European Commission

Job creation

Growth

Security

Research

Innovation

Environment

Skills

Regional development

Humanitarian aid

Health

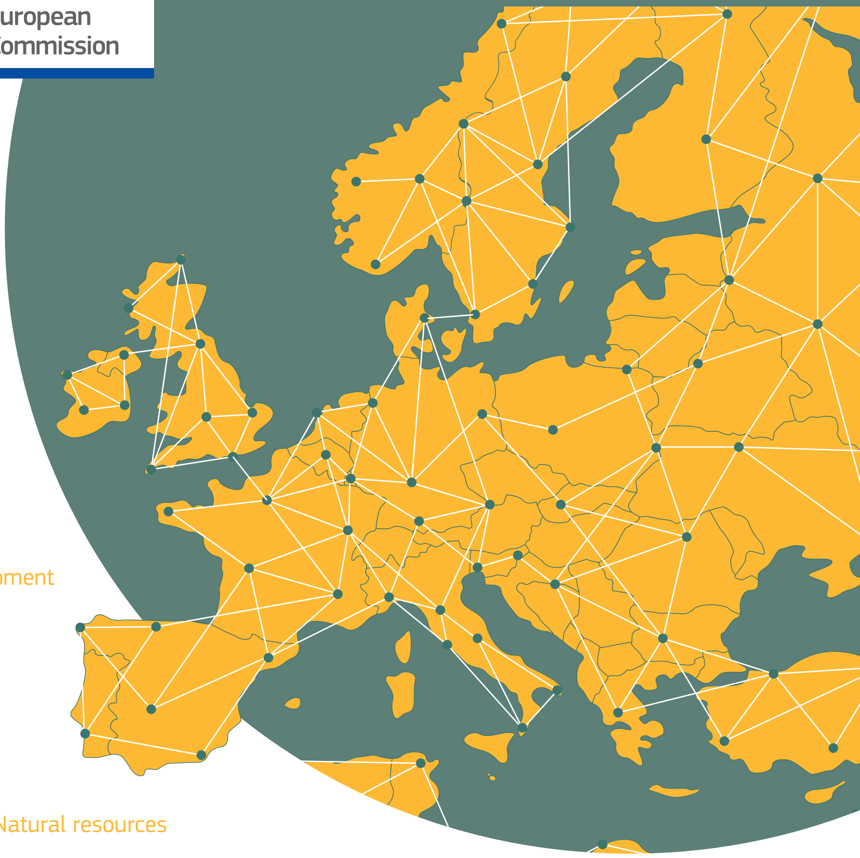
Infrastructure

Natural resources

Cohesion

Energy

Education



EU budget 2016

Financial report

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EU budget 2016

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Contents

Foreword

It is my pleasure to present the 2016 financial report of the European Union. This report gives an overview on the EU spending in 2016, **a year full of achievements but also challenges for the European Union**. The European economy and labour market conditions improved and unemployment in the EU went down. At the same time, the European Union was confronted with a considerable investment gap, youth unemployment, unprecedented security threats and migration pressures resulting from the state of intense geopolitical uncertainty. In this context, the EU budget continued striking the right balance between traditional policies focusing on productive investment to support the economic recovery and job creation, while increasing the share of new investment priorities, as well as putting in place transparent instruments that ensure sufficient flexibility to act and react in a constantly changing environment.

Less than a year and a half after its launch, the **European Fund for Strategic Investments (EFSI)**, the centrepiece of the investment plan for Europe, has already delivered tangible results. Active in all 28 Member States this fund mobilised more than EUR 236 billion of investments by the end of September 2017 ([1]), which is around two thirds of the target of EUR 315 billion set for mid-2018, contributing to the economic recovery.

In budgetary terms, the European Structural and Investment Funds (ESIF) and the common agricultural policy (CAP) remain the main investment instruments of the EU. The EU budget spent EUR 57.4 billion in 2016 on farming and rural development and, despite earlier delays in the start-up of the current multiannual financial framework (MFF), EUR 37.8 billion was spent on the economic, social and territorial cohesion. The current positive catching-up in implementation of the 2014-2020 cohesion programmes gives confidence that the programmes will reach cruising speed in 2018 so that Member States and their economies can fully benefit from these investments.

Boosting jobs, growth and investment remains the overarching priority for the EU budget, as reflected in the expenditure linked to the youth employment initiative as well as financial support to start-ups and small and medium-sized enterprises (SMEs). A good example is the Loan Guarantee Facility under the competitiveness of enterprises and SMEs (COSME) programme which continued to be very successful in 2016, also thanks to the additional risk-bearing capacity from EFSI. At the end of 2016, more than 143 000 SMEs in 21 countries have already received financing of more than EUR 5.5 billion with the support of the COSME programme.

The research and innovation programme **Horizon 2020** is key for building an innovation and knowledge-based economy and society within the EU. It succeeded in reaching

([1]) EFSI dashboard: http://www.eib.org/efsi/

49 000 participations and signed grant agreements for a total of EUR 20.5 billion. Over 21 % of all participations were from SMEs.

Following the declaration of Initial Services in 2016, the **Galileo programme**, setting up Europe's own global satellite navigation system, transitioned from the deployment to the exploitation phase in 2016. The synergies between Galileo and Horizon 2020 programmes led to 13 innovations being brought to the market, five patents, 34 advanced prototypes, two products on the market and 223 published scientific papers. The Global Navigation Satellite System market is expected to grow from 5.8 billion devices in use in 2017 to an estimated 8 billion by 2020.

The **Connecting Europe Facility (CEF)** for transport with its objective to facilitate infrastructure project access to financing in the sectors of transport, telecommunications and energy contributed to the 64-km-long Brenner Base Tunnel which will be the longest high-capacity rail tunnel in the world. The CEF Debt Instrument offers risk-sharing for debt financing in the form of senior and subordinated debt or guarantee as well as support for project bonds.

In 2016 the European response to new challenges emerging from the shifting geopolitical situation continued. The EU budget provided support to Member States in **properly managing migration flows**, addressing the root causes of migration and safeguarding the Schengen area. The implementation of Member States' national programmes under the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF) gathered pace in 2016.

The Commission also established the **Facility for Refugees in Turkey** which became operational on 17 February 2016 and for which EUR 630 million of Member State contributions were received in 2016. This enabled the Commission, among other initiatives, to launch an innovative programme called the Emergency Social Safety Net (ESSN), aiming at assisting up to 1 million of the most vulnerable refugees in Turkey with regular cash allocations. This is an example of an increasing use of assistance from the EU budget as an efficient and effective way of getting aid to people in emergency situations.

In June 2016, the Commission proposed a new partnership framework with non-EU (third) countries under the European agenda on migration. The framework is a European approach to deepening cooperation with countries of origin, transit and destination of migratory flows. It is supported by most of the 'Global Europe' programmes of the budget, and also by the relevant EU trust funds, in particular the **trust fund** for Syria. Adequate funding for the partnership framework is essential to be able to intensify cooperation with the priority partner countries and continue the efforts on the central Mediterranean migration route.

Other global challenges, such as addressing climate change, continued to be a priority of the EU budget. In 2016 the total contribution to taking climate into account in all EU policies (mainstreaming) was estimated at 20.9 %, in line with the target set for the current multiannual financial framework (MFF) period 2014-2020.

The Commission has launched a debate on the future and priorities of an EU with 27 Member States. We will continue working together to build a more prosperous, competitive and secure future.

Günther H. Oettinger
European Commissioner for Budget and Human Resources, European Commission

Key achievements of the EU budget


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Growth, jobs, education and skills

- EUR 236 billion ([1]) in expected investments in all 28 Member States was mobilised by the European Fund for Strategic Investments (EFSI) in 2 years; this is two thirds of the targeted EUR 315 billion by mid-2018.
- More than 140 000 SMEs in 21 countries were supported with EUR 5.5 billion in loans from the COSME programme for small and medium-sized enterprises (SMEs) by the end of 2016.
- Some 235 000 people were back in employment, 180 000 gained qualification and 100 000 received education or training by the end of 2015 thanks to the European Social Fund (ESF) and the youth employment initiative.
- A total of 1.2 million jobs were created with the support of the European Regional Development Fund (ERDF) and the Cohesion Fund. Of the people included in ESF actions, 9.4 million gained employment by the end of 2014 according to provisional analysis.
- An additional 4 % gross domestic product (GDP) growth estimated in 2015 for the EU-12 as a result of the cohesion policy and rural development fund investments in 2007-2013.
- Over 570 000 Europeans participated in youth exchanges and other learning opportunities abroad thanks to Erasmus+ in 2016. Erasmus+ students proved to be more successful than their peers in achieving management positions within 10 years of graduation.

([1]) Figures for September 2017.

- The Nobel Prize in Chemistry was awarded to three scientists who have been receiving EU funding from the framework programme (FP) for research.

- The first European Galileo-enabled smartphone and a number of Galileo-ready devices and applications are already on the market. The launch of Galileo Initial Services in 2016 has made it possible for chipset and receiver manufacturers to use Galileo signals and expand their activities.

- The world-longest (64 km) rail tunnel, Brenner Base, is among the 450 transport projects supported by the Connecting Europe Facility (CEF).

- In the field of energy 75 projects, such as the 140-km electricity line in Bulgaria or the Balticconnector gas pipeline between Estonia and Finland, help to eliminate bottlenecks.

- More than EUR 60 million was invested in 120 digital infrastructure projects, allowing citizens, businesses and public administrations to benefit from cross-border online services such as e-health, online dispute resolution and e-delivery.

- Around 7 million farmers were supported with direct payments in 2016, with EUR 150 million made available to compensate for milk crises. EU agri-food exports reached a new record level of EUR 130 billion, more than 1.5 % higher than in 2015.

A European response to global challenges

- Some 174 500 lives were saved in the central Mediterranean alone with the joint efforts of EU Member States and the newly established European Border and Coast Guard Agency (Frontex).

- Hotspots with 7 450 places in Greece and 1 600 places in Italy were created with the support from the Internal Security Fund (ISF) and the Asylum, Migration and Integration Fund (AMIF). Out of 38 000 returned people, 70 % joined voluntary return programmes.

- Thanks to initial support from the Facility for Refugees in Turkey, 60 000 children received educational material and more than 10 000 received psychosocial and social aid.

- Over 35 000 people were sheltered and more than 400 unaccompanied children were protected in safe spaces in Greece thanks to the new Emergency Support Instrument (ESI) within the EU.

- More than 45 000 people have received financial support from the European Globalisation Adjustment Fund (EGF) since 2014.

- Around EUR 2 billion in humanitarian aid was provided to over 120 million vulnerable people in more than 80 countries, including those most affected by the Syrian crisis such as Syria, Lebanon, Jordan, Turkey and Greece.

- More than EUR 200 million in assistance for 19 disaster-stricken regions has been provided by the Solidarity Fund since 2014 with EUR 2 million in support for Greece, following the earthquake in the Ionian Islands and more than EUR 30 million for Germany after the floods in Bavaria.

- Of the EU budget 2016, 21 % was devoted to fighting climate change.

Source: 2016 annual management and performance report for the EU budget, programme statements accompanying the draft general budget of the EU for 2018 and other European Commission sources.

Section I

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2016 EU budget

Multiannual financial framework

The overarching objectives and principles that guide the EU and the institutions are set out in the treaties. To attain its objectives and carry out its policies, the EU provides itself with the necessary financial means. The Commission is responsible for implementing the EU budget in cooperation with the Member States and in accordance with the principle of sound financial management.

Since 1988, EU leaders have agreed on long-term spending plans — now known as MFFs — that provide a stable basis for appropriate planning and implementation of programmes throughout a period of at least 5, and usually 7, years. The MFF allows the EU to complement national budgets by funding policies with an added European value. The current MFF was adopted for the 2014-2020 period.

Ceilings — maximum annual amounts

The MFF lays down the maximum annual amounts (ceilings) which the EU may spend in different categories of expenditure (headings).

These ceilings set limits for commitments appropriations for each category of expenses (legal pledges to provide finances) and overall payment appropriations (actual money to be paid from the EU budget to beneficiaries) for each of the 7 years. Total annual ceilings are expressed in millions of euros (million EUR) and as a percentage of EU gross national income (GNI).

For future budgetary years this percentage is updated every year on the basis of the latest available GNI forecasts.

Headings — categories of expenditure

For the period 2014-2020, the MFF sets a maximum amount (1) of **EUR 1 083 billion** (2) for commitment appropriations and **EUR 1 024 billion** (3) for payment appropriations (in current prices).

The 2014-2020 MFF is divided into five headings corresponding to different areas of EU activities.

(1) Relevant figures for EU budget 2016 (before the technical adjustment for 2018).
(2) EUR 1 087 billion in figures adjusted for 2018 and following years.
(3) EUR 1 026 billion in figures adjusted for 2018 and following years.

1. **Smart and inclusive growth:**

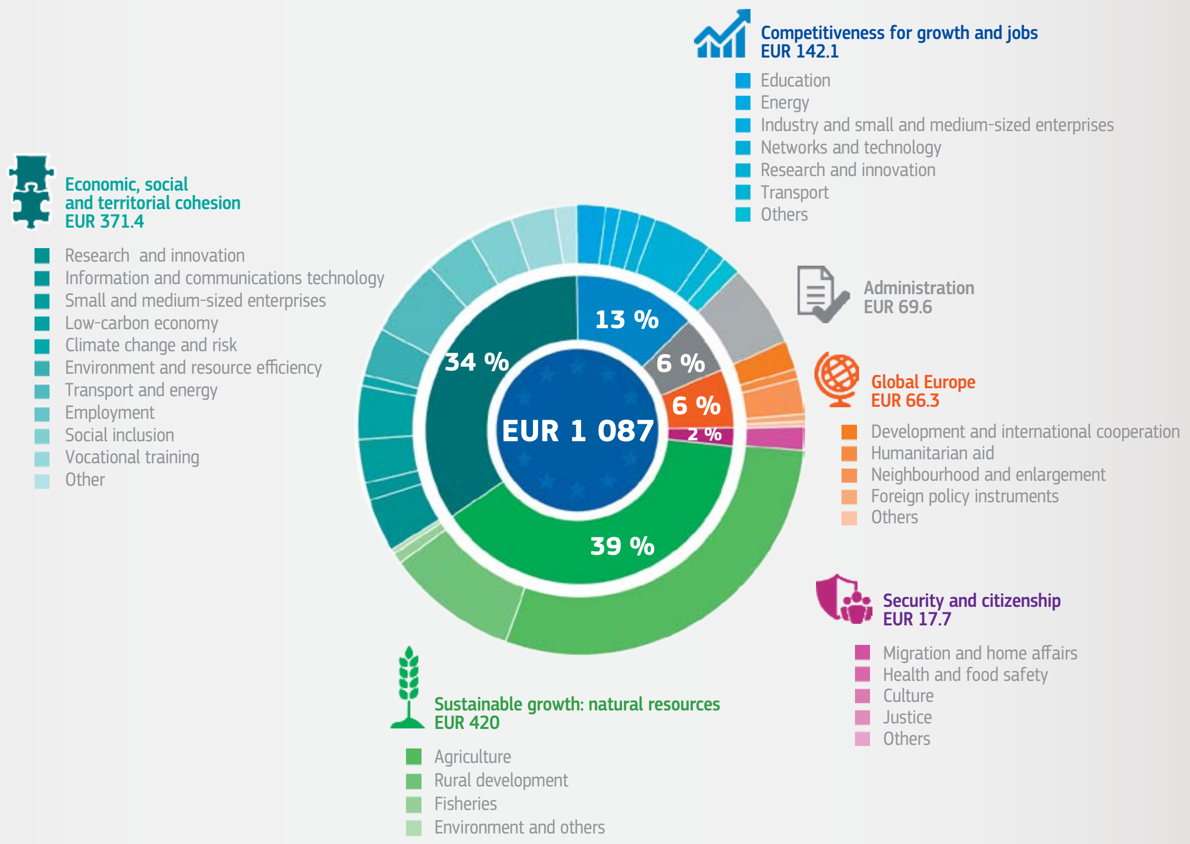
   (a) **competitiveness for growth and jobs** includes research and innovation; education and training; trans-European networks in energy, transport and telecommunications; development of enterprises, etc.;

   (b) **economic, social and territorial cohesion** covers regional policy which aims at helping the least-developed EU Member States and regions to catch up with the rest, strengthening all regions' competitiveness and developing inter-regional cooperation.

2. **Sustainable growth: natural resources** includes the common agricultural policy (CAP), the common fisheries policy, rural development and environmental measures.

3. **Security and citizenship** includes justice and home affairs, border protection, immigration and asylum policy, public health, consumer protection, culture, youth, information and dialogue with citizens.

4. **Global Europe** covers all external action (foreign policy) by the EU such as development assistance or humanitarian aid with the exception of the European Development Fund (EDF) which provides aid for development cooperation with African, Caribbean and Pacific countries as well as overseas countries and territories. As it



Note: Commitments; adjusted for 2018
Source: European Commission

is not funded from the EU budget but from direct contributions from EU Member States, the EDF does not fall under the MFF ceilings.

5. **Administration** covers the administrative expenditure of all the European institutions, pensions and European Schools.

Flexibility and special instruments

The MFF provides for some flexibility to mobilise the funds necessary to react to unforeseen events.

- The **Emergency Aid Reserve (EAR)** finances humanitarian, civilian crisis management and protection operations in non-EU countries.
- The **Solidarity Fund** releases emergency financial aid following a major disaster in a Member State or candidate country.
- The **Flexibility Instrument** can provide additional funding for a given year for clearly identified expenses that cannot be covered by the EU budget without exceeding the ceilings. The **European Globalisation Adjustment Fund** helps workers reintegrate into the labour market after they have been made redundant.

New flexibility measures have been introduced in the 2014-2020 MFF such as the **global margin for commitments** (the difference between the final adopted budget and the ceiling of a given year), the **global margin for payments** (the difference between the executed payments and the payment ceilings of a given year) and the **contingency margin**. The latter is a last-resort instrument to react to unforeseen circumstances and amounts to a maximum of 0.03 % of the EU's GNI every year. If mobilised, the same amount has to be offset against the margins in one or more MFF headings for the current or future financial years so that the overall amount of the MFF remains unchanged.

Over the years, the scope of some special instruments, such as the Emergency Aid Reserve (EAR) has been broadened, the maximum allocation increased and the carrying over of unused amounts to the following year(s) has been allowed.

Multiannual financial framework revision

The MFF can be revised in the event of unforeseen circumstances. The framework may also be revised if new rules or programmes managed by Member States (mainly in the areas of cohesion and agricultural policy) are adopted after the adoption of a specific MFF.

As a result of the agreement on relevant legal acts in 2014, during the first year of the new MFF, a significant number of programmes could not be adopted. Therefore EUR 21 billion had to be transferred to 2015, 2016 and 2017 by means of a revision of the MFF ([1]). In total EUR 4.5 billion was transferred to 2015, of which EUR 4.3 billion in heading 2 (Sustainable growth: natural resources) and EUR 0.2 billion in heading 3 (Security and citizenship).

([1]) Council Regulation (EU, Euratom) 2015/623 of 21 April 2015 amending Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 103, 22.4.2015, p. 1).

Multiannual financial framework midterm review

The EU revised its multiannual framework for 2014-2020 in the midterm review (MTR) to meet new priorities. After the agreement by the Council and the consent of the European Parliament the new MFF regulation entered into force on 14 July 2017.

The revised MFF increased the resources earmarked for the EU's main priorities by EUR 6 billion for the years 2017-2020. The European Union can devote more resources to help boost jobs and growth and to address the migration crisis. It has also strengthened its capacity to react to unexpected events.

Multiannual financial framework technical adjustment

For the 2014-2020 MFF, a fixed deflator of 2 % per year was applied for the whole period to express the ceilings in current prices.

The Commission makes a technical adjustment to the financial framework each year to take account of the changes in EU GNI based on the latest economic forecasts available.

The technical adjustment for 2016 was published in June 2015.

The budgetary procedure

Every year the European Commission prepares a draft EU budget respecting the annual ceilings set by the multiannual framework and following the priorities of the EU leaders for the coming year.

The annual budget is usually below the MFF ceilings in order to provide for some margin to cope with unforeseen needs.

Commission's draft budget

The Commission proposed on 27 May 2015 a 2016 EU budget of EUR 153.5 billion in commitment appropriations and EUR 143.5 billion in payment appropriations. The budget proposal aimed at boosting innovation, creating jobs and helping convergence among Member States and regions, as well as at dealing more effectively with migration and further strengthening the role of the EU as a global player.

On 26 June 2015, the Commission amended the 2016 draft EU budget to reflect the political agreement on EFSI reached between the European Parliament and the Council. The overall level for payments in the draft 2016 budget remained unchanged, while commitments were increased by EUR 303 million.

Council's and Parliament's positions

The Council agreed on its position by unanimity on 9 July 2015 and adopted it by a written procedure on 4 September 2015. The Council proposed to increase the margins and cut commitments by EUR 0.56 billion and payments by EUR 1.4 billion, with cuts on all parts of the budget but most particularly in headings 1a (Competitiveness for growth and jobs) and 4 (Global Europe).

On 14 October 2015, before the adoption of the position of the European Parliament, the Commission presented Amending letter No 2 which included measures to address the refugee crisis and the problems in the dairy sector. The net effect was to increase the draft budget by EUR 1 070.6 million in commitment appropriations and EUR 914.5 million in payment appropriations.

The European Parliament adopted its position on 28 October 2015. Its position largely restored the amounts proposed in the Commission's draft budget and amending letter. The Parliament proposed increases for EUR 3.6 billion in commitments, notably to restore the originally planned allocations for Horizon 2020 and the CEF which had previously been lowered to ensure necessary resources for the EFSI. The European Parliament also restored most of the payment cuts introduced by the Council, and went further to reach an overall level of EUR 146.5 billion, EUR 2.9 billion above the Commission's position and EUR 1.3 billion above the payment ceiling for 2016.

The European Parliament and the Council then engaged in a negotiation process (known as conciliation) in order to find a compromise so that the EU budget could be adopted before the end of the year. During preparatory meetings in November, both institutions expressed their support for Amending letter No 2, but differed over how to finance the priorities of youth employment and boosting competitiveness. The Commission presented three compromise proposals which took into account some of the Parliament's requests, reinforcing measures to promote jobs and growth, and the EU as a global player.

Adopted budget

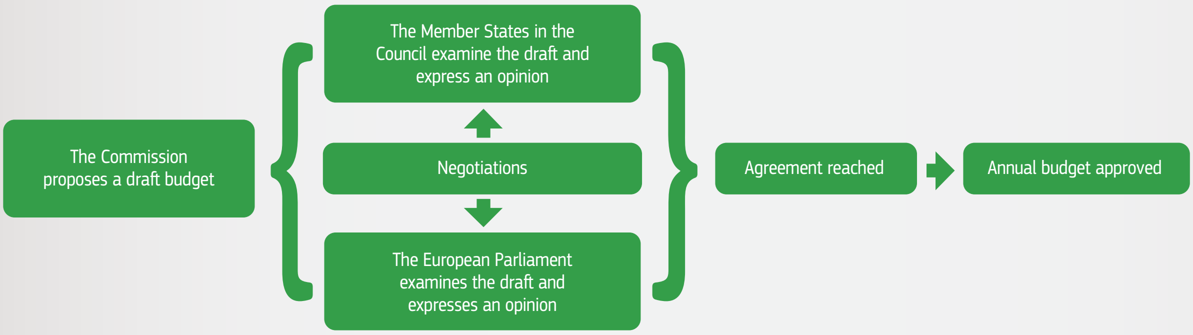
An agreement was found on 13 November 2015 and the 2016 EU budget was adopted by the Council and the European Parliament on 24 and 25 November 2015 respectively.

In the adopted 2016 budget, the overall level of commitment appropriations was set at EUR 155 billion. The overall level of payment appropriations in the 2016 budget was set at EUR 143.9 billion.

Key features of the 2016 voted budget

- EUR 69.8 billion in commitments (nearly half of the annual budget) to stimulate growth, employment and competitiveness.
- EUR 2 billion in commitments and EUR 500 million in payments to unlock EUR 315 billion of investments for Europe with the guarantees from the EFSI.
- EUR 10 billion in payments (11.6 % more than in 2015) to invest in research and innovation mainly through the Horizon 2020 programme.
- EUR 1.8 billion in payments (30 % more than in 2015) to enable young people to work and study across the EU through Erasmus+, the European programme for education, training, youth and sport.
- More than EUR 4 billion to address the refugee crisis both in the EU and in the countries where refugees are coming from.
- EUR 9.2 billion to respond to developments in Europe's neighbourhood and beyond, supporting the EU's capacity to respond to external crises, such as those in Ukraine and Syria, and providing humanitarian help to those in need.

EU budget adoption procedure



From the draft budget to the agreed initial budget for 2016 *(million EUR)* Commitments

million EUR

MFF	Description	Final budget 2015	MFF ceiling	Draft budget	Council's position	Parliament's position	Voted budget 2016	Difference
		(1)	(2)	(3)	(4)	(5)	(9)	(9)/(1) = (10)
1a	Competitiveness for growth and jobs	17 552	*18 467*	18 926	18 781	20 327	19 010	8.3 %
	Margin			*84*	*229*	*– 1 317*	*0*	
1b	Economic, social and territorial cohesion	60 403	*50 837*	50 822	50 819	51 304	50 831	– 15.8 %
	Margin (after the use of flexibility instrument)			*15*	*18*	*– 467*	*6*	
2	Sustainable growth: natural resources	63 877	*64 262*	62 616	62 904	63 615	62 484	– 2.2 %
	Margin			*1 646*	*1 358*	*647*	*1 778*	
3	Security and citizenship	2 522	*2 546*	4 050	2 645	3 601	4 052	60.7 %
	Margin			*0*	*0*	*– 931*	*0*	
4	Global Europe	8 711	*9 143*	9 032	8 718	9 143	9 167	5.2 %
	Margin			*111*	*425*	*0*	*0*	
5	Administration	8 660	*9 483*	8 933	8 878	8 913	8 935	3.2 %
	Margin			*550*	*605*	*570*	*548*	
Total commitment appropriations		**161 725**	**154 738**	**154 378**	**152 744**	**156 903**	**154 480**	**– 4.5 %**
	Margin			*2 406*	*2 636*	*– 1 498*	*2 331*	
	Special instruments	*548*		525	525	525	525	– 4.3 %
Grand total		**162 273**		**154 903**	**153 269**	**157 427**	**155 004**	**– 4.5 %**

Final budget 2015: without carryover. Administration comprises expenditure of all EU institutions.
Draft budget: includes amending letter No 1/2016 and amending letter No 2/2016

The voted commitment appropriations represented 1.05 % of GNI.

From the draft budget to the agreed initial budget for 2016 *(million EUR)* Payments

million EUR

MFF	Description	Final budget 2015	Draft budget	Council's position	Parliament's position	Voted budget 2016	Difference
		(1)	**(3)**	**(4)**	**(5)**	**(9)**	**(9)/(1) = (10)**
1a	Competitiveness for growth and jobs	15 729	17 523	17 083	18 010	17 418	10.7 %
1b	Economic, social and territorial cohesion	51 125	49 060	48 840	50 224	48 844	– 4.5 %
2	Sustainable growth: natural resources	55 979	55 378	55 615	56 386	55 121	– 1.5 %
3	Security and citizenship	1 927	3 018	2 225	2 846	3 022	56.8 %
4	Global Europe	7 478	10 154	9 089	9 672	10 156	35.8 %
5	Administration	8 659	8 934	8 879	8 913	8 935	3.2 %
Total payment appropriations		**140 896**	**144 067**	**141 731**	**146 050**	**143 496**	**1.8 %**
	Margin (after the use of flexibility instrument)		*1 427*	*2 954*	*– 1 320*	*2 022*	
	Special instruments	*385*	389	389	409	389	1.2 %
Grand total		**141 280**	**144 456**	**142 120**	**146 459**	**143 885**	**1.8 %**

Final budget 2015: without carryover. Administration comprises expenditure of all EU institutions.
Draft budget: includes amending letter No 1/2016 and amending letter No 2/2016

The voted payment appropriations represented 0.98 % of GNI.

