b>101,225</b>           | <b>421,175</b>                               | <b>352,097</b>                    | <b>341,842</b>                           | <b>237,7%</b>                         |
| <i>Establishment plan</i>   |             |          |                  |                            | 31                       |  | 36                                | 36                                       | 5                                     |
| <b>Electronic Components and Systems for European Leadership Joint Undertaking (ECSEL)</b>                |             | Brussels | 2014             |                            |                          |  |                                   |  |                                       |
| Electronic Components and Systems for European Leadership Joint Undertaking (ECSEL) — Support expenditure | 09 04 07 31 |          |                  |                            | 0,540                    |  | 0,810                             | 0,786                                    | 45,6%                                 |
| Electronic Components and Systems for European Leadership Joint Undertaking (ECSEL)                       | 09 04 07 32 |          |                  |                            | 135,000                  |  | 115,000                           | 115,024                                  | -14,8%                                |
| <b>Total ECSEL</b>  |             |          |                  | <b>140,120</b>             | <b>135,540</b>           | <b>150,400</b>                               | <b>115,810</b>                    | <b>115,810</b>                           | <b>-14,6%</b>                         |
| <i>Establishment plan</i>   |             |          |                  |                            | 14                       |  | 17                                | 14                                       | 0                                     |
| <b>Fuel Cells and Hydrogen 2 Joint Undertaking (FCH2)</b>   |             | Brussels | 2014             |                            |                          |  |                                   |  |                                       |
| Fuel Cells and Hydrogen 2 Joint Undertaking (FCH2) — Support expenditure                                  | 08 02 07 37 |          |                  |                            | 0,293                    |  | 0,587                             | 0,467                                    | 59,6%                                 |
| Fuel Cells and Hydrogen 2 Joint Undertaking (FCH2)  | 08 02 07 38 |          |                  |                            | 93,354                   |  | 108,994                           | 109,114                                  | 16,9%                                 |
| <b>Total FCH2</b>   |             |          |                  | <b>110,342</b>             | <b>93,647</b>            | <b>115,887</b>                               | <b>109,581</b>                    | <b>109,581</b>                           | <b>17,0%</b>                          |
| <i>Establishment plan</i>   |             |          |                  |                            | 24                       |  | 24                                | 24                                       | 0                                     |
| <b>Bio-Based Industries Joint Undertaking (BBI)</b>   |             | Brussels | 2014             |                            |                          |  |                                   |  |                                       |
| Bio-Based Industries Joint Undertaking (BBI) — Support expenditure  | 08 02 07 33 |          |                  |                            | 0,978                    |  | 2,096                             | 1,600                                    | 63,7%                                 |
| Bio-Based Industries Joint Undertaking (BBI)  | 08 02 07 34 |          |                  |                            | 50,000                   |  | 200,000                           | 200,496                                  | 301,0%                                |
| <b>Total BBI</b>  |             |          |                  | <b>52,507</b>              | <b>50,978</b>            | <b>208,159</b>                               | <b>202,096</b>                    | <b>202,096</b>                           | <b>296,4%</b>                         |
| <i>Establishment plan</i>   |             |          |                  |                            | 4                        |  | 20                                | 13                                       | 9                                     |
| <b>Shift2Rail (S2R) Undertaking</b>   |             | Brussels | 2014             |                            |                          |  |                                   |  |                                       |
| Shift2Rail (S2R) Joint Undertaking — Support expenditure  | 06 03 07 33 |          |                  |                            | 0,480                    |  | 1,353                             | 1,314                                    | 173,8%                                |
| Shift2Rail (S2R) Joint Undertaking  | 06 03 07 34 |          |                  |                            | 0,000                    |  | 44,000                            | 44,039                                   | 100,0%                                |



