



European  
Commission



# EU Budget

at a glance

Budget

# The added value of the EU budget

## 28 Member States working together = investments, solidarity, savings, efficiency

*Some 94 % of the EU budget is spent in EU Member States and beyond. It helps millions of students, thousands of researchers, cities, businesses, regions and NGOs. The EU budget pools the resources of Member States and brings economies of scale.*

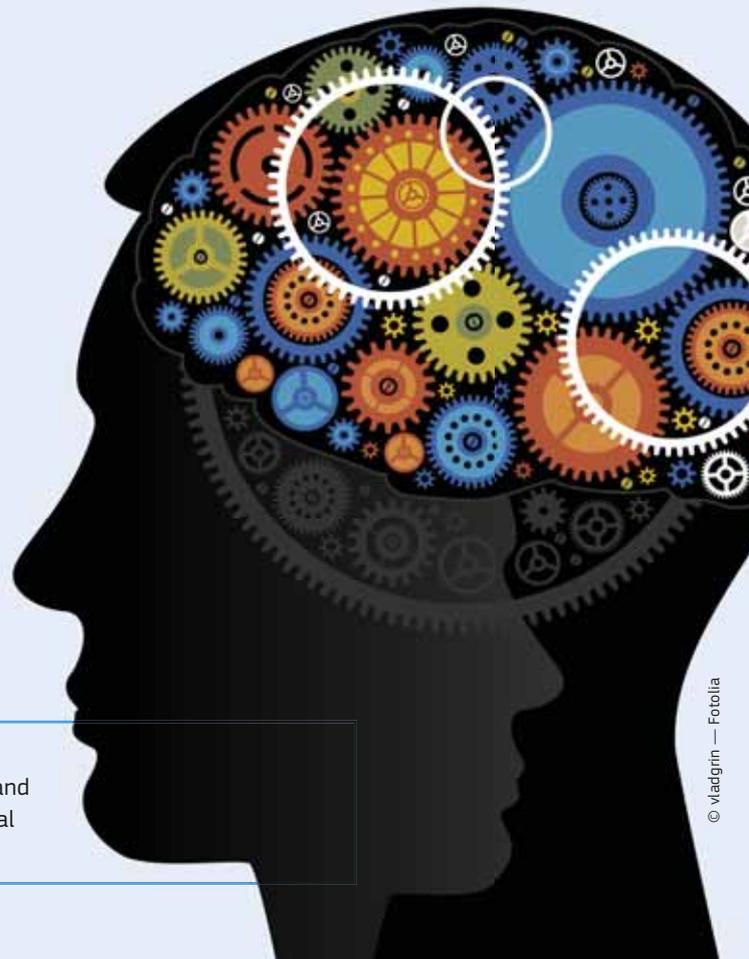
The EU budget supports European businesses and contributes to healthier and safer food, new and better roads, railways and airports, a cleaner environment and better security at the EU's external borders; it increases studying opportunities abroad and cultural exchanges, among other things. The EU also delivers humanitarian assistance all over the globe.

### **The 2015 EU budget is in line with the new European Commission's 10 priorities:**

1. a new boost for jobs, growth and investment;
2. a connected digital single market;

### **The 'Human brain project'**

The 'Human brain project' gathers scientists from all around Europe and the world to understand the human brain better and treat neurological diseases. It would not have been possible without the help of the EU.



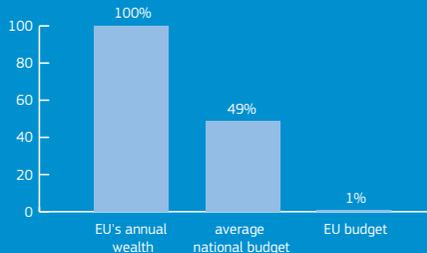
3. a resilient energy union with a forward-looking climate change policy;
4. a deeper and fairer internal market with a strengthened industrial base;
5. a deeper and fairer economic and monetary union;
6. a reasonable and balanced free trade agreement with the United States;
7. an area of justice and fundamental rights based on mutual trust;
8. working towards a new policy on migration;
9. the EU as a stronger global actor;
10. a Union of democratic change.