Budget management

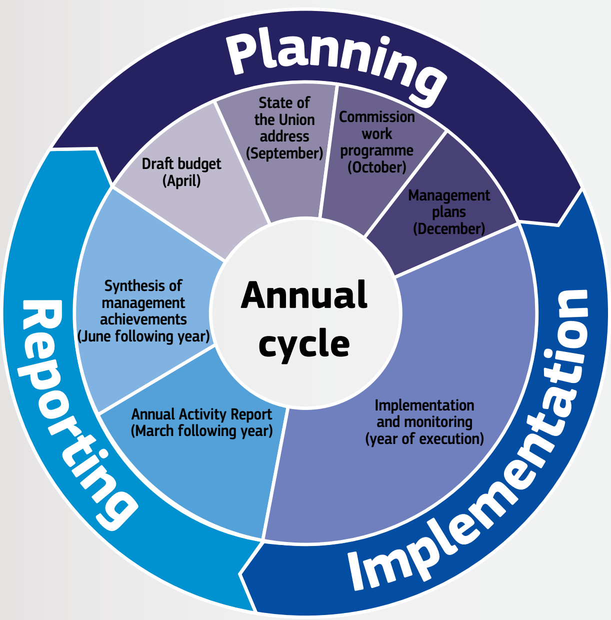
Budget management modes

Once the budget is adopted, it is implemented either:

- directly by the Commission (at headquarters or in EU delegations to non-EU countries) and other EU bodies such as executive agencies ('direct management');
- indirectly by other international organisations or non-EU countries ('indirect management');
- by both the Commission and Member States ('shared management').

Three quarters [1] of the EU budget expenditure is managed by Member States under shared management in areas such as agriculture, cohesion policy, growth and employment. However, ultimate responsibility for implementing the budget lies with the European Commission.

The EU budget lifecycle



- The cycle has three major steps:
  - preparation (year N-1),
  - implementation (year N)
  - reporting (year N+1).
- The annual budget is an inherent part of policy decisions: spending is driven by policies. For this reason, appropriations and human resources in the budget are organised by 34 'policy areas'.

Source: Directorate-General (DG) for Budget

[1] *2016 annual management and performance report for the EU budget.*

Once a new year has started, the Commission may propose to modify the budget to respond to changing conditions. Usually this is done either through transfers (money from the reserves added to the budget or transfers between the lines ([1]) of a chapter or between budget headings) or through amending budgets (amendments to the adopted budget of a given year, for example in order to mobilise assistance from the European Solidarity Fund).

Similar procedures to those used for adopting the budget apply to the adoption of subsequent amendments to the budget. A budget of a given year can thus only be considered as final once the year in question has ended and all its changes have been adopted by the European Parliament and the Council. These changes therefore are the reflection, at the end of the financial year, of active budget management.

The following can cause changes in the annual budget of the financial year.

- **Carry-overs** are amounts from the previous year's budget that have not been used and that are therefore carried forward to the current financial year. The Commission's decision on carry-overs was taken on 11 February 2016.
- **Amending budgets** take into account political, economic or administrative needs which could not have been foreseen at the point at which the budget was prepared and adopted. They ensure more precise and economical financing of the EU budget by the Member States. Six amending budgets were adopted in 2016 (see table).

Summary table of amending budgets in 2016 (*million EUR*)

Amending budget	European Parliament date of adoption	Main subject	Official Journal	Impact on commitment appropriations	Impact on payment appropriations
1/2016	31.5	Create the budget structure for the proposed new instrument to provide emergency support within the European Union	OJ L 190 of 31.5.2016		
2/2016	15.9	Surplus 2015	OJ L 248 of 15.9.2016	-	-
3/2016	30.6	Security of the institutions	OJ L 343 of 16.12.2016	8.5	– 7.3
4/2016	01.12	Update of appropriations to reflect the latest developments on migration and security issues, reduction of payment and commitment appropriations as a result of the global transfer, extension of EFSI, modification of the staff establishment plan of Frontex and update of revenue appropriations (own resources)	OJ L 52 of 28.2.2017	229.2	– 7 267.6
5/2016	01.12	Implementation of the new own resources decision (No 2014/335/EU)	OJ L 52 of 28.2.2017	-	-
6/2016	01.12	Mobilisation of the European Union Solidarity Fund (EUSF)	OJ L 50 of 28.2.2017 OJ L 52 of 28.2.2017	31.5	31.5
Total without reserves				**269.2**	**– 7 243.4**
Reserves				– 3.8	– 6.7

([1]) The Commission budget is structured via titles, chapters, articles and items.

Transfers

Transfers between budget items ([1]) are by definition neutral in their effect on the overall budget. They may increase the amount of appropriations available in operational budget lines when reserves are mobilised.

Decisions relating to transfers are generally made by the European Parliament and the Council, but institutions are allowed to carry out internal transfers under specified conditions.

Changes in payment appropriations by heading in 2016 (*million EUR*)

c	Initial budget	Carry-over from 2015	Amending budgets	Transfers	Final budget
1a. Competitiveness	17 418	103	– 16	3	17 508
1b. Cohesion	48 844	15	– 6 956	165	42 068
2. Natural resources	55 121	430	– 148	242	55 644
3. Security and citizenship	3 022	9	0	46	3 078
4. Global Europe	10 156	33	0	– 295	9 893
5. Administration	8 935	756	16	0	9 707
Subtotal	**143 496**	**1 345**	**– 7 104**	**161**	**137 898**
9. Special instruments	389	1	– 139	– 161	90
Grand total	**143 885**	**1 345**	**– 7 243**	**0**	**137 988**

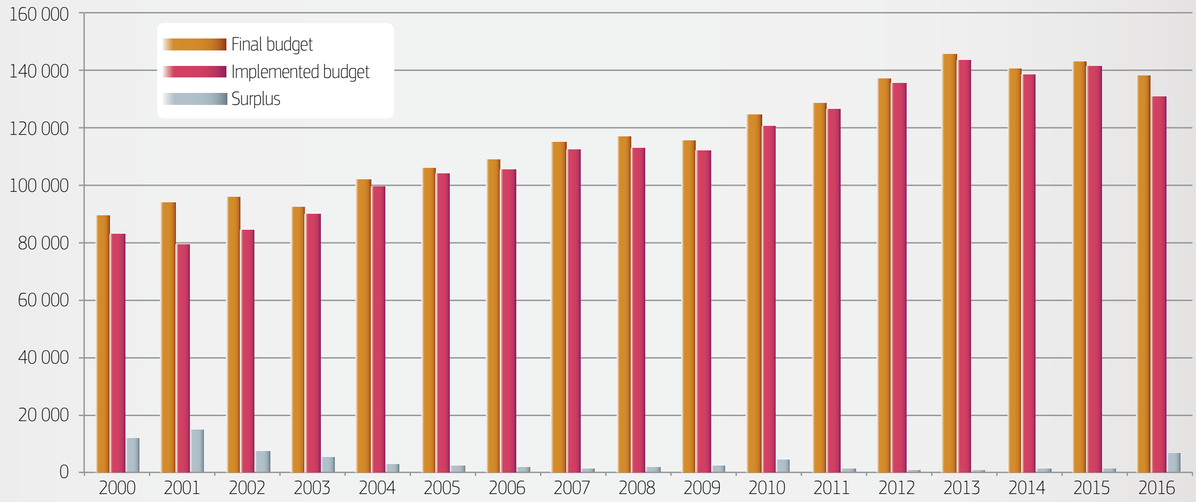
Figures without unmobilised reserves

From an accounting point of view, the budget outturn is, in general terms, the difference between total revenue and total expenditure, a positive difference thus indicating a surplus. Payments cannot exceed receipts. Of the EUR 138 billion available, EUR billion 131.4 (almost 95 %), has been used ([2]).

Following several years of constrained payment appropriations and accumulation of unpaid claims (mostly in cohesion), the abnormal backlog was fully phased out in 2016, in line with the payment plan agreed with the Parliament and the Council in 2015. The Commission had already identified the risk of under-implementation of payment appropriations for cohesion in March 2016 and increased its surplus estimates considerably in September, following Member States' updated forecasts from July. In addition, the Commission took into account the delays in designating national authorities, the implementation pace on the ground and the average forecast implementation rate for previous programming periods. It then proposed Amending budget 4/2016 to decrease the level of payment appropriations by EUR 7.3 billion, mostly in budget lines under heading 1b (Economic, social and territorial cohesion). The level of payable claims actually submitted by the end of the year by Member States for 2014-2020 programmes proved to be an unprecedented EUR 8 billion lower than the forecast, with 26 Member States submitting claims below their forecast.

([1]) The Commission budget is structured via titles, chapters, articles and items.
([2]) The voted budget for payment appropriations was subsequently reduced by amending budgets.

Active budget management 2000-2016 (*million EUR*)



Financial regulation

The financial regulation applicable to the general budget, complemented by its rules of application is a central act in the regulatory architecture of the EU's finances setting out EU financial rules. It provides the general principles governing the EU budget. It was last amended in 2015 ([1]) to be aligned with the procurement directives and to introduce the early detection and exclusion system (EDES) — a system designed to protect the EU's financial interests against unreliable economic operators.

As part of the midterm review of the MFF, the Commission proposed on 14 September 2016 a significant review of the financial regulation and 15 other sectorial regulations (omnibus) in order to improve the implementation of the EU budget in two main objectives: simplification and flexibility. A political agreement is expected in autumn 2017 so as to allow that the new rules enter into effect as of 1 January 2018.

The revision would significantly facilitate the use of simpler procedures. It would reduce the burden for beneficiaries and implementing authorities via the alignment and streamlining of reporting requirements, the transition towards a single audit framework, the cross-reliance on assessments and the increased use of lump sums. Finally, the reform would allow for a more efficient combination of existing programmes, management modes and instruments as well as the use of a single set of rules

The financial regulation will be easier to read and 25 % shorter than at present.

([1]) Regulation (EU, Euratom) 2015/1929 of the European Parliament and of the Council of 28 October 2015 amending Regulation (EU, Euratom) No 966/2012 on the financial rules applicable to the general budget of the Union (OJ L 286, 30.10.2015, p. 1).

Accounting framework

The EU is accountable to its citizens via their representatives in the European Parliament and the Council for the money invested in the EU programmes. As a steward of the EU budget, the European Commission has a duty to report on how it has carried out this responsibility. The annual accounts document is key with regard to this transparency and accountability obligation.

The EU accounts are prepared according to the highest standards, the International Public Sector Accounting Standards (IPSAS), ensuring that the accounts provide relevant, reliable, comparable and understandable financial information for citizens.

Annual accounts

The accounts provide information on the financial position (the balance sheet) of the EU with detailed explanations of assets, liabilities, financial commitments and obligations of the EU. They also show how the EU budget was implemented during the year.

To clearly present this important information, the accounts comprise two main elements:

- consolidated financial statements that show the EU's assets and liabilities and the revenues and expenses of the period;
- budget implementation reports.

The annual accounts are audited by the EU's external auditor, the European Court of Auditors, which gives its opinion both in a public report and directly to the European Parliament and the Council, thus making the accounts available to citizens. For 10 years in a row the EU has received a clean opinion on the reliability of the accounts.

Treasury management

Own resources, the main source of EU revenue, are credited twice a month to the accounts held with Member States' treasuries or central banks. From there, the Commission transfers the necessary funds to its accounts with commercial banks, from which payments are made to EU beneficiaries. However, the Commission only transfers the funds needed to carry out its daily payments (the 'just in time' principle).

Member States make their contributions to the budget in their national currencies, while most of the Commission's payments are denominated in euro. The Commission therefore needs to make foreign exchange transactions in order to convert contributions from Member States which have not yet adopted the euro and to be able to make payments in non-EU currencies.

In 2016, 0.2 % of more than 2.5 million payments made were executed through treasuries and central banks, representing 62 % of the total amount paid (EUR 141.6 billion). The remaining 99.8 % of payments were made through commercial banks (representing 38 % of the total amount paid). The Commission's funds are mainly kept in accounts held with Member States' treasuries and with central banks.

Control of the EU budget

Efficient financial management and control systems

In order to maintain the highest standards in financial management, the Commission is consistently improving its rules and procedures, organisational fitness and agility. The aim is to further increase the efficiency and lower administrative burden, review the cost of checks/audits (controls) and shorten the time to grant and pay beneficiaries.

The Commission's persistent efforts in cooperation with Member States to improve financial management of programmes and to keep the error level below 2 % (materiality threshold) have led to declining levels of errors over the past years.

The Commission estimates the levels of error that would remain at the end of the programmes after implementing all corrective mechanisms (amount at risk at closure). This approach reflects the multiannual nature of the programmes and the check/audit cycle which covers more than just the year of funding and implementation of the projects. For the 2016 expenditure the amount at risk at closure is estimated to be between 0.7 % and 1.1 % of the expenditure.

Protecting the EU budget

The Commission gives the highest priority to ensuring that the EU budget is well managed and that all the necessary measures are in place to protect taxpayers' money. There are different types of safeguards in place to prevent, detect and rectify incorrect expenditure.

- **Preventive measures** include control before payments, interruptions and suspensions of payments.

- **Corrective measures** are being used when preventive measures have not been effective. They concern primarily financial corrections and recoveries from recipients of EU funds. EUR 3.4 billion of financial corrections and recoveries were implemented in 2016. For more information, see Annex 4.

The budgetary discharge procedure

Every year the European Parliament, after a recommendation by the Council, decides on whether to give its final approval, known as discharge, for the way the Commission has implemented the EU budget. This procedure ensures full accountability and transparency and when granted, the discharge leads to the formal closure of the accounts for a given year. When deciding to grant, postpone or refuse a discharge, the Parliament takes into account the integrated financial reporting package prepared by the Commission along with the European Court of Auditors' annual report on how the budget has been invested and other reports published by the Court.

The integrated financial report package comprises the following documents.

- The *2016 annual management and performance report for the EU budget*: the report provides an overview of the performance, management and protection of the EU budget. It explains how the EU budget supports the EU political priorities and describes both the results achieved and the role of the Commission in ensuring the highest standards of financial management.

- *Consolidated annual accounts of the European Union 2016:* they contain financial information on the activities of the year, the assets and liabilities, the revenue and expenditure of the institutions, agencies and other bodies of the EU. They are produced in accordance with the IPSAS.

- *Report from the Commission to the European Parliament and the Council on the follow-up to the discharge for the 2015 financial year:* the Commission reports on its follow-up to the requests made by the Parliament and the Council during the discharge procedure.

The European Court of Auditors examines:

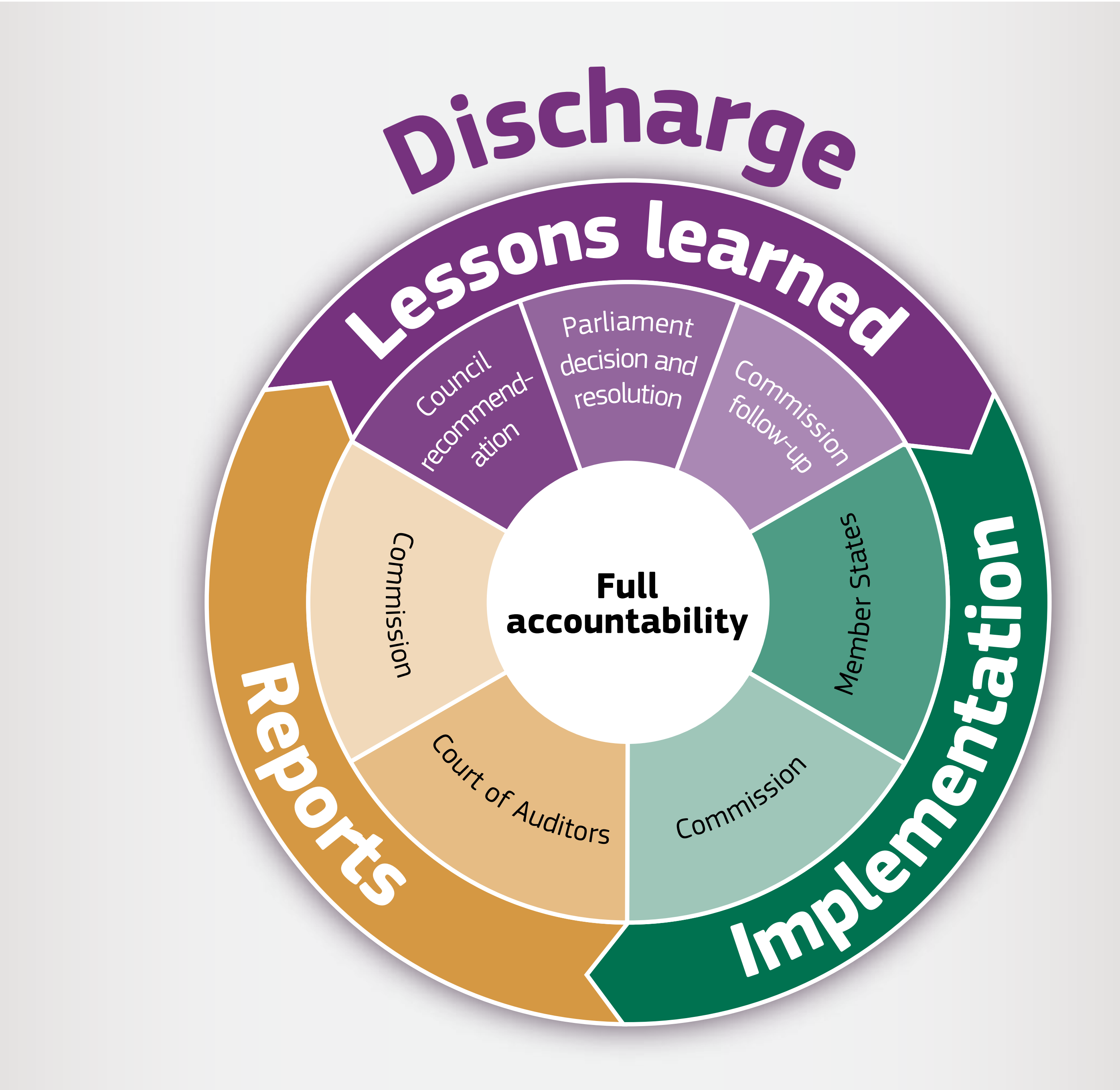
- the reliability of accounts;

- whether all revenue has been received and all expenditure incurred in a lawful and regular manner;

- whether the financial management has been sound.

During the discharge procedure, relevant Commissioners reply to written questions from the Committee on Budgetary Control in the European Parliament and appear before its members for an exchange of views (hearings) about the EU budget in their respective policy areas. The Commission is obliged to report on its follow-up to the requests made by the Parliament and the Council during the discharge procedure. They cover wide-ranging topics and help the Commission further improve the way it manages and implements the EU budget. They also form a part of the overall discussion/evaluation (reflection) process to prepare the next MFF.

The European Parliament will decide on the discharge for the 2016 budget in May 2018.


Discharge
Lessons learned
Council recommend-ation
Parliament decision and resolution
Commission follow-up
Full accountability
Commission
Member States
Court of Auditors
Commission
Reports
Implementation

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Section II

Revenue

Revenue

According to the equilibrium principle the total budgeted EU revenue must equal the total budgeted EU expenditure. When determining Member States' own resource contributions the starting point is the total amount of authorised expenditure.

A small part of this amount is covered by other revenue (taxes levied on the salaries of EU staff, interest on late payments and fines, contributions from non-EU countries to certain programmes, etc.). The remainder is mostly financed by Member States' own resource contributions which account for around 92 % of all revenue.

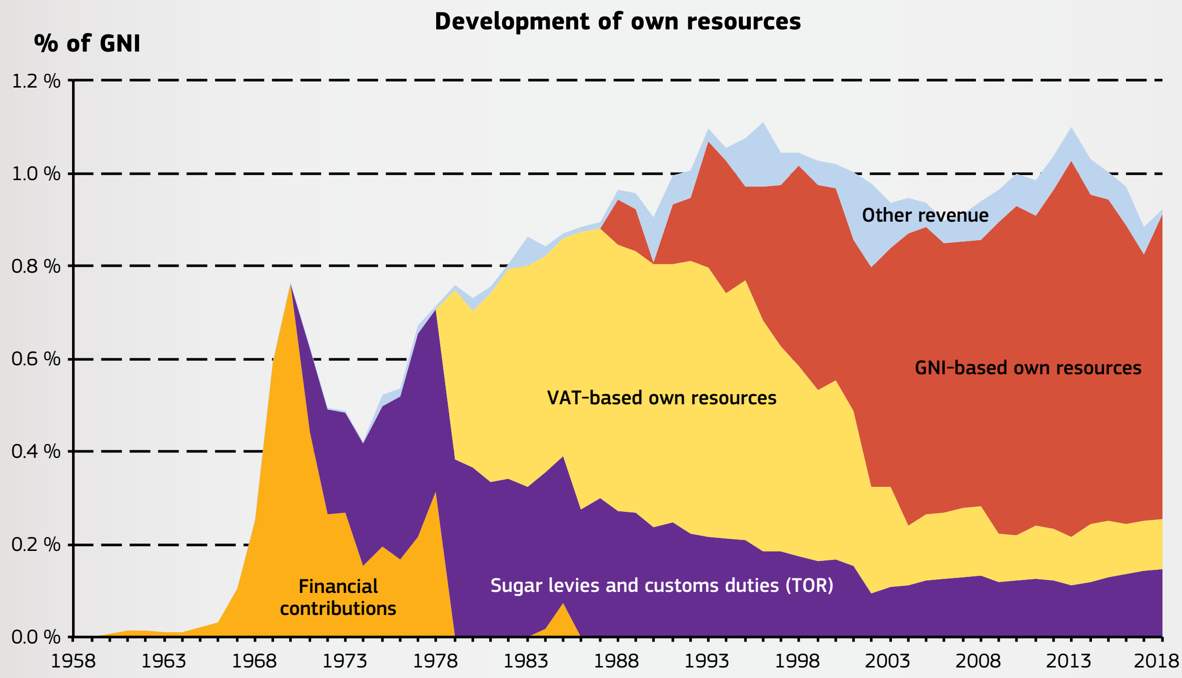
Whereas the EU budget must always be in balance, at the end of the year there can sometimes be a positive difference (surplus) in comparison to the budget estimates.

In 2016, the EU had own resources of EUR 132.2 billion and other revenue of 1.4 billion. The surplus carried over from 2015 was EUR 10. 6 billion.

Own resources

The bulk of the EU funding comes from own resources: funds that Member States make available in advance to the EU but which are collected on behalf of the EU by the Member States. Own resources can be divided into the following categories.

Evolution of EU revenue over the last 60 years



* Until 2016 the figures correspond to the executed budget.
Source: European Union, *Reflection paper on the future of EU finances*, 2017.

- Traditional own resources (TOR), including customs duties and sugar levies.
- A participation in the national collection of value added tax (VAT own resource).
- The GNI own resource, which serves as the balancing resource: it finances all spending not covered by other sources of revenue so that revenue and expenditure are always in balance.

The total amount of own resources cannot exceed 1.20 % of EU GNI based on the statistical reporting system of the European system of integrated economic accounts (ESA) 2010.

The key for determining the own resources is the own resources decision. The current one [1] was agreed on 26 May 2014 and, ratified by all Member States, entered into force on 1 October 2016 with retroactive effect from 1 January 2014.

Traditional own resources (customs duties and sugar levies)

TOR are levied on economic operators and collected by Member States on behalf of the EU. These payments accrue directly to the EU budget after a 20 % deduction that Member States retain as collection costs. Customs duties are levied on imports of agricultural and non-agricultural products from non-EU countries, at rates based on the Common Customs Tariff (CCT).

In 2016, the EU's revenue from customs duties was EUR 19 961 million (13.85 % of its total revenue). A production charge paid by sugar producers brought revenue of EUR 133 million. Total revenue from TOR (customs duties and sugar levies) was EUR 20 094 million (13.95 % of the EU's budget total revenue).

Value added tax own resource

The VAT bases of all Member States are first harmonised in accordance with EU rules. They are then capped at 50 % of the GNI base (in order to remedy the regressive aspects of the VAT-based resource). Finally, a uniform rate of 0.3 % is levied on each Member State's harmonised VAT base, with the exception of Germany, the Netherlands and Sweden which benefit from the reduced call rate of 0.15 %.

In 2016, four Member States saw their VAT contribution reduced thanks to this 50 % cap (Croatia, Cyprus, Luxembourg and Malta).

The EU's total revenue from the VAT own resource was EUR 15 895 million (11 % of total revenue) in 2016.

Gross national income own resource

The GNI own resource balances budget revenue and expenditure, i.e. to finance the part of the budget not covered by other revenue. The amount of the GNI own resource needed therefore depends on the difference between total expenditure and the sum of all other revenues.

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(1) Council Decision 2014/335/EU, Euratom of 26 May 2014 on the system of own resources of the European Union (OJ L 168, 7.6.2014, p. 105).

The same percentage is levied on each Member States' GNI, established in accordance with EU rules. The rate is fixed as part of the budgetary procedure. In 2016, Denmark, the Netherlands, Austria and Sweden benefited from an annual gross reduction in their GNI-based contribution (respectively EUR 130 million, EUR 695 million, EUR 10 million and EUR 185 million); all amounts are expressed in 2011 prices.

In 2016, the rate of call of GNI was 0.6514257 % ([1]) and the total amount of the GNI resource levied was EUR 95 578 million (representing 66.3 % ([2]) of total revenue).

The United Kingdom correction

The current United Kingdom correction mechanism was introduced in 1985 to reduce the net contribution of the United Kingdom to the funding of the EU budget. This mechanism has been modified on several occasions to take account of changes made to the system of EU budget financing, but the essential principles remain the same.

The calculation is rather complex. It involves calculating the United Kingdom contribution as if the own resources system of the 1980s still prevailed (hence based on VAT), correcting it for a fair burden sharing of the cost of expansion of the EU to include new members (enlargement) (excluding the agricultural payment) and neutralising the effect of the introduction of the GNI contribution and the change in the collection cost of the TOR. Two thirds of the difference between what the United Kingdom contributed and what it receives from the EU budget is refunded to the United Kingdom by way of a reduction in the United Kingdom contribution to the EU budget.

The cost of the United Kingdom correction is borne by the other 27 Member States in proportion to their GNI. However, the share of Germany, the Netherlands, Austria and Sweden is reduced by three quarters of their normal share and the cost of this reduction is redistributed across the remaining 23 Member States.

The United Kingdom correction in 2016 was EUR 5 870.2 million.

Opt-out for Denmark, Ireland and the United Kingdom

Denmark, Ireland and the United Kingdom are exempt from financing specific parts of security and citizenship policies, for which they have an opt-out in the Amsterdam Treaty, with the exception of the related administrative costs.

The Commission calculates this adjustment during the year following the financial year concerned.

Other revenue and surplus from the previous year

Revenue other than own resources includes: tax and other deductions from EU staff remunerations, contributions from non-EU countries to certain programmes (e.g. in research), interest on late payments and fines, and other diverse items.

([1]) Amending budget 6/2016 (OJ L 52 of 28.2.2017), http://eur-lex.europa.eu/legal-content/en/TXT/PDF/?uri=OJ:L:2017:052:FULL&from=en, Table 3, p. L 52/7.
([2]) The GNI resource adjustment for the impact of non-participation of certain Member States in freedom, security and justice (FSJ) policies is not included.

As the balance from the previous year's budget is usually positive in comparison to the budget estimates, there is usually a surplus at the end of the year. This positive difference is returned to the Member States in the form of reduced contributions the following year.

In 2016 other revenue totalled EUR 1 349.1 million, and the surplus carried over from the year 2015 was EUR 10 565.8 million.

Donations

According to the financial regulation, the Commission may accept or renounce any donation made to the EU, including foundations, subsidies, gifts and bequests.

The acceptance of donations with a value of EUR 50 000 or more that involve a financial charge, including follow-up costs, exceeding 10 % of the value of the donation made is subject to the authorisation of the Parliament and the Council.

Donations occur very rarely. In 2016, the Commission was not required to take any decisions on donations.

Fines

Fines imposed on companies for infringing EU competition rules are also a source of revenue.

In 2016, the European Commission imposed 15 individual fines on companies breaching competition law. These related to seven separate cases and had a combined value of EUR 3 733 million. Of the 15 fines, 11 worth EUR 3 242 million have not been contested by the companies and are thus final. In the other cases the companies have submitted appeals to the General Court.