| Name of the Joint Technology Initiative (JTI) | Budget line | Location | Year of creation | Budget 2014 <sup>(1)</sup> |                          | Draft budget (DB) 2015                       |                                   |  | Variation EU contribution 2015 / 2014 |
|---|-------------|----------|------------------|----------------------------|--------------------------|--|-----------------------------------|--|---------------------------------------|
|   |             |          |                  | Total revenues of the JTI  | Of which EU contribution | Revenues <sup>(2)</sup> estimated by the JTI | Of which JTI contribution request | EU contribution (DB 2015) <sup>(3)</sup> |                                       |
| <b>Total S2R</b>                              |             |          |                  | <b>0,974</b>               | <b>0,480</b>             | <b>89,067</b>                                | <b>45,353</b>                     | <b>45,353</b>                            | <b>9 348,5%</b>                       |
| <i>Establishment plan</i>                     |             |          |                  |                            | 2                        |  | 4                                 | 4  | 2                                     |
| <b>Total Joint Technology Initiatives</b>     |             |          |                  | <b>754,288</b>             | <b>589,660</b>           | <b>1 207,520</b>                             | <b>1 036,987</b>                  | <b>1026,732</b>                          | <b>74,1%</b>                          |
| <i>Establishment plan</i>                     |             |          |                  |                            | 108                      |  | 136                               | 126                                      | 18                                    |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

(2) This amount includes the appropriations foreseen in the 2015 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 of the previous JTIs is excluded.

(3) The number of establishment plan posts shown for 2015 corresponds to the staffing foreseen in the legislative financial statements accompanying the Commission proposals for the new generation of JTIs, as proposed in July and December 2013. However, the number of posts foreseen for BBI takes account of the need to align the staff mix of this JTI with other comparable JTIs.

### 5.6.2.3. Total of joint undertakings and joint technology initiatives

| Total of the Joint Undertakings and Joint Technology Initiatives | Budget line | Location | Year of creation | Budget 2014 <sup>(1)</sup>                    |                          | Draft budget (DB) 2015   |   |                           | Variation EU contribution 2015 / 2014 |
|--|-------------|----------|------------------|---|--------------------------|--|---|---------------------------|---------------------------------------|
|  |             |          |                  | Total revenues of the Joint Undertaking / JTI | Of which EU contribution | Revenues <sup>(2)</sup> estimated by the Joint Undertaking / JTI | Of which Joint Undertaking / JTI contribution request | EU contribution (DB 2015) |                                       |
| <b>Total Joint Undertakings and Joint Technology Initiatives</b> |             |          |                  | <b>1 767,920</b>                              | <b>1.330,577</b>         | <b>2 269,283</b>   | <b>1 968,845</b>                                      | <b>1 958,947</b>          | <b>47,2%</b>                          |
| <i>Establishment plan</i>  |             |          |                  |   | 409                      |  | 462   | 427                       | 18                                    |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

(2) This amount includes the appropriations foreseen in the 2015 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                    |                          | Draft budget (DB)             |                                   |                 |                 |
|---|-------------|----------|------------------|---------------------------|--------------------------|-------------------------------|-----------------------------------|-----------------|-----------------|
|   |             |          |                  | 2014 <sup>(1)</sup>       |                          | 2015                          |                                   |                 | Variation       |
|   |             |          |                  | Total revenues of the EIT | Of which EU contribution | Revenues estimated by the EIT | Of which EIT contribution request | EU contribution | EU contribution |
|   |             |          |                  |                           |                          |                               |                                   | (DB 2015)       |                 |
| European Institute of Innovation and Technology - integrating the knowledge triangle of higher education, research and innovation | 15 03 05    | Budapest | 2008             | 234,789                   | 226,436                  | 288,345                       | 278,432                           | 278,782         | 23,1%           |
| Authorised establishment plan   |             |          |                  |                           | 39                       |                               | 39                                | 39              | 0               |

(1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3.