In November 2014, European Commission President Jean-Claude Juncker launched an investment offensive to boost growth in the European Union and create jobs. It will mobilise EUR 315 billion in private and public investment across the EU in the coming three years and will be backed by a EUR 16 billion guarantee from the Union's budget. The main areas to benefit will be infrastructure, education, research and innovation, renewable energy and energy efficiency.

### Less than the price of a cup of coffee ...

The EU budget is relatively small — smaller, for example, than the annual budgets of Austria or Belgium. In 2015, it represents EUR 145 billion, which is only about 1 % of the annual wealth of the entire EU. By contrast, the budgets of EU countries represented on average 49 % of their wealth in 2013.

In 2013, individual citizens contributed on average only around 80 euro cents a day towards the EU budget. That's less than half the price of a cup of coffee in many places in Europe, but it helps to look after the well-being of half a billion Europeans in 28 countries.



# Growth and jobs

*The EU finances research, innovation and technological development, works towards better employment conditions in Europe and encourages action to make small firms more competitive. It invests in education and lifelong learning and improves transport, energy and digital networks across Europe.*

Between 2014 and 2020, the EU 'Competitiveness of enterprises and small and medium-sized enterprises' (COSME) programme will be spending EUR 2.3 billion to support smaller companies and help SMEs access financing of up to EUR 25 billion.

EUR 26 billion will be channelled into improving transport in Europe in 2014–20 — three times more than in 2007–13.

The Enterprise Europe Network links up 600 partner organisations in 51 countries. It helps SMEs to find partners and markets in Europe and beyond.



## **Erasmus students are 23 % less likely to be unemployed than other students**

Over 3 million young people have benefited from the Erasmus student exchange programme since it was set up in 1987. The new 2014–20 Erasmus+ programme for education, training, youth and sport will provide opportunities for 4 million people to go abroad; this includes 2 million higher education students and 300 000 higher education staff.

## Growth and jobs – some figures:

Between 2002 and 2014, the EU invested about:

- EUR 2 billion to fight cancer;
- EUR 378 million to fight AIDS;
- EUR 239 million to fight malaria.

Between 2014 and 2020, it will invest EUR 80 billion in research and innovation to improve your life, your family's lives and the European economy.

Thanks to funding from the EU budget, 100 % basic (fixed, mobile or satellite) broadband coverage was achieved across Europe in 2013.



### Two Nobel Prizes for EU-funded researchers in November 2014

John O'Keefe, May-Britt Moser and Edvard I. Moser were awarded the Nobel Prize in Physiology or Medicine for their discoveries of cells that allow the brain to create a map of the space around us. Two days later, another EU-funded researcher Stefan W. Hell received the Nobel Prize in Chemistry for his invention of a super-resolution microscope.

# Solidarity between EU regions

*The aim of EU cohesion policy is to reduce disparities between EU regions and Member States in terms of their levels of development. In the long run, this will benefit the EU as a whole.*

## EU cohesion policy in figures:

Between 2007 and 2013, thanks to investments under the European Regional Development Fund and the Cohesion Fund:

- over 770 000 jobs were created;
- 5 million more people got broadband connections;
- 5.5 million benefited from improved urban transport;
- 4.3 million received better water supply;
- 5.5 million were covered by wastewater treatment projects;
- 97 640 companies were given start-up support;
- 23 800 km of road were built or reconstructed; and
- 3 465 km of railway were built or reconstructed.



## A German company working for a Polish project

The German company Berger Bau GmbH was awarded a big contract to construct part of the Szczecin–Gorzów Wielkopolski motorway in Poland; this was co-financed by the Cohesion Fund.