When a company served with a fine decides to appeal against the Commission's decision before the Court, the fine must be covered either by a provisional payment or by a bank guarantee. Of all pending fines from 2016 and earlier, at 31 December 2016, approximately EUR 1 billion was covered by guarantees and provisional cash payments had been made in respect of approximately EUR 4 524 billion (representing a coverage of 94.83 % of the total amount of fines).

Revenues received by way of fines must not be recorded as budgetary revenue for as long as the decisions imposing them may be annulled by the Court of Justice. Provisional payments must therefore be kept off budget. The legal proceedings may take up to 8 years. Depending on the final judgement, any fines provisionally paid, including earned interest, are either transferred to the EU's income account and booked in the budget as other revenue, or are reimbursed to the companies.

Revenue earned from fines in 2016 resulted from a combination of fines imposed during 2016 that were not contested and fines imposed in earlier years where legal proceeding finished during 2016. In total it was worth a total of EUR 2.96 billion, which represented around 2 % of the EU budget in 2016.

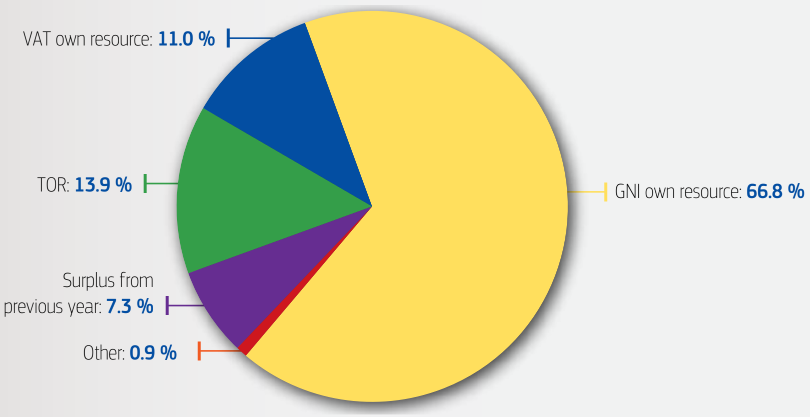
National contribution by Member State and traditional own resources (TOR) collected on behalf of the EU in 2016 (*million EUR*)

GNI (*billion EUR*)		VAT own resource	GNI own resource	UK correction	Reduction in GNI-OR granted to the NL and SE	Retroactive impact ORD 2014	Total national contribution			Traditional own resources (TOR), net (75 %)	Total own resources		
		(1)	(2) (*)	(3) (**)	(4) (**)	(5)	(5)=(1)+(2)+(3)+(4)	%	% GNI	(6)	(7)=(5)+(6)	%	% GNI
421 269.8	BE	516.6	2 737.1	325.8	31.4	380.2	**3 991.1**	3.6	0.95	2 070.8	**6 061.9**	4.6	1.44
46 946.1	BG	62.4	281.7	34.5	3.2	13.0	**394.8**	0.4	0.84	71.9	**466.8**	0.4	0.99
164 074.2	CZ	204.0	1 021.2	121.8	11.7	123.5	**1 482.2**	1.3	0.90	251.0	**1 733.2**	1.3	1.06
284 280.0	DK	307.2	1 803.8	214.1	– 122.1	– 148.1	**2 055.0**	1.8	0.72	336.3	**2 391.2**	1.8	0.84
3 197 313.0	DE	1 947.7	20 672.0	416.4	237.5	– 1 996.7	**21 276.9**	19.0	0.67	4 149.4	**25 426.4**	19.2	0.80
20 500.1	EE	30.8	134.3	16.2	1.5	7.5	**190.4**	0.2	0.93	27.3	**217.7**	0.2	1.06
219 420.8	IE	252.1	1 251.0	157.2	14.5	170.6	**1 845.3**	1.6	0.84	285.1	**2 130.4**	1.6	0.97
176 187.9	EL	227.8	1 136.7	131.6	13.1	61.0	**1 570.2**	1.4	0.89	158.4	**1 728.5**	1.3	0.98
1 114 601.0	ES	1 416.9	7 228.7	835.0	83.1	444.6	**10 008.2**	8.9	0.90	1 512.0	**11 520.2**	8.7	1.03
2 261 420.2	FR	2 913.8	14 668.4	1 725.3	168.5	1 064.0	**20 540.0**	18.3	0.91	1 636.5	**22 176.5**	16.8	0.98
43 988.0	HR	66.5	286.3	34.6	3.3	13.4	**404.0**	0.4	0.92	46.7	**450.7**	0.3	1.02
1 675 309.7	IT	1 777.3	10 776.6	1 261.9	123.8	887.8	**14 827.3**	13.2	0.89	1 788.4	**16 615.7**	12.6	0.99
17 418.8	CY	25.9	111.4	13.3	1.3	9.9	**161.8**	0.1	0.93	21.1	**182.9**	0.1	1.05
25 102.1	LV	29.6	167.1	19.5	1.9	6.7	**224.9**	0.2	0.90	34.7	**259.6**	0.2	1.03
37 012.9	LT	45.3	242.9	28.2	2.8	12.0	**331.3**	0.3	0.90	77.5	**408.8**	0.3	1.10
35 184.1	LU	52.5	226.1	30.1	2.6	4.6	**316.0**	0.3	0.90	19.5	**335.5**	0.3	0.95
108 611.7	HU	131.9	701.8	83.1	8.1	44.4	**969.4**	0.9	0.89	142.3	**1 111.7**	0.8	1.02
9 329.8	MT	13.7	59.0	7.2	0.7	2.5	**83.1**	0.1	0.89	12.1	**95.1**	0.1	1.02
687 301.0	NL	418.1	4 540.4	94.3	– 709.3	– 1 798.8	**2 544.6**	2.3	0.37	2 373.7	**4 918.3**	3.7	0.72
347 563.8	AT	467.0	2 235.6	45.2	14.7	180.2	**2 942.8**	2.6	0.85	214.0	**3 156.8**	2.4	0.91
408 179.4	PL	536.9	2 674.2	318.5	30.4	149.1	**3 709.1**	3.3	0.91	591.3	**4 300.4**	3.3	1.05
181 105.6	PT	261.3	1 173.6	139.0	13.5	77.1	**1 664.5**	1.5	0.92	138.4	**1 802.9**	1.4	1.00
164 714.8	RO	166.4	1 068.4	127.6	12.2	32.4	**1 407.0**	1.3	0.85	163.2	**1 570.2**	1.2	0.95
39 302.3	SI	53.6	253.0	30.1	2.9	22.1	**361.6**	0.3	0.92	65.8	**427.4**	0.3	1.09
79 711.4	SK	79.9	501.2	59.5	5.8	33.3	**679.7**	0.6	0.85	99.1	**778.8**	0.6	0.98
216 333.0	FI	274.6	1 374.1	164.1	15.8	132.9	**1 961.5**	1.8	0.91	133.1	**2 094.7**	1.6	0.97
469 820.4	SE	300.5	3 081.0	62.1	– 159.9	– 606.5	**2 677.1**	2.4	0.57	513.2	**3 190.3**	2.4	0.68
2 338 679.2	UK	3 314.9	15 177.2	– 5 870.2	165.3	673.3	**13 460.5**	12.0	0.58	3 161.1	**16 621.6**	12.6	0.71
14 790 681.1	**EU-28**	**15 895.1**	**95 584.8**	**626.1**	**– 21.8**	**– 4.1**	**112 080.2**	**100**	**0.76**	**20 094.1**	**132 174.3**	**100**	**0.89**

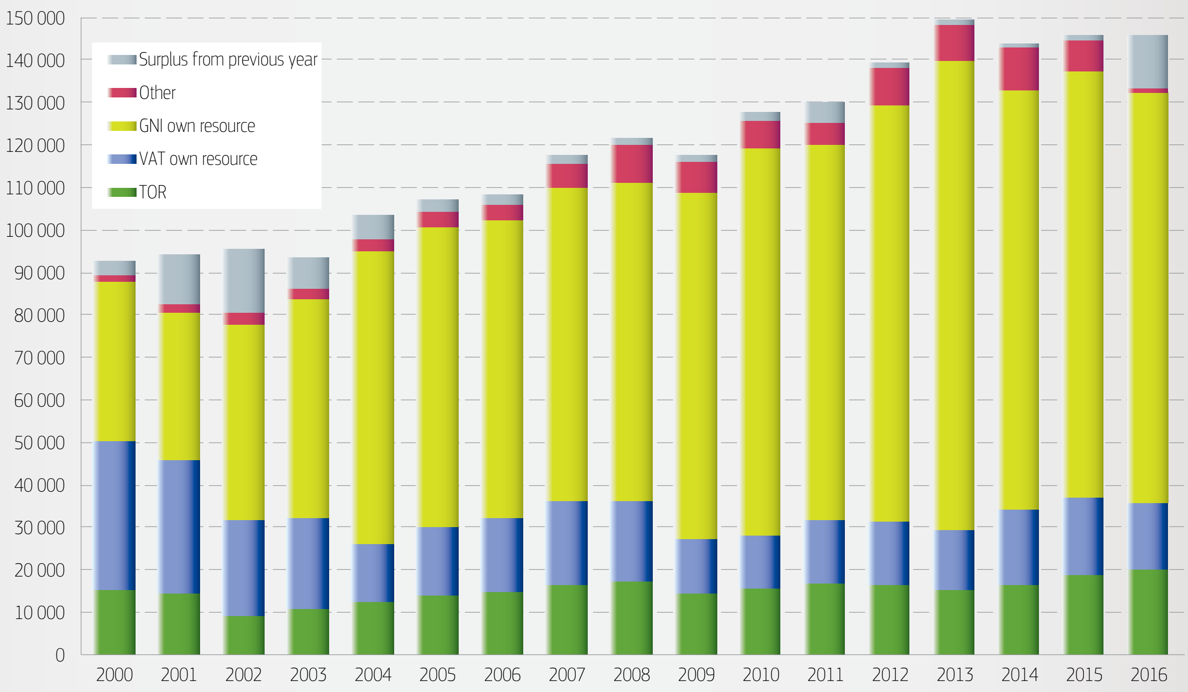
Surplus from previous year	10 565.8
Surplus external aid guarantee fund	0.0
Other revenue	1 349.1
Total revenue	**144 089.2**

(*) For simplicity of the presentation, the GNI-based own resource includes the FSJ adjustment.
(**) Totals for UK correction payments and GNI reduction granted to NL and SE are not equal to zero on account of exchange rate differences.

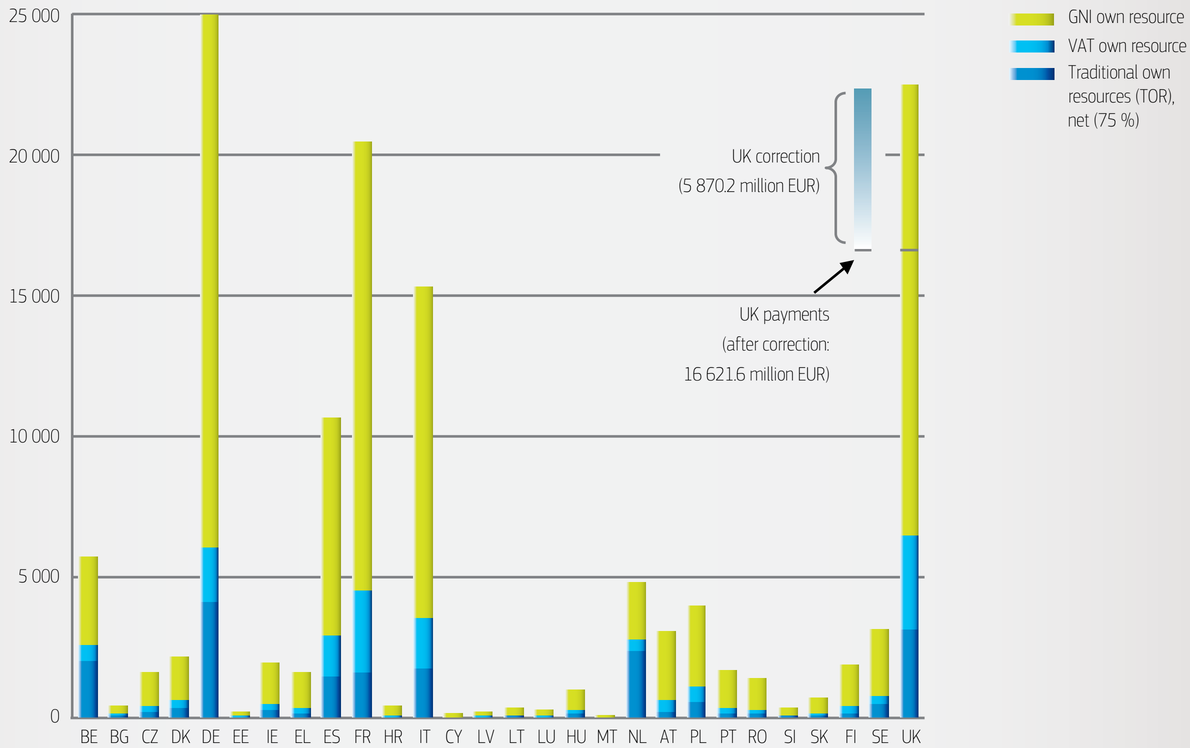
EU revenue 2016 (after United Kingdom correction)



EU revenue 2000–2016 (*million EUR*)



National contribution per Member State and traditional own resources (TOR) collected on behalf of the EU in 2016 (*million EUR*)



Section III

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Expenditure

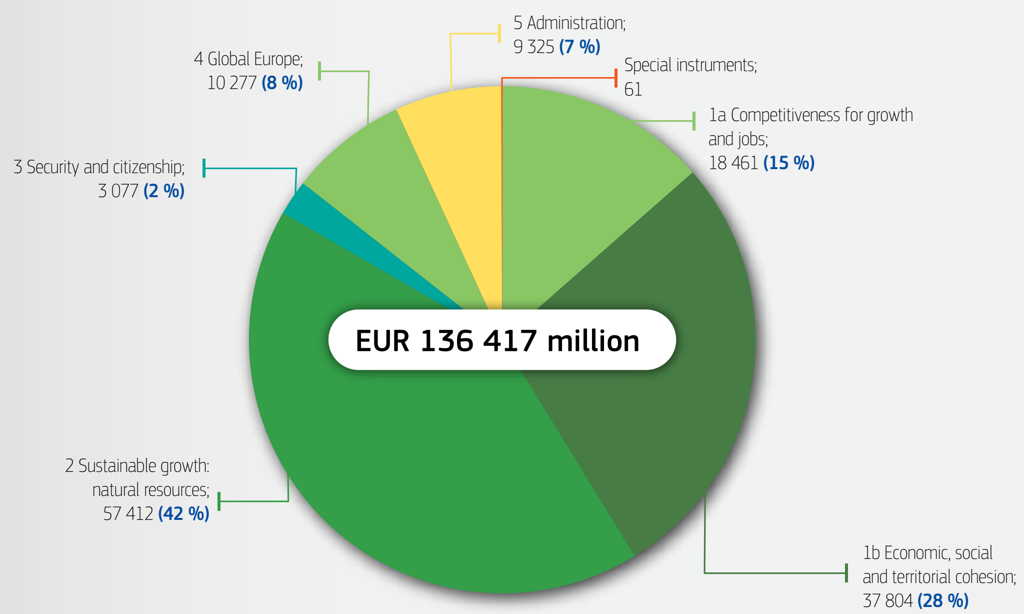
EU expenditure for 2016 by Member State

The calculation of the United Kingdom rebate requires that EU expenditures are assigned to specific Member States wherever possible in order to compare what the EU spent in the United Kingdom relative to the remaining 27 Member States. This allocation of expenditure to Member States is merely an accounting process. It does not reflect the benefits that each Member State derives from the membership in the EU. This is partially related to the limitations of the accounting system and the allocation methodology (described in more detail in Annex 3). Moreover, and more importantly, there are numerous other non-pecuniary and indirect benefits gained from EU policies, such as those relating to the single market, economic integration and trade, not to mention political stability and security that are not taken into account in the allocation of expenditure exercise.

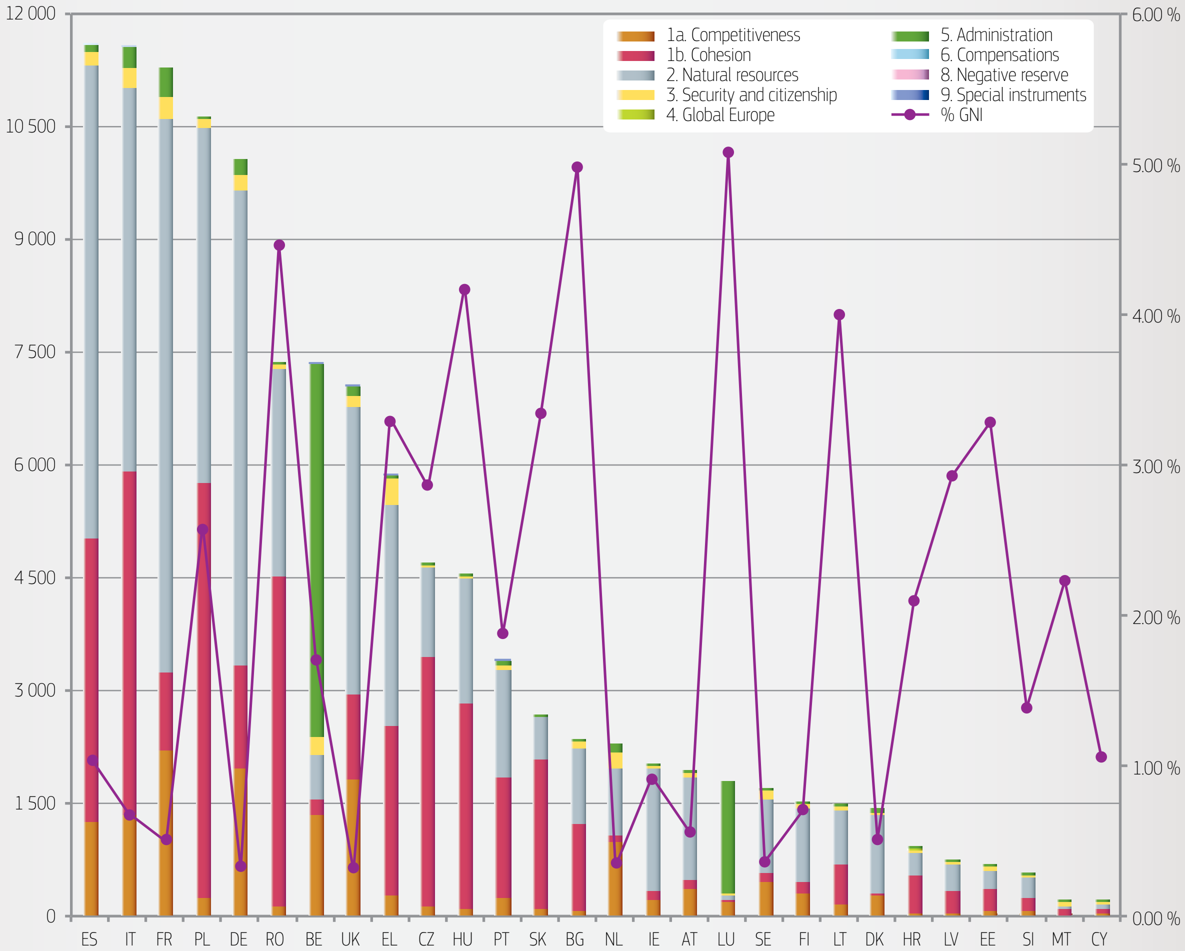
In 2016, EUR 117.9 billion (86.4 % of total EU expenditure) out of EUR 136.4 billion was allocated to Member States. For further details on the methodology used to allocate expenditure see the notes to tables in the annexes.

In total, 93 % of the EU budget is allocated for funding policies and projects being implemented in the EU as well as in other countries. The chart below shows the EU expenditure allocated to each country as a percentage of national GNI. This gives an indication of the relative importance of EU expenditure for each country.

EU budget 2016 — payments executed (*million EUR*)



Expenditure by Member State in 2016 (*million EUR*)*



* Excluding implementation financed by earmarked revenue.

Methodological note on allocation of expenditure in 2016

Executed EU expenditure came to a total of EUR 131.8 billion in 2016 excluding the expenditure related to earmarked revenue (EUR 4 626 million) and including that relating to the European Free Trade Association (EFTA) ([1]) contributions (EUR 390 million), or EUR 136.4 billion including expenditure related to earmarked revenue and expenditure related to revenue from EFTA contributions. Of this total expenditure, EUR 117.9 billion (86.4 %) was allocated to Member States and EUR 8 381 million to non-EU countries.

In addition, EUR 5 534 million was allocated to beneficiaries whose countries cannot be determined (covering groups of countries or paid to international organisations).

Expenditure allocated to non-EU countries in 2016 (EUR 8 381 million) mainly related to the EU's role as a global player (EUR 7 043 million). Significant amounts were also allocated to large infrastructure projects (EUR 78 million), research and innovation (EUR 662 million), Erasmus+ (EUR 112 million), fisheries (EUR 120 million) and other programmes and actions (EUR 366 million).

([1]) The European Free Trade Association (EFTA) is an intergovernmental trade organisation and free trade area consisting of four European states: Iceland, Liechtenstein, Norway and Switzerland.

Expenditure with an undetermined beneficiary (EUR 5 534 million in 2016) includes the following two categories: expenditure related to the EU's role as a global player (EUR 2 356 million, in addition to the expenditure of this type that was allocated to a specific non-EU country, as referred to above); and expenditure benefiting EU Member States but that, by its nature, cannot be attributed to a specific Member State (EUR 3 178 million). This relates to administration (EUR 555 million), the EFSI and large infrastructure projects (EUR 1 019 million), research and innovation (EUR 1 021 million), COSME (EUR 166 million), the CEF (EUR 51 million) and the rest of the programmes and actions (EUR 366 million). The transfers to financial instruments managed by the EIB and European Investment Fund (EIF) are also included in this category.

Methodology

Year of reference

Executed and allocated expenditure are actual payments made during a financial year, resulting from that year's appropriations or from carry-overs of unused appropriations from the previous year. Expenditure financed from earmarked revenue is presented separately.

Allocation of expenditure

Expenditure is allocated according to the criteria used for the United Kingdom correction, i.e. that all possible expenditure must be allocated — with the exception of expenditure related to external actions, the pre-accession strategy, guarantees, reserves and earmarked revenue.

Allocation by Member State

Expenditure is allocated to the country in which the principal recipient resides, on the basis of the information available in the Commission's financial system (ABAC). Some expenditure is not (or is improperly) allocated in ABAC, due to conceptual difficulties. In such cases, additional information received from the relevant services is used whenever available (e.g. for Galileo, research and administration).

Competitiveness for growth and jobs

Highlights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Participants from 131 different countries (including 87 third countries) benefited from Horizon 2020


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The Marie Skłodowska-Curie actions (MSCA) celebrated their 20th anniversary and the 100 000th MSCA fellow


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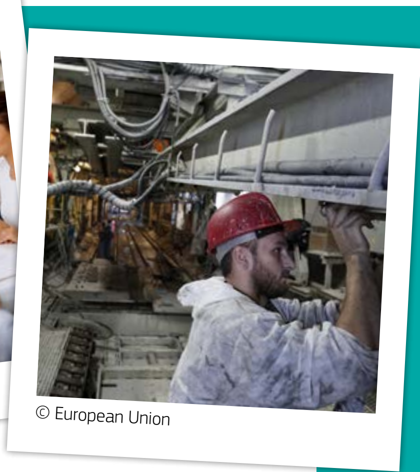
Of innovative companies, 5 700 received more than EUR 8 billion from financial instruments. This has triggered more than EUR 20 billion in investment in innovative projects.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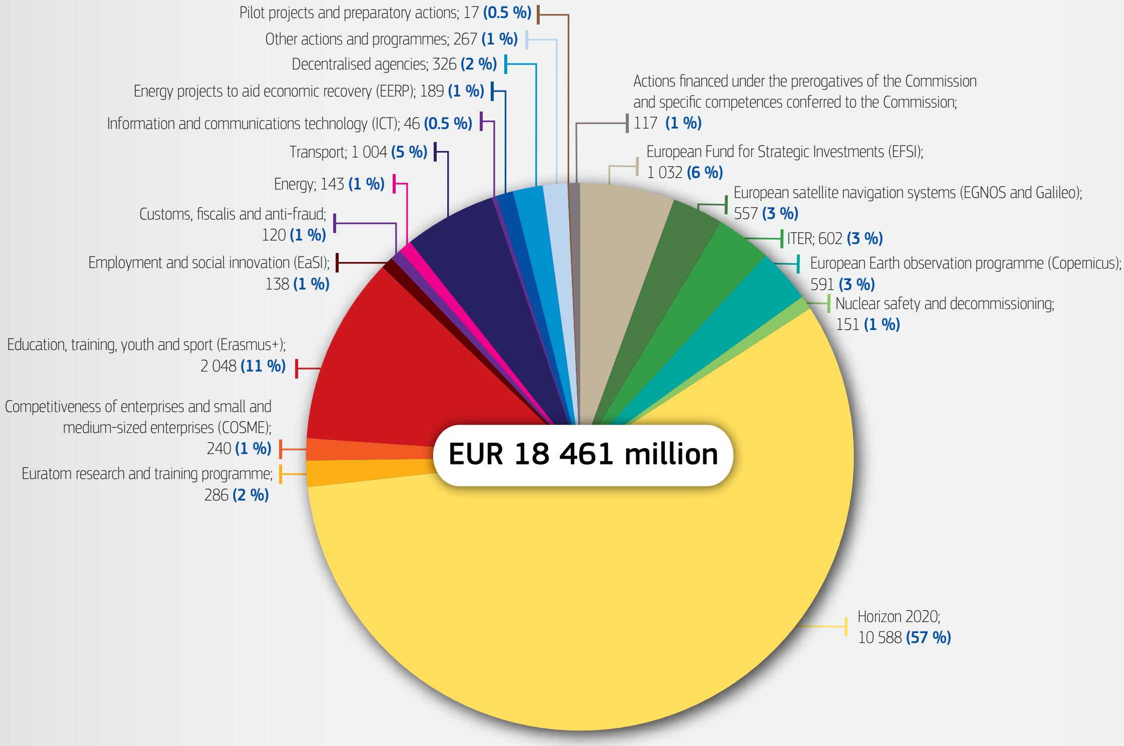
In the area of transport, support has been granted to 452 projects for a total of EUR 19.4 billion in investments across Europe.

'A new boost for jobs, growth and investment' is one of the EU priorities put forward by the Commission under President Jean-Claude Juncker. The expenditure allocated to the budget heading 1a (Competitiveness for growth and jobs) therefore plays an important role in boosting growth and creating jobs in the EU. The area includes: research and innovation; education and training; trans-European networks in energy, transport and telecommunications; social policy; and the development of businesses. The main programmes financed under this subheading are Horizon 2020 and large infrastructure projects such as Galileo (global satellite navigation) and the European geostationary navigation overlay service (EGNOS), ITER (fusion energy), Erasmus+ (education, training, young people and sport), the CEF (transport energy and telecommunications) and COSME.