#### 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 %<br>DB<br>2015 / 2014 | Staffing of the executive agency |            |                                |            |  |            |                               |            |
|---|-----------------------|----------|------------------|--|---------------|-------------------------------------|----------------------------------|------------|--------------------------------|------------|--|------------|-------------------------------|------------|
|   |                       |          |                  |  |               |                                     | Authorised establishment plan    |            | Contract agents <sup>(2)</sup> |            | Seconded national experts <sup>(2)</sup> |            | Total staff <sup>(2)</sup>    |            |
|   |                       |          |                  | Budget<br>2014 <sup>(1)</sup>                    | DB<br>2015    |                                     | Budget<br>2014 <sup>(1)</sup>    | DB<br>2015 | Budget<br>2014 <sup>(1)</sup>  | DB<br>2015 | Budget<br>2014 <sup>(1)</sup>            | DB<br>2015 | Budget<br>2014 <sup>(1)</sup> | DB<br>2015 |
| <b>Executive Agency for Small and Medium-sized Enterprises (EASME)</b>  |                       | Brussels | 2004             |  |               |                                     |                                  |            |                                |            |  |            |                               |            |
| Executive Agency for Small and Medium-sized Enterprises — Contribution from Competitiveness of enterprises and small and medium-sized enterprises (Cosme) | 02 01 06 01           |          |                  | 7,025  | 8,154         | 16,1%                               |                                  |            |                                |            |  |            |                               |            |
| Executive Agency for Small and Medium-sized Enterprises — Contribution from Connecting Europe Facility (CEF)  | 06 01 06 02           |          |                  | 0,000  | 0,000         | 0,0%                                |                                  |            |                                |            |  |            |                               |            |
| Executive Agency for Small and Medium-sized Enterprises — Contribution from LIFE  | 07 01 06 01           |          |                  | 3,476  | 5,637         | 62,2%                               |                                  |            |                                |            |  |            |                               |            |
| Executive Agency for Small and Medium-sized Enterprises — Contribution from Horizon 2020  | 08 01 06 03           |          |                  | 19,055   | 20,645        | 8,3%                                |                                  |            |                                |            |  |            |                               |            |
| Executive Agency for Small- and Medium-sized Enterprises — Contribution from European Maritime and Fisheries Fund (EMMF)                                  | 11 01 06 01           |          |                  | 1,592  | 1,998         | 25,5%                               |                                  |            |                                |            |  |            |                               |            |
| <b>Total EASME</b>  |                       |          |                  | <b>31,148</b>                                    | <b>36,434</b> | <b>17,0%</b>                        | <b>77</b>                        | <b>96</b>  | <b>231</b>                     | <b>293</b> | <b>0</b>                                 | <b>0</b>   | <b>308</b>                    | <b>389</b> |
| <b>Executive Agency for Education, Audiovisual and Culture (EACEA)</b>  |                       | Brussels | 2005             |  |               |                                     |                                  |            |                                |            |  |            |                               |            |
| Education, Audiovisual and Culture Executive Agency – Contribution from Erasmus +   | 15 01 06 01           |          |                  | 25,897   | 26,312        | 1,6%                                |                                  |            |                                |            |  |            |                               |            |
| Education, Audiovisual and Culture Executive Agency – Contribution from Creative Europe   | 15 01 06 02           |          |                  | 12,192   | 12,164        | -0,2%                               |                                  |            |                                |            |  |            |                               |            |
| Education, Audiovisual and Culture Executive Agency – Contribution from Europe for Citizens   | 16 01 06 01           |          |                  | 2,191  | 2,203         | 0,5%                                |                                  |            |                                |            |  |            |                               |            |
| Education, Audiovisual and Culture Executive Agency – Contribution from the Partnership Instrument (PI)   | 19 01 06 01           |          |                  | 0,274  | 0,163         | -40,5%                              |                                  |            |                                |            |  |            |                               |            |
| Education, Audiovisual and Culture Executive Agency – Contribution from Development Cooperation Instruments (DCI)   | 21 01 06 01           |          |                  | 2,296  | 2,035         | -11,4%                              |                                  |            |                                |            |  |            |                               |            |
| Education, Audiovisual and Culture Executive Agency – Contribution from European Neighbourhood Instrument (ENI)   | 21 01 06 02           |          |                  | 3,113  | 2,956         | -5,0%                               |                                  |            |                                |            |  |            |                               |            |