## A cross-border hospital in Cerdanya improves healthcare for French and Spanish citizens

Two regions in France and Spain that share a common border decided to build a cross-border hospital in order to improve the local population's access to health-care. The hospital has been equipped with 64 beds, 32 rooms, three operating rooms, one delivery room and additional multi-purpose facilities.(EU funding: EUR 18.6 million)



### **Better urban planning to adapt to climate change**

The 'Green and blue space adaptation for urban areas and eco towns' (GraBS) project is enabling urban designers, architects and planners from Austria, Greece, Italy, Lithuania, the Netherlands, Slovakia, Sweden and the United Kingdom to create or remodel outdoor spaces and buildings to ensure they are resilient to climate change and extreme weather. It has facilitated the transfer to local and regional authorities across the EU of good practice, knowledge and experience on climate change adaptation strategies. (EU funding: EUR 2.4 million)

*GraBS project*

# Agriculture and rural development

*The EU promotes the sound management of natural resources.  
The common agricultural policy encourages the production of safe, high-quality food and promotes European farm products and innovation in farming and food processing.  
It provides important financial support to EU farmers.  
The EU encourages the diversification of the rural economy and the protection of the environment and biodiversity.*



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## Rural development in figures...

Between 2007 and 2012, thanks to the use of the EU budget in rural areas:

- 83 million inhabitants benefited from improved services and infrastructure;
- 15 000 new tourist initiatives were supported;
- 36 000 microenterprises were set up or supported.

## Transnational cooperation in the wine sector

The EU helped French, German and Luxembourgish wine producers from the Moselle valley to work together to promote their wines and tackle common difficulties. This will help them to raise their profile in Europe and further afield. (EU funding: EUR 202 861)



### **Smart agriculture for the Baltic Sea region**

The 'Baltic Deal' project brings together farmers' advisory organisations from Denmark, Finland, Latvia, Lithuania, Poland and Sweden to boost expertise in agroenvironmental practices. By helping farmers to reduce agricultural pollution, the project tackles pollution levels in the Baltic Sea. (EU funding: EUR 3 million)

### **E-training in rural areas in Andalusia**

The Andalusian Research and Training Institute for Agriculture, Fishing, Food and Organic Production has developed a web platform providing training for farmers in remote areas of Andalusia in Spain who are unable to attend its courses in person. In the long run, the increased training should contribute to improving the region's competitiveness. (EU funding: EUR 225 000)

# Security and citizenship

*In cooperation with its Member States, the EU fights terrorism, crime and illegal immigration. It promotes the efficient management of migration flows and the development of a common approach to asylum and immigration. The EU protects EU consumers and supports the culture and media sectors. In the field of culture, it encourages cross-border cooperation, networking and literary translation.*

## **Improving healthcare in remote regions**

Thanks to EU funding, sparsely populated regions in Finland, Norway, Sweden and the UK have tested e-health services. In Sweden, patients suffering from aphasia, Parkinson's disease or dyslexia have received speech therapy via videoconferences. (EU funding: EUR 933 011)

## **A rapid alert system to protect consumers**

RAPEX is the EU rapid alert system that facilitates the rapid exchange of information between Member States and the European Commission to help prevent or restrict the marketing or use of products posing serious risks to the health and safety of consumers.

*RAPEX: Lighter resembling a toy, with which a child could burn itself.*

## **Asylum policy in figures...**

Between 2008 and 2010, the European Refugee Fund supported 1 615 projects focused on improving reception conditions for asylum seekers and the integration of refugees.



### Preventing radicalisation helps to fight terrorism

The EU budget finances the Radicalisation Awareness Network set up in 2011. It connects key groups involved in countering violent radicalisation across the EU. They work with people who are drifting into extremism and violence. The prevention of terrorism remains a priority for the Internal Security Fund (ISF) set up with funding of EUR 3.8 billion for 2014–20.

### A helping hand for creative cinema

Big international film successes such as *Untouchable*, directed by Olivier Nakache and Éric Toledano, and *The iron lady*, directed by Phyllida Lloyd, received funding from the EU.

### Promoting our cultural heritage

Every year, European Heritage Days give over 20 million people rare access to thousands of places of interest.