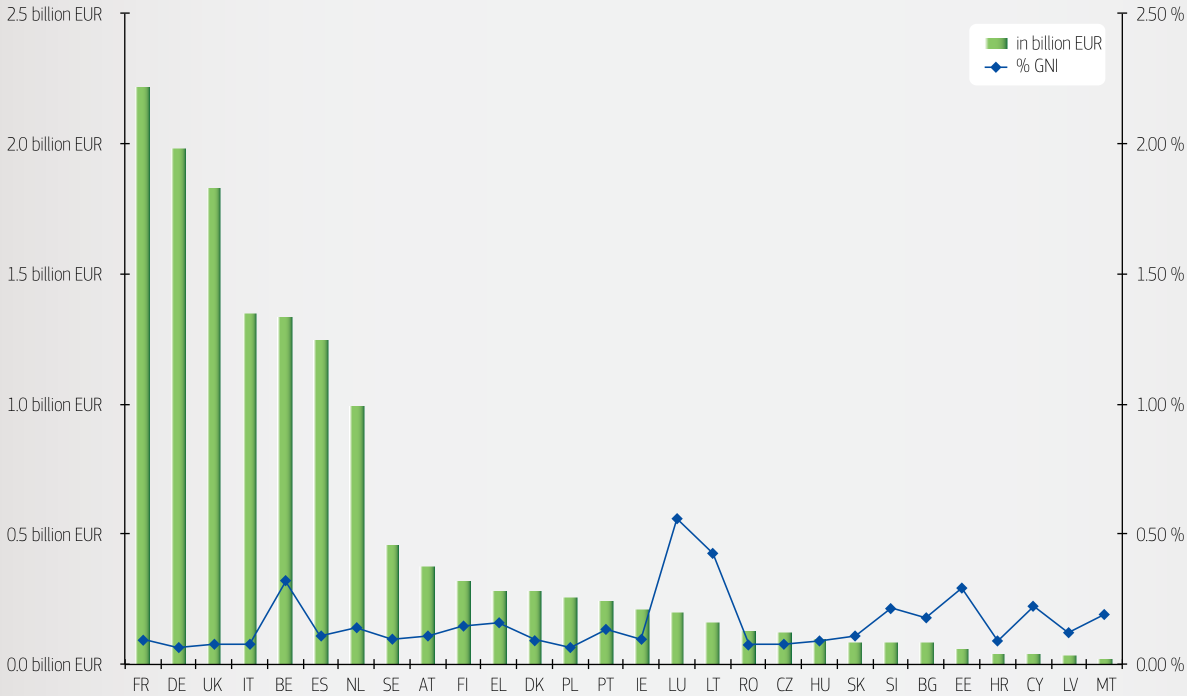
As of June 2017, financing under the EFSI is expected to support investment of more than EUR 209 billion in all EU Member States, which is more than half of the target of EUR 315 billion by mid-2018.

Heading 1a — Payments executed in 2016 (*million EUR*)



Payments in 2016 cover both the current programmes and the completion of previous programmes. The pie chart covers only the names of the current programmes.

Heading 1a — Expenditure by Member State in 2016*



* Excluding implementation financed by earmarked revenue.

Seven new planets discovered by an EU-led project

The objective of this project was to search for other planets that could sustain life and to study them in detail. Using both ground and space telescopes, astronomers discovered a system of exoplanets (planets outside the solar system) as they passed in front of their parent star Trappist-1. Astronomers involved with the project believe that six of these planets are comparable in size and temperature to Earth.

Results

- Seven exoplanets discovered in the Trappist-1 system, the largest discovery ever of potentially habitable planets around a single star.
- Three of them contain water and so could perhaps sustain life.
- Exporting the techniques used in this study is seen as the next step in the further search for life outside the solar system.

Programme name: Seventh research framework programme (FP) (including completion of sixth research FP)

Coordinators: Université de Liège

EU budget contribution to the project: EUR 1 963 990

Project location: Liège, Belgium

Time frame: 2014 to 2018

© Michaël Gillon

http://europa.eu/!du76TK

Double-teaming on neurological diseases

The Neurostemcellrepair projects aim to take human stem cells through the final steps towards clinical application in cell replacement therapy for neurological disorders. Moreover, they will tackle next-generation issues pertaining to stem cells at a basic level and develop new approaches and novel cell sources, validated at preclinical stages for both Parkinson's disease and Huntington's disease.

Results

European researchers report a breakthrough technique paving the way for the first-ever stem cell-derived brain cell transplantations in people with Parkinson's disease. Meanwhile, research on brain cell reprogramming is moving towards potential application for Huntington's disease.

Programme name: Seventh research FP (including completion of sixth research FP)

Coordinators: Università degli Studi di Milano

EU budget contribution to the project: EUR 6 000 000

Partners: Germany, Italy, Sweden, United Kingdom

Project location: Milan, Italy

Time frame: 2013 to 2017

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http://europa.eu/!CU49CC

ec.europa.eu/budget/euprojects
#EUBudget4Results

Support for research start-ups

Quadrivium 1 is a EUR 56.1 million seed fund launched in 2013 by French venture capital firm Seventure Partners. It supports high-potential start-ups in the life sciences — including bio, health and clean technology — and digital and robotic technology sectors.

Results

- Eleven companies from the academic world funded since 2013.
- Partner fund to 12 academic institutions.
- Funding from EUR 300 000 to EUR 1.5 million.
- Around 50 employees hired.

Programme name: Horizon 2020

EU budget contribution to the project: EUR 20 000 000

Project location: Paris, France

Time frame: 2013 to 2020

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http://europa.eu/!PD76Qj

Guidance services for young people all under one roof

Finland's one-stop guidance centres give people under 30 advice on work or training choices and related services. They aim to increase employment among the young and prevent alienation. This is vital as an estimated 25 000 people aged 20-24 in Finland are not in work or education. The Kohtaamo project coordinates the centres which are part of the Finnish youth guarantee programme.

Results

- Forty one-stop guidance centres in Finland.
- One-stop guidance centres cover almost 100 municipalities.
- Some 50 000 individual visits in 2016.

Programme name: Programme for social change and innovation (PSCI)

EU budget contribution to the project: EUR 1 916 377

Project location: Finland

Time frame: 2014 to 2020

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http://europa.eu/!dw89Ny

WorKit: job language kit for migrants

The WorKit project aims to facilitate the access for adult migrants to the labour markets of their host countries through equipping them with the necessary language and communication skills, and providing them with information about local market opportunities in five EU Member States. By delivering innovative context-related and learner-centred tools, the project addresses the migrants' urgent needs to quickly learn a new language.

Results

The main project products (the job language kit for migrants, the WorKit online interactive tool and the WorKit mobile app) will provide language information on work and employment, addressing specific areas in the process of seeking, finding and keeping a job. Thus WorKit will allow migrants to quickly achieve progress in adaptation and language learning, to better match them with the requirements and the needs of employers.

Programme name: Education, training, youth and sport (Erasmus+)

Coordinators: Coöperatieve vereniging Pressure Line UA

EU budget contribution to the project: EUR 281 431

Project location: Rotterdam, Netherlands

Time frame: 2015 to 2017

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http://europa.eu/!dp36MC

Building the Klaipeda-Kursenai gas transmission pipeline

This action involved the building of a 111-km gas transmission pipeline in Lithuania and was deemed a key EU energy infrastructure project (project of common interest 8.2.3). It connected the liquefied natural gas (LNG) terminal in Klaipeda to the gas transmission network at Kursenai. It aimed to increase the capacity of the Klaipeda-Kiemenai gas pipeline.

Results

- Eliminated a bottleneck in the gas transmission system in Lithuania.
- Increased the capacity of the Klaipeda-Kiemenai pipeline, enabling the transportation of substantial gas volumes from the LNG terminal in Klaipeda.
- Enhanced the region's security of gas supply as well as competition in the gas markets of Estonia, Latvia and Lithuania.

Programme name: Connecting Europe Facility (CEF)

EU budget contribution to the project: EUR 24.7 million

Project location: Klaipeda, Lithuania

Time frame: 2014 to 2016

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http://europa.eu/!fP36pk

Economic, social and territorial cohesion

Highlights

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Some 1.2 million jobs created thanks to the support of the European Regional Development and Cohesion Funds over 2007-2013.

© European Union

Energy efficiency thanks to the European Regional Development Fund (ERDF) resulted in overall energy reduction of 2 904 GWh in the 2007-2013 period.

© European Union

Over 9 million people were connected to a new or improved supply of clean drinking water, while 11 million people were connected to new or upgraded wastewater treatment facilities in the 2007-2013 period.

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By the end of 2014, at least 9.4 million participants found a job with support from the ESF, 8.7 million obtained a qualification or certificate, and other positive results, such as increased skills levels, were reported by 13.7 million participants.

Cohesion policy aims to promote economic, social and territorial cohesion by helping the least-developed EU Member States and regions to catch up with the other Member States, improving competitiveness in all regions and encouraging cooperation between regions. It also promotes a more balanced and sustainable territorial development. The policy targets all regions and cities in the EU in order to support job creation, business competitiveness, economic growth and sustainable development, and to improve the quality of life of EU citizens.

Cohesion policy supports hundreds of thousands of projects all over Europe that receive funding from the ERDF, the European Social Fund (ESF) and the Cohesion Fund. (The Cohesion Fund awards funding to programmes in EU Member States that have a GDP lower than 90 % of the EU average.)

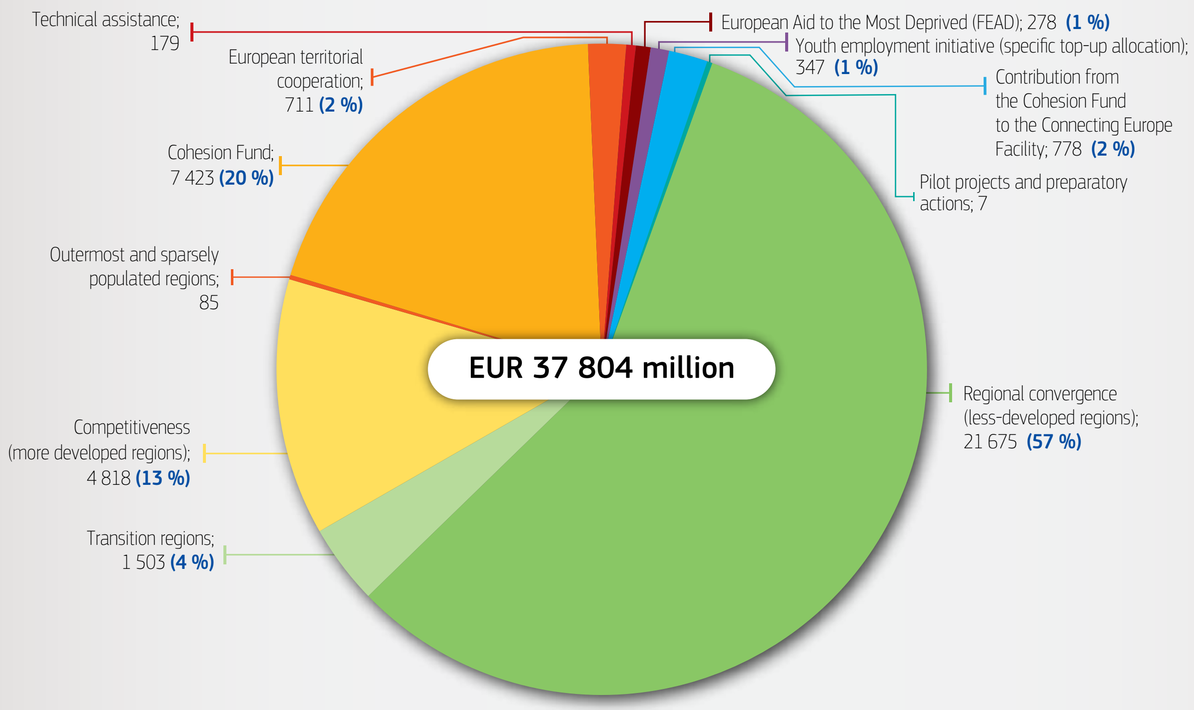
For the 2014-2020 budgetary period there are five funds known as the European Structural and Investment Funds (ESIF) which contribute to cohesion policy and regional development: the ERDF, the ESF, the Cohesion Fund, the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF). Coordination and consistency between these funds are ensured by a single set of rules [1].

By the end of March 2016, just over 90 % of the funding available from the ERDF and Cohesion Fund for the 2007-2013 period had been paid to Member States, with a slightly larger share being paid to EU-12 (92 %) than to EU-15 (89 %). A similar time profile is evident for both the ERDF and Cohesion Fund.

The year 2016 has been the first full year of implementation — by the Member States — for the cohesion policy operational programmes of the 2014-2020 programming period. In these early stages of implementation, the selection of projects is a key step towards a successful implementation of investments.

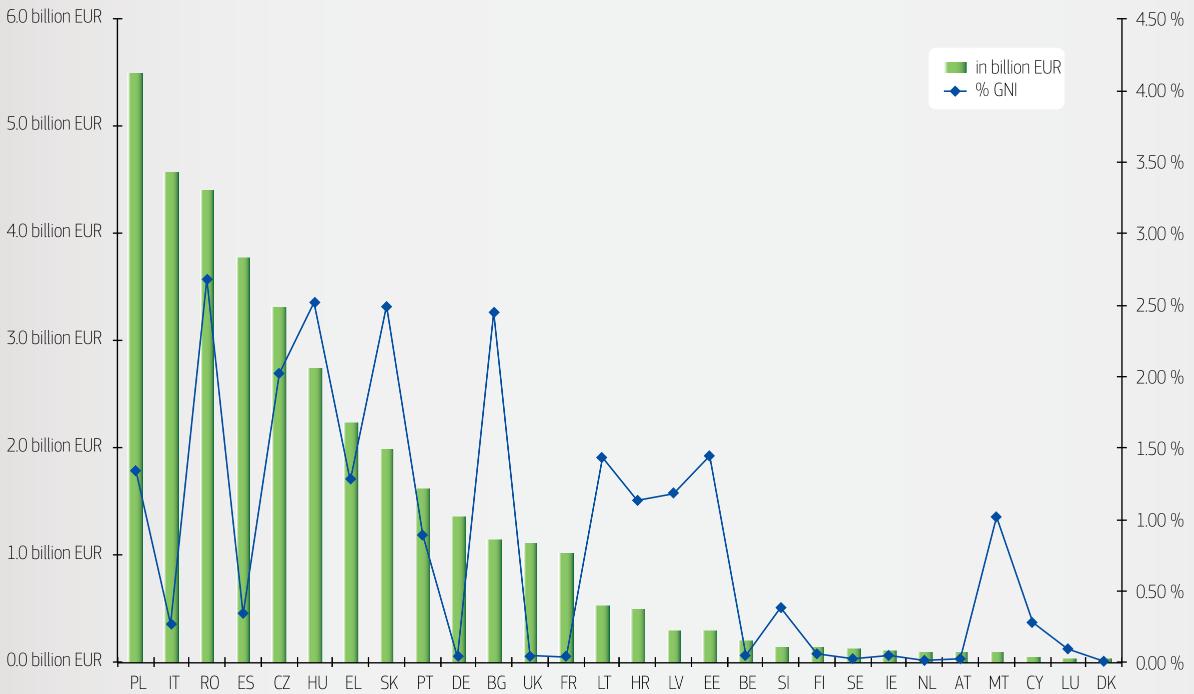
(1) https://ec.europa.eu/digital-single-market/en/news/regulation-eu-no-13032013-european-parliament-and-council

Heading 1b — Payments executed (*million EUR*) in 2016



Payments in 2016 cover both the current programmes and the completion of previous programmes. The pie chart only covers the names of the current programmes.

Heading 1b — Expenditure by Member State in 2016*



* Excluding implementation financed by earmarked revenue.

Sofia metro line 3

Some 1.5 million people live in or around Bulgaria's capital Sofia and ever more residents and visitors prefer to travel by metro. Metro transport is fast, comfortable and economical, and helps reduce congestion and pollution. Almost 350 000 people a day use the existing two lines and the EU is now funding the construction of line 3.

Results

- Extension of the metro by 11.6 km and addition of 12 stations and 20 trains.
- Connection of the main transport arteries into Sofia with the central station and airport.
- Lower traffic volumes and reduction of harmful emissions by 4 500 tonnes a year by 2020.
- Some 2 100 temporary jobs during construction.
- Some 600 permanent jobs following completion.

Programme name: European Regional Development Fund (ERDF)

EU budget contribution to the project: EUR 368 million

Project location: Sofia, Bulgaria

Time frame: 2016 to 2019

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http://europa.eu/!PC96hU

ec.europa.eu/budget/euprojects
#EUBudget4Results

Robotic innovation gives Croatian neurological surgeons a helping hand

An innovative and commercially competitive robotic system for neurosurgery applications has been developed through an EU-funded project based in Zagreb, Croatia. The new system is composed of a master robot for pre-planned navigation and an assistant robot for handling complex medical instruments, enabling it to perform specific and complex actions that require incredible precision and accuracy.

Results

The robotic neuronavigation (RONNA) robot is capable of performing precise bone-drilling operations that the project team says will improve patient safety and reduce the potential trauma that can be caused by manual drilling procedures. The new system also features advanced control mechanisms that allow an intuitive and natural interaction between medical staff and the robot itself. The project team, which consisted of academic and medical staff, is now working on registering patents for some of these innovations.

Programme name: ERDF

Coordinators: Ministry of Regional Development and EU Funds

EU budget contribution to the project: EUR 342 729

Project location: Zagreb, Croatia

Time frame: 2014 to 2016

© University of Zagreb, Faculty of Mechanical Engineering and Naval Architecture

http://europa.eu/!PT74fw

Wealth from waste in northern and Arctic marine regions

Local enterprises in remote northern coastal economies create smart new industries from plastic marine waste to revive economies and keep the environment clean.

Results

The stunning coastlines of the Northern Periphery and Arctic region have traditionally supported strong fishing communities. But times are changing. The industry is on the decline, while plastic fishing litter threatens wildlife and fishing boats. The EU-funded Circular Ocean project has stepped in with support to develop smart green industries from old plastic fishing nets and ropes. This represents 10 % of marine waste and is a potential resource for many industries, and can be incorporated into products such as clothing and skateboards.

Programme name: ERDF

EU budget contribution to the project: EUR 921 176

Project location: Ireland, Norway, United Kingdom

Time frame: 2015 to 2018

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http://europa.eu/!bK83hv

EU funding strengthens national road network in north-west Romania

An EU-funded project renovated some 76 km of national road in the Romanian counties of Maramures and Satu Mare. The key elements of the project included widening the road and improving paving throughout. This upgrade will help to relieve congestion and improve road safety.

Results

This north-west region of Romania has experienced an increase in traffic in recent years, which has led to bottlenecks, environmental degradation and concerns over road safety. This ERDF-funded project addresses these problems by focusing on improving key sections of this national road that connects Baia Mare and Livada; Livada and Halmeu; and Satu Mare and Livada.

Programme name: ERDF

EU budget contribution to the project: EUR 31 853 973

Project location: Bucharest, Romania

Time frame: 2007 to 2017

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Working together to increase employability

With high unemployment levels in some areas of Spain, at-risk individuals are being hit particularly hard. To mitigate this effect, the EU-funded Vives Emplea project is equipping them with the tools and skills they need to successfully secure employment.

Results

The economic crisis has hit Spain hard, especially for those who already face the challenges of poverty and social exclusion. As this population tends to lack the social and educational skills needed for basic employment, they are at higher risk of seeing their situation worsening. Knowing that poverty and social exclusion are influenced by factors such as employment, education, housing and health, the Vives Emplea project has responded with a model that increases the employability of that portion of the population most at risk of social exclusion.

Programme name:
European Social Fund (ESF)

EU budget contribution to
the project: EUR 5 837 473

Project location: Madrid, Spain

Time frame: 2014 to 2019

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http://europa.eu/!Pm88DR

Sustainable growth: natural resources

Highlights


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In 2015 (financial year 2016), the first year of implementation of the reformed system, about 7 million farmers benefited from direct payments.

For the EAFRD all 118 rural development programmes are up and running and are currently being implemented. They help the rural areas of the EU to meet the wide range of economic, environmental and social challenges.

At the end of 2016, a total number of 14 Sustainable Fisheries Partnership Agreement protocols were in force. They organise and regulate the activity of external fishing fleets.

In 2016 the financial instrument for the environment (LIFE) programme dedicated to the environment and climate action provided EUR 315 million to co-finance 157 new projects across 23 Member States, which spurred an additional EUR 236 million in investments.

Heading 2 (Sustainable growth: natural resources) covers the CAP, the common fisheries policy, rural development and environmental measures.

The EU CAP encourages the production of safe and high-quality food. It promotes EU agricultural products, encourages innovation in farming and food processing, and supports farmers. The budget allocated to the CAP is used to finance both direct payments to farmers and measures to help address market disturbances, e.g. private or public storage and export refunds.

The financial year 2016 was the first year for the implementation of the new system of direct payments under the reformed CAP 2014-2020. Despite delays observed during 2016, Member States managed to deliver direct payments to farmers reaching an execution level of 97.8 % of their financial allocations, covering about 7.5 million farmers and some 90 % of the EU utilised agriculture area (155.5 million hectares).

Additional market support measures were provided such as private storage aid and public intervention for certain dairy products. In addition, exceptional market measures covering targeted aid, exceptional adjustment aid and aid for milk production reduction for dairy farmers were implemented due to the particularly unfavourable market developments of 2015 and 2016.

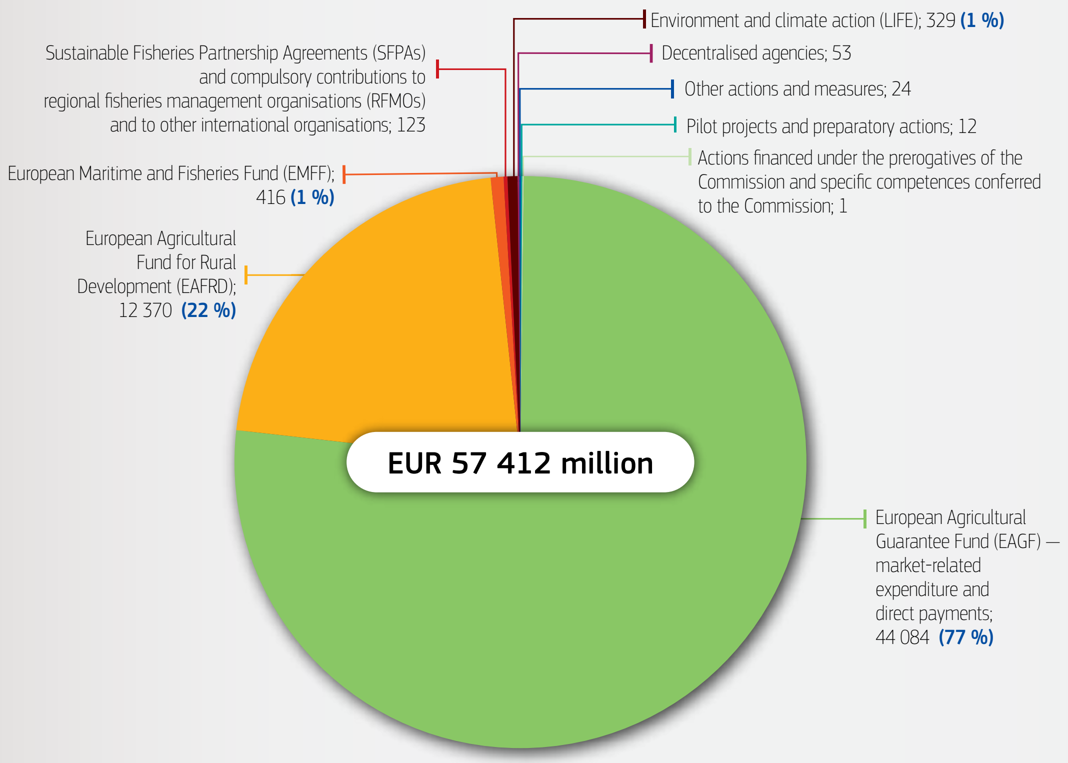
European agriculture showed its resilience, finding alternative markets at home and abroad (in particular in Asia and the United States), as evidenced by the trade statistics: for the 12-month period December 2015 to November 2016, EU agri-food exports reached a value of EUR 130.7 billion, marking a year-on-year increase of 2 % in value terms, despite the continued loss of the Russian market.

The EU is committed to increasing the economic potential of rural areas. Through the EAFRD, it aims to create new sources of income for those living in rural areas by encouraging the diversification of activities. This fund is also used to help protect rural heritage. As far as the second pillar of the CAP is concerned, rural development programmes financed by the EAFRD are more advanced in implementation compared to the other European Structural and Investment Funds (ESIF) under headings 1b and 2. This is mainly thanks to some specific provisions for a smooth transition from the previous programming period 2007-2013, which were of particular relevance for so-called annual measures (agri-environmental and forestry measures, organic farming, animal welfare, etc.) representing almost half of all EAFRD-eligible expenditure. The EAFRD is also much more advanced as regards the closure of rural development programmes under the 2007-2013 period. More than two thirds of these programmes were already closed in 2016 while the remaining ones are expected to be closed in 2017.

Equally importantly, the EU promotes the efficient and sustainable use of land and forests. It encourages measures that ensure better protection of nature and biodiversity, reduce waste production and greenhouse gas emissions, make use of clean technologies and improve air quality. The LIFE programme supports environmental protection and nature conservation.

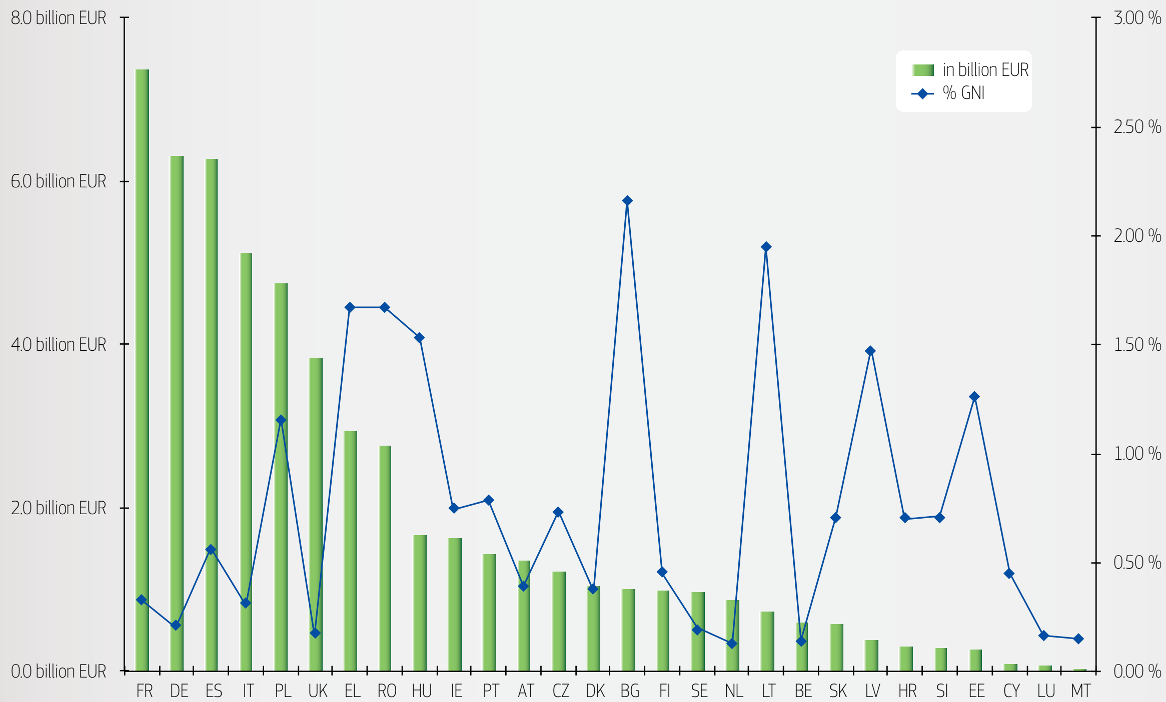
The common fisheries policy promotes sustainable fisheries and aquaculture. The reform of the common fisheries policy focuses on ensuring the long-term environmental sustainability of fishing and aquaculture.

Heading 2 — Payments executed (*million EUR*) in 2016



Payments in 2016 cover both the current programmes and the completion of previous programmes. The pie chart only covers the names of the current programmes.

Heading 2 — Expenditure by Member State in 2016*



* Excluding implementation financed by earmarked revenue.

Adaptable wine making

Climate change is having a direct effect on both agriculture and viticulture. But Germany's Saale-Unstrut region, Europe's most northerly designated quality wine region, is coming up with a response. A project aimed at adapting and optimising vine cultivation methods has been launched with EU support.

Results

- The project focuses on optimising vineyard ecosystems in the context of climate change.

Programme name: Environment and climate action (LIFE)

EU budget contribution to the project: EUR 839 447

Project location: Naumburg, Saxony-Anhalt, Germany

Time frame: 2016 to 2020

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Cleaner air for Małopolska

Polish cities are among the most polluted in Europe. To improve quality of life for residents, towns and cities in the Małopolska region have joined forces to create a network of eco-consultants. These consultants help local people to find the best ways of cutting emissions and to get funding to support them.

Results

- According to estimates, more than 98 % of Małopolska's inhabitants breathe air in which permissible levels of carcinogenic substances are exceeded by up to 10 times.
- Involves 62 partners, including towns and cities of the Małopolska region, the Slovak Hydrometeorological Institute and the Czech environment ministry.
- More than 100 new jobs created, including for eco-consultants.