| Name of the executive agency   | Operating budget line | Location  | Year of creation | EU contribution to the Agency's operating budget |                | Variation in % | Staffing of the executive agency |            |                                |              |  |           |                            |              |
|--|-----------------------|-----------|------------------|--|----------------|----------------|----------------------------------|------------|--------------------------------|--------------|--|-----------|----------------------------|--------------|
|  |                       |           |                  |  |                |                | Authorised establishment plan    |            | Contract agents <sup>(2)</sup> |              | Seconded national experts <sup>(2)</sup> |           | Total staff <sup>(2)</sup> |              |
|  |                       |           |                  | Budget 2014 <sup>(1)</sup>                       | DB 2015        | DB 2015 / 2014 | Budget 2014 <sup>(1)</sup>       | DB 2015    | Budget 2014 <sup>(1)</sup>     | DB 2015      | Budget 2014 <sup>(1)</sup>               | DB 2015   | Budget 2014 <sup>(1)</sup> | DB 2015      |
| Education, Audiovisual and Culture Executive Agency – Contribution from Pre-accession Assistance programme                                     | 22 01 06 01           |           |                  | 1,05   | 0,885          | -15,7%         |                                  |            |                                |              |  |           |                            |              |
| Education, Audiovisual and Culture Executive Agency — Contribution from the EU Aid Volunteers initiative                                       | 23 01 06 01           |           |                  | 0,529  | 0,897          | 69,6%          |                                  |            |                                |              |  |           |                            |              |
| <b>Total EACEA</b>   |                       |           |                  | <b>47,542</b>                                    | <b>47,615</b>  | <b>0,2%</b>    | <b>108</b>                       | <b>110</b> | <b>328</b>                     | <b>331</b>   | <b>0</b>                                 | <b>0</b>  | <b>436</b>                 | <b>441</b>   |
| <b>Consumers, Health and Food Executive Agency (CHAFEA)</b>  |                       | Luxemburg | 2005             |  |                |                |                                  |            |                                |              |  |           |                            |              |
| Consumer, Health and Food Executive Agency — Contribution from Consumer programme  | 17 01 06 01           |           |                  | 1,691  | 1,691          | 0,0%           |                                  |            |                                |              |  |           |                            |              |
| Consumer, Health and Food Executive Agency — Contribution from Health for Growth programme   | 17 01 06 02           |           |                  | 4,209  | 4,209          | 0,0%           |                                  |            |                                |              |  |           |                            |              |
| Consumer, Health and Food Executive Agency — Contribution in the field of Food and feed safety, animal health, animal welfare and Plant health | 17 01 06 03           |           |                  | 1,170  | 1,170          | 0,0%           |                                  |            |                                |              |  |           |                            |              |
| <b>Total CHAFEA</b>  |                       |           |                  | <b>7,070</b>                                     | <b>7,070</b>   | <b>0,0%</b>    | <b>12</b>                        | <b>12</b>  | <b>38</b>                      | <b>38</b>    | <b>0</b>                                 | <b>0</b>  | <b>50</b>                  | <b>51</b>    |
| <b>Innovation and Networks Executive Agency (INEA)</b>   |                       | Brussels  | 2006             |  |                |                |                                  |            |                                |              |  |           |                            |              |
| Innovation and Networks Executive Agency — Contribution from Connecting Europe Facility (CEF)  | 06 01 06 01           |           |                  | 12,260   | 14,413         | 17,6%          |                                  |            |                                |              |  |           |                            |              |
| Innovation and Networks Executive Agency — Contribution from the Cohesion Fund   | 06 01 06 03           |           |                  | 0,000  | 1,396          | 100,0%         |                                  |            |                                |              |  |           |                            |              |
| Innovation and Networks Executive Agency — Contribution from Horizon 2020  | 08 01 06 04           |           |                  | 1,916  | 4,110          | 114,5%         |                                  |            |                                |              |  |           |                            |              |
| <b>Total INEA</b>  |                       |           |                  | <b>14,176</b>                                    | <b>19,919</b>  | <b>40,5%</b>   | <b>49</b>                        | <b>59</b>  | <b>113</b>                     | <b>140</b>   | <b>0</b>                                 | <b>0</b>  | <b>162</b>                 | <b>199</b>   |
| <b>European Research Council Executive Agency (ERCEA)</b>  |                       | Brussels  | 2007             |  |                |                |                                  |            |                                |              |  |           |                            |              |
| European Research Council Executive Agency – Contribution from Horizon 2020  | 08 01 06 01           |           |                  | 39,415   | 37,573         | -4,7%          |                                  |            |                                |              |  |           |                            |              |
| <b>Total ERCEA</b>   |                       |           |                  | <b>39,415</b>                                    | <b>37,573</b>  | <b>-4,7%</b>   | <b>100</b>                       | <b>108</b> | <b>279</b>                     | <b>290</b>   | <b>10</b>                                | <b>15</b> | <b>389</b>                 | <b>413</b>   |
| <b>Research Executive Agency (REA)</b>   |                       | Brussels  | 2007             |  |                |                |                                  |            |                                |              |  |           |                            |              |
| Research Executive Agency (REA) – Contribution from Horizon 2020   | 08 01 06 02           |           |                  | 56,369   | 57,579         | 2,1%           |                                  |            |                                |              |  |           |                            |              |
| <b>Total REA</b>   |                       |           |                  | <b>56,369</b>                                    | <b>57,579</b>  | <b>2,1%</b>    | <b>145</b>                       | <b>157</b> | <b>435</b>                     | <b>473</b>   | <b>0</b>                                 | <b>0</b>  | <b>580</b>                 | <b>630</b>   |
| <b>Total executive agencies</b>  |                       |           |                  | <b>195,720</b>                                   | <b>206,190</b> | <b>5,3%</b>    | <b>491</b>                       | <b>542</b> | <b>1 424</b>                   | <b>1 565</b> | <b>10</b>                                | <b>15</b> | <b>1 925</b>               | <b>2 122</b> |