# Global Europe

*The impact of the EU budget does not stop at Europe's borders. It helps to ensure stability, security and prosperity in the EU's neighbourhood and across the globe. The EU carries out crisis management and peacekeeping missions and fights poverty in the world's poorest countries. It provides assistance, relief and protection for the victims of natural or man-made disasters. The EU is the largest international donor of humanitarian aid.*

## **EU mobilised to defeat Ebola**

The European Union has responded actively to Ebola since the start of the epidemic. In 2014, EUR 413 million was pledged to fight the disease. Emergency measures were financed to contain the epidemic and support essential services. Experts and specialists, and vital equipment such as mobile laboratories, were deployed in the countries in west Africa that were affected. Over a quarter of the total went on Ebola-related research.

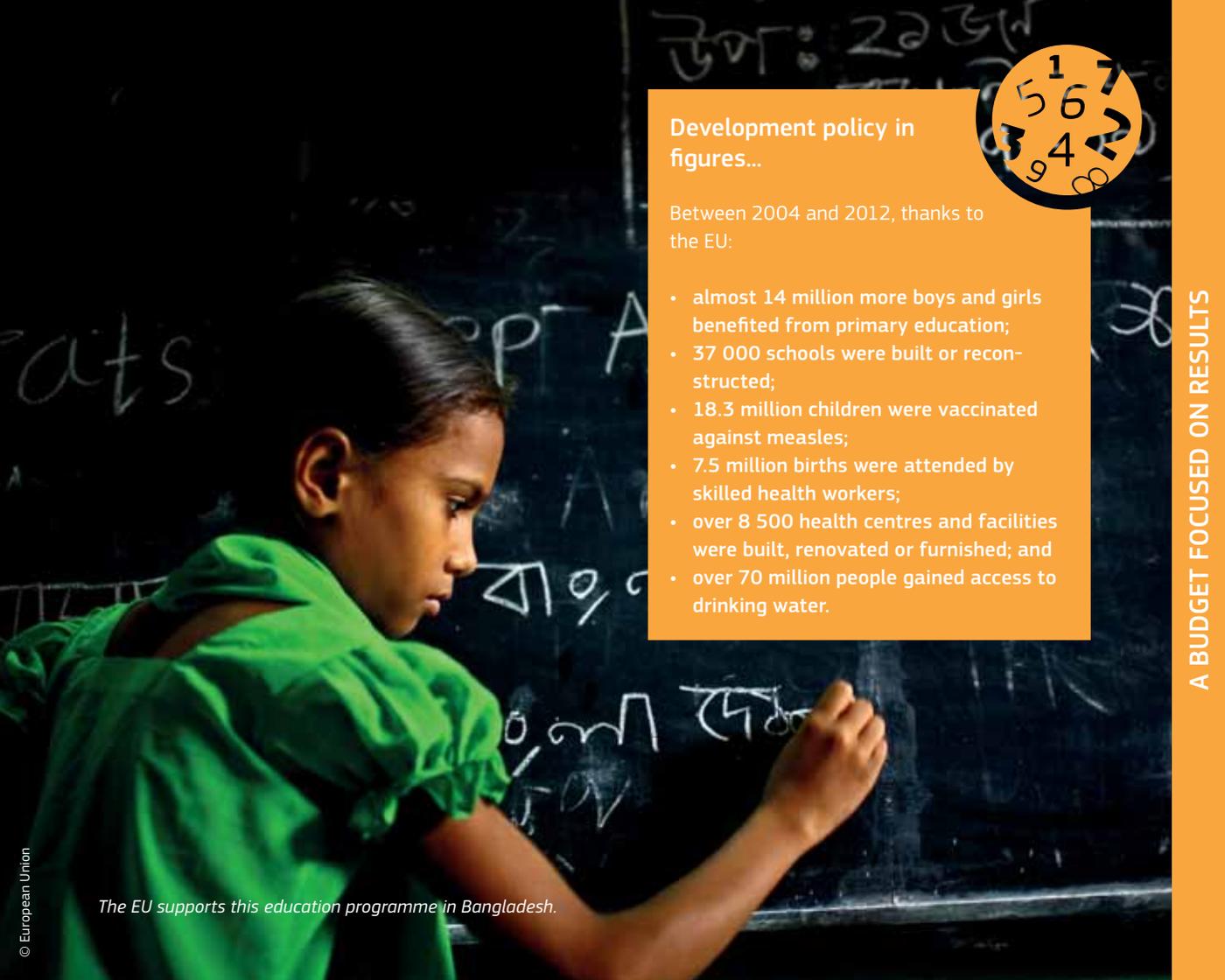


©EC/ECHO/Seferianidis

## **Focus on children in Syria**

Between 2011 and 2013, EUR 174 million from the EU budget was assigned to education and child protection in Syria, in response to the crisis there. In 2014, an additional EUR 128 million was provided for Syria and neighbouring countries.

*Children in Syria bear the burden of years of civil war.*



## Development policy in figures...

Between 2004 and 2012, thanks to the EU:

- almost 14 million more boys and girls benefited from primary education;
- 37 000 schools were built or reconstructed;
- 18.3 million children were vaccinated against measles;
- 7.5 million births were attended by skilled health workers;
- over 8 500 health centres and facilities were built, renovated or furnished; and
- over 70 million people gained access to drinking water.

*The EU supports this education programme in Bangladesh.*

# Administration

*Over 94 % of the EU budget goes to citizens, regions, cities, farmers and businesses in EU Member States and beyond. The EU's administrative expenses account for under 6 % of the total budget, with salaries making up around half of that amount. The EU's civil servants and employees serve 508 million Europeans and countless people in need around the world.*

## EU administration in figures:

- 10 institutions and bodies;
- 6 offices;
- 46 agencies and joint undertakings;
- 33 197 people working in the European Commission;
- 840 trainees in the Commission;