Programme name: LIFE

EU budget contribution to the project: EUR 9 914 871

Project location: Małopolska region, Poland

Time frame: 2015 to 2023

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http://europa.eu/!Bm64wk

Information on the EU's fisheries and aquaculture sectors

The European Market Observatory for Fisheries and Aquaculture products (EUMOFA) is an online service that provides market intelligence and analysis of the fisheries and aquaculture sectors in the EU (worth EUR 54.7 billion of household expenditure in 2013).

It is multilingual and accessible to all. It analyses EU market dynamics to support business decisions and policymaking and to increase market transparency and efficiency.

Data is updated daily and covers the whole supply chain: production, wholesale, imports and exports, retail and consumption.

Results

EUMOFA:

- brings together a large network of experts in the fisheries and aquaculture sectors in the EU;
- publishes monthly market reports and yearly analysis of the EU markets;
- provides training and support to producers and professional organisations as well as to EU Member States;
- contributes to the sustainable economic development of fisheries and aquaculture in the EU, by providing knowledge on markets trends.

Programme name: European Maritime and Fisheries Fund (EMFF)

Coordinators: Managed by the European Commission (Directorate-General (DG) for Maritime Affairs and Fisheries) and implemented with external experts.

EU budget contribution to the project: EUR 16 000 000

Partners: EU Member States and professional organisations

Project location: Belgium

Time frame: 2014 to 2018

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Organic, the taste of nature

This information and promotion campaign on organic products targets the Dutch market. Four main actions include a comprehensive communication campaign, farm visits, a 10-day national organic event and participation at a trade fair on organic products. The campaign targets consumers, market participants (farmers, supermarkets, retailers), civil society organisations and press and media. The principal objective is to increase sales of organic products by raising awareness of the EU organic label and the benefits of organic products.

Results

The programme's goal is to raise awareness of the EU organic logo among Dutch consumers from 20 % in 2014 to 40 % in 2018 and to achieve annual growth of 6 % in the consumption of organic products in the Netherlands. Dissemination via mass media messages is set to reach 15 million consumers in 2018.

Programme name: European Agricultural Guarantee Fund (EAGF)

Coordinators: Government department for Dutch enterprise

EU budget contribution to the project: EUR 889 143

Project location: Netherlands

Time frame: 2015 to 2018

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http://europa.eu/!Wx96jh

Eberlin apiary keeps growing

At 27 years of age and with a masters in new media, Krists Ēberliņš seems an unlikely beekeeper. But for 5 years he has been running the family apiary in Nīgrande, Latvia. Equipment bought with EU support has enabled the apiary to grow from 1 to 350 bee colonies, create new products and build up exports. The family are now considering modernising production facilities and hiring more staff.

Results

Eberlin apiary:

- is one of the biggest honey and bee bread producers in Latvia's south Kurzeme region;
- has 350 bee colonies making around 9 tonnes of honey a year;
- teaches some 180 students and tourists a year about honey production and the importance of bees for ecosystems and farming;
- makes honey for food and skincare in saunas, as well as bee bread, pollen and wax candles.

Programme name: European Agricultural Fund for Rural Development (EAFRD)

EU budget contribution to the project: EUR 1 556

Project location: Nīgrande, Latvia

Time frame: 2011 to 2017

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Security and citizenship

Highlights


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The European Border and Coast Guard Agency (Frontex) deployed on average over 600 officers each day in the central Mediterranean, rescuing 174 500 people in 2016.


© Pixabav

The Oscar (Academy award) for best foreign language film went to a MEDIA-supported film for the fourth consecutive year.


© Pixabav

In 2016, 520 cultural organisations creating an estimated 1 952 jobs were supported through projects funded by the culture programme.


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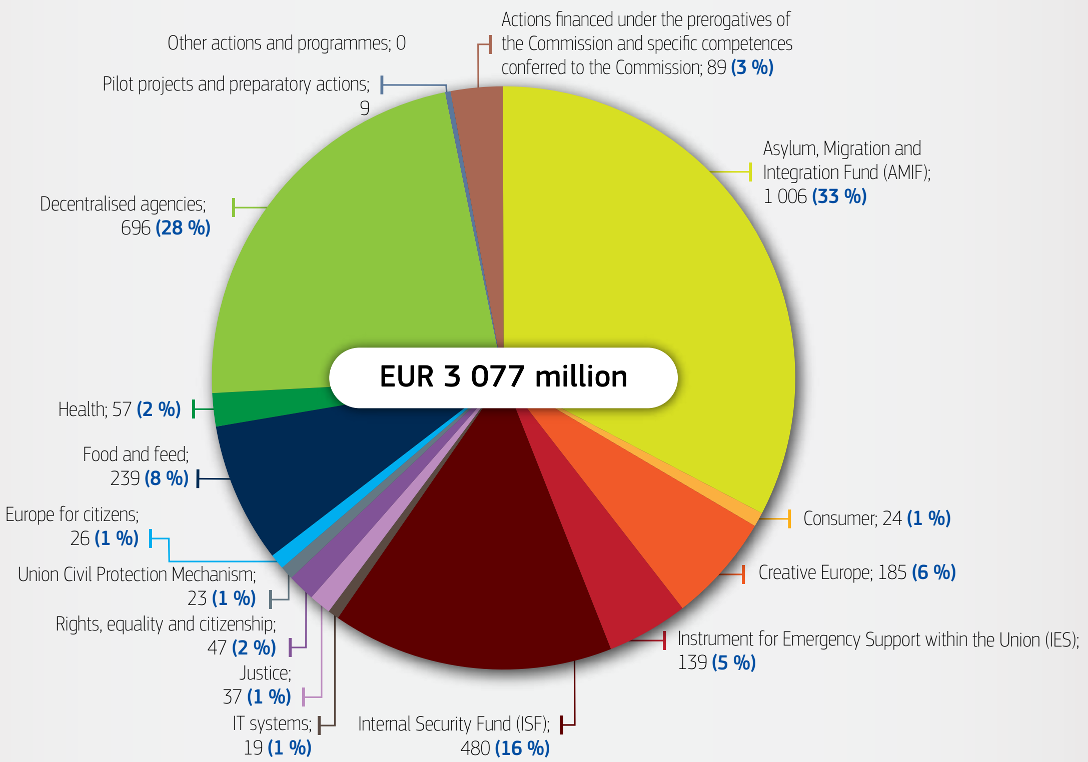
The health programme funds were notably used to support interventions for limiting the spread of Ebola and Zika.

The budget heading 3 (Security and citizenship) now includes justice and home affairs, border protection, immigration and asylum policy, public health, consumer protection, culture, youth, information and dialogue with citizens.

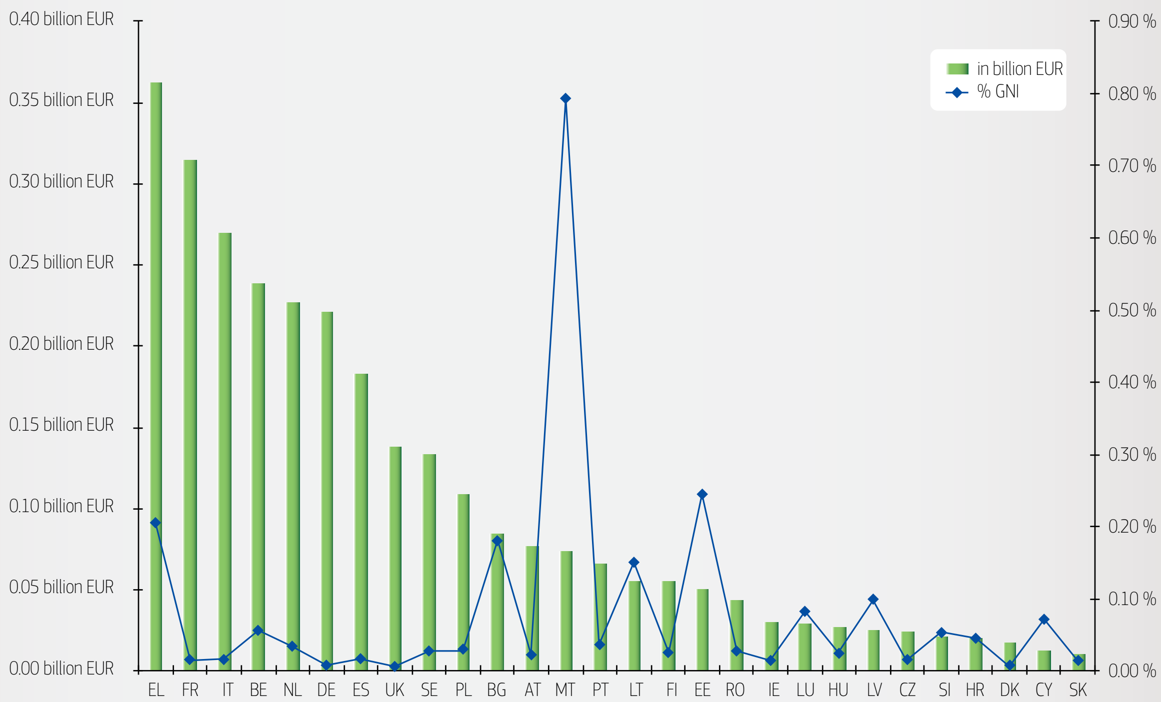
The year 2016 was another critical year where Europe had to demonstrate its capacity to address the migration challenges and to tackle security threats. Two dedicated funds — with a combined budget of EUR 11 billion and mainly implemented (70 %) under shared management through national programmes and emergency financing — contribute to these challenges: the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF) with its strands ISF Borders and ISF Police.

Heading 3 — Payments executed (*million EUR*) in 2016



Payments in 2016 cover both the current programmes and the completion of previous programmes. The pie chart only covers the names of the current programmes.

Heading 3 — Expenditure by Member State in 2016*



* Excluding implementation financed by earmarked revenue.

Eritrean and Somali refugees tell their stories

This project's main objective is to publicise the risks linked to irregular migration towards Europe and provide information on possible alternatives. It is based on an innovative information tool, an e-platform called 'Telling the real story', introducing real testimonies from refugees and asylum seekers from Eritrea and Somalia. It aims to add a new element of credibility to their messages.

Results

- Those people affected will produce stories uninterrupted, which will be authentic and morally incontestable.
- Debunking the myth of carefree life in Europe as a result of stories about trafficking/smuggling networks.
- A more realistic perception of Europe will be presented in countries of origin, first asylum, transit and destination.
- It is expected to impact and reframe the way Somali and Eritrean societies look at migration, once people start discussing the situation from different viewpoints.

Programme name:
Asylum, Migration and Integration Fund (AMIF)

EU budget contribution to the project: EUR 1 000 000

Project location:
Somalia, Ethiopia

Time frame: 2015 to 2016

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http://europa.eu/!Hx94kv

Strengthening Europe's network of anti-cybercrime centres

The main goal of the Strengthening European Network Centres of Excellence in Cybercrime (SENTER) project is to transform the EU's national cybercrime centres of excellence into a well-functioning community.

The project continues the work started in a previous EU-funded project which created an embryonic network of such centres.

Today more than 10 centres are operating all over Europe. However, despite major achievements, most of the centres have been working mainly in isolation, resulting in duplication of efforts.

The SENTER project will bring these national centres together to work on cybercrime research, training and education.

Results

The project started in January 2016.

Its expected results include the following.

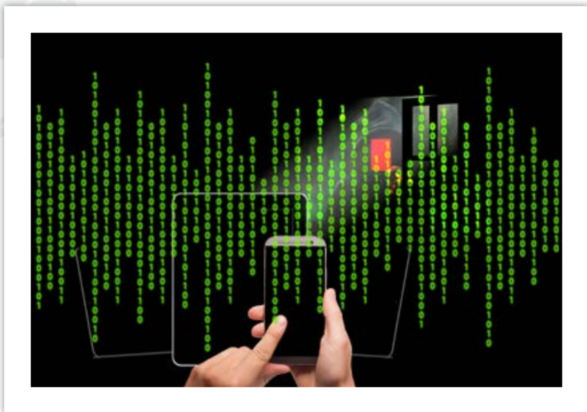
- The sharing of experience and resources between national cybercrime centres across Europe.
- Best practices that could be used by countries that do not yet have a national cybercrime centre.
- A business model that could be used in resource-limited EU Member States and regions.
- Joint training programmes and international groups of trainers.
- Creating partnerships with similar networks in other parts of the world.

Programme name: Internal Security Fund (ISF)

EU budget contribution to the project: EUR 1 779 164

Project location: Belgium, Bulgaria, Czech Republic, Germany, Estonia, Greece, France, Lithuania and Slovenia

Time frame: 2016 to 2017



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http://europa.eu/!Gp38rH

Example: jointly combating illegal online hate speech

A Commission agreement with Facebook, Twitter, YouTube and Microsoft in 2016 aims to ensure that the internet remains a place of free and democratic expression, where European values and laws are respected. The companies have committed themselves to reviewing the majority of valid notifications for removal of illegal hate speech in less than 24 hours and to removing or disabling access to such content, if necessary.

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Creative Europe

Creative Europe, the European Commission's 7-year funding programme for the cultural and creative sectors, launched in the United Kingdom with 9 % more funding now available to creative businesses across Europe. It combines the European Commission's existing culture and MEDIA programmes and is expected to benefit over 300 000 cultural professionals and reach 100 million European citizens. It will support the distribution of over 1 000 European films in 2 500 cinemas and will translate 5 500 books.

Results

Supporting the United Kingdom's audiovisual industry, it invested in the development of films such as Mike Newell's *Great expectations* and Roger Michell's *Hyde Park on Hudson*, among many others. It supported the distribution of some of the best-known recent British films to audiences across Europe, including *The king's speech* and *Slumdog millionaire*. More recently the Creative Europe programme supported the documentary *Amy*. It also invested in Mike Leigh's production of Gilbert and Sullivan's comic opera *The pirates of Penzance*.

Programme name: Creative Europe

Coordinators: British Film Institute

Partners: British Council, Arts Council England, Arts Council Northern Ireland, Northern Ireland Screen and more.

Project location: United Kingdom

Time frame: 2014 to 2021

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https://ec.europa.eu/budget/euprojects/creative-europe_en

One space

One space is a 25-month cooperation project committed to develop intercontinental exchange, cooperation, production and distribution between artists from Europe, Africa and the Middle East (Palestine ([1])). The goal of the project, designed by three partners from the Shared Spaces network; Exodos (Ljubljana); KVS (Brussels); and Alkantara (Lisbon), is to enable cultural players to cooperate internationally and to internationalise their careers and activities in the EU and beyond. The project tackles an equal opportunity theme and engages minorities.

Results

The goal of the project will be achieved through three labs, in three different countries, with 12 young performing arts artists and one digital artist participating under guidance of 12 experts and three mentors. The project will greatly help to exchange skills, competences and know-how, as well as international cooperation.

Three projects, developed during the labs, will be produced and presented in Ljubljana, Brussels and Lisbon, as part of well-established festivals. By promoting transnational circulation of these European productions and enabling mobility of artists from, among others, Belgium, Congo, Lebanon, Palestine ([2]) and Slovenia, the project will stimulate interest in a series of original works for the existing and new audience.

The project strengthens the partner organisations and their international networking as well as facilitates the participants' access to extended professional opportunities where the artists are working (particularly in Congo or Palestine ([3]), where international cultural cooperation is difficult). Moreover, the project aims to progressively connect African artists and cultural non-governmental organisations (NGOs) to the European Shared Spaces network. Altogether, the project aims to produce results which will go beyond the sole interests of the partners and direct participants and have potential long-term impacts.

Programme name: Creative Europe

EU budget contribution to the project:
EUR 199 913

Project location: Ljubljana, Slovenia

Time frame: 2015 to 2017

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http://europa.eu/!tY38Kb

([1]) This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of EU Member States on this issue.
([2]) This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of EU Member States on this issue.
([3]) This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of EU Member States on this issue.

Global Europe

Highlights

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In 2016, the European Commission continued to be a leading actor in the international response to major humanitarian crises, both natural and man-made.

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In 2016, The European Commission managed an unprecedented humanitarian aid budget of about EUR 2 025 million for food, shelter, protection and healthcare for 120 million people in over 80 countries.

© EU-ECHO-Pierre Prakash

In 2016, 174 500 people in the central Mediterranean were rescued. Shelter for over 35 000 people was provided and 26 187 persons were returned through voluntary return programmes.

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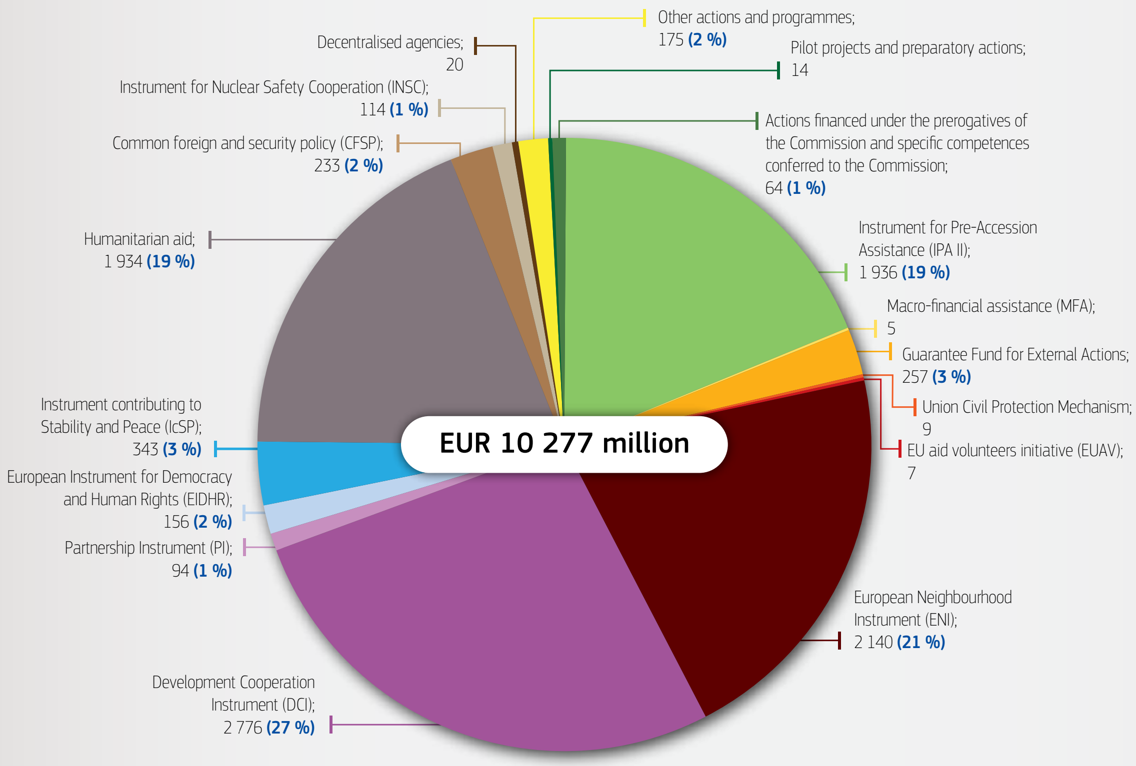
The EUR 1.8 billion EU Trust Fund for Africa, set up in 2016, aims at increasing capacities in partner countries to better manage migration and refugee flows, and also at addressing the more structural root causes of irregular migration and forced displacement.

Heading 4 (Global Europe) covers all external action (or foreign policy) carried out by the EU. It includes the enlargement process, development assistance, humanitarian aid and response to crises, with the exception of development cooperation with the African, Caribbean and Pacific countries as well as overseas countries and territories of the EU, for which the EDF provides aid.

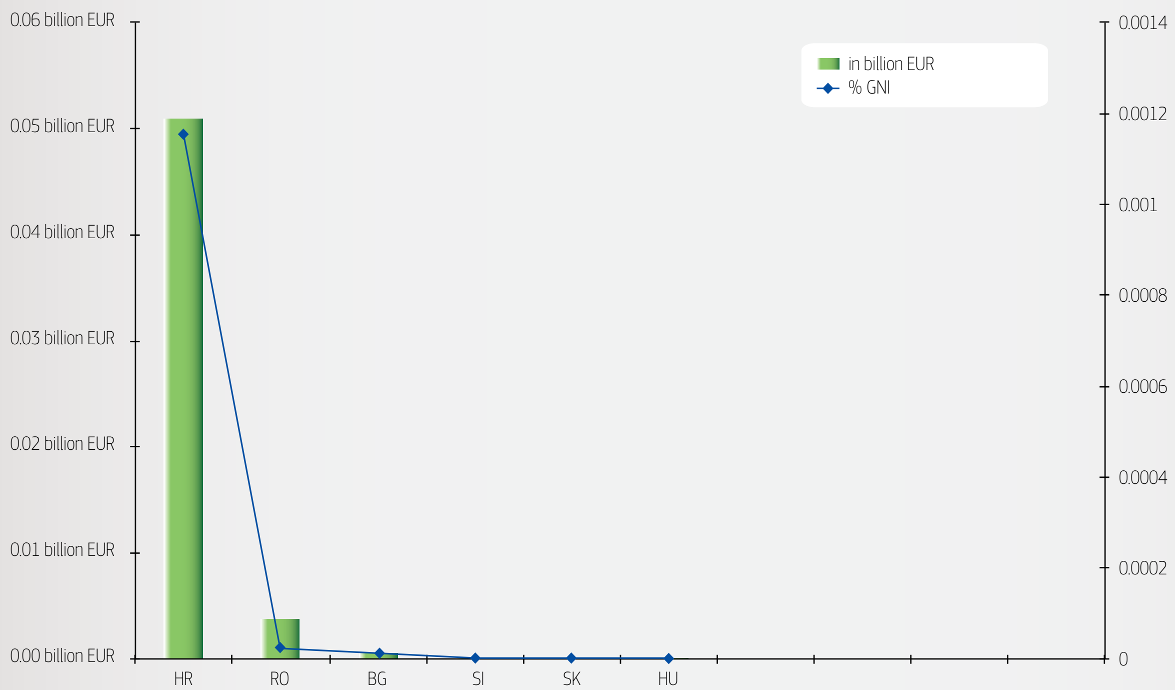
Many of the main actions under heading 4 in 2016 were linked to the unprecedented scale of humanitarian crises. Not least the ongoing migration challenges in Europe's immediate neighbourhood. The EU is also addressing the root causes of migration through development cooperation and assistance with a longer-term focus.

Heading 4 — Payments executed (*million EUR*) in 2016



Payments in 2016 cover both the current programmes and the completion of previous programmes. Only the names of the current programmes are given in the pie chart.

Heading 4 — Expenditure by Member State in 2016*



* Excluding implementation financed by earmarked revenue.

Fight against organised crime and corruption

Organised crime is a worldwide problem; to tackle it, strong international cooperation is required. In the western Balkans, countries need to build the appropriate structures and experience to investigate and prosecute complex criminal groups in an international context. In response to this situation, the European Union is helping the western Balkans take action — starting with joint investigations via two multi-country projects on the fight against organised crime and corruption.

Results

The two projects on the fight against organised crime and corruption, 'The prosecutors' network of the western Balkans' and Police cooperation in Albania, Bosnia and Herzegovina, Croatia, the former Yugoslavia Republic of Macedonia, Kosovo [1], Montenegro and Serbia', both aim to prevent and combat serious and trans-border organised crime and linked corruption. They focus on cases with cross-border implications, and aim to dismantle criminal organisations involved in illicit trafficking destined for the EU, in particular trafficking of firearms, drugs and human beings.

The results of the first phase include the following.

- The creation of joint working groups
  Prosecutors and police officers from EU Member States are seconded to the region in order to provide their counterparts with ongoing advisory services with a focus on investigating and prosecuting cross-border cases of organised crime.

- Access to international networks
  European Union Agency for Law Enforcement Cooperation (Europol) and Eurojust (including the European Judiciary Network in criminal matters) are closely associated to the projects, while Interpol is a partner in the 'Police project'. All beneficiary countries are already linked up to Europol via the Secure Information Exchange Network Application (SIENA) system used by international law enforcement coordination offices and police liaison officers of foreign countries in the region.

Programme name: Instrument for Pre-Accession Assistance (IPA)

Coordinators: DG Neighbourhood and Enlargement Negotiations

EU budget contribution to the project: EUR 10 million

Partners: Prosecutors: German development cooperation; police: Italian Ministry of Interior; French Ministry of the Interior and Ministry of Justice; Croatian Ministry of the Interior; the International Court of Justice (ICJ); Eurojust; Interpol

Project location: Serbia

Time frame: 2014 to 2017

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http://europa.eu/!XR66rJ

[1] This designation is without prejudice to positions on status, and in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

Better earthquake preparation in Ecuador

The project sought to make buildings in Ecuador better prepared to resist earthquakes by:

- developing earthquake preparedness guidelines in line with Ecuador's new building code;
- developing ways to check that buildings comply with the new building code and to assess the earthquake readiness of existing buildings;
- training professionals in the public and private construction sectors so that safer and more sustainable buildings are built.

Results

- National institutions given help to implement Ecuador's new building code.
- Local government in Ecuador's Durán and Ibarra cantons trained to check that new buildings are designed and built in line with the new building code and to assess the earthquake readiness of existing buildings.
- Pilot project run to assess how to make buildings more earthquake resistant in four vulnerable communities in Durán and Ibarra cantons.
- Exchange of experience with other southern countries over disaster impact and risk management.

Programme name: Humanitarian aid

EU budget contribution to the project: EUR 640 000

Project location: Ecuador

Time frame: 2015 to 2016

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http://europa.eu/!JR47Tr

Engaging youth, phase II — Special measure for Syria 2011

This project aims to improve employability and reduce unemployment rates among Palestinian refugees and Syrian citizens, with a focus on Palestinian refugee youth. By doing so, the engaging youth project seeks to mitigate the growing pressures of the crippling economic crisis and high levels of inflation that have been affecting Syria for the last 4 years.

Results

From its 18 engaging youth centres, the project in 2014 accounted for the following.

- A total of 2 285 job seekers being assisted in job searching and recruitment preparation.
- Some 1 252 young refugees participating in education plan workshops.
- One job fair being organised.
- A total of 5 605 students, of which 75 % were Palestinian refugees, completing courses in English, French, literacy and computer skills.
- Some 2 602 trainees (59 % women) enrolling in 119 vocational courses conducted in 48 specialisations (e.g. accountancy, IT, management and mechanics).
- A figure of 5 528 young refugees attending awareness-raising sessions on business start-up and financial management.
- Some 123 new start-ups being operational and able to support the households of the young entrepreneurs.
- A total of 7 848 young refugees supported in extra-curricular activities to reinforce their active role in social and civic life.

Programme name: European Neighbourhood and Partnership Instrument (ENPI)

EU budget contribution to the project: EUR 7 300 000

Coordinating organisation(s)/institution(s): United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), Jordan

Project location: Syria

Time frame: 2012 to 2016

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http://europa.eu/!DU84KV

ec.europa.eu/budget/euprojects
#EUBudget4Results

EU reducing emissions from deforestation and forest degradation (REDD): fighting deforestation in developing countries

The EU REDD facility is a project to help developing countries to slow, halt and reverse deforestation.

The project operates in Africa, Asia and South America. Its aims are to:

- help countries improve their rules on land use and the enforcement of those rules;
- help clarify who owns land and who has the right to use land;
- promote ways of producing agricultural goods without causing deforestation.

Results

The Republic of Congo improved its model for revenue distribution in the forest sector.

Côte d'Ivoire's chocolate manufacturers showed how REDD+ could make it cost effective to produce agricultural goods without causing deforestation.

Indonesian partners developed principles for a system to monitor the sustainability of land use.

Institutions can use the International Forest Risk Model (Inform) to help them take decisions that minimise deforestation. Inform offers clear and accessible information about the commodity supply chains that drive tropical deforestation.

Coordinators:
European Forest Institute

EU budget contribution to the project: EUR 8 million

Project location: Cameroon, Congo [Democratic Republic], Congo [Republic], Côte d'Ivoire, Indonesia, Vietnam

Time frame: 2011 to 2017

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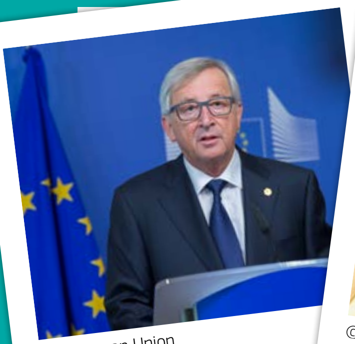
Administration

Highlights



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In September 2016, the European Commission presented the midterm review of the MFF (2014-2020) to ensure that the budget is invested in the best way to serve EU citizens.