| Name of the executive agency   | Operating budget line | Location | Year of creation | EU contribution to the Agency's operating budget |         | Variation in % | Staffing of the executive agency |         |                                |         |  |         |                            |         |
|--|-----------------------|----------|------------------|--|---------|----------------|----------------------------------|---------|--------------------------------|---------|--|---------|----------------------------|---------|
|  |                       |          |                  | Budget   | DB      |                | Authorised establishment plan    |         | Contract agents <sup>(2)</sup> |         | Seconded national experts <sup>(2)</sup> |         | Total staff <sup>(2)</sup> |         |
|  |                       |          |                  | Budget 2014 <sup>(1)</sup>                       | DB 2015 | DB 2015 / 2014 | Budget 2014 <sup>(1)</sup>       | DB 2015 | Budget 2014 <sup>(1)</sup>     | DB 2015 | Budget 2014 <sup>(1)</sup>               | DB 2015 | Budget 2014 <sup>(1)</sup> | DB 2015 |
| (1) Budget 2014 includes amending budget 1 and draft amending budgets 2 and 3. |                       |          |                  |  |         |                |                                  |         |                                |         |  |         |                            |         |
| (2) Estimate (full-time equivalents), on the basis of average costs.           |                       |          |                  |  |         |                |                                  |         |                                |         |  |         |                            |         |