- more than 150 nationalities working in the Commission (delegations included).



© European Union, 2014

## European Commission helps in Ebola-stricken areas

Christos Stylianides (the European Commissioner for Humanitarian Aid and Crisis Management) visited Guinea, Liberia and Sierra Leone, the countries at the epicentre of the Ebola crisis, in November 2014. He met Médecins Sans Frontières representatives and health workers at a treatment centre to discuss the challenges on the ground.

### **Roaming costs less thanks to EU efforts**

Did you realise that the EU has managed to get retail prices for phone calls, text messages and sending data down by over 80 % since 2007? Be aware of the EU legislation on roaming charges and don't let your provider overcharge you!



# Basic facts about the EU budget

## How is the EU budget managed?

The 2014–20 multiannual financial framework sets the maximum annual amounts that the EU can spend in various areas. The EU's political priorities are shaped through financial programming. This long-term plan is an important guarantee for potential beneficiaries of EU funds, co-financing authorities and national treasuries.

## How is the budget adopted?

The EU budget is adopted every year through a democratic procedure.

The European Commission prepares the draft budget. There is no EU finance minister, but Kristalina Georgieva, one of the Commission's vice-presidents, is in charge of the budget and the Commission's human resources. You can follow her on Facebook <sup>(1)</sup> and Twitter ! <sup>(2)</sup>

The budget is then examined and agreed by the European Parliament and the Council. Final agreement on the EU budget for the upcoming year is usually reached in December. In 2015, it represents EUR 145 billion.

<sup>1</sup> [https://www.facebook.com/KristalinaGeorgieva/timeline?ref=page\\_internal](https://www.facebook.com/KristalinaGeorgieva/timeline?ref=page_internal)

<sup>2</sup> <https://twitter.com/kgeorgievaeu>

Did you know? The budget always has to be in balance. The EU never runs a budget deficit, never builds up debt and only spends what it receives.

## **80 % of the EU budget is managed by national or regional governments**

Most EU-funded projects are selected and managed by the Member States. The Commission runs a system of checks to ensure that funds are managed properly and in accordance with the rules.