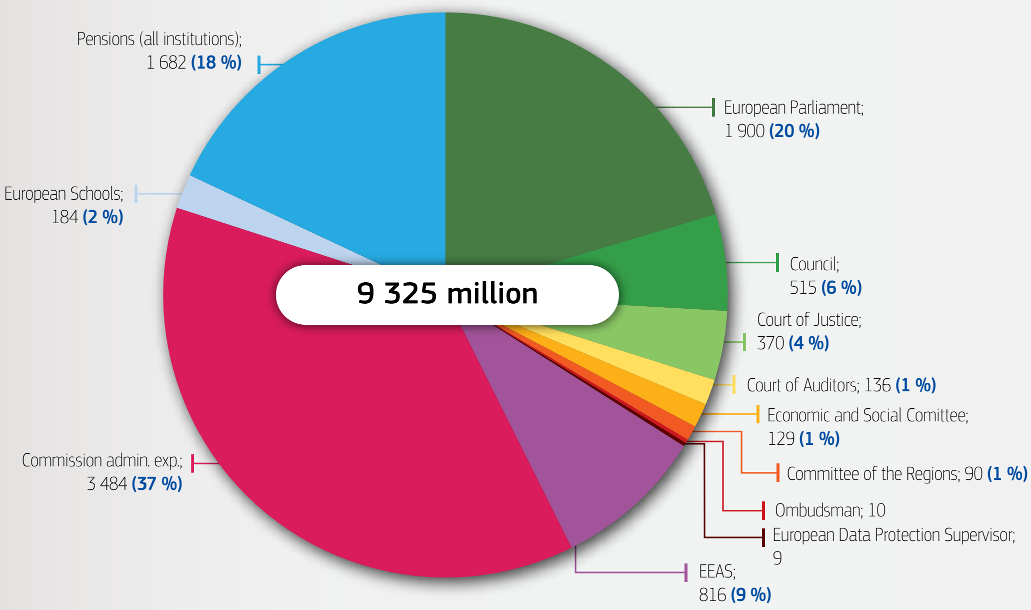
It also tabled a proposal for a new financial regulation to alleviate the administrative burden of business and citizens enabling them to access EU funds faster and more easily.

As the Commission strives to achieve savings in a difficult economic environment, a corporate talent management policy was put in place in 2016 to ensure the best possible match between staff competencies and service needs.

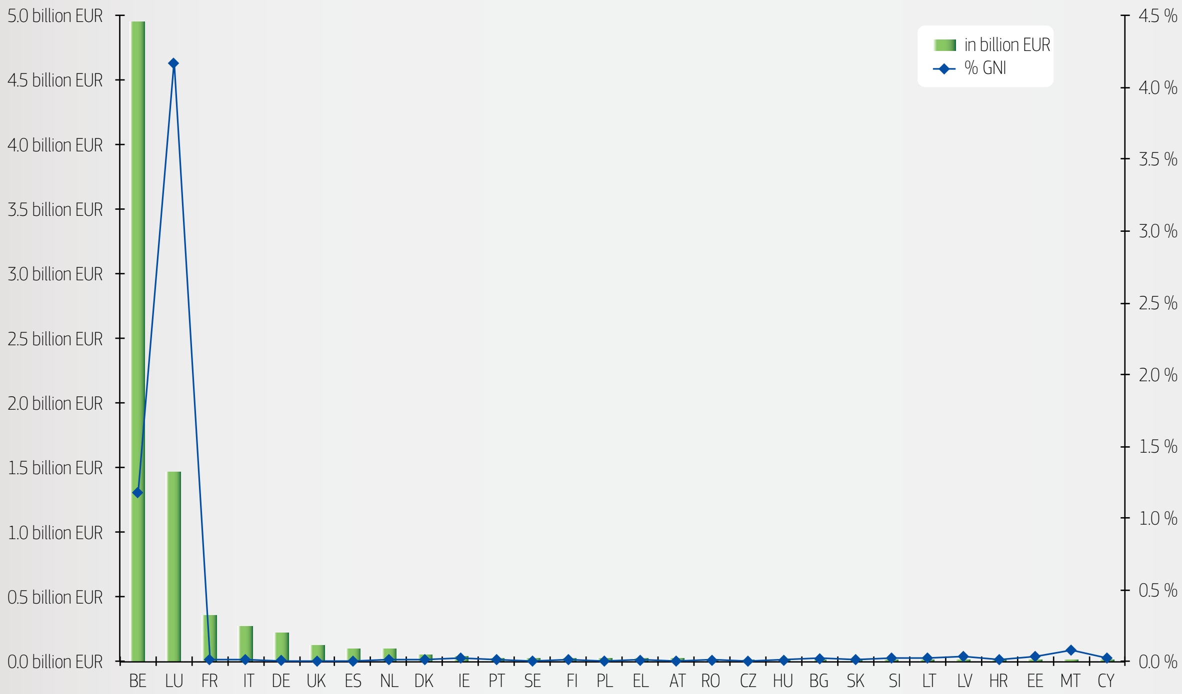
The Commission gives the highest priority to ensuring that the EU budget is well managed and that all the necessary measures are in place to protect taxpayers' money: EUR 3.4 billion in financial corrections and recoveries were implemented in 2016.

Heading 5 (Administration) covers expenditure by all EU institutions on, for example, staff salaries and pensions, buildings and infrastructure, information technology and security.

Heading 5 — Payments executed (*million EUR*) in 2016



Heading 5 — Expenditure by Member State in 2016*



* Excluding implementation financed by earmarked revenue.

Section IV

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Annexes

Annex 1

Financial frameworks 2007-2013 and 2014-2020

Table 1: Multiannual financial framework (EU-28) Technical adjustment for 2017

(million EUR — current prices)

COMMITMENT APPROPRIATIONS	2014	2015	2016	2017	2018	2019	2020	Total 2014-2020
1. Smart and inclusive growth	**52 756**	**77 986**	**69 304**	**73 512**	**76 420**	**79 924**	**83 661**	**513 563**
1a: Competitiveness for growth and jobs	16 560	17 666	18 467	19 925	21 239	23 082	25 191	142 130
1b: Economic, social and territorial cohesion	36 196	60 320	50 837	53 587	55 181	56 842	58 470	371 433
2. Sustainable growth: natural resources	**49 857**	**64 692**	**64 262**	**60 191**	**60 267**	**60 344**	**60 421**	**420 034**
of which: market-related expenditure and direct payments	43 779	44 190	43 951	44 146	44 163	44 241	44 264	308 734
3. Security and citizenship	**1 737**	**2 456**	**2 546**	**2 578**	**2 656**	**2 801**	**2 951**	**17 725**
4. Global Europe	**8 335**	**8 749**	**9 143**	**9 432**	**9 825**	**10 268**	**10 510**	**66 262**
5. Administration	**8 721**	**9 076**	**9 483**	**9 918**	**10 346**	**10 786**	**11 254**	**69 584**
of which: administrative expenditure of the institutions	7 056	7 351	7 679	8 007	8 360	8 700	9 071	56 224
6. Compensations	**29**	**0**	**0**	**0**	**0**	**0**	**0**	**29**
TOTAL COMMITMENT APPROPRIATIONS	**121 435**	**162 959**	**154 738**	**155 631**	**159 514**	**164 123**	**168 797**	**1 087 197**
as a percentage of GNI	0.90	1.17	1.05	1.04	1.04	1.04	1.03	1.04
TOTAL PAYMENT APPROPRIATIONS	**135 762**	**140 719**	**144 685**	**142 906**	**149 713**	**154 286**	**157 358**	**1 025 429**
as a percentage of GNI	1.01	1.02	0.98	0.95	0.97	0.97	0.96	0.98
Margin available	0.22	0.21	0.25	0.28	0.26	0.26	0.27	0.25
Own resources ceiling as a percentage of GNI (*)	**1.23**	**1.23**	**1.23**	**1.23**	**1.23**	**1.23**	**1.23**	**1.23**

(*) ORD 2014 entered into force 1 October 2016, after the technical adjustment 2017 was calculated, and will be reflected as from technical adjustment 2018 (communicated to the Council in May 2017).

Table 2: Financial framework 2007-2013: adjusted for 2013

(million EUR — current prices)

COMMITMENT APPROPRIATIONS	2007	2008	2009	2010	2011	2012	2013	Total 2007-2013
1. Sustainable growth	**53 979**	**57 653**	**61 696**	**63 555**	**63 974**	**67 614**	**70 644**	**439 115**
1a Competitiveness for growth and employment	8 918	10 386	13 269	14 167	12 987	14 853	15 670	90 250
1b Cohesion for growth and employment	45 061	47 267	48 427	49 388	50 987	52 761	54 974	348 865
2. Preservation and management of natural resources	**55 143**	**59 193**	**56 333**	**59 955**	**59 888**	**60 810**	**61 289**	**412 611**
of which: market-related expenditure and direct payments	45 759	46 217	46 679	47 146	47 617	48 093	48 574	330 085
3. Citizenship, freedom, security and justice	**1 273**	**1 362**	**1 518**	**1 693**	**1 889**	**2 105**	**2 407**	**12 247**
3a Freedom, security and justice	637	747	867	1 025	1 206	1 406	1 661	7 549
3b Citizenship	636	615	651	668	683	699	746	4 698
4. EU as a global player	**6 578**	**7 002**	**7 440**	**7 893**	**8 430**	**8 997**	**9 595**	**55 935**
5. Administration ([1])	**7 039**	**7 380**	**7 525**	**7 882**	**8 091**	**8 523**	**8 492**	**54 932**
6. Compensations	**445**	**207**	**210**	**0**	**0**	**0**	**75**	**937**
TOTAL COMMITMENT APPROPRIATIONS	**124 457**	**132 797**	**134 722**	**140 978**	**142 272**	**148 049**	**152 502**	**975 777**
as a percentage of GNI	1.02	1.08	1.16	1.18	1.15	1.13	1.15	1.12
TOTAL PAYMENT APPROPRIATIONS	**122 190**	**129 681**	**120 445**	**134 289**	**133 700**	**141 360**	**144 285**	**925 950**
as a percentage of GNI	1.00	1.05	1.04	1.12	1.08	1.08	1.08	1.06
Margin available	0.24	0.19	0.20	0.11	0.15	0.15	0.15	0.17
Own resources ceiling as a percentage of GNI	**1.24**	**1.24**	**1.24**	**1.23**	**1.23**	**1.23**	**1.23**	**1.23**

([1]) The expenditure on pensions included under the ceiling for this heading is calculated net of the staff contributions to the relevant scheme, within the limit of EUR 500 million at 2004 prices for the period 2007-2013.

Annex 2

Expenditure and revenue 2016 by heading, type of source and Member State

Annex 2a — Expenditure in 2016 by heading

All types of appropriations (million EUR)

		Total payments (including assigned revenue)
1a. Competitiveness for growth and jobs		
1.1.10	European Fund for Strategic Investments (EFSI)	1 032
1.1.11	European satellite navigation systems (EGNOS and Galileo)	557
1.1.12	International Thermonuclear Experimental Reactor (ITER)	602
1.1.13	European Earth observation programme (Copernicus)	591
1.1.2	Nuclear safety and decommissioning	151
1.1.31	Horizon 2020	10 588
1.1.32	Euratom research and training programme	286
1.1.4	Competitiveness of enterprises and small and medium-sized enterprises (COSME)	240
1.1.5	Education, training and sport (Erasmus+)	2 048
1.1.6	Employment and social innovation (EaSI)	138
1.1.7	Customs, fiscalis and anti-fraud	120
1.1.81	Energy	143
1.1.82	Transport	1 004
1.1.83	Information and communications technology (ICT)	46
1.1.9	Energy projects to aid economic recovery (EERP)	189
1.1. DAG	Decentralised agencies	326
1.1. OTH	Other actions and programmes	267
1.1. PPPA	Pilot projects and preparatory actions	17
1.1. SPEC	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	117
Total - Competitiveness		**18 461**
1b. Economic, social and terrirorial cohesion		
1.2.11	Regional convergence (less-developed regions)	21 675
1.2.12	Transition regions	1 503

1.2.13	Competitiveness (more-developed regions)	4 818
1.2.14	Outermost and sparsely populated regions	85
1.2.15	Cohesion Fund	7 423
1.2.2	European territorial cooperation	711
1.2.31	Technical assistance	179
1.2.4	European Aid to the Most Deprived (FEAD)	278
1.2.5	Youth employment initiative (specific top-up allocation)	347
1.2.6	Contribution to the Connecting Europe Facility (CEF)	778
1.2. PPPA	Pilot projects and preparatory actions	7
Total - Cohesion		**37 804**
2. Sustainable growth: natural resources		
2.0.10	European Agricultural Guarantee Fund (EAGF) — market-related expenditure and direct payments	44 084
2.0.20	European Agricultural Fund for Rural Development (EAFRD)	12 370
2.0.31	European Maritime and Fisheries Fund (EMFF)	416
2.0.32	Sustainable Fisheries Partnership Agreements (SFPAs) and compulsory contributions to regional fisheries management organisations (RFMOs) and to other international organisations	123
2.0.4	Environment and climate action (LIFE)	329
2.0. DAG	Decentralised agencies	53
2.0. OTH	Other actions and measures	24
2.0. PPPA	Pilot projects and preparatory actions	12
2.0. SPEC	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	1
Total - Sustainable growth: natural resources		**57 412**
3. Security and citizenship		
3.0.1	Asylum, Migration and Integration Fund (AMF)	1 006
3.0.10	Consumer	24
3.0.11	Creative Europe	185
3.0.12	Instrument for Emergency Support within the Union (IES)	139
3.0.2	Internal Security Fund	480
3.0.3	IT systems	19
3.0.4	Justice	37
3.0.5	Rights, equality and citizenship	47
3.0.6	Union Civil Protection Mechanism	23
3.0.7	Europe for citizens	26
3.0.8	Food and feed	239
3.0.9	Health	57
3.0. DAG	Decentralised agencies	696
3.0. OTH	Other actions and programmes	0
3.0. PPPA	Pilot projects and preparatory actions	9
3.0. SPEC	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	89
Total - Security and citizenship		**3 077**

4. Global Europe		
4.0.1	Instrument for Pre-Accession Assistance (IPA II)	1 936
4.0.10	Macro-financial assistance (MFA)	5
4.0.11	Guarantee Fund for External Actions	257
4.0.12	Union Civil Protection Mechanism	9
4.0.13	EU aid volunteers initiative (EUAV)	7
4.0.2	European Neighbourhood Instrument (ENI)	2 140
4.0.3	Development Cooperation Instrument (DCI)	2 776
4.0.4	Partnership Instrument (PI)	94
4.0.5	European Instrument for Democracy and Human Rights (EIDHR)	156
4.0.6	Instrument contributing to Stability and Peace (IcSP)	343
4.0.7	Humanitarian aid	1 934
4.0.8	Common foreign and security policy (CFSP)	233
4.0.9	Instrument for Nuclear Safety Cooperation (INSC)	114
4.0. DAG	Decentralised agencies	20
4.0. OTH	Other actions and programmes	175
4.0. PPPA	Pilot projects and preparatory actions	14
4.0. SPEC	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	64
Total - Global Europe		**10 277**
5. Administration		
5.1.1	Pensions	1 682
5.1.2	European Schools	184
5.2.3 DAG	Decentralised agencies	0
5.2.3 PPPA	Pilot projects and preparatory actions	2
5.2.3 X	Commission administrative expenditure	3 482
Total - Administration		**5 350**
6. Compensations		
6.0.1	Compensations	0
Total - Compensations		**0**
9. Special instruments		
9.0.1	Emergency Aid Reserve (EAR)	0
9.0.2	European Globalisation Adjustment Fund (EGF)	28
9.0.3	European Union Solidarity Fund (EUSF)	33
Total - Special instruments		**61**
TOTAL COMMISSION		**132 442**
	Other institutions	3 975
Grand total		**136 417**

Annex 2b — EU budget revenue 2000-2016

	EU-15								EU-25					
	2000		2001		2002		2003		2004		2005		2006	
Type of revenue	milion EUR	%	milion EUR	%	milion EUR	%	milion EUR	%	milion EUR	%	milion EUR	%	milion EUR	%
(1) VAT-based own resource (including balance from previous years)	35 192.5	38.0	31 320.3	33.2	22 388.2	23.5	21 260.1	22.7	13 912.2	13.4	16 018.0	15.0	17 206.2	15.9
(2) GNP/GNI-based own resource (****) (*****) (including balance from previous years)	37 580.5	40.5	34 878.8	37.0	45 947.6	48.1	51 235.2	54.8	68 982.0	66.6	70 860.6	66.2	70 132.1	64.7
(3) UK correction (*)	– 70.9	– 0.1	– 70.3	– 0.1	148.2	0.2	280.1	0.3	– 148.0	– 0.1	– 130.7	– 0.1	– 15.3	– 0.0
(4) Other payments from/to Member States (**)	0.0	0.0	0.0	0.0	—	—	– 0.1	– 0.0	– 0.0	– 0.0	0.0	0.0	– 0.0	– 0.0
(5) Total national contributions = (1) + (2) + (3) + (4)	72 702.0	78.4	66 128.8	70.1	68 484.0	71.8	72 775.3	77.9	82 746.2	79.9	86 748.0	81.0	87 322.9	80.5
(6) Traditional own resources	15 267.1	16.5	14 589.2	15.5	9 214.0	9.7	10 857.2	11.6	12 307.1	11.9	14 063.1	13.1	15 028.3	13.9
Agricultural duties	1 198.4	1.3	1 132.9	1.2	1 180.2	1.2	1 349.1	1.4	1 751.2	1.7	1 801.0	1.7	1 722.4	1.6
Sugar levies	1 196.8	1.3	840.0	0.9	864.8	0.9	510.9	0.5	535.5	0.5	926.8	0.9	202.1	0.2
Customs duties	14 568.3	15.7	14 237.4	15.1	12 917.5	13.5	12 616.2	13.5	14 122.8	13.6	16 023.0	15.0	18 113.1	16.7
Amounts retained, collection (***)	– 1 696.3	– 1.8	– 1 621.0	– 1.7	– 5 748.6	– 6.0	– 3 619.1	– 3.9	– 4 102.4	– 4.0	– 4 687.7	– 4.4	– 5 009.4	– 4.6
(7) Total own resources	87 969.2	94.9	80 718.1	85.6	77 698.0	81.4	83 632.5	89.5	95 053.3	91.8	100 811.1	94.1	102 351.2	94.4
= (5) + (6) % GNI	1.01		0.89		0.83		0.87		0.90		0.91		0.88	
(8) Surplus from previous year	3 209.1	3.5	11 612.7	12.3	15 002.5	15.7	7 413.5	7.9	5 469.8	5.3	2 736.7	2.6	2 410.1	2.2
(9) Other revenue (excluding surplus)	1 546.1	1.7	1 958.5	2.1	2 733.9	2.9	2 422.6	2.6	2 988.8	2.9	3 542.8	3.3	3 661.7	3.4
(10) TOTAL REVENUE	**92 724.4**	**100**	**94 289.3**	**100**	**95 434.4**	**100**	**93 468.6**	**100**	**103 511.9**	**100**	**107 090.6**	**100**	**108 423.0**	**100**
= (7) + (8) + (9) % GNI	1.06		1.04		1.02		0.98		0.98		0.97		0.93	
p.m. EU GNI	8 742 342.1		9 063 438.7		9 383 942.7		9 573 255.6		10 563 962.7		11 021 731.8		11 641 168.6	

	EU-27												EU-28							
	2007		2008		2009		2010		2011		2012		2013		2014		2015		2016	
Type of revenue	milion EUR	%	milion EUR	%	milion EUR	%	milion EUR	%	milion EUR	%	milion EUR	%	milion EUR	%	milion EUR	%	milion EUR	%	milion EUR	%
(1) VAT-based own resource (including balance from previous years)	19 440.8	16.5	19 007.7	15.6	12 796.2	10.9	12 470.5	9.8	14 798.9	11.4	14 871.2	10.7	14 019.7	9.4	17 667.4	12.3	18 087.0	12.4	15 895.1	11.0
(2) GNP/GNI-based own resource (****) (*****) (including balance from previous years)	73 914.7	62.9	74 477.3	61.3	81 982.5	69.7	91 066.8	71.3	88 414.3	68.0	98 163.0	70.3	110 194.6	73.7	99 075.6	68.8	100 967.4	69.1	95 578.4	66.3
(3) UK correction (*)	58.9	0.1	400.0	0.3	– 321.1	– 0.3	– 114.8	– 0.1	5.4	0.0	– 56.5	– 0.0	169.9	0.1	– 209.3	– 0.1	– 443.0	– 0.3	626.1	0.4
(4) Other payments from/to Member States (**)	0.1	0.0	1.2	0.0	– 78.9	– 0.1	– 6.9	– 0.0	– 1.7	– 0.0	– 1.2	– 0.0	– 5.9	– 0.0	– 1.8	– 0.0	– 7.0	– 0.0	– 19.5	– 0.0
(5) Total national contributions = (1) + (2) + (3) + (4)	93 414.5	79.5	93 886.2	77.2	94 378.7	80.2	103 415.6	80.9	103 216.9	79.4	112 976.4	81.0	124 378.3	83.2	116 531.8	81.0	118 604.3	81.2	112 080.2	77.8
(6) Traditional own resources	16 573.0	14.1	17 282.9	14.2	14 528.2	12.4	15 659.3	12.3	16 777.7	12.9	16 453.4	11.8	15 365.3	10.3	16 429.5	11.4	18 730.4	12.8	20 094.1	13.9
Agricultural duties	1 872.1	1.6	1 703.5	1.4	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—	0.0	—
Sugar levies	– 40.9	– 0.0	943.8	0.8	175.5	0.1	194.1	0.2	175.6	0.1	256.7	0.2	268.8	0.2	– 25.2	– 0.0	165.0	0.1	165.8	0.1
Customs duties	20 266.2	17.2	20 396.6	16.8	19 195.5	16.3	20 684.9	16.2	22 194.7	17.1	21 681.1	15.5	20 218.3	13.5	21 998.0	15.3	24 850.1	17.0	24 951.9	17.3
Amounts retained, collection (***)	– 5 524.3	– 4.7	– 5 761.0	– 4.7	– 4 842.7	– 4.1	– 5 219.8	– 4.1	– 5 592.6	– 4.3	– 5 484.5	– 3.9	– 5 121.8	– 3.4	– 5 543.3	– 3.9	– 6 284.7	– 4.3	– 5 023.5	– 3.5
(7) Total own resources	109 987.5	93.6	111 169.1	91.4	108 906.9	92.6	119 074.9	93.2	119 994.7	92.3	129 429.8	92.8	139 743.6	93.5	132 961.3	92.4	137 334.7	94.0	132 174.3	91.7
= (5) + (6) % GNI	0.88		0.89		0.93		0.97		0.95		1.00		1.07		0.96		0.94		0.89	
(8) Surplus from previous year	1 847.6	1.6	1 528.8	1.3	1 796.2	1.5	2 253.6	1.8	4 539.4	3.5	1 497.0	1.1	1 053.6	0.7	1 005.4	0.7	1 434.6	1.0	10 565.8	7.3
(9) Other revenue (excluding surplus)	5 727.9	4.9	8 886.4	7.3	6 922.5	5.9	6 466.8	5.1	5 465.9	4.2	8 613.8	6.2	8 706.4	5.8	9 973.4	6.9	7 258.2	5.0	1 349.1	0.9
(10) TOTAL REVENUE	**117 563.0**	**100**	**121 584.4**	**100**	**117 625.6**	**100**	**127 795.3**	**100**	**130 000.0**	**100**	**139 540.5**	**100**	**149 503.7**	**100**	**143 940.1**	**100**	**146 027.4**	**100**	**144 089.2**	**100**
= (7) + (8) + (9) % GNI	0.95		0.97		1.00		1.04		1.02		1.08		1.14		1.03		1.00		0.97	
p.m. EU GNI	12 439 593.2		12 486 466.6		11 772 274.3		12 307 018.9		12 686 953.9		12 923 080.4		13 061 072.6		13 921 700.4		14 621 241.5		14 790 681.1	

(*) The fact that payments for the UK correction do not add up to zero is due to exchange rate differences.
(**) The category 'Other payments from/to Member States' includes:
— 2000-2001 restitutions to Greece, Spain and Portugal;
— since 2003, the FSJ adjustment (which does not add up to zero, on account of exchange rate differences);
— adjustment re-implementation of ORD 2007;
— reduction in GNI-own resource granted to the NL and SE;
— adjustment re-implementation of ORD 2014.
(***) TOR collection costs (10 %, and since 2001: 25 %) have been recorded as negative revenue. 15 % of the 2001 amounts were recorded in 2002.
(****) ESA95 GNI replaces ESA79 GNP as of 2002.
(*****) ESA2010 GNI replaces ESA95 GNI as of 2014.