### **Giving young people a second chance**

Inspired by celebrity TV chef Jamie Oliver, the Fifteen Cornwall restaurant in the UK has helped disadvantaged young people turn their lives around by training as chefs, thanks to a nationally recognised 15-month intensive apprenticeship programme. In seven years, almost 130 young people have spent time working in the Fifteen Cornwall kitchen and 89 have graduated as chefs. Of these, 80 % still have full-time jobs in the restaurant industry and some are now working as head chefs. (EU funding: EUR 2.5 million)

### **Safe haven for birds of prey in Kresna Gorge**

A project in south-west Bulgaria is restoring populations of birds of prey and other emblematic species. It aims to increase the griffon vulture colony in Kresna Gorge from 1-3 pairs to 8-12 pairs. The project will also establish a local breeding centre for vultures and a facility for the rehabilitation and safe reproduction of land tortoises. (EU funding: EUR 188 445)

# Basic facts about the EU budget

## How do we check how the money is spent?

The Commission has overall responsibility for the EU budget. Every year, it publishes annual accounts consolidating the accounts of all the EU institutions and bodies, and those of most agencies. The European Court of Auditors then reviews the annual accounts.

The year 2013 was the seventh in a row that the Court of Auditors had given the budget a clean bill of health. Usually less than 5 % of the millions of payments made annually from the EU budget contain an error. In most cases, the errors are administrative and have no financial implications. Errors are not the same as fraud. The Commission has a zero-tolerance policy on fraud.

At the end of every financial year, the European Parliament has to approve how the Commission has spent the budget. This is known as the 'discharge procedure'.

## Where does the money come from?

The EU budget is financed from three main sources:

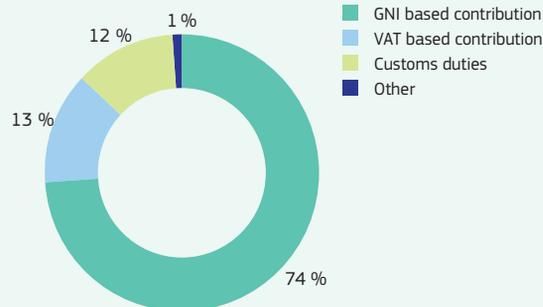
- customs duties on imports from outside the EU;
- a small proportion of the value-added tax (VAT) collected by each Member State;
- a proportion of Member States' gross national income (GNI) in line with how wealthy they are.

This system functions on the basis of a unanimous decision by all EU Member States and the consent of the European Parliament, which then has to be ratified by the national parliaments in all Member States.

Other sources of revenue for the EU budget include taxes on EU staff's salaries, fines, interest and contributions to certain programmes from non-EU countries.

There is no direct EU tax. EU countries remain in control of their taxes.

EU Revenues 2015





### Transparency of the EU funds

Information on who receives EU funding is made public — you can consult it here: [ec.europa.eu/contracts\\_grants/beneficiaries\\_en.htm](http://ec.europa.eu/contracts_grants/beneficiaries_en.htm). Detailed information on funding managed by the European Commission can be found in the Financial Transparency System <sup>(3)</sup>.

<sup>3</sup> <http://europa.eu/lkC66jn>

# Myths and facts

## **‘The EU budget is riddled with fraud!’**

Wrong! The Commission has a zero-tolerance policy on fraud. Fraud affects just 0.2 % of annual spending.

## **‘Most of the EU budget goes to farmers!’**

Wrong! In 1985, around 70 % of the EU budget went on agriculture. In 2013, direct aid to farmers and market-related expenditure amounted to just 30 % of the budget, and rural development spending to 9 %. Although 13 new Member States — most of them with large farming sectors — have joined the EU since 2004, the common agricultural policy budget has not risen to cover the extra costs. In fact, spending continues to fall.

## **‘Cohesion policy is an expensive charity!’**

Wrong! There is a clear link between cohesion policy and growth in the EU. By 2020, the return for investment under cohesion policy in the 2000–06 period is estimated at EUR 4.2 per euro invested.

## **‘Why does the EU keep increasing its administration costs while asking all the governments of the Member States to reduce theirs?’**

The EU’s administration costs are not increasing! The EU institutions are also making efforts in response to the harsh economic situation in Europe. Between 2013 and 2018, staffing will be reduced by 5 % and staff have been working 40 hours a week (instead of 37.5) since January 2014.





*Four generations pose for a portrait.*

# The EU budget and you

## How can you benefit from the EU budget?

If you are a **young person**, you can study abroad or follow vocational training in another country thanks to the new Erasmus+ education programme (4).

If you are a **researcher**, have a look at the Horizon 2020 research and innovation programme portal (5) and check the calls for proposals.

If you are an **EU farmer**, you might receive direct payments to support your income (6). Look also at the funding possibilities for rural development (7) and protection of the environment (8).

If you run an **SME or work for one**, have a look at the portal for the EU's SME programme (COSME) (9). You may qualify for a grant, a loan or a guarantee.

If you represent an **NGO**, maybe you could receive a funding grant (10) if your area of activity relates to an EU policy.

To find out more about possible sources of funding, have a look at the Beginner's Guide to EU Funding (2014–20) (11).

### Cleaner buses

In 2014, support from the EU budget helped to develop hybrid buses (running on petrol and electricity) in Gothenburg that produce 75 % less CO<sub>2</sub> than standard buses. The scheme will be widened to Stockholm, Hamburg, Luxembourg and other cities in Europe and beyond. (EU funding: EUR 1.5 million)