Annex 2c — Expenditure and revenue by Member State 2016 (*million EUR*)

million EUR	1a. Competitiveness	1b. Cohesion	2. Natural resources	3. Security and citizenship	4. Global Europe	5. Administration	6. Compensations	8. Negative reserve	9. Special instruments	TOTAL
BE	1 336.1	206.4	595.8	238.6	0.0	4 955.8	0.0	0.0	0.3	7 333.1
BG	83.2	1 152.0	1 013.0	84.6	0.6	12.0	0.0	0.0	0.0	2 345.4
CZ	123.1	3 317.1	1 210.1	23.9	0.0	15.8	0.0	0.0	0.0	4 690.0
DK	280.7	30.8	1 046.7	16.6	0.0	56.4	0.0	0.0	0.0	1 431.2
DE	1 981.6	1 353.0	6 306.8	221.1	0.0	219.7	0.0	0.0	0.0	10 082.3
EE	60.2	295.8	259.1	50.3	0.0	8.3	0.0	0.0	0.0	673.7
IE	213.1	112.3	1 634.1	30.2	0.0	48.0	0.0	0.0	0.0	2 037.7
EL	282.8	2 239.0	2 939.8	361.7	0.0	25.0	0.0	0.0	1.7	5 849.9
ES	1 247.7	3 779.7	6 275.7	182.7	0.0	107.2	0.0	0.0	0.0	11 592.9
FR	2 216.0	1 028.3	7 353.0	314.9	0.0	362.9	0.0	0.0	0.0	11 275.0
HR	39.0	497.3	305.5	19.7	50.9	8.9	0.0	0.0	0.0	921.4
IT	1 344.6	4 570.4	5 109.0	269.4	0.0	268.7	0.0	0.0	30.0	11 592.1
CY	38.7	49.9	77.9	12.6	0.0	5.3	0.0	0.0	0.7	185.1
LV	31.4	297.1	371.5	24.6	0.0	9.4	0.0	0.0	0.0	734.1
LT	158.0	533.1	721.1	55.2	0.0	10.0	0.0	0.0	0.0	1 477.4
LU	196.2	33.2	59.0	28.7	0.0	1 470.5	0.0	0.0	0.0	1 787.7
HU	98.0	2 738.5	1 667.2	27.2	0.1	15.2	0.0	0.0	0.0	4 546.1
MT	17.9	94.8	13.6	73.9	0.0	7.3	0.0	0.0	0.0	207.5
NL	988.9	97.1	871.8	227.0	0.0	104.1	0.0	0.0	0.0	2 289.0
AT	378.5	96.9	1 364.1	76.4	0.0	24.0	0.0	0.0	0.0	1 939.9
PL	254.9	5 502.2	4 742.4	108.4	0.0	29.9	0.0	0.0	0.0	10 637.8
PT	242.3	1 615.3	1 424.7	65.9	0.0	35.9	0.0	0.0	0.4	3 384.4
RO	126.6	4 408.6	2 757.7	43.7	3.8	19.4	0.0	0.0	0.0	7 359.9
SI	84.2	150.4	279.0	21.0	0.1	10.1	0.0	0.0	0.0	544.9
SK	85.5	1 989.6	566.4	10.7	0.1	10.6	0.0	0.0	0.0	2 662.8
FI	319.6	144.5	978.9	54.9	0.0	32.8	0.0	0.0	0.0	1 530.8
SE	456.1	131.6	956.6	132.7	0.0	34.9	0.0	0.0	0.0	1 711.9
UK	1 833.1	1 114.6	3 832.2	138.4	0.0	133.0	0.0	0.0	0.3	7 051.6
EU-28	**14 518.0**	**37 579.4**	**54 732.6**	**2 915.1**	**55.5**	**8 041.4**	**0.0**	**0.0**	**33.4**	**117 875.4**
non-EU	870.4	6.9	144.8	63.2	7 043.1	253.1	0.0	0.0	0.0	8 381.4
other	2 327.4	173.6	45.1	77.3	2 355.7	554.5	0.0	0.0	0.0	5 533.6
earmarked	745.3	44.0	2 489.3	21.7	822.7	475.3	0.0	0.0	27.6	4 626.0
Total	**18 461.2**	**37 803.8**	**57 411.8**	**3 077.3**	**10 277.1**	**9 324.2**	**0.0**	**0.0**	**61.0**	**136 416.4**

p.m. breakdown of TOR

million EUR	VAT-based own resource	GNI-based own resource	UK correction	Reduction in GNI-own resource granted to DK, NL, AT and SE	FSJ adjustment for DK, IE and UK	Retroactive impact ORD 2014	National contribution	TOR collected on behalf of the EU (net, 80 %)	Total own resources	Sugar levies (gross, 100 %)	Customs duties (gross, 100 %)	TOR collection costs (20 %)
BE	516.6	2 733.8	325.8	31.4	3.3	0.0	3 611.0	2 070.8	5 681.8	8.8	2 579.7	– 517.7
BG	62.4	281.4	34.5	3.2	0.4	0.0	381.8	71.9	453.8	0.5	89.4	– 18.0
CZ	204.0	1 019.9	121.8	11.7	1.3	2.6	1 361.3	251.0	1 612.3	4.5	309.3	– 62.8
DK	307.2	1 811.5	214.1	– 122.1	– 7.7	– 0.3	2 202.7	336.3	2 539.0	4.5	415.8	– 84.1
DE	1 947.7	20 646.9	416.4	237.5	25.1	0.0	23 273.6	4 149.4	27 423.1	36.1	5 150.7	– 1 037.4
EE	30.8	134.1	16.2	1.5	0.2	0.0	182.8	27.3	210.1	0.0	34.1	– 6.8
IE	252.1	1 256.6	157.2	14.5	– 5.6	0.0	1 674.7	285.1	1 959.8	0.0	356.4	– 71.3
EL	227.8	1 135.3	131.6	13.1	1.4	0.0	1 509.2	158.4	1 667.5	1.9	196.1	– 39.6
ES	1 416.9	7 220.0	835.0	83.1	8.7	0.0	9 563.6	1 512.0	11 075.7	6.3	1 883.7	– 378.0
FR	2 913.8	14 650.4	1 725.3	168.5	18.0	0.0	19 476.0	1 636.5	21 112.5	41.4	2 004.2	– 409.1
HR	66.5	285.9	34.6	3.3	0.4	0.1	390.8	46.7	437.4	2.3	56.0	– 11.7
IT	1 777.3	10 763.3	1 261.9	123.8	13.2	0.0	13 939.5	1 788.4	15 727.9	5.3	2 230.2	– 447.1
CY	25.9	111.3	13.3	1.3	0.1	0.0	151.9	21.1	173.0	0.0	26.4	– 5.3
LV	29.6	166.9	19.5	1.9	0.2	0.0	218.2	34.7	252.8	0.0	43.4	– 8.7
LT	45.3	242.6	28.2	2.8	0.3	0.0	319.2	77.5	396.8	1.1	95.8	– 19.4
LU	52.5	225.8	30.1	2.6	0.3	0.0	311.4	19.5	330.9	0.0	24.4	– 4.9
HU	131.9	701.0	83.1	8.1	0.8	– 0.6	924.3	142.3	1 066.6	2.8	175.1	– 35.6
MT	13.7	58.9	7.2	0.7	0.1	0.0	80.6	12.1	92.6	0.0	15.1	– 3.0
NL	418.1	4 535.0	94.3	– 709.3	5.5	0.0	4 343.4	2 373.7	6 717.2	9.7	2 957.5	– 593.4
AT	467.0	2 232.9	45.2	14.7	2.7	0.0	2 762.6	214.0	2 976.6	4.2	263.3	– 53.5
PL	536.9	2 671.0	318.5	30.4	3.2	– 6.7	3 553.3	591.3	4 144.6	16.6	722.5	– 147.8
PT	261.3	1 172.2	139.0	13.5	1.4	0.0	1 587.4	138.4	1 725.8	0.1	172.9	– 34.6
RO	166.4	1 067.1	127.6	12.2	1.3	– 0.4	1 374.1	163.2	1 537.4	1.4	202.6	– 40.8
SI	53.6	252.7	30.1	2.9	0.3	0.0	339.5	65.8	405.3	0.0	82.2	– 16.4
SK	79.9	500.6	59.5	5.8	0.6	0.0	646.4	99.1	745.5	1.8	122.1	– 24.8
FI	274.6	1 372.4	164.1	15.8	1.7	– 0.0	1 828.6	133.1	1 961.8	1.1	165.3	– 33.3
SE	300.5	3 077.4	62.1	– 159.9	3.5	28.9	3 312.5	513.2	3 825.7	3.5	638.0	– 128.3
UK	3 314.9	15 251.5	– 5 870.2	165.3	– 74.3	– 27.6	12 759.6	3 161.1	15 920.7	11.9	3 939.5	– 790.3
EU-28	**15 895.1**	**95 578.4**	**626.1**	**– 21.8**	**6.4**	**– 4.1**	**112 080.2**	**20 094.1**	**132 174.3**	**165.8**	**24 951.9**	**– 5 023.5**

Surplus from previous year	10 565.8
Surplus EAGGF	0.0
Surplus external aid guarantee fund	0.0
Other revenue	1 349.1
Total	**144 089.2**

p.m. amount of UK correction (2015; 2nd update): **6 048.0**

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Annex 2d — Expenditures allocated from relevant earmarked revenues* by Member States

million EUR	Market-related expenditure and direct aids			Total natural resources (H2)		
	Expenditures allocated from the voted appropriations (1)	Expenditures allocated from relevant earmarked revenues (2)	Total market expenditure and direct aids (3) = (1) + (2)	Expenditures allocated from the voted appropriations (4)	Expenditures allocated from relevant earmarked revenues (5) = (2)	Grand total H2 (6) = (4) + (5)
BE	473.2	145.9	619.1	595.8	145.9	741.8
BG	743.3	0.0	743.3	1 013.0	0.0	1 013.0
CZ	860.7	1.3	862.0	1 210.1	1.3	1 211.4
DK	872.7	4.4	877.0	1 046.7	9.5	1 056.2
DE	5 121.2	23.8	5 145.0	6 306.8	24.2	6 330.9
EE	122.6	0.0	122.6	259.1	0.0	259.1
IE	1 225.9	7.0	1 233.0	1 634.1	7.0	1 641.2
EL	2 145.5	12.5	2 157.9	2 939.8	21.1	2 960.9
ES	5 243.9	408.3	5 652.2	6 275.7	431.2	6 706.9
FR	6 612.9	907.8	7 520.7	7 353.0	915.2	8 268.2
HR	141.2	49.1	190.3	305.5	49.1	354.6
IT	4 052.3	445.5	4 497.8	5 109.0	446.2	5 555.2
CY	57.9	0.2	58.1	77.9	0.3	78.2
LV	189.3	0.6	189.8	371.5	0.9	372.4
LT	440.6	0.0	440.6	721.1	0.0	721.1
LU	37.9	0.0	37.9	59.0	0.0	59.0
HU	1 319.8	2.0	1 321.8	1 667.2	2.0	1 669.2
MT	5.6	0.0	5.6	13.6	0.0	13.6
NL	767.9	53.3	821.2	871.8	53.4	925.3
AT	719.0	4.1	723.2	1 364.1	4.1	1 368.3
PL	3 595.1	0.8	3 595.9	4 742.4	9.3	4 751.7
PT	756.0	5.0	761.0	1 424.7	98.3	1 523.0
RO	1 568.9	0.0	1 568.9	2 757.7	0.0	2 757.7
SI	147.1	0.0	147.1	279.0	0.0	279.0
SK	435.6	0.4	436.0	566.4	80.9	647.3
FI	538.0	0.6	538.6	978.9	1.1	980.0
SE	684.9	4.5	689.3	956.6	4.5	961.1
UK	3 084.7	41.4	3 126.0	3 832.2	182.9	4 015.1
EU-28	**41 963.4**	**2 118.4**	**44 081.9**	**54 732.6**	**2 488.5**	**57 221.1**

* Expenditures effectuated regularly by DG Agriculture and Rural Development and DG Maritime Affairs and Fisheries within H2.0.1 from revenues arising mainly from recoveries established during the clearing exercise (N.B.: these expenditures are not part of the operative budgetary balance calculation because they are not financed by own resources).

Annex 3

Operating budgetary balances

Methodology and calculation

Member States' operating budgetary balances are calculated based on data on the allocation of EU expenditure by Member State and on Member States' contributions to the EU budget. It is, however, important to point out that estimating operating budgetary balances is merely an accounting exercise that shows certain financial costs and benefits derived from the EU by each Member State. Furthermore, this accounting allocation is non-exhaustive and gives no indication of the many other benefits arising from EU policies such as those relating to the single market and economic integration, not to mention political stability and security.

Because of the prevalence of this calculation in the perception of a fair burden sharing in relation to the EU budget, it is important to clarify further that certain elements of European added value are not captured by this methodology, such as:

- collective, cross-border and other indirect benefits arising from budgetary interventions and the supply and demand effects which they trigger in countries other than the immediate recipient of an allocation;
- synergies and global economies of scale resulting from European cooperation at all levels instead of financing 28 separate policies or programmes;
- 'multiplication effects' of investment flows leveraged through the increased use of financial instruments and guarantee schemes underpinned by EU budget support.

The operating budgetary balance of each Member State is calculated as the difference between the operating expenditure (excluding administration) ([1]) allocated to each Member State and the adjusted 'national contribution' ([2]) of each Member State as follows:

$$OBB_i = TAE_i - H5_i - TNC_i \times \frac{TAE_{EU} - H5_{EU}}{TNC_{EU}},$$

where:

OBB_i : operating budgetary balance of Member State i, where $i = \overline{1.28}$;
TAE_i : total allocated expenditure of Member State i, where $i = \overline{1.28}$ or i for the EU as a whole;
$H5_i$: administrative expenditure allocated to Member State i, where $i = \overline{1.28}$ or i for the EU as a whole;
TNC_i : total national contribution of Member State i, with $i = \overline{1.28}$ or i for the EU as a whole;

Numerical example — 2016 operating budgetary balance of Belgium

TAE_{BE} = EUR 7 333.1 million; $H5_{BE}$ = EUR 4 955.8 million; TNC_{BE} = EUR 3 991.1 million;
TAE_{EU} = EUR 117 875.4 million; $H5_{EU}$ = EUR 8 041.4 million; TNC_{EU} = EUR 112 080.2 million:

$$OBB_{BE} = 7\,333.1 - 4\,955.8 - 3\,999.1 \times \frac{117\,875.4 - 8\,041.4}{112\,080.2} = \text{EUR} - 1\,533.9 \text{ million.}$$

Operating budgetary balances — listed on following page — show the relationship between a Member State's share of total allocated EU operating expenditure and its share of 'national contributions'.

([1]) In accordance with point 75 of the conclusions of the 1999 European Council in Berlin: 'When referring to budgetary imbalances, the Commission, for presentational purposes, will base itself on operating expenditure.'
([2]) As in the case of the calculation of the UK correction, it is not the actual 'national contribution' of Member States (i.e. own resources payments, excluding traditional own resources (TORs), e.g. customs duties and sugar levies) but the related allocation key, i.e. each Member State's share of total 'national contributions' that is used for the calculation of operating budgetary balances. Total 'national contributions' are adjusted to equal total EU allocated operating expenditure so that operating budgetary balances sum to zero. TORs are not included in the calculation of net balances. Since TORs are a direct result of the application of common policies (such as the common agricultural policy and customs union), they are considered to be pure EU revenue rather than 'national contributions'. Furthermore, the economic agent bearing the burden of the customs duty imposed is not always a resident of the Member States collecting the duty.

Annex 3 — 2000-2016 Operating budgetary balances (excluding administrative expenditure and TOR, and including UK correction)

	2000		2001		2002		2003		2004		2005		2006		2007		2008		2009 (*)		2010		2011	
	million EUR	% GNI	million EUR	% GNI	million EUR	% GNI	million EUR	% GNI	million EUR	% GNI	million EUR	% GNI	million EUR	% GNI	million EUR	% GNI	million EUR	% GNI	million EUR	% GNI	million EUR	% GNI	million EUR	% GNI
BE	− 323.2	− 0.13 %	− 745.2	− 0.28 %	− 517.7	− 0.19 %	− 779.7	− 0.28 %	− 536.1	− 0.18 %	− 607.5	− 0.20 %	− 709.9	− 0.22 %	− 868.2	− 0.26 %	− 720.6	− 0.21 %	− 1 663.9	− 0.49 %	− 1 466.4	− 0.41 %	− 1 369.6	− 0.37 %
BG	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	+ 335.1	+ 1.17 %	+ 669.6	+ 1.98 %	+ 624.2	+ 1.83 %	+ 895.5	+ 2.53 %	+ 725.4	+ 1.95 %
CZ	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	+ 272.2	+ 0.31 %	+ 178.0	+ 0.18 %	+ 386.2	+ 0.34 %	+ 656.7	+ 0.54 %	+ 1 178.0	+ 0.80 %	+ 1 702.5	+ 1.28 %	+ 2 079.3	+ 1.50 %	+ 1 455.2	+ 1.00 %
DK	+ 239.6	+ 0.14 %	− 223.1	− 0.13 %	− 169.1	− 0.09 %	− 220.0	− 0.12 %	− 224.6	− 0.11 %	− 265.3	− 0.13 %	− 505.2	− 0.23 %	− 604.4	− 0.26 %	− 543.2	− 0.23 %	− 969.5	− 0.43 %	− 615.3	− 0.25 %	− 836.6	− 0.34 %
DE	− 8 232.4	− 0.41 %	− 6 971.5	− 0.34 %	− 4 954.0	− 0.24 %	− 7 605.4	− 0.36 %	− 7 140.4	− 0.32 %	− 6 064.3	− 0.27 %	− 6 325.2	− 0.27 %	− 7 415.2	− 0.30 %	− 8 774.3	− 0.35 %	− 6 357.5	− 0.26 %	− 9 223.6	− 0.36 %	− 9 002.5	− 0.34 %
EE	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	+ 145.0	+ 1.57 %	+ 154.3	+ 1.43 %	+ 176.4	+ 1.39 %	+ 226.2	+ 1.51 %	+ 227.4	+ 1.47 %	+ 573.0	+ 4.23 %	+ 672.7	+ 4.96 %	+ 350.4	+ 2.28 %
IE	+ 1 719.5	+ 1.89 %	+ 1 198.3	+ 1.21 %	+ 1 574.1	+ 1.45 %	+ 1 559.0	+ 1.30 %	+ 1 593.8	+ 1.24 %	+ 1 136.6	+ 0.81 %	+ 1 080.5	+ 0.69 %	+ 662.1	+ 0.40 %	+ 566.1	+ 0.36 %	− 47.5	− 0.04 %	+ 803.9	+ 0.60 %	+ 383.8	+ 0.29 %
EL	+ 4 380.6	+ 3.19 %	+ 4 503.6	+ 3.08 %	+ 3 375.7	+ 2.17 %	+ 3 358.3	+ 1.97 %	+ 4 163.3	+ 2.28 %	+ 3 900.5	+ 2.05 %	+ 5 102.3	+ 2.50 %	+ 5 437.2	+ 2.51 %	+ 6 279.7	+ 2.78 %	+ 3 121.0	+ 1.38 %	+ 3 597.4	+ 1.67 %	+ 4 622.6	+ 2.28 %
ES	+ 5 263.6	+ 0.84 %	+ 7 661.2	+ 1.14 %	+ 8 859.4	+ 1.23 %	+ 8 704.9	+ 1.12 %	+ 8 502.3	+ 1.02 %	+ 6 017.8	+ 0.67 %	+ 3 811.7	+ 0.39 %	+ 3 651.8	+ 0.36 %	+ 2 813.2	+ 0.27 %	+ 1 181.7	+ 0.12 %	+ 4 100.9	+ 0.40 %	+ 2 995.0	+ 0.29 %
FR	− 676.6	− 0.05 %	− 2 043.4	− 0.13 %	− 2 218.4	− 0.14 %	− 1 976.1	− 0.12 %	− 3 050.7	− 0.18 %	− 2 883.5	− 0.17 %	− 3 012.5	− 0.16 %	− 2 997.3	− 0.16 %	− 3 842.7	− 0.20 %	− 5 872.7	− 0.31 %	− 5 534.8	− 0.28 %	− 6 405.8	− 0.31 %
HR	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
IT	+ 1 231.2	+ 0.10 %	− 2 030.9	− 0.16 %	− 2 917.1	− 0.23 %	− 849.8	− 0.06 %	− 2 946.9	− 0.21 %	− 2 199.0	− 0.15 %	− 1 731.8	− 0.12 %	− 2 013.5	− 0.13 %	− 4 101.4	− 0.26 %	− 5 058.5	− 0.33 %	− 4 534.0	− 0.29 %	− 5 933.0	− 0.38 %
CY	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	+ 63.5	+ 0.53 %	+ 90.3	+ 0.69 %	+ 102.4	+ 0.73 %	− 10.5	− 0.07 %	− 17.7	− 0.10 %	− 2.3	− 0.01 %	+ 10.6	+ 0.06 %	+ 6.9	+ 0.04 %
LV	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	+ 197.7	+ 1.81 %	+ 263.9	+ 2.07 %	+ 255.5	+ 1.65 %	+ 488.8	+ 2.40 %	+ 407.0	+ 1.80 %	+ 501.5	+ 2.52 %	+ 674.2	+ 3.67 %	+ 731.3	+ 3.59 %
LT	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	+ 369.3	+ 2.06 %	+ 476.4	+ 2.31 %	+ 585.3	+ 2.48 %	+ 793.2	+ 2.87 %	+ 842.6	+ 2.68 %	+ 1 493.3	+ 5.51 %	+ 1 358.4	+ 5.00 %	+ 1 368.0	+ 4.59 %
LU	− 54.6	− 0.28 %	− 140.0	− 0.70 %	− 48.1	− 0.24 %	− 57.2	− 0.29 %	− 93.6	− 0.39 %	− 86.8	− 0.33 %	− 60.2	− 0.23 %	− 139.8	− 0.46 %	− 22.1	− 0.07 %	− 100.2	− 0.43 %	− 41.9	− 0.15 %	− 75.0	− 0.26 %
HU	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	+ 193.4	+ 0.25 %	+ 590.1	+ 0.70 %	+ 1 115.0	+ 1.32 %	+ 1 605.9	+ 1.74 %	+ 1 111.7	+ 1.13 %	+ 2 719.4	+ 3.11 %	+ 2 748.4	+ 3.00 %	+ 4 418.3	+ 4.71 %
MT	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	+ 45.0	+ 0.98 %	+ 90.0	+ 1.91 %	+ 101.0	+ 2.01 %	+ 28.1	+ 0.52 %	+ 30.0	+ 0.52 %	+ 8.6	+ 0.16 %	+ 52.9	+ 0.88 %	+ 67.0	+ 1.05 %
NL	− 1 543.9	− 0.36 %	− 2 259.9	− 0.50 %	− 2 171.3	− 0.46 %	− 1 942.2	− 0.40 %	− 2 034.9	− 0.40 %	− 2 636.6	− 0.51 %	− 2 587.6	− 0.47 %	− 2 864.3	− 0.49 %	− 2 678.2	− 0.46 %	+ 117.7	+ 0.02 %	− 1 833.1	− 0.32 %	− 2 214.0	− 0.37 %
AT	− 435.5	− 0.21 %	− 542.4	− 0.26 %	− 212.6	− 0.10 %	− 330.9	− 0.15 %	− 365.1	− 0.16 %	− 277.9	− 0.11 %	− 301.5	− 0.12 %	− 563.2	− 0.21 %	− 356.4	− 0.13 %	− 402.1	− 0.15 %	− 677.0	− 0.24 %	− 805.1	− 0.27 %
PL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	+ 1 438.3	+ 0.72 %	+ 1 853.2	+ 0.77 %	+ 2 997.6	+ 1.13 %	+ 5 136.4	+ 1.71 %	+ 4 441.7	+ 1.25 %	+ 6 337.1	+ 2.11 %	+ 8 427.5	+ 2.47 %	+ 10 975.1	+ 3.09 %
PT	+ 2 128.2	+ 1.71 %	+ 1 773.8	+ 1.35 %	+ 2 682.7	+ 1.94 %	+ 3 476.3	+ 2.45 %	+ 3 124.0	+ 2.11 %	+ 2 378.0	+ 1.56 %	+ 2 291.7	+ 1.47 %	+ 2 474.4	+ 1.51 %	+ 2 695.1	+ 1.63 %	+ 2 150.7	+ 1.33 %	+ 2 622.6	+ 1.57 %	+ 2 983.7	+ 1.81 %
RO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	+ 595.8	+ 0.50 %	+ 1 581.0	+ 1.16 %	+ 1 692.5	+ 1.45 %	+ 1 245.2	+ 1.01 %	+ 1 451.5	+ 1.12 %
SI	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	+ 109.7	+ 0.41 %	+ 101.5	+ 0.36 %	+ 142.8	+ 0.47 %	+ 88.6	+ 0.26 %	+ 113.8	+ 0.31 %	+ 241.9	+ 0.69 %	+ 424.1	+ 1.21 %	+ 490.1	+ 1.37 %
SK	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	+ 169.2	+ 0.52 %	+ 270.9	+ 0.72 %	+ 323.2	+ 0.75 %	+ 617.8	+ 1.16 %	+ 725.6	+ 1.15 %	+ 542.1	+ 0.87 %	+ 1 349.6	+ 2.10 %	+ 1 160.6	+ 1.72 %
FI	+ 275.9	+ 0.21 %	− 153.0	− 0.11 %	− 4.9	− 0.00 %	− 26.7	− 0.02 %	− 69.6	− 0.05 %	− 84.8	− 0.05 %	− 241.0	− 0.14 %	− 171.6	− 0.10 %	− 318.5	− 0.17 %	− 544.2	− 0.31 %	− 300.2	− 0.17 %	− 652.1	− 0.34 %
SE	− 1 058.7	− 0.40 %	− 982.9	− 0.39 %	− 750.4	− 0.28 %	− 945.6	− 0.33 %	− 1 059.8	− 0.36 %	− 866.9	− 0.29 %	− 856.6	− 0.27 %	− 994.8	− 0.29 %	− 1 463.1	− 0.42 %	− 85.6	− 0.03 %	− 1 211.4	− 0.34 %	− 1 325.4	− 0.34 %
UK	− 2 913.7	− 0.18 %	+ 955.4	+ 0.06 %	− 2 528.4	− 0.15 %	− 2 364.9	− 0.14 %	− 2 864.9	− 0.16 %	− 1 529.0	− 0.08 %	− 2 140.2	− 0.11 %	− 4 155.3	− 0.20 %	− 844.3	− 0.05 %	− 1 903.3	− 0.12 %	− 5 625.9	− 0.32 %	− 5 565.6	− 0.31 %
EU	0.0	0.00 %	0.0	0.00 %	− 0.0	0.00 %	0.0	0.00 %	0.0	0.00 %	− 0.0	0.00 %	0.0	0.00 %	0.0	0.00 %	0.0	0.00 %	− 0.0	0.00 %	− 0.0	0.00 %	0.0	0.00 %

NOTES
- Operating budgetary balances are calculated, for a given Member State, as the difference between allocated operating expenditure (i.e. exluding administration) and own resources payments (excluding TOR).
- These payments are adjusted to sum up to total allocated operating expenditure (as for calculating the UK correction), so that operating budgetary balances add up to zero.
- Please refer to the numerical example for details on the above calculations. Series as a percentage of GNI are calculated on the basis of GNI data, as published by DG Economic and Financial Affairs in its spring 2016 economic forecasts (GNI/ESA 2010).