<sup>4</sup> <http://europa.eu/!XC66nP>

<sup>5</sup> <http://europa.eu/!FW34jB>

<sup>6</sup> <http://europa.eu/!jw78DF>

<sup>7</sup> <http://europa.eu/!tg64DJ>

<sup>8</sup> <http://europa.eu/!jV36Xq>

<sup>9</sup> <http://europa.eu/!uC48rv>

<sup>10</sup> <http://europa.eu/!qj63XG>

<sup>11</sup> <http://europa.eu/!wx66hm>



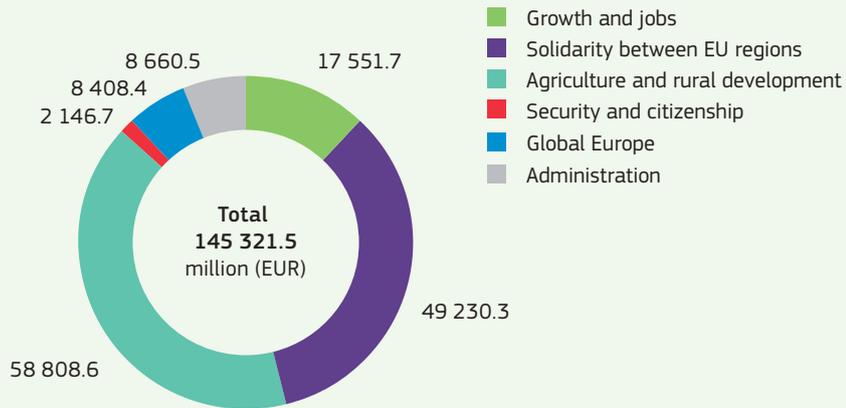
# 2015 budget

		<b>budget 2015 (million EUR)</b>	<b>change compared to 2014</b>
<b>1</b>	<b>SMART AND INCLUSIVE GROWTH</b>	<b>66 782.0</b>	<b>4.37%</b>
	<b>Competitiveness for growth and jobs</b>	<b>17 551.7</b>	<b>6.48%</b>
	Large infrastructure projects (EGNOS, Galileo, ITER & Copernicus)	2 508.9	3.80%
	Horizon 2020 and Euratom Research and Training Programme	9 911.5	6.46%
	Competitiveness of enterprises and small and medium-sized enterprises (COSME)	295.3	16.21%
	Education, Training and Sport (Erasmus+)	1 608.1	3.17%
	Employment and Social Innovation (EaSI)	124.6	1.52%
	Connecting Europe Facility (CEF)	2 225.0	12.59%
	Other actions and programmes	878.2	3.88%
	<b>Economic, social and territorial cohesion</b>	<b>49 230.3</b>	<b>3.64%</b>
	Investment for growth and jobs	45 146.6	3.75%
	Connecting Europe Facility (CEF) – Cohesion Fund contribution	1 217.0	23.80%
	European territorial cooperation	738.4	46.01%
	Youth Employment initiative (specific top-up allocation)	1 407.2	-22.00%
	European Aid to the Most Deprived (FEAD)	525.1	4.75%
	Other actions and programmes	196.1	3196.28%
<b>2</b>	<b>SUSTAINABLE GROWTH: NATURAL RESOURCES</b>	<b>58 808.6</b>	<b>-0.6%</b>
	European Agricultural Guarantee Fund (EAGF) — Market related expenditure and direct payments	43 455.8	-0.7%
	European Agricultural Fund for Rural Development (EAFRD)	13 823.6	-1.2%
	European Maritime and Fisheries Fund (EMFF)	1 035.4	10.0%
	Environment and climate action (LIFE)	435.1	7.5%
	Other actions and programmes	58.7	-23.0%
<b>3</b>	<b>SECURITY AND CITIZENSHIP</b>	<b>2 146.7</b>	<b>-1.2%</b>
	Asylum, Migration and Integration Fund	416.7	3.3%
	Internal Security Fund	394.8	-2.1%
	Justice	49.3	4.8%
	Rights, Equality and Citizenship	57.4	3.8%

		<b>budget 2015 (million EUR)</b>	<b>change compared to 2014</b>
	Union Civil protection Mechanism	29.3	3.7%
	Europe for Citizens	24.3	-4.5%
	Food and feed	258.5	2.0%
	Health	59.8	2.0%
	Consumer	24.7	2.5%
	Creative Europe	177.7	-1.6%
	Other actions and programmes	654.5	-5.6%
<b>4</b>	<b>GLOBAL EUROPE</b>	<b>8 408.4</b>	<b>1.0%</b>
	Instrument for Pre-accession assistance (IPA II)	1 572.3	-0.4%
	European Neighbourhood Instrument (ENI)	2 036.0	-7.1%
	Development Cooperation Instrument (DCI)	2 445.5	4.5%
	Partnership instrument for cooperation with third countries (PI)	118.6	-0.3%
	European Instrument for Democracy and Human Rights (EIDHR)	181.8	-1.3%
	Instrument contributing to Stability and Peace	320.1	0.6%
	Humanitarian aid	928.8	0.9%
	Common Foreign and Security Policy (CFSP)	320.8	2.0%
	Other actions and programmes	484.5	35.6%
<b>5</b>	<b>ADMINISTRATION</b>	<b>8 660.5</b>	<b>3.0%</b>
	Pensions and European Schools	1 719.3	6.6%
	Administrative expenditure of the institutions	6 941.2	2.2%
	of which <i>Commission</i>	3 275.0	0.4%
	of which <i>Other institutions</i>	3 664.0	3.8%
<b>6</b>	<b>COMPENSATIONS</b>	<b>0.0</b>	<b>-100.0%</b>
	<b>OTHER SPECIAL INSTRUMENTS</b>	<b>515.4</b>	<b>-11.6%</b>
	<b>TOTAL</b>	<b>145 321.5</b>	<b>1.8%</b>

The amounts mentioned above represent expenditure estimates for EU policies expressed in commitment appropriations, which are legal pledges to provide finances. Payments — as cash or bank transfers to the beneficiaries — can be made only on the basis of commitments.

# 2015 budget by heading





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Luxembourg: Publications Office of the European Union, 2015

Cover illustration: © European Union

Print ISBN 978-92-79-44355-8 doi:10.2761/680277 KV-06-14-180-EN-C

PDF ISBN 978-92-79-44368-8 doi:10.2761/203060 KV-06-14-180-EN -N

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Printed in Belgium



Publications Office