	2012		2013		2014		2015		2016 (*)		2007 (**)		2008 (**)		2009 (***)		2014 (**)		2015 (**)		2016 (***)	
	million EUR	% GNI	million EUR	% GNI	million EUR	% GNI	million EUR	% GNI	million EUR	% GNI	million EUR	% GNI	million EUR	% GNI	million EUR	% GNI	million EUR	% GNI	million EUR	% GNI	million EUR	% GNI
BE	− 1 493.7	− 0.40 %	− 1 541.1	− 0.40 %	− 1 478.1	− 0.37 %	− 1 387.8	− 0.33 %	− 1 533.9	− 0.36 %	− 965.9	− 0.28 %	− 838.7	− 0.24 %	− 1 452.7	− 0.43 %	− 1 598.2	− 0.40 %	− 1 518.3	− 0.37 %	− 1 161.4	− 0.28 %
BG	+ 1 329.7	+ 3.39 %	+ 1 529.0	+ 3.91 %	+ 1 824.3	+ 4.45 %	+ 2 279.4	+ 5.33 %	+ 1 946.5	+ 4.15 %	+ 327.7	+ 1.15 %	+ 658.7	+ 1.95 %	+ 642.2	+ 1.88 %	+ 1 815.9	+ 4.43 %	+ 2 273.8	+ 5.31 %	+ 1 959.2	+ 4.17 %
CZ	+ 3 045.2	+ 2.15 %	+ 3 401.1	+ 2.44 %	+ 3 004.2	+ 2.08 %	+ 5 699.4	+ 3.77 %	+ 3 221.8	+ 1.96 %	+ 625.6	+ 0.51 %	+ 1 133.9	+ 0.77 %	+ 1 776.8	+ 1.34 %	+ 2 948.4	+ 2.04 %	+ 5 631.2	+ 3.72 %	+ 3 340.2	+ 2.04 %
DK	− 1 126.0	− 0.45 %	− 1 277.1	− 0.49 %	− 836.0	− 0.32 %	− 790.4	− 0.29 %	− 638.9	− 0.22 %	− 673.7	− 0.29 %	− 625.2	− 0.26 %	− 821.0	− 0.36 %	− 769.5	− 0.29 %	− 703.6	− 0.26 %	− 783.7	− 0.28 %
DE	− 11 953.8	− 0.44 %	− 13 824.8	− 0.49 %	− 15 501.6	− 0.52 %	− 14 306.8	− 0.46 %	− 10 988.0	− 0.34 %	− 6 521.5	− 0.26 %	− 7 836.0	− 0.31 %	− 8 107.3	− 0.33 %	− 14 523.5	− 0.49 %	− 13 210.6	− 0.43 %	− 12 944.7	− 0.40 %
EE	+ 785.3	+ 4.74 %	+ 771.4	+ 4.33 %	+ 473.8	+ 2.49 %	+ 242.9	+ 1.21 %	+ 478.8	+ 2.34 %	+ 222.3	+ 1.48 %	+ 222.0	+ 1.44 %	+ 582.0	+ 4.37 %	+ 469.0	+ 2.46 %	+ 239.4	+ 1.20 %	+ 486.2	+ 2.37 %
IE	+ 670.6	+ 0.50 %	+ 279.1	+ 0.20 %	+ 38.8	+ 0.02 %	+ 349.3	+ 0.19 %	+ 181.4	+ 0.08 %	+ 619.0	+ 0.38 %	+ 512.6	+ 0.33 %	+ 47.0	+ 0.04 %	− 54.2	− 0.03 %	+ 268.1	+ 0.15 %	+ 348.6	+ 0.16 %
EL	+ 4 544.9	+ 2.33 %	+ 5 340.7	+ 2.94 %	+ 5 162.6	+ 2.89 %	+ 4 934.0	+ 2.80 %	+ 4 286.3	+ 2.43 %	+ 5 382.9	+ 2.48 %	+ 6 201.0	+ 2.75 %	+ 3 251.5	+ 1.44 %	+ 5 130.2	+ 2.88 %	+ 4 891.1	+ 2.77 %	+ 4 346.0	+ 2.47 %
ES	+ 3 999.0	+ 0.39 %	+ 3 058.3	+ 0.30 %	+ 1 090.6	+ 0.10 %	+ 4 527.4	+ 0.42 %	+ 1 678.1	+ 0.15 %	+ 3 379.4	+ 0.33 %	+ 2 460.8	+ 0.23 %	+ 1 794.3	+ 0.17 %	+ 860.3	+ 0.08 %	+ 4 273.2	+ 0.40 %	+ 2 113.7	+ 0.19 %
FR	− 8 297.5	− 0.40 %	− 8 445.7	− 0.40 %	− 7 164.6	− 0.33 %	− 5 522.5	− 0.25 %	− 9 216.3	− 0.41 %	− 3 500.9	− 0.18 %	− 4 494.9	− 0.23 %	− 4 739.4	− 0.25 %	− 7 763.0	− 0.36 %	− 6 210.1	− 0.28 %	− 8 173.6	− 0.36 %
HR	N/A	N/A	+ 49.6	+ 0.12 %	+ 173.6	+ 0.42 %	+ 226.7	+ 0.52 %	+ 516.5	+ 1.17 %	N/A	N/A	N/A	N/A	N/A	N/A	+ 167.3	+ 0.40 %	+ 217.3	+ 0.50 %	+ 529.5	+ 1.20 %
IT	− 5 058.1	− 0.32 %	− 3 789.9	− 0.24 %	− 4 467.0	− 0.28 %	− 2 638.7	− 0.16 %	− 3 206.8	− 0.19 %	− 2 479.7	− 0.16 %	− 4 636.6	− 0.30 %	− 4 079.2	− 0.27 %	− 4 825.5	− 0.30 %	− 3 274.0	− 0.20 %	− 2 336.8	− 0.14 %
CY	− 25.2	− 0.15 %	+ 40.4	+ 0.25 %	+ 114.8	+ 0.69 %	− 23.4	− 0.13 %	+ 21.2	+ 0.12 %	− 14.5	− 0.10 %	− 23.1	− 0.14 %	+ 6.9	+ 0.04 %	+ 110.7	+ 0.67 %	− 30.7	− 0.18 %	+ 30.9	+ 0.18 %
LV	+ 955.9	+ 4.30 %	+ 801.2	+ 3.44 %	+ 799.8	+ 3.35 %	+ 759.4	+ 3.12 %	+ 504.3	+ 2.01 %	+ 483.7	+ 2.38 %	+ 399.5	+ 1.76 %	+ 513.6	+ 2.58 %	+ 796.8	+ 3.34 %	+ 754.7	+ 3.10 %	+ 510.9	+ 2.04 %
LT	+ 1 514.0	+ 4.75 %	+ 1 514.5	+ 4.54 %	+ 1 543.2	+ 4.38 %	+ 540.3	+ 1.51 %	+ 1 142.8	+ 3.09 %	+ 785.9	+ 2.84 %	+ 832.3	+ 2.65 %	+ 1 510.6	+ 5.57 %	+ 1 537.5	+ 4.37 %	+ 536.2	+ 1.50 %	+ 1 154.6	+ 3.12 %
LU	− 79.5	− 0.27 %	− 69.4	− 0.22 %	+ 80.1	+ 0.27 %	− 94.0	− 0.27 %	+ 7.5	+ 0.02 %	− 147.8	− 0.49 %	− 31.9	− 0.11 %	− 82.8	− 0.35 %	+ 76.6	+ 0.26 %	− 99.0	− 0.29 %	+ 12.0	+ 0.03 %
HU	+ 3 280.4	+ 3.58 %	+ 4 954.5	+ 5.33 %	+ 5 681.6	+ 5.64 %	+ 4 636.5	+ 4.38 %	+ 3 580.9	+ 3.30 %	+ 1 578.1	+ 1.71 %	+ 1 078.9	+ 1.09 %	+ 2 772.1	+ 3.17 %	+ 5 654.6	+ 5.62 %	+ 4 613.9	+ 4.36 %	+ 3 625.1	+ 3.34 %
MT	+ 71.4	+ 1.11 %	+ 88.0	+ 1.31 %	+ 179.4	+ 2.35 %	+ 31.7	+ 0.37 %	+ 118.8	+ 1.27 %	+ 26.7	+ 0.49 %	+ 28.2	+ 0.49 %	+ 11.7	+ 0.21 %	+ 178.0	+ 2.33 %	+ 30.4	+ 0.35 %	+ 121.3	+ 1.30 %
NL	− 2 364.5	− 0.39 %	− 2 675.1	− 0.45 %	− 4 711.1	− 0.71 %	− 3 695.2	− 0.54 %	− 308.7	− 0.04 %	− 1 766.4	− 0.30 %	− 1 551.0	− 0.27 %	− 2 026.2	− 0.36 %	− 3 708.1	− 0.56 %	− 2 663.4	− 0.39 %	− 2 071.5	− 0.30 %
AT	− 1 073.3	− 0.35 %	− 1 251.7	− 0.40 %	− 1 240.6	− 0.38 %	− 851.1	− 0.25 %	− 967.9	− 0.28 %	− 545.5	− 0.20 %	− 341.4	− 0.12 %	− 431.5	− 0.16 %	− 1 343.3	− 0.41 %	− 962.2	− 0.29 %	− 791.3	− 0.23 %
PL	+ 11 997.2	+ 3.29 %	+ 12 237.1	+ 3.29 %	+ 13 748.0	+ 3.47 %	+ 9 483.1	+ 2.31 %	+ 6 973.1	+ 1.71 %	+ 5 060.4	+ 1.69 %	+ 4 330.3	+ 1.22 %	+ 6 488.5	+ 2.16 %	+ 13 676.1	+ 3.45 %	+ 9 383.6	+ 2.28 %	+ 7 125.8	+ 1.75 %
PT	+ 5 027.2	+ 3.13 %	+ 4 416.7	+ 2.72 %	+ 3 211.3	+ 1.88 %	+ 981.2	+ 0.56 %	+ 1 717.3	+ 0.95 %	+ 2 433.4	+ 1.48 %	+ 2 642.1	+ 1.59 %	+ 2 242.8	+ 1.39 %	+ 3 165.7	+ 1.85 %	+ 930.7	+ 0.53 %	+ 1 792.9	+ 0.99 %
RO	+ 2 031.6	+ 1.57 %	+ 4 142.8	+ 2.99 %	+ 4 519.9	+ 3.09 %	+ 5 154.5	+ 3.27 %	+ 5 961.6	+ 3.62 %	+ 562.0	+ 0.47 %	+ 1 537.9	+ 1.13 %	+ 1 755.8	+ 1.51 %	+ 4 498.4	+ 3.07 %	+ 5 130.9	+ 3.26 %	+ 5 993.9	+ 3.64 %
SI	+ 572.2	+ 1.64 %	+ 429.2	+ 1.22 %	+ 794.4	+ 2.17 %	+ 578.9	+ 1.51 %	+ 180.3	+ 0.46 %	+ 80.3	+ 0.24 %	+ 102.1	+ 0.28 %	+ 261.6	+ 0.75 %	+ 784.1	+ 2.14 %	+ 567.5	+ 1.48 %	+ 202.0	+ 0.51 %
SK	+ 1 597.0	+ 2.30 %	+ 1 287.4	+ 1.83 %	+ 1 010.1	+ 1.37 %	+ 3 095.1	+ 4.07 %	+ 1 986.0	+ 2.49 %	+ 603.1	+ 1.14 %	+ 705.7	+ 1.12 %	+ 580.2	+ 0.93 %	+ 993.6	+ 1.35 %	+ 3 077.0	+ 4.04 %	+ 2 018.6	+ 2.53 %
FI	− 658.8	− 0.34 %	− 604.0	− 0.31 %	− 809.0	− 0.40 %	− 488.3	− 0.23 %	− 424.3	− 0.20 %	− 223.2	− 0.12 %	− 383.3	− 0.21 %	− 430.3	− 0.25 %	− 883.2	− 0.43 %	− 570.4	− 0.27 %	− 294.0	− 0.14 %
SE	− 1 925.1	− 0.46 %	− 2 220.7	− 0.51 %	− 2 312.7	− 0.52 %	− 2 200.2	− 0.48 %	− 946.4	− 0.20 %	− 620.2	− 0.18 %	− 1 090.7	− 0.32 %	− 704.2	− 0.24 %	− 1 982.5	− 0.45 %	− 1 874.1	− 0.41 %	− 1 569.1	− 0.33 %
UK	− 7 366.1	− 0.38 %	− 8 641.7	− 0.46 %	− 4 929.8	− 0.23 %	− 11 521.4	− 0.46 %	− 6 272.2	− 0.27 %	− 4 711.3	− 0.23 %	− 993.0	− 0.05 %	− 1 362.9	− 0.09 %	− 5 412.2	− 0.25 %	− 11 702.5	− 0.46 %	− 5 585.3	− 0.24 %
EU	0.0	0.00 %	− 0.0	0.00 %	− 0.0	+ 0.00 %	0.0	+ 0.00 %	0.0	+ 0.00 %	0.0		0.0		0.0		0.0		0.0		0.0	

(*) including the adjustment relating to the implementation of the ORD 2007
(**) including p.m. the retroactive effect of the ORD 2007
(***) without p.m. the adjustment relating to the implementation of the ORD 2007

(*) including the adjustment relating to the implementation of the ORD 2014
(**) including p.m. the retroactive effect of the ORD 2014
(***) without p.m. the adjustment relating to the implementation of the ORD 2014

Annex 4

Recoveries and financial corrections

Annex 4a — Financial corrections confirmed in 2016 by Member State (*million EUR*)

	EAGF	Rural development	ERDF	Cohesion Fund	ESF	FIFG/EFF	EAGGF	Internal policy areas	Total
Belgium	2	4	–	–	– 9	0	–	0	– 3
Bulgaria	1	9	10	–	1	0	–	–	21
Czech Republic	31	– 1	4	–	0	–	–	0	35
Denmark	– 1	4	–	–	–	–	–	–	3
Germany	– 20	26	0	–	9	–	–	0	15
Estonia	– 0	– 0	– 2	0	–	–	–	–	– 2
Ireland	– 0	80	–	–	–	–	–	0	80
Greece	139	2	62	39	10	–	–	3	254
Spain	329	11	89	– 12	168	9	–	1	596
France	320	14	– 0	–	18	–	– 7	1	345
Croatia	0	–	–	–	–	–	–	–	0
Italy	101	8	17	–	130	– 1	–	0	255
Cyprus	– 0	–	0	–	–	–	–	–	– 0
Latvia	– 0	– 0	–	–	–	–	–	0	– 0
Lithuania	– 0	1	–	0	0	–	–	–	1
Luxembourg	0	–	–	–	–	–	–	–	0
Hungary	60	0	333	43	9	–	–	0	445
Malta	–	0	–	11	1	–	–	–	12
Netherlands	8	2	–	–	–	–	–	0	10
Austria	7	26	–	–	–	–	–	–	33
Poland	119	57	3	20	1	–	–	0	200
Portugal	38	4	28	–	16	–	–	0	85
Romania	3	148	90	1	7	– 0	–	–	249
Slovenia	0	0	–	0	–	–	–	–	0
Slovakia	4	2	41	–	9	–	–	0	56
Finland	0	– 1	–	–	0	–	–	–	– 0
Sweden	13	1	–	–	–	–	–	0	13
United Kingdom	133	60	30	–	18	0	– 0	0	241
Interreg	–	–	1	–	–	–	–	–	1
Total	**1 286**	**458**	**706**	**102**	**386**	**8**	**– 7**	**6**	**2 944**

The recovery of undue payments is the final stage in the operation of control systems. It is essential to evaluate recoveries in order to demonstrate sound financial management. The aim of this annex is to provide the best possible estimate of the total amount of financial corrections and recoveries for 2016. Further details can be found in Annex 4 of the *2016 annual management and performance report for the EU budget* ([1]).

The tables below list the financial corrections and recoveries confirmed in 2016 and resulting from audits carried out by the Commission, checks and audits carried out by the Court of Auditors and investigations by the European Anti-Fraud Office (OLAF). The figures include financial corrections confirmed during 2016 even if some of those corrections were not implemented in 2016.

There are a number of ways in which the Commission can recover undue payments if there is a clear case of a financial error or irregularity, depending on the fund concerned. These are explained below.

With regard to agriculture, the EAGF and the EAFRD replaced the European Agricultural Guidance and Guarantee Fund (EAGGF). In the case of the EAFRD, financial corrections are almost always implemented by means of a recovery order. For the EAGF, financial corrections take the form of deductions from the monthly declarations.

Financial corrections under cohesion policy are implemented as follows.

- The Member State accepts the correction required or proposed by the Commission. The Member State itself applies the financial correction, either through withdrawal or through recovery of funds paid. The amount may then be reused for other eligible operations which have incurred regular expenditure. In these cases there is no impact on the Commission's accounts, as the level of EU funding for a specific programme is not reduced. The EU's financial interests are thus protected against irregularities and fraud.

- The Member State disagrees with the correction required or proposed by the Commission, following a formal 'contradictory' procedure with the Member State. In this case, the Commission adopts a formal financial correction decision and issues a recovery order to obtain repayment from the Member State. These cases lead to a net reduction in the EU contribution to the specific operational programme concerned.

([1]) http://europa.eu/!wg94Rv

Annex 4b — Summary of financial corrections and recoveries confirmed during 2016 (*million EUR*)

	Financial corrections	Recoveries	2016 total	2015 total
Agriculture				
EAGF	1 286	100	1 387	1 040
Rural development	458	242	700	253
Cohesion policy				
ERDF	706	0	706	826
Cohesion Fund	102	0	102	462
ESF	386	3	389	349
FIFG/EFF	8	6	14	8
EAGGF guidance	– 7	2	– 5	99
Internal policy areas	6	303	309	326
External policy areas	N/A	173	173	132
Administration	N/A	4	4	5
Total decided/confirmed in 2016	**2 944**	**833**	**3 777**	
Total decided/confirmed in 2015	**2 732**	**767**		**3 499**

These figures are taken from the 2016 *Financial statement discussion and analysis* (FSDA).

Annex 5

Borrowing and lending activities

1. Borrowing

A number of EU and European Atomic Energy Community (Euratom) operations are carried out using borrowed funds. The EU and Euratom have access to the capital markets to fund various categories of loans.

Borrowing transactions in 2016

Balance of payments: None

EU macro-financial assistance: EUR 10 million

Euratom: None

European Financial Stabilisation Mechanism (EFSM): EUR 4.75 million for extension of maturity of borrowing due in June 2016.

2. Lending to Member States

2.1. Balance of payments

The EU medium-term financial assistance facility (the balance of payments (BoP) facility) enables loans to be granted to one or more Member States that have not yet adopted the euro and that are experiencing, or are seriously threatened by, difficulties in their balance of payments on current accounts.

Hungary repaid its final loan tranche of EUR 1 500 million in April 2016.

No decisions were taken in 2016.

Loan disbursements

No disbursements were made in 2016.

2.2. European Financial Stabilisation Mechanism

The EFSM was set up during the financial crisis to provide financial support for Member States experiencing difficulties caused by exceptional circumstances beyond their control. The loans are granted as joint EU/International Monetary Fund (IMF) support.
No decisions were taken in 2016.

Loan disbursements

No new disbursements were made in 2016.

In 2013, an extension of the maximum average maturity from 12.5 years to 19.5 years was decided for Ireland and Portugal.

A request to lengthen the second EFSM loan of EUR 4.75 billion disbursed to Portugal in 2011 — which was due on 3 June 2016 — was received from Portugal on 11 January 2016. The loan was refinanced in three transactions with maturities in 2023 (EUR 1.5 billion), 2031 (EUR 2.25 billion) and 2036 (EUR 1 billion). Following this maturity extension, the weighted average maturity of the EFSM loans to Portugal is now 14.9 years.

This operation does not impact the Member Sate's liability.

3. Lending to non-member countries

3.1. Macro-financial assistance

The EU may help to restore macroeconomic equilibrium in a particular non-member country, generally through loans and grants (macro-financial assistance). The Commission administers such support in accordance with the relevant Council decisions.

On 6 July 2016, the European Parliament and the Council decided to provide further macro-financial assistance to Tunisia of a maximum amount of EUR 500 million in the form of loans (three loan instalments of EUR 200 million, EUR 150 million and EUR 150 million).

On 14 December 2016, the European Parliament and the Council decided to provide further macro-financial assistance to Jordan of a maximum amount of EUR 200 million in the form of loans (two loan instalments of EUR 100 million).

Loan disbursements

EUR 10 million have been disbursed in 2016 to Kyrgyzstan (second tranche of the EUR 15 million decision).

3.2. Euratom loans

Euratom loans to EU Member States are used to finance project investments relating to the industrial production of electricity in nuclear power stations and to industrial installations in the nuclear fuel cycle.

Euratom loans for non-member countries aim to improve the safety and efficiency of nuclear power stations and installations in the nuclear fuel cycle that are in service or under construction. They can also be used to fund the decommissioning of nuclear installations.

In 2016 no decisions were taken and no disbursements were made.

3.3. European Investment Bank loans

The EIB traditionally undertakes operations outside the EU in support of EU external policies based on Parliament and Council decisions which grant an EU guarantee to the EIB against losses for projects carried out in certain non-member countries. The EU guarantee covers outstanding EIB loans under successive mandates.

The maximum ceiling of the current EIB mandate 2014-2020 amounts to EUR 27 billion and an optional additional amount of EUR 3 billion. Activation, in whole or in part of the optional additional amount, will be decided in accordance with the ordinary legislative procedure on the basis of the midterm review.

The overall and regional ceilings of the mandate are detailed in the table below.

EIB financing operations with EU guarantee at 31.12.2016 (*million EUR*)

Operations	Authorised ceiling	Net signatures (a)	Amounts disbursed	Outstanding capital		
Mandate 2014-2020	27 000	10 741	1 882	1 893	65 %	1 230.32
Pre-accession countries	8 739	1 739	396	398		
Neighbourhood and partnership countries	14 437	7 163	1 030	1 032		
Mediterranean countries	9 606	3 049	851	853		
Eastern Europe, southern Caucasus and Russia	4 831	4 114	179	179		
Asia and Latin America	3 407	1 690	455	463		
Latin America	2 289	1 007	297	301		
Asia	936	523	158	162		
Central Asia	182	160	—	—		
South Africa	416	150	0	0		

The EU budget guarantee covers 65 % of the aggregate amount of credits disbursed, minus amounts reimbursed, plus all amounts relating to the general mandate. Therefore, the EU guarantee under this mandate is restricted to EUR 1 230 million (65 % of EUR 1 893 million).

Annex 6

Glossary

List of abbreviations

TERM	DEFINITION
AMIF	Asylum, Migration and Integration Fund
CAP	common agricultural policy
CCT	Common Customs Tariff
CEF	Connecting Europe Facility
COSME	competitiveness of enterprises and small and medium-sized enterprises
CSF	common strategic framework
EAFRD	European Agricultural Fund for Rural Development
EAGF	European Agricultural Guarantee Fund
EAGGF	European Agricultural Guidance and Guarantee Fund
EAR	Emergency Aid Reserve
EDF	European Development Fund
EFSI	European Fund for Strategic Investments
EFSM	European Financial Stabilisation Mechanism
EGF	European Globalisation Adjustment Fund
EGNOS	European geostationary navigation overlay service
EIB	European Investment Bank
EIF	European Investment Fund
EMFF	European Maritime and Fisheries Fund
EP	European Parliament
ERCC	Emergency Response Coordination Centre
ERDF	European Regional Development Fund
ESA	European system of integrated economic accounts
ESF	European Social Fund
ESI	Emergency Support Instrument
ESIF	European Structural and Investment Funds
ESSN	Emergency Social Safety Net

TERM	DEFINITION
EU-15	the first 15 countries of the EU
EU-25	the first 25 countries of the EU
EU-27	the first 27 countries of the EU
EU-28	total of the countries of the EU
Eumofa	European Market Observatory for Fisheries and Aquaculture
FP	framework programme
Frontex	European Border and Coast Guard Agency
FSDA	*Financial statement discussion and analysis*
GDP	gross domestic product
GNI	gross national income
Inform	International Forest Risk Model
IPA	Instrument for Pre-Accession Assistance
IPSAS	International Public Sector Accounting Standards
ISF	Internal Security Fund
LNG	liquefied natural gas
MFF	multiannual financial framework
MTR	midterm review
OBB	operating budgetary balances
OLAF	European Anti-Fraud Office
ORD	own resources decision
PSCI	programme for social change and innovation
REDD	reducing emissions from deforestation and forest degradation
SENTER	Strengthening European Network Centres of Excellence in Cybercrime
SIENA	Secure Information Exchange Network Application
TOR	traditional own resources
VAT	value added tax

Glossary

	TERM	DEFINITION
1	ABAC	This is the name given to the Commission's accounting system, which since 2005 has been based on accrual accounting rules. The Commission produces accrual-based accounts which recognises revenue when earned, rather than when collected. Expenses are recognised when incurred rather than when paid. This contrasts with cash basis accounting that recognises transactions and other events only when cash is received or paid.
2	Accounting	The act of recording and reporting financial transactions, including the origination of the transaction, its recognition, processing and summarisation in the financial statements.
3	Agencies	EU bodies having a distinct legal personality, and to whom budget implementing powers may be delegated under strict conditions. They are subject to a distinct discharge from the discharge authority.
4	Appropriations	Budget funding. The budget forecasts both commitments (legal pledges to provide finance, provided that certain conditions are fulfilled) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual programmes and projects are usually committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses. Thus, if the EU budget increases, due to enlargement for example, commitments will increase before payments do. Not all projects and programmes are concluded, and appropriations for payments are therefore lower than for commitments. Non-differentiated appropriations apply for administrative expenditure, agricultural market support and direct payments.
5	Budget	Annual financial plan, drawn up according to budgetary principles, that provides forecasts and authorises, for each financial year, an estimate of future costs and revenue and expenditures and their detailed description and justification, the latter included in budgetary remarks. Amending budget: an instrument adopted during the budget year to amend aspects of the adopted budget of that year.
6	Carry-over	Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under very strict conditions, be exceptionally carried over for use during the following year.
7	Ceiling	Limits of expenditure or revenue fixed by law or by agreement, such as in the own resources decision or in the multiannual financial framework. The latter defines an annual ceiling for each expenditure heading in commitment appropriations and an annual global ceiling for payment appropriations.
8	Common Customs Tariff	The external tariff applied to products imported into the Union.
9	Earmarked revenue	Revenue earmarked for a specific purpose, such as income from foundations, subsidies, gifts and bequests, including the earmarked revenue specific to each institution (Article 21 of the financial regulation).
10	EU-15, EU-25, EU-27, EU-28	EU-28 means the EU as constituted in 2013: Belgium (BE), Bulgaria (BG), Czech Republic (CZ), Denmark (DK), Germany (DE), Estonia (EE), Ireland (IE), Greece (EL), Spain (ES), France (FR), Croatia (HR), Italy (IT), Cyprus (CY), Latvia (LV), Lithuania (LT), Luxembourg (LU), Hungary (HU), Malta (MT), Netherlands (NL), Austria (AT), Poland (PL), Portugal (PT), Romania (RO), Slovenia (SI), Slovakia (SK), Finland (FI), Sweden (SE), United Kingdom (UK) EU-27 means the EU as constituted in 2007: BE, BG, CZ, DK, DE, EE, IE, EL, ES, FR, IT, CY, LV, LT, LU, HU, MT, NL, AT, PL, PT, RO, SI, SK, FI, SE, UK. EU-25 means the EU as constituted in 2004: BE, CZ, DK, DE, EE, IE, EL, ES, FR, IT, CY, LV, LT, LU, HU, MT, NL, AT, PL, PT, SI, SK, FI, SE, UK. EU-15 means the EU as constituted in 1995: BE, DK, DE, IE, EL, ES, FR, IT, LU, NL, AT, PT, FI, SE, UK.
11	Evaluations	Tools to provide a reliable and objective assessment of how efficient and effective interventions have been or are expected to be (in the case of ex ante evaluation). Commission services assess to what extent they have reached their policy objectives, and how they could improve their performance in the future.
12	Expenditure allocated	EU expenditure that it is possible to allocate to individual Member States. Non-allocated expenditure concerns notably expenditure paid to beneficiaries in third countries. Allocation of expenditure by country is necessary in order to calculate budgetary balances.
13	Financial regulation	Adopted through the ordinary legislative procedure after consulting the European Court of Auditors, this regulation lays down the rules for the establishment and implementation of the general budget of the European Union.

	TERM	DEFINITION
14	Grants	Direct financial contributions, by way of donation, from the budget in order to finance either an action intended to help achieve an objective part of an EU policy or the functioning of a body which pursues an aim of general European interest or has an objective forming part of an EU policy.
15	Gross domestic product (GDP) at market prices	Final result of the production activity of resident producer units. It corresponds to the economy's total output of goods and services, less intermediate consumption, plus taxes less subsidies on products.
16	Gross national income (GNI)	At market prices represents total primary income receivable by resident institutional units: compensation of employees, taxes on production and imports less subsidies, property income (receivable less payable), operating surplus and mixed income. Gross national income equals gross domestic product (GDP) (see above) minus primary income payable by resident units to non-resident units plus primary income receivable by resident units from the rest of the world. GNI has widely replaced gross national product (GNP) as an indicator of income. In the area of the EU budget this change took effect as from the year 2002. In order to maintain unchanged the cash value of the ceiling of EU revenue, referred to as the 'own resources ceiling', the ceiling had to be recalculated in percentage terms. It is now established at 1.20 % of GNI instead of the previous 1.23% of EU GNI.
17	Headings	In the multiannual financial framework or financial perspective are groups of EU activities in broad categories of expenditure.
18	Macroeconomic equilibrium	The situation where there is no tendency for change. The economy can be in equilibrium at any level of economic activity.
19	Macro-financial assistance	Form of financial support to neighbouring regions, which is mobilised on a case-by-case basis with a view to helping the beneficiary countries in dealing with serious but generally short-term balance-of-payments or budget difficulties. It takes the form of medium-/long-term loans or grants (or an appropriate combination thereof) and generally complements financing provided in the context of an International Monetary Fund's reform programme.
20	Operating balances	The difference between what a country receives from and pays into the EU budget. There are many possible methods of calculating budgetary balances. In its financial report, the Commission uses a method based on the same principles as the calculation of the correction of budgetary imbalances granted to the United Kingdom (the UK correction). It is, however, important to point out that constructing estimates of budgetary balances is merely an accounting exercise of the purely financial costs and benefits that each Member State derives from the Union and it gives no indication of many of the other benefits gained from EU policies such as those relating to the internal market and economic integration, not to mention political stability and security.
21	Outturn	Any of the three possible outcomes of the budget resulting from the difference between revenue and expenditure: a positive difference (surplus), a negative difference (deficit) and no difference (i.e. zero, or perfect balance between revenue and expenditure).
22	Own resources	The revenue flowing automatically to the European Union budget, pursuant to the treaties and implementing legislation, without the need for any subsequent decision by national authorities.
23	Revenue	Term used to describe income from all sources that finances the budget. Almost all revenue into the EU budget is in the form of own resources, of three kinds: traditional own resources — duties that are charged on imports of products originating from a non-EU state; the resource based on value added tax (VAT); and the resource based on GNI. The budget also receives other revenue, such as income from third countries for participating in EU programmes, the unused balance from the previous year, taxes paid by EU staff, competition fines, interest on late payments, and so on.
24	Surplus	Positive difference between revenue and expenditure (see outturn) which has to be returned to the Member States.
25	UK correction	At the Fontainebleau European Council in France on 25 and 26 June 1984, the then 10 Member States (Germany, Belgium, Denmark, France, Greece, Ireland, Italy, Luxembourg, the Netherlands and the UK) agreed on the rebate to be granted to the UK to reduce its contribution to the EU budget.
26	VAT (value-added tax)	An indirect tax, expressed as a percentage applied to the selling price of most goods and services. At each stage of the commercial chain, the seller charges VAT on sales but owes the administration this amount of tax minus the VAT paid on purchases made in the course of business. This process continues until the final consumer pays VAT on the whole value of what is purchased. VAT is broadly harmonised in the European Union but Member States may fix their own rates of tax, within parameters set at EU level, and also enjoy a limited option to tax or not to tax certain goods and services.

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